

Ogilvy & Mather, Scangroup partner in Africa

Ogilvy & Mather and Scangroup have partnered in creating the sub-Saharan African venture, Ogilvy Africa. The partnership is via a share swap transaction, subject to regulatory and shareholder approval. Ogilvy & Mather will exchange its shareholdings in its operations outside South Africa for a combination of Scangroup shares and cash consideration.



Scangroup is an associate of WPP, the global communications services group.

Ogilvy East Africa will be a part of this larger network, but within East Africa will operate independently of Scangroup local operations.

New Africa CEO

A new Ogilvy Africa CEO will be appointed to coordinate and service pan-African clients as well as manage network affiliates across the markets from Johannesburg and Nairobi.

Nunu Ntshingila, Ogilvy South Africa CEO, explains, "Since the mid 1990's, Ogilvy South Africa has been active in the development of a world-class pan-African communication network. We've invested in partnerships with quality affiliates, in training and in the management of the network. We've done this based on our deep-seated confidence in Africa as a continent of opportunity. We now need to take this initiative to a new level, and to do this we need to combine our strengths with Scangroup and WPP. As a partnership, we believe this represents an unbeatable combination on the continent, and we're excited by the possibilities going forward.

"We're confident that this will result in positive benefits for our clients, our people and our affiliate partners

Growing middle class

Miles Young, global CEO of Ogilvy & Mather, said, "I passionately believe that sub-Saharan Africa is one of the last great frontiers in global communications - and that it will be one of the most fertile. Now is the time to invest, ahead of the curve, just as we have done in other developing geographies. Africa's growing middle class, its increasing political stability, its fast economic growth and its attractive talent base make it a critical component of any truly global business strategy.

"This partnership creates the first African powerhouse in the marketing services business - and it is a defining moment."

Knowledge-rich network

Bharat Thakrar, CEO, Scangroup, said, "We're seeing a distinct increase in demand from clients seeking

both truly pan-African support as well as best-in-class marketing services. In embarking on a joint venture with Ogilvy & Mather, the partnership lends our networks the much needed thrust to form a truly pan-African agency group with products and services comparable only to the world's finest in the integrated marketing communications space.

"By joining forces with Ogilvy & Mather across sub-Saharan Africa, Scangroup's ambition to pitch our regional success across the continent is now a reality. The ultimate conclusion of this deal will deliver a wide range of benefits to key stakeholders, a larger, more robust and knowledge-rich network for clients, a stronger, more successful organisation guaranteeing great careers for employees, and a commercially strong and more profitable investment for Scangroup shareholders."

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