In a wide ranging interview with Des Dearlove, Sir Martin Sorrell talks of the importance of his MBA, his post-Blackberry reading habits, Bill Shankly, leadership and how he allocates his time.
Sir Martin Sorrell is the chief executive officer of WPP. He invested in the company in 1986, establishing it as a holding company for building a marketing services group. Since then, WPP (the initials stand for Wire & Plastic Products) has grown to become one of the world’s leading communications services and advertising empires, valued by the UK stock market at £7.5 billion.

WPP’s 100-plus operating companies employ 91,000 people in 2,000 offices in 106 countries. They provide their clients with advertising, media buying, information and consulting, public relations, branding and identity, healthcare and specialist communications services. Sorrell himself is a highly influential and much-quoted voice in the advertising industry. He is seen by many as the driving force behind the consolidation in the communications industry over the past decade and a half.

An economics graduate of Cambridge University, Sorrell has an MBA from Harvard University. From 1977 to 1984, Sorrell was group finance director of the UK advertising agency Saatchi & Saatchi and was instrumental in its international expansion.

In 1997, he was appointed an Ambassador for British Business by the Foreign & Commonwealth Office and subsequently appointed to the Office’s Panel 2000 aimed at rebranding Britain abroad. In 1999 he was appointed by the Secretary of State for Education and Employment to serve on the Council for Excellence in Management and Leadership and in 2000 was appointed a member of the Committee for the Special Olympics. He is a Governor of London Business School.

He talked to Des Dearlove about leadership and the role of business education.

What do business schools offer that on-the-job training doesn’t?
It comes down to this. If you put two candidates together and one has an MBA and the other doesn’t, then with other things being equal, I’d take the MBA.

It’s not a question of what business schools offer that on-the-job training doesn’t, it’s more a question that someone has taken the time and trouble to think about their skills and goals in the context of their career and life. It says a lot about their character and determination and attitude and commitment, which is good.

Some people argue that business acumen can’t be taught in the classroom.
I have some sympathy with that argument. But on the other hand I have much more sympathy with the argument that says it’s better to have someone who has been trained, who has taken a year or two out to think about these academic disciplines and think through case studies or the theory behind them, rather than someone who hasn’t.

What about leadership – can that be taught at business school?
I think not. But if you’ve got good leaders I think they can be even better if they’ve been to business school.

The other thing is how many times in your life do you take a year or two years out to spend thinking about these sorts of issues, or indeed your own career or life? The trouble with business school education is that it’s all focused on the MBA, which most people don’t do until they are in their late twenties.

At 21, you were very young to do an MBA. Would you recommend that?
I took my own MBA crazily early; I didn’t really have any experience. But I do think 27 is too old.

So what is the ideal age?
I would say a couple of years of experience is enough. If you went back and talked to people at Harvard Business School, the original deal with McKinsey and Goldman Sachs was we’ll take these people out of university after their first degree at 21, we’ll train them until they are 23 or 24 and then you take them for two years and give them back. That was the unwritten deal. I still believe that people coming straight out of university can make valuable contributions to classroom analysis in the case study method. There are a lot of people who are aged 21 or 22 who already have a lot of experience. They’ve had summer jobs and travelled a lot – all sorts of things.

So, to answer your question head on, I think the average age should be 23 or 24, so you had two or three years experience. The ideal in my view would be to take a year or two-year MBA in your early twenties, then when you were in your mid-thirties you’d do another three to six-month course called a PMD or Programme for Management Development, and then in your forties you’d do an AMP, an Advanced Management Programme. The thought that you should just do this once in your life is flawed thinking. Education is a continual process so to just concentrate it into a two-year MBA doesn’t make sense.

The MBA has been criticised recently, especially the Harvard case study method. Does that worry you?
I am a great believer in the case study method. It is a very robust approach. You have to present an argument for solving a business problem, or case, in front of 100 people in your class. It isn’t just about writing; it’s about presentation and verbal skills.

For two years at Harvard, we studied three case studies a day – asking what should the CEO and chairman do in this situation and why? In my
second year, for example, we studied the oil industry, the furniture industry and the electronics industry. I learned a lot from that.

I go a lot on my personal experiences. What the MBA gave me, and what I loved about it most, was the general management approach that I could see at the end of the two years how – not everything, but how many of these things fitted together. The Manufacturing Policy Course, which a professor called Wickham Skinner used to teach, was called Manufacturing Policy but it was really about business policy, and what you learnt was to try to get to 30,000 feet – to get above the problem and see how it fitted in a strategic sense.

The helicopter view?
Yes, and I think that’s very valuable. That’s a general management point of view. It’s not a view of marketing or engineering, or product design, but how it all fits together and how from a general management point of view it works.

Someone like Henry Mintzberg would argue that business school case studies are superficial and lead to glib answers. What’s your response to that?
My response is okay, what’s the alternative? Does it mean you shouldn’t have schools based on alternative approaches and philosophies? Sure you should. But it doesn’t replace the case study method, which I think is superb. If I look at the case studies that have been written about WPP (there are three of them) those have been very valuable learning exercises for our people, certainly for me. We’ve used them intensively in our courses to show people what are the challenges we face.

The trouble is the world has become glib. The fact of the matter is that managers get bombarded with information. How much time do I spend reading a newspaper? I used to spend let’s say half an hour or three-quarters of an hour, now it’s more like 20 minutes. I turn on the radio, I turn on Business Breakfast, I do my emails, I flip through the Financial Times, The Times and The Telegraph, or the New York Times or the Wall Street Journal if I’m in New York. I don’t read as much Fortune, Business Week, and Investor’s Chronicle as I used to.

Why? I guess if I made the time I could do it but I’ve got breaking news coming at me on my Blackberry every five minutes. I think this is regrettable, but whether Professor Mintzberg likes it or not, life has become very much more superficial.

Another criticism is that business schools over-emphasise the science of management, they are long on analysis and theory but come up short on the practice.
I disagree with the question. The beauty of the case study is that it is based on a real-life situation and there is less theory and more art and craft. That criticism is more valid of MBAs based on theory than it is of the case study method. In other words, going down the theoretical route and not the practical route of developing case studies which people can discuss from their experiences, you could criticise those schools. For example, when I was at Harvard, MIT was criticised for being too theoretical and too scientific.

What are business schools good at? What are they poor at?
Let me answer the second part. If you’ve been focusing for two years on what should the CEO
do and why, then you come out of the school thinking you can run the world and you can’t.

That’s the arrogant MBA criticism?
Yes, exactly, and that’s a big danger. That’s why a number of recruiters don’t recruit straight out from business school, they wait for them to have done their first or second job.

Many of the companies involved in the recent corporate scandals – Enron et al – had MBAs in senior positions – shouldn’t business schools shoulder some of the blame?
Every time you look at an Enron you ignore a success. You’re not going to have a faultless approach. My view on it is very, very simple, like my attitude to CSR – that you can very easily defuse all the arguments by just inserting into the business objectives the phrase long-term profitability or long term brand building. If you’re there to get rich quick, you’re going to cut corners. You’re going to ignore the environment, ignore the social issues. If on the other hand you say what I’m interested to do is to build the long term profitability of WPP, then you cover off everything.

You’re not going to destroy the environment in the short term to achieve that, you’re not going to treat suppliers or people in the business badly. What you’re going to do is try to build in the long-term a stronger operation. I have a feeling there’s too much chat about this and not enough focus. I remember John Browne saying, in the context of BP, if you just say that what I’m interested in is building the long term success of this business you take care of all the short-term discontinuities.

How do the European business schools stack up against the US schools?
I think we’ve got a long way still to catch up on the US schools. There’s a much wider acceptance of the MBA in the US because of the huge number they turn out. There’s still a view, buried in some of your questions, that you can’t teach business. Stanley Kalms’ office at Dixons is next door to my London office and he takes that view, and I don’t disagree with him, but I come back to my earlier point that I’d rather have someone who had been trained and informed than someone who just has this instinctive, intuitive approach. That’s much less of an issue in the US. That’s one reason why the US schools are ahead. They take business education very seriously.

If you look at the resources that a Harvard has against the resources that a London Business School has it like chalk and cheese. It’s a bit like a UK-based multinational trying to compete with a US-based one. Harvard has an endowment of some ridiculous amount like a billion dollars and a revenue budget of $400 million and London Business School has a very limited endowment and very limited revenue budget. So it’s a question of scale and size. It’s exactly the same as if you’re trying to build a multinational from the UK. And unless we get our act together in the UK, and this isn’t just business schools but universities as well, then we’re going to fall further and further behind.

The other issue is the challenge that’s coming from the East, as well as the West. I’m on the Indian School of Business board and there are a number of very fine examples of business schools that are being built in China and in India, in Korea and in Japan, that are going to become even more effective competitors.

How much does WPP invest in executive education a year?
We do invest quite a bit. Later today, I’ve got a meeting with people on the Maestro Series of programmes, where we get about 30 people together on a weekly basis to look at case studies: to work with clients; with other people in our businesses; with consultants; to look at how we can ensure the company is more profitable, and how we can recruit and retain the best people.

How’s it divided up between executive education and degree qualifications?
Our industry does not do enough, but we’ve formulated this WPP recruitment programme. Then we have the Leading the Firm courses, our leadership courses, and the Maestro courses which...
are courses based on a discipline. So this group I’m
talking to later on is from the PR area. So we do a
lot of this and it’s very expensive not just in
financial terms but in terms of the opportunity cost
of taking a week’s time of 25 or 30 people from a
number of our businesses and locations so they are
off limits as far as clients are concerned for the
duration of the course.

How do you divide your time? What does a typical
day look like for Martin Sorrell?
It depends on where I am, in the US it’s slightly
different, but if I’m in the UK, I get up in the
morning at about 6.00, and I leave home at about
6.45 and get to the office at about 7.00. Then I do
some emails, and maybe have breakfast with a
client or someone inside the business, maybe have
two or three meetings in the morning, cover off all
the emails coming in at the same time, and then
have a lunch – I had lunch with a prospective
executive director today, for example.

This afternoon I’m talking to you, and I just had a
meeting with a client now, so I’ve got three or four
meetings this afternoon, then I’ve got this training
course I’m doing by video conference to the States
in an hour or so. Then I’ve got a dinner this evening.
Tomorrow will be a very similar pattern. Wednesday
I’m going off to see a client in Europe, Thursday
and Friday I’m going to Detroit for the Automobile
Show – Ford is our biggest client. Then I come back
to the UK at the weekend. Then in the course of the
year I go to one major region. So last year I did
Latin America for two two-week trips. This year I’m
doing Asia – alternate years I go to Asia, I’m going
two or three times this year. Asia and Latin America
as a proportion of our business are almost 25 per
cent now so they are becoming increasingly
important. I go to New York once or twice a month,
usually for a week at a time. Europe I go to on these
trips like I am on Wednesday – usually one, two or
three-day trips. I don’t like to go to a central point
and bring everyone together. I like to go to the
individual countries and try to find out more and
more things.

Are your key competencies as a leader something
you reflect on? I have read that you are very
accessible, always returning employee emails very
quickly, is that part of it? Is it access and
connectivity?
I think there’s an important difference that I started
this business with one other in 1985, 20 years ago,
and I started it from scratch. We started as literally
two people in the same room and I use the Bill
Shankly quote about football. He said football is not
a matter of life and death, it’s more important than
that. He was talking about Liverpool Football Club. I
think founders, if I include myself in that category,
are very different to managers. If you start
something, if you create something, and people are
starting things as managers and I don’t wish to
demean that, but this is not a job for me. This is a
part of me. So I think my attitude is very different.

I answer emails quickly not because this is a chore
or a job, but because I’m really intrigued as to what’s
going on. The other thing people say about me is
that I’m a micro manager, but I don’t regard that as
being an insult, I regard that as a compliment. I do
it, not because I want to exert control, it’s because
I’m interested in what’s going on.