



SEASON 3 EPISODE #11

DANIEL NOONAN
COHEN AND STEERS

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Daniel Noonan: Well, thanks so much. Really happy to be here.

Gui Costin: Thrilled to have you. So, Dan Noonan, executive vice president, is head of Cohen & Steers Wealth Management Consulting Group. He has more than 20 years of financial service experience. Prior to joining the firm in 2024, Mr. Noonan was with Nuveen, where he led the company's enterprise, wealth, and private capital group. Previously, he was an executive vice president and head of ETF Sales at PIMCO and head of wealth management sales at State Street Global Advisors. Mr. Noonan has a BA from Boston College and is based in New York. Give us a little background, take us back where you grew up, college, and then what did you do before you got to Cohen & Steers?

Daniel Noonan: Yeah, absolutely. I grew up in Boston, in the Boston Area. I moved around a lot as a kid but ultimately ended up at Boston College.

Gui Costin: Nice.

Daniel Noonan: Yeah. And then started my financial services career at Merrill Lynch in Boston and then made the switch over to the asset management industry to join State Street Global Advisors. And I was really fortunate to have a great long career at SSGA and then spent some time at some great firms, like PIMCO, Nuveen, and now here at Cohen & Steers.

Gui Costin: That's great. So, give us just the overview of your team, and the divisions, and how you're set up at Cohen & Steers. Clearly, an iconic, long-term REIT manager, now private real estate. You guys are getting in. And so, tell us how the wealth team is set up.

Daniel Noonan: Yeah, absolutely. So, wealth is a significant component of Cohen & Steers both from a revenue and from an AUM perspective. So, we have about a 50-person distribution team for US Wealth. And it's structured pretty traditionally in terms of we have an external sales team working with RIAs, wirehouse advisors, regional broker dealers, independent broker dealers. We have an internal sales team in New York City, as well as a strategic partnership group. And then we have some growth initiatives that the firm is really focused on, the first of which would be retirement. And then, as you mentioned, our private real estate business, we've been spent the last several years building that platform out and now commercializing that. So, we have a team that's focused on that market. And then we just launched active exchange-traded funds. So, we've recruited some industry veterans onto the team to help us really bring our ETF platform out into the market and introduce that to the advisor community.

Gui Costin: So needless to say, a lot going on.

Daniel Noonan: A lot going on, absolutely.

Gui Costin: That's great.

Daniel Noonan: Absolutely.

Gui Costin: OK. One of the key things I like to suss out on these podcasts is sales process.

Daniel Noonan: Sure.

Gui Costin: Can you tell me how you think about sales process across? Because you have a lot of different divisions, moving parts, people. As a distribution leader, how do you think about sales process?

Daniel Noonan: Yeah, absolutely. I think sales process is critical to what we do and what we all do. But particularly for a specialized manager, like Cohen & Steers, we're not trying to be everything to everybody. As you mentioned earlier, we've got a deep focus in real assets and alternative income. So, by definition, the advisors, and firms, and wealth managers that we work with have to fit a specific profile in order to want to work with a firm like Cohen & Steers. So, identifying that ideal prospect, identifying the type of advisor that's going to benefit from working with Cohen & Steers is really a critical part of our process. They need to follow some type of endowment, model, portfolio-type approach to asset allocation. They need to value active management in the alpha that we can provide in the asset classes that we manage. They have to be interested in taking, sometimes, countercyclical allocations in asset classes that may have gone through a repricing cycle or offer diversification in times like we're going through right now in portfolios. So, I think from a sales process standpoint, really being intentional about the types of advisors and firms that we're going to work with and spend our time with is a critical piece of that.

Gui Costin: And so, you do a lot of profiling, finding the ideal advisor, clearly. And then I don't want to get too far ahead of it, but clearly, all this ends up in your CRM.

Daniel Noonan: Absolutely.

Gui Costin: For tracking it all?

Daniel Noonan: Absolutely. Yeah. So, we use Salesforce for our CRM. We've got a sales enablement team that's in our headquarters. It's a huge area of focus for the firm in trying to, again, as a relatively small boutique asset manager, be very, very smart about how we use technology and how we use our CRM. And getting the right data into the system, I think we all know the challenges there. But then, as increasingly there's third-party data feeds available, how do we incorporate that into not only our CRM, but ultimately the output in our activity and how we engage with advisors? So, we have to be focused. We have to be really efficient with how we use our time.

And we view technology and CRM as oxygen for our sales team, for sure.

Gui Costin: I love it. So, pull yourself out of the head of distribution. We'll stay on the CRM.

Daniel Noonan: Sure.

Gui Costin: I always think of our listener is that one person salesperson [INAUDIBLE], if you will. And I've always thought, you want to think of yourself as a big organization, even when you're just one person and hold yourself to certain standards. One of them is utilizing a CRM to 10x your leverage. What would be the feeling, if you pulled yourself out of being head of distribution, and you had no CRM to work with, what would that-- because I'm really trying to get to the other side, where someone's listening and it's like, well, do I really need a CRM? It's expensive. I always thought Salesforce was free. Because it gave so much value.

Daniel Noonan: Yeah.

Gui Costin: I was like, I mean, they should be paying more for this. It's so valuable. So, talk to us about that feeling, because we really just want to emphasize the point of there's very few points of leverage salespeople can have.

Daniel Noonan: Absolutely.

Gui Costin: A CRM for rapid retrieval is one of them.

Daniel Noonan: Absolutely.

Gui Costin: That's the way I look at it.

Daniel Noonan: Absolutely. I mean, I think an excellent salesperson can blend the art with the science. An excellent salesperson is flawless at the point of execution. They know their client. They know how to ask the right questions. They know how to identify a need, and they know how to communicate their value proposition. But if they're not doing it in the right place, or they're not doing it with clients and prospects that fit that ideal profile, they're not going to be successful. And particularly today when access is so difficult and time is such valuable commodity, not having a CRM, or not having good data, or not being targeted, or segmenting your client base,

you're fishing in the dark. So, there's a balance. It can't be all CRM and data, and it can't be all feel and intuition. And I think bringing those two together is where we see a lot of success and where some of our best people are really thriving.

Gui Costin: Well, that's great. And so that dovetails into communication.

Daniel Noonan: Sure.

Gui Costin: So, I'd love to hear how you think about communication in two ways, one with your team, and then how the team communicates weekly, monthly, updates, all of that. Because I think not everyone believes in a weekly meeting with their boss to go through a pipeline, which I talk about in our book, is critical to long-term longevity at a job. And then I'd love to hear how you communicate up to the executive committee. So, let's start just with how your team communicates.

Daniel Noonan: Absolutely. And it's evolving. It's something we're always thinking about. Our sales leadership team, our wealth leadership team, we meet every other week. And that's a key point of conversation, is how are we communicating? What does our infrastructure look like? What does our ecosystem look like? How can we improve it? Maybe taking pipeline as an example, that's something that with these growth initiatives we have at Cohen & Steers, particularly around private real estate and ETFs, we're trying to do more. We're trying to expand our client base. We're trying to expand the vehicles that we're bringing to the wealth management marketplace.

Gui Costin: Can you just expand on one comment that you just made there, expanding the client base.

Daniel Noonan: Sure.

Gui Costin: So, I always think of the new, I talk about it all the time, is the lifeblood of any business.

Daniel Noonan: Absolutely.

Gui Costin: That's not always the conventional thinking within our industry. Just because I'm so tied into all and I see every shape and size of people's philosophies about growth, it's one of the few

businesses where they say, hey, we're not going to try to acquire any new clients in the next three years or something like that. We're not going to fundraise and the whole thing. It's counterintuitive to me, given how competitive it is. Would you ever invest in a business where they said, we don't believe in sales? Can you just expand upon the new as you're talking about the CRM and where all that fits?

Daniel Noonan: Absolutely. I mean, I think the hardest thing that we do as a sales distribution team is acquire a new client. That's the most difficult thing to do. So that's something that should be incentivized. It's something that we should be focused on. It's something that we should invest time, and resources, and data to help identify. And so, we've really geared our team around new client acquisition, around going to client bases that are growing. You think about the RIA community and the growth that we've seen in that over the last several years, and the growth that we're forecasting over the next several years. That's a difficult market to penetrate. Client acquisition there is difficult, but it's where a lot of the best advisors are moving their business. It's where we want to be relevant. And so really trying to shift our team into thinking about how to acquire new clients in the market like that. We need to arm them with data. We need to communicate success and try to replicate success. And then we need to incentivize that behavior through our compensation programs and things of that nature.

Gui Costin: There's no doubt that the RA channel, I've been selling to it since 1997, our firm has been massively committed to it. Talk to me about how you guys-- because it's different than financial advisor sale. You're calling on extremely sophisticated smart investors that all probably worked at a consulting firm, or what have you, and are really knowledgeable in investments. And so, it's a consultative sale, and it's killing squirrels. There's no top-down leverage. You keep talking about incentives.

Daniel Noonan: Sure.

Gui Costin: What can we learn from how you have approached the RA channel?

Daniel Noonan: Yeah, I mean, the RA channel, I've also spent a lot of time in that market in my career, and I've seen it evolve. And I'm continuously impressed by the quality of advice that's being delivered there and the entrepreneurial spirit that is there. In terms of the alignment, I think firms like Cohen & Steers are philosophically

aligned with a lot of RIA firms like we specialize in a couple of things. And we do them incredibly well, and we invest all our time and resources in those areas. And when we meet with a sophisticated RIA that's coming from an institutional background or a consulting background, and they've built out, and they've invested in a due diligence process, firms, like Cohen & Steers, and our portfolio managers resonate with them. And we spend a lot of time with those firms being an educational resource that they can tap into. We had an RIA firm just recently, had an end client looking at data centers. And they wanted to talk to one of our data center analysts. We set up an hour and a half call, a huge multifamily office in LA. We just unpacked everything that we knew going on in that space. And that just deepens a relationship with the firm in a different way than you might in a wirehouse market where you're selling a mutual fund, or an SMA, or whatever it might be.

Gui Costin: I've always felt that I tried to get on the business level with RAs and sit down. So, it's almost like entrepreneur and entrepreneur business boutique because it's such a similar thing.

Daniel Noonan: Absolutely.

Gui Costin: And that connection really resonates, and asking them about their business, and having them start to think of you as more of a businessperson than just somebody hawking an investment strategy.

Daniel Noonan: Without a doubt. I mean, we met with a very new RIA platform yesterday afternoon with the founder of that firm. And our marketing team put the meeting together, did a fantastic job with it. And it was really more about how a small asset manager like Cohen & Steers thinks about marketing. What are the tools we're using? How are we using social media? How are we using different innovative tools to get our brand and message out there? And how could that platform learn from us and think about their own marketing strategy and how they're going to get their brand out into the marketplace? So, I totally agree. Yeah, I mean, I think that a firm like Cohen & Steers that has an incredible brand in the wealth market in trying to help other firms understand how we've created that. And hopefully, they can learn something from us. That's just one example.

Gui Costin: That is so brilliant because just asking the question, having the salesperson in there from Cohen & Steers and just asking the question, hey, how do you guys utilize social media? What are

you doing to acquire new customers? Now you're having a conversation that's beyond product. Now you're getting into the business conversation, and it develops a completely different relationship versus being so transactional that you're really just there for the ticket, and not to build a relationship or just share resources or share ideas.

Daniel Noonan: Absolutely.

Gui Costin: Yeah, that's absolutely incredible. So, tell me, I'd love to know how you personally communicate with your executive team.

Daniel Noonan: Absolutely. So, Cohen & Steers, it's New York City-headquartered. It's a very collaborative culture. It is a relatively small asset management firm, approximately 400 people. So, we're interacting with the executive committee, often, on a daily basis. But that being said, in terms of-- yeah.

Gui Costin: So, they're in the flow.

Daniel Noonan: They're in the flow. I mean, what I love about the firm is everyone is invested in the growth of the firm. And we're really client focused. So, we're trying to understand where things are going, what our clients need. And our executives are extremely approachable. They meet with our clients regularly. A lot of our clients have personal relationships with senior executives and founders of our firm. And I think that that comes through.

Gui Costin: And that's a cultural thing, right?

Daniel Noonan: It's a cultural thing, absolutely.

Gui Costin: Wow, that's great.

Daniel Noonan: Yeah. So, I think that, in terms of how we communicate, it's regular. There are structured components to it, and there's unstructured components to it. And I think it's a key benefit that the firm has relative to-- I've worked at some really large organizations. And that has a different competitive profile. But the ability for people to really be hands-on in the business and collaborative from the executive committee all the way to our internal sales desk, where we're talking to them every day too. So, it's up and down the organization. It's really important to me.

Gui Costin: So, if we were to then distill it down to a smaller boutique, 500 million under management, what have you, one salesperson, I always talk about, in the book, we have this law of 18 months. And if you don't have a sales plan and a plan to report against the plan to your boss weekly, meaning, then, you're never going to show up with an empty pipeline. Could you just comment on that, just how important that aspect is. Because one of my missions of writing the book, just being in the business, it just bums me out to see how much turnover we have in the industry.

Daniel Noonan: Sure.

Gui Costin: And it doesn't need to be that much turnover. But if you're a one-person salesperson, you have to literally put yourself in a straitjacket, literally, which a lot of people don't think about it that way. Do you know what I'm saying? So, can you comment on that, just reporting up to the boss, even if you're a one-person salesperson at a boutique?

Daniel Noonan: Absolutely. I mean, I think in terms from a reporting standpoint, having clear, measurable objectives that you're trying to achieve. I mean, obviously, the end result is what we're ultimately going to measure, but I'm a huge believer in measuring the things along the way that are going to lead to that result. So, you can't control the outcome, but you can control the inputs that go into the process. So, it's evolving. It's something we think about a lot. But what are the key steps and things that we can measure on--

Gui Costin: And can control it.

Daniel Noonan: And control, exactly. We can't control the market. We can't control--

Gui Costin: The allocation, right?

Daniel Noonan: The allocation. Our asset classes are going to go in and out of favor. So, what can we do along the way to set the stage in terms of high-quality engagement, high quality activity, quantity of activity in order to hit those metrics and then make sure that we're making progress every day towards that? And ultimately, the outcome should be the end result. So, we don't have all the answers to that. It's something that our leadership team is spending a lot of time on this year actually in trying to create-- I don't know if the OKR framework.

Gui Costin: Sure. Yeah, of course.

Daniel Noonan: --from a previous manager of mine, a mentor of mine. And he put it in place at a previous firm. And I subscribed to it. I mean, how do we be really, really focused on the things that we think are going to matter, that are measurable, that have a time element to them, and that we can hold our people and ourselves accountable to achieving?

Gui Costin: I love that. And it's exactly that, because I always said to our team, it'd be great to set a fundraising goal and what have you, but you can't control that, but you can control all those little things that lead up to that. So, I love that. So, OK, dovetailing into this, I want to switch to leadership.

Daniel Noonan: Sure.

Gui Costin: And I think today versus the '80s and the '90s, you could get away with a lot more stuff in terms of how you treat people, how you act, and lead. How would you characterize your leadership style?

Daniel Noonan: I think my leadership style is extremely collaborative. I like to be involved. I like to understand what's happening, how I can help, obviously, without being overly involved. But I think being in the details, oftentimes, helps. And understanding what's going on with clients and showing the team that it's important to me in a very meaningful way, how they're doing and how their clients are doing, and putting the time in to demonstrate that. So, some people call it servant leadership or whatever it might be, but I want to be involved in the process. I want to be invested in the people. I care about the people. I want to show that I care about the people by spending my own time and energy with them.

Gui Costin: You made one comment in there. I just want to distinguish this because micromanaging, to me, in a very simple way is not what you're talking about. But people confuse that. And you just can't let people just go on, and then not interact with them. You're not trying to do someone's job for them, that's micromanaging, or just so all over them all the time. But being there as a resource, being collaborative, listening, how can I be helpful, that feels like what you're getting at.

Daniel Noonan: Absolutely.

Gui Costin: Just removing obstacles. What are people saying? I always like to know. Because you're always trying to focus on, hey, what's working? Let's do more of that. But you can't do that if you're not down there listening and hearing what's going on.

Daniel Noonan: Yeah, I mean, that's a challenge. We're all pulled in a lot of different directions. So, you need to invest the time to do that. And there's times where you might be missing on that. But I think that's exactly right. You can't do the job for them. But you can show that you care about what's important to them and what's important to their clients is important to you.

Gui Costin: Yeah.

Daniel Noonan: And if you can lead by example from that perspective, hopefully that permeates over time and there's a cultural high-level watermark that you're trying to stay above at all times.

Gui Costin: Yeah, and then so Cohen & Steers sounds like it still has been maintained over, what, 30 or 40 years.

Daniel Noonan: 40 years.

Gui Costin: Yeah, this really neat boutique founder still led, if you will, very involved, very passionate, very collaborative. So, it feels like it's almost still really boutique, I guess in a way, even though your-- what's your AUM?

Daniel Noonan: We're right at, approximately, \$90 billion, yeah.

Gui Costin: But it feels like still this warm, collaborative culture.

Daniel Noonan: It does. The culture is fantastic. Everyone is invested, like I said earlier, in the success of the firm. It's a publicly traded company. And people participate in that. And you can feel that every day. And there's a lot of people at Cohen & Steers. I'm relatively new to the firm, but there's a lot of the people at Cohen & Steers that spent a long time in their position at Cohen & Steers. And when I was meeting with them before I joined, that's one of the things that really struck me, was this-- when you see people that have stayed at a firm for a long time, there's an investment that they've got personally and professionally from a career perspective in the firm. And you definitely feel that every day. And it's New York City-based. Everyone

is in the office a lot and interacting with each other and collaborating. And it does maintain that boutique feel to it, being in every day, and working together, and getting to know each other, and collaborating.

Gui Costin: It comes through in this conversation because I think one of the key components of any company is keeping your best people forever, if you can do that, and it's how you treat them.

Daniel Noonan: Sure.

Gui Costin: It's the culture. It's the interaction. Are they happy? Because we all spend a lot more time at work than we do with our own family. That's just the reality of life.

Daniel Noonan: Yeah.

Gui Costin: And so, you want to have it be a fun place to work. Still getting after it every day, competing, but I call it doing it with kindness.

Daniel Noonan: Absolutely. Without a doubt, yeah, it's critical.

Gui Costin: So that being said, what advice would you give to a young salesperson getting into an investment sales role today?

Daniel Noonan: I got this advice from one of my mentors very early on, and I use it all the time. I use it every day I feel like. And it's just, you need to be a student of the game, and you need to be really curious. Information is ubiquitous now. You can get the answer to anything immediately at this point. So, you need to be differentiated. You need to be highly interested in a genuine way in your clients and what's going on in the industry. And not just your product set, not just the market that you cover, but much more broadly. And so, when you do sit down with a firm for the first time and you're trying to acquire a new client, that you're memorable, that you're differentiated. Unfortunately, there's a lot of mediocrity in our business too. And I think to cut through that, you need to be differentiated, you need to be memorable, you need to be curious, and you need to have a view across a lot of different aspects of the wealth management marketplace. And then, I think it goes without saying, you have to work really, really hard.

Gui Costin: I love that.

Daniel Noonan: Yeah.

Gui Costin: OK, so that being said, my final question for you is, what is your biggest challenge you're facing right now in today's market environment?

Daniel Noonan: My biggest challenge is focus.

Gui Costin: Talk to me about that.

Daniel Noonan: Sure. I mean, we've got our existing business that keeps the lights on at the firm. We need to continue to capture market share and win new clients and hit revenue targets and asset raise targets. But then we've got growth initiatives, and we've got huge aspirations in the private markets space. We've launched this ETF business a month ago. We're trying to be a larger player in the RIA market. We're trying to go out and hire the very best people that we can. We're trying to keep the very best people that we can at the firm. And so that's a lot to focus on.

Gui Costin: Any thoughts on how you try to-- because there's a lot of people listening to this call to who are doing a lot of things.

Daniel Noonan: Sure.

Gui Costin: Do you just do it through prioritization? How do you keep focused on each one of those initiatives?

Daniel Noonan: Yeah, I mean, it's definitely something to work at every day. I think having a good plan, like you mentioned earlier, and trying to be very precise and crisp with your people around what's important, and trying to filter out what's not important.

Gui Costin: I love that.

Daniel Noonan: Yeah.

Gui Costin: But that's a discipline that we've incorporated that we always come back to. Focus on what matters most, that's our line.

Daniel Noonan: Yeah.

Gui Costin: I mean, I absolutely love that. Because the more you unpack that, and you really distill each activity down to what's truly most important, and then just do that, it becomes simple.

Daniel Noonan: Yeah, ideally.

Gui Costin: Ideally.

Daniel Noonan: Ideally, yeah.

Gui Costin: I mean, it's like, oh, that's all we have-- because when you look at your activities and what's getting the most results, it's like, just don't focus on things that aren't working. But it sounds simple and obvious. But that's not always the case in a company.

Daniel Noonan: Yeah, making things simple is hard. And I feel like that's my job, and that's our leadership team's job, is to try to-- you hear a lot of times from salespeople, there's too many priorities, or there's too many things going on, and there's too many things you're asking me to do. And that's a legitimate concern. It's a legitimate obstacle. So how do you come up with systems and how do you come up with infrastructure to try to keep things simple and focused? We don't have it figured out, but it's something we think about all the time. We've just invested in a new strategy team within our wealth organization. And the stated goal is to basically how do we get our wealth distribution infrastructure to be best in class. And again, it sounds simple, but training, communication, data, culture, and how do you really focus on those things and try to cut through the noise that's out there.

Gui Costin: Well, the most important thing is you're thinking about it. You know what I mean? Because once you start thinking about it and you realize that that's the thinking that needs to be done, the problem is if you just keep the doing versus the thinking. As soon as you start really thinking about how you're doing something, the solutions appear. They show up. If you don't sit down and think, hey, we've been doing this for four years this exact same way. Is this really the best way to be doing it, or should we rethink what we're doing?

Daniel Noonan: Absolutely. Yeah, and be willing to take some risks. Try some different things. And if they work, do more of it. And if they don't, move on. So absolutely.

Gui Costin: I love it. Dan, this has been great. Thanks so much for being.

Daniel Noonan: Yeah, thank you. I really appreciate it.

Gui Costin: It's been amazing.

Daniel Noonan: Yeah, it's great to spend some time.

Gui Costin: Your great guests, my man. That is a wrap of the latest episode of The Rainmaker Podcast. I can't wait to see you on the next Rainmaker Podcast.

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