



SEASON 3 EPISODE #3

TODD CASSLER
CERITY PARTNERS

Gui Costin: What is up, everybody? Welcome to the latest edition of The Rainmaker Podcast. I'm so excited to be joined by Todd Cassler from Cerity Partners, the Chief Growth Officer. Todd, welcome.

Todd Cassler: Thank you. How you doing?

Gui Costin: Good, how are you?

Todd Cassler: I'm great.

Gui Costin: So good to have you here. So, Todd is the Chief Growth Officer and a partner in the Boston office. He is a member of the firm's leadership team. Todd is responsible for driving the firm's growth strategy, sales, and execution. He has over 20 years of experience in financial services. Prior to joining Cerity Partners, Todd was Mariner's Chief Strategy and Growth Officer. He was responsible for driving enterprise growth across all Mariner Wealth Advisors business units, including its ultra-high-net-worth practice and Mariner Advisor Network. Before Mariner, Todd was the President of Financial Institutions and Advisory Solutions at John Hancock Investments and the head of institutional distribution at Manulife Investment Management, one of the world's largest asset managers. Todd led institutional distribution and overall sales, client service, and relationship management with global financial institutions, broker-dealers, RIAs, consultants, direct, plan sponsors, and platforms covering the United States, EMEA, Latin America, and South America. He headed the defined contribution investment-only business and was a board member of the Manulife Investment Management North America, John Hancock Worldwide, and an executive management team member. Earlier in his career, Todd was a Vice President at Neuberger Berman and the National Distribution Manager at American Skandia. Todd belongs to the Young Presidents' Organization and sits on Sacred Heart University's Welch Business School, Junior Achievement of Americas, and Montrose School Boards. Todd is also an advisor to Anasova and an Honorary Trustee of the Boston Children's Museum. Tell us a little background on yourself.

Todd Cassler: Sure, yeah. So, I've been in financial services for... it's going on 25 years now. And it's really funny... we were talking about before we got started... I really didn't even want to be in this business. It's funny how you end up in a place, and it's kind of random coincidence. When I was in college, one of the recruiters said I should practice my interviewing skills. And I was talking to a private equity

firm and a large corporate conglomerate. And they said, you should go talk to this firm, American Skandia, which was an insurance company acquired by Prudential. And I went there, did the interview, and the private equity firm offered me a job. And they said, you got to give away all your ideas. And I said, well, I don't want to do that. And you and I both know that that was their intellectual property anyway. So, my parents were like, go try this insurance thing. And I said, look, I don't want to work for an insurance company... you know, Willy Loman, Death of a Salesman. And you find out that insurance people make a lot of money. But went there, learned about the business.

Gui Costin: And you were thinking insurance was just going to be a sales job.

Todd Cassler: That's right. That's exactly... that's right. But went there and graduated to running global distribution for some of the largest asset management firms covering the US, EMEA, Latin and South America. And I think what's unique is I've covered all three verticals... wealth management, retail, and institutional. So, it's been a lot of fun. And excited to be here.

Gui Costin: Yeah, so tell me what would be, to you, just the biggest difference between those three verticals if you had to separate them out in today's world.

Todd Cassler: Yeah, I mean, I think the first thing is, is on the institutional side... and obviously there's been a convergence between retail and institutional where there's this systematized process of a professional buyer and there's a very definable way that you're engaging. Whereas in the wealth channel, each firm has their own process. And they're focused on different things. So, I'd say the biggest difference is that, in the wealth channel, you still have the ability to influence the decision making at point of sale. Whereas the institutional market, there's a much more definable professional buyer, gatekeeper framework.

Gui Costin: Yeah, all right. So long history of running distribution for big firms. Now with one of the cooler firms, Cerity Partners. I mean, massive growth trajectory.

Todd Cassler: That's right.

Gui Costin: You're the Chief Growth Officer. So, for us, layman's terms, what does it mean to be the Chief Growth Officer at Cerity Partners today?

Todd Cassler: Yeah, so I mean, Kurt Miscinski has built a great firm. It's the first professional services wealth firm, about \$130 billion. And I'd say there's really two parts to our business. One is a B2C model and a B2B. My role is organic growth, so touching all those growth vectors that we have, raising assets for the organization across those different verticals. So really great, innovative firm that's doing neat things in the wealth space.

Gui Costin: That's great. So, a lot of what we want to talk about on this podcast and what... if you think about our core listener, is a single fundraiser, working for a firm, he or she trying to figure it out, like what are some of the best practices? So, when you think about your team, and especially in reflecting back to your days ahead of distribution, where... give us some examples of how important structure was to you.

Todd Cassler: Yeah, so I mean, I think you have to start with this idea of, what is the goal that you're trying to solve for? And every organization has some big rock that's a "so what?" And I think that's where you start. And then the second thing you have to think about is, is you have to have honest reflection of whether or not you're going to achieve that. And I know you've had a lot of great people on this podcast. And each one of them has probably dealt with a corporate parent that says, hey, we want you to go out and raise \$100 billion in a particular asset class. And the salespeople sit there and say, hold on a sec. We got no track record. We got no people. And so, I think you have to start with that, the "so what?" Then it's the honest reflection. And then, from there, you can start to put in the organization structure around, OK, how are you going to tackle that problem?

Gui Costin: I love that. So, expand a little bit more because I'm a big believer, obviously just like you are... so you're saying, start with the end in mind, I think, really, what are the results you're looking for?

Todd Cassler: Correct.

Gui Costin: How would you... and obviously, at Cerity Partners, you're doing the same thing.

Todd Cassler: That's right.

Gui Costin: Right? So, talk to us about that because I think that's such a wonderful mental model of thinking about how to achieve certain goals.

Todd Cassler: That's right. So, in a single fundraiser format, so let's say you're going to offer a private credit strategy. OK, you're going to start with, OK, what do we want to accomplish with that private credit vehicle or product? And you're going to look and say, what is a realistic asset raise based upon the five P's? And everybody knows what the five P's are people, process, et cetera. So, from there, then you're going to break it down and say, where do we have an opportunity to play and a right to win? And I think that that's where it starts to fall down, that if you're going to compete with the BlackRocks and the Blackstones and these world-class private equity managers, you have to be realistic of where you're going to be able to compete and win. Once you do that and you identify the segment where you can play, then you can start to lean in with your distribution.

Gui Costin: OK, so I want to unpack this just one level deeper. This is awesome because this is really the crux to fundraising. Like, thank goodness you eliminated the big firms because they can play by a different... somewhat different set of rules.

Todd Cassler: That's right.

Gui Costin: When you're selecting, so trying to match up where you have the highest probability of winning, basically you're thinking by channel—

Todd Cassler: That's right.

Gui Costin: Just how important it is. If time is all we have, and time is not fungible, picking those channels and focusing on where the wins lie, or where you can win, and there might be historical precedent, talk to us about that.

Todd Cassler: Yeah, I think you're going to start and look at, how does the buyer buy? And so, if you're trying to go into the institutional market, 60% of the assets are controlled by consultants. Well, if you can't get through the rating process, well, I wouldn't spend any time and burn any calories in that category. You may

actually focus on the RIA segment. And if you look at the RIAs, there's roughly 800 of them that have more than a billion dollars. They're willing to buy more boutique strategies. And so, thinking about, all right, based upon what we offer and what are the other value-adds that we can bring to the relationship, do we have the highest probability of closing business? And so, I think sometimes firms have the allure of going after CalPERS. And they think that they're going to win the big mandate. And they don't realize that, if you look at Cerity Partners, if we're \$130 billion, we're bigger than the Harvard endowment. And if we have \$10 billion in private markets, we actually may be a better target for a smaller firm that's trying to raise capital than them going to try to win the Harvard endowment. And so, I think it's understanding... I mean, I think one of the best things is... this is what Dakota database offers... is very clear data on who are the allocators, who's buying, which firms should you focus on, and so then you can be really informed on where you go.

Gui Costin: So, I think that answer's pure gold. And I mean that with all sincerity. It's the second... I just released a book called The Dakota Way. And the second core principle is exactly that, is focusing on the channels where you can win, getting the fit with your product structure. I love that. So, let's talk about... so we covered some sales process. Now, it can be today. But also, always reference back when you were running a big distribution. Two forms of communication or two levels of communication... your team and then up to the executive committee. So, first, I'd love to start with your team. And what I mean by this is the cadence and the importance of communication to such a deep level where there's no misunderstanding of expectation and how beneficial that can be to the career growth.

Todd Cassler: Yeah, I mean, I think the first thing is big company tends to have lots of pseudo productivity. You got 60 KPIs. And they're trying to measure every single item. I think, as a management team, one of the things that we always focused on, what are the big rocks that are going to drive the business? And so, you start with those items. And so, where I was spending my time and attention... around those big things that are going to be the most meaningful impact for the organization. I think the second thing is companies like to spend a lot of time in meetings reporting out on what's happened historically. We thought it was more important to be, real time, what's happening related to those items? And if you think about your point of time, one of the challenges you run into is if the sales cycle is a certain period of time and you're

spending two weeks in between each individual session, you're missing out on a lot of opportunities. So, we were always real time into the business. We did do those report-out sessions on a weekly basis. But my view was, here are the big items that we've aligned around. OK, I need to be close to those big items. And my job was to create the best possible outcome for our salespeople in order to get to those targets. I think reporting up... one of the hardest things for salespeople is to be honest up-up and say, look, this is not sellable. And the goal comes down, and you got portfolio managers that you're trying to please. You have maybe a capital partner you're trying to please. But if the strategy can't get through the due-diligence gates, whether it's a size, scale, performance, you got to be honest about that. And one of the things that we always try to preach is bad news is what you want to give out. And the bad news is what you fixed to do better. The good news is a "so what?" You want to empower people and get them excited. But at the end of the day, you got to fix the things that are problems.

Gui Costin: Right. So, you made a comment earlier. I just want to just hit on it just a little bit more deeply because I think it's so incredible. What was your process, or what is it today, when you look and say, OK, I'm going to study the company? I'm going to say these are the two to three things where I can have the maximum impact. What is the process you go through on a daily, weekly, monthly basis to figure that out so basically, you're focused on exactly what matters most in the business, where you can have the biggest impact?

Todd Cassler: Yeah, I think you start at the top. What is it that the organization is trying to accomplish? And so, we're obviously in the wealth management business, and that's our core. And we have some other things that we do. But at the end of the day for our organization, we're focused on converting leads into investment advisory clients. That's the core of what we do. So, you start with what the core is. And when I was in big asset management, OK, we started with the core, was we needed to raise x amount of dollars. You start with that big number. And then you start to break it apart. And then you're looking at, all right, what are the key drivers going to be in order to make that happen? So on the institutional and retail side, OK, we got to win with the professional buyer and gatekeeper and the consultants. Where are we from a rating perspective? You can't bring any sales in until you win at those levels. What are the other channels that can drive growth while you're doing that? So you're looking at, where are the specific points in the sales cycle or within the organization that you have to win or are going to be keys

to your success? And then those are the areas that you're focused on. I think what ends up happening is you get a peanut-butter spread, like they're looking at everything. And you know from your business, like you can look down, and these three or four things are going to drive the needle. And once you identify those, those are the areas that you really focus on.

Gui Costin: Yeah, you have classic "focus on what matters most" thinking. And it really does require the thinking to then focus on those things. I mean, I love what you said about parallel tracks between getting the rating and then what channels can you sell into right now where you can generate revenue. Brilliant. Love it. OK, let's talk about technology.

Todd Cassler: OK.

Gui Costin: And talk to me about what's been your philosophy around the use of a database, technology, to create efficiencies for everybody... not work, which is very important, as I try to distinguish.

Todd Cassler: Yeah, I mean, look, the CRM is the backbone of any organization. And you and I have been in the business a long time. I remember when you were doing stuff on spreadsheets and things like that. So, I think the first thing is you got to be adaptable as a management team, as a company, as new technology and new tools come in. And the CRM today is key. I think the second thing is, is you need really good data. And we were talking about AI and what AI is going to do. And in order to use AI, you need to have really clean, crisp, gold-standard data. And so, let's say we're going to run AI on the Dakota database. All right, we need to make sure that you have best-in-class data. We're going to choose the language models that we want to use. But we need to ensure that you have best data in order to do that.

And I think one of the things that is a challenge for organizations is there's no consistency around how you enter the data. You have some salespeople that do and some that don't. You have different channels of distribution that have different terminology. If you're in the wealth space and you're doing mergers, some use, some don't. So, I think that's a lot of the challenges, is, OK, how do you get everybody on a consistent instance? Once you get them on a consistent instance, what are you going to use from a reporting standpoint? But at the basis, having good clean data from a good partner and something that you can run your systems off of, I think, is key.

Gui Costin: Great. So we have people listening to this podcast that are one-, two-, three-person teams –

Todd Cassler: Yep.

Gui Costin: That don't necessarily believe in a database, don't believe in a CRM. What would be your harshest form of advice? And I say this just because it's game-changing for an individual in terms of leverage. And until you get into it and know it... I mean, if I told our guys that we would take away some certain fields or certain things, they looked at me like they didn't know what to say because they'd be crippled.

Todd Cassler: Yeah, I mean, I think the first thing is, is it's such a productivity gainer. And if you're not using it, you got to start now. I think the second thing is there's so many options out there for whether it's a one- and two-person shop or a 5,000-person shop. There's lots of different options. And there's lots of different resources in order to do that. I think the third thing is, is if you're going to use any outside resources to help you with digital marketing, campaigns, care after the sale, the first thing they're going to ask you is, OK, where are you housing your client and your contact data in order to run any of these programs? And so, if you don't have any of that information to start with, you're so far behind the curve. So even if it's on a simplistic basis, figuring out how it is that you're capturing your clients, the key contact information. The other thing is it's a huge retention and risk-management tool. So, let's say Todd Cassler is your top salesperson, and it's the three of you. And Todd Cassler leaves, and everything's in his mind. OK, well, how do you replicate that? Not to say Todd is a great salesperson, but he's got a lot of knowledge. So again, not only is it a proactive sales tool, it's a care-after-the-sale tool, but it's also risk management, that you have some place that you're capturing all of your most important data, which, at the end of the day, is your customer.

Gui Costin: Yeah, for the owners of any investment firm, which there are probably 13, 14,000 of them, those are the gold bars that you're paying for.

Todd Cassler: That's right.

Gui Costin: Right?

Todd Cassler: That's right.

Gui Costin: They're not getting into a system that can stay there long after the salesperson leaves. Now, every salesperson's call is... we're not dying to hear that. But it's par for the course.

Todd Cassler: It's par for the course.

Gui Costin: Exactly. OK, we're in a world today that's very different from a leadership perspective of 30 years ago in things you can say and do. And I just mean in terms of how you treat people.

Todd Cassler: Yeah.

Gui Costin: Could you talk to us about your personal leadership style and philosophy?

Todd Cassler: Yeah, I mean, look, the same things that I would apply today would be what I would apply 30 years ago. Obviously, I've learned a lot along the way. I mean, I think the first thing is, is you got to empower your people. And what that means is hire good talent... smart, technical, and driven. Hire talent for the future. Trust that they're going to do a good job. And set up the framework for them to be successful. And we were talking about Tim... just a talented salesperson, shows up every day, does a really great job. And he's your right-hand person. That's what you're looking for, is you're empowering your people like you do to do great things and set that up. I think the second thing is we talked a little bit about being adaptable. The world has changed so much. I remember, going back to those American Skandia days, I would read a book. And it would say, hey, do a mail merge, print out a letter, and sign it with green pen. And we would do that, and I'd send it out. And I'd get a little bit of business. Today, we have digital, AI, mail merge, social. You got to be able to adjust your business and be adaptable to different buyer behaviors and different channels. You got to be people first, and that's not changed. You have to be honest and transparent with people. And I think you got to give them the good news and the bad news. And you got to be fair. And I think people are comfortable if it doesn't work and you're honest with them because they know the truth when you see it. And then the last thing is you got to hold them accountable. If we've set this as the goals and I expect you to do this, you're going to hold them to that. But if you do those four things, you'll have people that will always want to work with you. And if you treat them well, I think you'll be in a really great position.

Gui Costin: Everyone, this is like textbook... textbook, because when you... accountability is big because that's treating people like an adult. People want to be held accountable. But then having the difficult conversations when they know that they want to have them from a leadership perspective is have those sooner than later, right?

Todd Cassler: Yeah.

Gui Costin: Because a lot of people know, too. And if they start exhibiting certain kind of behavior, at our age it's maybe a little bit easier to know. It's like, well, they're probably not that into the job. And let's just give them the relief and talk to them about it. And a lot of times they're like—

Todd Cassler: Yeah, go. Hey, if this isn't the right place for you, we're not holding you back. I think the other thing is, is people move through the ranks. It's very easy to give feedback to a level 1 employee. But if you have a national sales manager that's been with you a long time, that person needs feedback, both good and bad. Hey, you could do this better. You can improve this. This is a way that may improve how we deliver our products and services. I think that's hard for senior leadership to sit there, peer to peer, someone that's been in the trenches for a long time, and now you're going to tell them that they're not doing it well. You have to be willing to do that.

Gui Costin: Yeah. And I think, too, positioning as a coaching moment. And I always think in terms of kindness versus nice... a kind approach to leadership, hard charging but kind. I feel like if you're being nice, you're not having those difficult conversations because you might not want to hurt someone's feelings. But it's in their best interest. And I love that, your four principles.

Todd Cassler: Yeah, it's great. I think how you package it is really important. The way you deliver the message, there's multiple ways to deliver it. But to your point, are you delivering it in a kind, coaching way, versus, hey, you should be doing it the way that I want you to do it.

Gui Costin: Yeah, exactly. That dovetails into... I have two more questions.

Todd Cassler: Sure.

Gui Costin: Young salesperson, him or her entering the industry today. What advice would you give that young salesperson?

Todd Cassler: So, the first thing is, I mean, it's exciting. If you think about the trends in our business... great business, great market, lots of people retiring, \$10 trillion that's moving. So, they've got a great start being in a great career. I think—

Gui Costin: We can't underestimate how big that is, getting on the right train.

Todd Cassler: That's right. That's right. You got to start on the right train.

Gui Costin: I had Starbucks coffee as my client back in the '90s in San Francisco to find them real estate.

Todd Cassler: Yeah.

Gui Costin: And my one guy looked at me, and he's a landlord. He goes, look. He goes, Gui... we became good friends. He goes... I really like our relationship. But just so you know, the only reason we're friends is because you represent Starbucks. If you represent Java City, we're not friends.

Todd Cassler: We're done. We're done. But it's a great point. I mean, you got to choose the right spots. So, I think the first thing is, I would say to a young salesperson, look, just show up. 90% of it is showing up and trying and putting in a good effort and having a good attitude. That's number one. Number two is listen. And I can't remember the exact statistics, but it's like, listen 80% of the time, speak 20% of the time. I think that's really important, especially in the business that we're in, that we're trying to identify what client's problems are. You got to ask really great questions, and you have to listen. So, practice your listening and question skills. The other thing that asking questions do, is it gives you the ability to tell the person you're an expert. And one of my favorite ways to illustrate that for salespeople is, is you're sitting down with a professional buyer. The professional buyer, you ask them, well, what's your screening criteria? And they said, well, we look for strategies that have 5- and 10-year track records and \$10 billion in assets. And so, the new salesperson or even seasoned salesperson says, oh, I got nothing to sell here. Well, the first question you ask them is, you say, well, I understand your process. But how do you handle capacity-constrained asset classes?

Because at \$10 billion, there's none available. And most of them don't have a 5-to-10-year track record because, if they do, they're closed. 'Oh, we have a different process for that.' 'Oh, well, what did you do?' Well, the first thing you did is you told the person across the table, I'm an expert. Don't try to BS me because I know how this process works. So, you told them you're an expert through your questions. The second thing is you just opened up an opportunity to sell anything in the capacity-constrained asset class. So, the ability to ask questions to demonstrate you're an expert but also to tell the person on the other side of the table, hey, I know how this works, I think that's really important. And then the last thing... and you alluded to this a couple times... is the one thing that a person at the beginning of their career has, is time. If you think about us, OK, we're running businesses. We sit on boards. We have families. Our ability to put additional things into our calendar is really, really challenging. And a person at the beginning of their career, there's really three parts to it. One, there's personal development, corporate development, and compensation. The one that they have control over is their personal development bucket. And just like investing, if they invest in their self at the very beginning, that pays dividends over the course of time. So, my advice to them is invest in yourself. Take classes. Read. Do different things because you have that ability at the beginning of your career. When you get to be at the end, like me or you, it's really hard to do those things.

Gui Costin: That's brilliant. I love it. OK, biggest challenge right now that you're faced with in your role as Chief Revenue Officer... excuse me, Chief Growth Officer at Cerity Partners?

Todd Cassler: Yeah, I think that the biggest issue in the wealth space is we can set up all the funnels that we want to drive leads to our advisors. Still, at the end of the day, it requires an advisor to sit down across the table from a client and convince them to do business. And I think that's not just in wealth management. I think that's in traditional asset management. And so that intersection of convincing somebody to buy, figuring out how you increase the probability of success using data, databases, and things like that, I think that's the biggest challenge, is, OK, how do you create the money-in-motion event, that someone is going to change their behavior to do something new? And that's what we're in the business as salespeople, is to change behavior, to do something different. And you know that's the hardest thing to do in the world. So, I don't think that that's challenging just specific to me. I think that's every

allocator, every person that's trying to raise capital. But figuring out how you do that and creating the incentives to do that, I think, is key.

Gui Costin: Well, Todd, I am not surprised at your success, how you answered these questions... extremely thoughtful. Like, extremely thoughtful.

Todd Cassler: Thank you.

Gui Costin: And also, just how you think about business. And I'll probably, at the end of this podcast, have some comments for people that are considering listening to it because I think your answers have been that thoughtful. So, thanks so much for being on The Rainmaker Podcast.

Todd Cassler: Yeah, I appreciate it. It's great to see you. And glad to be here.

Gui Costin: Yeah, great. Awesome. All right, that's a wrap of another episode of The Rainmaker Podcast. Thanks so much for joining. And we can't wait to see you on the next episode of The Rainmaker Podcast.