



Rainmaker
PODCAST

BOSTON PARTNERS
PAUL HEATHWOOD

Gui Costin: Hello, everybody. It's Gui Costin, Founder and CEO of Dakota. Welcome to the latest episode of the Rainmaker Podcast. I'm joined by Paul Heathwood, who's Head of Distribution at Boston Partners. Paul, welcome.

Paul Heathwood: Thank you. Great to be here.

Gui Costin: Mr. Heathwood is the Head of North American Investor Relations and Distribution for Boston Partners. In this role, he oversees the firm's distribution efforts in North America. He has held a number of other roles at the firm, including product manager for alternative investments, intermediary sales, institutional sales, client service, and consultant relations. Previous to his sales and client responsibilities, Mr. Heathwood spent five years on the investment team as an equity trader. He was also a founding partner of Boston Partners Asset Management upon its inception in 1995. Mr. Heathwood began his investment career in 1993 as an equity trader with the Boston Company Asset Management. Mr. Heathwood holds a BA degree in economics from the University of Colorado at Boulder and holds the Chartered Financial Analyst designation. How about this? 29 years at Boston Partners. Incredible, given all the turnover that we know that we have in our industry. So, can you give us a little background? As I said to you before in the preview, a little background in history of how you've evolved at Boston Partners.

Paul Heathwood: Yeah. No, thank you. It's great to be here. And so, I've been in the money management business... around it really my entire life. My father was involved in it. When I got out of college, I knew I wanted to get involved in the asset management business. So, I started in 1994 right out of college. I think I graduated in May and started on May 31. So, I've been around the business my entire life, and—

Gui Costin: In Boston.

Paul Heathwood: In Boston and with the group at Boston Partners the entire time.

Gui Costin: Well, Boston's such a hotbed of investment management firms.

Paul Heathwood: Yeah, no. It has got a great history of it. So many firms. And you begin looking around, and there's a lot of assets there and a lot of money managers. So, it's been a great community to be

involved in. And actually, I've been in Boston for part of it, but I was in California for a piece of it, and I've been in New York the last 20 years or so.

Gui Costin: Oh, yeah. So, in New York the last 20 years. Great. Oh, that's wonderful. So how did your career progress once you joined?

Paul Heathwood: Yeah, so I started as an equity trader. Got involved on the investment side. I got my CFA and really became a student of the business. I was interested in just seeing a broader perspective, so got involved on the institutional client service, consultant relations side, and that's what brought me out to California. And then got involved more in product management and sales management over the last 20 years, and that brought me back to New York.

Gui Costin: Got you.

Paul Heathwood: Again, all with Boston Partners, the same organization.

Gui Costin: Yeah, so just give us a sense of just... I would love to hear just the high-level products. So, what are your main strategies you guys market?

Paul Heathwood: Yeah. So, we have really one approach. It's all value equity. It's about a dozen different strategies. It's in the US large cap, all cap, mid cap, and small cap. We do global, international, and emerging markets. And we also have several long-short strategies as well that we principally offer in mutual funds.

Gui Costin: OK. So, you're talking about your 14-person team. So, tell us how you're structured and where the focus is of the team.

Paul Heathwood: My team covers Canada and the United States, and we're covering both the institutional and intermediary marketplace. And the way we have it, we have about seven people on the institutional side, seven people on the intermediary side. And we have folks organized into what we call pods. So, on the institutional side, we have a Taft-Hartley and public fund pod, we have a corporate endowment and foundation pod, and a consultant pod. And then on the intermediary side, we have what we call key accounts, which are the large national accounts. We do banks and RIAs. And then we have a new burgeoning group that's going to be

calling on the wirehouses where we have earned a lot of placements from that national accountant group.

Gui Costin: That's great.

Paul Heathwood: And this group... the pods have their own... their own little ecosystem that they all operate within, both on the sales and service side, and then they work in within the bigger channel as well.

Gui Costin: Great. So, I'm going to ask you about sales process kind of your philosophy of sales, and then I want to tie it back to, is everybody bought into that same philosophy? So, we talked offline about this, but would love just to hear your philosophy and approach to sales.

Paul Heathwood: Yeah. So, our philosophy has been wanting to start by making it consistent with the identity and culture of Boston Partners. And Boston Partners is an investment firm first and foremost. We have 12 strategies. It's one investment philosophy and process. Everyone buys into it. So that's the kind of niche within the marketplace that we're looking to fill, as opposed to other firms which may have dozens of products that they can go out and sell. And that allows us to really become an extension of the investment side. So, our sales efforts are really extensions of the investment efforts. And I think that is a bit of a differentiated message that we can go into our clients with where we can... the salespeople can really know more about the portfolios, can go a bit deeper. And that's just going to be a little bit different than a firm that has, you know, dozens of strategies, which just has an implication. So, we very much want to be an extension of the investment team, but we also haven't forgotten what our primary purpose is, and that's... I'm stealing your thunder.

Gui Costin: Yeah, love it. Yeah.

Paul Heathwood: Know who to call, know what to say, and follow up. So those are the... really, the lifeblood of what we do is trying to get in front of people, get in front of the allocators that are looking for what we have, which is in the value space, which thankfully, anyone who's investing in equities is going to have some kind of exposure to value. So that means we can go after a broad... a broad array with a narrow set of products.

Gui Costin: So, we talked a little bit earlier about, give me your reaction to when we talk about shortcuts and magic bullets and stuff like that, that this business is... a lot of people don't want to do necessarily what's required. So, can you just talk me through what you believe is required to be successful in an investment sales role?

Paul Heathwood: Yeah, I think the most important thing is being able to originate opportunities, being on the phones, becoming relevant to the many clients that you're going after. I mean, the money management business has no barriers to entry. It is chronically oversupplied. It's just competitive getting meetings, let alone trying to win business. So, you need to be there constantly. And you just need over time to just raise your profile, have as many opportunities out there that you can respond to because you never know when people are going to be interested in what you have. And that's another thing, is there's very little transparency in where the demand's coming from or when it's going to come. So, if you want to win a business... a piece of business in three years, you've got to start today. There's so many instances of that where that's been true. And one other thing that we really try to do is find those key leverage points where you can build a relationship with one center of influence within an organization, we really focus on the research teams, and then try to get that preferred placement within those platforms and allow that to be something that gives you a constant visibility within those important spots.

Gui Costin: You mentioned two things that are near and dear to my heart. So, one, it's winning an allocation, but two, it's getting the meetings. So philosophically, how do you guys approach? Because at Dakota, we're nuts about getting, you know, first-time meetings and getting meetings. We have such a focus on that because that eventually leads to what you're getting at, is building the relationship, becoming familiar in the eyes of the due diligence analyst. What is it about you guys in terms of those meetings? Because it is so important.

Paul Heathwood: Yeah. So that's really what our mantra is, that meetings are the lifeblood of our business, and our job is to go out and get meetings. So, on the intermediary side, we want to look to get 200 to 300 meetings a year. That's evolved a little bit. A lot of it's on the phone these days, doing Zooms and things like that, the way that the market has shaken out post the pandemic. But on the institutional side and the consultant side, it's getting in front of people, having meaningful conversations to raise the profile and raise

the relevancy of how you are to those organizations. That is just critical. I think another important part is if you can find ways to partner with different organizations that can help you do things that it's going to be hard for you to do on your own. We do a lot in the subadvisory world, and one of the big relationships for Boston Partners is with John Hancock. So, we have partnered with them to really help broaden our reach, and this helps tie you into a team that has far vaster resources than we have, and then really service that partnership relationship and treat them as an extension of your firm, and work closely. So, if we can find any areas where we can partner with people, particularly being a smaller team, we're happy to tap into that.

Gui Costin: Oh, I love that. So, a lot of people who might be listening to this today might have a different understanding of what really wins in raising money. Could you just talk a little bit about patience? Because you're not going to get a win in a meeting, right? It's just getting the meeting and then building the relationship, growing the profile, as you were saying. But just, could you speak to the level of persistence, but then also being patient around that allocation, that win?

Paul Heathwood: Yeah, no, one of my favorite stories, we had a large allocator that we spoke to for, I think, 10 years. And the analyst would say, you're my favorite value manager. I love you guys. But timing is such a big part of it, and having a high level of service, high level of communication. Stay in front of people. And when the moment comes, you can see. The pace of activity increases. The number of calls increase. And you can see when you're getting your firm positioned to be utilized more broadly and in really a big way. And that has turned into a billion, billion and a half relationship for us. But for 10 years, it was very small. And you know, one of the challenges that you have is you've got to keep your management and you've got to keep the folks running the organization on board with that and just educating them on how the process works. And it can be a big payoff at the end.

Gui Costin: It is, like, what you just went through right there, OK, there's so much to that. And I'll tell you how I'm listening to what you just said. How can you have a 10-year sales cycle if you leave the firm after two or three years? So, let's just start with, you need to have longevity. And what you just said is you need to have alignment with upper management. I talk about it all the time in our sales process. Sales plan to create alignment. You need to get upper management

to buy in to your sales plan and agree with what success looks like. You just literally personified it because we're on the same boat. Our largest investor in mutual fund today was a 10-year sales cycle. We started in '06, went through all the different things, and we won the piece of business in '16. But we'll get to the... we'll get to the CRM in a second. So, I'll never forget it. It's 2015, and I looked in our sales meeting. I said, hey, when's the last time we met with such and such? He goes, six months ago. I said, really? Yeah. Six months ago. I'm looking at the notes, this. I said, that would mean October of 2014. He goes, yep, that's right. I said, could you look a little more closely on Salesforce? Goes into Salesforce. Oh. It's 2013.

Paul Heathwood: Oh, no.

Gui Costin: So, it was a year and a half. But the point is, what you're getting at is time flies.

Paul Heathwood: Yes.

Gui Costin: So, we always get this question. Hey, do I need \$500 million in assets and a three-year track record? I'm like, no. Make the call now. Start building it now. And why don't you finish the sentence because if you don't, what happens in three years? If you wait three years—

Paul Heathwood: Yeah, your competitor has already spoken to them. I mean, to win business today, it started years ago. And because it's just such a competitive field and the rewards are so great you've got everybody out there hustling too. So, you need to be way ahead of the game. And by the time someone decides to buy what you have they need to know you already. They can't get... they're not going to spend the time to get to know you then. That just is not the path to success.

Gui Costin: So, the critical sort of takeaway here is that even though you might not have an immediate win in a particular situation, you know for a fact they use your type of strategy in their asset allocation. It's our job to get in front of them immediately and start building that and increasing that profile.

Paul Heathwood: Absolutely. That is so critical, being well ahead of the game, and then the communication part. One of the things that we've started doing is we do quarterly reviews with all our portfolio managers, and we've come up with a deck that lays out what the

plan is, what the goals are, and then also to provide some industry data because if you're a portfolio manager and you're spending your day trying to find basis points, you don't have a sense of what's going on in the market, and you want to give a sense of... you can look at the net cash flow number, but that might not tell you the whole story.

And it's human nature. In the absence of information, people assume the worst. So, you need information. You need to keep people informed and be transparent. And alignment is key, particularly with the investment side of the house, which is really a key driver to being able to sustain those sales efforts.

Gui Costin: So, I just want everyone to know, I did not set him up to say any of this stuff, OK? But clearly... clearly you can tell why he's been so successful. So, let's get into that because one of my... near and dear to my heart. So, when we started as a third-party marketer, the biggest issue is that if they don't know... if the PM or the CEO doesn't know what you're doing, they're assuming the worst. The fact that you do proactive, quarterly updates, let's just talk about that because my next set of questions is around communication. And let's discuss this both up to and also within your team. But since you already started with the portfolio managers and the alignment, let's really talk about that because one thing that a lot of large firms struggle with is that there's a successful PM, but they're getting no love. Like, the distribution team isn't focused on them because they're focusing on something else. And a lot of times, the PMs are never presented with a sales plan or progress against a plan, so there always can be this level of agita. So clearly, what you've put into place takes that off the table.

Paul Heathwood: Yeah, no, and I think... and I said, this is something that's new when we've gone through that process early for the first time. And you can tell that it just creates the space to have the conversations, to ask the questions, and that this isn't where it ends. We're going to come back to you and we're going to have a framework that we can evaluate what we're doing. And it gives you an opportunity, because there's so many times in the sales process where you get small wins that you can't report to people. It doesn't... it's not resulting in dollars, so people don't want to get the little successes you have in any given day. But if you have an opportunity and you can use that as an occasion to talk about the progress you make, people can begin to see how the process works. So that level of transparency and communication I think is going to be very helpful in just maintaining that alignment.

Gui Costin: Does it blow you away how surprised they are when you actually inform them? They're like, wow, I never really knew any of this. This is so new. This is so great.

Paul Heathwood: Yeah, it's both on the... both on what's going on in the market in terms of, is there any money flowing to what you do? And then also how competitive the performance landscape is. I mean, you can be having a very good year. You look relative to your benchmark and say, I'm 200 or 300 basis points ahead. And that's wonderful, and you might be in the top quartile. But if you sell large cap value, that makes you one of 30, one of 40. So, it's still very competitive. And you see that when you get to the end of the process where there's a final presentation and you need more to be able to compete and just perform. It's got to be your process, your risk management, your people, how you convey what you do. So that gets into the know what to say part of the story.

Gui Costin: Yeah, well, this creating alignment... so I'll tell you a story. This past year, we'd had a lot of success with one of our managers, right? And we loved this firm. We've been in it forever. But one of the new PMs didn't quite know what good looks like. So, they simply said, hey, I think we should be raising more money in the mutual fund. So, we simply did a run of the growth in assets of the mutual fund, and we were basically sixth in the category, right? And you look at it, and we're the only boutique. You know what I mean? Everyone else was a big brand. And it wasn't that that person was doing anything wrong. It's just.. it showed us that it's like, man, it is so important to reveal and peel back the onion to really show them where things stand. And once he heard that, he's like, oh, this is awesome.

Paul Heathwood: Yeah. Yeah. No, I think that is a perfect way. Showing how you rank relative to the market you're in is critical. And how can someone argue, hey, if there's 100 managers and I'm number six and maybe the absolute number isn't where you want it, that's the best... you know, that's what one can expect. So, you just need to be able to have expectations as to what's possible. And when you don't have that, people think, well, it should just be more.

Gui Costin: Right. And we're on this podcast. I've interviewed so many, like, really, really strong executives. What's consistent across the board is communication and transparency, especially up and down, if you will. And I'll get to the down part in a second. Not so much down, but amongst your team. So, any key takeaways from

how you communicate progress, not just to the PMs but to your executive team?

Paul Heathwood: Again, that's going to be... it's going to be with the executive team, it's a lot on the numbers, on the gross sales, net cash flow. And then the big metrics we look at are assets, revenues, and clients. And that's what we're measuring each quarter. That's what we're reporting in each quarter. And we always give context around all that, but those are going to be the metrics that we're measured on as we move forward.

Gui Costin: Now let's move to, again, one of my favorite, favorite things because we do check-ins every day at 8 o'clock with our investment sales team. And so, five days a week, just 10, 12 minutes. What's going on? What are you hearing and everything? And then we use Slack on the back channel for anything, those types of communication, then Salesforce. But we'll get to the CRM in a sec. Could you talk to me... and I'm really interested in the consistency. And is it weekly? Is it bi-weekly? But how does your team communicate with one another, then up to you to make sure everyone's in sync?

Paul Heathwood: Yeah. So, it's weekly. So, all those pods that I mentioned, they meet usually every Monday. And they will have... they'll go around the table and they'll talk about things they're working on. They'll talk about issues that they're facing. And we keep those groups small because they tend to be more interactive if you build a bit of a team and a bit of a rapport. And if it gets bigger, it just becomes one person talking, really reporting on news. So, we want to keep the teams small. Someone will take notes of that meeting, and those notes will get passed around to everybody. So, I'm receiving notes from all those different pods on every Monday call so you can get a sense of what's going on. I myself am a bit of a player coach, so I sit within our intermediary pod, so I'm part of that call. And you can see, it's a great opportunity to update people what you're doing but also, hey, I faced this issue, or we have this thing we need to communicate. Let's talk about it. I really could bounce this idea off you. So having that... and I think it's a set meeting. Don't have an agenda so people don't feel like they need to do a ton of preparation. It's 30 minutes. And if it were 10 minutes, that'd be fine too, but let's just make sure we're constantly communicating and not having to do a lot of work to prepare for the meeting. Let's be prepared, but let's also just get on the phone and talk. And so, we do

that every week, and we have... we document that, and that gets circulated.

Gui Costin: That's great. And then how about the more sort of hard-core pipeline reviews, stuff like that? Does that... what kind of cadence—

Paul Heathwood: Yeah, so we do have a weekly report of all the meeting activity for the week. But really, we're doing quarterly pipeline reviews where the salesperson will come and they'll report on their assets, their revenues, their clients, pipeline, new business opportunities that's been won, and then things that we're working on. So, we'll do quarterly reviews. And those are usually 30 to 45 minutes, and we do them right before the, at the end of the calendar quarter so you get a sense of what's happened and then what's going to be coming forward.

Gui Costin: OK. So, before we move on to the CRM, I'm going to throw a little zinger at you. So, let's talk about a single... a person who's a single salesperson at a firm, marketing one strategy. So, they don't have a team. They don't have them put that infrastructure together yet. What would you recommend to one person? And what I'm getting at, I'm trying to unpack is it's so important to have that discipline, right? But as a one-person salesperson, you can get away with not having that discipline. What would you recommend to a single salesperson in terms of creating infrastructure for themselves to keep themselves honest?

Paul Heathwood: Yeah, I think you really need to, one, have the... target your market properly. Know your product and know what market is going to be the key buyer of that product. Find the key leverage point and focus on that cohort of potential clients to go after. And then you just have to stay on top of them. Stay in front of them. Find ways to drip on them with either information about your product, information in the market that's going on, and find other nonproduct push ways to stay relevant. And then the other thing is just key the follow-up. And one of the things I always do, and I know members of my sales team do is you just go and put two weeks outlook, call so-and-so. Send this, that sort of thing. Because time goes by and you're like, oh, I just talked to him, and it's been three weeks or three months. And jeez, I was going to do this, and I didn't do it. So having those constant reminders that pop up to you I think is critical.

Gui Costin: So, by the way, that's pure gold. And the reason that's pure gold is a lot of people can take a product and call on the channel that would kind of make them feel good or look good, right? I want to call the Harvard endowment, right? Where it's like, no, no. Let's go identify all the people that are equal in size, and let's start building those relationships. So, this is a perfect segue into the question about the value of a CRM and the impact that it has on your business. So, could you just talk about philosophically the importance and your approach to utilizing a CRM? I think I know you guys use Microsoft Dynamics.

Paul Heathwood: We do. That's correct.

Gui Costin: And then what does it mean to you philosophically, and how do you... how does your team best utilize it to get maximum leverage?

Paul Heathwood: Well, it's really... it ties together all the things we've been talking about. Alignment, communication. The data is fresh. You can pull on that data to do the reporting. So, it's not like, tell me what's the pipeline. Oh, we've got to go build a pipeline. Or tell me about your meetings. It's all there. So that can be verified independently and looked at independently so you as a salesperson can just say, this is how I spend my time. This is my life. It's all out there. I enter information into the CRM for me so I can manage my workload, so I can manage what I have to do. And I'm happy to let anybody take a look at that, and the CRM is the window into doing that. So, we take a lot of time and attention to make sure contacts are updated, the firms are there, the notes are there. We have a feedback loop that you can see what's... you know, both in aggregate, the kind of activity levels you're doing. We have a report that lays out the call notes in a very organized way. So, anybody within the organization can go into it and say, well, what have we been doing in XYZ client? So, I think it really helps you manage what's going to be asked at some point without having to figure it out at the time. And there's no scale and no leverage to your activities if you're not recording it. And I can just equate it to our investment side of things. The analysts all have to document why we own a stock. What are the key drivers? And they do it every quarter. And anyone can go into the note, and there's the story right there. So that's how you're going to produce performance alpha. It's how you're going to produce sales alpha.

Gui Costin: You said something about scale, and then in the prior question that I asked you about follow-up and then being able to go in the database and have those outlook triggers, talk about... because it's the thing that I think is the most important thing, is get into meetings you've scheduled so you can look at past activity. Can you just talk about that? Because they naturally create sales triggers and actions for you to take because like you said, time flies.

Paul Heathwood: You need to constantly be reminded because you just get caught in the busyness of the day, and you get caught doing a lot of nonrevenue-producing, non-sales activities. And you know, human nature is there's always call avoidance and other things you'd love to dive into because sticking to the discipline, that's the hard part. So, you need to remind yourself of what your main purpose is on any given day. And don't let the activities of the day, the emails coming in, the other distractions move you away from the key job, which is getting meetings and progressing the sales efforts. So having as many tools there, the CRM being a key one, to help just instill that discipline, that's critical.

Gui Costin: So, we talk about CRMs all the time, so we couldn't have it better displayed right there in terms of the importance of a CRM, right? And not everybody buys into that philosophy, which is why I'm unpacking this. But as I've interviewed all these wonderful, incredible sales distribution leaders, everybody basically has the same philosophy and approach because it's one huge leverage point that a salesperson has.

Paul Heathwood: Yeah.

Gui Costin: Got it. So, let's talk about culture and sales leadership. So, I always think culture should be more said how you treat people. And so, can you talk about your sales... your sales leadership style and your philosophy?

Paul Heathwood: Sure. No, the culture's critical, and that's a big part of, I think, a differentiator for Boston Partners. We value on our investment side, but the culture is what keeps people at the organization, what attracts people to the organization. Our culture tends to be very clear. It's an investment-driven culture. It's very collegial and collaborative. And the belief that success on the sales side and other areas is going to require more than one individual acting individually, so you need to have everyone come together. From a leadership perspective, I have a bit of a lead by example type

of approach. I have always maintained client coverage out in the field, trying to win business. I think that's important because the people who are working around you, they see that same thing. And you can really know what's going... I think that's another trap when you become in sales management, you can be really removed from what clients are doing and what they're saying and what's going on in the market. And if your only knowledge is coming from the people out in the field, that's just limiting. So, my approach has very much been lead by example, but also to have talented people that are properly incentivized. Give them enough autonomy to go out and do their thing, and you hold them accountable, and you have clear metrics as to what you're looking for and a clear reporting cycle and feedback loop. And I think those weekly meetings, those quarterly updates, everybody knows what's coming around the corner. They know the questions that are going to be asked, you know? And if it's, hey, it's not going to be reflected in the sales numbers because people aren't buying what we have, and that's one of the challenges of being at kind of a one-line product firm. There's just nothing selling or we're not selling as you'd like it to. So OK, what else can we look at? What activity levels can we look at? What other metrics can we look at to make sure that the things we need to do to succeed down the line are, in fact, happening?

Gui Costin: So, it's obviously not a surprise, as a company and as an individual, why you're as successful as you are because what you just laid out, it's easy to say, harder to do, right? But what you really said... you said autonomous, but you also said accountable, clear metrics. So, a lot of clarity and transparency.

Paul Heathwood: Absolutely.

Gui Costin: And then a clear reporting cycle.

Paul Heathwood: Yes.

Gui Costin: Right?

Paul Heathwood: And then people know in advance so they can prepare for it. And it's like, hey, I've got three weeks. Maybe I haven't been doing as much as I should be. I've got to stay on it. Because, and particularly, this is any organization. You need people who can be self-reliant and go out and self-starters and go out and get it done. And really, it's coming back, reporting in all the great things

that have happened rather than having to push people to go do things that they should do.

Gui Costin: Right. Exactly. Treating people like adults, which is, we all want to be treated like adults. Because I always say in our organization, I don't give motivational speeches because that's not really the role. I shouldn't have to do that right because you should be internally motivated, but I give an enormous amount of support and kindness. You know—

Paul Heathwood: Absolutely. That's kind of... I think the management part of my role is really sales enablement. And many of the conversations I'm having is, hey, we have this opportunity. How can I help you navigate the internal organization to help get this done? OK, we need to figure out how to follow up and how to... you get those situations, so that's where I will spend a good amount of my time as well. And that part, I love.

Gui Costin: Yeah. So, we call that... we have 14 core principles. We call that don't go cowboy. So... right? So, it's like, well, if you come up with, if you run into an opportunity, one guy did this to me. He joined our firm, and six months in we're like, so you know, walk us through what you're working on. He was like, I'm working on this \$900 million subadvisory opportunity. And all of us... all of us is... like, oh, no, this is not going to be good. This is not going to be good. How long have you been working on that for? Oh, like, two months. It's like, [EXPLOSION], you know?

Paul Heathwood: Exactly.

Gui Costin: Because the reason being is you want to be able to tap into the collective knowledge of the group. Like, you don't know what everyone's been hearing, saying, this and that. So immediately when an opportunity comes up, we're like, no. Chuck it into the middle of the table and let's get feedback so the team can help you.

Paul Heathwood: And I can't think of a sales example where you didn't have multiple people involved, helping you bring it in. There's this notion that I've got to own it. And there's got to be accountability and ownership, but there's also got to be the belief that, hey, we're trying to land these big opportunities that don't come around that often. We need all hands to pull things forward, so you've got to be open to that.

Gui Costin: I love that. So, this is a great segue into my final two questions. So, the next question is, what advice would you give a young salesperson entering our industry?

Paul Heathwood: Yeah, I think it's... and we talked a little bit about it. You've got to try to avoid the distractions. There's a million distractions that come in on a day in and day out basis, but you really have to try to avoid them, and also realize the predilection of human beings to find things to keep themselves busy with that can be away from the core mission. So, the mantra that meetings are the lifeblood of the business and that our job is to originate meetings, and that's what's going to lead to where we're trying to go, which is to drive sales. And there's so many things that can prevent that from happening that, coming up in your day-to-day life, so you've really got to avoid those distractions.

Gui Costin: Super powerful. So, we call that focus on what matters most internally. And the whole idea of someone called me and they said, hey, Gui, I'm... Mr. Costin, I'm interested in getting in the fundraising business. And I just said, OK, look. I'm just going to make it really simple for you, OK? If you're going to be successful in this business, you have to come clean with you are going to be... half the time, you're going to be a professional meeting setter upper for the rest of your life.

Paul Heathwood: Yeah.

Gui Costin: OK? And get really comfortable with that, OK? Because if you can't buy into that, the discipline that you just said, you're not going to be very successful. I said, ironically, the other side of the coin is you also have to be the most amazing storyteller and tell a very complex story and make it simple. So, this master-messenger concept.

Paul Heathwood: Yes. No, that's so true. Those are just key talents that one needs.

Gui Costin: Well, that's great advice for a young salesperson. So, to close out, what are one or two of your biggest challenges you're facing right now from a distribution perspective?

Paul Heathwood: Yeah. I think the big challenge is as an active manager, the demand side is certainly... it's a challenge. You've got so many competing interests with passive investing. You have a year

like you had last year. It's seeing the demand come up and then keeping those interests and that communication aligned with the management within your organization. That's just critical to do. That helps you get through the ups and downs of the sales cycle. And particularly with our makeup, which is focused really around one vertical within the investing world, which is value equities, there are going to be lots of demands. Sometimes there's going to be less demand. So, it's maintaining that discipline, maintaining that effort, maintaining your team, and finding the ways to stay relevant with your clients, and then to keep the broad organization on board with everything. That's key.

Gui Costin: You're a man after my own heart because being a long only equity fundraiser for an entire career, I've been that way. You've been that way, having that discipline to believe in that. You haven't gone to the other sexier asset classes that a lot of people do, just staying disciplined to it. Congratulations.

Paul Heathwood: It's one of the things that excites me because I think being in the out-of-favor asset class means that the good days are in front of you. We're making sure that when that day comes, we're ready for it.

Gui Costin: Congrats to you on all your success and your company, Boston Partners. Thanks so much for being on. So insightful. We appreciate it so much. So that's a wrap. Paul, unbelievable. Boston Partners, thanks so much.

Paul Heathwood: Thank you.

Gui Costin: And we'll see you on the next episode of the Rainmaker Podcast.