

“A leader can transform good intentions into results”: Michael E. Roach, CEO of CGI Group

MARIE-CLAUDE MORIN . Les Affaires . December 7, 2013

It was in the summer of 2012. CGI announced a new organizational structure for Logica. Executives and employees learned who would stay and how the British firm would operate within the Montreal-based corporation. Nothing very unusual except, as Michael Roach tells us, that this announcement was made two weeks before CGI officially became the owner of Logica.

“We wanted everyone to be ready the day after the transaction,” the CEO explains to us at a meeting in CGI’s offices. Convinced that “every day lost is an even bigger step backward”, the CEO persuaded Logica’s management and Board of Directors to move the announcement forward. “This is very rare,” he admits, laughing.

The anecdote will be no surprise to those who know Michael Roach, who joined CGI in 1998 after the acquisition of Bell Sygma, a subsidiary of Bell Canada, where he was President. The words on everyone’s lips—including his—are “delivery,” “discipline” and “results”; these constantly come up when the man who has occupied the CEO’s chair since 2006 is concerned.

Jean-René Halde, CEO of Business Development Bank of Canada (BDC), has the opportunity to work with him as Chairman of the Conference Board of Canada, of which Roach is a member. “Michael Roach has an excellent ability to see the big picture. At the same time, he is capable of being extremely rigorous in follow-up and delivery.” Not everyone is gifted with this combination, Halde adds.

As a member of the panel that chose Michael Roach as CEO of the Year 2013, Christian Godin appreciates that the 61-year-old executive has kept his promises. “He was able to foresee where his company would be after the integration of Logica, despite all the changes to be implemented and the headwinds in Europe, Canada and the United States,” says Godin, Senior Vice-President at Montrusco Bolton.

But just because Michael Roach is rigorous doesn’t mean he is austere. He is quite relaxed in the conference room adjoining his office, continuing his discussion with us without the slightest sign of impatience when time runs out. Throughout the interview—except when Obamacare is mentioned—he laughs readily and even tells a few jokes.

This confirms the perspective of Paule Doré, a senior executive at CGI from 1990 to 2009 and a member of its Board of Directors since 1995: “Michael obviously has a great sense of humour and a very sharp mind.” This is one way to recognize a person’s “higher intelligence.”

Halde also knows this side of Michael Roach, who, like a certain popular breakfast cereal, has two very distinct sides. “Five minutes before the meeting, he’s drinking coffee, laughing, chatting, talking about his last trip. When we sit down, he becomes an administrator who is very much on his game, who has read his files.” A very likeable man, in short. “It’s a cliché, but it’s true,” the BDC boss says, almost apologetically

Communication: A strength not to be overlooked

Paule Doré speaks enthusiastically about Michael Roach's talents as a communicator. Capable of synthesizing very complex concepts, he finds the right phrase without talking over people's heads. "He is an excellent communicator, which is very important, both internally and with clients and shareholders."

The CEO has had opportunities to put these skills to work during the past year. To explain CGI's philosophy and *modus operandi* to the Logica teams, he moved into the London offices for six weeks.

He first insisted on holding "face-to-face meetings from the outset" with the union leaders. "We were very transparent about what we wanted to do and how we intended to do it." He said his counterparts were very willing to work with CGI, which made it possible to speed up the reorganization.

He also held a series of meetings with the executives—some 2,500 in total, which he met in groups of 300 or 400. For two days, they were given a CGI 101 training from Michael Roach, Serge Godin and Chief Financial Officer David Anderson. "You have to talk to the local executives as soon as possible, because they are the people who know the employees best." In the consulting industry, you don't sign a \$2.7-billion cheque to buy buildings and computers, but to enlist the employees' know-how and relationships with clients.

The man is in a good position to know that employees worry about their personal situation before they feel enthusiastic about the organization. "I didn't hesitate to tell them that I have been there, that I know what they're going through," says the father of two daughters, aged 32 and 34. His objective is for all employees to feel welcome at CGI.

Building a real partnership

In 1998, Michael Roach didn't hesitate: he joined CGI even though he could have stayed at Bell, where he had worked for 25 years and had just overseen the sale of Bell Sygma. "I couldn't just tell my employees, 'it's a brilliant transaction, goodbye and good luck'." If it was good enough for them, I had to follow them."

It must be said that he enjoyed the idea of being a serial acquirer. "I wanted to contribute to building something, not just manage it." He aspired to leave a legacy to future generations. Not unlike his parents, who are "a great inspiration" to him.

A blue-collar worker and a homemaker, living in Pembroke, on the Ontario side of the Ottawa River, his parents were able to provide a good education to their five sons and their daughter. They made it possible for their children to become teachers, a dentist, an RCMP officer... and a CEO of a company with 68,000 employees. "In one generation, they significantly improved our lives," says Roach, who also states that he is inspired by biographies like those of Margaret Thatcher and Bill Clinton—which he reads alongside John Grisham novels.

To make his aspirations a reality, the economics and political science graduate has found his man in Serge Godin. "He is probably one of the best deal-makers I have ever met. He also has very good long-term vision." In a quirk of fate, his own mother's maiden name was Godin! Even though he

speaks little French, his ancestors came from France, arriving in 1752 in Quebec City, where the family lived for 180 years.

Michael Roach's role at CGI has evolved gradually. Starting as Executive Vice-President, Information Systems and Services, Telecommunications, then serving as Executive Vice-President, Business Engineering and Outsourcing, he became President, Canada and Europe, before holding the position of President and Chief Operating Officer for four years, finally rising to CEO in 2006. "He had the wisdom to understand the company well before increasing his responsibilities," says Paule Doré, happy with the fact that Serge Godin took the time to walk his protégé through CGI's philosophy.

Michael Roach affirms without hesitation that he and the founder really work together as partners. "Each of us focuses on his strengths and we never do the same thing." Serge Godin concentrates on the strategic elements, particularly acquisitions and client relations. Michael Roach "transforms good intentions into positive results for all the stakeholders."

While the two men sometimes have differences of opinion on strategy, they are 100% on the same wavelength regarding the objective to be achieved: creating value. "We never disagree on that!"

A tireless courtship

Michael Roach gives himself five to seven years to double the size of CGI. Half of this growth will be organic, and the other half will come from acquisitions. "We have gotten bigger, so it will take longer," he points out with a smile, as though to give himself some leeway.

Nonetheless, the CEO does not intend to favour volume to the detriment of profitability. Logica's executives learned this quickly. "They were being paid according to revenue instead of profits. Now they have to generate profits."

Their responsibilities have been divided geographically and their powers increased. In return, they must present their performance indicators each quarter to about fifty of their peers. In addition to these controls, there are regular visits and videoconferences with the management team, the CEO explains, pointing to the huge television screen at the end of the table.

Parallel to day-to-day management, Michael Roach works with Serge Godin to identify potential targets. Then they proceed to woo them. "As the industry consolidates and they become fewer in number, we have to show them that we are still willing to discuss." Two or three times a year, he contacts the top executives of the targets that interest him and takes advantage of his travels to meet them. Some of them are hesitant to get together for a good meal and chat about strategy, he acknowledges with a laugh. "They know why I'm calling them!" Regardless, the stakes are too high: you have to strike when the iron is hot. Just as they did with Logica, which CGI had met with for the first time in 2007.

The next big acquisition, says Mr. Roach, will probably be in the United States. "That's what would make the most sense." CGI is generating \$3 billion in revenue in the United States, out of a total market of "600 or 700 billion dollars."

Michael Roach will therefore spend several more years away from the golf course. "That's not a serious problem," he says. "I love what I do and I'm not dreaming about retirement," he adds, even

though three of his siblings are now retired. As long as he has time for a few fishing trips, that will do. Guatemala, Alaska, Mexico—he and his pals take the opportunity to get away from it all. “I love fishing! It’s a good way to relax because you have to slow down.” And when you’re fishing, you have to be patient. Otherwise, you don’t catch anything.

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