Remaking the Dentsu Group for the Future

In fiscal 2018, ended December 31, 2018, Dentsu Group companies in Japan completed a two-year workplace reform project to improve labor conditions and curb excessive working hours. Launched in fiscal 2017, the project involved wide-ranging and comprehensive reforms throughout our Company in Japan.

Giving priority to the mental and physical health of all employees, we overhauled operational processes, made forward-looking investments in IT and advanced systems, improved working conditions in our offices, revamped personnel systems, and introduced initiatives for helping employees develop.

Now that the project has been completed, we are pursuing innovations in our business practices throughout the Dentsu Group, while laying a path toward its sustainable growth.

I am confident that the reforms we have accomplished in Japan, together with the establishment of common systems and platforms we have implemented in our international business, will contribute greatly to the Group’s growth and competitiveness.

Our Future in a Post-digital World Requires Diversity

The post-digital business world of today is unlike any other before—now practically any information is instantly accessible anywhere in the world. I believe this has major implications for both the future of advertising and the future of advertising companies.

First, advertising in the future will be in a form completely unlike that of the present. Historically, advertisements were once limited to printed text and photographs, and later evolved with the inventions of radio and television. Sporting events became venues for advertising, and eventually consumers themselves served as advertising mediums through fashion and wearable products.

Then, that long evolution of advertising dramatically accelerated when the internet came on the scene and radically escalated the number of advertising mediums. Following that explosion of media, advertising grew more complex and difficult for many in the industry.

In actuality, however, we now have many more valuable techniques and media that can be integrated into advertisements to increase their effectiveness. As those techniques are applied, advertisements in the future will increasingly appear very different than those to which we have been accustomed, and this will present advertising companies with greater opportunities through which advertising can be realized.

I also believe that, in the future, advertising companies will become much more involved in issues outside of advertising. Essentially, an advertising company clarifies what a client wants to achieve, creates ideas to achieve that goal, and then applies those ideas in an advertising project.

If we consider advertising in the broadest sense, however, this process of clarifying goals, finding practical solutions and applying those ideas can be extended beyond advertising to all kinds of issues confronting people around the world.

Indeed, advertising companies will be increasingly called on to get more involved in such issues as the post-digital era brings the world’s people closer together. As members of the Dentsu Group, we aspire to promptly and flexibly respond to such calls. To respond effectively, I believe diversity will be a key factor.

Toward a More Diverse Dentsu Group

We decided to organize the Dentsu Group under a pure holding company structure effective January 2020, and preparations for this shift are currently underway. As part of this reorganization, we will encourage all Group companies to respond decisively to changes in the operating environment by making the most of diversity.

Over a history spanning almost 120 years, Dentsu has adapted to the changing times by embracing diversity. Looking ahead, the Dentsu Group will need to diversify as a metanational group capable of quickly and effectively combining the diverse capabilities of each of its members around the world, rather than rely on those
based in any particular country. I believe this will be the Group’s most important competitive advantage.

Driven by the growth of the Dentsu Aegis Network, which we launched in 2013 to lead international operations, the Dentsu Group has expanded to over a thousand companies in over 45 countries and regions, with more than 60,000 employees around the world.

Having achieved our past goal of becoming a global group, our task now is to explore the diversity of the world’s people while promoting the wide-ranging approaches and talents of our own members so that the Dentsu Group may continue to evolve.

Today, new ideas, skills, and innovations spawned by any given market can be instantly transmitted digitally. For that reason, we recognize how essential it is for the Dentsu Group to explore, connect, and foster its own diversity without delay. The focal points for this undertaking are the opportunities given to all Group employees who comprise our collective team of dentsu-jin with the aim to have all of the Group’s 60,000-plus members worldwide to come together and discover each other under One Dentsu.

In Partnership with Our Clients and Other Stakeholders
Our mission is to consistently offer outstanding value to our clients and help them grow. To accomplish that, we must consider every aspect of our clients, including their own customers, end-users of their products, their partners, the communities they serve, and the public at large. In that sense, our work should contribute to making society more prosperous and the world a better place.

As vital stakeholders, Dentsu Group’s employees can help our clients and contribute to society by creating value in all kinds of ways. I want all of the Group’s members to take pride and satisfaction in these pursuits.

The Dentsu Group remains committed to helping realize a sustainable society in partnership with its clients. We thus will continue promoting innovation and fresh initiatives. We ask the Group’s stakeholders for their understanding and support of these endeavors.