

# UK conglomerate buys Minneapolis Net firm Imaginet

**By Neal St. Anthony**  
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Imaginet, a 110-person Internet-services consultant in downtown Minneapolis, has been acquired by WPP Group, the publicly traded, United Kingdom-based communications conglomerate.

Terms were not disclosed.

Imaginet is owned principally by CEO Scott Litman, President Dan Mallin and investor Edwin (Skip) Gage, who also is the chief executive of Gage Marketing.

"We've been building the business plan and also wondering how we were going to take it to the next level," Litman said Friday. "This allows us to take the business to the next level, at the same time retaining the culture and the

brand of our Minneapolis-based business. Our name is most known regionally, and we look at this as a national opportunity.

"WPP has about 100 companies, all with their own names and managements."

Imaginet, which was profitable on about \$14 million in revenue last year, will operate as a division of WPP unit J. Walter Thompson to "fulfill the growing electronic-business needs of Thompson clients," the company said.

The two organizations previously worked jointly on Thompson's Goodyear Tire and Rubber account.

Imaginet said its "day-to-day operations will not change as a result of the agreement." The company added that it rejected

attractive purchase offers in the past because they threatened its "unique culture."

Thompson and the other WPP Group companies expect to use Imaginet's "enterprise-wide technology solutions" to aid some of their global clients, such as De Beers, Ford Motor, Lipton Brisk and Oscar Mayer. Other WPP divisions include Young & Rubicam and the public relations and lobbying firm Hill & Knowlton.

Imaginet designs Internet-based packages, including Web sites and transaction models, and related electronic-business tools in collaboration with technology and marketing partners.

The firm, founded in the early 1990s, boasts a client list that includes Dain Rauscher of Minne-

apolis, DirectAg.com of St. Paul, Goodyear, Medtronic Inc. of Fridley, the St. Paul Companies and Express Scripts. It was represented in the merger discussions by Minneapolis-based investment banker Goldsmith Agio Helms.

Imaginet has been adding about five employees a month and is known for such generous policies as granting stock options to everybody, having no dress code or set hours for workers, and free refreshments and health club memberships.

It was one of the first and largest Twin Cities firms to jump into the electronic-commerce services business.

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