

## Harrison & Star Business Group

A year of highs and lows was capped off by significant wins from Genentech

**“The regulatory atmosphere is the equivalent of an Ice Age at the moment. I don’t see that changing any time soon”**

—Larry Star

Omnicom shop Harrison & Star ended up having a banner year in 2009, with both revenue and profit hitting an all-time high. But CEO Larry Star says getting there wasn’t easy.

“The year was pretty tempestuous, and it was difficult to know where we were going to finish,” he explains. “There were some real highs and some significant lows.” Among the lows were client budgets being slashed to zero and a brand biting the dust in clinical trials. Among the highs were significant new business wins, including pitching and winning AOR status (US and global) for Novartis Oncology’s Gleevec and Tasigna late in the year. Novartis also assigned H&S the CML and GIST Alliances (patient and professional support programs) for both brands.

Another highlight was winning Genentech’s HIV treatment Invirase, which was especially sweet coming in the wake of another client halting promotion on its HIV treatment. Other Genentech wins include work on two anticancer therapies; the launch of two new indications for Avastin (renal cell carcinoma and glioblastoma); a launch campaign for ProCath; and a corporate campaign for Genentech BioOncology. H&S also created an award-winning interactive program at ASCO for Genentech BioOncology.

Business with long-time client Bayer increased to

include new professional campaigns for various OTC products, including Flintstones Vitamins, Aleve and Bayer Aspirin. H&S also developed an interactive program for Bayer’s Kogenate (a factor VIII inhibitor).

A new relationship began with Incyte Corporation, which awarded work on a new oral JAK1/JAK2 inhibitor for myeloproliferative disorders.

Harrison & Star Business Group, which has held H&S since it was founded in 1987, was renamed Medical Specialists Communications Group (MSCC) last year. MSCC houses H&S, BioLumina (an autonomous agency launched in 2008) and med ed agency Blue Spark. Star says the change is really cosmetic rather than structural—the name MSCC is more generic, thus mitigating confusion.

Omnicom won’t report exact headcount. However, Star notes 84 have been hired year-to-date, and 30 positions are open across H&S and BioLumina. Maryann Kuzel joined in 2009 as MD of the newly launched CRM group. Star says he’s still staffing the group, which will eventually be embedded across H&S and BioLumina teams.

The digital group, which was founded as 22 Clicks in the early 1990s, was integrated into account teams last year. The function is now called H&S Digital Solutions and BioLumina Digital Solutions. Len Bishop was hired as director for both. Digital is an increasingly important communications channel for all clients, and Star doesn’t see an end to its growth. “The central pillar of pharma marketing, which is a sales rep knocking on doctors’ doors, is an unsustainable business model,” he explains. “Everyone sticks their head in the sand when I say that. Access is a bigger and bigger challenge every day. Why should doctors continue to see reps in



**Above: A corporate ad for Genentech BioOncology, outlining the company’s cancer care offerings**

an environment where they have to work harder to make less money? The amount of time physicians give reps is dwindling. This is a very expensive proposition. It’s just costing too much. What’s the new way going to be? I don’t have the answer, but predictions all have the digital channel in common.”

Star continues: “How to get doctors to participate in that channel is where creativity comes in. It’s not about taking paper out of a rep’s hand and replacing it with a device. Someone’s going to come in with a disruptive model—the way Michael Dell did when



**AT THE HELM**  
Larry Star, CEO

**PERFORMANCE**

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**HIGHLIGHTS**

Named US and global AOR for Novartis Oncology’s Gleevec and Tasigna

Other notable wins include work for Genentech for HIV treatment Invirase, two anticancer therapies, launch of two indications for Avastin, launch for ProCath and a corporate campaign for Genentech BioOncology

Grew organically with Bayer on a number of OTC products and developed an interactive program for Kogenate

Increased headcount by 84; added Maryann Kuzel in 2009 as MD of newly launched CRM group

Network changed name to Medical Specialists Communications Group

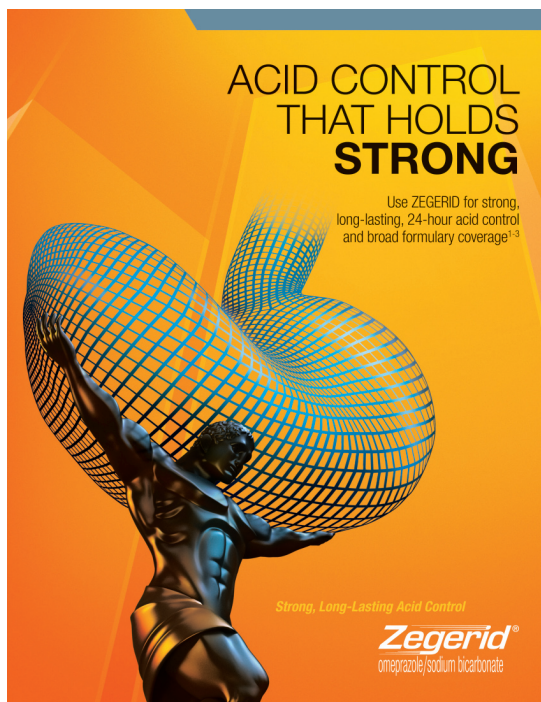
**CHALLENGES**

Finding a way to detail to doctors who don’t have time to visit with reps

Upping services for clients who are looking to reduce marketing costs

Increased FDA regulatory scrutiny

For contact details, service offerings and client roster, see Agency A-to-Z, beginning on page 171



**Left: A journal ad for Santarus’ Zegerid; Right: A professional ad for Genentech’s Pegasys for chronic hep C**



he said he could sell computers over the Internet and change the industry. We’re waiting for Michael Dell to show up.”

Star stresses that digital channels open possibilities. And he notes that CRM programs are taking hold on the physician side. They’re attractive, he says, to clients that have brands with multiple indications, some of which are small from a commercial perspective but important from a clinical perspective. “You can’t necessarily justify having reps detail this stuff, but you want to ensure doctors are aware of it,” Star adds.

All clients are still under tremendous pressure to cut costs, and Star expects it to be an ongoing challenge.

“Clients are looking to reduce marketing costs, but they don’t want the service to diminish,” he explains. “In fact, they want service to increase. It’s a difficult proposition for us.”

H&S is addressing the challenge in a number of ways. Later this year, a new knowledge sharing system will launch to help boost efficiency. Omnicom’s network is also helping deliver cost savings to clients. For example, Star says he can tap an Omnicom specialist agency in Istanbul to produce a 3D video for about one-third of what it would cost to produce in Los Angeles.

Star notices procurement departments are increasingly encroaching on agency selection. H&S was recently one of two finalists in a pitch for a client that Star says he’d wanted a relationship with for years. Procurement negotiated a lower price from the other agency, and the brand team had no choice at that point.

“They have tremendous leverage,” Star says of procurement. “The brand team’s criteria for evaluating the agency were strategy, creative and chemistry of the team. Procurement says...the market is going to dictate price, and if you get to the lower price we’ll

reward you. That’s the landscape out there and it’s not changing.”

Increased regulatory scrutiny is another trend Star doesn’t see diminishing. He says it creates a very risk adverse environment that spreads among clients. For example, one client after another got a violation letter from DDMAC, another client clamped down on work for fear it would get too close to the line. Star adds the FDA is also dragging its heels on issuing clearly articulated regulations social media and other digital channels.

“The regulatory atmosphere is the equivalent of an Ice Age at the moment,” Star says. “I don’t see that changing any time soon. In fact, I’d not be surprised if things get worse.”

For the rest of the year Star will focus on rolling out the new information sharing technology and staffing up to meet business demand. He sees a lot of opportunity on the horizon in China, and he’s already begun building bridges with Consultech, an Omnicom agency there. The two agencies have agreed to a job rotation program. Consultech has already sent an employee to New York, and H&S will send a group account supervisor to Shanghai in August for nine months to learn the Chinese market and deepen personal relationships. Star is also personally very interested in the Chinese market and culture, and he’s been studying Mandarin for some time.

“If you wait until you have a new business opportunity to introduce yourself to a [partner] agency—wherever it is—you’re not going to be as successful as if you take the time to get to know one another before you have business,” he explains. “It’s so much better if you have a pre-existing relationship when the opportunity does arise.” —Tanya Lewis