



- 00:23** **Cam Webster** In light of our president, Michael Mezei's, upcoming retirement, we thought we'd have him on the podcast to reflect on lessons learned in the leadership of an investment firm. Thanks for listening!
- 00:57** **Cam Webster** Michael, welcome.
- 00:58** **Michael Mezei** Thank you Cam.
- 00:59** **Cam Webster** This is your first appearance.
- 01:01** **Michael Mezei** It is.
- 01:01** **Cam Webster** You're a rookie.
- 01:02** **Michael Mezei** Have to get it in before it's too late. [laugh]
- 01:05** **Cam Webster** This is true! [laughs] You're retiring, so, timely to have you on and share some of your experience as the president of the firm. Before we get there, why don't you tell us your journey and how you actually arrived at Mawer—and then we'll dig in on some lessons learned.
- 01:23** **Michael Mezei** Sure. I guess that's one of the things that I'm learning: you learn as you go, still, even though I'm towards the end of my career here at Mawer. You do get to reflect. And people ask you to share perspectives on leadership and on your journey, so I've had a chance to do that—both the people leaders here at the firm, as well as a group of investment executives in Chicago not too long ago. So I've put some thought to it!
- But ... how did I get here to be president of Mawer Investment Management? It wasn't a straight-line journey. Out of school I was a corporate lawyer in downtown Toronto for about six/ seven years. That was my first entry into the investment world. I became general counsel for Franklin Templeton...combining the legal and getting into the investment world.

- 02:10** **Michael Mezei** I was there for nine years, and through that time, had the opportunity to have a number of different roles and continue to grow my breadth within the management part of the investment management world. Then I moved to Alberta [in 2002] as a personal decision my wife and I made. Our kids at the time were eight and nine. I had the chance to help start what's now known as ATB Financial, and got to know the folks at Mawer, which led to (10 years ago) being asked to join Mawer as president.
- 02:43** **Cam Webster** So interesting journey in that, maybe it's a little bit unusual—lawyer by background, but you end up as president of an investment firm. Typically, (probably) the CIO ends up as double-hatting it. Why don't we start there, with that?
- 03:01** **Michael Mezei** I think generally what I've observed in the investment world is, there are two types of leaders ... There are many firms, as you alluded to, where it is somebody from the investment team, often the chief investment officer, that says they want to ... step away from investing and focus on firm management. The other model is people like me, who come from a variety of backgrounds (in my case legal). Often it's finance, [but] it could be marketing—any number of things—[who] move into the leadership role. My background has focused a lot of where I put most of my attention. It's more around our operations, coordinating things across the firm, obviously working closely with our board on strategy and executing that strategy.
- 03:47** **Michael Mezei** But most importantly—and this is a lesson of leadership—you learn what your strengths are and where you can add a lot of value. And figuring out a good investment process, or company to pick, or a portfolio—that's not one of them [laughs]. Where I do hope I can play a role at Mawer is to just make sure (and we'll get into these things in more depth, I hope!) making sure that the stage is set. That we have a great environment that people want to come in to do their best work in, both as individuals, and very importantly, collaboratively. So, on the investing side, it's more of an indirect contribution.
- 04:29** **Cam Webster** Before we get into...specific lessons of leadership, I'm really curious to know your decision process: you were at ATB, then a decade ago, you joined Mawer. What were the circumstances around that? What made

you decide that Mawer was the place to be?

- 04:47 Michael Mezei** What really excited me about Mawer is, I got to know Mawer. Not just as a reputation, but a number of people...and the quality of the people, the great reputation that the firm had—both for investing, [being] part of the community, and caring about clients—what I learned through the interview process was, where I could help would be bringing [a] management background and focus it so it really is additive. To me it was a real dream opportunity to my new hometown of Calgary, to have the opportunity to lead the management of a great investment firm. [So it was] something obviously I leaped at. And here I am, 10 years later.
- 05:27 Cam Webster** Great. Thanks for that. I think that provides some good context for everybody. You've announced that you're retiring, so obviously as you said in the intro, a little chance to be contemplative, so let's be contemplative! What have you learned Michael?
- 05:42 Michael Mezei** What have I learned? Well, there's a lot. But one thing that I really learned and appreciate more, is culture. Culture had been something I had certainly been aware of, and part of, and thought, "that's a good thing" in my leadership experiences beforehand. But I heard through the interview process and [from] meeting so many people, just how central it is to Mawer. And I didn't really get it until I got here. So what I learned very quickly is that my main role is helping [to] foster and grow a great culture. ... And this took a while. ... For a while it was almost like you had to apologize for caring about things like culture.
- 06:29 Michael Mezei** [That attitude] was in the more traditional "hard-nosed" business environment that I grew up in, [where] what was paramount, what was considered the "really difficult" stuff, [was] the measure of what gets done. Where it's all about the bottom line, and things like "culture" [are] more of a soft, "HR type of thing." What I've learned over time, and especially at Mawer ... is just how foundational and central it is to everything we do. It is not just this "soft HR thing." It is an extremely important thing, and it is hard to do well. And it's especially hard in the context of a rapidly growing firm. So, that's been one of the main themes and the focus of my efforts in

leading the management of the firm over the last 10 years. Helping us grow in terms of our clients, in terms of geographic breadth, in terms of our AUM, obviously—while maintaining a very strong culture. Going from one office to three offices, from 55 to over 150 people.

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07:40

Cam Webster

Maybe [culture] gets more airplay now...not just in the investment industry, but globally. I mean, you think about Google, and they talk about “the culture” and there's some kind of legendary interview process to get a job [there]. You have to solve a puzzle—I don't know. But the point is, there's [perhaps] a lot of lip service paid to culture.

Was there any single cultural moment in your 10 years that ... it really crystallized for you. That this is the thing to focus on, or one the most important things to think [about]?

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08:18

Michael Mezei

The importance of culture became so clear to me during that very first summer when I joined Mawer. During that summer, I met with each one of the 55 people who were employees at the firm at the time. And I would ask people about many things—their thoughts on the firm, what our real strengths are, and where we could go. One of the questions I asked our ownership group and people on our board, is, “what is your vision for the future.” And because I'd been schooled in this way of, “what's measured gets done” and targets—what I thought I would get, (they're all CFAs), is a whole bunch of numbers.

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08:56

Cam Webster

Absolutely! [laughs]

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08:56

Michael Mezei

And I could work with finance ... So, some people might give me AUM targets, or return on equity targets, or whatever it may be. I could take all these numbers and then, know as president, what my job would be.

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09:08

Cam Webster

So you were expecting a set of benchmarks that you could measure the firm by?

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09:13

Michael Mezei

Exactly...I know how to figure “what we need to do as a firm” [out]. It's numbers, [then] back that up into sales teams...and...I didn't get any of that. Didn't get one number. What I got more [of] was people just talking about the environment that they work in; the people they work [with];

having the ability to come in and do the type of work they love and collaborate with others—whether it be people on our investing team, or people on client facing roles, or operating roles. That really was a light bulb moment for me, saying, okay, it's not just about the numbers. I mean, sure in the end, we are a business, and we do need to produce numbers—performance numbers—that our clients care about, but both in investing and with the firm, we realized that it's really what we do and the inputs that matter.

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10:03

Michael Mezei

And if we focus on those, doing the best job we can, whether it be investing or managing the firm, the results will take care of themselves. And what I call that is a “professional mentality.” Like other leading professionals, you hope when a doctor goes in to perform some sort of procedure that he or she [isn’t] thinking about, how much [they’re] going to get paid for that procedure. They are thinking about, “how can I do the absolute best for my patient.” And sure, if I keep doing that well, I'm going to earn a good living. Take that kind of perspective to business. So I felt very much at home at Mawer, being in a place that thinks along those lines.
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10:45

Cam Webster

You went in expecting to get a language in numbers and what you got out was more a language of culture. (To paraphrase and go back to the help we've gotten from Jim Ware over the years, from Focus Consulting.)
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11:05

Michael Mezei

That's a great way to sum it up. And part of the culture is, we don't have all the answers. Yes, we know culture's important to us, but there are others out there who are experts at it. Jim Ware and his colleagues have made their living around understanding cultures and how that ties into building great investment teams. So we reach out to him to talk about, what are some of their learnings and some of the language that goes along with that. That has been incorporated into regular Mawer language. Things like saying “above the line” constructive problem solving, as opposed to “below the line” [i.e.,] getting very negative or defensive. “Holding your opinions lightly” so people feel very free to share them, and knock them around, and don't feel they're going to be beaten over the head because their opinion is a minority, or way out there.
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11:53

Michael Mezei

And then measuring, it too. ... There is a way to measure culture. At Focus,

they do an industry-wide survey that tries to take something as soft and amorphous as culture and actually measure how are firms doing against other firms in the industry. And as we've done that over time, it also gives us some benchmarking in our culture and reinforces things that are going well for us, but also helps open our eyes for areas where we can improve.

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12:28

Cam Webster

Culture, Michael, might be really dependent on people. I know my interview process was probably—I'm just thinking about my own experience—the most rigorous I've been through in a 20-year career. Let's just talk a little bit about people.
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12:43

Michael Mezei

I'm glad to hear you say that Cam—that it was a very rigorous process. And that is by design. The rigour that we take (I met with all nine board members when I joined the firm) is...to make sure we spend the time. We get a lot of opinions on people come[ing] in because what we're trying to do here is hard, and we need to have very, very strong, good people who are culturally aligned. And bring some good mix of skills and experiences. So we take a lot of time getting people in. But then, I think, what happens from there—and maybe this is a learning over my career—is ... having people focus their time on their genius areas, so, the areas that they are the best at. And try to ... make them even better at those, as opposed to fixing weaknesses.
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13:37

Michael Mezei

In the earlier part of my career, that's what [I saw] a lot of: performance assessments, or formulas focused on weaknesses, and “how can we fix those.” Instead, a mentality—I don't think we're alone in this. I think this has been a general trend out there—let's figure what people are good at. They like to do that and they're better at it, [so] let's go to town on that stuff ... have them spend most of their time [there], help them grow. So, spend time coaching. And one of the learnings about coaching—and again this is a journey, and we're not alone as a firm in this journey—is, coaching, mentoring, and leading people is more about the inputs. It's assessment: “you're doing this well, you're not doing that well. This is what you need to do to get to the next level.”
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14:22

Michael Mezei

And it's much more about listening. People know themselves the best. They can assess where they're at. People typically are pretty aware of

what they're good at, and what [they're] not. Sometimes [they are] not as fully aware on things that others might see, but help them with that. Help open their eyes and then ask questions, because people, want, generally to get to a better level; [to ask and work collaboratively and figure that out. ... Again, that suits my personality and many of the leaders at Mawer take that approach in building people.

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14:58
Cam Webster

My quick thought there is that it sounds like it'd be quite challenging. I mean, I'm an institutional portfolio manager, so I day-to-day describe our investment process and philosophy, so it's easy to understand it from that unit of the business. But I'm interested if you can provide an insight on how do you implement that across all areas of the firm?

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15:20
Michael Mezei

Well, we make sure that, although people's roles or focus are different in different areas of the firm, that some of these foundational principles—values, some of the cultural elements[—]are broadly shared. So, something like excellence. Excellence might look very different in somebody who is in our compliance area and trying to manage risk from somebody who's in our finance area, to someone who faces clients who do investing. But a shared mentality—that we are all aiming to be at that level [of excellence] in everything we do and ... going to do that collaboratively. You can do that in different ways, but you're not pretending you're going to have all the answers ... Someone might be better at different aspects. So, ... shared values and behaviours is what we focus on, and then it just plays out differently in different areas of the firm.

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16:12
Cam Webster

We've heard about culture, we've heard about people, and we've heard about within “the people,” focusing on your area of genius—what are you really good at. But how do you make decisions in that environment? Like, I picture all these people out running away and doing whatever they want under an umbrella of excellence. It could work, but how do you make a decision in that?

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16:33
Michael Mezei

You've touched on a very important thing, because the root of your question is, why do we come together as a firm? We're all individuals, and so hopefully yes, we are bringing in very high-quality people and having them focus on their area of genius. But how do you make it all work? How

does the sum become much greater.

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16:51

Cam Webster

Yes. What's the secret sauce Michael? C'mon! [laughs]
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16:53

Michael Mezei

How does the whole become much greater than the sum of the parts? And in a word, it's collaboration. And that ties into culture. So, how do people collaborate well. There are a number of elements to that. Part[ly], through the recruiting process. There are people who prefer and work well in an environment where they mostly do their own thing. ... That doesn't work here. You need to buy in to some basic tenets around our values, our culture, how we invest. So that's a big part of it—people come in knowing that teamwork is one of our values. We talked about bringing in very high-quality people who fit our culture, having them focus on their genius areas.
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17:40

Michael Mezei

That gets at the heart of really who we are as a firm: how can we be much stronger as a firm working collectively than any one of us, or any one team, can on their own. And so ... [to] build teams and figure out how to have a very effective, high performing teams, is, get a really broad range of perspectives—types of personalities who share the foundation. You don't want that to be different, so that everybody's really aligned against our values, aiming high, focus on clients, teamwork, long-term perspective...but how they come out is very different.
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18:15

Michael Mezei

What makes good decision-making, whether it be investments, or certainly in firm management (where I spend most of my time), is having people who bring [different perspectives]. One person may be just naturally, more The Skeptic. They're more likely to point out all the things that will go wrong and why we shouldn't do this. But then, if there's somebody else at the table, and they're just more naturally The Optimist, and how we can succeed despite the challenges, and they have energy behind that, and you put all of that together ... The best decision-making is putting it all on the table: people who think more about facts ... others [who] say, well how are people going to feel about this? What are clients going to think? What are employees going to think? [Those who] bring that more emotional component to it. Bring in all these things—you're much more able to make good decisions.

- 19:30** **Cam Webster** Maybe we can round out the discussion on lessons in leadership. So what have you learned in that aspect?
- 19:38** **Michael Mezei** If you don't mind me rephrasing it—
- 19:39** **Cam Webster** Yeah! I'm just the host. You're the guest, man, go.
- 19:43** **Michael Mezei** Okay. I never really looked at myself as the “leader” of the firm. I looked at myself as one of the many leaders of the firm. What I do lead is the management of the firm. So that's the aspect that I lead. But we have so many leaders at the firm, leaders of our investment teams, and client facing teams...so I focus on the overall, all management. In doing that, I guess my biggest lesson in leadership—beyond Mawer, through my career—is there's no right or wrong—well, there are wrongs—but there's probably no “right” profile of what leadership looks like. But whatever it is, it has to be authentic to that person. And so, it needs to be that someone's able to bring who they really are and in an environment where it works. So for me—I think those who know me, and maybe this podcast will confirm it—I'm not a “rah-rah,” dynamic, Obama-type speaker that's going to say, “look, this is where we're all going. Come follow me.”
- 20:38** **Cam Webster** He just had really good speech writers and knew how to read script, c'mon!
- 20:39** **Michael Mezei** Maybe [laughs]. I'm much more about trying to harness the energy that's here and make sure that people are working well together and staying positive and collaborative, and looking at things holistically. That's more what I'm about. And that fits me as a leader, and it fits Mawer. So I think that's what's really made leadership work for me. And that may be totally different to many other people, or effective leaders in totally different environments. But the key is, whatever it is: it's just right for you when you're in the right place that that can happen.
- 21:17** **Cam Webster** I like the way you positioned it. You're not the “leader” of the firm, you're one of the leaders. And that maybe speaks to more the authenticity of how you approach it than anything else. Part of the reason we're having this podcast is you recently presented to

other investment firm executives on the invitation of Jim Ware—and I think you authored a Forward [for his new book]. ... you've been asked as an expert in leading investment teams. What would you say are keys to success for an investment firm?



21:50

Michael Mezei

I think what I've learned, or observed certainly, over 10 years at Mawer, or 25 years of being in the investment world is—there's no set answer or recipe for being great investors, or being a great investment firm. But there are certainly a bunch of things that you can do to set the odds in your favour. One of them is that you do have a really clear process, people know what it is, they follow it, and it's a logical process. Secondly, that you have a great team working around it.

Investing is really hard. I don't think there's any question about that. In any period it's hard, but investing successfully over long periods of time, in different asset classes...to do that consistently is really, really hard. So ... to put the odds in your favor that you can actually do that very difficult thing for very long periods of time—you need a great process. You need great people. You need a great culture then to bring the team together and work very collaboratively together. You need different types of mindsets (as I mentioned before): people who think about everything that can go wrong, think about all the great opportunities in investment, put it all on the table, and [who] think about the world probabilistically.



23:16

Michael Mezei

Check your ego at the door. You don't pretend to have a crystal ball and exactly how things are going to unfold, but what you can do is think as a team, put all the possibilities on the table, have a good decision-making process so that there are clear ways to ... move forward.

Those are some of the aspects. And those are the things that at Mawer we try to practice every day and get better at—every day. And if you can do all those things, then your chances of success, both for clients, and as a firm, will be the strongest it can be over the long term. And that's what I'm proud of being part of at Mawer over the last 10 years.



23:57

Cam Webster

Thanks Michael. It's not quite the “secret sauce”—but maybe it is! Thanks for sharing.

So, what we like to do Michael is close out the conversation with “One Mawer Thought,” and given your experience in the industry, or experience

with the firm, I thought maybe this is an appropriate question: if you were entering the business now, just a new, freshly minted, level-three CFA ... what advice would you have?

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24:24

Michael Mezei

I think the key—and one of the things I've learned over time, certainly through my journey—is that there are no answers. I'm not going to give you a specific answer, but where I would encourage people to spend time is really checking in with themselves a lot. ... why they do what they do; what is it that gives them energy and positive energy; what is it that takes away energy or is a drain; what excites them. And there's no right answer for everybody. It could be that, for example, [someone] love[s] spending time with people, and they love helping people. If that's more of their mindset, maybe that's somebody who's more suited to an investment counsellor, or an institutional portfolio manager role.
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25:07

Michael Mezei

Maybe somebody's more focused in investing and very analytical and loves to assess business models and gets a lot of energy by building models. ... Whatever it is, it's just really checking in with yourself and continuing to ask those questions. And—this is probably broader—but if I asked any young person in any career (almost), going into it: what do you look for? It's just really trying to stay attuned to that. What is it I enjoy doing the most? What gives me the most energy? What gives me the most sense of purpose? And what takes away from that? And then just help those guide you through your career decisions.
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25:46

Cam Webster

I have a second “One Mawer Thought” now. You're off to retirement. So, given what you just responded, I want you to respond to: how are you looking at retirement? What do you plan to do? Have you thought about it?
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25:57

Michael Mezei

Well, at this stage of my life as I wind down my full-time career, I get a lot of energy from being outdoors. That's the short answer. Whether it's on my bike, or on skis, or on a golf course...I just love being outdoors. I will remain on our board next year, and that's where I hope to continue doing a lot of this—just sharing a lot of my perspectives, whether it be on leadership, whether it be on strategy, whether it be one-on-one with people who are in earlier stages of their career. If I can do something that can be additive to help them on their journey, that also gives me a lot of

energy. So I don't know exactly what that's going to look like, but that's the stage of my career where I'm getting most of my energy.

- ⌚ 26:38 **Cam Webster** Thanks for sharing that. And sounds like there might be an outdoor board meeting sometime in the future. Thanks for joining us, this was great Michael. And good luck in retirement!
- ⌚ 26:47 **Michael Mezei** Thank you Cam.

