

Global Best-in-Class Assets

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

EDITORS' NOTE In July 2004, Michael Roth was appointed Chairman and he became CEO in January 2005. He had been a member of Interpublic's board since 2002. Prior to this, Roth was Chairman and CEO of the financial services holding company, The MONY Group. He sits on the boards of directors of Pitney Bowes, Ryman Hospitality Properties, the Committee Encouraging Corporate Philanthropy, the Baruch College Fund, the Partnership for New York City, and Enterprise Foundation. 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 (www.interpublic.com; IPG), is one of the world's largest advertising and marketing companies. From global communications networks like McCann Erickson to domestic advertising agencies like The Martin Agency in Richmond, Virginia to global specialists like the events marketer Jack Morton, sports marketer Octagon, and public relations experts Weber Shandwick, Interpublic agencies span the globe, employing 43,000 people in more than 100 countries, working with clients like L'Oréal, Unilever, and MasterCard.

Where is the U.S. in terms of the economic recovery?

Things have improved but we're not yet where we should be. There is still a cloud of uncertainty given the situation in Europe. There is also political and economic uncertainty in the rest of the world.

Will hiring practices be different going forward or will just the jobs be different?

Both. American companies in particular have learned to be more efficient by looking at their cost profiles and that affects employment.

But there are also new different experience levels and background opportunities, particularly in the digital space, where we need talented people.

How do you define Interpublic today?

IPG is one of the four global holding companies that has a significant presence on a worldwide basis in the communications business. We have experts across the board in all of the marketing disciplines including traditional advertising, new media, experiential marketing, and public relations, and we have global best-in-class assets across the board.

These companies deliver modern marketing solutions for many of the world's best known brands.

How challenging is it to differentiate among the four?

Like any other service business, you're as good as your talent and that makes the difference.

Our offerings, particularly in some new media, are proprietary and add additional insight, like our new Cadreon platform for digital buying, as well as other proprietary platforms.

In the end, it's a service business and we have to offer the best talent in the industry and provide the best solutions for our clients.

You are known for having large blue chip clients, but do you also focus on smaller start-ups?

Yes, we have global clients and global networks; we have strong independent agencies in the U.S. that provide more marketing services on a U.S. and domestic basis, but they can tap into our global resources.

For example, for our recent win on Cadillac, we put together the best of IPG, so we have Lowe Campbell Ewald in Detroit, which will run the account; Hill Holliday, a domestic full-service agency, to deliver creative and strategic direction; and we're partnering with Lowe, which has a global network for delivery in fast-growth markets. We have an integrated IPG offering that the client felt was the best he had seen.

Does that coordination and integration typically happen?

It has been happening more and more but I wish it happened even more often. When you're dealing with global clients, they want seamless full-service offerings. Clients want the best-in-class and IPG brings that to the table.

We won Zurich Insurance recently and that team represents an IPG solution where the client was looking for the best we have to offer on a global basis. We were able to offer McCann and Draftfcb, as well as Weber Shandwick for PR. It is a complete integrated offering on a global basis.

How does traditional media have to adapt to remain relevant?

Traditional media is not going away; it's part of the total package that includes digital, experiential, mobile, and PR.

The future is about the integrated offering: traditional and digital. It's a fragmented environment with so many media channels for today's consumers, which is good for us because we can work with our clients to navigate in an agnostic way, finding the best mix of solutions to meet their marketing needs.

Where is growth coming from?

North America accounts for 55 percent of our business and we still see growth coming from there.

The emerging markets – Brazil, India, China, Africa – are performing well also. Interpublic's global presence and best-in-class offerings plus top talent provides clients with the customized marketing solutions they need on a global basis.

How do you maintain a culture of innovation and is it challenging to do so?

It's always challenging. This is where talent and capital come in. We invest in innovative ideas – be it from our existing agencies, new agencies or new investments – as well as innovative thinkers.

We look at strategic alignment with companies to help us determine how and where to invest. One of our more interesting investments this past year was in Kiip, which is a new digital offering based on a rewards system for mobile consumers.

Innovation is also driven by continued investment in top talent who provide an understanding of where our clients' marketing dollars need to be allocated in our quickly changing world.

You're headquartered in New York. How critical is it that the city's public/private partnership remain strong with a new Mayor?

It's critical. Kathy Wylde and the New York City Partnership are critical to that relationship. New York has survived many challenges as a result of this strong partnership.

When you start addressing social issues that are universal, be they nutrition or ecological solutions, the way these will be best addressed will be through public/private partnerships with business at the forefront.

Do you align your philanthropic work with the business?

Good corporate citizenship has historically been an important focus for me and for IPG. It gives us the opportunity to give back to the communities where we operate, and it's good for business because it's an important recruitment and retention tool. It also provides terrific networking opportunities that are good for us, our clients, and the organizations we serve through this type of work. ●