



SEASON 3 EPISODE #15

STACY HAVENER
HAVENER CAPITAL
PARTNERS

Gui Costin: What is up, everybody. It's Gui Costin, founder and CEO of Dakota. Welcome to the latest episode of the Rainmaker Podcast. This is an extremely special one because I have Stacy Havener from Havener Capital Partners, basically a stalwart, a legend in our business. And Stacy, welcome.

Stacy Havener: Thank you so much for having me.

Gui Costin: Stacy Havener didn't come from Wall Street. There was no big firm, no Ivy League, no traditional path, just a fierce belief that the right story told the right way can change everything for an underdog. She's the founder and CEO of Havener Capital Partners, a sales and marketing consultancy, built to give boutique asset managers an edge in the capital raising game.

Stacy has raised over \$8 billion for emerging funds, leading to more than \$30 billion in follow-on AUM. She's done it with a different playbook, one rooted in storytelling, strategy, and a scalable sales process shaped by behavioral finance. She understands that investors don't make decisions with spreadsheets alone. Her approach meets them where they are, making fundraising more human, more effective, and impossible to ignore.

You have no idea just how meaningful it is to me, how much I've respected you, and what you've been doing because we've been in the same boutique kind of space, if you will, for a long time, experiencing a lot of the trials and tribulations of working with smaller managers and helping them grow.

Stacy Havener: And everyone should know, this is the first time we're actually meeting in person.

Gui Costin: I know. That's crazy.

Stacy Havener: Which is wild because we've been in the industry for what, over-- let's not say how long.

Gui Costin: No, and also, your team, you guys have been incredible partners to us in the database side. And so we're so grateful for that. And it's just such a great business. And if you really love working with small firms and helping them grow, and I know your business, as

you're saying, has evolved. But could you take us back kind of from the beginning, soccer days in college, and the whole thing?

Stacy Havener: I would absolutely love to. So I did not plan to be here. I will preface this story with this, and I will back it up, as Gui said, to say, in my career, I've raised \$8 billion. That's led to \$30 billion in follow-on AUM for startups, emerging managers, specialists, like the firms that really shouldn't win. And on paper, the fact that that's my receipts doesn't make any sense. I'm a blue collar kid from a working class town who got the wrong degree from the wrong school. And I'm a woman.

Gui Costin: What was the wrong degree?

Stacy Havener: English. I actually wanted to be a literature professor, but I paid my way through school-- I paid my way through undergrad. I was going to have to pay my way through grad school. And my high school soccer coach and I had stayed in touch. He had a day job, which was running \$1 billion of small cap equity. This is in the '90s. He knew my situation, and he said, why don't you come here. I want to launch a fund. You can work here, save some money, go back, and get your PhD, and off you go.

I obviously never left. We raised \$500 million in two years. Then I went on to raise \$3 billion in five years off a \$17 million base. And I did not realize that that wasn't supposed to happen. I didn't get the memo that that wasn't supposed to work. And I think part of the reason it did is because I didn't know how it was supposed to be done. I went to what I knew best, which was storytelling, and it took me a long time to unpack what was I actually doing in a repeatable, systemized way? But it was that.

And I believe people do business with people in every industry, even this one. And I also believe everyone has a story and that your story is money. And I feel very grateful and blessed to lead Havener as we help our clients tap into the power of all that.

Gui Costin: That's amazing. That's incredibly touching because I feel the same way about storytelling-- people remember stories. And we never sell to the end buyer. So if you're telling numbers, they can't retell it. Talk about the storytelling, how you think of storytelling, about investment strategies.

Stacy Havener: Sure. I think you hit a very key point there, Gui, which is it's not that the data doesn't matter and the numbers don't matter. It's the order in which we deliver the information. So we believe that

the most powerful way to sell is story-led, data-backed. But in our industry, it's flipped. And it makes some sense. I mean, I think one of the great things and one of the challenges about people in this industry, everyone's wicked smart. You have really smart fund managers, and you have really smart allocators. And so we're operating up here.

But what we miss is that human behavior. Behavioral science tells us that 95% of a buying decision is subconscious. So this is a study out of Harvard. 95% of the buying decision is subconscious, which means it doesn't happen in our brain. It starts with our heart. And in our industry, we skip that part. So we aim our pitch at the person's head, and we've skipped the first arbiter that needs to actually say, hey, this is cool. This is interesting. I'm the heart, and I'm vibing. Brain, I need you to come in and actually spend the time and do the work on the other bits, the data, and all the smart stuff that we want to talk about.

So to us, that's just a huge miss in how typical salespeople use or salespeople using a typical playbook would operate. They would lead with data. And that's the broken way.

Gui Costin: Wow. That's incredible. So yesterday, like, I told you earlier, I was consulting, if you will. I don't do this a lot. But they just asked me to come up-- their customer database. Many, many questions. I'd love to have you comment on one question they asked.

Stacy Havener: Tell me.

Gui Costin: They go, "Should we have our PM smile during meetings?"

Stacy Havener: This is so in my wheelhouse. Of course, yes. And, get this, the studies-- again, I think for us, and I'm sorry if I'm geeking out on the B fi stuff because I really love it-- I think what differentiates the new playbook we use is the art of storytelling, the science of human behavior, and the power of personal brand. So we're camped out on this science piece, which I love.

So the studies show that smiling is a huge impact on people feeling like they like, know, and trust you. And the little bit I'd add is your teeth. So good would be you smize. Better would be you actually really smile. Best would be you smile and show your teeth. Is that crazy? But again, we forget that allocators are still people. They're humans. This is how human buying occurs. This is how relationships are built at a very, very basic scientific level.

Gui Costin: So one of my favorite things to do-- I love Starbucks. I got coffee all the time. And to smile at the baristas when I'm picking up my-- just smile.

Stacy Havener: They're probably like, what's happening here?

Gui Costin: It's just amazing how their face lights up because they're busy. They're da da da and you just say thanks, and you smile. I mean--

Stacy Havener: It changes your day. I mean, think about that. Even when you're out and about in the city or in an elevator, if someone smiles at you, even if they don't say anything, how powerful is that? It changes your whole vibe, maybe for the rest of the day.

Gui Costin: I was explaining to the team yesterday that I've, for 19 years, worked for Alan Breed, President of Edgewood. And he's 6' 4", 172, and he really doesn't want to shake hands. He just wants to give you a hug.

Stacy Havener: Oh, this is someone who's cut from the same cloth as me.

Gui Costin: He's brilliant. He's such a great investor, an unbelievable leader. I mean, just I've tried to emulate everything into code after what he's done at Edgewood. He's just an incredible guy, so positive, so bright. In 19 years, where and when-- if we need him or the team-- anywhere, never one time. And then he shows up, and I literally, when I first met him, I said, now who-- before I knew what a brilliant investor he was-- I'm like, who actually manages the money? Because you have way too much personality, you know what I mean? But one of our largest clients in Michigan-- you know what the chairman says after every meeting? I'm not kidding. We go once a year. He goes, Alan, thank you for making it so easy for people like us to understand what you do. We're so grateful. And so as I was trying to encourage this guy, so he smiles all the time, he brings it down to common sense language so people can really grasp the story, and you can tell that they're listening and they're resonating. He's like, well, guys would probably use this type of a product. You know, use this, this is why we own it.

Stacy Havener: That builds rapport. And we say all the time, there are these things we say-- it's all about relationships. And then

everyone goes, yeah. And it's like, really, what the eff does that actually mean to you? Does that mean that you have-- well, no one has this anymore, but have a golden Rolodex? You can call somebody? Is that a relationship? I don't know. Is it how many connections you have on LinkedIn? I don't know. So I think what you're describing is that's a real connection. And we forget that as connected as we are now with social media and all these things, we're actually in an epidemic of loneliness.

Gui Costin: That's true.

Stacy Havener: All the studies show that people are more lonely now than they've ever been. And so what Alan is doing is fantastic because he's showing up as a real person.

Gui Costin: Well, one topic yesterday-- and I'd love to have you comment on this. Let's just keep unpacking this--

Stacy Havener: Yeah, let's do it

Gui Costin: --very special. So the pitch deck-- I'm going to tell two quick stories.

Stacy Havener: Oh, gosh, tell me.

Gui Costin: So the questions they kept asking-- what should we do with the pitch deck and the whole thing? And I said you should leave it in the bag. And the guy goes, wait a second. I don't know if I can do that. So I want you to comment on that. I want to give you a little context--

Stacy Havener: Keep going. I'm already loving it.

Gui Costin: --another Alan Breed. This was a beautiful one. They redid their brand maybe 2012-ish, really what it is today, and it's awesome. And one partner comes in to Alan, and he goes, Al, we really need to redo the deck. And he looked at his partner and he goes, 100%. I'm with you, redo the deck. He goes, but I just want to be very clear that this deck we've raised \$10 billion because--

Stacy Havener: I mean, that's a good point.

Gui Costin: I don't think they're investing in the deck.

Stacy Havener: I mean, it's true.

Gui Costin: They're investing in us, the people, the investors, the people. It's a people business. So would you mind just-- in the meetings, are people relying on the deck? And remember when you were just talking about the smile?

Stacy Havener: Yeah.

Gui Costin: You know what I said to them about the deck and-- is I said, if you're making-- if they're looking at a deck, they're not looking at the portfolio manager. And you have an hour. So why wouldn't you make them connect with the portfolio manager without looking at a deck and get to that person in a conversation?

Stacy Havener: Yeah, it's great advice, Gui. I am a big fan of ditch the pitch. That's the framework that we teach. Ditch the pitch, which starts with leaving the pitch deck in your bag, especially for a first meeting. I want to give you another behavioral science piece. So studies show that a prospect thinks a meeting is a great meeting if they talk 70% of the time. Think about that. That means--

Gui Costin: I mean, this is like gold. This is gold.

Stacy Havener: So if you have an hour, the prospect needs to talk for 42 minutes. What meeting with a fund manager and an allocator have you ever heard a prospect talk for 42 and the fund manager talked for the remainder? It just doesn't happen because we feel pressure in this meeting to pitch. We feel like this is our chance. We've got them captive for an hour. We need to talk, talk, talk, talk. And actually, the science is the opposite of that. So leaving your pitch deck in your bag forces you not to use it as a crutch. And there's one other really big thing I want to highlight here that you naturally went to in your advice to this client, which is let's put ourselves in the shoes of a fund manager. Are they really comfortable in these meetings, typically?

Gui Costin: No.

Stacy Havener: Alan is. But typically, they're not. And so we're asking them to do something that's very much outside their comfort zone. So when you're nervous or you feel like you're anxious about something, you are going to go to a crutch. And the pitch deck is perfect. So instead of even the fund manager looking at the prospect

and talking, they might be inclined to just read what's in the presentation because they feel uncomfortable. So we also have to give everybody some space and grace here that we're asking fund managers to do something that's not naturally their strong suit or something they enjoy.

And our job, in my opinion, as salespeople, is to shake the scaries right out of that situation and make sure they know that we are not going to let them fail. We are not going to let them-- there will be no kicking under the table. There will be no after the meeting conversation about I wish you hadn't done this. If I don't fix it in the meeting, that's on me. This is my meeting to run. I want to make you, fund manager, look like a rock star. And I want to make you, allocator, get all your questions answered. And so I will be the Jimmy Fallon of this thing and ensure everybody's having a great time here. And I think, again, it sounds so basic, but this is what's happening in the human dynamics. The pitch typically gets in the way. It really does.

Gui Costin: So should we really release this podcast? Because if we do, you might not have the capacity to take on all the business.

[LAUGHTER]

I mean, I have to test your capacity because everybody needs to be listening to this and talking to you. I mean, this is utter genius.

Stacy Havener: I'm super passionate about it.

Gui Costin: But you actually have it down to a science. It's really an art form, what you're saying, and it's the antithesis of how our industry thinks and acts.

Stacy Havener: Yeah, I think that's right. And then I think what happens-- well, thank you, that was very kind.

Gui Costin: It's actually true though because-- well, no because if you think about what you're going through right now, you're demystifying what people think, how they should behave, that we're in a serious business, whereas no, this is a human business. You're buying the person, not the deck, not the track record. You're buying-- do you believe this person has passion, they can keep doing this, and you can relate to them?

Stacy Havener: Yeah, especially, again, in the beginning. So I mean, again, just like the story and data piece, the pitch deck is important. It should look the part. It should be institutional quality. It should have

very useful pages in it. But to rely on it is a broken myth. I think that it's freeing for fund managers and sales teams when they allow themselves to challenge the status quo of what they've been told. The meetings are more fun, which basically means people get along in a different way, maybe better, and more deals get done. So it's a win-win. You're going to have more fun in the meeting, which is going to change the whole dynamic. Are you going to win all your deals? No, but you're probably going to come at it from a much different place than if you're hardcore dog and pony pitching and then, like, how'd I do afterwards. And everyone's like--

Gui Costin: Did you have a conversation or no?

Stacy Havener: Yeah, do you anything about the prospect at all? So yeah--

Gui Costin: I had that yesterday going in spades with these guys because I was like, you have to understand, I'm telling you this story because, A, I know it works. I wasn't going as deep in the behavioral sciences as you are, which I love. And that's why this story needs to get out because you're really demystifying this. But I said, look, out of pure selfishness and boredom, I couldn't sit in these meetings and be bored to tears. I had to liven it up. We had to get it going. And so I'm always calling people out. I'm like, hey, you really should tell them about this and you should talk about this, you know what I mean?

Stacy Havener: Run the meeting.

Gui Costin: Yeah, run the meeting.

Stacy Havener: Run the meeting. That is your job. But this is a two-way street because it is the salesperson's job to run the meeting. It is the fund manager's job to let them. This is a partnership. So there are certain fund managers who come in and they're like, stand down, I got this. Let's slow your roll. I know what the prospect wants. I've done a ton of prep work. Big-- the prep work you do before you get in the meeting. I know what they want. I'm going to make you look a rock star. We got this.

And the thing is, like in your situation with Alan, when you've been working with a fund manager or a team for a long time, you get it down. I mean, it becomes like you're just clicking. You know exactly how the meeting is going to run.

Gui Costin: Let me ask you this, though. What advice would you give to a salesperson who is a little intimidated by the PM and doesn't want to do that prework or doesn't have the confidence? What advice would you give?

Stacy Havener: Great question. Very real. Very real. So the prep actually will help in this, I think. So we have this meeting prep template that we use, and we try to keep it to one page. And we break it down by who are we meeting with, but not just like, it's the CIO of the blahty-blah. Who are the people? What do we know about them that we think the fund manager might even find interesting? Again, people do business with people.

What's the goal of the meeting? I'm a big believer that it's incremental commitments here. We're not trying to close a deal unless that's where we are in the process. So what's the goal of the meeting? What do I, as the salesperson, think we need to lean into? What do I know from my prep conversation with the allocator, what do I know that they want to talk about? And what do I think our potential hot buttons?

So here's why this helps the salesperson who maybe is a little intimidated. So before you go into the meeting with the allocator, you have your document. You're going to say to the fund manager, hey, can I grab you for 15 minutes before we go into this meeting. I've put together this prep document. I just want to walk you through it. I also want to talk about some of these questions and make sure we're ready or do we need any information.

Now the first time that you do this as a salesperson, the fund manager might be like, OK, whatever. I don't really what's happening here. But remember, they're typically not that comfortable in these meetings. So what happens over time? You keep showing up as the salesperson with these documents. You keep running that meeting and showing them that I got you in this meeting, they are going to start to rely on this.

They're going to say, Gui, where's that document? Can you put the picture of the person on here? Can you add-- I went on LinkedIn and looked them up. So they start to realize that the meetings go better and they start to rely on you as a partner in this. Then your confidence starts to build because the dynamic of-- I guess this is audio, but the dynamic of it is it's not fund manager, and I'm just the salesperson carrying the fund manager's bag. We're in this together. And that's incredible for confidence.

Gui Costin: Wow, that's like pure gold, the preparation. And what you were saying, that the salesperson really is the Jimmy Fallon, the choreographer, the managing--

Stacy Havener: Yes, great word, "choreographer." Absolutely.

Gui Costin: So I did give a little tip and trick--

Stacy Havener: Yeah, what is that?

Gui Costin: So I said one of the prep little things you can do to tweak the PM a little bit and say, look, I did a prep call exactly with this person. I'm going to tell you what they said to me is they said I can't do monologues. We have to have a conversation. So please tell the PM I'm here to have a conversation. I'm not here to be spoken to for 45 minutes. So if you literally sell it like that, then they're like, oh, so yeah, you have to actually ask them questions, and we'll be good, like in short answer first. Keith McDowell-- short answer first.

Stacy Havener: Yes. And if you're Jimmy Fallon, your job is to be the question asker. So now I'm making you the allocator and the fund manager. Let's say you're the fund manager now. So if we're in a meeting and you're going on and on, I have to save you because my job is to make you look like a rock star. So you're blathering on in. The allocator, I can see, is glossed over. So I can't let this continue. So I have to find my moment to say, Gui, I know you are so passionate about this. This is amazing. I know that Gui would talk about this all day if we let him, but I just want to go back to the question or I want to go to this other piece or I have to-- to your point-- choreograph what's happening. I cannot let you hang out on the monologue line and die a slow death. And if we put ourselves in the allocator's shoes, I mean, for real, think about their job. They have to do these meetings all fucking day. Sorry.

Gui Costin: No, it's true.

Stacy Havener: Sorry to swear.

Gui Costin: Not at all.

Stacy Havener: But they have to do it all day. So imagine how they feel-- bored. Here comes another fund manager. And here comes another pitch deck. And here comes 45 minutes of them droning on. They're bored. So let's not do that. Let's not.

Gui Costin: Brilliant. I mean, and so the advice-- so you have an unbelievable precall doc to prep. Your strongest recommendation is to absolutely sit down with the PM 15 minutes before and walk through how this whole thing is going to work and really get permission from them to interject, to get off the monologue line.

Stacy Havener: Let me run the meeting. Absolutely.

Gui Costin: And to make this a back and forth. And then you said-- I think the most brilliant-- well, so many brilliant things-- the 70%. If you can get them talking 70% of the time by-- you're a professional investor. They're a professional allocator. And they're a professional at asking questions. If you can flip the script-- now you don't want to walk out of there without you-- not made your point, of course. But if you can be asking them questions because one question that I said in my book, I would say, after you do your two minutes to center the conversation so the allocator knows who you are, what you do, so they know what to listen for, I said the number one question you have to ask before anything starts is please walk me through your investment decision-making process. You need to get them telling you how they want to hear from you. And then go to Q&A. It needs to go for 45 minutes like this and no [INAUDIBLE].

Stacy Havener: I love that. Can I add something to this for people to try? This goes back to the pitch framework because you're absolutely right that you want to get them talking about their investment process. I would even-- because remember, we're not going to get to 70%. That's 42 minutes. That's a lot. But even if we go for 50/50-- so we want them talking for half an hour. And we're going to talk for half an hour, give or take. That's still challenging. So especially in a first meeting, if we sit down and we say, OK, well, first you got the scaries that you got to shake out. So I would look around and be like, wow. Look for something in the office. This is my move.

Gui Costin: Love it.

Stacy Havener: OK, look for something in the office that you can say, what is this? If there's a picture hanging on the wall in someone's office or conference room, it means something. It means something to them. So just knock the awkwardness of a meeting right out. It's a gorgeous day. Look at this view. What is this picture? Wow, the wood in your office is insane. Oh, it's reclaimed barn wood from Iowa

or whatever you told me-- because it just takes the edge off. That's my first thing.

Gui Costin: Love that.

Stacy Havener: OK, then when we sit down--

Gui Costin: You're making it human. You're like, we're humans.

Stacy Havener: Because meetings are awkward. And we don't all know each other, so it's weird. So let's just stop. Let's just acknowledge that and then have them go first. Tell me-- let's pretend it's a family office. Obviously, I know about the family. Tell me the story. Tell me the story of your firm and the clients. And don't just ask one question and let them talk. Ask more because you need to get them talking for 30 minutes is our new number we're going for. Ask questions and then ask the investment process one. So now you've got them-- people like to talk about themselves, so you've got them talking about themselves. They're proud of what they've built. They're proud of their heritage. They love their clients. Tell me about the investment process. Tell me what you're doing in the space. If I'm a credit manager, tell me what's going on in credit. What are you guys talking about? Talk, talk, talk. And then, because you're Jimmy Fallon and you've got your fund manager, you have a whole bunch of unstructured data here, anecdotal data that you can now weave back into the conversation to make it relevant to them. So I totally agree with you. I would almost camp out on them for the first 15 and then say, would it make sense if I told you our story-- not me, but fund manager. Would it make sense if Alan told you the story of Edgewood and how he came to be sitting here? Yes, I would love that. Great. And you're off.

Gui Costin: It's just awesome. And I love opening it up and asking a question about something in the office. Softening up--

Stacy Havener: I mean, I did it here. I think it's so ingrained in me. I walked around your office, which is gorgeous, and it just takes the edge off. And I think even seasoned 20-plus year veterans, we're still people. I was still nervous to meet you, even though I know you and I knew we were going to be friends. So that's OK. That's real.

Gui Costin: So take just one-- you have different questions on why we're in the meeting and the pitch. I was saying to the team yesterday, because they just asked me so many questions, it was kind

of crazy the stuff that was coming up with, but it was all real. I always felt when we were with Edgewood-- and really, most of our managers just know their company so deeply. But you never who was, in the prior days, weeks, talking about the same stock.

Stacy Havener: That's a great point.

Gui Costin: And then they might be reacting to you, but they've heard the pitch from three other people three different ways. So even after you talk about a particular stock, why wouldn't you just ask them? It's like, you've probably seen a lot of people come in to talk about this.

Stacy Havener: Oh, I love that question.

Gui Costin: So now you're putting it back to them, and then they're going to have to explain to you what other people say, but differentiated point of view about the investment theme.

Stacy Havener: Love it. I love the differentiated point of view. The other thing I think that helps fund managers, again, they're going to want to go deep. Why? Because it's their comfort zone. They want to talk about the investments. They are waiting for you, Jimmy Fallon, to give them permission to geek out on their portfolio or the market. They are waiting. You have to make them wait. We're going to get there. But when they get the go, they're going to dive deep. So if that happens often, you could help them by saying think of three things. What are the three most important things you want to say about this company and make them different? At least one of them should be a really differentiated point. Maybe you get five, but we're not going over five. So I think you were spot on when you said if it's a company everyone sort of knows and is talking about, it's like, OK, how many times are we going to talk about their P/E or their whatever, their cash? Tell me something. I already know all that. I can look that up. It's usually the things that somebody can't find on their own, the story. I've owned this particular company 10 times throughout my career. I just I love it, and here's why. I first bought it in whenever. Make it interesting.

Gui Costin: But the audience has to-- we're going to pause because we have to unpack something you just said.

Stacy Havener: What?

Gui Costin: Well, why.

Stacy Havener: Why-- yes.

Gui Costin: So I told the team yesterday. They said, well, they forced us to go through these sections. I said, I know, but you're answering the question, but you're not explaining why your process is that way because that's what brings it back to a story. So yeah--

Stacy Havener: I love that.

Gui Costin: Talk about the asking why, explaining why because that's a story that can get in someone's head, the thinking behind why you're structured in a certain way or you do something in a certain way.

Stacy Havener: And also this goes back-- I know we've both been in strategic coach, but this goes back to that idea of asking why five times. It works internally, too. If you've got a problem, and you ask why five times, you're usually going to get to the root of it. So why is an incredibly powerful question.

And I think you said something really great there, which is they're going to ask you a question, but that's probably not really the answer they want. So the first thing I would say is exactly what you coached, try to think about why they're asking the question so that you can go a layer down.

The other thing I would say is it's OK to ask why. Oh, that's a really interesting answer, and then say, I'm curious, did I get to the heart of it? Why were you asking that one? Do you want me to go deeper on that topic? Or is there some nuance that you wanted to dive into that I haven't touched on? Invite them in, as opposed to just everyone sitting like, OK, you asked a question, here's the answer. Next. Can we just--

Gui Costin: Now you're developing a connection. Yes yeah. Because now they're starting to reveal more and more of their thinking of why they're asking the right questions. And you're delivering those answers and--

Stacy Havener: And they're starting to feel comfortable that they can ask those questions and that it's not, like you said earlier, where it's a very professional business filled with very, very intelligent people. And sometimes, we show up the way we think we should. Oh, I'm

going to give them the answer they want. Well, how about just give them the real answer. And you don't have to just put a period the end it. Make sure that you answered what they were trying to get at. Also the job of the salesperson, if they feel like, oh, Gui's wrinkling his nose at that one, and he's not or he's looking like we're not getting there. Pause, everybody. Gui, is that what you wanted to get out of it or do you want to go more into that?

Gui Costin: And could you take that one step further because I want to make sure we don't lose this because I think our listeners are definitely caught up and maybe carrying the bag and how critical the role is of the Jimmy Fallon, the role of the salesperson in the meeting, and the great salespeople are exactly what you're saying. They're choreographing and bringing out and preparing. So it's not just you're sitting there--

Stacy Havener: Sitting there silent. I was in a meeting once. There were multiple salespeople in here, and someone was on their phone. And I was like, are you freaking kidding me? Put your phone down. No, you have a really valuable role. I'll give another thing that I think is an important role for the salesperson. You've got to choreograph. You got to Jimmy Fallon it. The other thing is, in the meeting-- and maybe I'm old-fashioned, which is also true and fine. I always have a pen and I always have my notebook. And I'm going to write down a lot of things in this meeting, but they're not going to be the things that the typical sales person would write down, especially if you're new. There is an element of the fund manager answers a question, and you want to capture that so that you can know it and maybe tell other people that. But the most important thing, in my opinion, for the salesperson to watch and note is what the allocator is doing. So we train our sales teams to write down every single question the person asks, every single one. Q, dot, dot, and insert question-- every question. If they ask a question twice, you know you've got to come back to that because something didn't hit or they need more on that. If they wrinkle their nose or if they smile, note it. I want a play by play of what that allocator did in the meeting. And we're thinking that we're here with the fund manager so we're on his or her side. And that's what we need to be taking notes on. We told them this, and we told them that, and we told them that. I don't give a shit what you told them. What did they say? That's what I want. And this actually goes to data. Can I take it to data?

Gui Costin: Yeah, please.

Stacy Havener: Because it's the same thing for me in a CRM. Typically, salespeople want to track what they did. I sent them a fact sheet. Did they open it? Did they click on it? Did they ask you a question? That's what I want. I want sassy data. I want data that talks back to me. I mean, yeah, do your job. Send the fact sheet. Send the pitch book. Make the calls. Yes, great. Glad you put it in the CRM. But the real value for me is what the allocator is doing, not what you're doing.

We track something-- it's totally made up, but whatever. We call it the behavioral quotient. So every deal gets a BQ. The BQ tracks the behavior of the allocator, and it assigns points to a deal based on what that allocator is doing. For example, if you get an unsolicited email from an allocator with a question, game on. They are doing work on you. They have just emailed you out of the blue with a question. Prioritize that deal. Something's up. Get on a plane. So it's great to track what you're doing. But I'm more interested in what are they doing, if that makes sense, in a meeting or outside of a meeting.

Gui Costin: I'm trying to absorb all this. It's just incredible. I felt like I had a PhD. I felt like I had a PhD in how to run a meeting--

Stacy Havener: Which is so not what we set out to do, but I love it.

Gui Costin: This is awesome. OK, so I get asked a lot how do you follow up after a meeting? And I say I don't. So I follow up in the meeting--

Stacy Havener: Oh, that's a nice twist. I like that.

Gui Costin: --happens in the meeting. So you can't let him-- because we banned, in 2011, the word "great meeting" from the vernacular of Dakota. You can't come back from a meeting and say it was a great meeting. How was the meeting? Great meeting.

Stacy Havener: Oh my god, I love that. That's great.

Gui Costin: Great body signals in there. I said did they wire \$10 million while you're in the meeting? Is that why it was so great? Because if they did, you can say great meeting. Otherwise, I'm a big boy, just tell me current status, the next step, where do we stand. And I'd love to hear your thoughts on this is that I simply say, just end the meeting and say, look, I really enjoyed our time together. But

I do have to ask just a few questions, if you don't mind. Number one, do you think our strategy would fit in your asset allocation mix or model, just so we can get a sense.

Chris Greenwell, our good friend, one of the biggest Dakota supporters from [INAUDIBLE] on the planet. He did this for the first time, and he was with somewhat of an esoteric strategy. And the allocator goes, no. Chris is like, well, why did you take the meeting? He goes, oh, it just sounds so interesting.

Stacy Havener: Brain candy.

Gui Costin: So then you're not leaving. So then if they say, yeah, the large cap growth, they do well-- do you anticipate doing a search in the next 12 months?

Stacy Havener: It's a great question.

Gui Costin: And then you know. If they say no, mailing list, you have your status. No, really, what I-- because a lot of people say, listen, I need bench strength, and I wanted to meet you. It was really important I meet you guys. We're not doing anything right now, but that doesn't mean in the future we're not-- so what do you think about--

Stacy Havener: I agree with that.

Gui Costin: --being tough in those meetings. I call them the tough questions. They're emotionally tough, not physically tough.

Stacy Havener: Well, and also because it's a very direct ask-- so I think I absolutely love the search and money in motion question-- also, BQ. That goes into our score. If there's money in motion or an active search, your BQ on your deal goes up. Basically, think about basketball. If the person is standing on the sideline and needs to inbound the ball, the ball's going somewhere. The person who gets it-- someone's going to get it. Same. Money is in motion. Someone's going to get it. I want to be the one. I'm going to step into that. So there's a lot of value in knowing that.

I would say before the meeting. So in that prep document, one of the-- so we're doing this prep document, but the way we're getting the information to fill it out is I'm calling you. You're the allocator again. I'm calling you before the meeting. And I say, Gui, we're so-- can't wait to see you. This is going to be great. I'm doing some prep for the meeting.

What are some things that you really want to make sure we hit on? I'll make sure we're ready. I'll make sure we have-- and you tell me. And if I don't already know, I'm going to ask you there. Just ask. By the way, I'm looking through my notes, I didn't see-- is this an active search or is this more of a bench situation, just so I can temper expectations accordingly? Oh, well, we actually do have an active search. And then I might ask, are you replacing someone or complimenting something-- very different.

So I think you can do some of that ahead as well. In the meeting-- I love the ask at the end, and I'm laughing because in some ways, your ask is direct but nice. I give everyone homework, like the allocator too.

Gui Costin: This is amazing.

Stacy Havener: I think it's because I wanted to be a professor. So I'm like, in addition to-- so got my pen. I've got my notes. I'm writing down all the questions. I'm also doing all the to-dos at the bottom. So now, at the end, I'm going to recap the to-dos. And I'm going to say, OK, Gui, we need to x, y, or z. We are going to do these things-- is that right? Have I got everything? And the allocator's-- here's what's weird. We all hated homework when we were in school. People love homework. They're like, yes, that's exactly what I'm going to do. And we're going to do this.

Well, I guess if there was no homework, if there's a lot of homework, I know this is going well. If there's not a lot of homework, and I do feel like-- I guess it depends on where we are in the deal. If it was a first meeting, I probably wouldn't ask that. Well, I guess I do, but I do it in a different way. I would go through the homework, and then I would call you, if you're the allocator, just you and me again. Hey, how'd that go?

And if we do a Zoom, I hang up the Zoom. I call the allocator instantly. I know you're still there, we just hung up the Zoom. How'd that go? And I give them a chance to tell me, or I'll say, I saw you were kind of wrinkling your nose at this one point. Do you want me-- I have some ideas. Want me to get some research on that? I'll take that as homework. Yeah, that'd be good. OK, cool. We do that. Hang up.

Now I pick up the phone again. I call the fund manager. Hey, great job. I just talked to the allocator, da, da, da, whatever I found out, and we have this homework, and go tell Bob I need this file or whatever. So I'm still architecting and choreographing it all. I don't always do it in the meeting, although I might try because I like the directness of it. But I think you have to determine what is the incremental next step.

And I would say either ask or do it through that homework kind of idea. And if you have a lot of homework, that's a good sign.

Gui Costin: Stacy, this has been pure magic.

Stacy Havener: I hope it's helpful to people.

Gui Costin: This is insane. This will be far and away, I think, the best, most-listened-to podcast we've ever done.

Stacy Havener: I hope so.

Gui Costin: I want to close out with one question because I know you're such a thoughtful person. And I ask it of everybody. What advice would you give to a young salesperson getting into our industry today?

Stacy Havener: OK, so the advice I would give to a young salesperson would be this-- perfect the craft, perfect the craft first. And I would use the quote, "systemize the repeatable so you can humanize the exceptional." It's actually an EOS quote if you follow EOS and Gino Wickman. I love it because I think there's a lot of pressure when you're new in this business to hit numbers and do quantity type of work, and that is important. But the problem I have with it is, especially when you're new, if you're doing things maybe not quite right, then you're just doing more of that. And I would rather a newer salesperson take the time. If our goal is 50, your goal is 25. And what I really want you to do is research every prospect. And I want you to read this book, and I want you to do these things. I want you to perfect the craft first, systemize the stuff, sending out a fact sheet, humanize the pieces that really matter. And then once you get that down, then we turn up the dial on the activity. So I would really want them to spend the time learning how to do it right before they learn how to do it frequently, if that makes sense.

Gui Costin: Totally. I really thought I had a PhD in investment allocator meetings, and I realized I didn't even graduate from high school. So this has been brilliant.

Stacy Havener: Thank you for having me.

Gui Costin: And I'm telling you right now, this is going straight on Dakota U in terms of our company training.

Stacy Havener: Good.

Gui Costin: I mean, this is unbelievable. And I can't thank you enough.

Stacy Havener: So happy that you said that.

Gui Costin: Usually, I'm not quite a little speechless, but after going through and listening to you and just the thoughtfulness that you have-- because doing the investor meetings, which was the theme, we didn't anticipate it coming. I didn't know. But it's so valuable and so thoughtful. And you have such a differentiated point of view. Thanks for being on the show.

Stacy Havener: Thank you for having me, and I hope you'll invite me back. We can deep dive on some other thing.

Gui Costin: 1 billion percent. All right, everybody, that was one of the more special discussions I've ever had doing over 40 to 50 of these podcasts. Stacy Havener-- incredible. That's a wrap on another Rainmaker Podcast, and we can't wait to see you on the next Rainmaker Podcast.