

[INTRODUCTION]

Thank you all for joining us in Park City.

It's so good to be together and collaborate.

Prior to the event, we sent out a survey.

What I took away, we all have an appreciation for Elon Musk **[PAUSE FOR LAUGHTER]**

We all want to understand what differentiates a good CEO from a great one.

[Frame up the timing and plan for time together, time for Q&A later]

I want to kick off with the changing role of CEO – in financial services, but really across all industries.

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To help us have this conversation this morning I'd like to start by talking about two inspiring leaders.

Bill Walsh and Indra Nooyi.

For those of you not familiar with either of these extraordinary leaders, Bill was the coach and president of the 49ers in the 80s.

Nooyi was the CEO of PepsiCo for 12 years ending in 2017.

They may not appear to have a lot in common – not sure that they both love football or both drink Pepsi - and yet, when you look at their success it's been incredible.

Both had concerns about being an effective CEO.

And they share the characteristics of incredibly talented leaders.

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They both made a significant impact on their respective industries.

They both delivered in incredibly competitive fields.

They both faced and overcame huge challenges.

Both had opportunities with struggling organizations in one way or another.

Both delivered outstanding results quickly through new strategies that transformed their orgs and their respective industries.

They are both extremely successful leaders.

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So what is it that makes a successful leader?

Don't we all as CEOs want to understand what made Bill so great, and Leeman Bennett of Atl. Falcons so bad?

What made Indra Nooyi so successful while Marisa Mayer of Yahoo failed?

As it turns out...

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HBR worked on a study over the course of 10 years that looked at just this.

The study is called the CEO Genome Project.

Its goal was to identify the specific attributes that differentiate high-performing CEOs.

HBR defines high-performing CEOs as executives exceeding expectations in the role.

Harvard judged this by two factors:

1. Interviews with board members and majority investors deeply familiar with the CEOs' performance.
2. The actual performance of the company under that CEO's leadership.

The CEO Genome Project found four attributes that set successful CEOs apart.

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1. The best CEOs decide with speed and conviction
2. High performing CEOs engage for impact
3. Great CEOs adapt proactively
4. Outstanding CEOs deliver reliably

HBR's research proved when we deliberately develop these behaviors, we dramatically raise our odds of becoming a high-performing CEO.

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Focusing on these four attributes is important because 45% of the business success is on our shoulders as CEOs.

45% is a factor of our personal performance...

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And 2 of 5 newly appointed CEOs fail to live up to expectations because they don't demonstrate these traits.

[Cite Carolyn Dewer]

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Within these 4, we get to chart our course.

And have the incredible opportunities to think outside the box, to create and problem-solve, and to lead our teams to great outcomes.

At the end of the day the buck stops with us, and we are much more likely to succeed at our job, when we follow these characteristics.

It's a tough job, but it's also amazing what we get to be a part of.

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The first characteristic of a high performing CEO is to make fast decisions.

It seems easy, but it isn't.

The more emotional the decision, and the less clear the environment, the harder it is to do this, and to act with speed.

[Refer back to survey]

We know these folks...maybe they're not succeeding now. How can you decide with speed and conviction?

As an example, it is really hard to make organizational decisions when you know the history, you know the people, and you can get bogged down in loyalty and friendship.

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Both, Walsh and Nooyi, were exceptional leaders.

Walsh:

- West Coast offense
- Walsh had to be decisive about his strategy to win

Nooyi:

- Had to make tough and fast decisions about business units that were succeeding and failing.
- And sold things that weren't part of her long-term plan (YUM brands).
- Buy things for a premium that she felt were essential (Quaker Oats and Tropicana).
- Nooyi was considered too strategic and not tactical enough to be a CEO

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When we sent you all the pre-Summit survey, many mentioned Elon Musk as a CEO you admire.

I'd argue (and so would he) that it's his decisiveness that sets him apart.

Just think about how committed and decisive he is about his vision of the future

You see that in Starlink.

You see that in SpaceX.

You see it in Tesla.

You see it in X (formerly Twitter).

Also see it in his departure from PayPal.

This is one of my favorite quotes from Elon...

[READ THE QUOTE: *What makes innovative thinking happen?... I think it's really a mindset. You have to decide.*]

... but how do we ensure we are decisive...

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There are really only two steps.

First, know your destination— your strategy, mission, and values.

These need to be clear, written down and measurable.

At AssetMark we have:

5 Strategic Pillars, a well understood mission (making a difference...), and values (heart, integrity, excellence and respect).

All of our teammates, our clients, our investors, our board – everyone understands these things.

Collectively, they tell us where we are going and how we want to get there.

The second step is: Putting yourself on the clock.

We all need to resist putting off tough decisions.

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In my view, the first step to being decisive is having a clear strategy and for that strategy to have pillars that everyone can understand.

So you never have to debate the priorities.

When I first became CEO, I knew we had to be clear on the strategy and how it was evolving.

Had to evolve the 3-pillar strategy to 5 pillars, from focusing on what we offered to what YOU need.

Needs to be about the future, not today.

I knew this would be hard – what we had was working.

I also put myself on the clock (implemented by Labor Day).

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So why does this all matter?

Because HBR found that people who were described as “decisive” were 12 times more likely to be high performing

CEOs – CEOs that delivered value.

Unfortunately, the vast majority—94%—scored low because they decided too little, too late.

When your gut is telling you that something is not working, you have an obligation to decide quickly.

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2. Great CEOs build and empower effective teams to get to their goals
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Walsh and Nooyi both created dynamic and collaborative teams

Walsh:

1. Not an authoritarian coach; instead, he believed in collaborative decision making.
2. He valued and input from his assistant coaches and players, fostering an environment of open communication and trust
3. Every person had a voice and was trusted to do their part with excellence.

Nooyi:

1. Nooyi worked to create an inclusive and diverse corporate culture at PepsiCo.
2. She promoted a culture of respect and equality, emphasizing the importance of diversity in driving innovation and better understanding consumers around the world.

As a result, both had highly tenured, highly engaged, and highly effective teams.

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Many of you asked in the survey about how you engage your people and build a strong team.

Made me think of a quote by another innovative leader, Richard Branson, "Train people well enough so they can leave, treat them well enough so they don't want to."

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How do we all take the steps to create this kind of culture among our teams?

Research shows that we all need to take three steps to engage with impact:

TRUST: You need to trust your team and empower each member.

Rely on their expertise. If you find you can't trust that teammate,

you need to hire for strength.

ALIGN: You need to make sure each member is aligned against the same goals. The entire team needs to understand your game plan and know their part in it. (Bill Walsh example of delivering excellence)

COMMUNICATE: Finally, you need to have clear and consistent communication, so your team understands what you're measuring, and if you're succeeding or failing relative to your goals.

How each member of the team is performing and train to their gaps.

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And those leaders who align stakeholders around a goal, who trust and empower their teams, are 75% more successful.

Successful CEOs trust their people.

They build strong teams and empower them to make decisions.

Why is it important?

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Great CEOs adapt proactively

This is the other side of the first point – being decisive – you need to adapt, change the game, respond to the environment.

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Walsh and Nooyi were both game changers.

They changed their industries forever.

Walsh:

1. Raider's game anecdote.
2. He scripted 12 plays.

Nooyi:

1. Anticipated the changing tide in consumer drinks and therefore led Pepsico to expand beyond its traditional carbonated soft drinks into healthier snacks and beverages, including products like Tropicana, Quaker Oats, and Gatorade.

2. Fun For You.

Good For You.

Better For You.

She realized the future was in providing a mix of options to consumers – and reoriented the entire company around this.

Reduced the package size, reduced the sugar/fat, packaged into meal kits

Both Walsh and Nooyi were highly adaptive in their industries at the time.

I would argue our industry is even harder to adapt to.

Arguably today's market has a greater pace of change.

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Today's environment is more dynamic than 3 years ago or even when most of us started our careers.

Macro environment in past 2 years:

-Last year was the worst fixed income environment in history.

-Higher inflation than ever.

-Regional Bank Failures this year.

-Workplace changes

-Opportunities and threats related to remote work

-Competitive labor market

-Expectations are different

-Our clients want CEOs to do more. Expect us to have perspectives – i.e. Larry Fink.

[Edelman Trust Barometer found that 86% expect CEOs to speak out on social issues].

All this change means we have to be able to adapt.

We must change our thinking to meet the needs.

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What you can do in your business right now to help you adapt proactively.

Two things all of us should do immediately:

Know your strategy – which means picking three key trends that are influencing your business.

Write them down.

Share them with your team and collaborate to find an adaptable solution and evolve your approach.

Play your game: Know how your resources and people, etc. are going to help you win.

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Speaking of great leaders, I often think about Sheryl Sandberg

*[Option A is not available. So let's kick these** out of option B.]*

This kind of thinking leads to relentless outperformance.

You don't get overwhelmed by the fact that your first plan isn't going well.

Instead, you quickly start thinking about the next plan.

And that is what we are consistently doing at Assetmark.

Planning for the next opportunity.

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In order to adapt and innovate to meet changing conditions and needs, start with being decisive and knowing your strategy.

Being decisive means you know what's important and you have your guiding principles, and for us, it's the strategic pillars, but what we do within each pillar or how we address the needs within each pillar, must be completely flexible and adaptable.

Let me talk you through how we have done this with pillars 1 and 4

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- \$11.9T in motion
- We need to help all of you benefit from this new trend.
- Advisors who want to transition away.
- Exit strategy.
- Advisor Link
- Advisor transition program

- AdhesionConnect

For those younger in your career and looking to grow your business, we need to offer you business consulting advice.

So we are adding services to meet you where you are.

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#4: Since you are spending 47% of your time on admin tasks, we need to help you decrease the 47% and build on the other 53% that you spend with your clients.

Always been true that advisors spend more time than they want on admin.

Increase in regulation, compliance, etc.

This percentage isn't going down.

At AssetMark, we need to offer services that meet your needs today.

- Marketing support services
- Compliance
- Investment outsourcing
- Training

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CEOs that excel at adaptability, are 7x more likely to succeed and deliver value.

7x a return on investment is pretty good in my book!

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Both Nooyi and Walsh delivered reliable performance with top talent

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Walsh and Nooyi consistently delivered excellence.

Walsh:

1. Competition at all positions

2. Everyone needed to know the game plan
3. Every teammate was expected to perform in their role
4. All teammates were expected to trust their teammates in their role
5. The score takes care of itself

Nooyi:

1. Rebranded
2. Expanded into 10 new markets, most of them emerging markets
3. Bought and sold companies

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Reliable performance comes down to three actions:

1. Outline the plan.
2. Measure relative to the plan.
3. Demonstrate fairness.

Then, watch for inconsistency.

- Focusing only on 1 client type...

Get feedback and know where you need to develop your strengths.

Demonstrate integrity and fairness.

Get comfortable with having hard conversations.

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CEOs known for reliable performance -- delivering on what is expected of you and what you promise to do -- were 15 times more likely to be considered high performing.

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Bringing it together

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The best CEO's take these 4 steps

Where do you feel like you've got this and in which of these 4 can you improve?

1. Decide: 12X more likely to be high-performing CEO
2. Engage: 75% more successful in the role
3. Adapt: 7X more likely to succeed
4. Deliver: 15X more likely to be high performing

Pick 1 area.

Each one of us should commit to working on it.

Personally, I'm working on improving my decisiveness.

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We talked about the importance of measurement. Let's see how we're doing.

Let's take a look at our collective performance.

AssetMark Highlights:

- Our clients have never been happier.
- For Platinum advisors, congratulations and thank you.
- New Promoter Scores
- America's Best TAMP
- AUM Growth/Client Growth
- Russell 3000 returned 2.41% over the same period

[Transition to Platinum Highlights]

Michael touched on these earlier, but I'd like to bring them back in front of you now. You all are very important to us and just look at what you've accomplished.

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[Transition to Q&A]