

Kevin Roberts

Kevin Roberts' detractors point to his unorthodox style and client experience when claiming he doesn't understand ads. But with P&G on his side he is a powerful figure, Francesca Newland says

Kevin Roberts is famous for all sorts of things. He's pumped bullets into a Coca-Cola vending machine at a Pepsi sales conference; he only ever wears black in homage to the rugby team of his adopted New Zealand; he co-authored a respected book on sport and latterly has penned a tome with the kooky title *Lovemarks*.

Such tales led me to enter the interview room expecting some colourful exploits. But I was disappointed. He didn't lash out and he didn't make any gags. He was dressed in black, but then who isn't these days? Overall, he presented himself as the kind of straight-talking, intelligent business leader that the head of a global advertising network should be.

But this is one of Roberts' skills. He's chameleon-like, matching his character to what most appeals to his audience. While waiting for him in reception, I noticed him employ three distinct methods of greeting within only five minutes. For the trendy black guy, he grabbed the tips of his fingers in the kind of clench you see rappers use; for a woman, it was two kisses. When he approached me, I was hoping for a high-five but had to settle for a traditional handshake.

Roberts believes in appearances (reportedly once informing the former Saatchi & Saatchi London chief executive Adam Crozier that his problem was that he lacked branding). Roberts wanted this interview to be shared with the network's worldwide creative director, Bob Isherwood. His intent was for this piece to present Saatchis as holding creativity in the highest esteem (although the softly spoken Isherwood was present, Roberts ended up railroading him).

One of the most obvious manifestations of this belief in appearances is Saatchis' obsession with the Cannes International Advertising Festival. Its London office was, indeed, voted Cannes Agency of the Year in 2002 and last year 16 of its offices won Lions. More importantly, however, is the presence of Saatchis' biggest global client, Procter & Gamble. AG Lafley, P&G's chairman, president and chief executive, has a gold Lion on his desk, waiting to be engraved, according to Roberts. Lafley and 30 P&G marketers will be attending this year's festival in Cannes.

Now P&G and Cannes are not two words you'd immediately put together. The company's ads, though improving slowly, are a long way from being creatively respected. It's a statement of intent, it looks good and you can guarantee that Roberts is behind it.

Those who know Roberts suspect that the reason he's so image conscious is that he was a client until he joined Saatchis in 1997 after 20 years at P&G, Pepsi and Lion Nathan. As such, he believes in branding himself and his product as much as P&G does, even if he ends up a little David Brent-like in the process.

Although his packaging makes him a bit of a joke among some more cynical

colleagues, it clearly does the trick with Saatchis' important clients: P&G, Toyota and General Mills. This is illustrated in the foreword to *Lovemarks*, where the Toyota executive vice-president, Yoshio Ishizaka, and Lafley both affirm their belief in *Lovemarks*.

Roberts' client background undoubtedly enables him to predict the needs of Saatchis' clients. Isherwood tells the story of the successful global Toyota Prius pitch to illustrate the point: "We knew the questions they wanted answered. There was a checklist on the wall, ours was in the same order as theirs. We went through, ticked everything off and then Kevin gave a very client-focused close."

Some criticise Roberts for not understanding advertising and cite his client background as evidence. Roberts has a vehement riposte: "The advertising business is dinosauric. The idea of being a service business is completely flawed because we're partners. I think the compensation system is completely asinine because we give away all our ideas. I think our intervention was at the wrong end of the value chain. I'm delighted I haven't grown up in the business. I can add value to people who have."

Roberts has employed a very different business model from that of his peers since he took the helm of the network. While the likes of DDB, Euro RSCG and BBDO have attempted to secure vast pieces of pan-regional business, Saatchis has appeared relatively complacent.

In fact, until now, Roberts has shunned securing new clients as a growth tool and has instead concentrated on building Saatchis' share of its existing clients' advertising budgets. The scheme has paid dividends. Saatchis now handles seven of P&G's ten global brands. That's an enviable position to be in, with P&G, the world's biggest advertiser, spending almost \$4.5 billion globally each year.

He explains: "We pursue a policy of growth through existing clients. Everyone told me I was wrong. They all said we should grow by integration. Lighthouse Communications, holistic shit and direct mail and marketing companies, all of which have failed to generate significant margins. Our margins have more than doubled because we've moved on to sales-based compensation systems."

His policy was given a massive shot in the arm when Saatchis' Publicis Groupe parent shut the D'Arcy network in 2002, relocating significant billings to Saatchis in the process. That year, the network's global billings rose from \$6.6 billion to \$7.9 billion, with booty including Crest, Pampers and some General Mills brands.

When those billings moved across to Saatchis it was the culmination of a lot of hard work on Roberts' part. He's known for years that his greatest strength lies in his proximity to P&G, so in 2000 he made sure it was a P&G holding company that acquired his network. He now runs Publicis Groupe's P&G business, as well as

the Saatchis network. He is also on Publicis Groupe's five-man board and enjoys his influence over the future of the holding company's other properties.

He mentions his ratification of the appointment of Tim Lindsay to Publicis' London agency, as well as his approval of the former Saatchis creative star Dave Droga's move to Publicis. "We have a scheme called *Viva la Difference* (deliberately multilingual) in which we want Publicis, Leo Burnett, Saatchis, Fallon and Bartle Bogle Hegarty to combine where it makes sense to make us stronger in the holding company world." He dwells on this sentiment and somehow the explanation for supporting it. "We are all compensated in Publicis shares, how fucking complicated can this be?", does not seem to tell the whole story. Roberts has tremendous energy and enthusiasm for all that he does. He takes pride in the strength of the group and believes that its component parts working together is strategically important.

But what future does he see for his network? There's no doubt he will continue to focus much of his attention on P&G and Toyota: "Toyota's going to have 15 per cent of the world's car market by

2010. P&G is growing net sales globally by between 6 and 8 per cent per annum and we're on a sales-based compensation system."

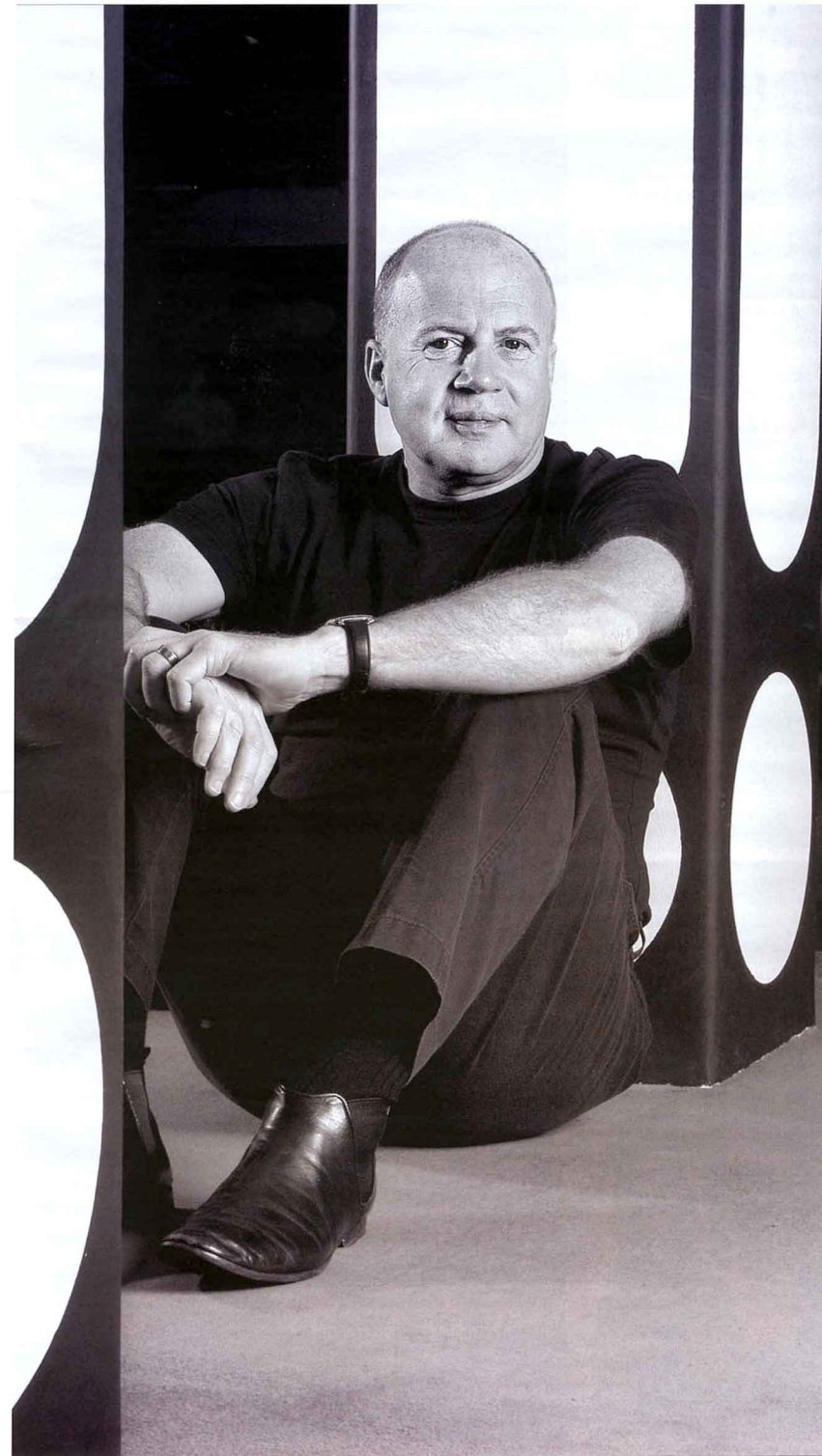
But he's come to realise that he needs fresh revenue streams. The one he's most excited about is "shopper marketing", a close relative of point-of-sale activity. Talks with senior Wal-Mart executives have led Roberts to conclude that shopping needs to be more experiential: "Sir Alex Ferguson talks about Old Trafford being the Theatre of Dreams; the supermarket is the theatre of dreams. Wal-Mart has 100 million Americans through its stores each week, each spending 20 minutes in the store. Its biggest opportunity is to make them spend 21 minutes."

"Shopping's a crap experience. It has been so driven by value or range that the experience has turned to shit. So if we can get Bob and his creative geniuses thinking of the store as a television set, how wonderful the world would be."

Roberts has noted a two-pronged advantage from such a policy: it will attract and serve retail clients, as well as Saatchis' FMCG clients, including P&G. "We're going to acquire, merge and establish agencies that work with the retailer for a manufacturer," he states.

Roberts, however, does not bang the integration, 360-degree branding drum. His face screws up when he pronounces

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the word "holistic". He still has every faith in the future of television. "The death of the 30-second TV commercial is a load of clap-trap," he declares. "I believe we live in an age of also and also; no one medium will ever replace another. Our view is that TV will represent between 50 and 70 per cent of global media spend over the next decade. In the developing world, everyone's got one. In the US, people are still watching four to six hours a day. Reality TV, like it or not, has really given the medium a fantastic lift."

He does state that new clients will also be part of Saatchis' growth strategy, but uncharacteristically can't muster much enthusiasm for the strategy. This will be down to local managers: "Richard Hytner [Saatchis' European chief] is pretty good on new business, Tony Granger [London's executive creative director] is good. Kevin [Dundas, London's chief executive] is a good planner."

He might need to get more involved than that. Saatchis' crucial London and New York operations are both underperforming. In New York, the loss late last year of Johnson & Johnson brands, including the prestigious and valuable \$85 million Tylenol account, led to widespread redundancies.

In London, the story is more complicated: the management has had a revolving door in the past few years, with the exit of chief executives (Crozier, Tamara Ingram, James Hall) and creative directors (Droga, Adam Keane). Roberts says this doesn't bother him, using another football analogy: "This is a business of change, invigoration, new ideas, right? Sven-Goran Eriksson doesn't pick the same players every week."

The agency's existing creative director, Granger, has Roberts' repeated vote of confidence. His specialty is award-attracting print work, something that sits well with Roberts' Cannes preoccupation. Reportedly, Granger has gone down less well in Saatchis' London creative department, which has lost many decorated teams since his arrival.

There's also reason for concern on the Toyota account. The Scion account in the US is handled by the independent agency Attik San Francisco. In China, Saatchis lost the Land Cruiser account recently after a print campaign stirred up war memories. Meanwhile, in Europe, the launch of a youth model is to be handled by Clemmow Hornby Inge. Roberts asserts: "We've been its agency for 28 years and Toyota has a policy of multiple relationships. Saatchis is its preferred international agency. We didn't get Scion in the US and the same happened in Europe. We competed vigorously and I was very disappointed we didn't win it."

Like every network, Saatchis has some problems. Roberts is an unconventional network head, but there truly is method in his madness.

Next week: Andy Berlin, Berlin Cameron/Red Cell