

Artful Roger

Six years ago, U of T's Rotman School of Management was a cash-strapped, no-name institution that couldn't stop its professors from fleeing stateside. Today, dean Roger Martin is halfway toward a lofty goal: attaining a spot in the international top 10

ROGER MARTIN APPRECIATES A UNIFORM. A slim, athletic man with dark hair and hazel eyes, he has two favoured getups: tennis whites and tailored suits. When he's not working, he logs as much court time as he can. Summers find him practising his ballistic serve at the Ojibway Club near his Point au Baril cottage. He has developed a bit of a reputation as a scrambler able to race across the baseline to reach the unlikely ball.

The man can hustle, and he's been proving it since well before he took on the role of dean at the Joseph L. Rotman School of Management in September 1998. Before starting his new job at the University of Toronto, he spent a hectic summer trying to extricate himself from his former role as a strategy consultant at Boston's Monitor Group. He somehow snuck in two weeks at the cottage to hang out with his three children—Lloyd, Jennifer and Daniel (now aged 18, 16 and 13)—and he found time to participate in the annual stone-skipping competition organized by his wife, artist Nancy Lang.

When September arrived, Martin, clad in his usual monogrammed French-cuff shirt, staid tie and crisp charcoal suit, joined the thousands of students thronging the downtown campus and made his way to his new corner office on St. George. Worn out by 17 years of consulting, with its perpetual hotel hopping and 14-hour days, he regarded academia as a welcome change. On his fourth day, he met with the chair of the faculty council in a Rotman boardroom. Midway through the meeting, the chair, one of Rotman's senior professors, informed Martin that faculty council's next meeting would be on September 11. "By the way," he said, "that's when you'll be expected to present your turnaround



Brain gain: when Martin left Boston's Monitor Group, he was its highest-billing consultant

strategy for the business school." Martin checked the date: the meeting was exactly a week away. It was beginning to look as if Rotman might not offer such a soft landing after all.

The prof left. Martin walked over to his desk and mulled over his options. The relationship between faculty council and dean is strangely circular. The dean leads the school, but the council—composed of a department's tenured and tenure-track professors—must approve by a majority vote most of what the dean decrees. "Anything I wanted to do," Mar-

tin recalls, "they could have stopped."

But Rotman was in desperate need of resuscitation. Since the departure of the last dean almost two years before, the school had been hemorrhaging cash and staff. The previous dean had been stained by a conflict-of-interest scandal and then had left the place rudderless.

Martin concluded that this was a test. When he resigned his post at Monitor, he had been one of the highest-paid partners at the company, pulling in about \$3 million a year (his salary at U of T is \$300,000). Still, he knew his faculty con-



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sidered him a rather unconventional candidate. At 42, he was younger than most of the professors he supervised. He didn't have a PhD, and his academic experience amounted to a few articles in business journals and a Harvard MBA.

So rather than inform the council that he was too busy, which he was, Martin began drafting his strategy. Seven long days later, he stood at a massive oval table in a lecture hall on the main floor of the Rotman building, facing some 60 faculty members. He launched into the school's strengths, the biggest being proximity to Bay Street. And he listed its weaknesses: the program's chronic inability to match American teaching salaries; its lack of profile on Bay Street, despite being only a few kilometres away; and its anemic fundraising body. He concluded by pledging what seemed like the impossible: within a decade, he announced, he would secure a place for Rotman among the top 10 business schools in the world.

The room erupted in guffaws. Rotman was nowhere near the top schools in the country, let alone the world. At the time, the Richard Ivey School of Business at Western was considered Canada's premier institution, and it, too, was lagging far behind the best business schools, which included such names as Wharton, Harvard, Stanford and Kellogg. By Martin's estimation, if someone had compiled a list of the world's top 100 MBA programs in 1998, Rotman wouldn't even have placed in the top 50.

In the following weeks, a parade of business leaders and scoffing faculty dropped by to inform him of the foolishness of his pledge. What they failed to appreciate was Martin's competitive edge. The tennis player renowned for his ability to hustle was about to make his career's most unlikely return.

ROGER MARTIN WAS BORN ON AUGUST 4, 1956, into one of the most liberal Mennonite families in Wallenstein, Ontario, a village of about 250 in the farmland northwest of Waterloo. His grandfather, Eli Martin, was the community's rabble-rouser. In an almost universally agrarian society, Eli was an entrepreneur who ran the town store. "Some Mennonites don't use internal combustion engines. And they often don't even allow rubber on their buggies. But Grandpa Martin wanted a car," recalls Roger, "so he got a car." Because of his comfort with motor vehicles, Eli also drove the school bus. He handed over the job to his son, Lloyd, when the boy was old enough to drive, and that was how Lloyd met his future wife,

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Delphine Horst, a student on his route. The two were married in 1953.

Roger is the second of five children, all of whom were raised in a home that Eli and Lloyd built on farmland across the road from Martin's General Store. In addition to land, Lloyd also inherited Eli's entrepreneurial instinct. He tried his hand at raising chickens and then, two years after Roger was born, opened Wallenstein Feed & Supply Ltd. The business flourished under Lloyd's holistic management philosophy, which was based on being dependable, presentable—and on never haggling. Lloyd wanted his staff to spend their time building relationships with the farmers rather than arguing with them over price. "People will pay a few dollars more if they get the service," Lloyd likes to say. Today, Wallenstein Feed is Ontario's largest independent feed mill, with more than 65 employees managed by Roger's eldest brother, Rick.

The rest of the Martin clan is equally accomplished. Aside from Roger and Rick, there is a Bay Street corporate lawyer, a Harvard professor of Russian history and a child psychologist at Stanford. After Delphine raised her children, she went back to school and became a well-known marriage and family therapist in Waterloo County. "They were the royal family of Elmira District Secondary," says Malcolm Gladwell, staff writer at *The New Yorker* and author of *The Tipping Point*. He attended the same high school as the Martin kids. "It was impossible to think of them singly," he says.

Gladwell, who's still close to Roger and his brother Terry, the Harvard prof, recalls that Roger always had a confidence about him. As Gladwell notes dryly, "People from our high school didn't go to Harvard." Martin applied, he says, to spite a guidance counsellor who advised students it didn't matter which university they attended. He distinguished himself in the class of 1979 both academically and athletically. He was a standout setter on the varsity volleyball team. Harvard's MBA program, which typically requires two years' work experience for entrance, accepted Martin directly. And while working toward his MBA, he coached the school's varsity volleyball squad. His two younger brothers followed him to Massachusetts, where they created a volleyball dynasty that saw a Martin fill the starting setter's role for 10 consecutive years.

FOR MARTIN, 1981 MARKED A PERIOD OF major transition. He left Boston, his home of six years, and moved to Toronto. He left bachelorhood, meeting Nancy, the daugh-

ter of the late Senator Daniel Lang, soon after arriving in the city; they would marry two years later. He also began his career as a consultant.

Jim Fisher, co-founder of the Canada Consulting Group, hired Martin at age 25, though it quickly became apparent to Fisher that Martin was "a handful." No one could argue with the new recruit's ability to size up a balance sheet. Co-workers commented on his impressive work ethic, which was motivated by an intense competitiveness. In high-stress situations, during late-night work sessions or amid disagreements over strategy, that competitive spirit sometimes devolved into a flaring temper.

Early on, Martin and Fisher worked together on a team project for a company with three divisions. At a meeting with the company's chief executive, the team presented its findings, which showed that one of the divisions was a chronic dog. They suggested the company either shut down the dog division or stop giving it capital. The CEO disagreed. Martin spoke up and argued the point, and the situation escalated until Fisher had to suggest a break in the meeting to cool things down. "[Martin's] tone was not polite," remembers Fisher. "Things got pretty intense." He took Martin aside to explain that 20-something consultants didn't harangue the CEOs of the companies who had hired them. "You are not running the company. They are," Fisher reminded him.

"He expected our clients to be as competitive as he was," says Fisher. "He did not have a lot of time for people with low aspirations." He sums up his younger counterpart: "Roger has a tremendous impatience with people who aspire to satisfy, rather than beat, the world."

Martin has mellowed somewhat over the years, thanks in part to his wife's influence. Co-chair of the Ontario College of Art and Design's fundraising drive, Lang has helped him become more forgiving. "She's more inclined to see the goodness in other people," he says. "And she'll chastise me for being impatient." Still, he acknowledges his temper is something he's tried to control all his life. "That is, and always has been, my greatest challenge," he says. "I've had to work very hard on lengthening my fuse."

After four years at Canada Consulting, Martin couldn't resist the pull of his old Harvard schoolmates. He moved back to Boston to join them in forming the Monitor Group, where he was among the first dozen employees. He would spend the next 13 years bouncing between Boston and Toronto, establishing and nurturing practices in both cities. By the mid-'90s,

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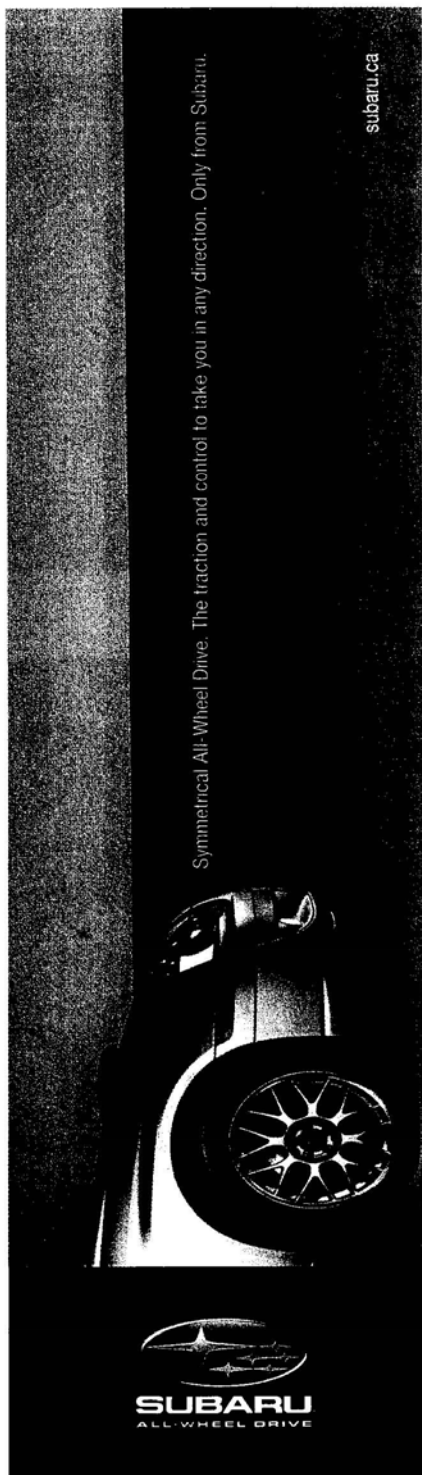
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Monitor had become a consulting giant with 1,000 employees and 13 offices around the world. In the company's unconventional administrative structure, Martin had ascended to a position that amounted to the strategy group's chief operations officer. But the pressure of maintaining his consulting practice (he was Monitor's third-highest biller) as well as managing operations became overwhelming. Close associates noticed the strain. One fall day in 1996, a consultant friend from another firm suggested he pare down his responsibilities. It was then, says Martin, that he realized how burnt out he was. After what he describes as "a little cry," Martin resigned from management duties and returned to consulting full time.

In many ways, this tumultuous period prepared Martin for his post at Rotman. It certainly affected his thinking on management theory, which forms the core of his 2002 book, *The Responsibility Virus*, a critically lauded treatise on delegating tasks in groups, from families to global corporations. If he'd had the tools he espouses in his book while he was running Monitor, Martin says he could have prevented his burnout.

It was also at this time that he met Tina Brown, then editor of *The New Yorker*. After an introduction by Gladwell, Brown hired Martin to help her improve the efficiency of her editorial department. "He helped me understand which writers were valuable to the magazine and which ones weren't," Brown recalls. "He showed me some writers might be too costly, not because of what we pay them but because the writer—although the material might be good and it might be someone with big name recognition—might require massive amounts of rewriting."

In turn, Brown did Martin a favour. The well-connected publicity hound hosted the launch party for *The Responsibility Virus*, guaranteeing maximum exposure for his book. And back when Martin was working with her on *The New Yorker*, Brown also shared a tip that he would later use to execute a reversal of fortune for Rotman.

WHEN U OF T BEGAN ITS MBA PROGRAM IN 1971, not only did it languish in Western's shadow but it was also dwarfed by the institution to which it belonged. "The business school was an afterthought," says former U of T president Rob Prichard. The MBA faculty's third-tier status was symbolized by its location on the northwest corner of Bedford and Bloor, across the street from U of T's main campus, in a battered seven-storey structure with a

bank branch on the ground floor. Bay Street, the nation's financial centre, ignored it.

One of Prichard's goals when he started his 10-year term in 1990 was to rehabilitate the image of the business school, elevating its stature to match those of the university's medical and law programs. Things began to look a lot rosier after financier Joseph Rotman donated \$3 million toward a new building, which was completed in the autumn of 1995. Two years later, Rotman donated an additional \$15 million to fund an endowment for the school. But even the freshly retooled, renamed Joseph L. Rotman School of Management had nowhere near the cachet of Western's Ivey School of Business.

By late 1997, the university still hadn't found a new dean. In the interim, star faculty were migrating to American schools, where professors were being offered double what they made at Rotman. All told, 20 per cent of its tenure-stream faculty left the school in the months after Arnold's resignation. As 1997 waned, finding someone to lead Rotman became Prichard's top human resources priority.

Martin, who had consulted for a company in which Prichard was a board member, attended a dinner party at Prichard's home in the fall of 1997. Prichard overheard Martin remarking to a mutual acquaintance that he hoped to run a business school when he was 55; Prichard was intrigued. After clearing it with the search committee, he called Martin. "Roger," he said, "what's to stop you from becoming a dean now?" Despite the mammoth pay cut and the school's numerous troubles, Martin was excited by the challenge. He and his family still considered Toronto home, and the slower pace of campus life beckoned, especially after his overload at Monitor the year before. Finally, in the early months of 1998, he decided to take the job. "In the 10 years I was president of U of T," says Prichard, now head of Torstar, "there was no finer

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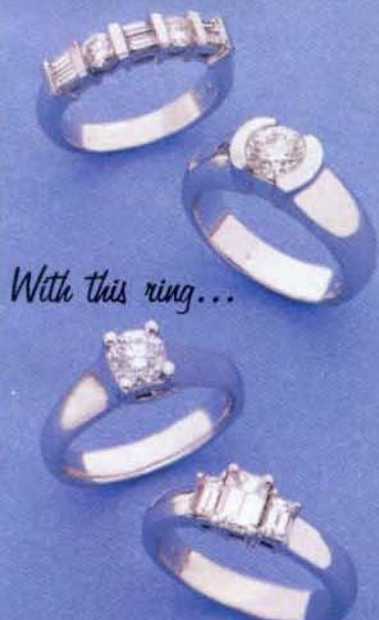


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appointment." The Martins settled in a home on a quiet street in Rosedale that overlooks a ravine.

ON THE LAST SATURDAY IN MARCH 2004, Martin teaches a course that's considered the department's strangest offering. The seminar *Don't Take It, Shape It* is the final class of the year for graduating students, and it reflects Martin's well-rounded interests. References to the Hollywood blockbuster *Crimson Tide* are interspersed with the musings of Czech politician Václav Havel. Sports are another frequent source of inspiration, including a discussion about the way Reebok and Nike have revolutionized the sale of sneakers by marketing footwear to those who admire athletes, not just to the athletes themselves. The curriculum, which is peppered with Martin's collected wisdom, is heavy on the practical advice students will need when they enter the workforce.

In the final hour, in the crowded lecture hall on the first floor of the Rotman building, Martin departs from his usual teaching style. He hands out a case study and allows the class five minutes to read through it. But the subject matter is personal: Martin is presenting the class with his Rotman turnaround strategy.

He begins by asking the students to put themselves in the dean's office circa 1998. First establishing the school's flaws, he prods the class. "What's the insight we need to come to here?" he asks. No response. "How can I get more resources flowing into the system? How can I increase the revenue in this place? I can't get revenue from U of T. That's like getting money from a rock. They don't have any money to give."

The students start to open up, tentatively throwing out suggestions. Martin hears one he likes—something about increasing Rotman's spot in the business school rankings. "Right," Martin says, pointing his water bottle in the direction of the comment. "Whether I like it or not, I've got to make the rankings central to my solution. Can I get my rankings up tomorrow? No. So what do I do in the meantime?" Someone suggests talking to the media.

"That's right," Martin says, "the media were central to priming the pump. If I could convince folks in the media that I had a bold vision for the school, if I put myself on the line and named a number and I didn't just say I'm going to try to get good. I said something outrageous. I said we'd be in the top 10. When I said it at faculty council, they laughed."

Then he brings up Tina Brown. When she was at *The New Yorker*, he says, pacing back and forth, "she woke up every morning with a sort of implicit buzz metre that said, 'What's the buzz about the magazine now?' This wasn't something esoteric or fuzzy to her. Buzz was very, very concrete. 'What's buzz? How can I get buzz? Who has more buzz than we do?' she would ask. 'How can I get more buzz than them?'"

In 1998, Martin needed some buzz of his own. And his top 10 pledge did attract media attention. Although at first the coverage was universally supercilious in tone, the press nevertheless convinced both faculty and potential donors that something significant, something novel, was happening at U of T's previously sleepy business school.

Brown's other mantra is that buzz can't be fake. It will fizzle without a vision underpinning it. So Martin reworked Rotman's approach into a new kind of MBA that teaches business as an art rather than a science. His method, which he calls integrative thinking, looks at the various elements of a business—marketing, strategy, finance and human resources—as interrelated parts, not independent disciplines. Sometimes little changes in one section of a firm can have major consequences elsewhere. Martin likes to give an example from his dad's feed operation: the ordinarily thrifty Lloyd spent thousands on a sophisticated truck-washing system to ensure the vehicles transporting his product always gleamed; he knew his farming clientele would interpret the condition of his fleet as a symbol of the health of his business.

Martin's next problem was that he had no way to pay for his vision. So he followed up what he called his 5/4/4/2 plan. He vowed he would quintuple the program's endowment, quadruple revenue from executive education, quadruple tuition and double the number of students, all within his seven-year term.

The endowment was first. Martin began mining his extensive contact list to convince Toronto's business elite to support the top 10 goal. The school's public relations wing soon grew accustomed to drafting press releases announcing donations. On top of the \$18 million that Joseph Rotman donated before Martin's arrival, Michael Lee-Chin wrote a cheque for \$10 million. And Winnipeg entrepreneur Marcel Desautels donated another \$10 million to finance the new integrative thinking program. "We sometimes got slammed for being too esoteric, but when this Mr. Practical Entrepreneur guy gave us \$10 million, it gave us lots of credibility," Martin tells the class.



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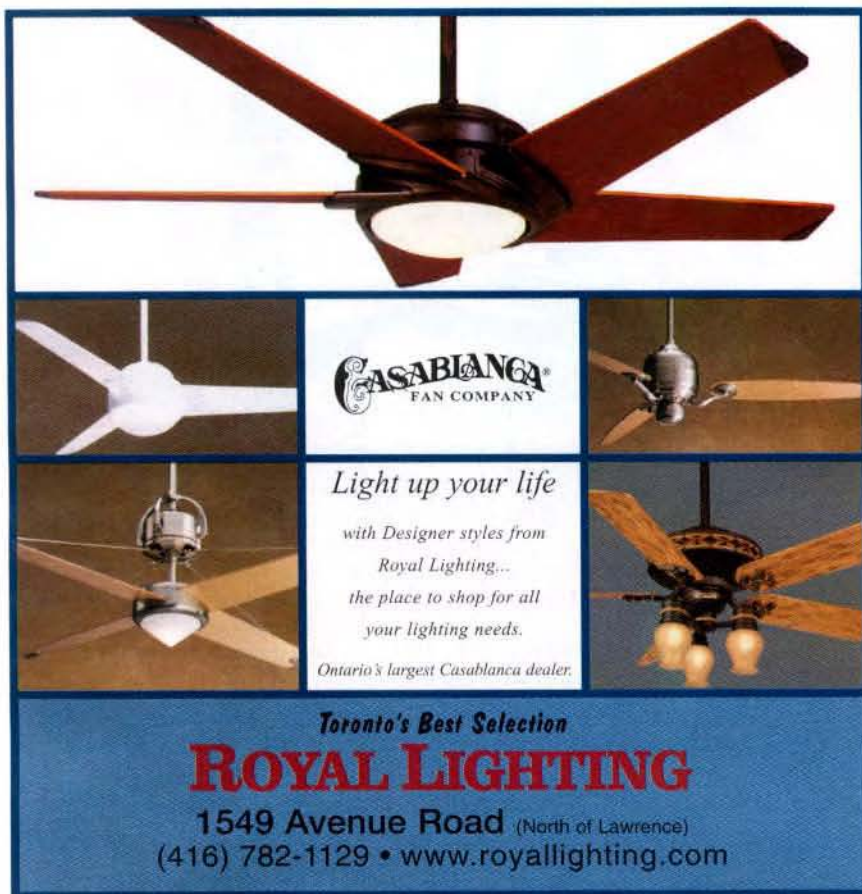
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Today, Martin is heading into the last year of his seven-year contract. He has almost achieved his 5/4/4/2 goal. The endowment is approaching the quintupling Martin promised—it's currently at \$83 million, more than four times the \$20 million the school had when he started. Thanks to tuition deregulation, he was able to quadruple the tuition; students beginning their MBA at Rotman in 2004 will have to pay fees of \$50,880 to get their degree. Promoting closer ties with Bay Street and offering more opportunities for corporate education programs for executives has led to a near quadrupling of the revenue from part-time training programs. The extra cash allowed Martin to lure new faculty to Rotman. When he started, less than a third of the school's tenured full-time faculty made more than \$150,000. Now almost all of them do. And the student body has, in fact, doubled.

Rotman has reaped the benefits of Martin's efforts. In 2003, the *Financial Times* ranked his faculty 21st in the world—beating Ivey for the first time ever (it came in 22nd). In *FT*'s 2004 ranking, Rotman placed 21st again, this time to Ivey's 29th. There are other indications that Rotman has replaced Ivey as the dominant MBA program in Canada. A recent informal survey of Canadian business figures by *The Globe and Mail*'s Gordon Pitts named Roger Martin one of the country's most respected management theorists. Ivey wasn't mentioned. Rotman confirmed its position on the international stage last year by cherry-picking marketing professor Dilip Soman of the Hong Kong University of Science and Technology, who had been wooed by such schools as Harvard, Duke and the University of Chicago.

Martin says he never plans his career in advance, but he expects he'll stick around for another five-year contract. Eleven places remain between Rotman and Martin's top 10 ranking. "The next 11 will be harder than the first 50," he tells his class, beginning a spiel he's become accustomed to giving reporters, faculty and the Canadian financial community. "Now there are only good schools ahead of us. Before there were lots of schools ahead of us that sucked. Now I'm not ashamed to be behind any of the schools we're behind. They're all excellent, excellent schools." For a moment, he ceases his front-of-class perambulations and sweeps his gaze across the room. "Am I afraid of them? No. We will get by 11 of them. And then I'll turn it over to somebody else to get by the rest."