



Rainmaker
PODCAST

GREGORY STUMM

RESOLUTE

Gui Costin: Thank you all for joining the Rainmaker Podcast. I'm joined by Greg Stumm. Greg, welcome.

Greg Stumm: Thank you.

Gui Costin: Greg Stumm serves as senior vice president of sales and head of distribution for Resolute investment managers. He also serves in the same roles for an investment advisor affiliated with the company. Mr. Stumm has overall responsibility for the management of Resolute's institutional, retail and fixed income sales. Mr. Stumm joined an affiliated organization in 2012 as vice president of national advisory sales and progressed to roles as national sales manager of retail sales, followed by national sales manager of institutional and platform sales. Earlier in his career, Mr. Stumm served as an investment director of RS funds, a subsidiary of guardian investor services, and as a product specialist for investment research group at PLANCO, a division of the Hartford mutual funds. Mr. Stumm earned a BA from the University of Pennsylvania, he studied philosophy and politics with a concentration in economics, and is a member of the rowing team. He holds a FINRA Series 6, 7, 63 and 24 securities licenses. He is also a CFA charter holder and a CAIA charter holder. The whole goal of this podcast and this whole podcast series is investment sales professionals. If you ask anybody where do you find best practices? Where do you learn best practices around distribution? Whether it's mutual funds, ETFs, private funds, whatever it might be. There's nowhere, as we all know, to really find expertise or best practices around distribution. What we've been actually doing on this Rainmaker podcast, is interviewing sales leaders and really digging in. Not just to your background, but to your sales philosophy. To your leadership approach. What you might tell a younger salesperson. So, the whole goal is for you, as a listener and the audience, to hear from these true champions who have been doing it for a very long period of time, who have very defined sales processes, so we can hear from basically the horse's mouth how they do what they do. These are exceptional sales leaders. They've run great teams, they have great culture, and here is another one. So, Greg, welcome. So thrilled to have you.

Greg Stumm: Thank you so much.

Gui Costin: Could you just give us a little background on yourself and then kick it into the firm?

Greg Stumm: Yeah, absolutely. So I've been in the industry for two decades now. Started my career, actually in Philadelphia - born and raised. I would say go birds, but it's been a rough couple of weeks.

Gui Costin: For all of us.

Greg Stumm: Yes, for all of us. So starting my career at the Hartford was a wonderful experience for me. Actually, was part of an initial team there calling on registered investment advisors. I'll never forget, I worked for a guy, Jim Tracy. Jim may watch this, Jim, love you.

Gui Costin: But you don't mean the Jim Tracy from eventually Smith Barney? Jim Tracy.

Greg Stumm: No. No, this was Jim Tracy from who was at Hartford for a number of many, many years. I'll never forget Jim came to me one day and said, "Hey, we have these RIA firms. No one has called on them. You want to give it a go?" And I was like, "Absolutely not. This sounds horrible. Like I want to focus on the wires." He goes, "Just figure it out." But it was a great education for me, because I started there really kind of understanding what RIAs were. I actually got my CFA charter at my time at the Hartford. So I was doing some managing due diligence for them, as well. So kind of had a dual role over my time there.

Gui Costin: So I've been fundraising since 1997. The firm has, we have over 9 billion that we've raised just with RIAs alone. Because we're here and talking about it, you don't always meet people who've sort of started their career in the RIA channel, what's your opinion of a great way to enter the business through calling on RIAs and how that sort of shaped you, if you will?

Greg Stumm: Yeah. Well, and I think it's been especially impactful for me, because you 15 years ago you could have put me in a room with three advisors, and within 30 seconds I could have told you who was at the wirehouse, who was at the independent broker dealer and who was the RIA. Now they all sound like the RIA guy used to 15 years ago. I think it was really interesting, because one, you had to learn how to be scalable. For many, many years there were three of us calling on all the RIAs across the country.

Gui Costin: 100%.

Greg Stumm: You had to be had to be very organized. You had to be very thoughtful in where you spent your time, and impactful at that time. So, it taught me to be very scalable and I still follow that philosophy today.

Gui Costin: That's a very sophisticated sale to an RIA, which I think a lot of people don't appreciate. They think it's retail - and it couldn't be anything further from retail.

Greg Stumm: Very much. It is very much what I think of as a fiduciary mindset, right? I mentioned that because today, like when I talk to the top advisors at Morgan Stanley at Merrill Lynch, they have the same mindset. So you have to do two things really well. One, you have to really listen to their firm and their needs. What do they care about? I can't tell you how many times I see salespeople in our industry spend an hour talking about what's important to their firm. And I'm like, nobody cares, right? What's important to them. That is exaggerated at an RIA, where there may only be five people in that business and they are wearing a lot of hats and doing a lot of things. So, you better be really interested in what matters to them. The second thing is you really better know what you're talking about, because they're educated and they know what they're talking about. And they don't have research to rely on, right? They're doing it themselves and they know their stuff. I think that managing a very big territory, how to be very efficient, and how to be scalable. But then two, how to really listen. The fact that you have to really know your stuff when you come to meet them were my big takeaways.

Gui Costin: We would call that being a master messenger. Because in an RIA, as you said, if you call on JP Morgan private bank to get a product on the platform and its large cap growth, you're calling a large cap growth analyst. If you're calling on an RIA, and you're calling on that analyst, chances are 50% of their job is non due diligence oriented and mostly client facing, because they can't be a cost center. They have to be tied to revenue, right? Some people don't appreciate that, which ties into your point about being able to tell an amazing story so you can do their job for them. Right?

Greg Stumm: Yeah.

Gui Costin: Then they're re-tellers of stories, right? When you walk, I've met with many RIAs. Let's say Gui and people come in, they talk for an hour, after they leave say my partner says, what does Gui's firm do? And he goes, we have no idea.

Greg Stumm: Yeah.

Gui Costin: Because you didn't take the time, right, to really, I mean prep, if you will.

Greg Stumm: I like to ask who are your advocates? When you leave a building, who in that building is your advocate? Because if you don't have an advocate, it doesn't matter. I always go back to one of my favorite books - Fountainhead by Ayn Rand. There's a line in there where the protagonist is, he's an architect, and he's presenting to a committee about designing their new building. He gets frustrated and leaves, because he's like, I'm just talking in circles. And his friend who is on the committee comes out and says to him, don't know what the purpose of a committee is? It's so no one has to make a decision. And how many times have we felt like that about investment committees or even committees were on in our firm? To have someone when you leave the room that's an advocate for you is so important.

Gui Costin: Well, that's such a key takeaway, because if I wanted to take that one more step, we always think in terms of we're educators at the end of the day. We're not salespeople. Now, we're salespeople through and through, and I love being a salesperson. I love being called a salesperson. I love business development. But you're really educating in this world. I've always said, if you're an investment committee, and your advocate is sitting there, and you have educated them so much better. And these are the things you need to know about the product, if you get questions like this, this is how you want to answer them, VS the other product. They're naturally going to be more comfortable with you, right? Which is, we're getting into some of the depths of sales, which I love. This is what this whole podcast is all about. So I love the idea of finding your advocate.

Greg Stumm: Yeah, thank you - I love it. Even to expand upon your point there, I actually work with a member of the CAIA Association here in Pennsylvania and New Jersey. They do a wonderful job of educational alternatives. But with that, I actually wrote for my firm a program called unlocking liquid alts. I give it to all these different groups, and I say, listen, take this. And the next time my wholesaler comes into your office and pitches an alternative, these are the questions you should ask them. People love it.

Gui Costin: That's amazing.

Greg Stumm: Because you're arming them with information on how to do proper due diligence. At the end of the day, that gets to a better client experience.

Gui Costin: Right - you're simplifying their life.

Greg Stumm: Yeah, pretty much.

Gui Costin: In a big way. Well, that's great. OK, so back to Hartford. You go to Hartford and learn all these key fundamental principles.

Greg Stumm: Yeah. So Hartford for a number of years, RS investments, and then I joined Resolute American Beacon, actually, was 11 years ago November 1st. So joined 11 years ago to originally build out their RIA business. We only got into retail distribution about 13 years ago. I was about two years into the retail build out. I built that business out successfully for a number of years. Then took over our, as national sales manager for our retail channel. Then national sales manager for institutional channels, so kind of helped different parts of the business. Then have been head of distribution for about two years now.

Gui Costin: Oh, nice. So give us a little overview of Resolute. Obviously, before we came on, 35 different investment firms that you guys work with. Can you just give an overview, AUM, and the scale of what you do?

Greg Stumm: Yeah. Call it \$85 billion in assets under management, not including our distribution partners. But we like to say we do three things really well. That's it. And everybody that works with me is going to laugh, because they say I say everything in three, right? One, we have a tremendous product team that does an amazing job finding what we call undiscovered investment excellence. Right? Sometimes those are very small firms, sometimes those are big firms. But there are firms that do something different, do something unique, that we think can solve a problem on the wealth side. Actually, myself and one of my colleagues on the sales side is part of the product management committee, which I love. Because I've been at firms where, there's the product we're launching, go figure out how to sell it. Where we sit down and say, OK, we're looking at all these great partnerships. The last podcast I did with Dakota, we talked about those partnerships. I got a lot of great conversations and great leads out of that. But then on the sales side, we can whittle it down and

say, OK, here's where we think is the most interesting. So that's number one, finding great managers. Two, we provide scale. Whether it's through our mutual fund family, our ETF family, the way we deliver compliance and cybersecurity. We provide scale for smaller managers. And then third, we have top tier distribution and client service. So that's really all we do. Now we do it a number of ways. As you mentioned, we have about 35 partners. The way we partner with them can be through sub-advised, whether it's American Beacon funds or ETFs. We actually have a handful of affiliates where we invest in their business. Then we have one, soon to be two, pure distribution relationships, where we just provide our client service and distribution to them.

Gui Costin: Homerun. What you guys have created is really special, so congratulations.

Greg Stumm: Thank you.

Gui Costin: Can you give us just a sort of a breakdown of your team? The different divisions and how you've set up the distribution team.

Greg Stumm: The one key word there I'll strike from that question is divisions. I start and end every meeting with this, because this is our culture, this is our mentality. It's one team, one dream. We do not, no one, you'll never see someone at Resolute say, this is my relationship. We all work as a team. Now with that said, we do have different responsibilities and different resources. We break up the world into 15 geographical territories. Every territory has an external wholesaler and an internal wholesaler.

If you're a wealth manager in that territory, that wholesaler and that internal are responsible for you. That's wires, RIAs, everyone. I have a second team that is our advisory team. Our advisory team is tasked with consultants, direct institutional clients, but also RIAs and bank trusts. They're going to say, well, you have two separate teams calling on RIAs - what's going on here? They actually even work with the bigger wirehouse teams. They work in tandem. Because all of those people are CFA charterholders. They're extremely educated on our strategies and our wholesalers bring them in. I like to say, for special teams in red zone offense. Right? So say you get a meeting with a big gray zone team that you don't know. You bring in one of those people. They're amazing at telling four or five different stories, depending on what that team wants to hear about, right?

Gui Costin: Right.

Greg Stumm: Or, you identify an opportunity with a large RIA, and you need someone to really work with them, go deep on product, but maybe not as deep as like a PM, or as the PM can have as many touch points as someone there is. So really we'll have a lot of wins that both teams were involved in. This comes back to when I joined the firm 11 years ago, I came in and they said, do you want to hire two other people and the three of you call on RIAs? And I said, not really. We got these 15 people in the field, we got all these internals, can I just have them do it and I'll just help them? That was kind of shocking to the externals, as you could imagine, and the internals. But as soon as we started working together, we started getting a lot of wins and everyone's getting paid on it. Everyone bought in really quickly. We think about just driving forward the goals of the firm and having those responsibilities broken out. But everyone's working those relationships together. Does that make sense?

Gui Costin: 100%. We're set up in smaller, we have seven people and we're set up as a team. We're all generalists. If you go to Cincinnati, you're calling on Thor, you're calling on Fifth Third, you're calling on fund evaluation group, and you're calling on corner wirehouse teams at UBS. Your game has to be played at the highest level. So I couldn't agree more. If you're going to LA with one of our managers, and it just happens to be another teammate covers Camden in LA, guess what? They're going to set up a meeting for you to meet with Camden. I call them all the accounts or house accounts.

Greg Stumm: Yeah. Love it.

Gui Costin: No one has an account. Because then you don't have the fighting.

Greg Stumm: And you have to make sure compensation is built that way too, right?

Gui Costin: Right.

Greg Stumm: And as soon as everyone realizes, hey, if I work with so-and-so, that's not going to cost me any money, we're just going to drive more business. Everybody's light bulb goes off, right?

Gui Costin: And then for me, the big, big takeaway of it is lower internal volatility. Right? Because you want all the effort to be focused on external problems in terms of working with and

explaining strategies and working on a pipeline, VS infighting. Dealing with internal volatility, which is the death knell of a company.

Greg Stumm: I agree. That is a culture killer.

Gui Costin: So great. Well, I love that structure. How about specifically your sales process. Do you guys all follow the same sales process?

Greg Stumm: It really depends. The way we think about it, now again, we're a 40 person strong distribution team, which is a good size. But we're competing with teams that are much, much bigger. So the biggest question we have is, where do we spend our time? We spend on the management side, we spend a lot of time on helping our team identify the best opportunities. Whether that's using a Dakota database, or our wallet share based on shelf space at different broker dealers. But really building these campaigns within Salesforce. It really depends on the campaign and how many touch points we think need to happen based on that campaign.

Gui Costin: So you're very collaborative with your sales team?

Greg Stumm: Extremely.

Gui Costin: We call that walk the eight feet. Basically, we have two terms for it. Walk the eight feet is tapping the collective knowledge of the group. So you have to assume there's somebody sitting in the office eight feet away that has probably had a conversation, if you just go ask them. Secondly, don't go cowboy. Which is back to your point, is just if you have an issue, put everything in the middle of the table and just say, listen, this is what I'm working on. Has anybody run into a situation like this recently? So the group can then contribute. Because you don't know, during the course of the day you could have 25 conversations I have no idea you've had. But since I didn't put it out there, I can't get your feedback.

Greg Stumm: Right. So it's funny, I always say the three most powerful words in the English language are I don't know. But if the way I think about it is, and I know we're going to talk about CRM a little bit later, but every interaction we have with an advisor, to me, the equivalent of an experiment. OK - did we listen to the advisor? What were his or her concerns? What were their needs? Did we provide solutions? What solutions did we provide? Did we offer them resources? What resources? What was the outcome of that? We're

doing thousands and thousands of calls and meetings every month. You should be able to take those results and derive and say, based on these observations, these are the types of advisors with these problems that we can help the most with these strategies or these resources.

Gui Costin: And all that information goes into Salesforce?

Greg Stumm: It does, yes.

Gui Costin: I call those bars of gold. Because basically, if that information is not getting in, you're paying your teammates to do all that work. If that information doesn't get in, you've lost the gold. That's what you're paying for is all that information getting in.

Greg Stumm: It's a two way street though, right? What I find is, and I've been guilty of this before, there are management teams that maybe don't spend enough time looking at the output of the CRM. Right?

Gui Costin: Right.

Greg Stumm: You know? I talk with my wholesalers, one of my most important jobs is to prevent them from screaming into the abyss. So again, we work with 35 partners. They're all great partners. Guess what? We don't have 35 partners that are all sellable right now today. But everyone wants 100% of our activity. So I have to be the person that goes to someone and says, listen, this is a great product, this is a great strategy. We could have two activities or 2,000 activities. The sales results are going to be exactly the same right now. You need to understand when the time is right, or based on the environment, we're going to focus on these specific things. Whether it's shelf space, whether it's making sure you're in the right product. Getting you in front of the right people that are going to take a long time to look at something. Looking for searches that you may be relevant on. Nobody was buying credit last year. You could talk about credit once or credit 10,000 times, you weren't raising any money. Now we spent some time on credit in certain areas of opportunity. But you have to be cognizant of that. I feel like not only is it important for the salespeople to put good quality information in Salesforce that we can then get better as an organization. It's also important for me to look at it and say, OK, these things are not getting results and it's out of our control. I have to understand that and make sure I'm protecting them from wasting the precious resource of time.

Gui Costin: What you're getting at is just because you have a product on the shelf, doesn't mean they should be spending time at a certain moment in time selling that.

Greg Stumm: Exactly right.

Gui Costin: So essentially just wasting time.

Greg Stumm: Yeah. Yeah.

Gui Costin: I love that. Because you brought up a concept that's near and dear to my heart. It's the umbrella concept of our whole philosophy, which is focus on matters most. Then focus on what you can control.

Greg Stumm: I coach teenage girls in softball. So my daughter plays softball, plays 15 U for Moorestown. Shout out, Quakes - not that any of them will listen to this. We didn't have this when we were kids, but now they all have wristbands with their plays everything. I printed across the top our four C's. Which are confidence, communication, consistency and controllables. If you can manage those four C's in your life, you'll be successful. That controllable one is something on the sales side we lose sight of very often. I think that, to me, is like as a manager, looking at that output and seeing what we can talk about and what we can't talk about is really important.

Gui Costin: That's awesome. We translate that to there's three pillars of our sales process. Which is know who to call on, so you're matching the product structure with the channel. Because product type drives channel focus. Know what to say, so be master messenger. You've got your TAM. Then when you get in the meeting, do you bring it to life? Do you educate, as we talked about earlier? And then three, have a killer follow up system. Meaning, utilize a CRM to leverage your time. So you're not, the retrieval of information is a nanosecond, VS having to look around. Those, in my opinion, are the only three things you can truly control. Where are you making sales calls to, what you say in a meeting, and then the actions you take post-meeting.

Greg Stumm: That's exactly right. I mean, I'll give you a good example of that. So like last year we have a great fund and an asset class that was out of favor last year. No flows going into this category. But what we decided to do was, it's highly recommended

at a firm. We use technology to identify advisors at that firm that had funds in that category that were under, were more expensive, lower yielding and underperforming those over one, three and five years. They all had losses in that category, in those funds. So our activity for that fund was just to call those advisors and say, listen, you may not like this asset class right now, but you have exposure to it. Why wouldn't you do some due diligence now? Capture a tax loss, upgrade into something your firm is recommending, and get ready for when you do want to come into the asset class? We had a lot of success with that in a category that was massively in outflows.

Gui Costin: Yeah. Number one, genius. But number two, just using common sense. Awesome takeaway. Just use common sense.

Greg Stumm: Yeah. It's not rocket science, right?

Gui Costin: Yeah. But you're drawing nice correlations between certain things. That's great. So there's two forms of communication. I'd love to hear about your internal communication cadence with your sales team. Then I also want to hear from you as a distribution leader, your communication cadence up the food chain to your CEO and the executive team. Would you mind just telling us? I think communication is everything. But how do you do it internally with your team? Really around updates, if you will. How does the team communicate, not so much on a daily basis, but like your sales meetings or your sales updates.

Greg Stumm: Yeah. So we have in-person sales meetings twice a year. I will tell you for anyone watching this, we made a change two years ago, and I love it. We wrap up our sales meetings at 2:00 in the afternoon. We start at seven, we go till two, and then we go do something fun. We started playing pickleball. I tell you, we have the whole firm come and rent six courts. I could barely move the next day, because I played like 15 games of pickleball. It is awesome. My only rule is, play with people you don't spend time with. So we're constantly doing that. Went to a place in Dallas called Andretti's, which is indoor go-kart racing. Which if you're ever in Dallas, is awesome. They go like 35, 40 miles an hour and you're flying around this course. It's just because you know what? Going to seven to two you've kind of maxed what you're going to learn for that day. Then you're just spending really, good quality time with your people.

Gui Costin: That's great.

Greg Stumm: So we do that. That's twice a year. We then, so there's a couple other things we do. Every week we have two calls. One, we break it up into smaller teams. So the externals have a call, the internals have a call, the advisor team. That's just idea sharing - what's working?

Gui Costin: What's the cadence of that?

Greg Stumm: Once a week. So every Monday night.

Gui Costin: Every Monday night. What time?

Greg Stumm: 4:30 Eastern. Usually, it's like 30, 45 minutes. We're not asking people to stay on too late. But it's good for the West Coast team, good for the central team.

Gui Costin: So all idea sharing.

Greg Stumm: Yeah. What's working, more importantly, what's not? Because the other thing we do, and let me cover this, I want to get back to red, yellow, green. I think you'll find this very interesting. We then have a Friday call on product. So, Monday call about what's working and what's not, Friday call on product. Then we employ a system called Highspot. Which one of my team members has helped really build out. I don't know if ever played around with Highspot, but it's amazing. We use it as the repository for all of our marketing material. I don't have my iPad on me, but if I pull out my phone and I want to show you a deck, I actually use the Highspot app, which is great from a compliance standpoint. Because when it expires, it disappears. I know my team is using all the most updated, compliant stuff. We send everything through Highspot. But then also, we have recordings on there. We have whole training pages. Hey, you want to get a quick update on this fund? Click on it. You'll see an interview I did with our head of sales education and strategic sales on that fund three weeks ago on a pitch. Or I'll have the PM on there giving a 10-minute update. Or we'll have something on there. It's just a repository for videos. So like, hey, I'm going to go do a lunch meeting, and I have to pitch this fund. Let me go listen to the last pitch. It's that is awesome. Because it's consuming on demand.

Gui Costin: What you're creating scalability?

Greg Stumm: Yes.

Gui Costin: Creating complete scalability.

Greg Stumm: Yes.

Gui Costin: So everybody can listen to that.

Greg Stumm: Everyone listens to it. And the thing I love about it is like, we all have a little ADHD, right? Like we all have a little bit. How often do you remember the detail of something you heard on a Friday call three months ago? Because we have a lot of partners. You might not hear from somebody for months. Bang, I've got that update right there. I can pull it up on my phone, listen to it on my airpods as I'm walking into the lunch meeting and I'm ready to go. Then there's two other things from a communication standpoint that I found extremely beneficial. One is I have an advisory council made up of externals and internals, and it's a safe space. I was like, what am I doing wrong? What are we doing wrong as a firm? What are we doing good? What can we do better? That has one, it's massively impacted our retention. Because I've had people on there say, and I say, go to your peers and ask them. Don't have to tell me their names. It's all people that trust me and know that I'm not going to say, oh my god, I suck. You're fired. Right? No. It's not like that. It's like, I suck. Why do I suck? What can we do better? And there has been real problems that have come up there and we've changed things.

Gui Costin: Good for you. That's great.

Greg Stumm: It's a safe space. I'll be the first person to admit, I make more, I say, I live my life with consistent underperformance and moments of greatness. So if I know I'm underperforming, I try and fix it. And that's been really, really helpful. Then the other thing we do, I once heard, I think this was actually a Schwab impact. The former CEO of Ford. He talked about this process they implemented, which we do, which is called red, yellow, green. We send out a survey every six months, sometimes around the sales meeting, sometimes before, sometimes after. For every strategy we distribute. Rate it red, yellow, green. Red, I'm not talking about it at all. Yellow, I'm talking about it, but I'm not having any success. And green, I'm talking about it and having success. We get those results and we make decisions based off that. And sometimes we'll look at it and say, OK, yellow. We're talking a lot about this, why aren't we having success? Is it the market environment? That comes back to my shouting into the void, right? Or is our pitch bad? We had an example, we have a great

strategy. We were talking about it not raising any money. We've tweaked the pitch. We've increased F1 by 20% in the last two months since we changed the pitch.

Gui Costin: So I get phone calls on that topic. They say, Gui, I'm not having any results with your database. I'm like, that's because your email is bad. He goes, whoa, whoa. How can you say that so fast? How do you know my email is bad? I said, because I know our data is great. OK, because we use it every single day. It's up to date. And I said, but shoot me your email. They shoot me the email. I read it, I update it, I send it back. They're like, oh, well you didn't have a call to action to set up a meeting, so how can you get results if you don't have a call to action? I never thought of that, but they're blaming the wrong thing. The root cause of the problem was not the data, the root was their outreach and their lack of a call to action. So I completely hear you there.

Greg Stumm: Yeah, and sometimes the hard thing for us, too, is having a lot of partners, things get lost. To me, sometimes the eye opening stuff there is like the red. Why are we not? And sometimes I'm like, OK, I understand why we're not talking about this. Other times I'm like, oh my god, we're not talking about this? Like we need to talk more about it. So I think it is, those are really good, because again, communication is two way. It's not just us pushing information to them. It's them seeing these things out in the field and giving them back to us, I think, is as, if not more valuable.

Gui Costin: Getting feedback from the field is everything internally, right? Then we use Slack to do that. You just populate and you can search it and everything. It's just, it's been brilliant. As a distribution leader, how do you manage up and how do you report at a high level? How are you communicating with the executive team?

Greg Stumm: We've got a great relationship. I'm in every board meeting that we have, and there are quite a few. But I think the biggest thing is, we focus on the relative not the absolute. Right? There are a lot of uncontrollables in our business. So we spend a lot of time looking at how our relative performance is, not necessarily our absolute. So we look at things like mutual. Everyone's always like, what are your gross sales? I'm like, I don't know. But if you could tell me, I could tell you quarter by quarter what our mutual fund market share is nationally in every territory in every channel. Because to me, that's what I care about. What's our market. Because I can't control how much money is flowing into funds, I can only control how much

of that we capture. We talked about a launch coming up soon. I didn't say I want to raise x amount of dollars, I said I want 40% market share. Right? To me, it's one, is just working with your management team, working with your board to say, these are the things that are important. Here are the things that I can't control. Don't necessarily pat me on the back when those things are in our favor. But don't hold it against me when they're not in our favor. Let's focus on the things that we can control, and how are we impacting them? The other part to it is being very honest. We had a strategy with an affiliate manager. It was a great strategy. It was too expensive. I think there's a lot of people where they'll say, hey, why don't you raise the money here? Oh, we're trying this and that. Very honestly, sat in the board meeting and said, you need to lower this expense ratio by 54 or 55 basis points. And you're saying, no. I said, well, then we're not going to talk about it. And they lowered it and they said, OK, so what's the asset raised look like? I said, I have no idea. I cannot promise you assets, but I will guarantee you activity. That's the kind of relationship we have as an organization. Where I went and said, we have lowered this by 55 basis points, we need to get behind this strategy. I believe it makes sense in this environment. We went from having roughly 30 conversations a month two years ago, no 30 conversations a quarter. So de minimis to 1,000 conversations a quarter.

Gui Costin: Oh, my gosh.

Greg Stumm: Yeah. And we're raising real money in that strategy now. So again, I was going to say, 150 basis points and nothing is still nothing, right?

Gui Costin: Yeah.

Greg Stumm: And so I think being very honest with that. But then coming through on your promises and giving realistic expectations, that's been very, very important.

Gui Costin: Because clearly, that expense ratio had a two handle on it.

Greg Stumm: It was 154 and it needed to be 99 basis points.

Gui Costin: Gotcha. OK.

Greg Stumm: That was exactly what it was. Yeah. And at 99 basis points, a very sellable at 154, couldn't touch it with a 10-foot pole.

Gui Costin: As you can imagine us, as a third party marketer, we get that question all the time, how much money can you raise? And I said, it's an impossible question to answer, but I can promise you activity against targeted accounts. So our communication process with our affiliates and the firms of six firms that we raise money for, is we always have a sales plan. And we always sit down with them and agree to the sales plan. And we agree with what success looks like. Because it's not always money. It's not always AUM. It's really, we're going to focus on these channels, and as you said, kind of penetration against the channels. And then we always just have a weekly check in with them, we go through pipelines. And so there's constant communication. We never want to be in a position where they'll call us and say, hey, where are you? What are you doing? And I think for our listeners that's a really important thing. Because sometimes, salespeople are scared to be so transparent. We did the opposite, we're crazy transparent. So there's no agenda.

Greg Stumm: And depending on the relationship. So as opposed to your question about communication up, let's think about communication out. Because I view our 35 partners as my 35 most important clients. Whether they're an affiliate or a distribution relationship or a subadvisor. We have for a number of them pretty frequent distribution calls. Sometimes that's monthly, sometimes it's quarterly. It depends. Some we've had partnerships for 10 years, we don't need to do it that often. We do it semiannually. But the way we think about it, we break it down into the controllables, right? So what is our shelf space look like? Because I don't care if a strategy is in favor or out of favor, whatever's happening there. Morgan Stanley still want so many funds in this category on their platform. Are we moving that forward? So what does our shelf space look like? Next is what does our activity look like? And then lastly what does our market share look like? Again, because the market share category can be in or out of favor, I still want to have a relevant market share or a reasonable market share in that based on the fund deserving of it.

Gui Costin: Yeah I love it. Well, all the little things that you just went through in terms of communication, and it's so world class. I love it. I mean, you just have given this such a level of thought. Let's move on to something near and dear to my heart, because sometimes I assume all investment salespeople fully buy in to using a CRM.

Getting their meetings they've scheduled in the CRM plus their meeting notes. Can we just, would you mind just giving me a sort of a high level overview of your philosophy on why a salesforce.com in particular, but just a CRM in general, is so critical to the build out of your organization?

Greg Stumm: Yeah. And I have to laugh. I mentioned this before, but the people in my organization laugh. If you don't log it, it doesn't exist. Right? Like that is our rule number one. I talk about this a lot. I say our most precious resource is our time. Our most powerful resource is each other. And there's no way for us to learn if that data isn't going to Salesforce so we can analyze it. That is most important. And so what then we do with it. So again, the way we think about it is you have an interaction with an advisor. You're logging that in Salesforce. Obviously, you're putting notes in there. They're very detailed. Those notes are around how we can be a good partner for that advisor. What are their needs? What does their business look like? Because again, I don't want to waste their time. You shouldn't be going back into advisor for the second or third time saying, tell me about your business. Well, I told you about it three months ago. You should take thorough notes, and it should be in there. You should be able to educate yourself. And you should be able to do it five minutes before the meeting if you need a reminder. The second thing we put in there is what strategies did you talk about? Because, and this is where the science experiment comes back, right? So it's like, OK, this is what the advisor looks like. This is an OPL advisor who focuses on clients in this to this size, who has no assets with us. And we talked about these funds. What was the result? Did they invest in something or not? So we'll put in there what are the strategies you talked about. And then lastly, we put in there if you used any resources. Because you've probably seen this before, some portfolio managers are great in meetings and others are not. Right? And so we want to be able to evaluate, hey, if I bring Greg into this meeting, does that help me close business or not? And so we will lock all of that information into our CRM. And then we have a great data team that publishes a report every Monday. And that report every Monday goes through. And again, it's all relative, right? I'm not going to compare my sales person to the American fund sales person, the BlackRock sales person. Because they are different products, different platforms, etc. I'm going to compare you to your peers. And so every Monday we come out with an Excel spreadsheet that shows you what the average external, what the average internal and what the average advisory sales person has done month to date. And it talks about how many calls, how many meetings, how many emails,

what percentage of time they spend on this versus that versus this. What percentage of the time they talked about two funds in a meeting versus one fund? And then it's every single person. So you can say, well how am I doing relative to my peers? When I tell you so many good conversations have come out of that, where it's like, Gui, how are you getting so many calls? One of our New York wholesalers will say, oh, I travel around with a legal pad and have all these people and their numbers down. In between meetings I'm just banging out these calls as I go from one meeting to the next. They're like, I was using an Excel spreadsheet, and that's on my laptop. And I have to turn my laptop on. It's like, if I have left in 20 minutes, it's not worth it. He goes, yeah. I just got a spreadsheet and I just write down call this, and I just log it all that night. You're like, wow, I like it. Know what I mean? Simple things like that. So it allows everyone to evaluate their business relative to their peers. And also holds everyone accountable. Because I see that, our CEO sees it, everybody sees it.

Gui Costin: So on this podcast, I had Eric Sutherland. That exact topic came up. He goes, Gui, if I find someone. He goes, one technique that we use. If I find a wholesaler selling a product very successfully, we bring them in, we interview them on video, and we ask them exactly what have they been doing?

And we blast that out to everybody. So you're literally sharing your finding who's doing it the best. And I find it internally, right? It's like some people say they did 17 meetings they set up in one week, which is a total outlier for our software business. But then we sit down and say, OK, walk us through why you're having such success. What are the things that you're doing? And then they go, oh, I was just doing this in LinkedIn. I was attaching this or that.

Greg Stumm: Yeah. And what we find sometimes is it's not, I don't want to say silly, but like we had one wholesaler have a PM travel. And we're trying to grow this product, we have a PM out in the field. And he's got 20 meetings for her in the four days. I'm like, dude, like this is awesome. How did you do this? He goes, Wells Fargo. Wells Fargo has from top down, they're looking for these types of strategies that do this and this and this, and that's kind of a top down message. So I just called all my Wells Fargo reps. I called the branch managers. I said, this checks all those boxes, and they all wanted to meet with her. And I was like, has anyone else called? And everyone's like, no, I never thought of that. I'm like, genius. Stuff like that. Then the other thing that we do that I think is really important with the CRM, we all spend a lot of money on conferences. We put a lot of

time, a lot of effort into it. We spend a lot of time on who do we call? Wells Fargo, example. So we build, our data team very thoughtfully builds campaigns in Salesforce. At any point in time, my internals, externals have a ton of people to call. And what we do is we don't just sit on that, right? Say there's 100 people at a conference. What we'll do is we'll analyze that after 1 month, 3 months, 6 months and 12 months. And what we look at is out of those 100 people, how many actually became clients? How many became hot leads? And how many became frozen? So everyone starts off as cold. Frozen means I've called them multiple times and they will just not take my call or return it. A hot lead is I called them and they were actually interested in our solution, and we had a meeting. Client is obviously a client. And we'll go back and look at that at the end of the year and say, wow, OK, there was 100 people at this conference and 40 of them became hot or clients. And there was 100 people at this conference and three of them did. We probably don't want to do this conference again, probably isn't our target audience. And that's been extremely insightful for me as I think about allocating my budget.

Gui Costin: OK. So just to recap. So one, I think we both agree that a CRM is mandatory. It's the ultimate leverage point for a salesperson. So if you enter your meetings that you scheduled plus your call notes, rapid recall, without having to look for a lot of stuff. It's all there. You can look at past activity for quick follow up. You can analyze the data that you've put into the system. Especially, if it's set up where you have to enter certain bits of information so then you can run reports. And then lastly, which I really love that what you just went through, is you're measuring. OK, if you do attend a conference, you're measuring the efficacy of what actually did we get out of it? If these are our 100 targets, where do we stand against those? And if we're only getting minimal, then we're going to bag it next year. Or gosh, we really got a lot of value there, we moved 0 to 60 and so let's go back again. So it's for measurement. Great.

Greg Stumm: Yeah. And I especially think like I don't know if you've ever seen this, but how many times, I can't even think in the past how many times we did a conference and the follow up just stunk. Now guess what? It's on blast. Everybody sees it. And if you don't measure it, there's no accountability.

Gui Costin: I love it. All right. So we're going to focus on three to four core areas. And first off, I just want to talk about could you just discuss and describe your leadership approach?

Greg Stumm: So I think it is culture, transparency and accountability. Those are our big things. We pride ourselves in having a wonderful culture at Resolute investment managers. It's the reason I've been there 11 years. It's the reason I will be here as long as they'll have me, because it's a group of great people. And we defend that. I always like, it's so funny. When I interview somebody, and I usually interview almost anyone that joins the sales team. They've gotten through two or three people first before they've gotten to me. And I always say like, listen, I trust my manager. If you've gotten to me, you can do the job. Like even if you're a wholesaler, I'm not going to quiz you on who in Philly. What are you. It's hard for me not to do that sometimes. But I'm like, tell me about yourself. And let me tell you about who we are. Because if this doesn't jive, it doesn't matter how good of a salesperson you are. And so that is extremely important. The next is transparency. And a lot, that comes into what do we have to do? Like we always talk about our goals as an organization. I lay them out extremely clearly for everyone. And make it pretty plain vanilla, right? And then the last thing is accountability. I forgive a lot of things when hard work is involved. So if you're grinding, if you're not having success, I will work with you all day long to help you have success, as long as the work ethic is there. You got to have work ethic, right? Like I heard a podcast with Sam Hinkie, the former GM of the sixers, right? And he said the key is, he goes, if you want to be an A player, you need to hire other A players. Because everyone's going to make yourself better. People that are B players hire C players because they're afraid of competition. To me, I want, it's my job to make sure we have A players in our team and everyone's being held accountable to the standards of the rest of the team.

Gui Costin: So Harvard did this study. The first part is obvious, because we heard it all the time. You know, you're the average of the five people you hang out with. But then, they did another study. And they said that when you're hanging out with someone, there's a cellular connection. Like you share cells. If you hang around a lot of successful people, you end up starting to talk like them. That's the evidence. So you actually share it. Now conversely, have you ever been around somebody that's a A versus a B or C?

Greg Stumm: Yep.

Gui Costin: You actually just don't want to be around them. That's not they're the bad people, it just they don't share the same work ethic that you might or the same approach. So then you take that one more level, and you say to yourself, OK, A players only want to

hang with A players. And the A players are exchanging cellular connection. So then it becomes internal, where it's like no, it's not even a question. Because the B player just isn't the right role based upon what you guys are doing. So it actually becomes this cellular like exchange.

Greg Stumm: Very virtuous cycle.

Gui Costin: Right. So you really want those A players.

Greg Stumm: I hate to hang out with different characteristics, but I need to be bringing my average up.

Gui Costin: Yeah. But it's really cool when you think about that, right? The next question then becomes what advice would you give to a young salesperson, knowing what you know now? Somebody is listening to this podcast, is getting in the business. What advice would you give them?

Greg Stumm: Probably two or three things. The first is ask for help. I was very, very lucky early in my career. I had some wonderful mentors. The thing that I worry about personally with younger people today, in this hybrid culture, where you're in a couple of days. The days you're in the office you're like running around like crazy, and then you're virtual, and you're just doing your own thing. You lose a little bit of that. You lose that mentorship. I would say, number one, ask for help. Ask for people that have been doing this for a long time. Say, hey, can I learn from you? Can we get lunch once a week and can I pick your brain? Or can like, I mean again, I'll go back to Jim Tracy. We used to sit in his office 5:00 on Friday. He used to tell us all these things that we need. You know, like, do this, do that. Try this, try that. And just soak it up like a sponge. So I think ask for help is number one. Number two, trust me. I know you feel like you're busy now. I have three kids. Every kid I have I feel like I'm the busiest I've ever been, I keep getting busier. Right? If you've got the time, get your CFA charter, get your schema, get your CAIA, get your MBA, educate yourself. Educate yourself. Educate yourself. That is, grow your human capital. And then the last is I would really just say, try to learn as much about every part of this business as you can. Because what you'll find is people get pigeonholed very, very quickly into one role, knowing one thing. And if you can know enough about funds, SMAs, ETFs, privates, different type of investments, different types of firms, wirehouses, RIAs. Learn the ops side, right? Learn how all this

stuff works. Learn how the tax side of it works. The more exposure you can get, the more pliable you'll be later in your career.

Gui Costin: So everything you just went through, I'm going to bring back to what you said originally. And you brought it up many, many times. Those are all controllables.

Greg Stumm: Yep.

Gui Costin: Right. So they're all things within your control.

Greg Stumm: Yep. Very much.

Gui Costin: And I love your leadership style. So as we close, final question. There's all sorts of things going on around distribution. What are some of the things, sort of the challenges that you see in distribution right now? And what are you doing to overcome them?

Greg Stumm: I'll speak to the challenges we see right now, and how we're attacking this. I think obviously, there's massive change in the industry. You know, move from mutual funds to model delivery to ETFs. There's an increase in personnel turnover at firms. Our biggest challenge has been, I think, my wholesalers are working too hard. I think they're trying to manage too many relationships. And what's happening is we've got 1,000 relationships, and they should whittle that down to 300. And really be a partner for those advisors. And work smarter with them and help them build their business and be a bigger part of their business. And so I think now it's like everyone wants to run 1,000 miles an hour, talk to every single person they can. And what I'm doing is guys, refocus. Refocus. Think about who are the advisors that you can help the most? Who are the advisors that you can be a real partner to, and spend your time with those people. Because now you're getting, your phone's ringing constantly. There's a million distractions. There's a million, I mean we have great databases, right? There's a million people I could pull up on Dakota and call. What are the best partners look like? Who are the people that we should be focused on? And so it sounds kind of crazy to say like you're working too hard. But it's like, work smarter sometimes and be a better partner for advisors.

Gui Costin: So I interviewed Matt on this podcast, Eaton Vance, Morgan Stanley. He comes up with those three things, just exactly what you just said. And he hammers on that with his team. Right, it's all about that level of focus with the advisors that you can have the

biggest impact with. So this has been unbelievable, Greg. Incredible interview. I can't thank you enough for being here. So it's another wrap on the Rainmaker podcast. I can't thank Greg enough. Your insights, your philosophy, your culture. I want to go work for the guy.

Greg Stumm: We may be hiring.

Gui Costin: Let's go. So thank you. Thank you all for listening. Can't wait to see you on another Rainmaker podcast.