

Hakuhodo initiates full-scale business co-creation with major firms

The Hakuhodo JV Studio program will create new businesses by combining clients' assets with Hakuhodo's business co-creation expertise

Tokyo—August 13, 2021—Hakuhodo Inc., the world's third largest advertising company, is pleased to announce that it is initiating a full-scale program to co-create new businesses in partnership with client firms. The Hakuhodo JV Studio program will jointly develop new businesses and revenue sources by combining clients' diverse assets with Hakuhodo's expertise in business co-creation. The program has been set up by Hakuhodo's new business development unit, MIRAI Business Division.

Corporate initiatives to develop new businesses are becoming more common by the year. Companies take many different approaches to setting up a new business. But doing the job alone is challenging for any firm, no matter how resourceful it is. More and more companies are therefore choosing to work with a partner.

Hakuhodo has provided business development support to many client firms. Now they approach it with increasing frequency about becoming a business partner. They hope to take advantage of its expertise in *sei-katsu-sha*¹ insight, its insights into the future, and its ability to get things done.

To address this need, Hakuhodo is turning business co-creation into a full-scale business. It has established a framework for creating new enterprises by harnessing synergies between the client's assets and its own resources. This effort has been spearheaded by MIRAI Business Division. The new business co-creation program Hakuhodo JV Studio will be launched within the Division today. Under this program, Hakuhodo will join the client firm in exploring business opportunities in the near future by leveraging its expertise in formulating *sei-katsu-sha*-oriented growth strategies. A joint venture (JV) will be established to execute the business plan, with the client and Hakuhodo sharing the risks in terms of time, money, and human resources. Together they will seek new sources of revenue. Business plans will be implemented by people with skill and experience in launching new enterprises.

How Hakuhodo JV Studio works and the concept behind it

- A one-stop business creation program encompassing the entire process from conceptualization to execution. The conceptualization stage is divided into three phases: the exploration phase, the amplification phase, and the incubation phase. It will typically take about a year to proceed from exploration to incubation. Projects may, depending on their nature, begin at the amplification phase or incubation phase instead.
- Any business formed under the program is to take the form of a joint venture, with each of the partners holding a stake. Hakuhodo will propose various ways of monetizing the enterprise.

¹ "*Sei-katsu-sha*" is a term we use to describe people not simply as consumers, but as fully rounded individuals with their own lifestyles, aspirations and dreams.

- The business should be a completely new one for both companies, not an extension of their existing operations. It should also create new value on the *Sei-katsu-sha* Interface Market (Note).
- The goal is set up some thirty JVs in three years.

Through this initiative, Hakuhodo is taking its commitment to partnership—one of the cornerstones of its philosophy—to a new level. Besides being the client’s marketing partner, it will now assume a valuable new role as their partner in business co-creation.

Note: The *Sei-katsu-sha* Interface Market

Technological advances like 5G and the Internet of Things (IoT) are creating new interfaces in people’s lives by connecting everything they own. These new interfaces expand the potential for new experiences and services. New social structures and markets are emerging as a result. Hakuhodo regards these developments as marking the advent of the “*Sei-katsu-sha* Interface Market.” In that conviction, it is working to create new value that links *sei-katsu-sha* more closely to society and companies.

<https://www.hakuhodo.co.jp/sifm/>

■ About Hakuhodo

Founded in 1895, Hakuhodo is an integrated marketing solutions company headquartered in Tokyo, Japan. With offices in 20 countries and regions, and over 10,000 specialists working in Japan and around the world, Hakuhodo is the world’s third largest advertising agency according to *Ad Age*’s “Agency Report 2021.” The company is the core agency of the Hakuhodo DY Group.

Sei-katsu-sha insight is the foundation for Hakuhodo’s thinking, planning, and brand building. It reminds us that consumers are more than shoppers performing an economic function. They have heartbeats. They are individuals with distinct lifestyles. Hakuhodo introduced this term in the 1980s to emphasize its commitment to a comprehensive, 360-degree perspective on consumers’ lives.

With *sei-katsu-sha* insight as its cornerstone, Hakuhodo combines creativity, integrative capabilities, and data and technology to play a leading role in evolving companies’ marketing activities and generating innovation for the completely digitalized era. This enables the company to impact and provide value to *sei-katsu-sha* and society.

Renowned for its creativity, Hakuhodo has won the Grand Prix at Cannes Lions International Festival of Creativity twice, and was named Network of the Year at ADFEST 2021.

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

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Further Information

■ Hakuhodo JV Studio

A program designed to establish new sources of revenue by designing and setting up a joint venture (JV) that capitalizes on synergies between the client's assets and Hakuhodo's resources. Our team of professionals, with their superb knowledge of innovation and new business creation, will be with you all the way.

Some of the services offered:

- Exploring business opportunities for the client and Hakuhodo to pursue together
- Designing the exact UX and type of service that the two partners should aim to deliver via the new enterprise
- Planning and executing pilot testing of the new enterprise to verify its viability
- Drawing up the detailed JV plan and agreement and designing other aspects of the business scheme

■ MIRAI Business Division

Hakuhodo has helped many clients become innovators. Now, building on that experience, it is rising to the challenge of creating new business on its own account. MIRAI Business Division was launched in April 2019 to pursue that goal. Specializing in new business development, this unit brings together a diverse team of consultants, marketers, creatives, business development experts, and technologists from throughout Hakuhodo. MIRAI Business Division is dedicated to the mission of "collective business creation." It aims to nurture the kinds of businesses that no company can create alone. To that end it forms a large team with a multitude of partners including established companies, startups, research institutes, and government. Moreover, Hakuhodo itself takes risks as one of the business owners. MIRAI Business Division harnesses Hakuhodo's twin strengths, *sei-katsu-sha* insight and creativity, to the task of incubating new businesses. In the process it is taking on an even bigger challenge: creating the lifestyles of the future—and laying the foundations for tomorrow's society. <http://mirai-biz.jp/>