



**SEASON 3 EPISODE #9**

**DOUG KRUPA**  
KKR CC

**Gui Costin:** What is up, everybody? Welcome to another episode of the Rainmaker Podcast. I am joined by Doug Krupa, Managing Director and Head of Global Wealth Solutions in the Americas for KKR. Doug, welcome.

**Doug Krupa:** Good morning. Great to see you, Gui.

**Gui Costin:** Thrilled to have you on the show, my man. Doug Krupa joined KKR in 2019 and is a managing director and head of global wealth solutions in the Americas. He leads a team focused on distributing KKR strategies to advisors and clients of leading wealth platforms and registered investment advisors and led the development of KKR's evergreen solutions across asset classes. Prior to joining KKR, Mr. Krupa spent eight years at Blackstone as a managing director and global head of product strategy for the private wealth solutions group. Previously, he worked at Legg Mason and Citigroup in product development and sales roles. Mr. Krupa holds a B.S. in management from the State University of New York at Geneseo and is a CFA charter holder. So, hey, could you just give us a brief sort of background, where you grew up and your initial career before you got to KKR?

**Doug Krupa:** Happy to do so. I'd say it's always nice to hear how folks ended up in the seat they're in. And a lot of times, like mine, they meander along the way. But been in wealth and in finance for really my whole career but worn a lot of different hats. Grew up actually not too far from where I am now. I'm in New York City. Grew up in Rockland County, just across from the-- across, I guess they call it the Malcolm Wilson Bridge now or some other bridge, but the Tappan Zee Bridge.

And it's actually what got me into this business. My father was actually a New York City firefighter. And my very first role in this business, Gui, was I was a financial advisor. Since then, I actually have-- was a banker, was an internal, was a wholesaler, led product development, now obviously lead a large team here at KKR. But what really got me excited about what we'll spend a lot of time on today in terms of private markets, alternatives, building a sales team around that, all happened from, again, growing up, my dad was a firefighter. He was the head of the union. And when I was an advisor, I had a very easy job. I ended up just, upon retirement, every New York City firefighter, despite working a lot of overtime in their last couple of years, had an overfunded pension. And the overfunded pension came to me as a PaineWebber advisor.

And we put it into a mutual fund wrap program before there were ETFs. I'm aging myself here. Maybe there was a handful of ETFs. And we built a defensible allocation out of mutual funds. And my curiosity, which you'll hear about a lot, I think, during this podcast here, I kind of was naturally inquisitive.

How did these firefighters have an overfunded pension despite a lot of gamesmanship to maximize their compensation and work that overtime at their last couple of years? They were all like 30% in private markets. The pensions, the New York commons that managed the assets of these firefighters were really big believers in private markets. And that was 25-plus years ago.

So, it's been kind of my mission and my passion project ever since, Gui. So, I'm sure we'll touch upon it a few more times here. But just to summarize, grew up in New York, haven't strayed too far. Went to school in upstate New York and have been in this business, although a lot of different roles, since I really graduated college more than 2 and 1/2 decades ago.

**Gui Costin:** Oh, that's great. Well, give us just a set to set up the conversation. Tell us about your role at KKR, and in addition, to the size of your team.

**Doug Krupa:** Sure. Happy to do so. Again, we lead what's called the America's business at-- America's wealth business at KKR. And our mission is pretty straightforward. It's getting to know clients' goals and objectives. It's an intermediary model. We work with financial advisors. We want to deliver our thought leadership, our investment solutions, which we've done a really good job being innovative in. We give direct access and invest alongside all our institutional strategies. But we've now built evergreen solutions in every asset class. And we try to deliver obviously excellent service around that. We've grown a lot. I got here about six years ago. There were five of us in private wealth. Firm has clearly been very committed to private wealth. We're now a team of about 90. And we're channelized. We're large enough. And we recognize the nuances and the relationships you need to build in the different, let's call it tiers and channels of wealth.

There's marketing, there's sales enablement, there's product specialists, alongside, again, a couple of channels of what we call relationship managers. We have a wire house channel. We have an RIA channel. We have an independent broker-dealer channel. Our accounts team, who manages the relationships, they oversee what has become a pretty big private bank franchise for us. And it's a local model. If you're a relationship manager, and you're spending time

with financial advisors, with RIAs, we need you in markets. So, about half that team, half of our executives are in New York and half are in local markets, which are predominantly major metro areas, or as I call it, NFL cities.

**Gui Costin:** Love it. So, tell me about-- so let's talk about communication. And how do you communicate with your team, and how does the team communicate? What's the cadence? Is it weekly, monthly? Do you have a structure of how you're set up?

**Doug Krupa:** Yeah. Yeah. It probably comes back more to my leadership style. I'm sort of always on. I'm somebody who doesn't sleep a lot. Folks know how to get a hold of me. I try to do a great job connecting the dots when there's something that is getting traction or seeing higher click through rates or more effective for delivering or information about a strategy about the markets that is connecting with our clients. So, I try to do a good job of getting that out there. I do think we run a pretty structured-- We have monthly entire team meetings of that 90 folks I mentioned earlier. We have weekly sales calls with the RMs at the channel level. And we've done a really good job incorporating, I'd say, technology. So, we have teams' messages that announce when there's a drip campaign going out, a new marketing piece, the latest navs. All of that is communicated simultaneously. We keep all our content, speaking of technology, sort of on seismic. And we've got internal travel books that can go deeper on our strategies and on the markets. And then we-- anything that can go directly to clients, you can just drop in an email and send off. So, I think we run a really collaborative, communicative organization. Meets very regularly. This is certainly a business where information and the quality of that information is a real differentiator, Gui.

**Gui Costin:** Right. Is there anything in those meetings that you specifically want the team talking about just around results? What are the-- what are sort of the key, whether it's KPIs or critical numbers or an information you'd like to exchange between your teammates to make sure they're all on track?

**Doug Krupa:** Yeah, we certainly are sharing at the channel level results on a weekly basis. What they're raising capital in. Maybe there's a dispersion, and we really want-- we've got obviously a couple different asset classes represented, Gui. But we want folks to be out there and, again, solutions-based since we're not-- we don't have a single product or a single asset class we're in. We can listen to

what the needs and gaps are in everybody that we spend time with. So, we want to see that, let's call it that balance or egalitarianism across our strategies.

And then in our sales meetings, we're really-- the KPIs are really important to us. Sales, as a percentage of budget, I wouldn't say it's an absolute number of sales, but we spend some time thinking about-- our territories aren't exactly equal. Some certainly have larger presence of a particular platform or bank in them, and all that's reflected in our numbers. So, how's everybody doing relative to their budget at the very top? We measure what we call quality interactions, which are basically planned meetings.

They could be in person, they can be Zooms, they can be one to one, one to many. And there's a pretty good correlation between higher quality interactions and higher results. I'm sure that doesn't surprise you, Gui. New FAs, that's probably still the most critical KPI, at least in private markets, where new adopters are a really big determinant of success. I think we have a saying here. It's more client penetration than going to five times deeper with the clients that are already on.

**Gui Costin:** OK. So, let's just-- hold on one sec, Doug, because I want to just really make this point. Because it's, my favorite thing in business is the new. Right? You have to be finding the new. And that's basically what you're saying. And I love how you articulated that. Yes, you want to go deeper with existing, but if you're not finding the new, eventually you're going to dry up.

**Doug Krupa:** Yeah.

**Gui Costin:** And that's what you're getting at, right? I mean, that is such a key point for everyone to hear.

**Doug Krupa:** Yeah. And we're still-- I don't think it really matters where you're on this journey, but we all have a growth rate that's probably 30%, 50%, 100%. In these private market's wealth journey, we're on, that seems to need-- that needs to be the new client discovery we all have if we're going to be successful. Which probably leads back to all of us being very excited about this mission, working extraordinarily hard, having high activity levels. And hopefully, if you're a good sales organization, you're providing all those tools and people know exactly where to go. Again, a group team chat where people can ask anything, and we answer real time. Every internal, external use piece on what we call seismic that you could send on to clients or you can pull it for information going into a meeting. And it

just creates that efficiency that allows us to build more connections, more new connections, Gui.

**Gui Costin:** So, Doug, communication, I think it's the lifeblood of a business. Clearly, new clients and customers is critical. Let's talk-- so just one more point on communication. you-- excuse me, you guys use Microsoft Teams. Slack could be an alternative, right? It's an interoffice communication tool, right? We use it extensively. Not everybody does. Obviously, you guys are huge fans of that. So, the information is flowing, like who's selling the most, of what product, and why? How can other people learn from that? Those are the types of things that are shared. Obviously, you went through 10 things. But kind of that constant communication around what's working and how to access information?

**Doug Krupa:** What's working, what's not working is equally important. Especially we're going through a period right now, markets correct-- correcting. Like, us being there, having sort of market insights and how our strategies have done historically through these difficult patches is equally important, Gui. But I think the technology, you need a real-time communications tool. Teams, Slack, they're all very effective. I think you need-- and you'll probably touch on this again-- but you need a great sort of CRM, where all your information is captured. Helps us drive to those KPIs we talked about that we spend time with at our sales and sales enablement meetings. You need a tool where all your content is. Whether or not that's collateral you can use with clients, whether or not it's talking points for your field and internals, but those are all those sort of building blocks you need from a technology standpoint to be, as I would say, hyper-effective out there.

**Gui Costin:** Great. Well, that's a perfect segue into my next question, which is, talk to me about the CRM and where-- you obviously see it high, high, high up in the value chain obviously. We do as well. I think it's the one area where a salesperson can 10X their leverage. Can you talk about what it means to you and just how your team utilizes it?

**Doug Krupa:** Yeah, I mentioned already, full transparency here, our CRM is Salesforce. That's what we've used. It's a force multiplier. That goes without saying. All of our business check ins, the business plans we do, the weekly sales calls are all customized to the individual relationship manager, their results, all of our sales professionals, that curation.

And it's a high touch sales point. So, we can only measure what's captured. So, you certainly have to impress upon your organization, your sales leaders, your individual sales professionals that all that information gets captured. The types of meetings, what you talked about, it's automatically logged when content is sent out. But that's really the backbone of any good sales organization. It extends far beyond this business. So, we take full advantage of that.

I do think the hierarchies within these CRMs. It's important to focus on. There are channel differences. In some cases, you're sort of a specialist to private banks, where they're doing a lot of what we would kind of refer to as the wholesaling and selling in the RIA channel. The RIA is the LP or client.

And another is you have a bank and then all the advisors underneath. And you have to spend time with your CRM, making sure that you have like those hierarchies correct, Gui. So that information is really getting mapped to decision makers. And that activity is also getting tracked at that level. Which, I think any CRM, they're so powerful. They don't really come out of the box 100% right. So, you have to spend time with your tech teams, your IT teams, those folks that you retain to project manage your CRM to make sure you get those nodes correct.

**Gui Costin:** Love it. Yeah, and it's also just the rapid recall of information, right? So, if you get those information-- if you get the meetings you scheduled in the CRM. And remember, a lot of people listening to this might be single person sales organizations, if you will, at boutique firms. And what I've always encouraged everyone to think about is just think of yourself as Gui Costin, Inc. But you're a one-man corporation, but you should be playing at the highest level of utilizing technology like a CRM. It's the one way you can get true leverage.

**Doug Krupa:** Well said.

**Gui Costin:** Right? Just truly rapid recall. So, all right, Doug, let's talk about your leadership style. How would you characterize your leadership style? Because clearly, getting to where you've gotten to, you've definitely put a lot of thought into it with a lot of intention. So, we'd love to hear how you characterize your leadership style.

**Doug Krupa:** Yeah. Again, I think my leadership style has been informed by the different roles I've worn and hats I've worn over the years. I've been an advisor. So, I know what it's like on the other side and how important it is to get information in the right, let's call it

format that I can really present and is relatable to a client who may not be at the same sophistication level. I also have understood the pain points of being an advisor. And that's really infused and been reflected in all the innovative solutions that we've brought to market. I've been-- again, I kind of mentioned I've been a leader in the organization I've been a part of. And I don't like the term, but sort of democratizing private markets and alternatives.

And a real part of that is, you hear about the pain points of-- not they don't have a place in portfolio, but episodic funds. You have capital calls. You have terminology that, quite honestly, unless you've been in this business for a long period of time, isn't that intuitive. How returns are measured as IRR and the like.

And we have really built products that, I think, have been in response to that. Single asset class solutions that invest directly in the same deal flow as all the institutional strategies. That's one of the reasons I came to KKR, is that we had a flexible, let's call it waterfall that allowed for that. And they've been really well received in the marketplace because I think that they reduce the hassle factor, they have style purity, and they're available, regardless of your book of business, a lot of people have multi-generational wealth.

And I think some of these newer products that come to market, they're still limited to qualified purchasers. They may no longer have capital calls. They may have incorporated some of the-- some of those benefits of being in an evergreen format. But sort of getting that reach, getting the structures to be very user friendly without sacrificing that investment quality. And hopefully, that continues to deliver the same investment excellence that we've done for our institutional investors for, here at KKR, almost five decades. And I think, tying that back to leadership style, I think of myself as the chief agitation officer.

Everybody on the team is very busy. We talked about how important new advisors are as a KPI. So let me know how I can knock down barriers or bring more transparency, whatever is holding the team back.

We've actually-- a couple of our solutions, despite them being accredited investor product, Gui, just a real example here, which are really innovative in areas like private equity and infrastructure, that also means we can't have much information in the public domain. They're private placements.

We can we report quarterly earnings and the like, but that-- you can't have a nice glossy website that everybody can punch a URL into. But every advisor is able to see that level of information. So, we built a website that we call our enhanced advisor portal. And as long as you have an email address that is in our CRM, which there's great data

out there. Dakota, certainly a good partner of ours. There's no login or password. We know you're an advisor on our RIA, and you get access to really the same level of transparency as like our sales organization.

**Gui Costin:** Wow!

**Doug Krupa:** So, I think my style is to be responsive. Sort of know what it's like to carry the bag in the field. Not being the home office every day, feel disconnected, and try to make everyone feel more connected, in my case, with technology, transparency, and listening to those pain points and being that agitator with internal stakeholders. Even in some cases, we're trying to be innovative with the regulators to deliver hopefully what is an advantage for KKR and hopefully adopted by more of the industry over time.

**Gui Costin:** Well, that's great. And so, talk to me-- so you deal with probably a lot of younger people in the industry just in terms of the profile of that salesperson, wholesaler, what have you. But what advice would you give to a young person entering the investment sales business today?

**Doug Krupa:** Yeah, I think the advice I'd give is probably more geared towards younger folks. I think once you're out there in the field and you have a budget that you're targeting every day, it's harder to reach for more, but that's my advice for those that are just starting out.

I was always-- probably a trait that has helped me in the business world might drive my personal life and my wife a little crazier. But just this natural curiosity. Wondering how everything is sort of all the sausage is made, or why the laws of nature apply, which we've tried to actually innovate and break down those walls and done a good job of.

But no matter what role I'm in, especially on the sales side, just, again, reach for more. If there's-- why do, we-- where do we get this data? How do we build a talk track for a new product that launches in the marketplace? Or understanding products when they're in development. We always ask for focus groups to help us craft the narrative. Even as that younger salesperson, raise your hand, be a part of that. You learn so much along the way. I think our sales team, we have folks that have been-- their backgrounds are maybe a bit more technical, others that are a bit more relationship-oriented. But that diversity of experience and bringing it all together, I think, just makes us a more powerful sales organization, and all the

individual talent on our team even more adept and successful. So, I think, again, you can participate in focus groups, to craft marketing messages, understanding or helping during the product development phase. Especially at smaller, newer organizations, everyone's wearing multiple hats. There's no reason you shouldn't volunteer, as long as you're still able to spend the time you need to on the sales side. It's just going to-- having that understanding is going to make you that much more credible at some point during your journey.

**Gui Costin:** You've mentioned a few words to me that are really powerful. Responsiveness, curiosity. Be curious. You also tapped into me with this concept of asking why and being curious. Can you expound upon that a little bit? Because I think I read a lot about Amazon and Jeff Bezos, and he has a line that, process is really important, but you can't use process as a proxy. What worked two years ago might need to be rethought today. So always asking why something's happening to improve. Any thoughts on that?

**Doug Krupa:** Yeah, I'll try to use a specific example of that. And I've kind of alluded to some of the products that we've really innovative on. And thankfully, the industry has seen the value. There's been a lot of fast followers, which is always a good thing in a growth industry. But you look at how certain asset classes were delivered in a more accessible format before. And there were shortcomings to it, Gui. Whether it was multiple layers of fees or not being able to be-- put your own content in there. That was something we struggled with for KKR. We've been doing private equity for almost five decades here. We wouldn't want a solution that's all secondaries in the marketplace. We want to share the same deals that we've been doing institutionally. And everyone who's tried that has come up short. But we actually looked around and kind of-- I would say we stumbled upon companies that do what we do in a different wrapper or conduit. We buy good businesses to make better. We generally invest for control in private equity and private infrastructure in most of what we do here at KKR. And we said to ourselves, what other companies do things like that? And we came across a name that everybody knows, Berkshire Hathaway. Berkshire Hathaway is a listed version of what we're actually doing in an unlisted sort of monthly subscription format in a couple of these asset classes that we've packaged up and brought to market and seen some runaway success in over the last three years or so. And it was looking around, being creative. Not looking under-- in the most obvious place and turning over other rocks. And pushing our

leadership in the firm, who really believes and is committed to wealth. Talking to multiple law firms.

And you get to differentiated outcomes. And maybe if you're persistent enough is the advice I have there. We took no for an answer along the way and came to a great outcome. But I think that's really guided us as an organization, myself as someone who has been really lucky and fortunate to lead and build the sales apparatus here. And I think it's a good guiding principle for folks that are listening today.

And I think there's still a lot of innovation out there. And quite honestly, we innovated during probably an administration previously that was-- putting politics aside, that wasn't the most accommodative. So, I think innovation can actually increase. And there's certainly big areas of the market that we have yet to address in private markets and alternatives. Pools of capital, discretionary, defined contribution, other areas that are-- that would really benefit and see better outcomes from the incorporation.

**Gui Costin:** Yeah. Man, I love listening to you. It just has this kind of relentless approach to business. Clearing the deck, removing obstacles for your team, being curious, and just never stopping. I love it.

So, as we're wrapping up, Doug, question for you. Today, as a distribution leader, what would be one of your biggest challenges that you're facing today in the market?

**Doug Krupa:** It's a great question. I appreciate you asking it, Gui. I think education is a real hurdle to, I think, broader adoption, increased adoption of what we do here. And education isn't something that can be rushed. You really have to get the advisors that have their intermediary world, the advisors that have the client relationships, they have to be very comfortable. They have to get their clients comfortable.

There's not really a way to short circuit or accelerate that, as innovative or creative as we'd like to be. I think we're trying to figure out a way to do more one too many education mechanisms. We certainly at the advisor level do a lot. And we're not alone in doing this, Gui. But doing academy, university-type events where we spend a day or two with 100 advisors at a time and teach them, not about our solutions, but about alternatives.

About how to use them in a portfolio, about how allocations change as a result, and where to potentially source capital for doing-- for doing alternatives like big institutions have done for decades now.

And that's still only reaching a couple 100 folks every month. And how do we take that? And do we package it up in a format that can be consumed digitally? There are just things that I think all of us are thinking about. I also think we should all be very responsible here. These are big rivers that we're all swimming in here. I think we don't have to be competitive in a way that is a-- and not that folks do this, but we all benefit from greater adoption.

And we do-- in our own solutions, I mentioned we're higher conviction. We're doing our own deal flow, which means it's not owning the entire asset class. But there's a place in a portfolio for a diversified PE solution alongside like a single manager. And I think we need to talk about our capabilities, again, all of us in industry in a more complementary way and figure out how we can pair in these big rivers. Especially, and I mentioned already, you hear me say private markets over alternatives, Gui.

Alternatives, you sort of think of as a separate allocation. But the reality is, private markets should be equity, private equity, public credit, private credit, public real assets, private real assets. And that can lead to greater adoption. And all of those categories, you should have multiple managers, multiple structures and strategies to-- as those building blocks.

So, we need to do a better job, I think, educating. That's incumbent on all of us. And just how we all interact can be complementary to one another, as opposed to being, we're the only thing that works in a particular category. I don't think that's how we're going to get to 10%, 15% allocations in what we're focused on.

**Gui Costin:** Man, I love it. You're such a thoughtful guy. I love everything that you kind of went through today. It's no surprise you've had the success that you've had and as a great leader. So, Doug, thanks so much for being on the Rainmaker podcast. It's been an absolute blast hearing your story and what you've created at KKR. And thank you very much for being here.

**Doug Krupa:** Well, thanks for having us, Dakota. Appreciate all your advocacy for our industry. It's been a pleasure working with you and being on today's show.

**Gui Costin:** You got it. Great. Well, everybody, that's a wrap of the latest episode of the Rainmaker podcast with Doug Krupa from KKR. Doug, have a great day.