

BUILDING Brands

As a pioneering organisation offering media, digital, and creative communication strategies across 26 different agencies, Dentsu Aegis Network is innovating in the way it helps its clients build their brands.

Images by Estelle Judah Photography

Dentsu Aegis Network has a number of claims to fame in Australia and New Zealand. It was arguably the first independent media buyer, the first search and performance business, and the first digital display media agency. Evidently, it has made its mark on the fast-paced media environment. The business has a global and local network of brands, and specialises in providing best-in-class expertise in the areas of digital creative execution, media planning and buying, mobile applications, search and performance, content creation, brand activations and tracking, public relations, lifestyle marketing, and marketing analytics.

Luke Littlefield has been CEO of Dentsu Aegis Network Australia and New Zealand for four years, prior to which he was COO for three and a half years. He is passionate about his role and thrilled to be leading the

company's efforts to grow organically and through acquisition in order to help his clients' brands reach their full potential. "I think our group is a unique organisation," Luke says.

"We are not a holding company. We don't just go and buy businesses to add profit to the bottom line. We structure our business so we are thinking about where our organisation needs to be to take our clients there first. All of the companies in our group, with the exception of the recent acquisitions, are 100 per cent owned and run by a parent company model. This means we have a group of executives and about nine business divisions for our 26 businesses. Our entire focus is on how we can use the capabilities of those businesses and the people in those businesses to the benefit of our clients.

"Our operating model is about deep specialisation but horizontal integration. When we take a brief from a client, our people are

always tasked to use insights and from those insights to pick the assets, or skills, in any one or more of our business units to deliver that solution for the client. What makes that work is the fact that we all have one profit and loss. Individual business managers are not incentivised purely on the financial performance of their business, but rather on the service they deliver for their clients. This means there are no financial barriers when it comes to delivering the best thinking and services for the client."

Luke has always been interested in business and people. "It's probably a combination of the fact that my father was a butcher with five butcher shops and spent his whole life running a competitive service-based business, and my mother being the head of the Australian Psychological Society."

Luke has a background in finance, studying commerce at university before taking a graduate role with the accounting firm KPMG. After >



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that has everyone going the same way is probably as good as, if not better, than a 10,000-person organisation that isn't values based and is possibly dysfunctional.

"We are in a service industry. It really is all about our clients, and it's about understanding and being aware of how the industry is changing and moving. It's about making sure our organisation is focused on being there first to benefit our clients. I need to make sure that we are then operationally organised to deliver that for our clients, and therefore I need to invest in our people and make sure that they know and understand what they have got to do. Underlining all of that is the fact we are a values-based organisation to ensure those behaviours reflect the values. That's how we can harness the power. We are not a factory, so it's not the machines; it's all about the people and how we invest in the people, put values behind them, and ensure their behaviours reflect what we stand for."

The company also keeps these aforementioned values in mind when aligning itself with key suppliers and other partners. Luke understands that the relationships it develops are critical to ensure the effective delivery of its services, and therefore he wants to work with others who share similar ideals. "Given our size and scale, we expect and are given a very competitive price, but we don't always have to have the best price from our partners every time because we're really considerate of the fact that they are trying to run a business as well. We need to work as partners and we want to be their preferred partners, as more value can be driven for our clients beyond just price. They need to be commercially profitable so they can re-invest in their people, product, and service. If they do that, it means we can work with them to deliver a really good outcome."

In the past five years, Dentsu Aegis Network's Australian and New Zealand operations have roughly doubled in size, largely through



organic growth and from being the first to market in a number of areas. Acquisitions also play a role, with the business recently purchasing the digital creative business Soap and the traditional creative agency BMW.

"Our strategy is to look where the industry is going and shape our organisation to make sure that we are at the forefront," Luke says. "From my perspective, if we look to buy something, it's got to give scale or be in a space that we are not already in today and that we need to be in. We will continue to look to grow our organisation organically and through acquisition, but it's all about the service that we deliver to the benefit of our clients and the value that we can create for our clients."

Throughout his time with the organisation, Luke has witnessed some significant changes within the industry that he has had to steer Dentsu Aegis Network through. The biggest one has been the evolution of the digital age. Prior to the new millennium, most people consumed media through analog means such as TV, radio, out-of-home, cinema, magazines, and newspapers. Nowadays, the proliferation of the internet means that all things have turned digital.

"As technology, data bandwidth, and smartphones drive consumer

adoption, we will all live in a 100-per-cent digital economy. This does not mean that the economy is 100 per cent made up of digital transactions; however, it does mean, for example, that all media will be digitally enabled. We will connect through digital; all content will be multiformat and digitally distributed; all engagement will be addressable and measurable and powered by unique data and insights. This reality will cause significant disruption to business and established businesses as they exist today.

"When it comes to connecting brands with consumers, we have to consider not only traditional analog channels, which have actually become digital in their own way, but there is more money in Australia being spent by advertisers through digital means such as social, mobile, desktop, and internet. There is no doubt the internet, digital, and the fragmentation of media have certainly been the biggest changes in the industry over the past seven years. Digital has become the economy. There is no longer an analog economy and a digital economy. Digital has become everything, and technology is at the heart of that digital economy."

In the future, Luke says, globalisation will continue to be a common theme for the industry

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and for Dentsu Aegis Network. "Everyone is globally connected in some way, and that extends to the way media is consumed, created, and shared in today's society," he explains.

Luke also believes disruption to traditional business models and markets is going to become more prevalent. "Disruption is everywhere. For example, there are companies such as Airbnb or Uber that didn't exist two to three years ago but now have a market capitalisation bigger than companies who have been around for 50 years. Disruption to traditional business models is everywhere, and I guess from our perspective, this drives opportunity.

"So as businesses and brands are creating and establishing themselves, the world that we live in, through both digital and technology, is causing so much fragmentation. This drives opportunity for organisations like Dentsu Aegis Network that are about connecting brands with consumers. We can really help our clients understand this and effectively and efficiently help those brands to connect with current customers and potential customers.

"I think digital and technology is really a key place to be, and from our perspective we keep reshaping our business to adapt to that." •

four years, he moved to Pacific Dunlop, now known as Ansell, where he led the group's corporate finance function and was also responsible for the financial performance of the group's 2000 Sydney Olympic Games sponsorship. Five years later, he moved into a CFO position with the publicly listed technology business IWL Limited.

"At the time, I saw it as a significant step for myself," Luke says. "That's been a bit of a philosophy over my journey, to never stay within your comfort zone—to build your knowledge and experience, then use that knowledge and experience to continue to grow. I thought: What's the worst thing that could happen here? I could be six months into the role and realise I just can't do it, or I could challenge myself and let it be my next stepping stone."

Working with a very entrepreneurial founder and CEO, Luke played an integral role in taking the business from a market capitalisation of around \$30 million to \$360 million, when it was bought by Commonwealth Bank six years later. During his time at IWL, he was promoted to the dual role of COO and CFO, taking over the entire management of operations. "I had all the investor relations responsibilities as well, which I found immensely

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challenging and enjoyable. I got to meet many people in the financial services industry: stockbrokers, analysts, fund managers."

In 2007, he took on a COO role at Mitchell Communication Group, which was acquired by Aegis Media three years later. By June 2011, he was appointed CEO, and the business was then bought by the Japanese publicly listed company Dentsu Inc., and the Dentsu Aegis Network was formed.

Dentsu Aegis Network is a truly global media marketing communications group with 300 offices in 110 countries around the world. Luke oversees more than 1,500 dedicated staff in six locations across Australia and New Zealand. He believes it is important to be a values-based organisation because that is what binds the team together and encourages collaboration. The group's five core principles are: pioneering, ambitious, agile, collaborative, and responsible. "They reflect the legacy of the group and who we want to be," he explains. "We use those values to guide and develop our people and to inform the way they work, which ultimately benefits our clients. They drive our service philosophy of being 'different and better'. Values are really important to me because I want to make sure that our people's behaviour reflects them. A 1,500-person organisation



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