

The IPG Culture

An Interview with Michael I. Roth,
Chairman and Chief Executive Officer, Interpublic Group



Michael Roth introduces IPG's Women's Breakfast at the 2016 Cannes Lions International Festival of Creativity

EDITORS' NOTE In July 2004, Michael Roth was appointed Chairman of IPG, and he became CEO in January 2005. He had been a member of Interpublic's Board since 2002. Earlier, Roth was Chairman and CEO of the financial services holding company, The MONY Group. He serves on the boards of directors of Pitney Bowes, Ryman Hospitality Properties, the Committee Encouraging Corporate Philanthropy, the Baruch College Fund, and the Partnership for New York City. Roth is a certified public accountant and the recipient of an LL.M. degree from New York University Law School and a J.D. from Boston University School of Law.



Michael I. Roth

COMPANY BRIEF Headquartered in New York, Interpublic Group (*interpublic.com*; NYSE: IPG), is one of the world's largest advertising and marketing companies. From global communications networks like McCann and FCB to domestic advertising agencies like Hill Holliday in Boston, The Martin Agency in Richmond, as well as Deutsch, to global specialists like the events marketer Jack Morton, sports marketer Octagon, and public relations experts Weber Shandwick, Interpublic agencies span the globe, employing 50,000 people in more than 100 countries, working with clients like L'Oréal, Unilever, General Motors, and MasterCard.

Is your description of IPG different today changed since the early days?

We're still in the marketing and communications business. Today, we rely more heavily on technology – digital plays an important part in what we do. We own technology, which is proprietary, but we also rent technology to assure best-in-breed data analytics.

It's about utilization of technology including our own proprietary software and digital expertise.

That said, we're in the same business – we just have many more tools that are effective in helping our clients reach their business goals.

How do you perceive the current business environment, specifically in the U.S.?

There is a lot of uncertainty in the macro economic environment. It's not clear what Brexit is going to do; the political environment in many countries is not stable.

The U.S. is not growing at high single digits but it's growing enough that most view it as the place to be.

Fortunately for us, 62 percent of our business is in the U.S. and we like it that way. The tone of our business, even on a global basis, is consistent. We started the year with a goal of 3 to 4 percent organic growth, and we still believe that is a reasonable goal, and that's what we're driving toward. Overall, the tone of the business is okay.

We will see some pullback in some markets and pick-ups in other markets. That is the benefit of having a global footprint like ours.

We're in markets that are doing well and also in some that are challenging. Brazil has fallen a bit, while India continues to be solid for us. Asia-Pac in general is a good market for us, and the U.S. and U.K. are strong drivers for us.

At the size and scale of IPG, can you maintain a nimble culture and adapt quickly?

Yes, because we're big but not as big as some others and that helps us. We can respond quickly and we're also plugged into what others are doing – we can compete and win against a company twice our size because of our ability to adapt.

While the messaging is at the forefront, at day's end, is this a relationship business?

So much of our business comes from our existing clients. Our mantra is to keep our existing clients happy and to keep the back door closed. We want to always treat our existing clients like we are pitching them.

We haven't lost any big clients and having a strong client base is a key strength of ours. We are fortunate to have what I call many enlightened clients. When there are issues, they bring them to the table and we fix them. This is what a relationship is about.

If the chemistry of the people on the engagement isn't appropriate, then the clients say they prefer a different team and that's where we – the holding company – come into play because we can bring in a different team.

It's the same if they feel they're not getting the best thinking in a particular area; we can reach out to the portfolio of IPG and bring in a different capability. The way we have kept clients for all these years is to be responsive to that.

Relationships are very important but no one is going to win or lose a client on the fact that they have better seats at a basketball game. We have to be capable, best-in-class, and flexible to make changes when necessary.

Does diversity at IPG come with hiring the best talent?

We have made a conscious effort to improve our footprint in diversity across our company, and we're very proud of our success at it. We're best-in-class in our industry but we're still not where we want to be.

We have to represent our clients in front of the consumer and the consumer is not just a white male – the consumer is also female, a person of color, or a member of the LBGT community, and we have to be able to send a message that relates to them.

Fifty-two percent of our management is now female. We have goals and objectives for our leadership in our agencies to improve diversity in their staffing, and we hold them accountable for it.

Is the corporate philanthropy IPG driven or is that up to each agency?

It starts at the top. We have to be supportive when agencies are doing volunteerism and PSA work. They have to be able to say to us that a percentage of their time is going there, which is fine because we encourage that time spent.

Part of the DNA of our company is to give back to society. We have a responsibility for that – it helps us in recruiting and with our clients. We partner with many of our clients on all types of community-based programs. This work develops the reputation of our company in general. I am a big believer in giving back, and the board is hugely supportive as well.

We recently signed onto the UN Global Compact, the first U.S.-based advertising holding company to do so. In Cannes, all of the holding companies put our differences aside in the name of sustainability and in supporting the U.N. Sustainable Development Goals. Our assignment is availability of water and sanitation on a global basis, and the holding companies have put together a collaborative PSA in the name of partnership.

We can't rely on government to solve all problems. Having a business perspective often helps get things done more quickly than government can, and we're proud to be part of this effort. ●