

## **Fiducient Advisors, Nonprofit Investment Stewards Podcast Episode 63, August 9, 2023**

### **Get to Know Fiducient Advisors' New CEO Sabrina Bailey**

[00:00:00] Welcome to Nonprofit Investment Stewards with Bob DiMeo and Devon Francis from Fiducient Advisors. Bob and Devon are passionate about helping nonprofit organizations prosper. Whether you oversee endowment, foundation, or retirement plan investments, this podcast exists to help stewards improve performance, reduce costs, and discover strategies that enable your charitable organization to prosper and advance its mission.

[00:00:26] Now, onto the show. Hello and welcome back to the Nonprofit Investment Stewards podcast. I'm Bob DiMeo and it's always nice to be joined by co-host Devon Francis. Today's episode features an exciting update for our clients, colleagues, hopefully all you listeners, and definitely for me as well. Earlier this year, we shared that I'd be moving to the role of chairman and we embarked on an expansive and super thoughtful search for Fiducient's new CEO.

[00:00:55] It gives me great pleasure to announce that effective July 31st, [00:01:00] Sabrina Bailey became Fiducient's new CEO. I am thrilled about that and so excited to have Sabrina on the show today. Devon, please share your high-level thoughts on the addition of Sabrina and please introduce her. Well, I am so excited. And Bob, as you know, and of course, as Sabrina knows, I was honored to be part of our internal CEO search committee.

[00:01:21] So we had folks from all areas and service lines of Fiducient, and we also engaged a national search firm. So it was a very robust process. We saw lots of amazing candidates, but Sabrina really rose to the top. She was the unanimous pick from everyone on the search committee. And we are just so thrilled that she is joining us.

[00:01:43] So to give you a little sense of her background, Sabrina brings decades of experience working with retirement plans, individuals, and families. And most recently, she served as the global head of investment and wealth solutions at the London Stock Exchange Group. Prior to that, Sabrina was a leader at Northern [00:02:00] Trust, first as global head of retirement solutions, then as head of digital investment advice.

[00:02:05] She subsequently assumed the CEO role for Northern Trust Asset Management's FinTech business. Earlier in her career, Sabrina served as U.S. Investments Defined Contribution Leader for Mercer and as Seattle Office Leader for Towers Watson. I could go on and on, but suffice it to say that Sabrina has a ton of experience relating to every part of Fiducient's business, and we are so thrilled to have her.

[00:02:30] Sabrina, welcome to the show and much more importantly, welcome to Fiducient. Thank you. I both, I am very excited to be here and be back to the roots of what I love and I am passionate about, which is serving our investors and our clients. So Bob, I know that this episode is primarily about listeners getting to know Sabrina, but first things first, why don't you tell us about your new role as chairman and what that means for not only you, but also for the firm?

[00:02:57] Absolutely, Devon, frankly, uh, uh, hopefully you [00:03:00] sense my excitement and you know, we founded the firm 28 plus years ago and I've sort of been at the helm from the onset and this is a super exciting transition for me because I will still remain full time, passionate, engaged, but quite candidly, it will be in the areas that I believe I'm best at and enjoy the most.

[00:03:21] And so it's exciting for me. It's, I would say, uh, stable and consistent for clients and that I plan to be with the firm for years. And yet, the sort of counter to this is Sabrina comes in with great

experience and pedigree in our industry and related industries. So, I think it's a wonderful opportunity to honor.

[00:03:46] The great firm we've all built, but yet take it to new heights of success for clients and for colleagues. So, this is truly fun for me and I'm excited about it. I guess with that, I would say that Sabrina, [00:04:00] I've gotten to know you fairly well over the past several months, and I have to say that your passion in pursuing this role really came out, uh, obviously to the committee that Devon mentioned, but ultimately.

[00:04:12] When you met with me and others, and so I think we can start maybe by asking you what really were the drivers that attracted you to Fiducient Advisors? Yeah, Bob, it always starts with culture. And that is the one thing that attracted me first and foremost as I was meeting with the search committee and the individuals there.

[00:04:34] The consistency with which people communicated and demonstrated the values of the organization, the focus on growing people, the focus on helping clients prosper, bringing all of that together is what really attracted me to the firm. And then again, it's bringing me back to the roots of what I'm absolutely passionate about, which is the investment consulting industry and being able to serve our clients, from our institutional clients to our private [00:05:00] clients.

[00:05:02] So Sabrina, I think folks would love to know more about your vision and your strategy for the firm. What are your top priorities as you take the helm and lead the firm into the next phase of success? Yes, Devon. Thank you. And given this is day two, I do reserve the right to adjust this a bit. One thing I know is my initial goals will be to listen and learn, and it'll be to listen and learn from our great people and our clients, because by listening and really leaning in, we can refine the future strategy.

[00:05:33] And set up a well sequenced execution approach that both honors the successful legacy of the leadership team and leads Fiducient to new heights, continuing to help our people grow and our clients prosper. The one thing we know for sure is our mission will remain the same. And that's to foster prosperity among the individuals, businesses and the communities we're devoted to serving.

[00:05:57] That's wonderful. Uh, can you share a bit [00:06:00] when we talk about transitioning and such into this new leadership role? It can be exciting. It can be challenging. Uh, you know, even for me moving to chairman, and I'm just so excited to support you. And I'll use a term that 1 of our university client presidents used.

[00:06:16] He said, Bob, this is an opportunity university you a guide from the side, as opposed to a sage from the stage. And so I'm really excited to be very supportive of you in the proper manner. But can you share some insights on your own leadership style, how you plan to foster this collab, and continue this collaborative and innovative environment at the firm?

[00:06:37] Absolutely. It took me some time to think about this question, quite honestly, Bob, but when I actually took a step back and thought about how I would describe my leadership style, it's a combination of both servant and transformational leadership, which is really focused on bringing up people and allowing people to rise up.

[00:06:56] Lay though on this foundation of clarity and [00:07:00] accountability, because oftentimes we'll hear if it's people first, do you really have accountability? And accountability and clarity are so key to continuing to drive this firm forward with the successes it's had and into our successes of the future. And this leadership style is really focused on three things. People, which includes our employees and our clients.

[00:07:22] That is the focus first and foremost, followed by our services, which we deliver, because if we've got strong relationships with our employees and our clients, we know what services they need.

Not only today, but more importantly, how do we define and develop the solutions they need going forward? And then finally, that leads to business success.

[00:07:42] Um, so that's the way I think about leadership. In terms of fostering a collaborative and innovative environment, it has to start with focusing on diversity, inclusion, equity, and belonging. Everybody views this slightly differently. The way I think about these areas are diversity [00:08:00] is having different people in the room.

[00:08:03] Inclusion is having different voices, thoughts, backgrounds at the table. Equity means everybody has a voice at the table and belonging means in everything we do, we bring those different viewpoints together and different perspectives to really define a solution that doesn't look like any one of us, but looks like all of us.

[00:08:24] The second is really actively listening and you heard that in my first part, I will continue to actively listen and listen empathetically to our people to really foster that collaboration. And then finally, it's about creating the space for what I call constructive dissension. And by constructive dissension, I mean people should always feel a little bit uncomfortable that something new is coming.

[00:08:50] And how do we foster that environment where it's okay to try and learn over and over again so that we can lead into the future? So creating the safe environment for brainstorming and [00:09:00] innovation. And building this two way door where people can go in and out of it is how I plan on fostering that collaborative and innovative environment.

[00:09:08] That's great, Sabrina. And I really think that you articulated your leadership style very well throughout the interview process. And that's really what led us to choose you above all the other amazing candidates, because we think you'll be such a great fit for the firm and our culture. Do you maybe have an example of a way that you've used your leadership style in past roles that's been successful?

[00:09:35] I do. In fact, my most recent role is a great example of how bringing this leadership style of servant leadership and transformational leadership together and then fostering innovation. Specifically, when I joined the organization, the business was growing, albeit relatively slow. And the viewpoint by the firm and quite frankly the team was that we were doing the best we could.

[00:09:59] [00:10:00] But when I took a step back and really listened to our people and listened to our clients, what we found is we could tap into this innovative environment to meet needs that weren't being met. But more importantly, people just wanted to feel heard. They wanted a space where their ideas could be fostered.

[00:10:18] So we set up this working group, we developed a new solution. And within the two years I was there, we took our growth from about 1% growth to over 5% growth for our business line. And more importantly, we had our client relationships deepen and strengthen because we leaned in, we listened, and then we focused on the innovation they were looking for.

[00:10:42] For example, bringing new types of data to bear. And actually, more importantly, we started launching insights to data. So great example. We had investment clients that have their house views on stocks or managers, and we were able to add that into our technology so that they could [00:11:00] pair market data real time with their recommendations and set their advisors up to provide advice in a more meaningful and time sensitive manner.

[00:11:11] Sounds like a real success story. So I guess as we think about the topic of innovation and as Fiducient continues to serve our clients and continues to grow, what are your thoughts on staying ahead of the curve in the rapidly evolving financial landscape? How do you envision navigating industry trends and technological advancements?

[00:11:32] What do you see for our future? The first step is really just knowing the industry trends. I find often we can get pulled in so much, we actually aren't leaning into the industry. More importantly, given the pace at which things are changing, it's critical to understand the broader market and technology trends.

[00:11:55] And this is an area that's often missed in any business because we focus on our industry [00:12:00] trends. But what I found is the learnings from a broader market, from our clients and from technology should feed into those trends. And we can leverage some of the knowledge from there. So a great example. We were working on a new technological solution at our organization and the tech team and our team were working together at LSEG and interestingly where the solution came from was because I was playing a video game with my teenage daughter and we ran into an issue with a video game and all of the sudden I had an idea and I'm not a technologist by any stretch of the imagination but I could go to the technology team and say hey here's the problem we were facing, here's how we solved it.

[00:12:40] Do you think this could help our clients? And we actually took client response time for the information and services we were feeding our clients down twofold by putting into place a solution that didn't come from knowing industry trends or even market trends, but came from a different experience. I think if we choose [00:13:00] to really focus and drive innovation in this way, then we can look at navigating the trends.

[00:13:06] There's one other component. That I think is really important to stay ahead of these industry trends and Amazon put it best. So Amazon has this way of describing the areas that drive innovation and it's a one way or a two way door and it's simply this. A one way door decisions have irreversible impact.

[00:13:28] Once you make the decision, you cannot undo it and significant harm will be done. Therefore, before you go through that one-way door, you have to do as much investigation, analysis as possible. You need to test and retest before you walk through that door. There are also two-way doors. And two-way door decisions don't create major damage if you have to go back.

[00:13:53] In fact, if you make a mistake, you can simply take those learnings and tweak them and move forward in a different direction than [00:14:00] originally planned. So, you may walk in and out of that door multiple times to get to the best solution for customers and clients. Therefore, it's critical to avoid analysis paralysis here.

[00:14:11] It's more important that you move forward and take your learnings to go in and out of this door to get solutions to the market. I think if we think about the decisions we make as firms, we tend to operate with a one-way door approach. We analyze every decision, every new solution we're bringing to our clients.

[00:14:30] That's okay, but actually one way door decisions are the minority of decisions we need to make to keep up with industry trends. In fact, we should have more two-way door decisions and setting up that culture of safety and innovation to learn through those two way door decisions will be one of the ways that we're going to not only understand the industry trends, but keep ahead of those industry trends for our clients.

[00:14:55] Sabrina, I like that. It sounds like, um, you go about those [00:15:00] decisions or that strategy. In a similar way that we try to construct portfolios buffering the downside and I once had a CFO of one of our large corporate clients say to me that her job was to minimize the company's maximum regret. And that sounds like a little bit like a one door option there.

[00:15:20] So, uh, one of the reasons you were, uh, overwhelmingly favored by, uh, Fiducient as a candidate is your understanding of the landscape and technology. You've talked about that, but another

and we've touched on it already is the culture side and your approach to culture and so on. So with a company, we know culture plays a vital role.

[00:15:42] It certainly does at Fiducient. So, we're curious what initiatives or values will you prioritize to create a very engaged and motivated team? Yeah. So again, Bob, the reason I joined is the culture. It is a strong culture already. And really the foundation of [00:16:00] what we'll be looking at in terms of initiatives for a culture and in terms of values will be informed by the listening tour with people and clients.

[00:16:08] I want to take what I learn and help mold our future values in a way that allows both our people's and our clients voices to be heard in those values. My hypothesis is that during that listening tour, there will be some values like humility, accountability and integrity that remain an integral part of who we are.

[00:16:29] And I also have a hypothesis there will be one or two newer values that come to the forefront during this time. So, I'm just really excited to lean in and learn and hear more. And I'll circle back on what those values are. So as listeners get to know you better, and we've touched upon this a bit, but we're curious to hear about your background and some of the experiences that you think have helped prepare you for this role as CEO of Fiducient.

[00:16:57] So can you share some of the highlights of your [00:17:00] professional journey and perhaps some of the lessons you've learned along the way? Yes, I would describe my journey. And I got this description actually from a book, which is a fabulous book for anybody who wants to read, it's called Why Greatness Can't Be Planned.

[00:17:15] And it's actually a book about AI, but it has a lot of lessons in leadership and career. Um, so it's imagine crossing a foggy stream and you're hopping across rocks to get across that stream. And if you just blindly leap forward, eventually you're going to fall into the water because you actually can't see what rock lies ahead.

[00:17:35] And my career progression has been a bit like that. I never knew exactly where the next rock was, but as the fog cleared, I could make my way across the stream and it wasn't always straight. So, starting my first 15 years in investment consulting, um, I had the great opportunity of being able to lead the Seattle office for Towers Watson.

[00:17:56] We really needed to revamp that business and lean into our [00:18:00] clients more. And we had the opportunity to do so at a very interesting time because it was also during the 2008 financial crisis. So not only were the markets in turmoil, but we really needed to lean in and understand how we could grow our presence in the market and how we could better serve our people and our clients.

[00:18:19] That was a great learning experience and how to think about and really respond to client-first approach. Along the way, then moving to Mercer and running their U.S. defined contribution practice, really listening to our clients. But more importantly, you realize and I realized that every decision we make doesn't impact the hundreds of clients we serve.

[00:18:45] For example, it impacts the millions of individuals at the ends of those clients. That should be a way all of us bear because we're called to be stewards of the resources we have. And it's critical then that we bring [00:19:00] the best advice in particular from an investment perspective to our customers, to our clients, managing both risk and return.

[00:19:08] And during that process, we really leaned into how are we actually thinking about the participant first in order to help our clients meet their goals. Moving over to asset management and data was an invaluable experience because many of us understand the different components that go into a recipe, for example.



[00:19:29] But we don't understand how all those components get built and put together to create the full meal. I had the opportunity in both asset management and the data side to really understand how those different components are made. How do they run? What challenges are faced? Both at the asset management space in terms of the investment managers we bring to you as our clients.

[00:19:51] But then the data space in terms of the data used to make those investment decisions are critical, and I learned during that time [00:20:00] that quality is critical. And what I mean by that is if we have the wrong data, then we'll make the wrong decisions, not by choice, but because we don't have the right information, but more importantly, as you think about the information and data coming in and the insights the asset management firms need that we bring to you, those insights are what drive those investment decisions and more and more the markets being driven by both social sentiment and market sentiment.

[00:20:31] And so those insights are becoming critical to how we look at develop and provide advice to clients. So those were my major learnings and a bit about my personal journey. Super helpful, Sabrina. And we think about when we work with an investment committee or family or what have you, arming them like they're smart folks and good hearted and such.

[00:20:54] But can we arm them with meaningful information so they can make great decisions? And that's just on the continuum you [00:21:00] described. So your approach to business, your mindset, it's inspiring. I think listeners might like to learn a little bit more about Sabrina, the person, maybe your interests and background.

[00:21:11] What do you do that creates balance in your life? What do you enjoy outside of the office? I'm going to tell you a little secret, Bob, that most people don't know about me. If you gave me the choice between going backpacking in the mountains for seven days or going to stay at a five-star resort, I would choose backpacking every single time.

[00:21:33] And I mean the pure backpacking take very few clothes in a pack with all your food. I love the outdoors. The outdoors are where I find my peaceful moments. It's where I find the time to actually think about all the things that are happening around us, gather the insights from the knowledge I've gained.

[00:21:52] So when you think about what do I do in my free time, one, it's spending time with my family. I have two teenage, well I guess, one teenage daughter now, [00:22:00] she's 18, and one 20-year-old. And then running, hiking, camping, rock climbing, whitewater rafting, scuba diving, and archery are my favorite outdoor activities in addition to backpacking.

[00:22:13] When I am not outdoors, though, I'm either reading or writing. I am a big, big believer that reading fosters not only knowledge, but innovation, creativity. It brings us to another world. It causes us to step outside our comfort zone. And so I find fulfillment in reading, and I also absolutely love to write.

[00:22:38] That's great. I am a fellow outdoor enthusiast. And as a long time listeners of the show know, I am an avid bookworm. So right along there with you, Sabrina. So thank you so much for joining us. It's been a true pleasure chatting with you and allowing listeners to get to know more about you. Is there anything you'd like to add, anything that we missed that you'd like to [00:23:00] touch upon?

[00:23:00] I think the one thing I'd like to add to let people know a little bit more about myself is if I think about the legacy I want to leave and how Fiducient aligns with that, the legacy I want to leave is just the positive impact that I have on people, communities and clients I come in contact with, and helping them achieve their financial goals.

[00:23:23] And so as I think about the opportunity at Fiducient and I think about working with our clients in this space, I am just so excited to be here and to lean in and to have an impact not only on our clients, but more importantly, help our clients have the biggest impact they can on the populations. And the communities that they serve.

[00:23:46] Sabrina, that's wonderful. I want to underscore how pleased I am to have you join the firm and lead us to our next level of success. It was great having you on the show today. Thank you. Thank you. So, to all you good stewards, thanks for investing your time to [00:24:00] help your nonprofits prosper. We'll connect with you soon on the next show.

[00:24:05] Thank you for listening to the Nonprofit Investment Stewards podcast. Click the subscribe button below to be notified of new episodes and visit [fiducientadvisors.com](https://fiducientadvisors.com) for more information. The information covered and posted represents the views and opinions of the guest and does not necessarily represent the views or opinions of Fiducient Advisors.

[00:24:24] Content is made available for informational and educational purposes only and does not represent a specific recommendation. Always seek the advice of qualified professionals familiar with your unique circumstances.