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Omnicom Group, Inc. (OMC)

J.P. Morgan Global Technology, Media and Communications Conference

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CORPORATE PARTICIPANTS

John D. Wren
Chairman & Chief Executive Officer, Omnicom Group, Inc.

Philip J. Angelastro
Executive Vice President & Chief Financial Officer, Omnicom Group, Inc.

OTHER PARTICIPANTS

David Karnovsky
Analyst, JPMorgan Securities LLC

MANAGEMENT DISCUSSION SECTION

David Karnovsky

Analyst, JPMorgan Securities LLC

All right. We'll get started. Happy to have back at the conference from Omnicom, John Wren, Chairman and CEO; and Phil Angelastro, Executive VP and CFO. Thanks so much for being here, guys.

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QUESTION AND ANSWER SECTION

David Karnovsky
Analyst, JPMorgan Securities LLC

Q

John, maybe I'll start it off at a high level. So, we're still in a pretty dynamic period for advertising and marketing services. So, how are you thinking about setting key priorities for Omnicom and balancing the short and long term?

John D. Wren
Chairman & Chief Executive Officer, Omnicom Group, Inc.

A

Sure. The short term, I think, well, a couple of things. We've rebalanced the portfolio over the last – you've been listening, so over the last 10 years. So, I think we have a portfolio of companies that the market needs help from. So, we're in the process – even with the prospect of lower growth in recession or mild recession at some point, we are still continuing to grow and invest in the areas where we get, where we are seeing the greatest growth, and that's in the precision marketing, ethical healthcare, the consultancy projects that we have, and then some tuck-ins for products that we've made the decision that it's cheaper to buy than to not. So, that continues, that's the short-term effort.

Long term, longer term, there's a lot of complexity that's in the marketplace, a lot more complexity has been introduced now with AI. We're in the unique position, in that we were one of two companies that Disney selected – Microsoft selected, Disney and us to beta and test AI. We have a similar agreement with Firefly and Sensei with Adobe. And we'll be doing something with Google and Bard that I'm not allowed to talk about.

Currently today, we have over 71 projects both client-facing and to improve our operations internally – or transform our operations internally, which will make it better, cheaper, faster, more effective for our knowledge workers to face complex situations that our clients will face.

David Karnovsky
Analyst, JPMorgan Securities LLC

Q

From a macro perspective, kind of seems like we've been moving from one headwind to the next. Now, it's the debt ceiling talks. So, I'm interested to know kind of what you're hearing from clients in terms of their ad budgets, planned outlays. Have you seen wholesale adjustments at all or is that kind of more a push for flexibility more than anything else?

John D. Wren
Chairman & Chief Executive Officer, Omnicom Group, Inc.

A

I would say it's the latter. Clients have not pulled back or said that they want to cut their budgets. I think it depends on the vertical that you're talking about or the area that you're talking about. They're preserving as much flexibility as they possibly can. You get to some of the consultive projects you have with the introduction of AI and the impact even though AI has been around for a long time, we use it at Omni to a certain extent. Not to the extent that we're going to be able to use it. People are just pausing and looking at the architecture of some of the digital transformation that they're going to go through, but they haven't reduced those budgets. As a matter of fact, they see the need to accelerate those – to double down on those budgets.

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The bottom line is the larger advertisers that we deal with have learned from – I've seen a lot of recessions. No one can claim that because they were around for the last recession, they know what to do in this recession, because every recession is different. But having said that, clients learned and history proves that clients have pulled back on their marketing and promoting their products in prior recessions, take an enormous amount of time to gain back that market share and have to spend a lot more money emerging from it.

So, clients are not doing that, but they're preserving as much flexibility as they possibly can. You'll see that reflected, I think, in the upfronts.

David Karnovsky
Analyst, JPMorgan Securities LLC

Q

And you mentioned verticals. It could differ. Any additional color you can provide there?

John D. Wren
Chairman & Chief Executive Officer, Omnicom Group, Inc.

A

Sure. I mean, you take a look at automotive, right? You have two different client bases. You have the dealers and you have the manufacturers. We deal with both. The manufacturers have to position their products, especially their electric or hybrid type of products. They can't back away from the marketplace. They just can't. They absolutely cannot.

The other implication that we're seeing from the OEMs point of view is, if you asked them three years ago where their biggest growth market was going to be, they would have said China. They never said US. Because of all the nonsense that's going on between China and the US or western companies, they're now doubling down and saying that they have to get more out of the US. So, that's where you're seeing budgets being dedicated and spent.

If you go to the dealers that didn't have supply for three years, they – if you went in looking to buy a new car, they'd charge you over list. Some of them are still in denial that they can't do that anymore. And so, there's a little bit of a confusion as a result of that. Sometimes you get lucky, sometimes you don't, but – so that's one vertical.

If you take a look at healthcare, healthcare, science and, probably, the computing power of things that we've been able to solve, there are more and more oncology drugs that are being developed every day. The outcomes are being proven to be much better. Those are coming to market, those need to be marketed, they need to be marketed in a proper way.

We need to get to the payers and convince them that they should include those drugs on their formularies and pay for them. So, the ethical pharmaceutical vertical is going through the roof and it will continue to go through the roof.

Entertainment, I guess, Western governments gave a lot of money away to a lot of people during COVID, and they couldn't go anywhere. They're still spending a lot of money. You wouldn't think the doom and gloom that you might look at or I might look at within The Wall Street Journal or listen on Squawk Box or Bloomberg, hasn't hit the public yet.

And the ridiculous part of it is because they can't get enough people to service every room in the hotel and to get you everything they want, they've raised the prices. So, the demand there is going up and people are taking advantage of it. I could go on and on. So...

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David Karnovsky
Analyst, JPMorgan Securities LLC

Q

Anything notable from the tech vertical? That's one that everyone has called out as a – or it seems like that's called out a lot as a headwind, but maybe there's a thought as you kind of cycle past year of efficiency that that might see a rebound at some point?

John D. Wren
Chairman & Chief Executive Officer, Omnicom Group, Inc.

A

Well, it depends on who you're talking about. If you're talking about Facebook and Google.

David Karnovsky
Analyst, JPMorgan Securities LLC

Q

Yeah, yeah. The big tech marketers of the world.

John D. Wren
Chairman & Chief Executive Officer, Omnicom Group, Inc.

A

Yeah. I mean, my son is Chief of Staff at one of the four major divisions. And I think the text I had this morning is this was the last known layoff that he had to do last night for Facebook. I don't care, because they were competition for the best and brightest people.

David Karnovsky
Analyst, JPMorgan Securities LLC

Q

Right, [indiscernible] (00:08:25).

John D. Wren
Chairman & Chief Executive Officer, Omnicom Group, Inc.

A

And now they can't be trusted as employers. So people are coming to me.

David Karnovsky
Analyst, JPMorgan Securities LLC

Q

[indiscernible] (00:08:31).

John D. Wren
Chairman & Chief Executive Officer, Omnicom Group, Inc.

A

So that was – I think the next battleground that you're going to see in those tech companies is AI. We have, as I said, a relationship with Microsoft in beta-ing their products and integrating them into what we do. If you compared – or you listened to a YouTube comparison of OpenAI and Bard yesterday, you get the impression OpenAI is way ahead of Bard. Bard – Google yesterday made quiet private claims that it's advanced quite a bit in solving copyright concerns of ethics. They are associated with this. If that's the case and the other limitations that they had, they'll overcome it. So, I think the next war that you're going to see, it's going to lead to...

David Karnovsky
Analyst, JPMorgan Securities LLC

Q

It sounds like they need brand marketing.

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John D. Wren
Chairman & Chief Executive Officer, Omnicom Group, Inc.

A

Well, a lot of growth, too. Is going to be between all the big players, because they all have to get their stake in the ground. And we are partnering with them in terms of determining how to do that, and we'll service them in other ways, too.

David Karnovsky
Analyst, JPMorgan Securities LLC

Q

So you recently reported Q1 earnings. You maintained your guidance for organic growth for the year at 3% to 5%. I think, John, you described the upper end as a stretch target. You did post over 5% in the first quarter. So, how are you thinking about factors that could get Omnicom to those stretch levels? Is this entirely a macro conversation or there are factors that are more in your control?

John D. Wren
Chairman & Chief Executive Officer, Omnicom Group, Inc.

A

Well, the macro environment is don't fight the Fed, right? I could put a lot of examples. I can spend 10 minutes talking about what that means, but don't fight the Fed. There's one macro factor. Individually, when you get to our individual companies, we don't have 100% market share in anything. So, we're always pushing company by company, operating unit by operating unit to do better. And so, we put out stretch goals for them and ones that we think that are practical.

There's a dynamic which is going on within the company, is I'm pretty aggressive in terms of what I think the implications of AI will be in a relatively short number of years. So, we are pushing quite a number of jobs into – that I believe will get automated or eliminated at some point into offshore locations. So, there's a lot of change going on, internal investment going on at the same time.

David Karnovsky
Analyst, JPMorgan Securities LLC

Q

And I'd be interested how – kind of you just talked about we're not 100% market share in everything. Maybe you can update us on new business. We've seen a lot of pitch activity recently, media and creative side. You see a lot more RFPs potentially coming down the pipe.

John D. Wren
Chairman & Chief Executive Officer, Omnicom Group, Inc.

A

There's a fair amount that's coming down the pipe. Thankfully, we're in an offensive position in most of them. We're not in defensive position. That's not to say the odd thing doesn't happen. You take the most recent ethical one. What really changed hands was the media. We didn't win it. I'm pissed off about it, but we didn't win it. We'll win the next one.

We didn't really – the ethical business wasn't really in review. So it'll be less than $10 million impact to us as a negative, but other opportunities are presenting themselves. And so, there are a number of pitches that are going on for all sorts of different reasons.

David Karnovsky
Analyst, JPMorgan Securities LLC

Q

Got it.

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John D. Wren
Chairman & Chief Executive Officer, Omnicom Group, Inc.
A

And people – the more prominent players in the market are getting more aggressive. I used to go to market to owning my brands. Now I'm going to market as Omnicom, showing the power of Omnicom. So you'll see more and more of that.

David Karnovsky
Analyst, JPMorgan Securities LLC
Q

That's a good segue into the next question. So, one comment I found interesting in your Q1 commentary was that your top 100 clients are now engaging 50 different services from Omnicom on average. So, how much has that figure changed over maybe the last 10 years or so?

John D. Wren
Chairman & Chief Executive Officer, Omnicom Group, Inc.
A

So I don't know.

Philip J. Angelastro
Executive Vice President & Chief Financial Officer, Omnicom Group, Inc.
A

I think it's pretty constant.

John D. Wren
Chairman & Chief Executive Officer, Omnicom Group, Inc.
A

I think it's pretty constant. And what we meant by that was disciplines and geographies. Now, the services have changed because they've matured. But that's been the beauty of the diversity of the services that we provide.

Philip J. Angelastro
Executive Vice President & Chief Financial Officer, Omnicom Group, Inc.
A

Yeah. Certainly part of the strategy. So, John mentioned the Pfizer view just before. We do business with Pfizer out of dozens and dozens of agencies in the US and outside the US. So, you read about a pitch oftentimes in the press, and it seems as if there's a big loss. But the reality is the more agencies and the more services you provide to those clients, the stickier those relationships are and the harder it is to kind of unseat our agencies in one fell swoop. So, Pfizer ended up being a relatively small piece of business that we've lost, and we've maintained the vast majority of the business.

David Karnovsky
Analyst, JPMorgan Securities LLC
Q

John, I think...

John D. Wren
Chairman & Chief Executive Officer, Omnicom Group, Inc.
A

Having said that, I get pissed off because we didn't win what was on the table. [ph] what was on – I'm sorry (00:14:34).

David Karnovsky
Analyst, JPMorgan Securities LLC
Q

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No, it's okay. We talked – you mentioned before digital transformation. I think we've seen that growth come through in your Precision Marketing segment. What I'm wondering is kind of as we come out of the pandemic, is there any risk that we've cycled past some period where marketers were sort of moving with urgency on that topic? Or do you see digital transformation as some – a truly secular change that you're going to get paid a long time for?

John D. Wren
Chairman & Chief Executive Officer, Omnicom Group, Inc.
A

Oh, I see it as a secular change that we're going to get paid more and more for. Again, I don't want to go back to it and make it seem like I'm only talking about AI. But you look at the implications of AI and digital transformation, the architecture of what companies have to do, the ethics associated with how you use it. It will be unlimited in what it's capable of doing if you organize and architect your organization the proper way to utilize it.

But also associated with that is you have privacy rights and other things. So you can't open it up to our 70,000 employees and let them run wild with it, because you'll be sued until you go out of business. So, there's an awful lot of questions that have to be answered. There's very careful architecture which has be put in place. And all that complexity requires people that are expert in each one of those aspects and each one of those fields.

So, I see this as a practice that will continue to grow as it has grown. When we get past the current, what can I hold back moment that we're – people are facing, the uncertainty in their own organizations. It's something people will have to address, will have to invest a lot of money in, or they won't be relevant [ph] 10 years out (00:16:46).

David Karnovsky
Analyst, JPMorgan Securities LLC
Q

Yeah. John, why don't we just lean into the AI conversation.

John D. Wren
Chairman & Chief Executive Officer, Omnicom Group, Inc.
A

Sure.

David Karnovsky
Analyst, JPMorgan Securities LLC
Q

It sounds like you're saying two things, right? There's a client-facing side of this, but then there's an internal...

John D. Wren
Chairman & Chief Executive Officer, Omnicom Group, Inc.
A

Right.

David Karnovsky
Analyst, JPMorgan Securities LLC
Q

... [indiscernible] (00:16:57) you could more efficiently. So, maybe we could unpack each of those a bit.

John D. Wren
Chairman & Chief Executive Officer, Omnicom Group, Inc.
A

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Sure. So, I'll do the internal one. I said I won't do this, I'm not going to. We have 71 active projects going on, right? Most of which are client facing. Some are internal facing. Let me first talk about internal facing ones. Right now if I wanted to know my real estate landscape. So, I know I have 318 buildings under lease globally to house 70,000 people. I know when those leases expire. I know all the terms and conditions of those. It's in our database.

In a separate database, I have a payroll system that's connected to a human resource system, which, among other things, identifies what building you're assigned to in order to be paid. Alongside that, there's another database with all the assets that I've invested in a particular building, which I may release, I may not release.

Right now, if I ask people for that information, it'll probably take them at least, if they worked hard at it, seven days to compile it into a database to hand it to me, to me to hand it back to them and say, you forgot this, right? If I type it into OpenAI, I can get the answer by myself in five minutes. The control factor is especially the HR part of it as all sorts of personal information associated with it. So, I can't give that to a low level person and let them have access to it.

So, in addition to defining and cleaning up databases and making them available to utilize, to make better decisions, there has to be a whole governance structure associated with the digital transformation or input of that, because you can't just have anybody walking around saying, gee, how much does Phil make? Where does Phil live? Who does Phil bank with? And then you go to Europe, you're going try to do that, go to Germany and try to do that and you'll be sued before you wake up the next morning. So, that's an internal example of how I can cut out hundreds of man hours, right? So, that's an internal one.

I'll give you an external one. An external one – and we've told people, we are beta-ing commercials and work that we're doing, and doing it similarly in an AI fashion with [ph] our bots (00:20:08) and all the rest.

But because clarity hasn't been defined as well as it needs to be in terms of privacy rules and in terms of copyright rules, I've informed my people and they're doing it internally so we can see how well it works and how fast and what it eliminates and what it doesn't eliminate. But we're not deploying it to clients, because you get too far away from the people who worry about everything and you give it to people who have specific assignments, they may think it's the coolest thing in the world, let's run with it, and they're going to wind up in a lot of trouble.

So, it's power from what I've seen of it, and I've seen Chat-5 (sic) [GPT-5] (00:20:59) and been able to play with it personally – it's not released yet – is enormous. The implications and the ethics and how to utilize it are also enormous. And so, there's going to have to be a reconciliation of that.

David Karnovsky
Analyst, JPMorgan Securities LLC

Q

Once you get past – yeah.

John D. Wren
Chairman & Chief Executive Officer, Omnicom Group, Inc.

A

I mean, I'll give you a perfect example. If you were to do the research sitting in Belgium, Brussels, the EU has come up with a pyramid of defining risk and opportunity for AI and try to fashion some proposed legislation for this. You could drive 10 trucks side by side, right, through the middle of this legislation beating it, because it's going to be hard to legislate. It's going to be based upon ethics.

So, I was just saying to somebody else, right, I say it all the time, everything you ever learned, you learn by the time you're six years old, whether you're going to be honest, transparent, or whatever. So all those building blocks

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are in Omnicom in terms of respect for privacy, the due diligence we go through, respect for copyright laws. So, all the foundational blocks are there.

Now, we just have to apply it in such a way that it's going to benefit the client, gain greater ROI. And then we also have to realize that we have to change the way we contract with clients, right, because some of them – if you're just pure hours and materials and you depend upon that way of getting paid infinitum, you're going to wind up on the losing end of this, right?

David Karnovsky
Analyst, JPMorgan Securities LLC

Q

Is that just because AI will reduce the hours, and then the cost-plus model...

John D. Wren
Chairman & Chief Executive Officer, Omnicom Group, Inc.

A

Right. Yeah. Or what it'll do is it'll drive your margins to a point where your client comes in and say, you can't make that much money. So, you have to figure out, can you turn some of these efforts into platforms, charge a fixed price for the platforms, because the platforms are going to enable the people that I call knowledge workers internally in Omnicom, it's going to make them do their job better, faster, smarter.

Another practical example. If you had $10 million and you want to – certain KPIs and you want to spend it in the New York metropolitan area, AI could give you a plan. What it can't give you is information that we have about every individual that lives in the New York metropolitan area, their habits and where that should direct you. That's a private database that's not going to be available to a public.

They don't know what kind of deals we have with the various medias, which might redirect you to spend the money in a different way than a general AI project will. So, there is a place for us and we have to figure out how to be paid properly for it, not necessarily historically for it.

We've gone through these changes before. I was still – I was already an executive when we were on the commission system. So, I mean, I've seen these changes over a long period of time. So, we're starting to adjust and we will start to test different ways of getting paid as we gain these efficiencies.

What we also have seen in most clients – and we can do this on every client, prove the ROI of a marketing dollar. As we can make it more efficient for the client, they don't cut budgets or, if they cut them, they cut them in a very small way. They reinvest them if we can handle the complexity and help them through it.

The other question, which is just a natural question which comes is, gee, if it gets so good, you can in-house things. Yes, you can. We've been able to in-house things for a long time. We've turned that into a practice, where we assist clients in-housing things, and we stay partners with them because we're doing it at scale, they're doing it for their limited company. So, we get paid for helping them improve what they have already in-housed because we're not affected by it.

And in the case of AI this time around, as we transform our own company internally, we're going to create or further our consulting practice with the mistakes and the intelligent things that we do so we can codify those and go sell it to companies that haven't – don't have those skills and will need help in order to do it. So, we'll change the portfolio again by creating other new businesses. So, I'm excited by it. I'm not afraid of it. And we're embracing it.

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David Karnovsky
Analyst, JPMorgan Securities LLC

Q

Got it. We have about seven minutes left. If there's questions in the room, you can raise your hand.

John D. Wren
Chairman & Chief Executive Officer, Omnicom Group, Inc.

A

If not, I can go on babbling about AI.

David Karnovsky
Analyst, JPMorgan Securities LLC

Q

Maybe I can get you to babble a little on the upfronts. You mentioned them before.

John D. Wren
Chairman & Chief Executive Officer, Omnicom Group, Inc.

A

Sure.

David Karnovsky
Analyst, JPMorgan Securities LLC

Q

I can't help but ask about it. The process always looks a little less like the upfronts when I first started looking at the advertising space.

John D. Wren
Chairman & Chief Executive Officer, Omnicom Group, Inc.

A

Sure.

David Karnovsky
Analyst, JPMorgan Securities LLC

Q

Maybe the strike had a role in that this year. How's the changing nature of that process, more streaming, less linear play off for Omnicom Media Group?

John D. Wren
Chairman & Chief Executive Officer, Omnicom Group, Inc.

A

It's a complex question. I'm not expert in it, but I'll give you what I know. Video is the king.

David Karnovsky
Analyst, JPMorgan Securities LLC

Q

Right.

John D. Wren
Chairman & Chief Executive Officer, Omnicom Group, Inc.

A

Everybody can see and agree with that. There is a battle which will continue to go on between linear and streaming. Streaming will ultimately be advertising supported, because the public can't pay for it any other way.

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I think if you looked at the total amount of money spent, linear still has more than, has a greater share. I think that will erode over time, probably over the next three to four years, where we'll see the waterfall go more towards the streaming side of the equation. So, what does all that mean? That means it's complex.

And what's good for me? Is complexity, right? So, that's what's good. The only place, though, that you see commitments, because clients, it's not an election year, so they're going to maintain as much flexibility as they possibly can in the upfronts because they think they'll have more certainty as the year goes on. So, that'll impact it as much as anything we've just discussed, except for in the case of sports. Sports will...

David Karnovsky
Analyst, JPMorgan Securities LLC
Q

Maintain its place.

John D. Wren
Chairman & Chief Executive Officer, Omnicom Group, Inc.
A

Yeah, it'll maintain place. And we're probably the leader, because of the client base we have, in securing those commitments.

David Karnovsky
Analyst, JPMorgan Securities LLC
Q

Good. Phil, I wanted to ask you on costs. You recently announced plans to exit about 1.5 million square feet of real estate that comes on other significant reductions. Maybe you could talk about what's changed that you can pursue this level of consolidation. And then, I know there's a lot of puts and takes to the margin on that, some offsets in year one with return to office. Maybe you could speak to that.

Philip J. Angelastro
Executive Vice President & Chief Financial Officer, Omnicom Group, Inc.
A

Sure. As a result – coming out of COVID, certainly the way we work, the way our agencies work has changed. And I think you see that reflected in the actions we've taken during COVID and coming out of COVID in trying to shrink our real estate footprint. So, we've done quite a bit of that over the last – really the last five or six years, but certainly accelerated that during COVID and coming out of COVID.

We've set out a policy of people need to be in the office at least three days a week globally. But it's really three to five, because many of the markets around the world, especially outside the US, people are back to being in the office five days a week. In the US, it's a little different, especially in major cities we operate in having people back in our business. We're better together, especially the creative aspects of the business.

So, when those people come back, they're going to come back to a more open environment. We've made some investments in the portfolio in terms of making some of our facilities easier to use, more collaborative space, etcetera. That's added a little bit of costs and offset some of the savings. But we're going to use those savings to reinvest in the business and many of the things John was talking about. But we do expect it to put us in position to be near the higher end of our margin guidance, which was operating margin of 15% to 15.4%.

David Karnovsky
Analyst, JPMorgan Securities LLC
Q

Got it.

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John D. Wren
Chairman & Chief Executive Officer, Omnicom Group, Inc.
A

Yeah. One other aspect that I'll add to that is we're changing our approach in other ways. If you take the New York metropolitan area, where people are afraid to get on subways and trains, what we've done – and where people got used to going to their kids' softball game or swimming or walking the kids to school, we've opened up satellite offices in Westchester and Greenwich, on the Nassau/Suffolk county line, and in Jersey City, trying to reduce the commute and the cost of the commute for employees and give them more flexibility.

So, not rent – insisting that they come to the office because they need to be in an office environment, but not – trying to mitigate wherever we can that disruption that you had total flexibility before. Now, you have to go back into a structured environment. But we're not making you commute two hours and pay a gazillion dollars to park.

David Karnovsky
Analyst, JPMorgan Securities LLC
Q

[ph] It's got to (00:31:30) go up, yeah, congestion.

John D. Wren
Chairman & Chief Executive Officer, Omnicom Group, Inc.
A

Yeah.

David Karnovsky
Analyst, JPMorgan Securities LLC
Q

Phil, you updated your financial disclosures on the cost side. You broke out third-party incidental costs like travel from third-party costs, where you act as a principal. I'm just curious, for the latter, can you say in what business lines you are acting as a principal? How much of that is sort of your media operations?

Philip J. Angelastro
Executive Vice President & Chief Financial Officer, Omnicom Group, Inc.
A

Sure. So, we have a few different businesses that have those types of costs, including our principal media operations, our events business, certainly in our field marketing business. Those are the three principal pieces of the business that operate in that way. But there are some of those costs that come through virtually all of our disciplines, but at a much, much smaller level. And media business is probably about half of that.

David Karnovsky
Analyst, JPMorgan Securities LLC
Q

Got it. John, maybe just one last one for me, going back to the real estate. I think you're going to be kind of co-locating agencies at single offices. And you've always been really careful to maintain separate identities, cultures for your agencies, right? Any risk of now kind of bringing everyone under one roof or is that...

John D. Wren
Chairman & Chief Executive Officer, Omnicom Group, Inc.
A

The risks are minor. And the difference in Omnicom over the past – I've been around, as I said, for many decades now. People used to buy just brands and just activities. Increasingly, people are buying Omnicom. And our people have learned how to collaborate a lot better. The major cultures and differences and approaches are – there's a lot more similarities than differences. And I allow those positive people to live with other positive people.

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They've always known what the differences are and approach. You can see it in how we prepare, which we've never done before until recently. When an RFP comes in, it comes into Omnicom more often than not now than to a particular agency, especially when you're talking about larger opportunities. So that's where you really see the impact. And that's primarily in the US.

I'll give you a perfect example. The next biggest market after the US is London. In London, there's over 5,000 people. They're located in one location. It's two buildings with an adjoining bridge between the two. They're on different floors. If you went into any one of them and asked them if they have – who they work for, they'd say Omnicom. We ask them if they have a different culture than the agency on the other floor, they say yes, right?

So, we're getting the best of both worlds. We're not trying to do it at the exclusion of losing that culture, losing that ability to attract people. But we also know that clients aren't interested in hearing about us. We're there to solve a client's problems and solve it as Omnicom.

David Karnovsky

Analyst, JPMorgan Securities LLC

All right. I think that's a good way to wrap. Thanks, John.

John D. Wren

Chairman & Chief Executive Officer, Omnicom Group, Inc.

Thank you.

David Karnovsky

Analyst, JPMorgan Securities LLC

Thanks, Phil.

Philip J. Angelastro

Executive Vice President & Chief Financial Officer, Omnicom Group, Inc.

Thank you.

John D. Wren

Chairman & Chief Executive Officer, Omnicom Group, Inc.

Thanks, everybody, for coming.

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