



Rainmaker
PODCAST

EPIISODE #26

JOHN HALABY
HARBOR CAPITAL

Welcome to the Rainmaker podcast with your host, Gui Costin. The goal of this podcast is to give listeners a unique look into sales strategies from top industry executives. We introduce you to the heads of sales and heads of distribution who will help you understand the inner workings of the successful sales organizations from philosophy to execution. This podcast is essential for sales professionals seeking wisdom from the best in the field. If you're not familiar with Dakota and their Dakota Rainmaker content, please check out dakota.com to learn more about their services.

Gui Costin: This episode is brought to you by Dakota Marketplace. Are you tired of constantly jumping between multiple databases and channels to find the right investment opportunities? Introducing Dakota Marketplace, the comprehensive institutional and intermediate database built by fundraisers for fundraisers. With Dakota Marketplace, you'll have access to all channels and asset classes in one place, saving you time and streamlining your fundraising process. Say goodbye to the frustration of searching through multiple databases, websites, Form ADVs, and say hello to a seamless and efficient fundraiser experience. Sign up now and see the difference Dakota Marketplace can make for you. Visit dakota.com/dakota-marketplace today. Welcome, everybody, to the latest episode of the Rainmaker podcast. I'm so excited to be joined by John Halaby, who's Executive Vice President, Head of Distribution for Harbor. John Halaby, welcome to the rainmaker podcast. We're so thrilled to have you on board.

John Halaby: Thank you so much for having me. I'm excited.

Gui Costin: John Halaby is Executive Vice President, Head of Distribution of Harbor Capital. John is accountable for developing and implementing overall business strategy for distribution and leads the key account sales and marketing organizations. Prior to joining Harbor, John was employed as the head of financial institutions group US Intermediaries at T Rowe Price Associates in Baltimore, Maryland. John was an integral part of the overall business leadership and distribution of T Rowe Price products through banks, registered investment advisors, retail platforms, turnkey asset management platforms, and custodians. Previously, he held positions leading national accounts and defined contribution for T Rowe Price's intermediary focused business unit. John began his career at Scudder Kemper Investments, where he held individual sales roles of increasing complexity until his role as vice president when he left in 2001. John received his BA from Cornell University. He is a CFA charter holder and is a member of the CFA Institute. John is also a board member of Catholic Charities, Maryland, Loyola Blakefield, and Maryvale Preparatory School. Now this is great. So, John, just you're executive vice president, head of distribution at Harbor Capital. Could you give us a little background on yourself and your career?

John Halaby: Yeah, for sure. I like to start, really, from the beginning. So, I'm the proud son of Haitian immigrants born and raised in Brooklyn, New York. And I say that oftentimes to lay the foundation for who I am as a person and who I am as a leader. I am one who didn't fully appreciate how much my formative years were going to have an impact on who I am today as an executive vice president at Harbor Capital, but it has. I love what I do. I've been at Harbor now five years. Spent most of my professional career at T Rowe Price helping to build the intermediary business there. And it's just been a wonderful 32 plus year career, all in distribution.

Gui Costin: That's great. So, I can't not ask you about your high school, because we went down and played lacrosse there quite a bit every year with my two boys.

John Halaby: Oh, is that right?

Gui Costin: Yeah.

John Halaby: Excellent.

Gui Costin: Well, Blakefield. Yeah, it's a great school.

John Halaby: Oh, so I actually... so I didn't go to high school at Loyola. I was on the board for a number of years.

Gui Costin: Oh, Gotcha. OK. I'm sorry. Sorry, gotcha.

John Halaby: My son went to Blakefield. My son went to Blakefield.

Gui Costin: He did? That's great.

John Halaby: Great school.

Gui Costin: Yeah.

John Halaby: Yeah.

Gui Costin: And that lacrosse stadium where you stand up on the stands and it's kind of... very, very special place. Well, great. Well, could you go through and just give us a little overview of Harbor and your distribution structure, so how you guys... internals externals, how you're all set up?

John Halaby: Sure. So, at our core, historically, we have been and continue to be a research and due diligence firm. We're a company that goes out and finds boutique managers from everywhere around the globe and we bring them under the Harbor

umbrella and then we distribute them to the marketplace. Today, our distribution force is 85 strong. And just to put that into some historical context, when I first joined five years ago, I think I was the 29th or 30th employee in distribution. And then the pandemic hits. But we didn't we didn't stop. We didn't stop our growth. We didn't stop our focus in penetrating and wanting to penetrate intermediary distribution. And so today it's a group of 85. How that 85 is broken down is really tied to our distribution philosophy. Yes, we have... more than half of our associates are salespeople, but then the other half are a mixture of what we call analytics or intelligence and marketing, because we fundamentally believe... I fundamentally believe that it is the marriage between intelligence and marketing and personal selling that leads to exceptional distribution. And that's what we're here to do and bring to the marketplace.

Gui Costin: You know, John, can you unpack that just a little bit more around the intelligence component? How were you guys using market data to improve the sales process?

John Halaby: Yeah. It starts for us with the belief that, allow salespeople to do what only they uniquely can do. And that's secure more business or retain assets. A salesperson's value to an organization, we fundamentally believe, is not best used... their time is not best spent figuring out who specifically I should be targeting outside of having any pre-knowledge themselves. Right? They should not be tasked with who should I be calling on, what should I be saying, what marketing collateral should I be bringing to them, which product of our 30 plus is going to likely resonate more with that buyer versus another? All of that for us is outsourced and can be outsourced by one of the other professionals in our operations organization or within marketing so that our salespeople, again, can be... their time can be best spent doing only that which great salespeople can do. Close business and retain assets.

Gui Costin: I love that. So, what you're really getting at is that you do all the groundwork for your salespeople so they can simply focus on those advisors that you guys have already determined are the best fit for a particular product with the appropriate marketing materials. And they don't have to think about anything other than going and building a relationship with that advisor.

John Halaby: Yeah. But it is also constant feedback from the salesperson as well, because we hired some very experienced professionals from some of the more well-known organizations that we compete with on a daily basis. They've come to Harbor because they believe in this philosophy of intelligence plus marketing and personal selling equaling exceptional distribution. So, we spent a lot of time listening to their feedback, like, was this a good lead? Was this a good use of marketing collateral? And that then feeds the engine to make that next lead even more powerful to them.

Gui Costin: That is great. And so, can you help us just understand your sales process? Do you have a sales process that is consistent across the organization, or is it different for maybe institutional versus retail, intermediary? How do you think about sales process?

John Halaby: Great question. So, it is different in terms of what we would describe as institutional or the home office of a large intermediary buyer. So that is more of a 1 to 1 institutionally oriented sell for sure. The leveraging of the data and the marketing expertise from a strategic standpoint, that is really what I think you're referring to as retail. Like, how do we take these 300,000 potential buyers in the United States and figure out what cohort of them are going to most align with Harbor Capital? We're not an organization that's going to have... we don't have a 30-year history with these financial advisors or with these potential buyers. We don't have an army of 200 individual salespeople in the field. And so, when we thought about this five years ago in our build out, it's like, how can we do this better, smarter, faster? And that is, again, leveraging the data intelligently with marketing, but then also constantly listening and getting feedback from clients and prospects and our salespeople.

Gui Costin: Gotcha. And so, part and parcel to that is communication. Right? And I'm curious about your weekly or monthly sales meeting cadence with the team and how that works. So that that'll be part one of communication. Then part two, I want to ask how you communicate up to the executive committee in your progress against your plan. So, we'll start off first just with internal communication and sales meeting cadence.

John Halaby: Sure. So, we have a weekly sales team meeting every Friday morning where we spend time on the front end of that talking to the sales organization to share with them what's new. And that what's new could be sort of a top-down targeting initiative, it could be new marketing collateral. But then we spend the bulk of the meeting, really, sharing ideas across the team. We, in essence, view it as an open mic session. Like, anybody want to grab the mic and share what's worked really well this week or what hurdles might they need to overcome or need help in overcoming? So that's every Friday. We then at a territory level, there's a sales... what we call a franchise level every month, have a formal meeting where we do break down every territory or every businesses' results relative to their KPIs. But those are our formal communication cadences. The reality is every single day information has to be shared and passed, and you have to create an environment where people feel empowered and they feel trust that they can share what's going well or what's not going as well and recognize that they're doing so all for the betterment of not just themselves, but for our group and our clients.

Gui Costin: Yeah, that's brilliant leadership. We have a monthly meeting for each division within our company and we call it W Days. What's working, what's not working. It's unbelievable what you get out of that. It's truly remarkable. Right? You think it's only been a month and we thought we covered everything and then something else comes up, right? So, I love your open mic. That's truly brilliant leadership because it takes some vulnerability then for people to... or for you to create an environment where people are willing to step up and share truly what's working and then being able to say, hey, this is what's not working. Any ideas? So, I absolutely love that. OK. Communicating to... this is a really important one, John, because if you think about a lot of individual salespeople and where they can get tripped up is not effectively communicating progress against a plan. And as we all know, sometimes PMs might have an unrealistic expectation of what we should be raising versus what's actually happening, and communication can bridge that gap significantly. Could you talk to us about how you report up to the executive committee?

John Halaby: Yeah. So that happens on a... on a weekly basis, informally. So, in a few hours we'll have our weekly executive committee meeting. And so that's where I will share with the organization anything that's going either better than we thought it was going or not as well as we think it should be going. But then every other week we have a much more formal gathering with members of the executive committee, and I bring my distribution leadership to that meeting, and we'll cover various topics and do a deeper dive on areas, functional areas within distribution to allow our executive leaders to get a better understanding of the how we're progressing to go. But more importantly, give them... take them under the hood a bit in terms of how the sausage gets made. As we affectionately like to say at Harbor, everybody's in distribution. So, we want folks in our sandbox. We want folks challenging us and asking us questions. That only makes us... that sharpens our knives, that sharpens our tools. That makes us better as professionals, and so we look forward to those.

Gui Costin: So, John, again, back to vulnerability, right? Being transparent and bringing everybody under the hood. Could you... just maybe one or two more sentences just around the importance of a salesperson being transparent with essentially the leaders of the company around everything that's going on... on a consistent basis, just how critical that is? And it really, in a fun way, takes the heat off of you, right? I mean, meaning so then there's no surprises.

John Halaby: No, right. I think at our core, what we want to create as an environment where a salesperson understands and appreciates that we want everyone to win. I think in certain cultures it's the salesperson may have a tendency to feel as if they're constantly being threatened or under stress versus being in an environment where, no, it is about, how do we help you win? Because as that salesperson wins, I mean, it's just intuitive. It's always been intuitive to me.

Salesperson wins, the organization wins. And so, what we're trying to espouse is a culture where that salesperson, again, can create or can feel empowered to be vulnerable, to say, hey, let me raise my hand here. I need some assistance. But then also reach back into the organization and say, this is working extremely well for me. Let me share more broadly with my colleagues how and what I'm doing to move my business forward. We just came back from our summer sales meeting in Minneapolis last week, and the entire agenda was built around free flowing of communication and interaction amongst the sales leaders. So, it had to be their agenda, it had to be relevant to them so that on Tuesday, September 3, they come back feeling really empowered to grow and continue to build their businesses.

Gui Costin: Yeah, because what I'm hearing from you is intense compassion for how hard the investment sales job is, and then knowing that everybody needs a ridiculous amount of support and help. Right? Because it's a very competitive world out there, especially when you're dealing with long only and index competition. You have market to market risk. I've been doing long only fund raising since 1997, so mutual funds and separate accounts has been my bailiwick, if you will, so I get it. But then having the company support the salespeople, gee, that's really special, and I love your... I love the open communication. When we did this, we first did that kind of communication, our head of marketing called me. She goes, that was the most unbelievable sales meeting or marketing meeting I've ever had. I said, why is that? And she kind of paused. She goes, I just, I really felt heard. I was like, wow. She goes, I felt heard, you know? And I was able to express what's working, what's not working. So that's wonderful. Let's delve into what I think... so, John, we're going to get into the question of a CRM and we're going to get into the question... and this is what our audience wants to hear, right? Because not everybody believes intensely in the power of a CRM. So first off, what CRM do you all use?

John Halaby: We use Salesforce.

Gui Costin: Gotcha. So, can you talk to us about your view on a CRM and then how it relates to your distribution business?

John Halaby: Yeah. So, it's another means, and probably the central mean, to getting client information formally from our salespeople or our client-facing individuals. And so, there's just a treasure trove of information and data that is contained within the CRM. Once you get your organization to recognize the power as it relates to putting the right type of information in that CRM system. It goes both ways, right? So, we feed Salesforce with a lot of insights that the salespeople have at his or her fingertips to make them smarter as they're going into their interactions with their clients and prospects. But similarly, the salesperson oftentimes doesn't even know how we're using the information and the data that they're feeding back in to then make, again,

the next outreach, the next project, the next marketing collateral, better than it was previously. That's all a function of a highly productive CRM. And I think for us, that the goal of nirvana is never ending, right? We're not perfect in terms of how we use it, but I think the recognition that it is central to our distribution philosophy and approach has been key since day one for us. And so, everybody has bought in.

Gui Costin: That's great. So, I always think of the effective use of a CRM allows you to 10x, as an individual salesperson your productivity simply because you need one to two click access to all your past activity and the people that you should be focusing on. If you're spending a lot of time around your desk or looking through yellow pads of paper or stuff like that, it just creates such inefficiency. Whereas proper use of a CRM like Salesforce, you can 10x a salesperson's productivity.

John Halaby: No, for sure. And what we have gotten to, is a point where before you even place that call to that potential buyer, you can see where and why we believe product x is a better solution for her than product y. That, too, helps to shorten the time to either closing that business or retaining that asset.

Gui Costin: I love it. So, I'm such a champion of CRMs and leverage, so. I can already feel just through the interview your leadership style, but I want to ask specifically, how would you characterize your leadership style?

John Halaby: So, what I've been told is I'm a very good listener, that I can create an environment where people feel... they feel safe to come and share their perspectives, their ideas. I create a team-first environment. I think a lot of leaders say that. Team-first for me basically means that there's enough care between us that I can challenge you to help you be better, and you'll do the same for me. That's a very high bar, but one where we're constantly working to get to. Because once you... if we can unleash that power of, again, the proverbial one plus one equaling something greater than two, then we win, and we win faster than the competition. So that's the culture that I'm trying to build. I think we're doing a... I'm doing a decent job at that. It's never ending, never great. But the core of it for me comes back to listening. Listen to your great people. You hired them for a reason. You believed in them when you offered them the job. So why, once they come, would you stop? That's not when the relationship ends. That's when it begins. And it involves a ton of nurturing. It involves a lot of give and take. It involves building trust. And that's what we're here to do.

Gui Costin: You know, that's one of the number one things people say, that when you set up tons and tons of rules and all these requirements and everything where people don't feel like they're trusted, and when you actually do exactly what you're saying and doing, people want to come and they want to be successful for you and the leader because they feel the trust in the leadership style.

John Halaby: Mhm.

Gui Costin: That's great. That's great. So, as we're speaking about this, so just to wrap up, a young salesperson just getting into the industry, what advice would you give to that young salesperson?

John Halaby: Beyond the never stop learning, I would say find a group, a cohort of colleagues. And mostly that would be inside your organization but find maybe one or two outside of your organization that you can build a friendly level of competition... they push you, you push them. I think back to my early sales career, and I just wanted to crush Matt Newton. Matt Newton was a guy I started out with 32 years ago, and he wanted to do the same to me. But it was almost... anybody trying to compete against us, we would protect each other. That would be my one piece of advice. Find a group that you can build trust with that is going to challenge you to be great. You're going to do the same, because these are not easy jobs. They're not for everyone. But if you have that right support network, a lot of folks can succeed as a result.

Gui Costin: By the way, that's incredible advice, which I don't know if anyone's given that in the 25 interviews, is building that cohort, that group of friendly competitors that you share ideas, share leads, share best practices. John, that's phenomenal. OK. So, to close, we have a lot going on in the world. Seems like we always do every single day and it'll never change. There's always challenges. But for you, can you tell us about what you believe is your number one challenge and how you're overcoming it today?

John Halaby: I'd say it begins and ends for me with recruiting great talent, but then also retaining great talent. Creating an environment where people say, this is where I want to be today. And again, that bar is, for me, very high for them to be able to say that again tomorrow. So that's what I spend a lot of time thinking about is, am I creating the right culture where people say, yes, Harbor all the time, and this is where I want to be, this is where I want to win.

Gui Costin: Boy, John, it's very clear. I can feel it just through the Zoom of how passionate you are about people and nurturing those people, because I do believe if you hire right, the number one job of a leader is to create the single best environment for them. You want them to stay forever. You want to keep your best people forever. This is not a world of the '80s and '90s where it could be a little rougher and tumble of how people would treat everyone where it's... but it seems like when you find your great people through recruiting, you work so hard to keep them. What an incredible leadership attribute.

John Halaby: Thank you. Thank you.

Gui Costin: Well, John, this has been a real thrill to have you on. This is awesome. No, you're... I think I want to come work for you.

John Halaby: We're having a blast over here, so come our way. Come our way.

Gui Costin: That's the name of the game, right? If you can combine hard work and fun at work, then you won. So, all right, John. Well, thanks so much for being on. We really appreciate you and can't wait to see you face to face soon.

John Halaby: Sounds great.

Gui Costin: OK.

John Halaby: Thank you.

Gui Costin: John, see you. Bye bye.

Well, that's a wrap, everybody. Another edition of the Rainmaker podcast is in the books. Thanks so much for joining. I can't wait to see you on our next episode of the Dakota Rainmaker podcast.

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Gui Costin: Hey, thanks so much for joining Rainmaker podcast. Hope you enjoyed the show, enjoyed the interview. I know I loved it. And hey, if you wake up in the morning and you raise money for an investment firm, you do cold outreach, whether you're a sales leader or salesperson and you don't know about Dakota Marketplace, we would love to show it to you. It's world class. It's used by over 880 investment firms and over 3,600 individual salespeople. To learn more, go to [dakota.com](#) and click on a [free trial](#).