

Li Costi

Embracing Accountability in Sales

WITH GUI COSTIN

The Sales Leaders Operating System Podcast

MATT MCDARBY: My next guest started his career in commercial real estate, eventually moving into the real estate financing and investment space. He then moved into the investment management business, working for companies like Turner Investments, Cramer Rosenthal McGlynn and then Coal Capital. He then founded a firm called Dakota, an investment firm, where he currently serves as CEO and leads a team selling to institutional channels and intermediaries. He's also a published author who wrote a book called Millennials Are Not Aliens, and I'm dying to ask you about that. Please welcome Gui Costin to the show. Gui, welcome.

GUI COSTIN: Hey, thanks so much for having me. Thrilled to be here.

MATT MCDARBY: Thrilled to have you. So we have so much to cover. I already know, because we've talked-- we're kinsman on the topic of systems thinking, as it relates to sales. So we're going to talk a little bit about that. But my job here is to try to pull as many gems out of your brain as we can and call it 25-ish minutes. So if it's OK, I just want to dive right in—

GUI COSTIN: Yeah. Let's go.

MATT MCDARBY: --and start on some questions. Is that all right?

GUI COSTIN: Sounds great.

MATT MCDARBY: All right, so the opening question, similar to one I ask everyone-- and it does get to systems thinking, because I'm really curious, given some of the things you've shared with me already. What are the most important elements of your system?

GUI COSTIN: So I know this is a sales-oriented podcast. And if you really want to think about where things fall down, you can't make salespeople mind readers, OK? It just doesn't work. The reason systems are so important is because it lays out a very clear expectation of what you believe is required from them. And hopefully, within your system, have outlined the why, and you've documented and explained why you're asking certain salespeople to do certain things in the sales process. And the answer should always come back to, it's going to be-- it's in your best interest. I'm not asking you to do anything that's not in your best interest for your career growth. So once you start to make it all about them and not about you-- And so I'll give you an example of, all about you, as the leader. I can't believe they're not hitting their numbers. I can't believe Gui is not doing this. I can't believe Joe can't figure it out. I can't believe-- it doesn't make any sense to me. That would be the opposite of what I believe would be quality sales leadership.

MATT MCDARBY: Yeah, a key thing. So outline the why. What else?

GUI COSTIN: So you have to create extremely detailed processes. And what I mean by that is, everything has to be written out, exactly how you want someone to perform their job and why. And why I think it's so important, because you always have to remind people, any time, in any organization, anything they're doing, the benefit that they're getting for themselves from doing what you're asking them to do. OK. You're putting me in this box. Why am I in this box? And then what do you want me to do in the box? And then you need extreme accountability and transparency against what you're asking them to do. Sales is a numbers game. It's a relationship game, but it's a numbers game. If you're not measuring the numbers and they're not seeing their numbers in their face--

So you say to yourself, well, jeez, if I put that up there, it's going to make them feel uncomfortable. But that's the point. They're in sales. I mean, you're in sales, so you're going to have to be accountable for numbers, and it has to be on a consistent basis, the check-ins.

I think communication, outside of air traffic control, because that's life and death type stuff-- we're in sales. Communication among sales leaders and the sales team, the CEO and the sales team, is the most important thing. That's why I believe it should be a daily check-in. I think you should have a daily check-in against what you've determined to be your goals, and your process.

It doesn't have to be for 20 minutes. It can be for three, five. It has to be very structured. So essentially, you're reporting back against the plan. And then, what ends up happening is, no sales person wants to show up for a transparent meeting on what they're doing empty-handed. I call it a forcing mechanism, but that's in their best interest.

And I would say to them, Matt, just tell me why. I'll sit down with you. Just tell me why this is not in your best interest. And when you give them that form, you're not teasing them. You're treating them like an adult and a professional who wants to grow. And if they don't, that's cool, too. They just can't work at your firm. They need to be doing something else.

MATT MCDARBY: This may not be for them. Right? You said communication is the most important thing in daily check-ins. We have some leaders listening to the show who might have a bit of a span of control problem. They've got 10, 11, a dozen people.

I think you've said you've told me you've got 9 or 10 people that you're working with on a regular basis. What's your advice to people who have a large team who want to check in daily, who want to have quality conversations with their team, but there is a challenge with that? I've got too many people to do that with. Any recommendations there?

GUI COSTIN: Yes. I think the goal for any sales leader is to write down what's most important. And if you were to check in on a daily basis, what exactly would success or good look like? And so if you start to just think through and back into your answer, again, it's the thinking part here, not the doing. It's the thinking. Like, what do you want to achieve? The goal, I would say, for most of us would say, OK, look. We've put a plan in place. I just want to make sure my teammates are executing against the plan we've laid out. The problem is, sales is hard. It's emotional. There's rejection. People, if not held to account, can start to drift over time into what they want to do. Why? Because you're going to avoid the pain. The pain is rejection.

Part of what you have to tell salespeople is, look, hey, Matt, you're a good-looking, cool, articulate guy. You're an email, just like the other 200 the person's getting every single day. You're just another white background with black letters and numbers. When they meet you, they're going to love you. The goal is for them to get to love you. And then, all of a sudden, someone's like, oh, man. You start to give them the vision of what all the pain-- they think it's pain. It's like, look, we're not dropping you in Fallujah with a 90-pound pack on your back. You know what I'm saying? Like, you're not facing live ammunition.

MATT MCDARBY: A little perspective.

GUI COSTIN: Somebody's just not responding to your email, OK? So let's just-- but if you do it 30 times and you get two or three responses to book a meeting, that's the adrenaline rush. That's the result you're looking for. But you got to make sure your discipline is sending those 25 to 30. And that's what we do. We just keep-- we check everybody every day for their own best interest.

MATT MCDARBY: You said something a few minutes ago about creating extremely detailed processes, you said, which, to me, as I hear that, I'm like, well, that's the how, that we've got to explain to people how the job needs to be done and be willing to go to the lengths of actually-- like, no. This is exactly how it's done. The process looks like this. So I like that a lot. And I see that in high-performing teams. The leader is willing to go to those lengths to actually explain how the job is to be done. And they're able to because they actually understand it. They actually know what it takes. But then you talked about accountability and transparency. I think about teams that are average or worse. They talk a lot about accountability and transparency and knowing the goals and being open and transparent about the goals. But the thing that they miss is on the extremely detailed processes part. So the leader sits back. And he's like, well, you're not hitting your targets, and I need to hold you accountable to that, other people. They're like, yeah, but I'm not even sure how to do this. You didn't even help me understand how to do it. So in my experience-- I'm just going to validate here for a second.

GUI COSTIN: Yeah.

MATT MCDARBY: And you said the extremely detailed processes goes to the heart of the expectation setting we do as a leader.

GUI COSTIN: You have to--

MATT MCDARBY: Are there any--

GUI COSTIN: Yeah.

MATT MCDARBY: Go ahead.

GUI COSTIN: You have to eliminate the mind reading, and I'll give you an example.

MATT MCDARBY: Yeah. Yeah.

GUI COSTIN: Most great salespeople in sales and leaders and people know how to get the job done. OK? What they don't know how to do-- and it's not that they're incapable. They just assume that people are thinking on their level, day one, at the first outset of a conversation. What they don't realize is, if they're going through the alphabet, they're on the letter M, but the person listening is still back at A. And so I'll give you an example of how this changed my life. In 2011, I read a book by Sam Carpenter on processes, process and procedures. He had a call center. Portland. Working 24/7 hours. Burned out. Wrote down everything he did. Now, he wrote down everything he did. They were paid by check. OK? Clients would pay customers by check. It could be the call center. How many processes do you think he had to put into place to simply get the checks that were sent to him into his bank account? Just take a guess.

MATT MCDARBY: More than one.

GUI COSTIN: OK. More than one. Good. 37. And you say to yourself, how do you come up with 37 steps? But this is back to your question. This is acutely back to your question, the answer. First step, open the mailbox. Step two, take the envelope out of the mailbox. Step three, open the envelope. Step four, take the check out of the envelope. And by the way, it's not being insulting. It's not being crude. It's being fair. OK? Like, you're doing your salespeople a disservice because they don't know. They're learning a new language. You have to break it down,

literally, to those component parts so they know how to do the job and what's expected of them in this job. And then, along the way, I always say the why. If someone said, well, why do I have to check the box that I actually open the envelope? Well, because a lot of times, people go to the mailbox, they open the mailbox, they take the check, but they never open the envelope. Thus, they never get the check. Thus, the check never makes it into the bank account. And so it's breaking down exactly how you do what you do, in those excruciating little details, step by step by step, so people can learn it. And then, when they learn it, then you can hold them to account to those steps, because you've taught them the steps. And then what ends up happening is, you never have the questions. Like, you just asked-- you never say, how come you're not making your quota? Because you don't want somebody to wake up on day 90 of a quarter to see they're not going to make their quota. You should know day one and day two and day three. Thus, I'll give you the perfect-- the best answer, Matt, I can tell you, is euphoria is super low agita on a daily basis, super high performance. So how do you get there? You don't get there putting out fires. Lack of processes equals massive volatility and putting out fires on a daily basis.

MATT MCDARBY: So for those listening, this is-- at the end of our conversation, I'll do a quick summary. I'll share, in three or four minutes, one of the biggest ideas, the things that are most relevant for the audience and encourage them to apply. But I'm going to just zero in on something you said here, which is, hey, audience, listeners, if you feel like your people don't understand what's expected of them and you're constantly fighting fires and dealing with their failure at key parts of your process, take a look at the mirror and own your responsibility to clear that up. Because I think what we're hearing from Gui is, there is, essentially, there is no accountability. There's no effective performance conversation if we don't do the work of really clearly defining the

process for doing the work in the first place. We have no basis for it. Right?

GUI COSTIN: And any time the leader-- you're exactly right. I mean, you are 100% right. The leader has to take responsibility for the creation of the process and the details around it. And you can't sit there and say, I don't understand why Gui's not performing at a certain level like he should be. No, it's because-- you're going to know, instantly, it's because you didn't set up the process. Now, what you want to do is just blame him for something, or her, that they should be accountable for-- but you never told them they were. They don't get it. That's why you get-- and then that's why people leave jobs. So can I give you the massive, massive punchline? So the massive the massive punchline on this-- if you were to distill any business down to what is truly most important, now, there's a few things, but I'm going to tell you, close to number one is institutional knowledge of how to get a job done and having people in a role for long periods of time, which equals longevity. So if you don't set up a-- so it becomes a self-fulfilling prophecy. Right, Matt? It becomes like, well, I didn't set up the process. I burned Gui out. Gui doesn't like it because he's in a washing machine. His head's banging everywhere. He doesn't what he should be doing. You're asking him weird questions. The whole thing. No. What you want to be able to do is, create the processes so someone like Gui and Susan and other people are in this role for a very long period of time, and they become experts. They know exactly what the expectations are. They're in constant communication. If they get a little outside of the rails, you bring them right back in. And then, over time, they know how to get the job done. And then that's the least person you have to worry about. And then you want to build an organization of longevity, of people that buy into your processes. Because what took people 30 hours to do, over time, takes some 10, 30 minutes, 10 minutes, 5 minutes. But if

you're burning through people all the time, you're going to be at the 30 hours every-- you know what I mean?

MATT MCDARBY: Yeah.

GUI COSTIN: And you can see why turnover is such an insidious problem for organizations.

MATT MCDARBY: Yeah. Without naming names, I've had conversations with people in different contexts over the last few months with this mantra, hire slow, fire fast, which, in theory, the concept sounds like a good idea. But, frankly, that only really works for organizations that do a really good job of educating people on how the work is to be done and can I make a quick and effective, well-informed assessment of whether someone can actually be successful in a role or not. Because why? Because while the role is so well defined, we're looking at how they're doing it. They're not getting it. They're not trying. They don't have the skill to execute steps three through 17. So they're not going to be successful here. Let's move on. So in an environment like that, moving on from people who cannot be successful makes perfect sense. And we should try do that fast. But what I find is, there are a lot of organizations that say that sales leaders especially, or CEOs, that say that's the sort of environment they want, but they don't do the work of defining the job well, they don't break the work down. They expect their salespeople to be mind readers, using your words. And sales is like this dark art. They hire people. Like, they come in, and they just figure it out magically. And then they can influence customers. It doesn't work that way. I haven't found that it works that way anywhere, and I've been in a lot of places. So do you think that maybe what we're talking about here is the root cause of why we see so much-- it's 2024 now. Maybe people listening-- it's 2025, 2026. At the moment, we have this crisis of

performance and turnover in the sales profession. Do you suspect what we're talking about here is, if not the root cause, one of the real big causes for the current crisis?

GUI COSTIN: It's 100% the root cause. 100%. And it's back to the leader who doesn't believe that it's their responsibility to set up detailed processes. They should know. And by the way, I blame the CEO, because the VP of sales, should not be the only person responsible for setting up the sales processes for the organization. Said another way, that's the go-to market strategy. Said another way, that's revenue generation. Said another way, that's what generates profits. And who, at the end of the day, is responsible for revenue and profits? The CEO. So you're going to outsource the most important facet of revenue and profit generation to somebody who could be a renter who's been there for five minutes. Like, I want to literally say to the CEOs, have you lost your mind? What's going on? If you don't believe it-- and let's just say you're not a sales person, CEO. You're a tech CEO. It doesn't matter. You have to have the wherewithal and the common sense to realize, you have to take that responsibility on your own. And if you're going to outsource it, then you're going to live in a strategy of hope. Most venture capital blogs that I read back in the day, a little bit, three years ago, in the rah, rah days of venture capital fundraising, three VPs of sales to get to the final one. Do you know how much time and money and expense is wasted when you do that versus-- you can address this right up front.

MATT MCDARBY: Right. And what do you think that does to your credibility with customers?

GUI COSTIN: Oh, it's a killer. Oh, my gosh. You just brought up one of the most lovely things I've ever heard. Turnover at the CSM level-- oh,

my gosh. Joe was my guy. Now, Sav's my guy. Now, it's Luke. Now, it's Shelby. It's like, what? In our organization, we do these networking events. Our customers come in and bypass our president. And they're screaming over-- where's Sav? I want to see him. Where's Luke? Where's Matt, my guy? Because we've made consistency of the relationship. Because then, once you do that, you can then be such a great problem solver for people, because it's not just answering a question that they have about the product. It's delving deeper into other things, but you have this relationship, this consistency. Oh, my gosh. I think sales coverage and lack and preventing turnover in the coverage area is one of the most hidden secrets in sales and customer success.

MATT MCDARBY: Yeah. And what we're talking about is something that's way down in the details that I think a lot of leaders-- and incidentally, I mentioned people listening. There are leaders of leaders and chief sales officers that listen to this podcast. And so this message is directly to them, which is, if you look at your organization and you're dissatisfied with your ability to hang on to great talent and you have a lot of turnover, there's frustration around the fact that your people don't seem to be able to meet expectations. Then I think what we're suggesting here is, there is a very clear area. You need to go drop everything right now and go investigate and diagnose, how well is your organization doing at breaking the work down, capturing and sharing institutional knowledge and making sure that people know how to do the work on a minute-to-minute, hour-to-hour basis? Because if you haven't done that, don't do anything else. Fix that, because that's probably a huge, if not the number one root cause of why you're seeing what you're seeing.

GUI COSTIN: Yeah. And some of this stuff that we're talking about right now is really, really deep for one reason. It's time. And the reason I say that is because if you have those components in place for two, three, four years and the CSMs stay in the same role, they become such deep knowledge experts of the product. The salespeople become such deep knowledge experts because they've been around a long time. They know how to anticipate questions because they've been in the role long enough. I liken it to a five-hour hike. At hour three, you see this beautiful, beautiful lake. But because the first two hours were really, really hard, people turn back. And so if you're burning through people, you're never getting to that point where you're seeing this magic happen. You're seeing these relationships be so appreciated. You're seeing this depth of product knowledge, of anticipating questions, of being right. It's incredible. Because if you're going to burn through salespeople, you're burning through the people that your product the best because you've trained them eight months. Oh, yeah. I've learned this person treats me not that well. I want to leave. Well, now you got to go find the next person. You have to start the clock all over again. I truly want to say it in a fun-loving way. It's almost criminal behavior on behalf of an organization, because you're flushing all that institutional knowledge. And there's been story after story after story of buildings burning down because the new general manager came in. They took the guy who's running the HVAC system for 30 years. Next thing you know, the HVAC system kind of goes on the blink, starts a fire. The place burns down. My point is, this is what happens in everyday life. And that's why I think longevity and the goal of longevity and teaching people how to do a job for a long, long period of time has such incredible benefits to an organization.

MATT MCDARBY: Mm-hmm. So maybe one of the other things we can infer about your system here is, it's not necessarily about keeping

people for a really long time, but it's investing in people and ensuring that you maintain institutional knowledge so that you can sustain success over its time. I think that's just breaking down the work that this is an idea-- and it's implied in the elements. Outline the why, make sure people understand that we have their best interests at heart. It's not about you, the leader. Create extremely detailed processes, which leads to accountability and transparency. Communication is the most important thing, daily check-ins focused on, how are we going against the outcome? Plan, do a review, plan, do a review, plan, do a review. Right?

GUI COSTIN: Yep. And then one word that I haven't used yet that I use all the time and for my leadership style-- and I'm 57, so it wasn't always like this. And I'm the first one to tell you, it's been an evolution. It's a continued evolution. And Jamie knows this, who's behind the camera, that vulnerability is the number one trait of a great leader. You have to be willing to be vulnerable, and that means you have to be willing to quote, unquote, "be OK with being taken advantage of." But if you think in those terms and you make it all about your sales team or your teammates, employees, however you want to describe everyone, giving them structure, giving them the box to operate within and having that level of vulnerability really drives everything. And it's very, very difficult, because it comes down to how you treat people. Before we jumped on this call, we were just finishing up a discussion on our strategic partnerships. And I went through where I thought, strategic partnerships are a great example of the four quadrants of a box of the urgent but not important. And I just said to the team, look, I take full responsibility for where we stand on all of these right now, because we've been scratching the surface of the cake, I said, that nice, little top layer. But we're not putting our finger in and going down layer after layer after layer to really figure out how it can benefit us the most. Of

course, you want to benefit them. But my point is, we need to do-- but I took full responsibility and didn't one finger at anyone, which is exactly the right thing. Took full responsibility. Now, we just need to put processes in place so the team knows what questions to ask as soon as we develop any kind of relationship like that. Back to the word process. Like you just said, even 18 years in, we're creating new processes to make sure that if we're going to get in business with somebody, no matter how it is, we're going to figure out and ask those deep questions, so everyone's getting maximum benefit from the relationship. But I didn't do that. I take full responsibility. It's no one's fault except my own. Across 20 situations, 100% me. And now, let's go. Now, let's go put the processes in place, teach everyone what questions to ask so we can go the few layers down that we need to go to see if there's value for both of us, meaning from a revenue generation standpoint or new leads, whatever it might be.

MATT MCDARBY: Yeah. So it sounds like when you say vulnerability, it sounds willingness to admit if you haven't done something particularly well or you haven't done what was required for your team to be successful. Is that what you mean?

GUI COSTIN: Yeah, 100%. We don't have a T&E policy. We don't have a vacation policy. People are like, well, they're going to take advantage of you. OK? Right?

MATT MCDARBY: Yeah.

GUI COSTIN: I'm not really worried about that. I want people to enjoy their lives. I want people to go to their kids' games. Just get your job done. Be accountable. But most people-- but that requires a high level of vulnerability, that it's OK that you think to yourself, well, they're not

going to be working every minute of every day. Well, I don't want them working every minute of every day. I want them to-- Because you can't. Just can't. You have to prioritize what you want to get done in each day. And it's that level of vulnerability and taking responsibility for the processes yourself. Now, I'm, in no way, shape, or form suggesting the leader should just be run over by people. What I'm suggesting is, you need to be thoughtful about the processes that you put into place and how you're going to measure progress for your team against those processes. And so they all know where they stand on a daily basis. And it's our responsibility to make sure it doesn't get outside the rails. And most people-- we have a monthly check-in. We have a monthly sales meeting. That's crazy town to me. It should be every single day. And it doesn't have to be for 10 minutes-- it can be for 3 minutes-- on the most important numbers, because don't you want to know what the most important numbers are and what you're hitting on a daily basis? Like, what really drives, eventually, a close? There's always something. For us, it's booking a first-time demo or reengage demo of our software product, and that happens every single day. And so we check in every single day against those numbers. And then, before you can book a demo, you need to know that our BDRs are actually sending out the emails to try and book those meetings. And they need to be focused on cities, five cities at any given time, sending 25 to 30 emails a day. And the emails have to be reviewed and looked at that are the best practice emails that we generate responses that are personalized, not AI generated.

MATT MCDARBY: Yeah.

GUI COSTIN: You with me?

MATT MCDARBY: Yeah.

GUI COSTIN: So there's a lot of-- that's the level of detail. And then, what ends up happening is, everybody wakes up like, wow. This is really working. OK. You want me to give you one more, Matt? Why this is so crazy? So if you follow that process and you're getting the first-time demos because you're doing all the things that we just described, the process, if I told you there's a direct correlation between the VP of sales and the process that she or he puts into place, that directly affects product quality.

MATT MCDARBY: Say more.

GUI COSTIN: So if you're really good at getting qualified buyers in front of your product, doing a demo, and they give you feedback and then you incorporate that feedback rapidly, your product quality, over time-- so the more shots on goal-- using a hockey example. The more shots on goal on your product, the more feedback you get, the more feedback you incorporate into the product. That gets back to the salespeople. Are you with me? So the game here is so much bigger than anyone really can even anticipate at face value. And you and I just were talking about, we just need to make sure we have processes so salespeople feel focused. Well, no. The game that's being played here is so much bigger. We're dealing with product quality. We're dealing with revenue. We're dealing with profits. We're deal with the CEO. Like, this role touches every living facet of an organization. And it's just not, oh, it's just about sales process. Because it is, because that's where it starts. But it touches everything.

MATT MCDARBY: Yeah. It's a virtuous loop, we would call that. Right? On a related note, as I'm hearing this, we haven't talked about what-- the last book that I wrote focused on-- was called The Divine Comedy of Sales-- The Sales Manager's Guide to Virtuous Leadership. So that

word just came up, virtue. And one of the things I'm picking up from you, though, is, you talked about it as vulnerability. But what I'm actually picking up here is just something else, which is humility, being willing to admit that when you, as a leader, haven't done enough to help your people to be successful and owning that. And I think for a lot of leaders, maybe some of those who are listening today, we get here-- and selling, as you know, is ego driven. There's a certain type of person that tends to select and stay in this profession for a long time. And there is a little ego in there. And so when you're leading people like that, I think there is risk. It's not like leading-- no offense to accountants or operations people, but it is different. So there's a balance here, being vulnerable, being humble about how you go about your work as a leader. When you're leading high-ego people, I think that's the part that feels a little risky or uncomfortable for people. Because they're like, yeah, but I've got all these alphas on my team. And they're going to run over me if I operate this way.

So how do you maintain that balance in the way that you message and communicate, the way you care-- any guidance there or advice you would give to the people listening?

GUI COSTIN: Yeah. I just think the leader has to take responsibility for basically everything. And that's like being vulnerable, being humble, if you will. It's just so easy. I'm starting my third book, and it's on culture, and it's called Be Kind. And I'm not going to say it on this podcast because I don't want to swear. But the first line of the book is, "It's easy to be a"-- blank-- "as a leader." So you can fill in the blank. That's the easy street. It's easy just to say what's ever on your mind. It's easy to sit there and say, Matt I can't believe you haven't figured out how to sell and why your quotas down. Again, that's not humble at all. That's not vulnerable at all. That's just blaming. That's just blaming Matt for targets, moving targets, what have you, no structure or anything, but

you're just assuming Matt's going to figure it out after 90 days. And being kind to people at your organization, as the leader, everyone else is then going to be kind. And everyone thinks, well, if I'm kind and I don't come in and I'm not poking, teasing a little bit, maybe making this passive aggressive comment or something, they're going to take advantage of me, or they're not going to work hard, or what have you. And that's what I'm talking about. Vulnerability or being humble is treating people the way you want to be treated, which is a virtue of most high schools. Why is it a virtue of most-- almost all high schools and what teachers teach the kids and how they're treating one another? But in the business world, it somehow doesn't get translated. And because people just say whatever comes to their mind, I don't think you're allowed to, as a leader. You can't just say what comes to your mind. You have to be extremely thoughtful. Now, does that mean you can't be tough? No. I mean, I'm tough as all get-out when it comes to excellence and our customers and what we're doing. Because sometimes-- I call it wrestling the alligator. I mean, sometimes, man, you got to take the baseball bat out, and you got to crack the rock in 5,000 pieces, because you got to wake everyone up. Are you going to wait six months to wake them up? Or is it like, look, everyone-- we do amazing conferences, but all of our conferences have been from the perspective of our first business, a salesperson, third-party marketer, not as a software business. So I had to I had to crack the rock into 5,000 pieces. So everyone wakes up. They're like, whoa. OK. He was serious. I didn't insult anyone. I didn't yell at anyone or anything. I took the concept of our mental model right now, and how we're doing our conferences is associated over here. And we need to get into a user conference around software. This is just the most recent example. Yeah, I cracked it. I cracked it really, really hard. And everyone's like, OK. And it took one more meeting for questions and feedback and stuff to shed the skin.

And then by the end of this morning we were like, OK. We now know what a software conference looks like.

MATT MCDARBY: I know.

GUI COSTIN: Right? But you got to ring the bell to wake everyone up. So I'm not sitting here, saying I'm a-- kumbaya. Everything's like-- no, no. But I was being very kind to them because now, we are going to have a conference that's going to be world-class, and we're going to do it annually, just like we've done. But it's going to be a completely different conference around helping fundraisers grow their careers and grow their businesses, versus focused on just bringing in quasi-customers so they can see what they're thinking for the year. You know what I mean?

And I'm just using an example of-- I'm not here to tell you that I'm sitting Indian-style, kumbaya, and everything's OK. No, I'm a hard-charging leader, but I do it with kindness.

MATT MCDARBY: I guess the point of all that is, you can do both.

GUI COSTIN: Bingo.

MATT MCDARBY: You can be a hard charger, be a humble leader, be appropriately vulnerable. And then if you have to shift gears and make a change, helping people understand the why and what's in it for them to do something differently, going to the lengths of really helping them understand the work at the right level of detail. These are the other things you're doing. So I think we're picking up on what the system looks like here, Gui.

GUI COSTIN: Great.

MATT MCDARBY: So shifting gears, I've really got two questions. And we're running short on time. We got just a few more minutes here. But I'm interested. At some point-- maybe you were born this way. I don't know. But I'm willing to bet it's probably, maybe, that you had a little bit of this baked right in, but you've learned this somewhere from someone. Where did you learn some of these lessons? Where did you learn them from? Tell us a little bit about them.

GUI COSTIN: So the person that fundamentally changed my life, from a leadership perspective, is Alan Breed, the president of Edgewood, a business partner since 2006. I mean, he's been my majordomo, my boss, and his whole organization, Edgewood Management.

And he never sat me down to give me his core principles. He never sat me down to tell me this or tell me that. He just behaved in a certain way, and I watched. And I don't think I could ever achieve the leadership, the personality, the gratitude, everything that he has. But I'm always aspiring to that. And I've just had the great pleasure to have someone for 18 years that's been that person.

He's an amazing thinker. He's just the most unbelievable leader. He's the most unbelievable friend. He's kind. He sees around corners. And so that's really-- at the of the day, it wasn't a mentorship. I've been an observer, I think, of one of the most world-class individuals, truly, in the world. And I think a lot of people feel the same way. He's just been that kind of a guy to me. And yeah, so it was one guy, from just pure observation, day in and day out, for 18 years.

MATT MCDARBY: So shout-out to Alan. And, too, for those listening, I think the other thing we take away is, your people are watching you. You're modeling a certain behavior. You have a choice to be a world-class model of great behavior or not. And if you really are serious about

making an impact on the people and changing their trajectory and helping them to get better, then you got to pay attention to the behavior you're modeling. I mean, I think maybe that's an obvious point.

GUI COSTIN: No, no, Matt. Matt, no, no. It's not obvious. It sounds obvious, but it's not obvious, meaning-- well, what's the adage? Actions versus words.

MATT MCDARBY: Sure.

GUI COSTIN: So if you really want people to treat people a certain way, then treat the people the way you want to be treated. Like, you treat them that way. So you can't have two sets of rule books for an organization. The boss can't be allowed to do certain-- one way and then everyone else-- right? It's one team, one rule book.

MATT MCDARBY: Yeah. Yeah. Good. All right, Gui. As I said, we've only got a couple more minutes. So I'm going to ask you a purposely open and vague question and let you fill in the blanks and go wherever you want to go with it, which is, what else? What else do we need to know with the audience listening? What haven't you shared so far that you think they really, really need to understand about what great leadership looks like?

GUI COSTIN: I just think it's a mountain. You'll never get to the top. And you're going to-- I started-- I mean, I was definitely a bad boss when we did our first startup in the late '90s, early 2000s. I've had my moments along the way that I've learned from that I'm not proud of. I've had my Bobby Knight moment, where, truly-- almost had a heart attack. Didn't quite throw a chair across the floor, but I was definitely a Bobby Knight guy. And thank goodness Nick is still here to tell the story. And I'll never

forget that story. And anytime somebody brings up my leadership, I always say, but I have had my Bobby Knight moments, and I don't have them anymore. But I guess it's an evolution, but it's always just a focus on helping other people get what they want. It has been my mantra since 2011. Help other people get what they want out of life. That has been my mantra. That has been my mission. That's all I really care about. At the end of the day, it's not a straight line. There's bumps along-- massive bumps along the way. I'm a lifelong learner. I'm always trying to get better. I'm not perfect, and I think everyone should that no one's perfect. But I think you should aspire to be. Whatever you think is the leader in your brain or would be a great leader, aspire to be that. And that's what I've tried to do. Like I said, I'm not perfect. And I'm trying my best to get better every single day. And it's a bumpy road. But if you do it and you really, truly care about other people and you put other people first, it's a way more gratifying life than any other way, in my personal opinion.

MATT MCDARBY: Sure. I know what you mean. Yeah. And I think that is-- in terms of mindset, that's one of the great differentiators between people who are consistently great leaders and people who struggle to be great in this role. It's just an orientation to the work. Help other people get what they want, in so many words. That's the orientation. The Bobby Knight moment-- I chuckled. Like, I think when you play with passion and you've got fire, that's your natural-- you may have a tendency toward that. A lot of us do. And sometimes it's just maturing, a few more years under the belt that wears that off. But for those listening, if you had one of these moments recently, just know that it gets better. But you have to choose to change the way that you handle yourself when things get tough. I think maybe that's one other thing we-

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GUI COSTIN: No, Matt. That's an unbelievable statement right there. I mean, it's how you react.

MATT MCDARBY: Yeah. Yeah, for sure.

All right, Gui. Now, what I'm going to do is, I'm going to-- I've got to listen back to this conversation and boil down, what are the top three or four things I want people to remember? This has been a great conversation. I think people are going to listen back and want to-- what did he say about this? And listen to it a few times. So I'm going to go through and do my summary here, in a moment.

Before I get there, thank you so much for joining us. I think this has been a tremendously valuable conversation, and I look forward to the next time we have the chance to talk.

GUI COSTIN: Well, I can't thank you enough for having me on. And you give a great interview, so thanks for having me on. A real, real pleasure.

MATT MCDARBY: Excellent.