

Saatchi & Saatchi's Kevin Roberts: Aiming for Blue, not Green

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Most of what you know about management is wrong. Or at the very least, it's taken from the pedestrian, predictable manufacturing age, not the fast-paced and changeable information age. That's the gospel according to Kevin Roberts, chief executive of New York ad firm Saatchi & Saatchi. And if you think he's wrong, feel free to tell him, the bluer the language the better, because Roberts believes that passion is what matters most in business. "Don't hide your emotions," he said during a recent Wharton Leadership Lecture. "Emotions lead to action. Emotion is how you win."



In turn, if Roberts thinks you're an idiot, he will tell you. He prizes candor, not political correctness. "I don't compromise," he says. "It's cost me lots of money and lots of stuff, but in the end I've come out stronger." Under him, Saatchi & Saatchi is a "benevolent dictatorship: We ask and consult and then I decide, and we all go on together."

Roberts has had the sort of a career that breeds heterodox views. Born in Lancaster, England, he got kicked out of school at age 17 and never went back. He married his pregnant girlfriend, ending up with "no money and a baby," he recalls. He talked his way into a job at the fashion house of London designer Mary Quant, one of the pioneers of the miniskirt. "That's where I learned about empathy, creativity and emotion," he says. "I helped to create 'makeup to make love in' -- the first run-proof mascara."

His time with Quant -- who famously said that she had designed the miniskirt so women could run for the bus -- set his path as a marketer. From there, he jumped to ever-larger jobs at Gillette, Procter & Gamble and Pepsico. In 1989, he became chief operating officer of Lion Nathan, a brewer that operates in Australia and New Zealand. Moving to New Zealand was a spiritual homecoming: Roberts had been a rugby star in school, and New Zealanders play rugby better than anyone else. His family lives in New Zealand, he served on the board of New Zealand Rugby Football Union and today, he chairs the USA Rugby board.

Saatchi & Saatchi, a subsidiary of Publicis Groupe, a French multinational communications company with 40,000 employees and 2006 revenues of \$5.8 billion, came calling in 1997. The firm was in trouble, deep in debt and losing its creative cachet. Arriving during a time of crisis "gave me permission to misbehave," Roberts says. In at least a few people's minds, that's exactly what he has done. Roberts' tenure has returned the firm to business success but also

brought controversy. A clash with one of his former top lieutenants landed the company in court and on the pages of New York magazine and The New York Times.

But chances are, Roberts doesn't care about the bad publicity. Where many business people shun controversy, he courts it. Consider the conventional wisdom that numbers rule in today's business world and that the company with the best ability to crunch them will prevail. In consumer marketing, Roberts believes that this is bunk. "You never get insight from formal research," he says. "For most consumer companies, consumer insight is just an agglomeration of facts. Every company has tons and tons of data, but they are all asking the same questions. Information and knowledge are table stakes. Insight and foresight win." In other words, don't ignore the spreadsheets and marketing studies but figure out ways to go beyond them. "We're all swamped in information. What we're looking for is ideas. We're trying to get to the future first."

'Fail Fast, Learn Fast, Fix Fast'

Roberts draws an analogy with the music industry. Sony and EMI Group knew more about the compact disc market than just about anyone, he points out. What's more, Sony, with its Walkman, had invented the market for portable music players. But neither company could see that consumers were finished with discs and wanted online file sharing and MP3 players. It took a computer company, Apple, to give them what they desired. Indeed, many observers say that the genius of Steve Jobs, Apple's founder and CEO, isn't in creating powerful, cutting-edge machines but in figuring out, before everyone else does, what retail consumers really want in technologies and delivering it in the most aesthetically appealing package. Thus Roberts calls Apple a company that has transcended being a brand, becoming what he calls a "lovemark" -- a product or service that consumers revere. "People who have an iPod want to kiss it," he quips.

Jobs also personifies another Roberts' maxim: "Fail fast, learn fast, fix fast." Though Jobs has lately had a string of successes, he has experienced plenty of flops in his career. For every iPod and iPhone, he has also offered up a Next Computer or an Apple Newton. He was fired by Apple's board at one point. But confronted with failure, Jobs just plows ahead to his next new idea. "You've got to fail," Roberts says. "Nothing breeds good judgment like bad judgment, so pursue failure. Like Oscar Wilde said, 'Nothing succeeds like excess.'"

Numerous businesspeople pay lip service to tolerance for failure and the importance of trying new things. But too few of them really live out those beliefs, and that's because too many people do and say what they think they're supposed to, not what they believe. "You have to ask yourself, 'Where am I at my best?'" Roberts says. Be brutally honest with yourself and structure your career around your strengths, he says. Then you and your company will succeed.

"Ninety-nine percent of executives don't know [where they are at their best] or they screw it up," he notes. "Men say, 'I'm the man in a crisis.' That's total nonsense. I've never met anyone who's at their best in a crisis." If anything, women beat men in crises because they are not so driven by their egos, he notes. "Me, I'm at my best when I'm the captain. I'm also at my best in the mornings. And I'm at my best with a coach or mentor, not a boss. It's important for me to recognize that stuff. You should only play in places where you're at your best."

Even Roberts' friends recognize his need to be in charge. He is close to A.G. Lafley, chief executive of Procter & Gamble, arguably America's most successful consumer brand company. "Alan Lafley is one of the best CEOs in America, but when we're in a group, he lets me be the captain." Of course, Lafley also happens to be known as a CEO who is a keen listener and a perceptive questioner.

Once a manager figures out where she is at her best, she shouldn't compromise. "I never do anything that I don't want to do," Roberts says. "I don't talk to bankers or accountants or investors." Instead of doing what they think they're supposed to do, managers should focus their energies where they derive the most satisfaction -- "sheer, naked joy" -- and let others handle the rest. You won't excel at what you don't love doing, Roberts notes.

'We Have a Dream'

The sort of corporate mentality that makes work dutiful drudgery, instead of passionate play, turns staffers into drones and kills creativity and individual initiative. That's why, for example, Saatchi & Saatchi, which has 7,000 employees worldwide and, according to BusinessWeek, revenues of \$780 million last year, doesn't have a mission statement. "What we have is a dream," Roberts says. "It all starts with a dream. Martin Luther King didn't say, 'I have a mission statement.' He said, 'I have a dream.'"

Saatchi & Saatchi likewise doesn't have a personnel manual. Roberts ditched the prior one when he arrived. Instead, he tells staffers that, when given a command, they should just take charge and do what's right. "Most great businesses are belief-led and principle-led," not governed by elaborate rulebooks. "I spend my time on beliefs, values and frameworks." One of his favorite frameworks is what he calls FREDA -- Focus, Reinvention, Execution, Distribution and Accountability. Nearly any business can be boiled down to those five principles, and an effective plan includes all of them.

Maxims like that are not just endearing; they are critical in a fast-paced age. Today's workers, especially younger ones, expect to be inspired, not instructed. "My generation was stoic. We weren't supposed to care about praise or dreams. That's nonsense. People work better when they are inspired." They also need to

celebrate, and Saatchi & Saatchi does so, whether it wins an account or loses one. "Advertising is a young person's business, and 25-year-olds want to party. They love it, and it costs us nothing."

Roberts likewise believes that today's workers have largely ditched the idea of work-life balance in favor of work-life integration. Technologies like cell phones and Blackberries mean that people are, in effect, on call all the time. But they also create freedom to work and play simultaneously: E-mailing on vacation seems like a bummer until you realize that it can free you to travel more.

People today, especially the "creative-class workers" whom an ad firm employs, want harmony in their lives, not compartmentalization, he says. They want their jobs to advance their values. "Everybody at Saatchi & Saatchi gets 10% of their time for pro bono work," Roberts adds. "And I want to make the whole of our company sustainable. We're trying to go beyond green -- green is about limits, about Al Gore telling you that everything's bad -- to blue. Blue skies, blue seas and no limits."

Further info: [Knowledge@Wharton interview with Kevin Roberts.](#)