

FoxP2 increases BEE ownership to 51%

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In a positive step forward for transformation in the South African advertising industry, FoxP2 has increased its recognised Black ownership from 45% to 51% through an investment in the agency by the Vumela Fund, established by FNB Business and Edge Growth.

FoxP2 was founded in Cape Town late in 2005 and opened a Johannesburg office in 2013. Its initial 45% BBBEE-ownership was achieved through its 2018 deal with Japanese international marketing, advertising and public relations company [Dentsu](#), which is listed on the Tokyo stock exchange.



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This left the agency with three sets of shareholders: Dentsu, a Dentsu-backed employee staff ownership programme (ESOP) and the FoxP2 partners: Charl Thom, Grant Jacobsen, Justin Gomes and Andrew Whitehouse. The ESOP took the form of a BBBEE employee share trust structure across the Dentsu South African group of companies, beneficiaries for which are selected from the entire Dentsu SA group.

The current deal, in which the Vumela Fund has acquired a 10% private shareholding, effectively places 51% of FoxP2 in the hands of Black owners.

While this is significant for the agency as a South African corporate citizen, Thom is as pleased with the fact that the deal comes via a fund that is backed by one of its longest-standing clients, FNB.

“We have a long history together that we are very proud of,” he said. “FNB has been part of FoxP2’s client portfolio since 2014, and it’s therefore been very satisfying to conclude this deal with the Vumela Fund.”

Product manager for SME transactional solution at FNB Commercial, Tshepo Ntlamelle, said FNB has, in the past few years, been actively engaging with like-minded organisations to identify solutions aimed towards helping to accelerate transformation in various business sectors.

“One of the themes identified focused on ‘support for emerging enterprises and Black businesses through procurement and enterprise development’, with the aim to effect meaningful procurement spend across a number of commodities.

“Our investment into FoxP2 through the Vumela Fund is strongly aligned to this objective, as we continue on our journey to empower businesses to achieve and sustain their transformation goals,” Ntlamelle said.

The objective of the Vumela Fund, established by FNB Business and Edge Growth in 2009, is to invest in high-growth SMEs with good economic and social impact returns.

Edge Growth, which manages the Vumela Fund and its investments, was attracted by FoxP2’s culture, corporate structure and global partner – Dentsu.

According to Edge Growth investment principal Sam Tennant, the private shareholding deal took two years in the making and has been characterised by his team’s respect for the agency growing steadily.

“The Vumela Fund’s investments are typically medium-term in duration, that’s five to 10 years of being locked into a relationship that needs to deliver on many different levels. Both parties wanted to ensure that we were the right partners best placed to meet each other’s needs.

“FoxP2’s culture resonated strongly with ours at Edge Growth. We were impressed with the agency’s culture of collaboration when it comes to seeking solutions to their clients’ business and marketing problems. There is an unusually flat and flexible hierarchy, with the emphasis on delivering in the smartest and most effective way, and not on empire-building. This was attractive to us and resonated with our culture at Edge Growth.

“We believe there are some strong synergies that would allow us to work together to unlock growth in FoxP2. Cementing the deal was FoxP2 being acquired by dentsu South Africa – it gave us a lot of comfort to know that there was a stakeholder of their stature involved’.

“Even more, we appreciated that FoxP2 had retained their own identity and that dentsu was onboard with that. We’re exceptionally excited to get to work with such a talented team and look forward to walking this journey with them over the next few years,” said Tennant.



Charl Thom

About FoxP2:

For over 14 years, FoxP2 has consistently set the benchmark for both results-driven and much-loved creativity for notable brands like FNB, Wimpy and [Hippo.co.za](https://hippo.co.za). Its work is lauded by its peers and loved by consumers alike. It is currently ranked number one mid-sized agency in South Africa by the Loerie Awards (2019 and 2020) and number one for Most Effective Creativity (Scopen 2019/2020). Most recently, there was a first place in the 2020/2021 Marketing Achievement Awards and a first place at the 2020 Creative Circle Ad of the Year. FoxP2’s ability to deliver business-insightful creative stems from its fusion of data-driven insights with human-powered talent, and an aptitude for long-term brand-thinking that also drives results in the short-term. Making its breakthrough creative even sharper is its exclusive partnership with Dentsu, a global leader in media and communications.

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