

A Force for Good

**An Interview with Thomas H. Glocer,
Chief Executive Officer, Thomson Reuters**

EDITORS' NOTE *Tom Glocer joined Reuters Group in 1993 as Vice President and Deputy General Counsel, Reuters America. From 1993 to 2001, he held a number of senior leadership positions at Reuters, including President of Reuters LatAm and Reuters America, before being named CEO of Reuters Group PLC in July 2001. He assumed his current role with Thomson Reuters upon the acquisition of Reuters in April 2008. Glocer is a director of Merck & Co., Inc. and the Partnership for New York City, and a member of the Council on Foreign Relations, The Business Council, and The American Law Institute. He holds a bachelor's degree in political science from Columbia University and a J.D. from Yale Law School.*



Thomas H. Glocer

COMPANY BRIEF *As the world's leading source of intelligent information for businesses and professionals, Thomson Reuters (www.thomsonreuters.com) combines industry expertise with innovative technology to deliver critical information to leading decision makers in the financial, legal, tax and accounting, health care and science, and media markets, powered by the world's most trusted news organization. Thomson Reuters employs more than 55,000 people and operates in over 100 countries with headquarters in New York and major operations in London and Eagan, Minnesota.*

How have the different segments for Thomson Reuters fared in terms of growth?

The common element that ties all of our vertical markets together is that we provide information and software that professionals need to do their jobs, primarily via an electronic subscription basis.

So although there is a difference between what a researcher in a pharmaceutical company needs and what a portfolio manager needs, at heart, these are both professionals who, at some point in doing their jobs, need information and software tools to make faster and better decisions.

Market by market, we have been affected differently by the financial crisis and the worldwide recession. Sixty percent of our revenues are from the financial services market which, during 2009 and 2010, were flat. But it has now returned to growth.

The most strongly growing parts of our business are our Legal and Tax & Accounting units, which are, in part, a reflection of how

important a role law and regulation plays in our lives.

There are some fast growing parts of our financial services business – our enterprise business is growing double digits; it's essentially infrastructure services for machines as opposed to terminals in front of human beings and that is about a \$1.5 billion-a-year business for us.

We have a very good commodities and energy business, and the volatility in energy and commodities has moved those markets.

We have the leading franchise in foreign exchange, and the euro crisis, as well as the trade flows to and from emerging markets, have driven strong volumes there.

In Europe, we have seen sluggish growth because there has been a general downturn as well as banking consolidation in countries like Ireland, Italy, and Spain.

Were you surprised at how quickly the economic crisis came about and how important was effective internal communication during that time?

It was super important, especially because it occurred shortly after the creation of Thomson Reuters. Thomson acquired Reuters and the deal closed in April of 2008.

Reuters brought greater exposure to financial services at a time when it wasn't clear that we'd have a financial system at all. So that doubled the importance of making sure people understood the world wasn't ending. Although we lost tens of millions of dollars in immediate revenues through the break-up of Lehman, much of it came back through the relocation of some Lehman staff to companies like Barclays Capital, Nomura, and some of the successor firms.

I was not surprised at what happened in financial services – my surprise was that our business held up as well as it did and that had to do with the balance in the business.

What I hadn't expected was how strong the impact would be outside of finance in the legal market, because typically when markets are down, people sue each other more and government investigations proliferate. Our law firm clients were shocked at how quickly the bottom dropped out of the legal market in 2009 and into 2010.

Will your growth opportunities come from the emerging markets or is the U.S. still a strong place for growth?

We still see growth opportunities in the U.S., but we are generally getting the highest growth rates in emerging markets.

However, while China is a fantastic market for some industries now and the financial, legal, and tax planning markets will be big someday, right now, they're not huge.

Conversely, in Latin America, we just launched the first ever electronic legal research service in Brazil. There are 600,000 lawyers in Brazil and we have a real lead in this booming market. So in Latin America, we will have a \$500-million professional business in a few years.

How critical is corporate responsibility to the culture of Thomson Reuters?

We tend to be culturally progressive. We have strong diversity and affinity groups, and the bar is high in terms of what our employees expect of us in using corporate resources and capabilities to good ends.

We all fundamentally believe that our company is a force for the good. You can see that in environmental areas, where we have taken what were primarily paper-based professional publications and moved them to 90 percent electronic.

You see it in the fight for the extension of the rule of law and transparency through our legal business and our financial business, which helps create fair markets, provide equal information to all participants, and drive price transparency.

What is it about the Partnership for New York City that has helped it attract the time and resources of busy executives?

Kathy Wylde (President and CEO) deserves a lot of credit for being hugely energetic and finding common ground in topics that affect those of us who work in New York.

Although it isn't particularly a lobbying organization, the Partnership stands up for New York institutions. For example, when banks and financial institutions were being blamed for all the things stemming from the financial crisis, Kathy and the Partnership got the whole NYC community together to focus on the important contributions the financial services industry makes to New York City and New York State. That community isn't just "rich bankers" and alleged "fat cats." It increases the tax base and revenues; employs many workers, including secretaries and IT specialists; and benefits the restaurant, theater, and real estate sectors in the city. So, the role of the Partnership is to galvanize the public and the private sectors in creative ways to help create jobs and bolster the economy of New York. This is an important role that I'm happy to support. ●