

Sir Martin Sorrell

CEO, WPP

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Welcome to Media Masters, a series of one to one interviews with people at the top of the media game. Today I'm here at the offices of global media giant WPP and joined by their chief executive Sir Martin Sorrell.

Martin has a reputation as being one of the most successful and ambitious ad men in the world. He cut his teeth in the business at Saatchi and Saatchi, where he was responsible for many of the company's agency acquisitions, and became known as 'the third brother' for his close working relationship with Maurice and Charles. This passion for deal making is something that he brought to WPP.

Originally a small manufacturer of wire baskets, he invested in the company in 1987 with a view to building a global marketing brand. He succeeded; WPP is now the world's largest advertising company by revenues, and employs over 190,000 people in 112 countries, and comprises many of the industry's largest names including Ogilvy, J. Walter Thompson and MediaCom.

Martin, thank you for joining me.

Thank you Paul. I wouldn't call it a game actually. You describe it as a game; this is not a game, this is a business.

And how is business, then?

I think business is tough. We had a record year last year, 2015, and that followed record years, if I remember rightly, 2011, '12, '13 and '14, we had a tough year in 2009 after the Lehman crisis of 2008, and recovered a V-shaped recovery in '10, and as I say had record years all the way through, and we started off this year well, actually. Had a good January and February. But having said that, it's tough. Clients are facing a world which is growing at about three, three and a half percent GDP – three percent real and three and a half percent nominal which tells you inflation isn't much – which means that clients don't have pricing power, which means that they're

putting the focus on cost. We happen to think – because we would say it, wouldn't we? – we're speaking to our own book, or... but having said that clients are focused on the cost at a time when we think you only win by focusing on the top line, and so you've got that situation, and the other situation is you have a sort of spectrum; if you think of somebody running a business, legacy or even to some extent a new business but mainly a legacy business, a traditional business, at one end of the spectrum you have the disruptors – the Air BnBs and the Ubers – and then at the other end of the spectrum you have the zero-based budget, people who are very focused on cost, and in the middle you have the activists and investors who say they are focused on the long term, which they may well be, but the perception is that they're focused on the short term, so maybe they need an ad campaign to get them to get the perception switched to the long term. So you have to take those three sets of pressures, plus the general economic situation. It's tough for clients, and they're... having said all that, we do a branding survey with the Financial Times every year where we rank the top 100 brands globally, and we're doing that, we will launch another top 100 in China, we do it in Indonesia, we do it in Latin America, we do it in a number of regions of the world. What's interesting about that, if you and I started a fund, an investment fund, and we invested in the top 10 in that FT BrandZ Millward Brown survey...

I am available if you'd like to do that.

Fine, let's do it, then! Let's do it! ...top 10 companies in the last 10 years, we would have outperformed the MSCI index, which is the world stock market index, by 300% so... and when you think about the reason why, the reason why is that those companies that invest in their brands, that invest in growing the top line, are the ones that win. That is like for like sales growth, which is what retailers call 'same store growth', is the key driver of total shareholder return. So investing in brands works, makes sense and is long term.

It sounds to me that you are very good at guarding against complacency, because as you've just said then, you have ups and downs in business, even at your level.

I wish. I wish. I wish. Well, we always make mistakes. If it is a game – which I think it is – it's that the good decisions, or the good things outweigh the bad things, which you always make mistakes. And just when you think everything's going swimmingly you have challenges. But all in all, over the last 30 years, in the 30 years we've been in existence, it's only three years that the industry, which is a trillion dollar industry – it's 500 billion in let's call the old stuff and 500 billion in new stuff – only three years out of those 30 did the industry's revenue, in nominal terms, shrink. So '91, '92, 2001/2, that year straddling the two years, and then 2008/2009 was the impact of Lehman. Those were the three years where it was really very, very difficult and our revenues suffered just like anybody else, but for 27 of the 30 years, as one analyst

wrote, Barclays analyst wrote, after our last results a week or so ago, in 27 out of 30 years it's been good. So I can't complain.

What gets you out of bed in the morning? Is it the same as what it was say 30 years ago? Do you consider yourself a problem solver these days, are you at your best when you're kind of rolling the sleeves up and sorting something out, or do you prefer the more planning and strategic side?

Well, I like both. I think it's a mistake to focus on the strategic to the cost of the detail. Similarly, I think it's the strategic suffers if you just focus on the detail. They call me a micro manager, I do not believe that's an insult, I think that's a compliment. I think attention to detail is very important and you referred to my Saatchi experience, I would go back and say some of the reasons why Saatchi, I think, found it more and more difficult over time was because they lost the focus on the detail, and you have to have both; you have to have the strategic and the detail. Now remember, Harold MacMillan said... sort of in response to your question what blows you off course politically, "Events dear boy, events dear boy." I wouldn't put it quite like that but he was right. What happens is... that's a very grand example because a business is not like that, but we're like a sort of mini state in the sense; we have 190,000 people directly or indirectly who depend for their livelihood on WPP's success, and we take that very seriously. And if you say on average there are two or three people in the family, you're talking about over half a million people. Well over half a million people in 112 countries that depend for their livelihoods on WPP, and that's the way I look at it. It's not... I'm not saying it's a big family or anything like that, but it's a mini state and we're responsible for that. And then when good things happen we benefit, and if bad things happen we suffer – and that's a big responsibility. When I think that, you know, if I look back over the last 30 years, we started with two people in a room bigger than the one we were in now, but not much bigger! And where we are today, did I ever envisage it? No. But the answer is, I like the strategic stuff. I went to a business school when I was very young and inexperienced. My mother said it was the worst thing that ever happened to me, God bless her, but I disagree with that to some extent, but what it did do was to make me very focused on scale. At the age of 40, I went out and started WPP and I wanted to do it on scale, always did, and maybe it was that... those three case studies at the Harvard Business School for two years every day, you know, which started off what should the chairman and the CEO do and why. I do like the strategic, and being in 112 countries, and a 113th might or might not be Iran, the 112 was Cuba, we have our man in Havana – a man, not a woman, it should be a woman, but there will be shortly – so I think there's... the 111th was Myanmar, so there are big, big opportunities still for global expansion, and functionally, you know, obviously broadening our offer. But I like the strategic, but I also like the detail because the devil is in the detail. We invest about \$12bn in people every year and about \$20bn of revenues, and we have almost \$80bn of billing, and therefore knowing who we're hiring, who we're investing in, what we're doing is

critically important. So I think it is important to do the strategic, not be moved off the strategic by 'events, dear boy' and to do the tactical.

I mean, clearly this isn't a job interview.

I don't mind if it is!

But what do you...?

Are you looking for someone?

I might hire, you never know! I have 11 staff, so the last time I checked that's fewer than the number of people you employ...

Well, you have the same integration issues that we do... if you employ more than one person you have an integration problem.

Communications issues, systems and all that kind of thing, yes. But you do feel the number come wages day, I do say that! But what do you feel are the key skills that have got you to where you are now? Because it's easy to kind of blindly...

I hate that question.

I know, but is it the power of focus as you've kind of hinted at, or is it sheer graft...

No, that's for others to say. You know, when you get knighted you have to go to the College of Heraldry and design a shield and a motto. And I won't tell you what it is in Latin because I failed Latin O-level I had to scramble to get Latin O-level to get into university. But it's basically persistence and speed. That's as far as I will go. I mean, when I sat down with the head of the College of Heraldry and we designed the shield, which reflects... which is quite an interesting experience because it reflects the important influences on your life, certainly to the year 2000 which in my case, you try and think about in a motto what it is that the quality is or whatever. It's for others to say but I would say persistence – this is not rocket science, whatever you do, you don't have to be a Nobel Prize winner – and speed, which actually, speed has become important. I mean, this was in 2000 and speed, you know, I would say I would probably amend it now to light speed; persistence and light speed, because you do... I was just talking to a client just now and he said, "It's good to see you responding quickly," because I think what clients, and indeed people in our own business, dislike is a failure to respond. And whether it's a phone call, I try and respond on the day that it's made if I'm not available. If it's an email I think I'm pretty notorious for responding to e-mails pretty quickly, I think that's important because it

signifies that you think a piece of communication... now my wife says sometimes I can't discriminate between the important and the unimportant and that I'm too accessible, and there may be something in that. She may well be right. But on the other hand I'd rather be too accessible than inaccessible. So I'd rather overcompensate that way.

But how do... this is what interests me, because we work for some fairly big clients around the world, and I've found the bigger they are the much less agile they are.

This is a good point. So WPP is 30 years old, J.Walter Thompson is 150 years old. So it's a sort of 30-year-old parent if I can put it that way, trying to look after a 150-year-old child, and that puts it... and that was the copy for a birthday card I got from Bert Manning who was running J Walter Thompson at the time, I think on our 10th anniversary, we bought JWT and the group in 1987, so this would probably have been 10 years later, I think it was either five years later or 10 years later. And I thought it was a very 'cute' as the Americans would say...

Line.

...and I think it summed it up in that... now, the agility comes from only being 30 years old. You know, we haven't had we haven't had enough time to get too many bad habits. And I think that's important. And a company that is expanding can never expand its overhead as fast as it expands; a company that's contracting can never cut its overhead as fast as it's declining, and I think that's a critical issue. We try and stay agile in a digital age by getting our traditional businesses to move as fast as possible into digital by making our digital businesses pursue digital as rapidly as they can, and last but not least it's what I call the cannibalisation area or stream that you're making investments or buying companies or capitalising stuff which may actually cannibalise your own business, but if you don't eat your children somebody else will. So that's where the cannibalisation metaphor comes from. It's a pretty harsh one, but it's true, because the disruption I referred to earlier can attack and destroy traditional business. In the last few days I've been speaking to one of our clients who have a tremendous disruption and threat from a major new... I mean, it's from Amazon. Amazon is a major threat just like Google. We describe Google as a 'frenemy' or Facebook, they are media owners, they're not they're not technology companies; they like to masquerade as technology companies. Amazon is really doing everything concerned with purchasing. It's fulfilling an order. It's pricing an order. It's distributing an order, delivering an order. Logistics, it's forming its own logistics response... Ali Baba is doing the same.

Amazon are delivering via drones now, of course.

Well, they're talking about doing that but they're also going to build... they're looking at building small stores, convenience stores, right? So it's not just that. And on the delivery side of it they're actually putting together logistics systems so they can do sort of cradle to grave in terms of purchasing; a fully integrated end to end purchasing, distribution and delivery system.

I agree with you about the kind of disruptive nature of Amazon. For example I've been in so-called digital bricks and mortar shops I've seen people scanning the barcodes of things they could buy from the Amazon app and then it's immediately sent to them so they get it a lot a lot cheaper. What's your assessment of the kind of...

Well, they have an even more spectacular advantage because they see vendors on the site, they see the prices at which those vendors sell at, and they can either match or beat.

What's your assessment of the kind of media landscape at the moment? Because like you said a lot of kind of traditional broadcasters like the BBC coming under severe pressure from the licence fee...

It doesn't depend on advertising revenue but it does actually take advertising; the World Service...

But they are under pressure in terms of licence fee really or the Charter. But ITV...

Well, quite rightly so because I don't know what the licence fee yields now but it must be close to £4bn. So if you and I Paul, received £4bn on January 1st in cash upfront I think we could build a pretty good brand; that's not taking anything away from the BBC, I don't know that the size of your budget is...

It's a fraction of that.

Exactly... a large fraction, but a fraction of it. So they're in a privileged position, and in a world where there is... where the legacy media owners are under tremendous pressure, we've seen what's happened to traditional newspapers and magazines, felling trees and distributing newsprint, we see what's going to happen with perhaps with linear TV, massive changes on the flipside, the rise of digital newspapers and magazines and over-the-top television or digital TV, and the growth of mobile Internet, particularly mobile is a major opportunity to be yet to be exploited.

So the traditional businesses are in trouble.

Yes. Well, they're disrupted in the same way and it's very difficult. I liken it to flying an aeroplane or being in an aeroplane; as you're flying you have to change the engines on the aeroplane, or as one client said to me this morning, "You've got two engines. One is the old world and one is the new world, and in order to change the old world to the new world, in a way you have to keep flying, keep the engines going and tinker with them with your spanner..." – well, it's more than a spanner – "... you have to tinker with it at the same time."

Would you ever consider kind of dedicating some time maybe even full time to public service, like for example becoming chair of whatever the BBC Trust is going to become, and kind of sorting them out? Are you always going to be kind of a buccaneering, entrepreneur, dealmaker type?

No, I don't know if I'm a buccaneer or not! I don't think I could I could live with that, no. I think anything of that nature... I mean, the purpose is well defined but the levers you have to pull inside those companies, you have to be much more diplomatic than I am.

And yet if you speak to a lot of people – like you said in traditional media whether it be the BBC, ITV, linear broadcasting, the dead tree press, whatever you want to call it – there's a lot of people who are feeling quite miserable at the moment. Is that because they've just not innovated enough?

Well it's because there is sort of violent disruptive change taking place, and that has a major impact on institutions, businesses, government... everybody dislikes change. Change brings uncertainty and uncertainty is something people shy away from, and it's always tough to make people decisions because there are always pros and cons, you know, you may have made a decision, you may have made the right decision, you may have made the wrong decision, it's very difficult to admit often where you've made you made a bad decision. So I think what you're seeing is the impact of violent change, for example, the automobile industry, who would have thought four or five years ago that people would be calling cars 'mobility devices'. Who would have thought with 3D printing you can 3D print a car and I've seen one fully full size, a two-seater sports car.

I've seen a chocolate 3D printed and that amazed me, it knocked my socks off.

But you know, a full-sized car, two seats, 3D printed I think in 12 hours at a cost of \$5,000.

Witchcraft, I tell you!

With the exception of the wheels and the bucket seats. And then you've got Uber. Travis, who runs Uber, is saying "I'm going to make sure that nobody buys a car,

we're all going to share cars." He says that for example at the Microsoft conference in front of the head of General Motors, Mary Barra, and says basically, "I'm going to put you out of business within five years." Now, the pressures, even in the traditional business like the automobile business, the impact of digital driverless cars, you know? I was looking at an article – I never realised about these convoys of lorries that will go down the motorway four feet, separated I think by four feet, they will be driverless.

They are safer than human drivers.

Well, they say. I mean, it's a bit difficult for the human mind... and the drivers, there's a picture of the driver in the lorry cab looking at his iPad as they're speeding down the motorway. I hope they are safer. Well, one of the ways... the great thing is it regulates traffic flow so that if you have night deliveries to stores it's a much easier way of planning, so you have night deliveries... I remember Boris Johnson saying the biggest problem from a traffic point of view is the white van problem, which is delivering e-commerce products to homes or stores through London.

Do you think... I mean, clearly you're operating in so many countries now, I'd be interested to talk to you about the kind of culture here in Britain, whether you think it enables enterprise. I mean, when I read newspaper articles about your pay packet, for example... I'm a fellow entrepreneur like you, and nowhere near as successful as you yet...

You will be. On the basis of this interview, you will be.

Thank you! But I think, "Good on him, he works hard and he deserves his success," but clearly you get your critics as it were. What's it like in other countries?

Well, one thing first, you mentioned the phrase 'pay packet'. So what we've done here, or what I've been involved in here, is I started with a partner 30 years ago, took a significant stake in the company, it was actually I think at its peak 16%, today I own 2%. But with the exception of a divorce that I had where I had to fund a settlement, I haven't sold shares. So my pay packet, as you referred to it, I had to sell half of it, sell half of the shares to fund the tax payment, because it triggers an income tax charge – not a capital gains tax charge, an income tax charge – and the other half I leave in WPP shares. So over the years I've built a significant stake in the company, and I think if I can be blunt about it, and I may get in trouble for saying it so here goes, this this has been... I wrote an article in the FT I remember a few years ago, and the headline was 'I am an owner, and I act like one.' It wasn't *the* owner, by the way, it's a very important distinction, I am *an* owner and I act like one, and I think that's fundamentally important. When people say they want to be entrepreneurial, it means taking a risk. That's why literally what it means.

Of course.

It means taking a risk, not with other people's money but your own money. So everything I have – and I'm on an 'at will' contract here, in other words I can be fired this second or I could leave this second and they would be... I wouldn't receive any payments or whatever it happens to be and vice versa – so this is very much an entrepreneurial approach. And I make no apologies for the fact that we were worth £1m in 1985 and today we're worth over £20bn. Or, to put in dollars, \$1.5m to \$30bn. I think... I'm proud of that and everybody in the company should be proud of it.

As well you should be.

And I'm not embarrassed by that success. Now, as to the question...

Do we begrudge entrepreneurs their success ultimately, in this country?

I think the Americans... there is, if you look at the election, and if you look at parts of the political spectrum there are parts of the political spectrum which are not dissimilar to the sort of attitudes that you're referring to, which you know... they have... they have they get traction. But I think it's not as strong, and there's just as strong on the other end of the spectrum that says, you know, if you go out on your own at 40 years old – you know, I gave up a substantial position at Saatchi's as CFO, I'd been doing that for nine years and I wanted to do something else – and my dad said... you know, he sadly died in 1989, he always said, "Find an industry you enjoy, find a company you enjoy, build a reputation in that industry," you know, not to be interviewed on Media Masters, but where people would recognise you as being somebody who knew what you were doing in the industry, and if you feel like doing something on your own, go off and do it on your own. And that's what I basically did; I did it at age 40 which is the midpoint... it was the midpoint, and probably 45 is the new 40. and probably you don't retire at 60 maybe 65 is the new the new 60, although I might believe it's a bit a bit longer because I'm perfectly willing to carry on as long as they'll have me. One day they'll take me out to the potting shed and shoot me if that's the right analogy. But I do think I think the attitudes in America are slightly different. But this is basically... when I saw this ad when we started in 1985 as an entrepreneur – I'm going to use the word 'exercise', it's not the right one – an entrepreneurial approach, that I was going to put money at risk and build the business and my wealth. You know, my father said also he didn't believe in portfolio investment. That was almost like gambling in his mind.

Pick one thing and stick at it.

Yes, it was almost like... he said, "The company that you know best is the company that you work in," and therefore that's the best investment, which goes counter to every piece of investment advice... you know, the investment advisor will say, "Diversify the risk, you have too much risk, it's all in one bucket," etc. That may be the right attitude, it may be the wrong, but... so when people focus on my pay packet as you called it, remember half went in tax and the other half stays in the company as an investment.

As I say, as a fellow entrepreneur I applaud the fact you're creating jobs and you're generating the profits to pay that tax.

That's another thing, Paul, because here in the UK we've gone from four or five years ago from 12,000 people to 16,000 people at a time...

Congratulations.

Well... I mean, it goes beyond that, at a time when employment opportunities particularly for young people are meant to be scarce a few and far between, and we are making an effort to do that.

So what's your view on someone like Corbyn, then? Because I mean, I've been a Labour Party member for 20 odd years –

Did you vote for Corbyn?

I absolutely and utterly did not! I'm a huge Blairite, and one of the few remaining ones. I applaud enterprise and I want to be pro-business, but there seems to be an anti-business sentiment with politics these days.

Well, amongst some, but in a way it's understandable, because in 2008 we had that terrible event in the September weekend when Warren Buffett said this was America's financial Pearl Harbour, GE was supposedly looking at whether it could finance its commitments or not, you know, we were staring into the abyss, and it's interesting that the fall in the oil price, which in de facto is a tax cut, has not resulted in increased consumer spending, and I think that's because it's seared into the consciousness of consumers and corporates what happened. And then corporates also, you know, the average life of a CEO in America is about seven years, average life of a CFO in America is about six years or five years. CMO (Chief Marketing Officers) two years, and if we were talking a year ago it would have been 18 months! Hallelujah, it's up by a third in a year, but it's still two years. People are not going to think long term; they're going to be cautious. There's seven trillion dollars of net cash sitting on the major multinationals' balance sheets, relatively ungeared. The S&P 500 in 2014 bought back more shares and paid out more in dividends. A greater amount than retained earnings, so effectively S&P 500 was one company, a track. I think... I

haven't seen the data for '15 but I would guess it's exactly the same. If that is the case, in two years, corporate America, which includes earnings abroad, shrank in size because they gave back to shareholders, they returned more capital to shareholders, as a whole, than they made.

Do you find it particularly difficult to recruit these days? I know you've commented in the past about the kind of young talent drain and saying how difficult it is. But I have found this when I advertise a position, I'll get 200 applicants on LinkedIn and 190 of them are total dross that will just clicked the button, and of the 10 that have made the effort there's only three or four worth seeing.

It's not easy. I mean, if you look at all the demographics in the major economies and even the so-called young economies, I mean, everybody's going to have the Russian/Chinese problem, you know, the ageing problem, whether it's a Mexico or a Pakistan or indeed an Iran, which all of them had very young populations. So when I was in Dubai and the UAE they have a young population, I was in Turkey this week, a very young population too. But all of them are facing this demographic issue in the long term, so if you think there's a war for talent now, stand by – it's going to get worse. And it's not just for professional services companies like our own, it's also for manufacturing companies as well, so there is going to be a premium finding, incentivising, motivating and keeping key people and good people. Having said that, do we find it a problem now? No. We run at WPP – it's not no, I wouldn't say it's as extreme as you portrayed it - we had the WPP fellowship programme, it's in its 20th year. We try and recruit undergraduates and postgraduates and people from art schools and design schools and from different varying backgrounds to join us for a three-year programme. Three different functions, so it could be advertising, data investment management, media, in three different geographies, in three continents. And it's a programme which is more difficult to get into, according to The Wall Street Journal, than the Harvard Business School. So we do the X factor with our senior female leadership, we do the Stellar programme, we are broadening that approach with our female leadership, we have... you know, over half the people in the company are women, and that is true at a junior mid-management level, whatever that means, but at the senior levels is only a third, so we have to have to have more.

You mention manufacturing just briefly there. I mean, do you think there's any point us having a manufacturing base these days?

Yes – look at the Germans. The Germans do a fantastic job on it.

We don't seem to be particularly well though, would you agree?

No, I would disagree with that because I think that's ignoring that there are many successful small and medium sized companies...engineering companies in

particular, high end. Could we do more? Yes. It's interesting. Iran, would you believe, is the third biggest country in terms of producing engineers after the US and China?

Incredible.

It is incredible. With 80 million people. The third largest country in the world in terms of producing engineers. So I think we can do it. We just have to put more focus on it. There's no reason... I mean, our people, we have a tremendously diverse population here and that's a point of controversy at the moment, my grandparents were immigrants, I'm a second generation immigrant, I'm technically half-Ukrainian I think, a quarter Polish and a quarter Romanian, and the debate on Brexit I find... you know, there are three buckets on Brexit – the economic argument, which I think is clear-cut, which I think is clear cut that we should stay in, the sovereignty argument which there are sides to both questions but I'm prepared, personally...

To pay the price.

I am prepared to give some pounds...

It does irk a lot of people though.

... in order to be... and then the third one is what I would call the immigration bucket. I did a debate at a private location with an ex-Conservative government minister, and we were talking about those three buckets basically. And after a couple of hours, you know, he was going on about the negatives on immigration and I asked him, I said, "Are you saying that immigration has been a negative for the UK economy?" to which he said yes.

Really?

Yes. And the influx of unskilled immigrant labour. That's when I completely tuned out and I think the debate gets rather... it certainly gets stressed, and it gets rather dangerous, and the rise of extremists, whether it be Le Pen in France or wherever, is indicative of that.

We seem to be doing reasonably well here insofar as the British National Party has dissolved out of existence, but I agree there's a kind of...

Well, part of the UKIP party, which sort of...

Softened... the BNP in blazers, as they were once called. I stood for parliament in 2005 against a UKIP candidate, and I called him them that and he didn't take too kindly. In fact, he threatened to punch me on the nose!

Did he?!

Yes! He didn't do it, but he did threaten that.

It was like a Trump rally, was it?

No! Well, I'll ask you about Trump in a second. But we've had Lynton Crosby sat behind that microphone where you are right now...

He did a great job in the election, amazing job. Well, he did, and he's... I mean, he came out a few days ago and says there's a lot of kind of 'closet outers' and he seriously thinks that we might vote to leave. Do you think that's a possibility? I think it's very... I think it's going to be very close. I think there are 40 – according to our polls, and I know that polls are discredited, but... and we were in that group – 40% roughly say we should stay in, 40% roughly say we should come out and 20% don't know, and the 20% that don't know say they don't know because they don't know i.e. they don't have enough information, which means that campaign over a nine-week period where you can spend on either side a maximum of £7m or \$10m, is going to be critical – so I would agree with him. I mean, there is... I don't know, he clearly has looked at it in more detail than I have. I don't know about the closet outers, I do think it's rather like the Scottish referendum; as we get closer people will become more and more concerned about the economic arguments that that I touched on, and the sovereignty argument will get less. I mean, if we come out, quite apart from the short and medium term dislocation, which I believe will be very considerable...

Indeed.

... there will be the impact on Europe, you know, will other countries want a referendum with the Hungarians or the Poles or whatever, want a referendum. The Scots have said, on the other side of the equation, the Scots have said they want to stay in. If we come out does that mean that Nicola is going to demand another referendum, and does that mean that ultimately we could have the collapse of the United Kingdom? I don't think people have really sort of focused on that one yet. Now, that ex-Conservative minister I mentioned said the Scots will never come out, so the best way to ensure that Scotland stays in is to vote Brexit, because the Scots will never come out with the oil price so low. I think that's missing the point. If we come out it will be, I think, for emotional reasons, not for rational, economic, political and social reasons – and I think the same thing would be true in the Scottish case, that people would make that decision for understandable... and remember that the Scottish referendum was 16 plus, the EU referendum is going to be 18 plus. I went to a school, did a session at a school with 300 or so sixth formers and I asked them in the course of a discussion we had, how many of them would vote stay in – about 90% put their hands up.

To remain in.

To remain in.

That's high.

Yes, but these were 16-year-olds! So we should have had it 16 plus!

Do you think though, just carrying on with the theme of what you just said there, that there seems to be a huge disconnect with sort of “normal” people with the kind of Westminster bubble now? And even in kind of a lot of western economies look at the rise of Trump – people that seem to be quite hostile to politicians now.

I think that's right. I think whether it's the left or the right whether it's Trump or Sanders, whether it's Nigel Farage, whether it's what we've seen in Spain, whether it's Beppe Grillo in Italy or what we've seen in Greece, these are all... Le Pen in France. The Le Pen family in France. These are all sort of variants on the same theme; in fact, Trump and Sanders share perhaps views on the political spectrum. They are populist movements. Neil Ferguson... we did a panel with him and Eric Cantor and Don Baer of Burson-Marsteller and myself and John Micklethwaite of Bloomberg at Davos, we did a panel on the election, on the Trump... well, at that time it wasn't quite so apparent and Neil Ferguson said, “Well, Trump is a populist phenomenon; by March he'll be gone.” I saw him recently and Neil said, “Well, maybe I made a mistake.” That must be the first time that he's ever...

He's ever admitted to making a mistake!

And I remember a woman put a hand up during the course of the panel as she said she was a fund raiser for Hillary, an American woman here in London, and she spent most of the time trying to explain the Trump phenomenon, and I said to her, “Look, don't underestimate this. Anybody who picks up...” – and Lynton Crosby will be well aware of this – “... anybody who picks up 35, 40, you know, in some states he's picking up 47% of the Republican vote, so this is the 300,000 people who voted Jeremy Corbyn. This is the...

The three pounders.

Yes, but don't forget in the American system, the primaries system, some of them are open caucuses where Democrats can come in and vote in a Republican primary. So you tend to get, I would say, the extremists – whether in a general election the candidates will tack to the centre, in the primary elections they will tack to the extremes because they are trying to engage people who are more passionate. Let

me put it that way. And I think Trump's like that. I think you already pick up that Trump is moving more to the centre. You also pick up that Trump doesn't have specific policies, but he could probably cut and paste. I mean, he could probably go to Jeb Bush's website and just take what he considers the best then go to Ted Cruz's website and see if he can find anything there, etc. etc. so don't underestimate Trump. And Trump's daughter Ivanka, who I know a little bit, is superb, she's absolutely marvellous. Any man that can produce a daughter like that hasn't done everything wrong.

And do you think... to what extent does the leader of any country have any genuine impact? Because Harold Wilson once famously said it doesn't matter which party is in power, the treasury is in power. Would you be frightened as an entrepreneur and as a businessman if Trump became president? Do you think that could actually harm your prospects for your group of companies?

Well, interestingly... we don't know what Trump stands for. It may be that Carl Icahn would be the treasury secretary, we don't know. Don't forget, Ronald Reagan was regarded as being a film star, how the devil could he run the country? Well, he ran California pretty well. Arnold Schwarzenegger is another example, Jesse Ventura – an ex-wrestler – becomes governor in, what was it, Minnesota? I understand he had a good first term for four years but the second term wasn't quite so good. So a lot of these things...

Conventional wisdom could be wrong.

Well, it's interesting. The realities of power, and the problems as well as the opportunities, mean that you have to take a more realistic approach – but having said that, do I think Donald Trump would be, from a business point of view, you know, who knows?

What is a typical week for you? And I know the answer will be 'there is no typical week' but what are the kind of behind the scenes details that you look out for.

I get up early in the morning, I catch up with everything that happened overnight. I usually get up at about six o'clock in the morning, I usually have a breakfast whether I'm in London – I spend a third of my time in London, a third New York and a third travelling – and I have a breakfast. I have several meetings in the morning, usually a business lunch, in the afternoon three or four meetings, maybe a business dinner, and carry on quite late. I don't go to bed about until about 11 or 12, I often... I miss Jeremy Paxman actually, I watch Newsnight every night, Charlie Rose maybe in America, I watch Squawk Box in the morning when I wake up or Bloomberg, I stream

Bloomberg during the day and in America I watch Squawk Box and Bloomberg there. So that's... obviously read the newspapers, now digitally.

On the iPad then, rather than the...

Yes. They are. And I'm not reading newspapers and much as I used to. But they are... they do engage... to this point about whether newspapers are losing ground, it's not just a question about views, not about just about three-second Facebook views where 50% of the time the sound is turned off, it's about how much time and attention that newspapers... you know, I think there is an argument that engagement with traditional press and indeed magazines... you see magazines with women, I mean, women certainly do like magazines to a significant degree, so engagement is just as much as important as circulation. That's a typical day and the weekend... I'm fairly... it's 24/7

And you never have time to switch off?

Well, our business never sleeps. It never sleeps. It's going on Christmas Day, and Rosh Hashanah, and everything else.

Last question, then. What's next for you?

Well I think we have to continue to build the company. Obviously I have a finite life...

You're still quite sprightly!

I try hard, I try to not eat too much, particularly given that schedule...

A lot of lunches and dinners!

Yes, and you try and reduce the intake and do a little bit of exercise. But having said that, I play cricket and a bit of skiing – well, the cricket's not that much exercise, people will think – no, I'll carry on as long as they'll have me. I find it more fascinating, more interesting than it's ever been. The tentacles of the company won't put it that way. Reach far and wide and we do an awful lot from a business point of view, socially, politically, sustainability purpose... I mean, it's an exciting, exciting thing.

Sir Martin, I've done a terrible job this morning of hiding the fact that you're one of my heroes, and I'm hugely inspired by your journey.

Oh, you say that to all the boys and girls!

But I really have appreciated the time you have spent today.

My pleasure.

And I have learnt an awful lot, thank you.

At least one thing, maybe! Thank you.