



*Rainmaker*  
PODCAST

**EPISODE #2**

**PIMCO**

ERIC SUTHERLAND

**GUI COSTIN:** Hello, and welcome to the Rainmaker Podcast. My name is Gui Costin, Founder and CEO of Dakota. I'm joined by Eric Sutherland, Managing Director President of PIMCO Investments. Welcome, my man.

**ERIC SUTHERLAND:** Great to be here. Thanks for having me, Gui.

**GUI COSTIN:** Oh, so thrilled to have you here. So Mr. Sutherland is a Managing Director and President of PIMCO Investments, LLC. He is co-head of strategic accounts for PIMCO, US Global Wealth Management Business. He serves as co-head of the New York office. Prior to joining PIMCO in 2011, he headed us advisory distribution for Allianz Global Investors. Previously, he was with Nuveen Investments for 15 years and Bankers Trust company. He has 37 years of investment in financial services experience and holds an undergraduate degree from Bucknell University.

Full disclosure. I've known Eric for about 20 years. And the reason we started this podcast and consider we got into the database business 5 years ago, and our mission has always been to make the job of an investment salesperson easier, right? And so if you think about that, if the answer is yes to that question, then we do it.

So one thing. We played a lot of golf together. We've had a lot of fun together, a lot of laughs, but we've never really talked kind of the depth of the business around your role deeply, your sales process, sales leadership, how you think about things. And that's really what we want to unpack today. And that's really the whole theme of this podcast is hearing from great distribution leaders.

So you have a bunch of investment sales people, investment sales leaders, who kind of want to hear the inside baseball of how you do things. You know what I mean? And what we've learned is everybody does things just a little bit differently.

**ERIC SUTHERLAND:** Sure.

**GUI COSTIN:** Right? And what are those best ideas that we can pull out? And so really, there's no wrong answers. I mean, just going through our prep and listening to Eric, I just laughed because I mean, 20 years plus of knowing you, and never had any of these conversations, right? And I actually took one immediately, right? When we talked about 2 months ago about doing this. So.

**ERIC SUTHERLAND:** Yeah.

**GUI COSTIN:** Why don't we kick it off? Would you just give a little background on yourself?

**ERIC SUTHERLAND:** Yeah, absolutely. Yeah, I'm currently with PIMCO. I've been there since '08 through AGI. PIMCO is large fixed income manager based in Newport Beach. We have offices globally and you know hundreds of different solutions for clients. I started my career with Bankers Trust way back in the '80s. And through a series of events, ended up in commercial real estate, which was actually a great turn. I was out in the field cold calling, knocking on doors, and it was a commission based business. So—

**GUI COSTIN:** So let's just talk about that for 1 second because I want to get into this. Learning that young.

**ERIC SUTHERLAND:** Yeah.

**GUI COSTIN:** Right? Just— and that becomes part of you, right?

**ERIC SUTHERLAND:** Yeah, commission, married, kids coming one after the other, four in a row. So we had to eat. So you were grinding. You were in early, staying late. I had great support from the team around me, but that is really where I learned the intensity of cold calling and selling and closing. Closing is critical.

**GUI COSTIN:** Right. And then think about it. Just think about your background. And I'm such a big believer in cold outreach, but not everybody is, right? Just unpack that a little bit because I think if you had to talk about learning how to cold call, and then we know it's emotional, right?

So I'm the first one to tell you, right? I mean, I know it's emotional for everybody. And then picking up the phone. Like most people look at the phone and they're scared of the phone, which I understand because it's emotional.

**ERIC SUTHERLAND:** Yeah.

**GUI COSTIN:** But the overall benefit of learning how to do it, then the benefit of doing it, and even in a sales role that's not commercial real estate. It's investments. Unpack that a little bit.

**ERIC SUTHERLAND:** It's connecting with people. It's getting past gatekeepers. It's listening without going in and just selling your

product. You need to listen to what they need. And if you build a relationship, typically, the sales come over time.

**GUI COSTIN:** Right. And I do love the idea of making something from nothing, right? Which is a cold outreach, right? You don't know the person. You do a cold outreach. You send an email. Hey, can I book a time to see you, and I'll send you. Build a relationship from that. It's pretty powerful stuff.

**ERIC SUTHERLAND:** It's great.

**GUI COSTIN:** So talk to us about— I know after Bankers Trust and Binswanger, you're into Nuveen. And that was a nice run from Rittenhouse to Nuveen.

**ERIC SUTHERLAND:** Right. Started with Rittenhouse. Large cap growth manager. One portfolio. You went in and sold that portfolio. It was always the right day for large cap growth.

**GUI COSTIN:** Yeah, especially the late '90s, right?

**ERIC SUTHERLAND:** Yeah.

**GUI COSTIN:** Yeah.

**ERIC SUTHERLAND:** That worked, but it was one solution. Nuveen bought us. Ended up there. The whole run there was about 18 years. Great run. Ended up on the West Coast. So then back in Chicago. And we were in acquisition mode, so we bought NWQ and a number of other investment managers. So we just kept growing our stable. And I spent a lot of time in the field there. I spent a lot of time managing a sales team. And then I spent a lot of time in strategic accounts working with the home offices in New York.

**GUI COSTIN:** So what was it that if you had to have a few takeaways from your days at Nuveen that now, have really informed you and empowered you in your role at PIMCO? Anything? Any kind of key takeaways that you would think about that you're going to lessons learned?

**ERIC SUTHERLAND:** I think with the acquisitions you just have had to keep learning new offerings. We got really comfortable with the Rittenhouse and then with the Nuveen, new, new story. So you had to

keep learning new things. And you had a lot of different cultures coming in. And trying to play well in the sandbox when you're inclination is to be territorial and run hard and get wins. All of a sudden, you had to share space. So there were a lot of positive lessons learned there.

**GUI COSTIN:** So when you think about your personality and how you, your strengths and strategic accounts and relationships, any thoughts on that? The things that you— the younger listeners because you've had a really long, successful run and you continue to have it. You're one of the best relationship guys I've ever met. What is it about that role? What are the key characteristics in that role?

**ERIC SUTHERLAND:** It just takes tenacity. I mean, there are a lot of great people in our industry, and a lot of them are your competitors. And you just have to realize there's a lot of money to go around. You don't win every deal, but I know there are people going to be in this seat following me who I know well and are great competitors and have been for years.

And with the clients, there's clients that you call on. You get to know. And just making it a personal relationship that lasts. I've had relationships in this business with senior people at our biggest firms for 20 years, 25 years. And they've grown through the business and as we've all grown through the business. And that's what keeps me going every day.

**GUI COSTIN:** So making it personal is obviously a big thing because when I'm around you and you referenced different people, you do. You have made a lot of good friends and a lot of great connections. And that seems to be your ethos is making those business relationships personal.

**ERIC SUTHERLAND:** You really have to because it's all about trust. People do business with people they want to be with and they trust. We have great offerings, but our competitors have good offerings too.

So you need to differentiate all the way down the metric scale, but it starts with relationships. You can get in. You can get answers. And you don't always win, but if you always have good communication and understand what you need to do better, it sets you up for future wins.

**GUI COSTIN:** That's great. So let's transition to PIMCO, your current team today, the scope and size. And really what we're going to get—

because you have a big team, and not everybody that'll be listening to this podcast is going to be managing a team of your size, right? But there's some key takeaways from how you've evolved the structure. So could you talk about the structure? How it's evolved today? And then why it is and the structure that's in today because it's obviously getting great results

**ERIC SUTHERLAND:** Yeah, the structure keeps evolving over time. But when we came over a number of us came over in 2009 from Nuveen and other people had worked in— I brought in a lot of groups— we had a very channelized team. We had a wirehouse team, national salesmen or divisionals, all the way down. Salespeople in the field. We had an independent team. We had an RIA team. And what we found was that we had know wirehouse offices in Fargo. We had independent offices in Fargo. There were RIAs in Fargo. They're all in the same building. So we had 3 people or specialists. 4 people flying into Fargo. It didn't make sense. So today, if you think about it, we have 1 person covering all of Minnesota. We have 1 person covering all of Wisconsin. But when you get down to Illinois and Chicago, then we have a wirehouse person, an independent, and we have RIA specialists. So that when we did channelize that back then, it was a team effort. And Pat Feigley who runs sales now, had his fingerprints all over it. So it hasn't changed, and that kind of consistency has made us stronger.

**GUI COSTIN:** The key takeaway there for me is because even in our 7-person sales team, we're totally digitalized, right?

**ERIC SUTHERLAND:** Yeah.

**GUI COSTIN:** But there are also forces each sales person to play at the highest level, right? Because if you're covering multiple channels, right? There are different levels of sophistication.

**ERIC SUTHERLAND:** And the efficiency of it, if someone jumps shop today, which they do, more and more, it just it's all about the relationship. So they can maintain their relationship. So we have a field sales team that's run by 1 person. Katie reports up to Pat. She has 60 people in the field, and she has some BDAMs, which are business development, and they're kind of a hybrid model. We have an internal desk that Ben, who reports up to Pat, and that's based in Austin, but we also have one in Newport Beach. And we have a 1 to 1 coverage model there, and they work as teams. And then we also have a private client group run by Peter Prinstein out of

Newport Beach. And he has a dozen people calling on RIAs and about half a dozen calling on large private wealth. And they all work together.

There's incentives for them to work together. So if Peter's team is working in San Francisco with someone on Katie's team, they go in as a team approach. We have a number of specialists in alts and munis and ETFs and models.

We have a strategic account team, which we have about 30 people calling on the home offices. And they're broken into channels. We have a wire independent and then a Bank Trust Platform Group. And they communicate with the field. What's on platform? What's available? What's recommended?

**GUI COSTIN:** So talk us through a little bit through your sales process as it relates to teamwork because a lot of people— we're big team work. Sharing. It's not always the number 1 motivation of a sales person. So how do you foster that continuous teamwork? So it sounds like you really are a collaborative culture.

**ERIC SUTHERLAND:** We are a collaborative culture. It starts with a big sales call. We have one call that everybody's on on Fridays. And we want consistent messaging and sharing of ideas. When Monday rolls around on the field sales, we have 5 divisions and really seasoned divisions. They have their team calls, and I'll listen in to him periodically. And they're talking about what's working in their market or what they hear is working elsewhere. And we try to share those practices.

**GUI COSTIN:** Yeah, you told me about that on the prep call. So tell us a little more about that because I love the sharing of information because we have a thing called a "Walk the 8 Feet," which is tap into the collective knowledge of the group. And then "Don't Go Cowboy," meaning, if something big is happening, right? Tell everybody about it because you don't know where they are, right? Or who they've spoken to that day. Then they can give you feedback, and say, oh, my gosh, I ran in that exact situation. This really worked for me.

**ERIC SUTHERLAND:** Well, we've run into that too, and we just try to improve it all the time, but we have a lot of metrics. We talk a lot. We've had situations where we have a new portfolio. Coming out a new solution. And suddenly, we'll see sales growing in an area. Maybe Connecticut. And we'll call the wholesaler or account manager in that area and ask them what they're doing and how they're doing it.



And sometimes, the solution has resonated with them. They've figured a way to tell that story in conjunction with other offerings that we have. They've brought the PM in the field or a specialist, and they've had a ton of success. And once you hear that, right away, you're like, everybody needs to hear it. So we'll get them on a call. We'll have them talk about it. We're recorded or filmed the call. So when people are traveling with windshield time, they can listen to that sales approach. They can listen to how it was positioned and why it's successful. So then we share that among the fields, so everyone can use it.

**GUI COSTIN:** It's totally brilliant, right? I mean, it's just tapping into that collective knowledge of the group, right? And then broadcasting it out. We use Slack. And so anytime they see emails at work, the internal team is constantly sharing emails.

**ERIC SUTHERLAND:** Right.

**GUI COSTIN:** That they know that work and everything. But that requires work. That requires culture from the top, right? That you want to be able to do that and Foster that level of communication.

**ERIC SUTHERLAND:** Yeah, absolutely. We use Slack as well. I probably need to be better at that, but the communication is constant right up to the top. People want to share ideas we share ideas with our institutional brethren on the other side of the aisle. And you know, it breeds success, and we learn from each other.

**GUI COSTIN:** Walk me through kind of the communication down, right? You just kind of did it. So you have your weekly meeting on Friday, then you have regional meetings on the— 5 regional meetings on Mondays. How about how do you communicate up progress against the plan? And is that consistent? Is it—

**ERIC SUTHERLAND:** So it's very structured. I mean, we try to let the structure do the heavy lifting on it. And the communication up is 1, we see it. Not everybody raises their hand like, hey, I'm killing it out here with this solution. So we can see that and reach out to them. But most of the wins we find have a team approach to it. They're bringing in a specialist if it's an SMA or an ETF or someone off the product team or a PM.

And we share those ideas. And the feedback is both ways. I mean, we just had a situation here in Philadelphia, where we have a fairly new person in the field, who was traveling with our head of the Muni Desk.



And one of the feedbacks that came back from Hammer, Head of the Muni Team, was, this guy was the most prepared person I've ever been with. I mean, he was so prepared, and he just knows who's going to be a lot of success and wins coming out of that. And we're sharing that. Preparation is a key part of it.

And I think it would take someone brand new to be like, I need to be prepared to get it to the next level. But communication goes up through divisionals, through the national and shared across. It's a pretty flat organization. I mean, everyone in the field, everyone in management has carried the bag. We all try to stay in front of the clients.

We need to hear where we're struggling, where our clients are having issues, where we can help. I try to be in front of clients every day.

And we all do. And there's no real ownership of those clients. They're PIMCO's clients. And to your point earlier, some of these people I've known 20 years. I'll introduce them to anyone in the firm to try to see where we can make connections.

**GUI COSTIN:** Look, I think one of the key takeaways is that really isn't all for 1, right? Even as a larger— so it's possible to have a large organization to be flat be all about the customer, right? Jeff Bezos. Principle number 1. Customer first.

**ERIC SUTHERLAND:** Yep.

**GUI COSTIN:** The leadership. Hearing from the customers— what the customers are saying. Slack does that. Just internal communications. I mean, I love, love, love. Now, sometimes you don't get the feedback you want to hear. But you're hearing and listening to the customer on a daily basis.

**ERIC SUTHERLAND:** Yeah.

**GUI COSTIN:** Right? I mean, what a difference that is. And then being able to— I love the idea of the PIMCO customer. It's not Gui Costin's customer. It's PIMCO's customer. Talk to us a little about that because I think it really is a big point because salespeople can tend to want to be territorial and have ownership, right? You guys have obviously completely debunked that.

**ERIC SUTHERLAND:** Totally. And it starts at the top. Our CEO is one of our best client relationship people in the firm. And when he got here, he knew a lot of people. He came in 2017, but everyone you

introduce him to? Like I'll introduce him to people I've known for years, and he's off and running. I mean, he's got it. I taught— next time, I see him he's had lunch with that person again. Spoken with him twice. Makes a personal connection. And you see that and witness that and success that brings for all of us. And we just try to do the same thing.

**GUI COSTIN:** That's great.

**ERIC SUTHERLAND:** I mean, one thing I try to do— I should do more is get in the field and see there's advisors I've known for years and years in Atlanta, in Florida, in Chicago and New York. And just try to travel with the people in the field. Make that introduction. Make sure they know them and just be a resource. Connectivity.

**GUI COSTIN:** Well, it does all come from the top, right? And so if you're that type of personality. So as we're speaking about leverage points, because a lot of what I talk about in my Rainmaker training classes is leverage. And there's a handful of areas that salespeople can get leverage. The CRM is one of them. Now, to a lot of us, the CRM is like, oh, gosh. Entering meeting notes and everything. I get it. Can be a little frustrating for everyone. But there's tremendous value in a CRM, right? Can you just talk to— because that's very topical. And really what I mean, Eric, is what I just want to hear a little bit is just how you and the organization value a CRM. And I don't mean making sales people administrators. I mean, getting the meetings they've scheduled in there.

**ERIC SUTHERLAND:** Right.

**GUI COSTIN:** Getting the meeting notes in and what leverage that can give a salesperson.

**ERIC SUTHERLAND:** Yeah, it kind of starts from the back. We made a decision years ago when our partner firms were making all their data available to us at a cost. And we tried to weigh that out. And initially, the data wasn't great, but we bought it, and we started implementing it.

We have a really good data team that's hands on that understands. They sit right with us on the pod. They understand how we use it and where we use it. And a really good strategy team that's positioning it. So we're backend loading everything we can from our clients. We're buying from outside vendors like Dakota and loading that data in.

So when the person in the field is trying to prepare for the meetings coming up, everything's right there. Or if they get a call to drive over across town and go see an FA about an opportunity, they can sit in the parking lot in 5 minutes and pull everything up— what they have, where they have it, who the competitors are, any kind of allocation. And all the data is right there. And then following the meeting between the person in the field and their internal, all that information gets put back in. So it's real time.

**GUI COSTIN:** Right.

**ERIC SUTHERLAND:** If a specialist is coming in to call on someone, they need to know what that person in the territory is doing. You don't want them to walk in and say, hey, great to see you. And they say, oh, well, Julie was here yesterday. You want her to be like, I know Julie was here yesterday. I want her to follow up on an ETF or whatever.

**GUI COSTIN:** Well, turnover is a kind of a reality, right? However, if you don't enter that information in, and someone does leave, and they haven't shown the footprints, just talk about that a little because that's— like you want to have your next sales person be able to see exactly where the prior sale.

I know you, guys, have low turnover. I'm not suggesting you have high turnover. But if someone does leave, you want them to be able to see where people have been, right? And then the notes from that as well and the emails.

**ERIC SUTHERLAND:** Absolutely. We absolutely want to do that. You also have the internal, who has a lot of information, who is on the phone constantly, sometimes traveling to see the client. But yeah, all the background knowledge.

And in the old days, we used to walk into an office, and you'd see somebody's kid in a football uniform or someone on a horse or they had a duck on the wall. So you knew they were either playing golf or hunting or they had a family. And you could just extrapolate it from that. You could get into a conversation and just reel them in.

And it makes a difference. So sometimes, it's a bit more virtual. Not everyone's in the office the way they used to be. There's more video calls. It's just more and more important to load up that CRM than it was in the past.

**GUI COSTIN:** Right. So I want to— you talked a bunch about your leadership style earlier in the podcast. Just tell me just a little bit

because I'd be very interested to know your personal style as you were describing relationship-based. How does that impact your leadership style of your team?

**ERIC SUTHERLAND:** I think, from a leadership style, you just try to be authentic. Be present. Lead by example. Listen. I mean, I think the teams we have today are pretty seasoned teams, but there's always an opportunity to put yourself in their seat if you haven't been there already, and you want to be positive.

You also want to drive the team forward. I mean, we want a competitive environment. In the field, you want to highlight the people who are having success.

**GUI COSTIN:** So acknowledgment is a big part of your—

**ERIC SUTHERLAND:** Big part of it. We do it every week. We call out wins. It can be small or large, but critical wins, large wins, obviously are impactful. But if we have a new solution and someone's getting traction, we want it out there. Team wins are huge. 2 or 3 people involved from different groups— absolutely critical. You're bringing management in.

And we want to share those best practices. And people are competitive by nature. They're going to call around, and they want to know why someone's getting ahead of them or how they can move forward. So I think you want to instill that. And people make mistakes and in all aspects of it. And you want to learn from those and move on.

You don't want them hovering around and hanging on someone. So we try to be positive. Try to push hard. And try to create environment of a team-oriented group where— as you said people move around. It's harder for people to move around if they feel like they're a part of a team.

**GUI COSTIN:** I love that. And then also, if you treat them well, then you're going to be competitive.

**ERIC SUTHERLAND:** Yeah.

**GUI COSTIN:** A lot of transparency. But if you treat them well, you want to make it where your best people will never leave, right?

**ERIC SUTHERLAND:** Yeah, absolutely. And you need to give them what they need, whether it's technology, whether it's information.

Obviously, the best solutions. And you need to be a little empathetic. There are times active fixed income is we think great in all markets. But there are also times when rates can make it more difficult, where we are with any kind of aspect in the market that from a competitive standpoint, performance can make it challenging. We need to be empathetic and then find a way around it because excuses— those don't go up so well. I don't want to hear it.

**GUI COSTIN:** So that ties into my next question, which is we have a lot of younger sales people just getting into the business. Maybe 3, 5 years in. You're 37 years of experience. Walk us through what you would tell a younger sales person listening to this podcast.

**ERIC SUTHERLAND:** Yeah, Ask a lot of questions. Anything you don't understand, nobody cares the first couple of weeks. Just ask a lot of questions. Be the first one in and last one to leave. I have kids in this business. Probably if they see, this they'll be rolling their eyes. Work hard. I mean, you have to work hard. And I think the best thing you can do is, in a shop like ours, there's so much talent around you. Learn from them. I think one of the best things you can do as a new sales person, if you're a new sales person coming into our shop, go travel with 3 of our best salespeople. Everyone has their own style. Everyone has their own way of positioning our funds and our solutions.

And it may not be yours, but I used to record it, man. I used to carry a little recorder. Now, you can do it on your phone, then I'd go upstairs at the end of the day and write it down verbatim. And practice it, and learn it. And parts of it made total sense. Parts of it— I didn't know what they were talking about. And for me, it just didn't make sense from my background. And once you've got 2 or 3 of those, you can take those best delivery points and make it your own over time.

And find a good way to position it that resonates with you and resonates with the client, but use the resources around you. And we do a ton of training. I mean, active fixed income, there's a lot of complexity to it. We need to be able to sell it to someone, mom and pop in their living room or a really, really high end FA in the corner office that is going to ask really detailed and complex questions. So we do a ton of training. We have a whole advisor red group. We do that for our team, and we do it for our clients. We have a Bond Boot Camp. We have, how to deal with tax loss harvesting, how to deal with year end issues. And while we have specialists doing that, everybody's up to speed on the bullet points.

**GUI COSTIN:** Right.

**ERIC SUTHERLAND:** So for a new salesperson, learn how to leverage all those resources that you have, and learn from the best out there. And again, you get one chance to make a first impression. And we have people on our team, and we all know who's in early, who's late and who's grinding throughout the day.

**GUI COSTIN:** About the "first in, last out," in any day and age is I'd say, numero uno because it's that quiet time, especially when everyone kind of leaves and you're there. And you can just have time to think and plan and study or train on some of the stuff you're doing.

**ERIC SUTHERLAND:** Completely.

**GUI COSTIN:** All right. So to close out, as a distribution leader, what would be one or two top challenges right now for that you're seeing in the marketplace? Not from an investment perspective but from a distribution, sales perspective?

**ERIC SUTHERLAND:** I think we have a lot of headwinds from— I mean, competitive. Keeping top talent is tough. Our industry has grown and evolved. We have new competition from the private firms, and they're out there aggressively. So we've got to treat our people like top people, and you want to pay your top people. You want to keep your top people and give them the resources they need. So be aware of that.

**GUI COSTIN:** Isn't that interesting though that what you just said? Because everything I've just listened to you over the last 15 to 20 minutes all comes back to effectively how you treat people?

**ERIC SUTHERLAND:** Yeah.

**GUI COSTIN:** Right? And now, if you have these big private equity firms getting into your business, and they're stealing notes, 1 way to do it is you eventually have no choice, but it's in your ethos to treat people great. It's pretty fascinating if you think about what it takes. Relative to think about what it was like in the '90s and the 2000s, sometimes, the leaders weren't always that nice.

**ERIC SUTHERLAND:** Yeah. Yeah, that's right. Yeah, I mean, and the fact that we've all done it. And our average tenure is it's high teens. We've had people there a long time. We have a lot of really good

young talent. Our recruiters are unbelievable. I mean, the people we have coming in on strategic accounts are super talented. The people in the field are super talented. And you know what? Give them— we give them some rope. Put them in uncomfortable situations. Challenge them. And they almost always come through. And if they hit the guardrails a little bit, it's typically OK. Move forward, but treat them like adults.

**GUI COSTIN:** Right. By the way, that's 1 of our key themes is people want to be treated like adults. And you can see why you've had such success because you walk the talk, right? And you're that kind of empathetic leader.

So, Eric, thanks so much for joining us.

**ERIC SUTHERLAND:** Great to be here.

**GUI COSTIN:** What a blast. You got to— and can't wait to see you in the next episode.