



Michael I. Roth

Building Brands

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

EDITORS' NOTE Under Michael Roth's leadership, IPG has delivered industry-leading shareholder returns and organic growth, posted long-term operating margin improvement, significantly upgraded the company's portfolio of agency offerings and presence in high-growth markets, and established a record of industry-leading corporate governance, environmental and social good, and work in its communities.

COMPANY BRIEF Headquartered in New York, IPG (interpublic.com) 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, The Martin Agency and 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 54,000 people in more than 100 countries, working with clients like L'Oréal, Unilever, General Motors and Geico.

How important is it for corporations today to be purpose-driven in order to attract top talent and how do you define purpose at IPG?

Purpose is a very important part of what we do. IPG is a company that stands for giving back to our communities. There is no question that, if there is purpose associated with the work we do for our clients, it makes our work more effective.

Take the Super Bowl: we did some work for Microsoft and Verizon, both purpose-driven spots. I recently read that the Microsoft spot was the most effective of all the Super Bowl ads. There was a message in there, and it represented the brand.

We're in the business of building brands and, in order to develop the relationship between the brand and consumer, the consumer has to trust the brand. Of course, they have to have a good product as well, but the consumer has to trust the institution they're dealing with and understand what that brand stands for.

Does purpose need to be driven at the top of the organization in order to be sustainable?

It all starts at the top. We have to define a purpose – ensure that we are doing the right thing and embed it into our business. Once that message gets embedded in the DNA of the organization, it becomes part of the way we work and part of the way we partner with our clients.

As a public company, do shareholders and stakeholders understand that doing good can also be good for business?

Yes. I was at the World Economic Forum in Davos and there were conversations on ESG (Environment, Social, Governance) and how important it is for companies and investors to ask what is being done about sustainability and climate change and important social issues.

Companies that are addressing these issues have a better shot at recruiting top talent and have better relations with clients that are on the same page. With much of the client work we do, we find that we are on the same page as our major clients when it comes to these issues. We are often on joint panels with them and work with them on many topics of shared interest.

Does IPG focus on overarching issues to support or do the individual brands have their own areas of focus?

We do both. For example, IPG corporate supports UN Sustainable Development Goal #6, which works to ensure access to water and sanitation for everyone and we do work with clients on water because of our commitment to this goal.

However, some of the work we do with clients regarding water is independent of our UN commitment – it just works out that way.

We then have our local agencies that have their own purpose programs that cover issues ranging from women's rights to veterans' issues to raising awareness of child abuse. We encourage our agencies to do work that meets with their mission and those of their clients. On the corporate side, we establish general principles and objectives and then the agencies take it from there.

Do you put metrics around these programs to measure impact?

We do. Diversity and inclusion is certainly a goal that we have metrics around. It's part of the DNA of our company and we're very proud that we lead the industry in terms of the programs we have developed.

We have objectives for all of the CEOs within IPG in terms of what programs they are advancing in these areas and what they're doing to move the needle within their respective agencies.

Will you discuss IPG's commitment to pro bono work?

We are very active with the Ad Council and have a long history of doing PSA work through the Ad Council. We are fortunate that, when the Ad Council is looking for talent to do this, they consider our agencies and we get to produce some great work. One of our agencies, FCB, has worked on the campaign to prevent wildfires since 1944.

Our agencies also do pro bono work with organizations they are involved with in their communities.

You mentioned IPG's support of UN Sustainable Development Goal #6, which focuses on water. What prompted this commitment?

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When the UN adopted the sustainable development goals, it was understood that business would play a key role in advancing them. Our industry decided to get together to tackle these goals.

Water is an important goal to focus on – it's critical in terms of climate change and affects so many other issues in communities around the world, like poverty, women's education and the health of children.

Water also ties well into a focus of our clients, like Unilever, Nestle and Coca-Cola.

Do you find millennials and the next generation of leaders are focused on working for companies that have a strong purpose?

Yes. They will usually ask about it when they interview. They want to know what we're doing about issues that matter to them. In fact, they expect it.

The efforts we have made with respect to diversity and inclusion have had a significant impact in bringing female and diverse individuals to IPG. They mention this in the interview process when asked why they selected IPG and it has a lot to do with the retention of our people.

When we take positions on social issues in public, we communicate about this to our people. We've even had all-company calls following issues around the world, like those in Pittsburgh and Kentucky earlier this year. The notes I get from our individuals explaining how proud they are and how important it is for them to be associated with a company that stands for these issues are really special.

We have a global leadership meeting with high-potential individuals and they ask me if I view it as important that, as a global company, we take positions on social issues and my answer is always clear – it is vital because they, and our clients, want to be associated with a company that will do that.

IPG is a company that hires creative people and is known to attract top talent. Does this, on its own, ensure diversity or do you need metrics in your hiring practices to foster a diverse and inclusive workforce?

We still need metrics. We have done a good job with female representation – we have a number of female CEOs who've been promoted within the organization. But we (and the industry) still have a ways to go in terms of diversity.

The metrics we hold our agencies to are important. I wish we could get to a point where we didn't need to do this, but as I said, we're not there yet.

An accurate representation of the marketplace is what we're driving for. If our workforce does not represent the marketplace, it is challenging to appropriately and effectively communicate to a diverse consumer.

Are you looking for a different skill set with the disruption that is taking place in the industry?

We always need creative talent; they represent the secret sauce in terms of what we do.

The talent we need now is very different than when I came in. Digital capabilities and data analytics are critical along with an understanding of how they come together and how one uses a creative concept not just for a 30-second spot, but also how they apply those creative capabilities with respect to the Internet and social media.

Many look to the public sector to drive societal change, but is it the private sector that needs to lead this effort or will it be through public/private partnership?

It requires both – if both the public and private sectors aren't involved, we won't accomplish much.

If we think, for example, about what happens in Davos, we have the global companies like Coca-Cola and Unilever and others getting together to focus on issues.

If we put the fire power of these companies together behind a purpose in concert with an NGO that has boots on the ground to deliver on that purpose, then we make a real impact.

We are living in an environment right now where public companies are often viewed as "capitalist pigs." It's important for society to realize that corporations are an integral part of the solution to issues like climate change and diversity and inclusion. Unless we have these companies working to solve these issues, we're not going to make a real difference.

You're in the brand-building business. How can the positive stories of what leading companies are doing for society be conveyed more effectively?

We're trying to do that. I'm involved in an organization called CECP – it used to be known as the Committee Encouraging Corporate Philanthropy. I was one of the

original participants in this organization and we're trying to get the message out about all the good that corporations do. This is why The Business Roundtable is doing sustainability programs, to showcase the positive programs businesses are leading and participating in.

Our work reflects this too – you could see it in this year's Super Bowl ads. Verizon and Microsoft did two terrific spots focused on purpose, and the reception the marketplace had to those ads is an indication of how consumers appreciate corporations that are trying to do good things. And these ads were among the most effective as well!

You give a great deal of your personal time and resources to causes that are important to you. How do you choose the specific areas where you can make the most impact?

I try to get involved in organizations that I believe in. For instance, I'm involved in the Center on Addiction, which just merged with The Partnership for Drug Free Kids. Drug addiction to opioids is one of the biggest issues in the world today. We can be of help to an organization like this in terms of messaging, media, annual reports and other marketing programs, while making an impact on a critical issue.

We're also able to make connections between organizations that may be working on similar issues – for example, we know that New York State is involved in the opioid crisis, so I connected them with one of our agencies that has specialized in working with the Center on Addiction, so that they can pool resources. If I think I can add value, then I participate.

You were known for your leadership in the insurance industry before you joined IPG. Do you now think of yourself as a media person?

I like to think I'm a business guy. My current business has a client-centric environment and is a service business, which is the same as those I have been involved in my whole career. Whether it is in insurance or in advertising, I deal with clients and manage and meet their needs in the marketplace.

I have been lucky to be involved with organizations with terrific, talented people. And that makes it fun and rewarding to come to work every day. ●