

# aligning with strategic partners

Globalization is not an end unto itself. It is a means to the end of satisfying the demand for top line growth. At Dentsu, that demand is driven by our clients. We do whatever is necessary to help them achieve the growth they seek. Often, that means extending our services to global markets.

Dentsu has chosen to globalize by aligning with strategic partners. It is an approach that gives us valuable benefits. We gain access to local knowledge and global talent, introductions to clients, shared investment in infrastructure, tools and resources, and more prudent financial exposure. Strategic partnerships give us the ability to place client service specialists into hospitable environments that are well-attuned to local markets.

Of course, we sacrifice some of the advantages of majority ownership and operational autonomy. A strategic partnership is a balancing act. Each partner must recognize and respect the other's strategic priorities. You accept that there are some things you would do differently if you were doing them alone, and make the appropriate trade-offs.

Reciprocity is an important part of the equation. In return for international assistance, we help our strategic partners in Japan, the world's second largest consumer market. We also share our special expertise and experience in disciplines such as sports marketing and content development. For example, we have already formed a new company, International Sports & Entertainment, with our new strategic partner, Publicis.

Dentsu's first strategic relationship, with Young & Rubicam, recently celebrated its 20th anniversary. While there are no published statistics on the longevity of such partnerships, we feel confident that 20 years is a record in our industry. DY&R Asia, the joint venture agency, has had its ups and downs, as has every agency. But it continues to serve its clients well and to meet the needs of its parent companies.

In 2000, we entered into another strategic partnership with Bcom3, which comprised Dentsu, D'Arcy, and Leo Burnett. In 2002, that relationship evolved into a 15% ownership in Publicis, and a formidable new alliance

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was formed with uniquely balanced strength in the world's three dominant markets—the U.S., Europe, and Asia. The Publicis relationship opens up a number of new opportunities to extend ourselves globally on behalf of our clients, and puts us in the company of like-minded people who share our enthusiasm for innovation and our willingness to take risks to break new ground.

Dentsu is one of the oldest agencies in the world, yet we see ourselves as the model for the agency of the future. We pioneered integrated marketing decades ago, not as a way to capture more of our clients' marketing budgets, but as a means to deliver what we call Total Marketing Solutions. Sports marketing, event management, and the convergence of marketing and entertainment are not new businesses for Dentsu. They are what we have done to meet the needs of our clients for generations.

Our use of strategic partnerships to provide global service is yet another way we are meeting the challenge to think and act differently. It is a model that has worked well for Dentsu in the past, and the Publicis relationship greatly expands our horizons. Strategic partnerships may not be the best approach for everyone, but we feel it is right for our corporate culture and, most importantly, for our clients. ●

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