

“EL PAIS” SUNDAY 7 SEPT. 2003

## **“WE DO NOT WANT TO BE NUMBER ONE IN ADVERTISING”**

*KR always dresses in black, but this doesn't mean pessimism at all. He considers himself a rebel, and defines himself “socialist in social matters, conservative in economic matters”. Maybe this way KR has been able to increase market share, income and profits in the 6 years he has been running the company. He states that the employees are key to make clients and shareholder happy.*

He always dresses in black like the rugby team of the country which adopted him, New Zealand. Born in UK 53 years ago, his career is quite special: 30 years on the other side of the river, in the marketing departments of companies such as P&G, he joined Publicis' Saatchi & Saatchi in 1997, and today he can work and travel – he stayed in Madrid less than 24 hours – and also teach in 3 different countries. What's clear is that he believes in what he does. He feels passionate. If the interview could reproduce his tone of voice, it would be full of exclamation points.

Q: How did you join S&S? You had no previous experience in advertising.

A: I used to be a S&S client during 25 years, and I loved their motto 'Nothing is impossible'. Anywhere I went, I found S&S. When I arrived to Australia, I knew nothing about beer. I was executive director and I did not know the business. The company used to work with 4 agencies- Ogilvy, BBDO and S&S - The guy from Ogilvy made me a 4 hours presentation, very professional but not very exciting. The BBDO guy showed me a long series of ads, brilliant but a little bit empty. The day after Bobby came, the Saatchi guy, and he came alone. He was a guy with electric white hair and dressed in black. He told me: do not worry: I know everything about beer. Let me do the work. I fell in love.

Q: Is simplicity what makes the difference?

A: Yes absolutely. Bob told me that the only thing that makes the difference in creativity is simplicity, originality and relevance, The rest is bullshit.

Q: How do you achieve this in a company which has 7000 employees and offices all around the world?

R: it starts sharing a dream. Young people do not work for money or power, but because they believe in something. The S&S dream is to be the hotshop for world changing creative ideas. We do not want to be an advertising agency, we do not want to be bigger or to be number one.

Q: and then?

A: Next step is to create a family. I always tell my students that management is dead. Now it is the time to do things right. We need faster processes, more transparent, which work all the time. Or you are dead. To be successful, leaders only need one thing, followers, and for this reason we need to inspire people.

Q: Does this mean in S&S you do not fire people?

A: Very little. If you ask any top executive which his is most important asset, he will say: my people, And when problems come, he starts to fire. In S&S we look for competitive, passionate, restless people, able to work as a team and to share a dream. I provide resources and disappear.

Q: Do you mean there is no bureaucracy? How did you achieve this?

A: Without problems, We do it without imposing. I can give Antonella (Spanish CEO) an opinion on a client. But I do not control her, and I do not tell her how to do it. It is her decision.

Q: Does this work in difficult times like the present?

A: Even better, because in times like there handling and leading are not enough. The only ones who can solve problems are those who have lived them. I am 53, I am a millionaire, I live in NY close to Robert De Niro, I have an house in Saint Tropez, I have a farm in NZ, people do not live this way. I cannot think as a consumer. Furthermore, when you are the boss everybody lies to you, and you become stupid. What I do is not to make decisions, I offer a dream, values which I believe in, and advertising ice.

Q: Did you act this way when you were at P&G?

A: Yes, because I was a rebel. In the business schools they teach you that there are 3 key targets for a company: employees, clients, and shareholders. For me, only the first ones exist. If I am able to hire the best and inspire them, clients will be happy, business will grow and shareholders will be happy.

Q: Does this theory works in a company with a lot of actives such as General Motors?

A: Maybe they need more equilibrium, more capital.....

Q: So, S&S will not suffer because of the crisis?

A: I have been here for the last 6 years, we have increased revenue, market share and profit.

Q: Did you lose clients?

A: Last year we were the agency which won the most new business. I love difficult times because only the best survive. This is like the Spanish league, in difficult times you have Real Madrid, Barcelona, Atletico de Madrid, and 2 more. In advertising it is the same.

Q: And which companies are those?

A: I do not waste a second in competing. I only care about consumers and ideas, WWP is in a different business.

Q: Your agency belongs to Publicis, which is a diversified group too.

A: The difference is, that we chose to stay in this group, and this group encourage diversity. In WWP all agencies are alike. We do not provide services, we are partners to our clients.

Q: The advertising market has lived a mergers period, is it over?

A: No, it will have 5 big players, Omnicom, WWP, Publicis, Interpublic, a Japanese entity, and many little ones.

Q: You arrived at S&S when the brothers had left. Is something of the founders still there?

A: Of course. They built from scratch, the most famous agency in the world. It was not the biggest, nor the best, but the most well known. The spirit is still there, nothing is impossible, and clients such as P&G.

Q: What about the British government? S&S became famous thanks to the campaigns they did for the Tories.

A: They are not a client anymore

Q: Why? Because Labour are now in the Government?

A: No, every office decides which party to support, and charges for that.

Q: Why did you decide to keep the name?

A: It is a famous brand. We will never change. Mr Procter and Mr Gamble are dead too. I understand that Maurice and Charles are disturbed, but I believe they'll forget that it is not their name anymore, they sold it to the company and it is one of its assets. It is very important that past, present and future stay connected.

Q: How do you see the future?

A: I believe USA will grow 1 or 2% next year, Europe will be flat again.

Q: Will the prices grow?

A: Future are commissions on sales. Majority of clients are sleeping, but it is a matter of time, P&G is the only one that pays this way, and we got big bonuses this year and the last 2 years before that.

Q: Is not it too risky?

A: Not for us. It is for Martin Sorrell, for Interpublic.

Q: Who made the proposal?

A: We came to an agreement, Jim Stengel and myself, many agencies refuse this method, they say they have no control on prices, manufacturing, packaging or distribution. My answer is: control the clients! But this industry is stupid. We now make more money out of P&G than when we charged regular rates. The best way to pay your employees is having your clients selling more because you will have a future.

Q: You have your own theory on brands, which is about to be published. What are some examples of 'Lovemarks'?

A: Volvo, BA once, J&J. I discussed my theory with editor Alan Webber and he told me he agreed that brands are dead, but trust was not enough..... I was hurt and sad. I drank 2 bottles of wine with some friends. My wife was in NZ and my kids spread all over the world. When friends left I felt very much alone. I thought about the things I love: my wife, Saint Tropez, Adidas, every movie with Mel Gibson, even if it sounds stupid. I tried to understand what they have in common. My conclusion is it doesn't matter how much they cost. It is a matter of loyalty beyond reason.

Q: How can advertising do this?

A: The only way of doing it is through communication. Love is a mixture of mystery, sensuality and intimacy. They are difficult to be found in a brand. You have to surprise consumers, excite their curiosity.

Q: And how do you explain that a brand like Zara, that doesn't spend in advertising, is so famous?

A. Money doesn't matter. You have to find the way to connect with public. Probably Zara does it in some other way. I can prove that Lovemarks get 60% more of profits. P&G believes it, and Toyota too. It is the future. Every country has its own Lovemarks. For me the first one in Spain is Real Madrid. Camper can be, Seat and Iberia are not. Corte Ingles maybe was, but now it is too cold, they lack intimacy.