

Gi Costi

Unlocking the Leadership Code: Lessons from the Frontlines

WITH GUI COSTIN

The Leadership Toolkit Podcast

MIKE PHILLIPS: Hey, hey. Welcome to the show, everybody. This is The Leadership Toolkit. As you know, it's Wednesday, so it's time to get together, have a great conversation. We talk to leaders in business from all different verticals in sales, and marketing, and manufacturing, and anybody that is in that leadership role, not necessarily manager roles, but certainly leadership roles. We learn from their successes. We learn from often their failures, so that you can avoid those pitfalls. Today is going to be no different. I have an absolutely phenomenal guest on the show today, Gui Costin, who is the founder and the CEO of Dakota. They're an absolute powerhouse in the investment services industry. He's been around this-- He started this in 2006. And since that time, he's helped hundreds of clients raise over \$40 billion, maybe thousands of clients. I'll let him tell you here in just a moment. Raised over \$40 billion. And certainly, he's recognized as a sales leader, a marketing leader. He is a leader of leaders. And so today, I'm very excited to have with me, Mr. Gui Costin. Thank you for being on the show with me today, Gui.

GUI COSTIN: Mike, thanks for having me. Real thrilled.

MIKE PHILLIPS: Absolutely. So if you would, just share with the audience and, as we're getting together here, share a little bit of, What is your business background? What's your leadership background? How did you end up where you are? Because as I was even reading this, like there's a startup in 2006 to raise that amount of funds is massive in the time that you've been running this. So I'd love to hear a little bit more.

GUI COSTIN: Yeah. So we started the firm in 2006. And what we are is we're an outsourced sales and marketing firm for investment firms. And that business we grew from 2006 by ourselves, kind of as the two of us founders for about five years until we started hiring salespeople. And

then that coincided in a funny way. And my newest book called The Dakota Way talks about this. I started coaching a high school golf team. At that point, my son is a fifth grader. He didn't start playing on the team until ninth grade, but the AD was one of my very close friends. He said, Do you want to coach the team? I said under one condition that we build a program. And that coincided with us hiring salespeople. In our early days of hiring salespeople, we were abject failures. Not because of them, because of us. Personally, I didn't give them direction and process procedures. I needed to figure it out. I found a book. I read the book about process and procedures. And from that moment on, we defined how we sold, called The Dakota Way and coinciding with coaching the high school golf team, 15 to 18-year-olds. I learned more in those nine years about leadership than I think I really learned-- I've learned in business that really taught me everything. And then in 2019, we had grown the company over those ensuing years since about 2019 to about 12 people. And then we decided to take the database that we built to raise the money that we raised and turn it into a product where we would allow other investment firms to subscribe. And that product is called Dakota Marketplace. Well, in the past six years, we've hired an additional 65 people. And that's where really the leadership met-- sort of the rubber met the road, if you will. And that's what's changed everything. Yeah, and it's really required me, not only since 2011 and 2013, to evolve. But it is through-- Mike, as you saying in your opening remarks, it's through a ridiculous amount of mistakes that one then has to react and learn to truly become just a much better leader and create a really great work environment.

MIKE PHILLIPS: No, I love it. First off, thank you for sharing that. And that's-- I mean, one of the things that I find so interesting is I'll interview people in leadership roles like you, Gui, and somebody can tune in and they can see this, like just now, we've been talking for three minutes.

And they say, man, from 2006 to 2025, in three minutes flat. And there's all of this other stuff that's in between. And so you said you started coaching the golf team, what year?

GUI COSTIN: 2011.

MIKE PHILLIPS: 2011. And so, I mean, that's five years after you had been-- you'd started this company, correct?

GUI COSTIN: Yep.

MIKE PHILLIPS: And so what was one of the most profound things that you learned when you started in-- because you said you learned a lot from coaching youth. I coached youth sports as well. As we were talking, I coached between 12 and 15 years, depending on who you ask, of youth hockey. And so what was one of the most profound things that you picked up in that time frame, starting in 2011, that you transferred over to business?

GUI COSTIN: Well, it really comes down to how you treat people. And as being a college golfer myself, former college golfer, I did have a great coach. He did so much for me. But you realize you're an individual sport athlete, and then also you come into a team environment. And these coaches and I would speak to any of them right now. It's just the human condition. They want to interfere. They want to be involved. They want to affect all the outcomes. They want to coach. And they think coaching is talking to the kids in certain ways and talking to them and coaching and doing all this stuff. And it's really-- I realized it's really not. That's not what it's about. It's creating an environment where they can thrive. And if you look at an individual athlete, they spend all day long playing on their own with no coaching generally. I mean, no, right?

And so for me, it was just all about, number one, creating a program, not just a team, creating a program, but then letting the-- creating a platform where the players could become the best version of themselves as a player and be their ultimate cheerleader. And I always said that you basically have five seconds of coaching outside of setting really crystal clear expectations of what I expected six months before the season started. And I put that in place. And as long as the expectations were clear, written down and I didn't deviate from them-- Those are all really key words.

MIKE PHILLIPS: Yeah. I'm writing it.

GUI COSTIN: You don't end up having a lot of wiggle room for the players or the families to get in there and say, well, you said one thing and you did another. And we really locked that down. And then it was all about the players from that moment on, just creating an environment where the players could thrive with almost no interference from me or any outside forces.

MIKE PHILLIPS: I think that's a really good perspective to have. And one of the things that I want people to hear, because you've said this a couple times and often I'll sort of repeat back to make sure I'm getting it. I love this show because I get to have conversations with guys like you, Gui. I learn as much as I hope my audience learns. One of the things that you've said several times, you said we're creating a platform rather than just a team. Can you expand on that? What do you mean by, hey, we're creating a platform? Because that's something I feel like you took from that time and you definitely carried it over to business. Can you expand on that?

GUI COSTIN: Sure. The whole goal of a program, a platform where people can be successful that's scalable and sustainable, and you only can do that with very clear principles that you stand by standards. There's a lot of different words to describe standards, core principles, core values. And then you're consistently applying those. So you basically can't say one thing and do another. Said another way. If you have core principles that are clear as day, and then something gets off track, you simply point to the list of the core principles that you've outlined. And those core principles for any organization, I personally believe, should be in their vernacular. It should have meaning to them, not necessarily to the outside world. So that means it requires a lot of thought of what you stand for. And once we put that into place, that platform, it doesn't require that much coaching involvement as it does just making sure everything stays on track. And that I didn't like anyone talking to my boys, if you will, I was the only one that was going to get in their head, if you will, or that was my main goal is to stay completely out of their head. So that's why as I say, it's not what you say to a high school and college golfer, it's what you don't say.

MIKE PHILLIPS: Sure.

GUI COSTIN: And then you get them great swag so they feel like a team, right? That's a key component to any team is making them feel like a team physically as well as mentally. And then knowing that they're-- we have a winning mentality, a championship mentality, that we're here to win, but we're not here to win at all costs. I mean, we're not here to win, and then have a horrible experience.

MIKE PHILLIPS: Right.

GUI COSTIN: If we don't, that's OK too. But we always want to know the goal is to win championships. And the kids really responded to that over nine years.

MIKE PHILLIPS: No, I think it's absolutely fantastic. I pulled a few other things. And I think this is really valuable because I remember this from my oldest son going through football. And one of the things-- I did a whole show on it at one point. I did a blog on it. And you've said it beautifully when you're talking about, hey, coaches want to be involved, but they often will be involved to the point they get in the way. One of the things that I always used to say, and I would remind people when I'm talking to leaders, the coach isn't in the huddle, right? And we so often-- you have to let the player-- I liken it to football, as you're talking about golf, once that player is stepping up to the tee, the coaching has to have been done prior to that point, right? I mean, you're not standing there taking the swing for them. You're not-- It's the same transcending over to football. Coach isn't in there in the huddle. You have to allow people to make their own decisions and make their own moves. One of the other things that I like that you said here, you said you have to get them swag and make them feel like a team. And I think that definitely transcends over to business. So often we go through high school sports, or college sports, or up to professional sports, I mean, for goodness sake, we were talking just a little bit beforehand like about the NFL, right? You have these followings of teams. You've got the jerseys and the hats and all the stuff and you're wearing somebody else's name on your back to promote that and cheer for that team. So how do you transition that over to business, Gui? How do you-- Does it transition over to business? And I'm assuming you're going to say yes. But how do you move that? Do you get everybody matching ties or matching business jerseys? How do you move that from the sports world into the business world?

GUI COSTIN: Well, just from a swag perspective, I mean, it's vest, it's shirts, it's hats, it's everything, it's the branding, making people feel good. But what's really important, really what you're getting at is the swag is really critical, right? But if you work for somebody who's a jerk, then the swag-- no one's going to wear the swag because it doesn't represent what they aspire to. And I'll tell you one thing that I've learned in writing our third book is that-- because people-- My ghostwriter asked me, Gui, What's the mission? Why are we writing this book? What's the mission? And I said, Gayle, the mission-- If you look at the world, there's two charts that are really-- there's one chart that really hurts. It shows the time that you spend with your kids as you get older from when they were born over time. It's essentially-- it's a straight line down, which means basically over time, you spend less, and less, and less time with your closest family. What doesn't-- that line doesn't show is the amount of time you spend at work, or maybe there's a chart that interposes work. So you think about it, you work for 40 or 50 years and you're at work. And then think about what you get at work. So you get your self-esteem, your dignity, your confidence, your professionalism, your expertise, how people look at you as a pro, your life's work, your creativity, your validation. I mean, the list goes on, and on, and on that we all in some way, shape, or form get from work. But drop in then on the top of that. What about how you're treated? What if you're not treated well? What if you're like, yeah, man, but I got to do this. This guy is such a jerk to me. It's horrible. You know what I mean? That's like-- But we spend all this time at work getting-- supposedly trying to get all these things that are so meaningful to us in our lives. But then you have people that don't give the same level of thought to then how they treat people as leaders. I mean, it's-- If you sit back and really think about that and if you really processed it, then the only answer would be, we need to figure out-- we need-- every work environment has to be

thought of so deeply that we're making it the best experience we can, of course, without sacrificing results. However, the conventional wisdom in general, especially in sports, is basically the bigger jerk I am, the more results I'm going to get.

MIKE PHILLIPS: Sure.

GUI COSTIN: No one ever said, hey, you know what? I'm just going to be really kind. Be a good guy. Set really high expectations with clear accountability, but I'm going to do it with kindness. And people are going to tell you, you're going to sacrifice results. I fundamentally disagree with that. You can have your cake and eat it too. And I think that-- If somebody put the math problem in front of you, like I just did, 50 years of work, this block and all the stuff that you want to get out of it to become the best version of yourself. Meanwhile, a lot of times you just treated not well by your boss, or your leader, or because the leader didn't treat you well, they treat other leaders poorly, then your teammates treat you badly or whatever it is, or they feel like they can say certain things that they shouldn't be saying, or whatever it might be. We all know those things. Does that really make it a great experience of working for 50 years? I had no choice. I had to work there, but I had to take it. So that's why I think this is such an important topic.

MIKE PHILLIPS: Well-- and I think this goes back to what you said earlier because-- as you were talking about and the one piece when you were saying, hey, this started with the golf team and moved over to business-- I love the values that you have. I really, really love the values that you have. When you're saying, hey, just be kind to people and you can have your cake and eat it too-- when you're having clear expectations, the three things you said-- and I know I'm repeating this, but I think it's so valuable and people need to take note-- clear expectations. You write

them down because I think there's so much value. There's so much strength in-- once you've written something down, it's real. And I think there's value in that when it comes to work. And then you said to stay consistent. I don't think that was your words, but that was what I jotted down, was making sure to stay consistent with that. Well, if you added a fourth one and then be kind to people, I remember also just going through the youth sports, like you're saying, hey, there's this-- there's something-- and maybe it's because we emulate the people that came before us-- we emulated the prior leaders, we emulated the prior coaches. The irony is like if you get into a coaching role or you get into a leadership role-- and lots of people that watch the show, man, they'll go, man, I want to get my shot, give me my shot. I could do this thing better than the predecessor. And then what happens is we fall into that trap of we do the same things that the person that came before us did that we hated anyway. Have you seen that-- experienced that in business?

GUI COSTIN: That's life, that's everything because you just continue on the chain. You got to break the chain, as they say. And a lot of times it comes from parenting. I mean, that's-- my dad did it-- my dad treated me this way, so I'm going to treat you this way.

MIKE PHILLIPS: Yeah, I used to get butt whoopings, so guess what, I'm a hand me down butt whoopings. I'm from that generation for sure. So let me ask you-- as you think back and you've gone through these different stages in business, and in life, and-- what are some ways that you might recommend for somebody-- hey, they're moving into leadership, what can they do to break that cycle?

GUI COSTIN: So, first off, I would say that I've had my Bobby Knight moments. I'm very transparent with everybody about the Bobby Knight moments. I share how I came to along this path.

MIKE PHILLIPS: Sure.

GUI COSTIN: So I didn't come along this path with perfection. I came making mistakes. And when you look at a kid in 2011, the first match, the first day of coaching, he hits a 3 with out of bounds-- the out of bounds is right on the right hand side. I looked at him. I go, Mac, are you kidding me, what were you thinking there? And that look on his face-- I mean, he looked at me-- I was like, oh my God, I can never do this again. He looked at me like-- he's basically looked and said, the last two months I actually thought you were a good guy.

MIKE PHILLIPS: He said that?

GUI COSTIN: No, no, that's what his face-- that's his facial-- he said to me. And he's like, I actually thought you were actually a cool guy. And I looked at him and I said, this is not how this is going to go. And from that moment on-- because it's a dumb question because, obviously, he wasn't intentionally doing that.

MIKE PHILLIPS: Sure.

GUI COSTIN: And there was a much better way to use my words to affect change, if you will. And so the ways that I would recommend to people to think about leadership is, number one, you have to have clear standards. That's number one. And you have to write them down. You have to have core values. Number two, you have to start with the end in mind. So if you're coaching eight-year-olds on a baseball team or

gymnastics, whatever your sport is, what's the result you're looking for at the end of the season? And then I always made the kids-- so this is what I would say to my kids that I coach in the golf team. It was a fall sport and it ended no-- typically November 7th-ish, yeah, we played our arch rival.

MIKE PHILLIPS: Yep.

GUI COSTIN: So I would say to them, you're going to leave this golf club with golf clubs on your shoulders. You're going to be walking across the McAdam in the parking lot. You're going to press the button on your hatchback of your car, it's going to go up, and you'll be putting your golf clubs in the back of the car. And at that moment, what do you want to have accomplished. Do you want to have won a League championship? Do you want to have won the state championship? Do you want to have run the table in the league, meaning gone undefeated. Do you want to have beaten our archrival on the archrival day that you just completed? The question is, what are you going to do in the prior six months to make that a reality? So I just tried to start with the end in mind. So, as a coach, what do you want from a coach, do you want them to have a great experience? What-- you have to write down-- or do you want them to come and say, hey, you know what, coach, it wasn't really fun. He yelled at us all the time. You're eight years old or 10 years old, it made me really not like the sport. I was done after that. So-- but then that you can extrapolate that right to the working world. When somebody walks through your office door at 8:00 AM, what kind of experience do you want to have? Do you want to have a really nice office? Do you want to have coffee? What are the things that you want to have to do-- do you want them to have clear expectations of what they should be doing each day? There's thinking with the end in mind. So, number one, your core values. Number two, starting with the end in

mind of what experience you want people to have. And then I believe being consistent with your leadership approach. There's a lot of people that treat a certain group of people one way-- star salespeople-- where-- that's not-- everyone has to be treated equally, the same, meaning all the same words, all the same tone of voice. You can't sit there and poke fun at someone publicly, but then someone else that does the exact same thing you don't-- you do none of that. It's complete consistency. And I think those three things-- but the first part requires a ridiculous amount of thought and so does the second part. And then the third part really is in action. Can you do it when you're in action?

MIKE PHILLIPS: Super powerful. One of the things I picked up on too because-- and I think we try and apply different rules. You said something along these lines. You have to apply the same rules to everybody. And so often just the human condition, we apply different rules to different groups of people at different times. And you have to be able to break that. One of the things that you said when you were saying, hey, that golfer looked at me, I've been in that experience. I've been in that experience with my kids, been in that experience with youth teams that I've coached. And I think one thing that I take from that statement there is words are really powerful. And especially when you're in a leadership role, you're in a coaching role, people are always watching. And so people that are watching or listening to this show, you need to be aware that someone is always looking at you and saying, hey-- because that's what's going to determine some of the things you said earlier-- the time we spent with our kids as it wanes and the time that we spend at work as it increases. And somebody's always watching that and they're determining what-- how do I see this person? How do I look at them? What is their personality like? What are their character traits? Are they good, are they bad, and so forth? And so I just think

that's something that I took out of as you're talking there. Words are more powerful than we even think and often give credit to them.

GUI COSTIN: Words are everything. I mean, it's-- words are everything in leadership. And anybody who says any different, they're nuts.

MIKE PHILLIPS: Well, and then the action behind the words, certainly. I mean, there's certainly more to it than-- as we go. One thing-- I always get a little ways into the show and I want to make sure and share this. There's a couple of things here. Obviously, if you're interested in fundraising, and fundraising database, and so forth, I had this on the screen. I've had each of these on the screen a little bit. But I want to make sure for the audio podcast guests, if you're listening later, you can check out dakota.com. It's just D-A-K-O-T-A dot com. And there's information on their fundraising database, be able to connect with Gui's company there. Also, if you wanted to connect with Gui more personally on LinkedIn-- if you look them up, it's G-U-I Costin-- C-O-S-T-I-N. You're the only one that comes up. I was able to easily find you, so you could connect on with Gui on LinkedIn there. And then certainly-- you've mentioned a few times and I would love for you to expand on this-- if they check out your personal website, you've got several books that you've offered there. It's guicostin.com-- again, same spelling G-U-I-C-O-S-T-I-N dot com. They can book you to speak there. They can connect with you. There's information on your new book, The Dakota Way. Can you expand on what's behind the book? What inspired you to write it? And then what is the Dakota way. Because you've brought that up a couple times, too, and I'd love to hear. Or maybe you've already shared that in the-- because we've talked about these three steps each time in leadership. But if you would expand on that for me, Gui, I would really appreciate it.

GUI COSTIN: Sure, sure. When we started hiring salespeople, I think, as I mentioned, in 2011, we didn't have great success and it was all my fault. And we didn't have any structure in place. And so when I found this book by Sam Carpenter, it really gave me a blueprint for how to start to establish how I did what I did as a salesperson. And then I took every single step that I took as a salesperson and I codified it into four core principles called the Dakota way. And it's just think of a circle. And the circle keeps repeating itself. One is set expectations. Two is to know who to call on, which translates into establishing your go to market-- your TAM, who you're calling on. Three, in the investment business, once you're in the meeting, you have to be the most sophisticated storyteller. So core principle number three is know what to say in the meeting. And then four, once you've done all this stuff, you've created all this activity, you have to store it somewhere. And so you have to have a killer follow-up system. And that's core principle number four, so utilizing a CRM so you can have rapid recall of all of your activity and organize all of your information in one place. And it's those four things that we've coached our team, both on the investment sales team as well as the software sales team, to follow. And I wanted to make sure and this one was difficult because this is probably the one that was the least emotional, but highest agita around making sure it was in purely my voice of how I would say things about the Dakota way, because I talk about it all the time. So it took a little bit longer to write than I would have liked just because Gail finally got it-- truly, she's amazing, our ghost writer-- into my voice. And so it really just codifies our way of selling and doing business. And then we always have-- we have a slight leadership little blurb at the end of each chapter as just a quick leadership blurb. And then the third book is going to be called Be Kind, which is going to talk about all the leadership principles that I've learned along the way. And both books are really lessons learned in our industry and the investment industry. There's really not any sales books that

teaches you how to raise money or how to be-- how to structure your business, how to say in-- say what you should be saying in a meeting, how to close out a meeting. And so we give some really tactical-- I like to think of it as the Steve Covey. It's a jar, we're putting in the rocks and the pebbles, and then each individual person puts in the sand kind of fills in the blanks, but we give them the rocks and the pebbles. And it's empirical. It's hard because it's emotionally charged and it's hard to be disciplined in the four core principles. But if you follow them, I've never seen anyone follow them and not have success.

MIKE PHILLIPS: No, I love it. So the four core principles are the Dakota way. As you said, set expectations, know who to call on, know what to say-- and I'm summing this up-- and then have a good follow-up system. And I love that you referenced Steve Covey. For anyone that's not familiar, and I would tell you go look up-- you can look up on YouTube-- there's several trainers and teachers that talk about the big rocks-- the big rock principle, which is you put the big rocks in, then filter down the pebbles, then finally filter in the sand. And then I think some-- there's one trainer that I saw who said, hey, is it full yet. And everybody says yeah, it's full. And then he pours in the pitcher of water. And I like the fact that you're saying, here, look, we don't just give you the big rocks, but we give you some of the pebbles, we give you some of those other things to be able to be tactical about the approach and financial-- because for somebody like myself, I would be out of my element. But I imagine, based on how you're describing it, I could get in there, and read it, and understand it, and start fundraising.

GUI COSTIN: Oh, yeah. And the reason I-- the true reason that I wrote it is because there's too much turnover in our industry in the sales role. And the reason there is we have a lot of smaller boutique firms where the people that are creating the product are the portfolio managers

who are awesome people, but the conventional wisdom is, hey, if I perform, the money should come in. I shouldn't have to really work that hard for it. But there's a lot of people at the trough, if you will, trying to get to the same food and there's only so much money to go around. And so you have to be out there getting your story out in front of people. But there's too much of a disconnect between the expectations of the PM and the expectations of the sales person. If we can bridge that gap and make it tighter. It's very hard to get failed-- get fired after 18 months if you set up a plan with your boss, a sales plan, he agrees, she agrees, whatever that plan is-- agree with what looks like. And then you meet each week to review your results against the plan. If you're going to show up empty-handed, you're going to fire yourself. I can't help you there. If you're not going to do the work, then I can't help you. But if you're going to do the work and your boss is going to see you doing the work, the CEO is going to see you doing the work, and you're reporting progress against the plan, just that activity alone should give you at least two to three years of running room because we work in an industry that has a very long sales cycles, because from that, opportunities come up, people see that you're executing. That's the real reason. There's just too much turnover in our industry that's unnecessary. We have to communicate better.

MIKE PHILLIPS: Well, and I think that sales, in general-- sales, on the outside, sometimes it looks easy. And, oftentimes, because, again, like I said, my background is in automotive for over 20 years now. And I used to joke, I was like, I'm not an automotive guy, I'm not a car guy. But then you're in it for a while. As you started, what did you do before you did financial services or did you come right out of college and do it?

GUI COSTIN: No, I did real estate for the first eight years.

MIKE PHILLIPS: Yeah, so it's one of those things that you all of a sudden now you're a financial fundraising powerhouse. And it's like, but this is just where I ended up. And, I mean, obviously, through a lot of hard work, deliberate action, dedication, and so forth. But I think sales, in general, is tough. And so I have two questions. I think I'm going to ask this one first. One is how have you managed-- and you may have already articulated it-- in addition to managing by agreement, I guess you might say, because it's like, hey, I'm a salesperson, and I'm meeting with my manager, and we have this agreement. Here's what I said I would do. The manager can help in holding me accountable or me holding myself accountable. In addition to that, do you have another couple of suggestions on how you can slow down turnover for sales and marketing professionals for people that are in leadership?

GUI COSTIN: Oh, my goodness, yeah. You should be able to take it to a halt for the most part. Listen, over time, people are always going to choose to stay, leave, whatever. You can't control that.

MIKE PHILLIPS: Sure.

GUI COSTIN: Number one, it's-- generally, sales require some level of resiliency. And you look back in their history, have they established that level of resiliency? So you said sales is hard, which I agree with. But if you say, what do you mean by hard? It's emotional. It's emotionally taxing. Why? Because you rejected all day long. Well, what do you mean you're rejected? Well, you're sending emails and nobody responds to you. And you send 30 emails a day trying to book a meeting with somebody and no one gets back to you. And then you start to feel sorry for yourself. Then you start to say, did I really go to college to send emails. Geez, all my other friends are doing all these cool things, and I'm sending emails, and no one's responding to me. So

that-- you have to have that emotional resilience. Now, the leader-- sales leader has to have intense compassion for the emotional rejection that the individuals are going through. And then they have to help and create structures, really support structures for that emotion, to have compassion for what they're going through. Now, if you select someone-- so, for instance, we've happened to do very well with former college athletes, team athletes. Why? I don't want to be so direct, but coaches-- college or-- high school and college coaches generally aren't warm and fuzzy with all the players, and tell them how great they are all the time, and pat their back and say, you're the best. You're the best thing that I've ever seen. It's a different approach, if you will. And the kids are told, as I tease them a little bit, that you suck. But you still manage to keep playing, you love the sport, you get on the field, you compete, and you see it all the way through college. That means when they don't get a return email after 20 emails or 50 emails, there's no tears, there's no emotion. They just send the next one's. So I don't need to do any Myers-Briggs testing. So, number one, you do have to make sure that you're hiring for the role, that somebody has shown some resilience. I don't really need to do any studying of them if I know they played a college sport-- team sport. And then, number two, you have to have the clearest expectations and accountability for the exact behavior that you want them to have. This is so critically important is that you have to have a sales process. And I'm going to throw a big, big cherry on top. The CEO has to own the sales process. And I'll say that again, the CEO must own the sales process. People are like, oh, my gosh, that's crazy. There's no way. I said, yeah, well, good luck. See you can't think there's some magic bullet, some pixie dust you're going to do on there when you're going to go into LinkedIn or Indeed, hire a VP of sales, and say, hey, to the man or woman, go figure it out. I hired you to do this. And then after nine months, it's not going to work out. They need to do it again and again.

You have to establish a sales process because you're the CEO and you should be the number one salesperson. You should know what works. And until you can own the sales process, you shouldn't be hiring any VP of sales. Because during the interview process, you should have the sales process which works-- that works and you've tested it and tested and tested. Then you bring them in to implement your sales process. So-- and there has to be the clearest expectations. There has to be transparency with-- in front of everyone on your activity and the results against your activity with incredible support. So you're supporting everybody for doing the hard work, sending the emails, tweaking the emails. Then you celebrate the wins of the meetings, where you celebrate every single milestone that leads to a sale. So if you do those two things-- hire right, hire for the resilient role-- because someone-- it's just fact-- being rejected all day isn't for everybody. Let's just be honest-- literally being rejected all day, It has a water off a duck's back. And then you have to create a sales process and this infrastructure that is so solid. It's never-- it's not micromanaging because everyone will accuse me of micromanaging. That's not micromanaging. That's creating a process that you know is in everybody's best interest to have success. As I tell our guys, OK, every single day that you come to Dakota, you're only going to be coming better, and better, and better at the most important thing in business, learning how to acquire a customer. That's sales.

MIKE PHILLIPS: No, yeah. I just, you can keep going. Right there, that is super, super powerful. And we're talking about from a sales perspective. I think it's any staff member that two things that just absolutely hit home for me. Hire for the role. And I've said that before. Hire characteristics. Hire for character. Hire for attitude and mindset. And the role you're hiring for, you can teach skill if they have the right level, like what you're saying, of resiliency, of-- there are certain people that

are wired for sales that can get kicked in the teeth and keep coming back for more. I happen to be one of those. And I absolutely-- this is one of those tidbits that for me, it might be one of the most powerful things you've shared. And I mean, so much good stuff, G. The part where you said, the CEO has to own the sales process. And I relate it, whether it's the GM, the CEO, that executive role has to own it. And I think that is absolutely spot on. I remember one of the-- and I will venture to say this. You correct me if I'm wrong. But it's any process that you're implementing, not just the sales process. You have to have such a deep-rooted belief in it. I remember in the auto industry, we had at one point, I was meeting with a GM, and we were trying to open up a BDC, a Business Development Center, for some that may not be familiar. And one of the things is you look at other companies. And within any industry, but certainly within automotive, where people will say, well, Business Development Centers, BDCs, don't work. They fail. It's a bunch of guys or gals sitting there and dialing for dollars. You're making your hundred phone calls, you're sending your 30 emails, like you said. Well, that doesn't work. You need the sales guy invested and so forth. And I remember-- gosh, I wish I could remember who it was. But I remember a GM at one point saying, look, the problem is that your GM, your CEO, your higher-level executives have to own that BDC process. If they don't believe in it, neither will anybody else. And I think that is just absolutely strong as can be when you're saying, hey, they got to own that sales process. So it's powerful.

GUI COSTIN: Yeah, and what I'm referencing is that if you think about a software business, you think about an investment business, and there's a lot of startups, boutiques, you know what I mean? The large majority in terms of absolute numbers are more of those. They're trying to figure it out. And it doesn't mean that the CEO doesn't team up with the VP of sales.

MIKE PHILLIPS: Sure. Absolutely.

GUI COSTIN: But where I see it break down for the most part is the CEO wants to outsource sales to someone. Now, how many movies have we seen visually where the person's like, the CEO is like, we're doing this, and the VP of sales is like, I've been around the block enough, the senior VP, it's like, we're going in the wrong direction? That would be the exception. So I'm not saying that certain CEOs and leaders aren't completely off base in terms of sales, and the head of sales isn't being listened to. That's not what I'm speaking to here. So there are exceptions. That's not the category. I'm in the category here of, the CEO just doesn't want to deal. All they want to do is go to Indeed, hire a headhunter, however you're going to do it, get a VP of sales, sprinkle pixie dust, dude, you go figure it out, then he wakes up nine months later, and he's like, what just happened? How come we're not hitting our numbers?

MIKE PHILLIPS: How come it didn't work?

GUI COSTIN: Right. And you can't outsource that activity. That's all I'm saying. And by the way, you are the CEO. You should be the number-one sales person. You should know what works. Or you should be technically competent enough to sit down in a room with your top people, and don't leave the room until you figure out what your sales process is, and why, and what works. Because that's what you're really trying to define. Give me the steps that work to a completed sale. And then just kind of scrub that. So I just want to be clear. But yeah. Because people don't have nine months to waste. And it's important, the VP of sales because they're brought in. And so--

MIKE PHILLIPS: No. Super, super powerful, Gui. I love it. I have two other questions here. I want to hit on before we-- I mean, this is just how my brain works. So we'll go one direction and then I'm like, hey, let's look over here. One of the things that you said, the second step in your core values of the Dakota way was you need to know who to call on. How do you know who to call on from a leadership perspective?

GUI COSTIN: So the way we say it is, we grow apples, and we sell the apple buyers. We don't try to sell oranges to apple buyers. We're not in the convincing business. I mean, one out of two salespeople are trying to sell a product to someone who doesn't want to buy it, never will, but they're going to try to convince them. And success in pure sales is getting the quick no. Get the quick no. Qualify hard. Right? Try to qualify before you talk to anyone. But then when you're in there, make sure they understand what your value add is, what your service is, and get to brass tacks. Do you see a future here? Is this something we can do? The investment business, we say it a little bit differently. In the software business, it specifically is, is this something you think we can get done? Do you think this would add enough value to your day-to-day business that you would want to subscribe? I mean, once they've had time to see the service, see the product, absorb it and not sit there, and we get certain people in the investment business say, hey, look. You're probably familiar with Vanguard and indexing. And they're like, nope. We just use Vanguard. We index. And we'll never go to active management, which means you're hiring a team of people that are really good at picking stocks, and they can outperform the benchmarks. That's our industry in a short two seconds. But the person goes, no. I index. Oh, no. Let me convince you how we can do better in active management. Nope, I index. OK? Like, no convincing. Just say, thank you. OK, I really enjoyed our time together. And I'm going to move on.

And then you put that person in your database. They index. Next. And so we've made that work. Just move on. Take the quick no and move.

MIKE PHILLIPS: I think that's a really good line too, get a quick no. And especially for sales, for leadership, I think that's powerful. What else were you going to say?

GUI COSTIN: So the knowing who to call on then is establishing your TAM, your Total Addressable Market, your types of people that you know ahead of time already buy your product, or buy a version of your product. And so you just don't want to be calling people who you already-- it's hard enough selling something that exists already to somebody who's buying the same thing. Going cold is just more difficult. That should be the second derivative. The first derivative is, hey, you're-- Apple was the best in the world at taking what already worked and just creating a much better version of what people are already being presented with.

MIKE PHILLIPS: So the next question then is, because I'm curious how you'll answer this one, is then when you're getting in there. And again, if you look at this as a sales pitch perspective, a leadership perspective, whatnot, your third one was, knowing what to say. How do you learn what to say? Because I think it's really easy to get words muddled up. It's easy to be in those situations where we say something and we're like, well, I got to put that back in my mouth. I didn't mean that. I didn't want to say that. How do you learn what to say?

GUI COSTIN: When we look at pitching an investment product, when you're face to face with a professional buyer, you should know going in that they're going to have 20 questions that they want answered. I call them table stakes.

MIKE PHILLIPS: OK.

GUI COSTIN: Take those off. You should be prepared to tell them the who, what, why, and when about who you are and what you do. So now, and then after their two minutes is over, we call it punching them in the nose. They're like this. They're like, OK, I'm very clear about your product and what I should be listening for. So then, a lot of people go from zero time to 35 minutes. And most of the time, we get an hour. Now, you have 25 minutes. You need to go from zero to two minutes where you take all that off the table, all those questions, OK. I'm crystal clear on what I should be listening for. Let's have a conversation now about how you manage money. Then you spend 58 minutes or 56 minutes in a conversation. And you always give the short answer first. And you're always asking them questions to further clarify. So I guess you might call it active listening. It's just, you got to ask the questions and get them talking about how they make decisions, what they're thinking about, or they start poking at you. Then you always close the meeting to say, hey, look. I really enjoyed our time together. Would you ever see what we do, you hiring us to be part of your client's asset allocation strategy? They say, no, you're done. You never want to leave the meeting without answering the two toughest questions. One, do you see us fitting in your portfolio? If so, two, do you see your firm searching, or they call it a search in our business, over the next 12 months looking for a replacement or an addition to what you have today? If they say no, no, I don't see it, then you know there's no opportunity. But you wouldn't have known there's no opportunity until you actually got in the meeting. Then you put them on the mailing list, you stay in touch, and go on to your next prospect. Then you don't go back to the office and someone says, hey, Mike, hey, Gui, how was the meeting with Joe and Susan? Oh, it's a great meeting. Great meeting.

Well, why? Oh, it was great. We really connected. I had some great buying signals. It was really, really good. Did they wire 10 million to you in the meeting? Is that why it was so good? No, no, no, no. You don't understand. No, I understand because I am who I am. And OK? Just where do we stand? I'm a big boy. Just tell me, did you ask the two toughest questions? Then the follow up, you're not worried about people ghosting you after the meeting why are they not getting back to you.

MIKE PHILLIPS: We used to joke about that all the time. It's like, hey, did you sell some products today or did you make a lot of friends? I made a lot of friends. It was great. Meeting was great. But one of the things that I also keyed in here on when you're answering that, and I love this so often as salespeople, and this transcends to leadership, to management. So often, we're worried about the pitch because I asked the question like, well, hey, how do you know what to say? And the best part of your answer, you said, well, you might call it, active listening. You have to ask questions to know what to say to tailor it to that person to be comfortable. And that comes to management, that comes to leadership. I've always said, managing people, leading people, part of that is selling them on your way of moving forward. Part of it is selling them on your way of doing things that this is the right thing. Like, when you were talking about, CEO owning the sales process, well, one of the things that you have to do is, first, you have to sell that sales process to those people. And so I love the fact that you really keyed in a lot on saying, well, hey. You got to ask questions. You got to have those conversations. It can't just be me spitting up and orating.

GUI COSTIN: Yeah, one thing I think about every day as a leader is, I have to make sure everything I'm asking somebody to do is truly in their best interest in their career and their growth. And so and I always posit

it to them that way. And if I'm not, why would I ask them to do it? And especially when you're asking them to do hard things like send 30 emails a day to get rejected. But then you start to explain, you peel back the onion. You explain the why and what it's developing in them to learn how to acquire customers. Like, wow. OK. That's a game changer. Now this is getting me fired up. Like, yeah. Because one tenth of 1% of the people are going to be willing to do that. And if you're willing to do it, you're going to automatically have a massive head start on everyone else.

MIKE PHILLIPS: Absolutely. So I'm curious kind of last question here. And then I'll ask for some final thoughts and take us out of the show today. Who are some people-- because it's easy for folks to tune in, and they look at Gui, and say, oh man, raised 40 billion, you've authored books, had a ton of wisdom that you've shared with everybody today. Who are some people that you look to to help guide you? Who are some maybe mentors or people that you allowed to influence, and come into your brain so that you can learn and grow on the daily basis, or weekly basis?

GUI COSTIN: I've just been very lucky to be exposed to some very, very talented people really over the course of my lifetime. Number one, my mom and my stepfather. Two very accomplished people, but crazy positive people. My Major Domo, if you will, I like to call him that, Alan Breed. He's our first client, fundraising client, in 2006, basically put us in business. And without him, we'd be nowhere. I had no career. And he's the Pied Piper, one of the coolest, best leaders, culture guys that I've ever seen. I happen to have two high school classmates that have just been marvelously successful. And they just are great thinkers. And I just learned so much. And I would say, mentorship is really kind of a wild concept, because everyone thinks of it as a structured thing. We're

going to talk once a month. I look at mentorship as you looking at people that you aspire to be, and then studying them, watching them, and then emulating them. Those are mentors to me. Dick Williams is a guy in 2003. There's more Dick Williams isms that I've learned from him. Reasons, not results. Results, not reasons. Excuse me. He's looking for results, not reasons. And in sales, there's always a reason why something doesn't get done, right?

MIKE PHILLIPS: Sure.

GUI COSTIN: It's like, I could go on with those. So there's certain people that you just know what they're talking about. I've just been very, very lucky. And then I also think just I've had so many failures. Look, it might look like that this has been success. But if I told you my first 17 years, from 1989 to 2006, 17 years of work, the only reason I know this is because my kids over Christmas made me break it down, because they wanted an accurate number. They said, dad, you always talk about all your jobs you had before you started Dakota. How many? I said, eight. They're like, let's count them. I have three kids. We're very close.

MIKE PHILLIPS: Sure.

GUI COSTIN: Well, maybe 11. They're like, let's just go through it one more time. All the W-2's you had. 14. I had 14 jobs in 17 years.

MIKE PHILLIPS: Wow.

GUI COSTIN: So every 18 months. That is a recipe-- that was all great companies, all great people. They didn't do anything. They were all awesome. And I mean, to a group. I had the best bosses, everything. Everyone. I just left after 18 months. It's horrible.

MIKE PHILLIPS: What changed?

GUI COSTIN: Well, I started my own company, and then I couldn't leave.

MIKE PHILLIPS: Well, OK. Fair. That works. You're like, well, this is it.

GUI COSTIN: And then I met Alan Breed and I'm like, I'm never leaving this guy. I don't care.

MIKE PHILLIPS: Yeah, no.

GUI COSTIN: It was all self inflicted. I never got fired. I generally didn't get fired. You know what I mean?

MIKE PHILLIPS: Sure.

GUI COSTIN: I was doing a good job. And my point is, life is about getting knocked down, whether you knock yourself down, or you get knocked down, getting back up, and having a positive attitude. And somehow, I just kept going through all that stuff. Thank goodness my wife Susan stayed with me those first nine years where I was just plowing through jobs and what have you. So yeah. It's just, I guess, perseverance, getting down, having a positive outlook. The consistency amongst all those mentors that you described is a massive positive outlook on life.

MIKE PHILLIPS: I love that, massive positive outlook. And one thing that you just keyed in on here that I will say, for sure, choose the right spouse. Because I would agree with you there too. Like, my wife has been through some stuff with me where I was like, God, I was such a

bonehead. And she's still there just pushing along going, you got this. And she's-- my wife, positive influence in mine. And based on what you just said, you said, hey, she stuck with me, man. I have to imagine, same thing.

GUI COSTIN: Absolutely incredible. And another thing one of my close high school friends said to me a number of years ago, he goes, just be really, really careful about good news and bad news. And so he always says, good news, bad news. Like, something happens. Good news, bad news. This person's elected. Good news, bad news. This other person's elected. Good news, bad news. The stock market's down, good news, bad news. You know what I mean?

MIKE PHILLIPS: Yeah.

GUI COSTIN: Right? You just be very, very careful before rushing to judgment on anything. That's where, like, if you're learning a new sport, like it just happened to me today, and I made two mistakes. And instead of, at the end, then that thing had to be over, I said to myself, all right. Keeps me coming back. I mean, you just try to find the positive in anything, because good news, bad news. Just because something happened. And I guess Tom Brady's book, *The Four Agreements*, the book that he reads a lot I guess. You got to love yourself. And so in all of those failures, don't be so hard on yourself. That's important too, because we can be tough on ourselves. And no one's perfect. We're always trying. And the reason I'm doing all this stuff is that I just, I've learned so many lessons. And I just wanted to share them. I wanted to share them with my team. And I wanted to share them with anyone who really cares to learn about them that hopefully, it can help them in whatever situation they're in. Maybe it helps someone. And that's really what the motivation is.

MIKE PHILLIPS: I think that's excellent, man. I'm going to go ahead and take us out today. A couple reminders. Thank you. First off, Gui, thank you so much for just sharing your wisdom, the insight. I've got two pages worth of notes. I always do. And I love it, man. If you would hang out for just a second, I'm going to remind folks too, check out guicostin.com. It's G-U-I C-O-S-T-I-N dot com. You can book him to speak, you can connect with him, check out his books. On his personal website, certainly if you're interested in connecting with him on LinkedIn, just search his name, Gui Costin, G-U-I C-O-S-T-I-N. And then any interest in fundraising on a grand scale here, and getting more information on their fundraising database, you can go to dakota.com and connect there. So thank you, Gui, for joining me today. And then if you would just hang out for a moment. OK?

GUI COSTIN: Sure. Thanks for having me.

MIKE PHILLIPS: Absolutely. Ladies and gentlemen, that is going to bring us to a close for another episode of The Leadership Toolkit. Just a reminder, please join me on Wednesdays at 12:05 PM Mountain Time. And that is 2:05 Eastern. So if you would jump in here, and I'm telling you, I have got just the best lineup of guests, the best people, and the best opportunities for you to listen, and learn, and grow. And just like today, I got so much great wisdom from talking to Gui. So if you would, do me a favor. Throw a couple thumbs up on this if you're watching on whether it's YouTube or Spotify, leave a rating. Most importantly, if you know somebody that this would help them move forward, that would gain something from this episode, share it with them. That's one of the most beautiful things you can do for somebody so that you can grow yourself, and you're growing all of the people that are around you, and that you influence. Thank you, everybody, for taking the time to tune in

and join me today. Until we speak next, stay great. We'll talk soon, everyone.