

Hakuhodo and Hakuhodo Consulting Asia Pacific team up with ICMG on a Growth & Open Innovation Program that will drive growth in Asia

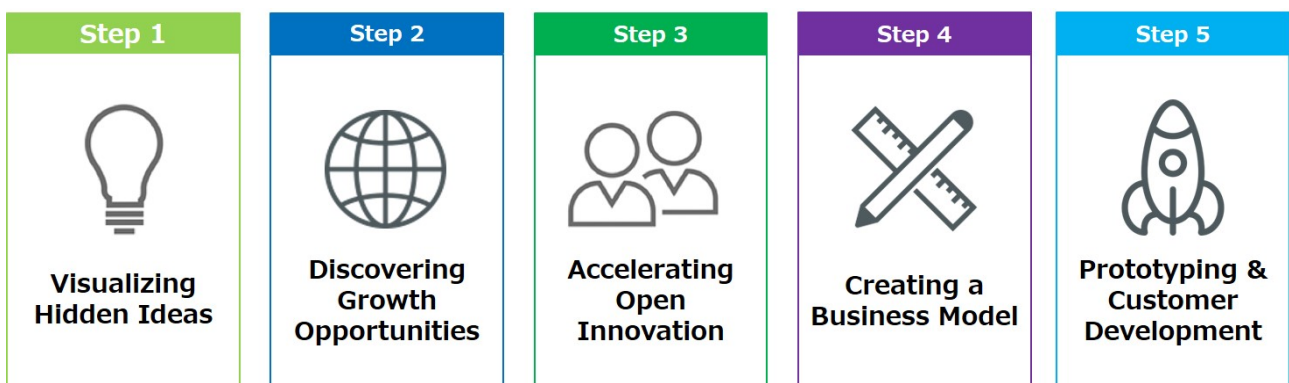
Start signing up firms for the program's first iteration

Tokyo—December 4, 2018—Hakuhodo Inc., Japan's second largest advertising agency, and Singapore-based Hakuhodo Consulting Asia Pacific, a consulting firm affiliated with Hakuhodo Group, are developing an open innovation entry program in partnership with Tokyo-based ICMG Co., Ltd. Called the Growth & Open Innovation Program, this program is designed to empower companies to grow in Asia while quickly enabling them to understand and experience the huge potential and cutting-edge position of Singapore, Asia's Innovation Nation.¹ Today we begin signing up companies and organizations for the program's first iteration, to commence in May 2019.

Falling birthrates, a graying society, and a shrinking population all act as a drag on the domestic Japanese market. In the quest for further growth, many Japanese companies are therefore considering expanding to Asian markets (including the ASEAN region) with their burgeoning populations and promise of further economic growth. What is more, advances in technologies like artificial intelligence, the Internet of Things, and the blockchain, along with the ever more rapid emergence of startups, have intensified global competition, threatening not merely to undermine revenues but even to wipe out entire sectors (eliminating companies' very stock-in-trade). Companies therefore need to make sure their existing business keeps growing while upsizing and pursuing efficiency; they also need to design and implement innovation management techniques as a means of creating new value.

The Growth & Open Innovation Program is an entry program for companies mulling the possibility of expanding to Asia. It will empower them to innovate, develop new business, execute market launch, and implement branding, all in short order, by pooling the strengths of its three developers: Hakuhodo's knowledge and experience of branding and innovation, particularly among Japanese firms; Hakuhodo Consulting Asia Pacific's expertise in uncovering *sei-katsu-sha* insights and building brands in Asia; and ICMG's open innovation network and its knowledge and experience in the fields of innovation and business creation. The program will match the resources of Japanese companies with those of pioneering startups in Asia, and it will be designed with building alliances between participating firms in mind.

Workflow of the Growth & Open Innovation Program



¹ A country that is an early adopter of innovations and conducts pioneering business experiments at government initiative.

Concepts

- Understand and experience the huge potential and cutting-edge position of Singapore, the Innovation Nation.
- Understand and experience the pressing challenges that exist in Asia (including the ASEAN region).
- Develop a hypothetical business model in collaboration with a startup.

STEP 1: Visualizing Hidden Ideas

- Representatives from institutes and government agencies in different countries share social challenges relating to the set topic.
- Participating companies share their perceived social challenges and concerns for the future.
- Form a hypothesis on the challenges to be solved by your company (from both your own perspective and that of society).

STEP 2: Discovering Growth Opportunities

- Conduct actual fieldwork in Asia based on the set topic.
- At a workshop held on the ground, redefine the hypothesis on the challenges to be solved by your company.

STEP 3: Accelerating Open Innovation

- In Singapore, hold meetings and discussions with startups and accelerators related to the set topic. Also explore the possibility of partnering with other participating firms.
- Formulate a hypothesis on how to solve your challenges. Then put together the optimum team for doing so.

STEP 4: Creating a Business Model

- Formulate a hypothetical business model based on your challenges and their solution.

STEP 5: Prototyping & Customer Development

- Fine-tune your hypothetical business model and execute test marketing.

Singapore, which is in the process of transforming itself from a trading and financial hub into an innovation hub, now welcomes innovations from across the globe. It has successfully sped up growth among corporate startups in Asia while conducting business experiments with the support of the government, which oversees its innovation strategy.

The topic of the first Growth & Open Innovation Program will be “Smart Cities.” In Asia, as economic growth expands the middle class and drives urbanization, information technology is penetrating peoples’ lives so rapidly that the region has leapfrogged much of the world. Urban development projects to create smart cities are being undertaken in many different countries, but with the exception of Singapore there are virtually no smart cities in hot, steamy climes like Asia. A new model is therefore needed.

The goal of the first Growth & Open Innovation Program will be to identify ways to break into the field of smart city development, a potentially rich source of business opportunities for Japanese firms. To that end Singapore has been selected as the site of the fieldwork, and participants will team up with Singapore-based startups. Singapore was recently named “Smart City of 2018” at the Smart City Expo World Congress 2018 held in Barcelona in recognition of the fact that its smart city initiatives are currently the most advanced in the world. Observing Singapore today will thus aid in understanding the overall evolution of smart cities across the globe.

While tapping Singapore’s potential as the Innovation Nation, the Growth & Open Innovation Program will in the future focus on many other topics as well, thus helping companies grow their business in Asia.

About Hakuodo

True to its twin philosophies of *Sei-katsu-sha* Insight and a commitment to partnership, Hakuodo and its team of highly creative professionals help clients overcome whatever challenges they face—not just in the advertising field but in many other areas as well, from formulating strategies to initiating social movements. By staying a step ahead of changes in the marketing landscape, and by leveraging its integrated marketing management capabilities to enhance the enterprise value of its clients, Hakuodo stands as one of the world's top marketing companies.

To learn more, visit: www.hakuodo-global.com

About Hakuodo Consulting Asia Pacific

Hakuodo Consulting Asia Pacific, a Singapore-based consulting firm affiliated with the Hakuodo Group, helps Japanese companies grow their business in the ASEAN market by providing support with marketing strategy development and brand management.

To learn more, visit:

www.hakuodo-consulting.co.jp/service/hcap/ (Japanese)

www.hakuodo-consulting-asiapacific.com/ (English)

About ICMG Co., Ltd.

ICMG is a corporate innovation accelerator dedicated to delivering sustained corporate growth. It develops innovations in creative partnership with clients through its expertise in strategy, leadership, innovation, and execution (SLIE). In Singapore, working with the Singaporean government, it pioneers growth on the open innovation model by tapping the country's massive potential.

To learn more, visit: <https://www.icmg.co.jp/en/>

Media contacts:

Corporate Public Relations Division

koho.mail@hakuodo.co.jp