

GSW Worldwide

'Crisis year' nets powerhouse agency new accounts, larger global footprint



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—Phil Deschamps

If 2009 was a crisis year in terms of a shaky economy and ongoing industry consolidation, then “give me a crisis year every year,” says Phil Deschamps, president and CEO at GSW Worldwide.

The agency’s clients may have slowed down the decision-making process a little, but only one account was lost: Johnson & Johnson’s Medical Device and Diagnostics, as a result of that company’s agency consolidation in 2009. In the win column, Deschamps says GSW won 14-16 pieces of business in 2009, and is pitching for six or seven more right now. “I think the major agencies benefit from the uncertainty over size and scale of the smaller players,” says Deschamps. “That brought us a lot of business that normally we wouldn’t have gotten, and we got it very cheaply, and then people were just giving us business rather than asking us to pitch.” Growth was in the “double-digits on the top line, and more significant on the profit line,” according to Deschamps.

Major wins in 2009 include Novartis’ Menveo, a meningococcal vaccine indicated for infants, two COPD treatments with Teva Respiratory, ProAir HFA

and QVAR, and a tricyclic antidepressant called Tofranil PM with Covidien. The agency also won work on Covidien’s Exalgo, an extended release pain drug. Other 2009 wins include two bio-surgical drug delivery brands with Baxter (TachoSil and GentaFleece), and Takeda’s Vedolizumab, a phase III product for irritable bowel disease.

In 2010, GSW picked up Azur Pharma’s Elestrin, a treatment for symptoms associated with menopause, an OTC product with Wellspring Pharma, and other brands that can’t be named, per Deschamps. The Columbus headquarters scored a major win on the professional side with Amgen’s Prolia in 2010, which was approved in June after hang-ups with the FDA last year (Prolia was approved in the EU in late May). That product is expected to generate blockbuster sales, according to several analysts—it will compete with Merck’s Fosamax, Warner Chilcott’s Actonel and Roche/Genentech’s Boniva (all of which are big sellers) in the postmenopausal osteoporosis category.

The professional AOR account with Amgen (for Prolia) was pitched and won by Pink Tank, GSW’s women’s health group led by president and founder Marcee Nelson, according to Joe Daley, president of US operations. Daley calls the Prolia win the “tip of the sphere at Pink Tank.” The power of that group, according to Daley, is that “80-plus percent of all healthcare decisions are made by women. That voice is relevant and present in most brands, and the brand’s ability to succeed,” he says. Deschamps characterizes female decision-making overseas as being “less over the top than it is in the US,” but says there are some similarities.

Speaking of overseas, GSW Worldwide’s footprint now includes six fully-owned offices and eight others where the agency has equity positions, according to Deschamps. The agency opened an office in Mexico in 2009, and has Middle Eastern offices in capital cities Riyadh and Cairo, as well as an office in Dubai, a



Above: A brochure for patients using Roche’s Invirase; Above left: Part of a website for Xanodyne’s Zipsor

part of the United Arab Emirates. Deschamps says GSW’s international footprint includes Australia, Japan, Moscow, Europe, Canada and Brazil, plus the aforementioned Mexican and Middle Eastern offices. Total headcount outside the US is “in the 220 range,” says Deschamps, adding that emerging markets present an opportunity for growth. “Agencies in emerging markets play the role of a variable cost resource, where we get much more involved and almost inextricably linked with our major clients,” he says, adding that new



Above: A consumer ad from a campaign for Takeda on gout awareness and what to do to treat the problem

services in China will be announced “in the next six months or so.” Angela Liedler, formerly the manager of GSW’s German business, was elevated to group president of all European operations.

GSW’s US headquarters are in Columbus, Ohio, and the agency has offices in Newtown, PA, and New York City. Ballpark headcount in the US is 500 employees, and the agency is hiring; Deschamps says there are 20 or 30 open positions in the Columbus office alone. “We’re finding it oddly difficult to find people,” says Deschamps. “When people have a job today they hold onto it.”

InVentiv Health, parent to GSW Worldwide, announced in May that it will be acquired by private equity firm Thomas H. Lee Partners, for about \$1.1 billion. Analysts said the move reflects the passage of healthcare legislation that could potentially boost drug sales, a notion not lost on Deschamps. “I’m intrigued by healthcare reform. Seven-tenths of every dollar spent on healthcare in the US is in obesity, diabetes and cardiovascular care,” says Deschamps. “If you add oncology to that, you’re at almost 80 cents on the dollar. These are the categories I need and want to be core in, not only for business reasons, but to make a difference.”

Asked about the percentage of professional versus consumer work done at GSW, Deschamps and Daley call the distinction “obsolete” and “arbitrary,” respectively. “More and more, accounts are looking at targets and environments and 360 degree marketing. There’s no account where we don’t do consumer marketing, it’s just not through the TV,” says Deschamps. “It’s hard to distinguish [between professional and consumer], because we really focus on patient/doctor dialogue,” says

Daley, adding that questions around the use of digital versus other channels “will get the same answer.”

Elaborating further on the digital question, Deschamps says that two years ago, “perhaps we would have treated digital as something we did. Today, digital is who we are. This is particularly true outside of the US.” With digital moving toward “the center of the plate” in recent years, GSW has created “original software that drives the tablet environment,” says Daley. Created in-house, software in the form of an application or “container” can “hold and serve content through tablet PCs in ways that enable very natural conversations to take place,” Daley says, adding that the software also can be used for self-directed information on the web. “Lots of clients” have bought the software, but naming names was not allowed.

Daley says GSW is also “on the front end of Risk Evaluation and Mitigation Strategies (REMS),” an FDA program created in 2007 to ensure that the benefits of a drug outweigh its risks. The agency continues to work on Allergan’s Botox, which underwent the REMS process last year. Daley calls REMS “an invitation to interact more directly with customers, and [a way] to create a true two-way dialogue,” adding that with some customers, specifically physicians, a REMS program can actually “accelerate use and confidence” about a drug. “[REMS] is more of an opportunity than a burden,” he says. Deschamps adds that inVentiv Health acquired “the premier REMS producer in the US” —ParagonRX—in early 2010.

The agency also launched a service offering called Brand Health Check last year. Brand Health Check is a set of insight-gathering tools that can now be sold to individual clients, whether they have a relationship with GSW or not, according to Deschamps. —Ben Comer



Above: Part a journal ad for Covidien’s Exalgo, indicated to treat chronic pain in opioid-tolerant patients



AT THE HELM

Phil Deschamps, president

PERFORMANCE

Growth was in the “double-digits on the top line, and more significant on the profit line”

HIGHLIGHTS

Won 14-16 pieces of new business and pitching for 6 or 7 more

Notable wins: Novartis’ Menveo, Covidien’s Exalgo, two bio-surgical drug delivery brands with Baxter, Takeda’s Vedolizumab and Amgen’s Prolia, a potential blockbuster won by women’s health group Pink Tank

GSW’s footprint continues to extend overseas with its new offices in Mexico, Middle Eastern offices in Riyadh and Cairo, and one in Dubai

Launched Brand Health Check, a service offering insight-gathering tools

CHALLENGES

Lost a Johnson & Johnson’s Medical Device and Diagnostics account as a result of consolidation

Finding its foothold in emerging markets

For contact details, service offerings and client roster, see Agency A-to-Z, beginning on page 173