



A Consensus-Building Organization

An Interview with Barry Salzberg,
Chief Executive Officer, Deloitte LLP

EDITORS' NOTE Barry Salzberg was elected to his current post in June 2007, after serving as the U.S. Managing Partner from 2003 to 2007. He also is a member of Deloitte's U.S. Board of Directors, the Deloitte Touche Tohmatsu Global Executive Committee, and the DTT Global Board of Directors. Salzberg joined Deloitte in 1977 and was admitted as partner in 1985. He has since held a variety of leadership roles including Tri-State Group Managing Partner from 1996 to 1999 and National Tax Deputy Managing Partner from 1999 to 2000. In 2000, he assumed full leadership of the Deloitte Tax LLP practice. Prior to his leadership roles, Salzberg was a lead client service partner and tax partner, and became an acknowledged authority in the areas of personal tax and partnership tax matters. Salzberg received his undergraduate degree in accounting from Brooklyn College, his JD from Brooklyn Law School, and his LLM in taxation from the New York University School of Law.



Barry Salzberg

COMPANY BRIEF Deloitte LLP is a member of Deloitte Touche Tohmatsu (www.deloitte.com), an organization of member firms focused on client service through a global strategy executed locally in nearly 150 countries. Employing 165,000 people worldwide, Deloitte delivers services in four professional areas – audit and enterprise risk services, tax, consulting, and financial advisory services – and serves more than half of the world's largest companies.

Have you been happy with the strength of Deloitte's business in each of your service areas? Are you optimistic for growth within each of those areas?

I'm very happy with our businesses. We have a diversified portfolio and are very competitive in all of the businesses in which we operate. Our businesses did extremely well this past year. We weathered a difficult environment toward the latter part of last year, and we did feel the slowdown in the economy, but it balanced off what was a spectacular start to the year.

The value of our multidisciplinary portfolio is our ability to create integrated service offerings in the marketplace. We are able to bring together the competencies of our different businesses and develop services, products, and tools that combine service offerings to meet client needs.

You mentioned the multidisciplinary approach. On a global basis, where you have a strong global footprint, is it challenging to do that seamlessly in each of those markets?

With the footprint itself, it's not as much of a challenge. As a global organization, we're going to be in the key geographies and key markets where we feel a consulting business of scale needs to be, either on its own for its own market opportunity or broadly to support the rest of the consulting businesses around the globe. We're always interested in ensuring the seamless nature of our footprint, but as with any large organization, we always want to be sure it isn't just about the footprint, but about the quality of the service we deliver.

Are large global players the key market for Deloitte, or are there strong opportunities when you look at midsize and entrepreneurial growth companies?

Almost 99 percent of our revenue in consulting in the U.S. is from nonaudit clients, and that market is rich with opportunity at the very high end of the size-of-client situations. So the lion's share of our focus in consulting has been at that level, not on the lower-tier companies. Our strategy has been to serve clients that need what we have to deliver as long as it makes sense for them and it makes sense for us, given the scale, the pricing, the size, the resources, the eminence of the client, and our availability. So we do serve middle-sized companies, but our primary market focus is the high-end, big-scale strategy and technology human capital projects.

Many consulting firms talk of great service and a great platform. Can you differentiate in that space?

Yes. There are many ways to differentiate. Bringing the right people to the opportunity – qualified, experienced, skilled experts on the subject matter – is quite distinguishing. Demonstrating your industry knowledge is distinguishing, especially in large engagements where that really matters. The biggest differentiator for us is the portfolio we have. In a large-scale supply chain engagement, we can bring in tax people, and we don't have to hire another firm to do that. That has proved to be an extremely important criterion in the selection process in many of these situations where



we're competing against a consulting sole play. Clients like to be able to hold one firm accountable for the entire delivery of service and know that they'll get the best of the best.

You and many other leaders have taken an interest in education, but the problems persist. Is the issue so large that it's hard to make an impact?

I don't think that there's any issue too big for this country to handle. It's just a matter of priority, of focus, and of assessing how critical the issue is. I'm not critical of anyone, because we're all responsible, but the problems are solvable through government intervention, and they're solvable through resources and through time and energy. There are broad infrastructure issues and public policy issues that also need to be addressed, but we've got to tackle big problems by breaking them down and identifying the pockets we can attack. I'm not willing to give up on this issue.

How do you focus your time in leading Deloitte? How do you define your role?

I lead in large part by seeking a lot of input. We're a consensus-building organization, and teaming is critical to us, so when we're making big decisions, we're inclusive in that process. As the leader, I have a view, and I try to get the organization to understand the pros and cons of my view, but I'm directing the organization to decide. I spend a good portion of my time going to offices and talking to partners, because I want to know what's going on in the firm. That interaction and dialogue gives me a lot of good and valuable input as to what's on everyone's minds and what we need to manage. That's how I lead.

You joined the firm in 1977. Did you imagine that you would spend your career here? What has kept you here?

When I joined the firm, I had no vision of being the CEO, but I grew to love the organization, its values, the people, the leaders, and the culture. In 1984, I was given an offer to be a prominent executive at another company. I turned down the offer because I loved this organization. I had a vision for where we could be and the role that I could play in helping accomplish that. The people, the collaborative culture, and the learning that is emphasized are what keep me here. I want to be surrounded by people I can learn from and can teach. ●

Barry Salzberg joins Deloitte staff at the Red Cross during Impact Day, a day of community service.