

Interview

“Hug The Keepers”

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



Barry Salzberg

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. He joined Deloitte in 1977 and was admitted as a 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, which included regional responsibility for the Americas tax 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. He is a member of the New York State Bar Association and the American Institute of Certified Public Accountants. He is also a board member of various organizations including the Committee Encouraging Corporate Philanthropy, College Summit, and the YMCA of Greater New York. Salzberg received his undergraduate degree in Accounting from Brooklyn College, his J.D. from Brooklyn Law School, and his LL.M. in Taxation from the New York University School of Law.

COMPANY BRIEF Deloitte (www.deloitte.com) is the brand under which 165,000 dedicated professionals in independent firms throughout the world collaborate to provide audit, consulting,

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Does the severity of the current economic recession surprise you, and where are we today within the recovery process?

We've studied a lot of the history of difficult economic times and this is definitely deeper and longer than other recessions. You have to separate the recession piece from the unique economic crisis that we have because of the issues affecting the environment like sub-prime lending and the various bank and automotive crises.

Our staff economists point to signs that suggest we're at the bottom of where this could take us and that we will begin to see signs of stability and a return to growth this year. That said, in my view, the recovery still won't be robust.

The services you provide are needed as much today as ever. Have you seen an impact on the business, and is it challenging in this market to find growth?

It is absolutely true that companies need our services now more than ever. While some of our services are discretionary and being deferred right now, there are many of our services that are in high demand. Companies want the best transformation strategies to improve their performance and infrastructure, to reduce their cost, and to minimize the complexity of their organization, and our consulting business does that well. Many companies that we serve are looking to increase their cash and liquidity positions and provide better governance and risk modeling, and we do that from a tax, risk and governance perspective.

How critical is it to keep communication channels open with employees during a time like this?

If you want to make sure you maximize productivity and retain the high performers, you need to communicate often. So I've implemented the Straight Talk with the CEO series, where I go around the country and meet with employees at all levels in a town hall setting, which the rest of our organization can dial in to. I spend time discussing the state of our business,

how we're doing, what the issues are, and how we're responding to those issues. I then answer any questions they have. No topic is off limits. This type of transparent communication has allayed some of their fears and reduced some of their concerns.

I also use the phrase “hug the keepers,” which is all about mentoring, counseling, and spending time with our top performers. I created the phraseology, “it's about time,” meaning the time is now to spend time with people. We're trying to drive home the importance of spending time with individuals, listening to their career needs, and helping them progress. We created a new program called Mass Career Customization, which does just that. It customizes career planning via one-on-one in-person conversations between employees and their managers. So at Deloitte, we emphasize that personal interaction matters much more today than it did even 10 years ago.

Recently you surpassed 1,000 women directors, partners, and principals in your firm. How critical is the diversity within the workforce?

It's one of the non-negotiables, even in these lean times. It's important because the demographics of this country have changed and are changing and will be more weighted over the next 10 or 15 years to minorities and women in the workforce. If you don't create the environment that allows and encourages these people to join you and stay with you, you'll lose the war for talent. Today, an increasing number of clients have more decision-makers that are women and minorities, and value propositions that focus on diversity and gender issues in their companies. When they hire a professional services firm, they want to see the same commitment to a diverse workforce that they have.

As the CEO, in always dealing with major issues, is it challenging to consistently be the driver and maintain that game face?

I'd be misleading you to suggest that it's always natural and easy. But my job as a CEO is to build confidence, to inspire our professionals to perform at peak, to have optimism and hope, and to be transparent and realistic. The worst thing a CEO can do is to try to drive inspiration and optimism and either not believe it yourself or put a spin on it that isn't realistic. You have to find that balance between being realistic while being inspirational in order to impart that confidence to your group. ●