Rainmaker PODCAST

EPISODE #16

PHIL SHANKWEILER

STARWOOD

Welcome to the Rainmaker Podcast with your host, Gui Costin. The goal of this podcast is to give listeners a unique look into sales strategies from top industry executives. We introduce you to the heads of sales and heads of distribution who will help you understand the inner workings of the successful sales organizations from philosophy to execution. This podcast is essential for sales professionals seeking wisdom from the best in the field. If you're not familiar with Dakota and their Dakota Rainmaker content, please check out dakota.com to learn more about their services.

Gui Costin: This episode is brought to you by Dakota Marketplace. Are you tired of constantly jumping between multiple databases and channels to find the right investment opportunities? Introducing Dakota Marketplace, the comprehensive institutional and intermediate database built by fundraisers for fundraisers. With Dakota Marketplace, you'll have access to all channels and asset classes in one place, saving you time and streamlining your fundraising process. Say goodbye to the frustration of searching through multiple databases, websites, Form ADVs, and say hello to a seamless and efficient fundraising experience. Sign up now and see the difference Dakota Marketplace can make for you. Visit dakota.com/dakota-marketplace today.
What's up, everybody? Welcome to the latest edition of Rainmaker podcast. We are welcomed today by Phil Shankweiler, Senior Vice President of Starwood Capital. Phil, welcome.

Phil Shankweiler: Great to be here.

Gui Costin: It's great to have you here. So as you all know, we've had a lot of guests on this show. And the goal is to provide best practices and insights into how the best distribution leaders run their companies. And that's what we're going to go through today with Phil. Phil Shankweiler is a Senior Vice President at Starwood Capital, LLC. In his role, Phil heads RA fundraising for Starwood Private Wealth Solutions. Prior to joining Starwood, Phil spent 16 years with Hartford Funds, where he held a variety of senior management and client relationship roles focused on serving the industry of professional investment advisors. His past work includes overseeing the relationship management of Key RAA Bank Trust, and family office's investment platforms, as well as serving as the National Internal Sales Manager across distribution channels. Phil is a frequent industry presenter and writer, covering distribution trends and portfolio strategy within US wealth management. Phil has a BS in finance, an MBA from Villanova University, and is a charter holder of both the CFA and CAIA designations. He is currently a member of the CFA Society of Philadelphia and an executive member of the CAIA Pennsylvania chapter. Phil and his wife Samantha, as well as their three young children, reside in West Chester, Pennsylvania. Starwood is such an awesome company and such an awesome business. But before we get into that, could you just give us a little background, college, and what led you to Starwood?

Phil Shankweiler: Yeah, absolutely. It's good to be in Philadelphia. Born and raised in the Philly area. Probably most proud of team Shankweiler. Today, five strong. We're blessed with twin girls that are seven, and our little guy is three. So they're keeping us busy. The real estate markets are keeping us busy, too. Had a just amazing opportunity and was really fortunate to come into a company that many, I'm sure, listeners will know well, PLANCO, out of college, which was an amazing opportunity because PLANCO is essentially a dedicated distributor and marketing firm. They were professionals at raising capital.

Gui Costin: So just-- let's hit on that for one sec. PLANCO is an iconic company. Leadership of that was unbelievable. And they're still doing great things with what they're up to in the ETF business. Walk us through just what would be one or two key takeaways that you-- stood the test of time from your days at PLANCO.

Phil Shankweiler: Yeah. The power of a story and a message, right? These guys were just as good as I've ever seen at communicating value through an investment story. And I think everybody that's come from that place understands just how powerful the stories that were produced in PLANCO and the ability to then go equip a sales force to go take a message to market-- it was incredible.

Gui Costin: Wow, that's an incredible takeaway. I love that. I love that. Always delivering value and telling a story through value. All right. So after-- so PLANCO, and then--

Phil Shankweiler: Yeah, and I had an interesting start to my career. Came in as an internal sales manager in what was then the Hartford's mutual fund business. By that point, they had acquired PLANCO and was using PLANCO as really the distribution and marketing framework for everything they were doing in US wealth at the time. And early on found myself as the business was transforming through the financial crisis managing a team.

I was helping to build a wirehouse presence and I was managing an internal team, and then was fortunate to move into a role heading all of internal sales, which was a big unit there at the time. There were 65 folks that were on the phones every day. It was our client service unit. So an incredibly pivotal time for me to learn. But I always say that was the name of the title, but the work was really sitting as a chief of staff to the sales leadership at the time. And it was a crash course in the leadership side, the strategy side, how we were building and equipping a sales force with the tools to then go work a sales process every day. So it was a little bit backwards as I was kind of learning about building the process and the strategy before then having an opportunity to go out and help us build the RAA channel.

Gui Costin: So what would be some of the learnings for you as a young sales leader within PLANCO and managing that internal team?

Phil Shankweiler: You know, one of my primary observations early on from PLANCO but in the industry was that many of our sales leaders had evolved from being our best sales producers and had an unbelievable ability to tell stories and work the sales process, but were learning on the fly as how to build the business. And I at the time was going to grad school in the evenings at Villanova and trying to apply, hey, there's this theory to building the business, right? And we're trying to connect the art and the science here every day. And sitting on a team with divisional sales managers and some iconic leaders at the time-- it was just an incredible crash course in combining the power of a sales force with good business strategy. It was a phenomenal experience for me.

Gui Costin: That's great. That's great. And then from PLANCO--

Phil Shankweiler: Well, actually, through the financial crisis the Hartford was making some changes and created a separate standalone subsidiary called Hartford Funds, which moved everybody down here to Radnor, Pennsylvania. And we were doing a lot of things thinking about future growth, and one of those was the RAA channel. So at a time then in 2012 and '13, we were really thinking about a dedicated sales force and a coverage model and how can we build this business? And was given an opportunity to go out into a territory and help us build that. So from there, for the next several years, my job was to go and carry the message into an RA channel that we had some exposure in. But a lot of advisors and a lot of RIAs just frankly didn't know the business and who we were. And I always say this, Gui, it was fascinating in what happened. Because there was no reason to believe that I should have ever been successful in that role. I had no relationships. I knew no one. I had no experience there. But I did have a process and understood how to use the tools to make me really efficient and effective and really productive. And we can talk about this later, but I think my takeaway at that period of time was what it means if you are well organized and you are effectively taking your time and resources to a focused subset of the market that is going to react well to your message and products. And building a pipeline and building that pipeline every day to a point where, you know, some commitments are going to come from that and that territory is going to grow. In year three, it was the biggest territory at the firm. And it really was just about process.

Gui Costin: So talk to me. So RAA channel-- near and dear to my heart. Been calling on it my whole career. Massive commitment to it. I've raised over $8 billion. We have over 300 RAAs as investors in the different funds we work with. Help the audience understand the characteristics of the RA channel, and then what you believe is the proper way to attack it. Because I don't think it's really changed in my opinion since I got into it. I mean, it was all an independent sale. It was one on one. You had to get face to face. But how would you characterize the approach?

Phil Shankweiler: I mean, there's a couple key characteristics. And I think that's always the place to start when you or any asset manager is thinking about entering the channel or building the channel. You've got to understand the nature. And it is a bit different and unique. It's both unique from the institutional channels, the traditional institutional channels, and clearly what's happened and evolved in the wirehouse and independent channels.
But it starts with the way investment decisions are made. And they do take a more institutional approach. You are generally engaging with folks that come from investment backgrounds and wake up every day and think about building an investment program as opposed to the advisor that's wearing all the hats. They are planners, they are asset allocators, they are trying to manage their business and their book and their relationships. And that institutional model to hire and build first asset allocation and then hire best managers-- that's just a very different process and environment in the RAA space. And that should affect everything you do, starting with your talent and how you staff that. It should affect the way you build process. It should clearly impact the way you think about best product, best fit. So starting from that understanding is everything. But being very specific about how are investment decisions made,

and how can our folks bring a message, influence a decision, and persuade folks to come to the position that they might about the services and what we say we provide in terms of our investment capability?

Gui Costin: That's great. So let's transition into your team today. You're at Starwood. Tell us what you're running. What your specific role is so we can make sure we understand that. And then talk to us how you structured your team to attack the market.

Phil Shankweiler: Yeah, and just a minute on Starwood. For those that might not know, it's essentially one of the largest private investment firms that's fully dedicated to real estate long heritage and raising institutional capital and investing in opportunistic real estate strategies and delivering high RRs to institutions. Five or six years ago, the firm had this vision of bringing investment capabilities to wealth and individual investors. The flagship and the start of that was getting an income-focused, high quality real estate strategy into wealth, which had great success along the way. They had taken some institutional resources and built a really substantial RAA investor base. And the call and my coming to the firm was about this opportunity to help really build that business, lean into that channel further, and ultimately bring more capabilities to the RAA channel over time. So today, that's a team of seven that's fully dedicated to RAA platform. You know, we have given our focus in the evergreen core real estate space and our product specialization. There are some other things in there. Small institutions. Single family offices. But primarily, 90% of our business is RAA, RAA platform, multifamily office. Seven folks, four externals, and three folks supporting.

Gui Costin: So four externals to the RAA channel. That's a big team. For the RAA channel, it is. It's a very big team. Talk to me how you coach those individuals to be able to perform at their best in the RAA channel. Because I think the reason I'm peeling back the onion on RAAs is because it's a channel everyone wants to be in. It's a super sophisticated channel. It's a big deal, right? But there's a lot of myths out there for what it means. Some people call it retail and they say this and-- but it's-- I don't want to steal your thunder on your answer, but I'd love to hear how you coach the team on how they approach the interaction effect with each RAA.

Phil Shankweiler: Yeah, talent is so important. And it will cascade from what do we understand about this channel and why it's different. So then, how will we approach this differently with our talent? And then how will we develop our talent to perform every day? And I've always said this. I truly believe there's four core competencies in a career of investment sales that translate across channel, and really every-- from intern to heads of distribution. It's about communication skills. We are about every day positioning and differentiating what we're doing in the marketplace. It's about our expertise, which may be even more so in the RAA space. I always say our investment knowledge is our relationship equity, right? That is the stuff that gets us access on a recurring basis. We're providing value from their work, and their work is investment work. So communication skills and investment sales-- or investment expertise or knowledge. But also the business side, right? And that's about managing a territory and managing this massive swath of the country. And we've got investors, we've got producers, we've got folks we've never gotten in the door. We need to clearly have the ability to manage a sales process and a business. And then the fourth bucket are the intangibles. I mean, is this guy motivated to win and energetic and enthusiastic? Everyone can do that day in and day out. But through that frame, I think you can have a firm and a team conversation about how will we develop. So communication skills is all about our sales message. The investment expertise. I'd spend less time talking about scripts and sales tactics and more about, I want these folks to be experts in the things they're talking about every day. So how can we get them there? And the business side, which we'll get to. Managing a sales process is something that we're going to work on every day. And you could spend a career, and we do spend a career executing that at a high level. So I think it starts with the competency model. That we all agree this is what success will look like, and let's build talent and a talent model and talent training around those competencies.

Gui Costin: Yeah, we're always talking about the RAA channel here. So the way I posit it when you just describe the business side is, I always encourage all of our sales team members to think of themselves as Gui Costin, Inc. As a one-person sales business, not as-- you're always a sales person, because I think that's super important. But you got to think like a business person, even if you're just yourself, which means putting systems and processes together, right? So let's dovetail. Let's talk now about your sales process, because that's exactly where I think you were heading-- is walk us through the sales process. And obviously, there's a lot of training. And I love the four core principles that you just went through. But do you want to describe to us how you've set up the team from a sales process perspective?

Phil Shankweiler: Yeah. And I love listening to this podcast and just hearing other leaders and anyone in our space define these things. You know, it's generally done with different words, but I think we all get to the same place. And I always start with my team with, let's make it as simple as possible. You've got a list every day. We need to be organized and be segmented so we can be sure that we're focusing our time and resources as efficiently and effective as possible. Who are you calling? Where is your focus? Focus list, right?

Gui Costin: Yeah, I call it focus on what matters most. It's the umbrella principle of our sales process.

Phil Shankweiler: Yeah. And that sounds so simple. But there's so much time involved in taking a target-addressable market and segmenting in a way where we can then go deploy all of our time and resources. The second piece to us is maybe the most important, and I think the hardest part about the RAA channel. And it's clearly one of the hardest parts about everything we do in every channel. But it's access, right? We can segment well and have a very clear understanding of our best targets and prospects. But getting in that door is frankly the hardest thing we do. And you guys talk about the power of cold marketing and the new relationship. The value of a new relationship to our business is-- I mean, that might be the most important thing our sales team can do, right, is get our brand into wealth, into the most important corners of our channel. So--

Gui Costin: We got to stay on this point for one second, cause I'm addicted to the new. Now you have to take care of your existing clients. No question. But every business depends upon getting new customers. Getting new clients. But there's not-- yeah, you can get a referral. But I would say, why would I wait for-- if I can't get a referral, why am I waiting three months for a referral when I can do cold outreach right now and say, look, I'm going to be in Boston. I'm going to be in New York. Can you meet at 9:00? This is who we are. This is what we do. Can you meet at 9:00 on May 26th? So can you talk to me about how you guys look at the cold outreach. Because again, remember, when we talk to the audience-- and what we're trying to deliver here is-- well, we're talking about best practices. And a lot of times people are like, no, I wouldn't do cold outreach. I mean, I wouldn't have a business if we didn't do cold outreach.

Phil Shankweiler: Yeah. No, that's well said. And so if the first component is the list, the second piece is the engagement model to get us access. And we have different resources available to us. We have different segments that are clearly going to be harder or easier to get a first meeting. You know, the hit rate on a cold email to a top 100 RAA from someone they don't know is low, right? So we're going to think about that differently. But I call it the engagement model. And we've got resources and a marketing department and a lot of time from our folks that are sitting back in our office within the CRM every day to go deploy outreach emails and calls. And there's a ton of new relationships that we can pick up there. Clearly, our externals are focused every day on getting the most engagements they can via live meetings and Zoom calls. But that access point at the hardest places-- that's where we spend the most amount of time. And frankly, that's where we think a lot about events. We think a lot about-- we think events in a very specific way. We are not all things to all people. We are a specialist manager that fits in certain places with certain types of investors, right? So we think about where are there and where are those intersection points? There's a lot of opportunities to get out there and put our brand on a conference floor at the biggest corners of the market. But we're looking for more unique, intimate ways where A, we can ensure we can intersect with these folks. But importantly to us, if we're going to make the spend, we want to share our story. So whether that be a panel or a breakout or there's an opportunity to sit one on one, that dollar to us is valuable if we get to share our story. So we're looking for those opportunities. And frankly, that's where we've seen the most amount of success in incrementally getting access to the biggest and the best.

Gui Costin: Gotcha. So going to conferences, getting on a panel, being able to tell your story.

Phil Shankweiler: Yeah. And being very selective about-- and taking time to curate what are those places? And I just say, I think there's a subset we have success and some that we don't. But that's clearly a big part of the engagement strategy.

Gui Costin: That's a great takeaway. OK, So I know sales process ties into our next topic, which is near and dear to my heart, which is communication. So I'd love to hear how you've set up the communication pattern for your-- first on your team, which is really, really important. And then separately, how you manage up from a communication standpoint. Because I communication is part of the sales process, so could you walk us through your communication strategy for the team?

Phil Shankweiler: And it directly relates to the sales process that we talk about every day. But in terms of when and the what, every Monday we have a national call where we're talking about message. And we'll have investors on. We'll have specific product discussions. But we're talking about message. Our product. What are we talking about every day in the marketplace? That is a broader call with both my team as well as the wider bank team.

Gui Costin: And when you talk message, give me one example of what do you mean by message. The message of the firm? An individual product? What do you--

Phil Shankweiler: Yeah, so we'll focus on an individual product and we'll talk about what's relevant to both that market today and what's happening in the positioning of our portfolio. Essentially, we're trying to think about what conversations are our sales team having right now, and how can we all get better with the messages that we're bringing to that advisor?

Gui Costin: Do you know why that's such an awesome thing? Because I haven't heard that on some of the stuff that we've been doing-- is because that means you're tapping into the collective knowledge of all your teammates because they'll be able to share on that call, I'm assuming, what's been working and what's not. What's resonating with people? How are we explaining certain things? If you're in a certain-- if you're somehow in retail today, what's the pushback? What's the consensus thinking versus what you're seeing on the floor-- on the ground, if you will?

Phil Shankweiler: And it's a fluid thing, right, where we-- and I think a lot of shops that have a lot of products and a lot of capabilities have to be very thoughtful about, OK, when are we bringing in on a product expert to think about this particular fund or that fund? For us, we're really trying to understand-- with a smaller subset of strategies, we're really trying to understand what are the specific conversations that we're having here today, last week, and this week? You know, Greg Stumbo was on earlier and talked about the red, yellow, green. About what are we talking about? Not talking about? What should we be talking about? I loved it. And I think that's so important as we think about national calls and getting everybody together-- is having it be very relevant to what are we actually talking about today, and what should our message be?

Gui Costin: Yeah, because it's also-- it's part and parcel of educating your team. I mean, it's ongoing training and educating wrapped in your weekly messaging meeting. Wow. That's awesome.

Phil Shankweiler: So then on Wednesdays we'll have a smaller team meeting where-- and this gets into the third leg of the process. If the first is a list and the second is how we are engaging from those engagements, we should be sourcing opportunities. And we'll get there. But my team affectionately calls me Captain Salesforce. And I think about what we're doing within the CRM collectively and at the territory level every single day. I think the most important tool we have there is the sales funnel for both individual accountability and the success of the territory, but also about the business and speaking up. So on Wednesdays we're collectively talking as a small group without other leaders-- talking about what's happening in the field, what developments have occurred, and what's happened in the pipeline? And we want to take that feedback. We want to really get on the same page, help each other to work through particular sales scenarios that they might have. But then it's on Friday, where we have senior leaders join us and the team to go through the pipeline and talk about the specific feedback that we're getting as we're positioning strategies. What's working? What's not? What's notable? Is there a large commitment that's coming in the business needs to be aware of? So it's a three-pronged approach, right? It's message, it's a smaller sales meeting where we're talking about our sales discussion, where we're talking about our pipeline, where then we bring in leadership with us to have a live conversation on a Friday.

Gui Costin: So not only is it so professional how you're set up-- what I call career longevity, because if you're not informing-- and I said this to you in the pre-call discussion. If you're not informing your higher ups and everyone, they are going to think you're playing golf every day if you're not telling them how you're doing against the plan on a consistent basis. I don't want to forget when we get into CRM discussion about leverage, because you obviously are-- the CRM's a big leverage point. But I just want to stay on communication.
So I get the Monday, Wednesday, Friday. That's amazing. And by the way, sequence is really brilliant. And is that what you need to do, or do you have a separate meeting to report up to the senior executives on a quarterly, monthly basis?

Phil Shankweiler: Yeah, there's a weekly meeting with the sales leadership team and the heads of private wealth. And we'll often have other leaders within Starwood that join that meeting where we are talking at a bigger frame about what does the business look like? What are we building? What are we working on? So that is a place to where we're generally having that conversation as well. But we try and specifically dedicate time to the pipeline, the sales process, our business work or activity on live calls with them. I've found that that's a great place for them to get an understanding of what we're doing and what we're working on. And just getting back to the three components of the sales process, I've always said it should start with a collective build around our goals and objectives with the team. With sales leadership. Everybody's involved. What are our goals and objectives, and why? And can we all agree to that? And can we agree to the level of activity and the kind of activity that will all need to get there to produce those results so that we can then go look through an activity report? Or what we'll do is put the dashboard on their home page-- both the individual dashboard, but we've got a roll up where it's very easy for the individual to hold themselves accountable. We've all said, we've all agreed collectively this is what we need to do. And it's less about, you know, a mandate that we're not hitting the mark or you relative to another producer is not hitting the mark. But it's more about, these are the things that we all agree to. And let's keep this front and center. We've agreed to this many engagements and this many touchpoints and this many events. So we've got an activity report that's clearly aligned to our engagement model we've all agreed to, and we've all clearly discussed the importance of the pipeline and being able to move something from a new opportunity to a closed deal. Those are the two reports that we're all talking through, senior leaders, individual contributors and managers.

Gui Costin: Yeah, that's such a big deal because then-- and that happens weekly with your senior team where you're going through that. So they're completely in the know. So these are huge takeaways because this level-- because I always think communication is everything in business. And what I always say as a leader to the team-- I say, listen-- and this is really what you're doing for the senior leaders-- is you don't know where they're going to be during the day, who they're talking to, what's going on. By you providing them all that information on a weekly basis, they then can pull from that information and use it. A lot of people will do it every two weeks, or sometimes monthly. And it's like, wait a second, you're interacting on a daily basis doing things you don't know what they're doing, who they're talking to, where they could be adding value because you've given them that information. And it's a really powerful thing. And also, it's just totally professional. So let's get into it. But I want to talk high level, Captain Salesforce, because this is awesome because I'm a biggest Salesforce nerd on the planet. Can you just talk about what you believe Salesforce does from a leverage standpoint? Meaning, you have those three meetings. You can press one or two buttons and have your pipeline reports done. Everything. There's no prep. You can literally do it in two seconds. Talk to the audience and help me understand where you believe what a Salesforce or CRM does for you and your business.

Phil Shankweiler: I love the word leverage. It is operating leverage to everything you do in your business. And we can talk about a list. Well, if you want to segment 500 advisors that you believe make up your addressable market and you don't have a good way to both segment that and organize that and cut and slice based on where you're going and who you want to see and what type of event you want to put on, you're going to be orders of magnitude less productive than the guy that does.

Gui Costin: So let's talk about that segmentation, because-- I don't mean to interrupt you. I just want to make sure. Because really. What you're saying is, you got to measure your progress against your TAM. If you're [INAUDIBLE] of 500 advisors, you're saying, I need to know my penetration rate.

Phil Shankweiler: And we all agree that there's a subset here that we believe are the most qualified prospects for the investment capabilities that we bring to market, and this is our best opportunity for success. Everything we do should be about getting access and getting a new relationship here. But before we can talk about what we're going to do, and the who and the why and when and what you're going to say in the meeting, we've got to know who those folks are. We've got to be-- and as we segment A, B's and C's, producers and prospects, folks we've engaged with that might be in the pipeline, and we're working to drive a commitment versus targets, the big firm that we all think looks good on paper. But nobody's gotten in the door, right? As we organize those things and think about different resources there, the segmentation can allow different individuals to be doing different things and stay well organized. But it all starts from the list. And going back to my own personal experience with this, I spent the first six months of a new territory There. You know, six months, I wanted to say my market is more organized and segmented, and we've got every account and every contact here as well labeled and as well organized-- and that provided leverage to everything I did for the next eight years. It is the tool, right? And when people talk about Salesforce, I'm always perplexed when they think, well, I'm trying to adopt this or I'm getting there. And it is the thing, right? It's the business analyst that doesn't use Bloomberg. It's the corporate accountant that can't use Excel. Like, this is our tool.

Gui Costin: And it's the ultimate leverage point for a businessperson, a salesperson, what have you. Can you just talk-- just unpack this a little? Because I want to make sure you make the point. Because I heard it. But being able to then, once you interact with an opportunity-- so let's say it's an RAA and then a specific person at the RAA. Being able to categorize A, B, C, whatever you're going to rate it, whatever your system is, but making sure that every time you interact with them, you're tagging something in there so you can put them in a bucket versus have everybody stay in the same bucket. Can you talk about that? Because I heard you talk about ranking them or putting them in certain buckets based upon those interactions.

Phil Shankweiler: Yeah. Segmentation is about organizing the entire territory to understand how we're going to prioritize our time. And that list is not necessarily, but certainly could be-- once we've qualified a segment A prospect for us, they're generally going to remain a segment A prospect. But hopefully what is changing is an opportunity is created or driven forward. So if we have a checklist or some things that we really care about at the back end of an engagement to capture in Salesforce, we clearly want to pull all that information in. But our goal here is to create an opportunity or push an opportunity through due diligence and closer to a commitment. So we've got a report that looks at how the pipeline has developed or what opportunities have advanced in the pipeline over a certain period of time. And that's critically important to us. And that's another-- if I say to my sales folks, what are the two things that I care about this week? You wanted the most amount of engagements and you wanted to develop or push through as many opportunities as you could. We've got two reports. We've got two things you should care about and think about every single day. But I think that's exactly right. You're segmenting your list to understand how you're going to engage so that you can ultimately source opportunities in the pipeline.

Gui Costin: So you shared so much. Thank you. And it's clear that every distribution leader that I've had on-- there's not a reason that-- it's why they're so successful, is they do embrace technology, and in this case, a CRM, for maximum leverage. So in storing all that information. It's also, the ability to retrieve and recall information is insane versus Excel spreadsheet or, you know, lists or sticky notes or what have you. So awesome. OK. Well, thanks for all the feedback. Another person who just adores Salesforce, just as I do.

Phil Shankweiler: Captain Salesforce.

Gui Costin: Captain Salesforce. I mean, it's the best. OK, could you just give us-- really three more key questions. And one is, could you just describe your approach to leadership around how you treat people? Culture and your personal leadership style?

Phil Shankweiler: Yeah. You know, I start with the definition that has rung true for me. Everyone has a different view, but for me, leadership is all about making things better around you. Simply put, it's the individual that makes everything around them better, whether that's process or people or culture. It's less about manager and direct report as much as it is about the intern from the CEO, right? The intern can come into an organization and make the process better and make the quota. It's going to be hard, and they're going to stand up and they're going to have to say something different than might be the traditional way of doing things. But that's the starting point for me. And in my seat, or what I've found to be effective with the goals that we have and the channel that we're in and the folks that I'm hoping to motivate and inspire every day to put a foot forward-- Goldman's leadership styles talk about vision. I use a different word. I like to think about perspective. You know, I think the best leaders can make the complex clear. They can align our perspective every single day back to our vision and the win-win for the investor, for our business, for our territory. There's clearly so much minutia and complex information and difficult scenarios. And people talk about resilience in a sales career. I think the ability to get back to our work with energy, enthusiasm is everything, right? And the leaders that can inspire and motivate through creating the right frame or the right perspective. And that takes a lot of deeply understanding the why in everything we do. I want to come back to, if we're making a hard decision, why is it important to the firm? And I think if everybody understands that, we can all get to the same place. And the same way with our investors. Why is this so valuable as an investment solution within the investment program that they're building? What is the win here? And if you deeply understand that and have the right perspective, I think it will allow you to come to your work every day energized and enthusiastic about getting the job done.

Gui Costin: I love your leadership style. It's very thoughtful. That ties into-- so what would you say to a young salesperson getting into the business today? What advice would you give that young salesperson?

Phil Shankweiler: Yeah, simply put commit your career to, to learning. You know, I think one of the best parts about our industry is that you can never capture it all, right? There is so much, whether it be-- we're talking about the world we live in and the products and services that make it a bit better, and the capital behind that and the investment solutions that can allow better investment outcomes. I mean, there is just infinite amounts of knowledge and space to cover. And what I have found, and even thinking back to those core competencies, whether it was communication or your investment knowledge or your ability to work a business or manage a territory, we can be developing at every stage of our career. The things I was doing as a 24-year-old are certainly not the things that I'm doing today. And I think you take things to the next level and the next level. But I was always explicitly thinking about, in this role, given my work and my goals today, what is it that I can invest time and energy into learning? And it has been the tailwind of my career growth. So I think, you know, take the perspective that I am always going to learn. Not a short-term goal to learn something. But work into your daily habit and your life, we're going to learn something today.

Gui Costin: And so whether it's researching business books, reading every book you possibly can, reading best practices, studying-- and Google has it all. That's the crazy thing. It's all there and a lot of it's for free.

Phil Shankweiler: Yeah. When we talk a lot about it in our channel and our work today, I think maybe more so than ever, it's a dynamic conversation, right? This is great. We all have favorite sales leaders and books. And one that stuck with me was, Daniel Pink wrote a book called Selling is Human. And people know his book, Drive. But Selling in Human is all about, I think, the sales environment that we find ourselves in in the modern day. It talks about the old transactional sale where you had a buyer and a seller, and one has all the information and the other has nothing, to today, the world of advisory sales where we're there to help provide advice and provide solutions. And within that, he makes a distinction between always be closing and the old world of tactics and sales scripts to the new world-- as he describes it, attunement, buoyancy, and clarity. And the attunement piece is having all of this deep expertise and experience to sit on the other side of an allocator and understand the preconceptions, the goals, how do they build the investment program, the objectives and the constraints? so that we can then go frame our message in a way that is coming from their perspective and is in tune to the way we're going to find a mutual solution. You know, the buoyancy piece is all about resilience. It's all about-- we all aspire to show up and be energetic and enthusiastic every day. But after you write a hundred emails and get no responses or the guy tells you for the fifth time he's not interested, the ability to be resilient, be visible, be productive for long periods of time is such a key cornerstone principle to a sales career. And the last piece is clarity. Now I see this a lot with young sales folks. They invest their time to learning every word of the DDQ. They have infinite knowledge about our own business and our own products, and they want to tell you everything. And the difference between that and being very clear, concise, and convicted around how we're different and how we can help build a portfolio-- those are two very different things.

Gui Costin: OK. I'll ask you a little tactical question before I move on to the last question. Young salesperson comes to you and says, Phil, what would you recommend when I should come in to the office-- get to the office and leave the office as the first five years of my career?

Phil Shankweiler: That's a great question. I'd first share what I did. Which, I was in the parking lot when the lights were off and it served me well. And again, it gets back to, if you're committed to learning, I think there's a lot of time before and after office hours where if you've got the ability to invest, you can certainly reap great dividends from what you're doing.

Gui Costin: The quiet time.

Phil Shankweiler: Yeah, the quiet time. And whether that is you're investing into some type of outside learning or you're just investing additional time into what you're trying to build in the business without all the noise of the day to day reaction to how we serve our clients-- I'm personally a morning guy. I found that time and that particular time in my career, early in my career, where want to differentiate, you want to propel your own career when everybody's trying to do the same thing, that's precious time.

Gui Costin: Yeah, I couldn't agree more. I was always a 5:00 guy in San Francisco all through my 20s. Get there. It's quiet. You have enough time to think, act, get everything done. So, all right. Great. So final question. The biggest challenge you're facing today from a distribution perspective?

Phil Shankweiler: And this might be a bit unique to us and maybe not so unique to other alternative managers that are trying to break into wealth or large traditional managers that are trying to work in a new business like alternatives or ETFs into the fold-- we're coming from a traditional coverage model, a traditional business, a traditional capital raising process, and many of us are trying to build or enhance something and aligning coverage well. The market's moving beneath our feet in the RAA channel. It's a story of growth, right? But it's a story of consolidation. The big get bigger, and every day something's moving out of a territory and getting absorbed into something else. So aligning coverage in a way that allows us to put our best foot forward to ultimately get access to the places that we need to do. When we're dealing with multiple channels and the firm's changing, it takes a lot of, I think, a thoughtful approach and a plan. In our opinion, we want to have very clear goals and objectives across different product sets and channels, and then cascade decisions from that. But I think that that's clearly, given the change in the industry and how asset managers are trying to move into new products and new areas and we're evolving the way we cover the universe of wealth or even cover the institutional channels-- finding the right coverage model in real time is something that I think all distribution leaders are thinking about. We certainly are.

Gui Costin: So it's not a surprise to me why you're so successful, where you've put yourself. There's a lot of words that I could use to describe you, but one that comes to mind immediately is just thoughtful. Everything you do is so thoughtful and it's so clear and there's amazing clarity. But you really are incredibly thoughtful. So, Phil, I can't thank you enough for being on the show. This has been an awesome conversation.

Phil Shankweiler: This was fun. Thanks for having us, Gui.

Gui Costin: You got it. Love having you. So that's a wrap on another Rainmaker podcast. Thanks to Phil. Thanks for being on. Thanks all for watching. And I can't wait to see you on another Rainmaker podcast.

You can find this episode and others on Spotify, Apple, or your favorite podcast platform. We are also available on YouTube if you prefer to watch while you listen. If you would like to check up on past episodes, check out our website, dakota.com Finally, if you like what you're hearing and seeing, please be sure to like, follow, and share these episodes. We welcome all your feedback as well. Thank you for investing your time with Dakota.
[MUSIC PLAYING]

Gui Costin: Hey, thanks so much for joining Rainmaker Podcast. I hope you enjoyed the show. Enjoyed the interview. I know I loved it. And hey, if you wake up in the morning and you raise money for an investment firm, you do cold outreach, whether you're a sales leader or a sales person and you don't know about Dakota Marketplace, we would love to show it to you. It's world class. It's used by over 880 investment firms and over 3,600 individual salespeople. To learn more, go to dakota.com and click on A Free Trial.