

Creating opportunities



Provided photo

Manning & Napier CEO Marc Mayer addresses the staff. Mayer, who became CEO in 2019, has had a nonlinear career path.

Marc Mayer makes most of a non-linear path, now leads Manning & Napier

By BENNETT LOUDON

As a youngster, Manning & Napier CEO Marc Mayer was focused on science.

"I thought I might want to be an anthropologist or archeologist possibly," he said.

But after a summer of digging up Indian ruins as a teen, Mayer decided finding lots of tiny pieces of pottery that had to be put together was not for him.

He also considered becoming a doctor because his primary interest in high school was the life sciences. He started college assuming he would become a doctor and spent summers during his high school and early college years doing medical research at a hospital.

But at Yale he became a philosophy major.

"I always had a tremendous interest in the liberal arts — literature, history, philosophy — so I thought I would major in philosophy and try to discover the meaning of existence, which I'm still searching for," he said.

Mayer, who joined Manning & Na-

pier as CEO in January 2019 and was elected chairman of the board in July 2020, never conceived of his future in a particularly linear fashion.

"My deep belief was always to do a really wonderful job, and that generally creates opportunities, and the better job you do the more opportunities you might get," he said. "You want to work with great people at great organizations because those tend to be the places where it's easiest to create those kinds of opportunities."

Mayer joined the Fairport-based firm during a critical period. In September 2019, the firm had \$21.3 billion in assets under management, down from a peak of about \$54 billion five years earlier. But things seem to have stabilized under Mayer's watch. Assets under management are now about \$22.5 billion.

While Manning & Napier stock peaked at about \$19.80 in May 2013, the value dropped to \$1.16 in the depths of the COVID-19 pandemic. The closing price on Monday was \$9.32.

"The last couple years have been very important ones for us," Mayer said. "The most significant thing is that we've delivered excellent results to our clients for whom we are fiduciaries. For our firm that's the single most important thing is delivering the financial outcomes and the great service that our clients deserve."

When Mayer joined the firm, he

was assigned four goals:

- Deliver great investment strategies and results for clients
- Ensure outstanding client service, and build a client facing team to generate new business to support growth
- Improve the effectiveness and efficiency of the organization, mostly through an improvement in technology
- Be a talent-rich, diverse organization that is highly aligned with client and shareholders' interests

"Some of those are continuations of things that predated me. Others are things that required some course correction or some acceleration in effort, but that's the agenda," Mayer said.

The company was founded in 1970 and now has about 275 employees. Mayer, a Brooklyn native, said most Manning & Napier workers are from the Rochester region.

"I'm a rare exception, but we are almost entirely all homegrown talent," he said.

A typical Manning & Napier employee joins the company straight out of college and many started there as summer interns while still in school.

"They join at a young age, and while it's not at all true that they all went to school somewhere between Albany and Buffalo, a lot of them did," Mayer said.

Mayer's management style isn't anything "radically new or different," he said. His approach is

based largely on his own experience.

"Much of this is just, 'OK how did somebody manage me, and did I like it?' And if I liked it I'll replicate that when I become a manager. And if I didn't like it I'm not going to do that to somebody else," he said.

Because of the nature of the business, the workers are able to track their performance on a minute-to-minute basis.

"If they do their job well, they will have a good relationship with their boss because it's very measurable," he said.

But it's also an industry where workers make many mistakes as part of their job.

"If you're a great investor you're wrong generally more than 40% of the time," he said. "If you're right 58% of the time in our business you're a superstar."

Mayer said the key to being a good manager is to have "a very open honest dialog to welcome healthy debate and disagreement."

Still, it's very important for Manning & Napier, and other investment managers, "to have a very clear investment philosophy and well-defined processes and disciplines so clients can have confidence that over time we're going to deliver what we say we will," Mayer said.

That's especially important during periods when investments don't perform as well as expected.

"What you want is to be able to manage through those periods to retain the partnership with your clients. And the only reason they will do that is if they have confidence that tomorrow you're going to do better, and the source of that confidence is to know you have a sound philosophy," he said. "I feel like I've been extraordinarily fortunate. I think it's been a wonderful industry and a fascinating career. And at the end of the day what really makes it satisfying is when we do our jobs well we can make a difference in people's lives."

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Marc Mayer

Title: Chairman and CEO of Manning & Napier

Residence: Pittsford

Age: 63

Education: Yale University, B.A., philosophy, 1978; Columbia Business School, MBA, 1983

Family: Wife, Meera; three children, Tanya Ricotta, 31, twins Nadia and Zev Mayer, 23.

Hobbies: Music, travel, reading

Quote: "We help people have the security in retirement that they deserve after a life of hard work. We help people realize their dreams, and that's deeply, deeply satisfying."