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MassMutual CEO comes to Boston to chase talent

By Jon Chesto | June 4, 2019



MassMutual's new 17-story tower on the South Boston Waterfront is expected to accommodate about 1,000 employees. It is scheduled to open in 2021. (Rendering /Elkus Manfredi Architects)

Some companies beef up their benefits to attract the talent they need. Others move to a big city – like, say, Boston.

Roger Crandall decided to do both. The chief executive of MassMutual held forth at a groundbreaking Tuesday on the South Boston Waterfront for the insurer's new 17-story tower, which will accommodate 1,000 employees. Cue the confetti, the tossed dirt, the Dropkick Murphys song.

Crandall is expanding in MassMutual's hometown of Springfield, too. But potential hires aren't always eager to move to Western Massachusetts. Boston is another story entirely.

Crandall gestures at the neighborhood that has emerged out of muddy parking lots along the waterfront within the past decade. Some of the "greatest companies in the world" are here, he says. (Boston Consulting, Vertex Pharmaceuticals, PwC, to name just a few.) Maybe Crandall can recruit from them, too.



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For that reason, the one bit of news from Tuesday's event came as no real surprise: Startup incubator MassChallenge will relocate from the Innovation & Design Building in the city's marine industrial park to the new MassMutual tower when it opens in 2021. The life insurer will give the entire third floor to MassChallenge — for free. Crandall was already working with the nonprofit on a fintech initiative. And the move back to Fan Pier is a sort of a homecoming: MassChallenge established itself in donated space next door in 2010, before moving to its current home four years later.

Crandall says the gift is in his self-interest. He wants the smartest, most entrepreneurial people in Boston walking into his building. He loves the fact MassChallenge's startup geniuses will share the elevator with his people every day. Who knows? Maybe some will become "his people."

For Crandall, the roughly \$250 million project has been 14 years in the making.

The insurer first invested in developer Joe Fallon's vision for Fan Pier back in 2005. Back then, Crandall was lugging a fax machine around in his car, in case he needed to review documents while vacationing in Vermont. Remember those?

While the Great Recession slowed things considerably, Fan Pier is now nearly built out.

Crandall said investing in the 21-acre development has become the most successful deal the company has ever done. That's saying something, for a business that generated \$32.5 billion in revenue last year.

Through it all, Crandall kept Fan Pier in the back of his mind, as a possible outpost.

The chase for talent became more intense for MassMutual and many of its peers. MassMutual already had a small workforce in Boston. But Crandall knew he needed to grow it, to attract the right people. (Crandall now splits his time between Springfield and Boston, when he's not on the road.)

The numbers have been ramping up since MassMutual unveiled its plans in February 2018: It now employs about 400 people in Boston, double the



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amount here early last year, and appears well on its way toward the promised 1,000.

Meanwhile, in Springfield, the company is bringing 1,500 jobs to its headquarters, on top of the 3,000 positions there at the time of the announcement, while it consolidates offices around the country. (About 500 jobs have already been added at the headquarters.)

The heavy investment in Springfield helped Crandall win a big prize from the Baker administration: \$46 million in tax credits over five years, in return for the promise to add at least 2,000 new jobs between both cities.

It was the state's most generous tax-credit award in at least the past decade.

Crandall makes no apologies. He says he has a fiduciary responsibility to MassMutual's policy holders to run the company efficiently: He regularly gets financial offers from other states, and he needed to take a broad look at what was available.

He also has to do what he can to stand out when it comes to recruitment. That's one reason MassMutual in January expanded its paid leave programs — for parenting, bereavement, and caring for a loved one with a health condition. The company even started offering paid time off for volunteering.

But sometimes the most important recruitment tactic is to go where the talent is — or where the talent wants to be.