

# RECONCILABLE DIFFERENCES

Get on a plane. Pick the right people. Use less e-mail. More SOPs. **Marc Iskowitz** asks seven execs from both sides of the agency–client divide how to partner despite rising challenges

The dynamics in the agency–client relationship are as demanding as ever. Healthcare communications agencies have seen many big advertisers grow in-house marketing teams. Consulting and tech are steadily encroaching on agencies’ turf. Meanwhile, pharma product managers often lack a comprehensive understanding of partners’ scope and may be paying for account management six or seven times on a brand. Dynamics aside, the need to engage new stakeholders beyond HCPs makes it imperative for agencies and clients to solidify their rapport. Marc Iskowitz convened a diverse group of senior execs from the marketing, financial and operational areas of these two camps, including several who’ve worked on both sides during their careers, to share keys to making these relationships work despite rising challenges.

**Marc Iskowitz (editor in chief, MM&M):** As a starting point, let’s have everyone share a few words on how agency–client relations are changing and a best practice they have successfully used.

**Diane Parks (VP marketing, Pharmacyclics):** The biggest change I’ve seen in the agency–client relationship is the fact that you no longer can survive with one point person on the client side and one point person on the account side. It takes a village to run this business and, as such, *communication* is probably the key word I have for what works best. Many of these involve [client] partnerships. It’s also not just one agency, and lots of folks weighing in, both on my side as well as on the agency side, as well as outside consultants.



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**Diane Parks**  
Vice President of Marketing  
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**Dennis Hoppe**  
EVP, COO and CFO  
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**Joseph Kuchta (CEO, GA Communication Group):** I couldn’t agree more. In the old days, as an agency, we would put one account person to you and that would be your funnel for everything we did. We can’t afford that anymore. Our best practice is face-to-face communication. In any relationship, that’s critical but especially in today’s world, where everybody wants to hide behind an e-mail, or send an e-mail at 11 o’clock at night and say, “I did my job.” We are preaching all the time—please, at the very least pick up the phone and have a discussion. Use e-mail to set up a time to talk. Best case: Get on a plane and get out there. When you meet people face to face, there’s not a thing that can’t get solved.

**Anita Burrell (principal, Anita Burrell Consulting LLC; formerly head of commercial operations effectiveness, global diabetes, Sanofi):** What you’re asking for when you’re employing an agency is for somebody to come in to help—and it’s got to be helpful. I completely agree that communication is key, as in we have clear objectives and status updates. But there’s also got to be responsibility with communication. The times when we’ve had great agency interactions is when the agency people have taken responsibility.

**Deborah Dick-Rath (senior director of agency alliance, Sanofi):** The real key to happiness for agency–client relations is process. When you have multiple stakeholders—global and US—and communica-



**Geoff Melick**  
EVP, Chief Innovation Officer  
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**Deborah Dick-Rath**  
Senior Director of Agency Alliance  
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**Joseph Shields**  
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tion is key, you have to have SOPs in place. You need to have briefs, client contact reports—all those old-school things. They keep things moving along and, importantly, they make people accountable. A lot of times when things go off the rails it’s because there’s not a brief in place or because there hasn’t been an objective set. If you have a real process, you can strike a balance and not be overprocessed.

**Geoff Melick (EVP, chief innovation officer, GA Communication Group):** We need to put the right people in place and let them communicate and not block those communications. That’s something that gets lost sometimes. Make sure that the digital IT folks are talking to the digital IT folks on the client side. It’s no longer—as you said, Diane—

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one-on-one anymore. There’s not one account person and one client, so we have to open up those communication channels. Best practices have changed in some of the roles on the agency side, as well. We tend to put more producers in place and people that understand the digital side of this—the integrated marketing and the communication side—and, certainly, delivering the goods.



**I've heard the phrase "old school" in almost a derogatory way. I'm not going to apologize for it.**

—Joseph Shields, AstraZeneca

**Dennis Hoppe (EVP, COO and CFO, Corbett Accel Healthcare Group):** From where I sit, the biggest change has been the emergence of procurement. We all know it, but it's more than they're just there. They're really important within our clients, and they've become very professional. It's a different world than seven or eight years ago, when people in procurement were buying pencils one minute and agency services the next. With that in mind, the best practice is, work to develop a good relationship not only on the marketing side but on the financial and operational side, as well.

**Marc Iskowitz (MM&M):** Being on good terms with the procurement officer can go a long way, I would imagine?

**Dennis Hoppe (CAHG):** In the clients where we have great, long-standing relationships, procurement and finance work together. We get along. We don't get into antagonistic arguments about things. We sit across the table, outline what everybody's objectives are and move toward solutions. You'd find that that not only helps in cost and process issues, but it really creates an ally, so if there are blips in the relationship on the marketing side—and there will be—procurement can often play a role to stabilize it. If there's an antagonistic relationship, they tend to end it.

**Joseph Shields (global director, digital strategy, AstraZeneca):** For me, best practice starts with understanding what we're trying to do, making sure you have the right partners in place, and really enforcing scope, and scope creep. It was easier 10, 15 years ago, when you had a PR agency, a media agency and maybe a creative agency. Now everybody wants to be digital, everybody wants to be mobile and social, so kind of everybody does everything. The idea of having multiple agencies that start to encroach on each other's business can get a little tricky. My job as a product manager was to manage the white space between the agencies.

**Marc Iskowitz (MM&M):** I'm glad you brought that up, Joe. Now that so much of the work is shifting to digital, how has the relationship been impacted?

**Joseph Shields (AstraZeneca):** We're moving from campaigns to capabilities. Instead of building ads that last six weeks or six months, we are building platforms, we're building IT solutions, we're building services that are hopefully going to last for several years, if not longer. We're trying to find the right partners to not only design them but really try to imagine what they're like and understand it, but also be around to sustain them for the next few years. For me, the best practice is really, don't ask your agency for an app. Have a common understanding of what the customer's problem is. Start there. Agree on the problem before you start to agree on a solution.

**Marc Iskowitz (MM&M):** How does that trend affect the role of the traditional AOR?

**Joseph Shields (AstraZeneca):** It's kind of ironic. In one sense, we're going to be more capability based, platform based and longer term. On the other hand, we're more into project based. We're saying we want the long-term strategic partner that can do systems integration and design services and sustain them [but] we only want to hire you project by project. We're not ready to commit to an AOR kind of relationship, maybe, like we did 10, 15 years ago.

**Marc Iskowitz (MM&M):** Let's explore some specific scenarios where there's potential for relations to derail. Pharmacyclics comarkets the oncology drug Imbruvica with Janssen. Diane, you are one of two big partners and there's one agency in the middle. How do you determine who's accountable, and do you fall back on management principles, better communications or both?

**Diane Parks (Pharmacyclics):** Pharmacyclics is what I would call a start-up organization, so it's had growing pains—people coming in, people leaving. On Janssen's side, players change as well. The consistency of [who's in charge] has changed over time, which makes communicating with anyone difficult. As much as Deborah suggested SOPs or processes, we don't really believe in them. As a start-up, we think we can just do it, so we're trying to put some processes in place, but those are hard to do when you're running as fast as we've been running.



**Deborah Dick-Rath (Sanofi):** We have an expression for that at my company: We're making the plane while we're flying it.

**Diane Parks (Pharmacyclics):** Exactly. What we have tried to do is for every project, or every element of the process, we've tried to say who is the lead decision maker. But at the same time we're trying to collaborate with our partners. Sometimes, on our side we forget who's in charge, and people throw in their ideas. Then on the agency side, sometimes they forget who's in charge and try to respond and make everybody happy. This is where a breakdown happens.

**Joseph Shields (AstraZeneca):** We've actually been involved in a lot of copromotion, and the key word I would throw out is *alignment*. If you can get alignment among the various partners in terms of who's responsible, who's doing what, who are the decision makers, because from an agency standpoint, the biggest waste of time and cost is to redo.

**Diane Parks (Pharmacyclics):** Alignment is also one of the hardest things to obtain.

**Joseph Shields (AstraZeneca):** Absolutely. I'm thinking back to one of the things Deborah said earlier about the importance of process. Copromotes create quite a bit of churn. Do you think process helps to stabilize some of that?

**Deborah Dick-Rath (Sanofi):** I do, and it also creates a legacy and a record of what has happened. A lot of times there's a junior person who's put in charge. It's very helpful for them to be able to say, "OK, here's the background on the project, or here's the brief, and here's [how we] went from step A, to step B, to step C, and these are the people that worked on it." That at least is helpful to them.

**Joseph Kuchta (GA Communication Group):** Deborah, I like the way you linked process to accountability. Sometimes I'm antiprocess because it slows people down, and you're supposed to be in a creative business. But I think co-pro, as long as everybody knows the accountability, it does give people the commitment that this is what we're being counted on for and these are the decision makers.

**Deborah Dick-Rath (Sanofi):** Even coming from the agency side, one of the most interesting things I ever heard from a creative was that he loves a tight brief because knowing the restrictions helps him

be more creative. If you don't have a brief, and they're just going off and doing, "How about this idea, how about that idea," it's such a wheel spinner ... and a time spinner and a money spinner.

**Joseph Shields (AstraZeneca):** I've heard the phrase "old school" in almost a derogatory way a couple of times. It's the fundamentals. I'm not going to apologize for them. I think people of our age group, we're good at the fundamentals, and I think trying to enforce that with various agencies, people of different age groups, this is how we run a business. And just the fact that you guys are in a creative business doesn't mean that accounting is creative, and the finance is creative ...

**Deborah Dick-Rath (Sanofi):** Yeah, everybody wants to make a profit. Let's be honest. Agencies do, too. The more profit they make, the better talent they get in to work on our business. That's a really key thing for brand people to understand. They need to make money, too.

**Anita Burrell (Anita Burrell Consulting):** There's a nice balance I'm hearing: We want to be able to have a process to be able to get the stability and the ease of movement through the system and also institutional knowledge. So it's clear at the outset, it's clear through the process and it's clear at the end, but not enough that we have to fill out forms for no reason, that we feel stifled by the process.

**Marc Iskowitz (MM&M):** Anita, in other cases agencies are handling launches of entire portfolios of products, sometimes on a global basis. The franchise scenario generates its own pitfalls, right?

**Anita Burrell (Anita Burrell Consulting):** The pitfalls that come from having a franchise not being aligned are bigger, depending on how many assets you have, because it makes it ridiculous for anybody who's an affiliate to sell. We give messages to our sales people ... They go to the same endo, or they go to the same diabetologist, and they have to give five different messages because we have five different brands or assets.

**Marc Iskowitz (MM&M):** How do you avoid that?

**Anita Burrell (Anita Burrell Consulting):** We need to have an umbrella in which we all know where we fit, or where we feel like we fit, so that we can talk about things from the patient point of view rather than talking about it from the brand point of view.



**That is a place where I wouldn't even ask for a gentle reminder. Get in my face and tell me, "Get this organized."**

—Diane Parks, **Pharmacyclics**

**Joseph Shields (AstraZeneca):** That's old school.

**Anita Burrell (Anita Burrell Consulting):** Very old school. Where's the umbrella? Going back to the needs of the customer is a fundamental of marketing, but boy have we forgotten it.

**Dennis Hoppe (CAHG):** Whenever we've had multiple brands within a single category, we try to work with the clients to define what are the nonnegotiables. Even if they didn't have a formal franchise communications plan, there was an understanding of what the diabetes franchise was about.

**Diane Parks (Pharmacyclics):** That's one area where we're still striving to get [clarity] ... How do we make it easy for our sales reps to have a consistent message out there as opposed to going from [Imbruvica indications] CLL to MCL to Waldenstrom's?

**Joseph Shields (AstraZeneca):** Another thing to consider is that as we start thinking about apps and services as part of the portfolio, then you have even more things to sell, more noise, and the value proposition to the customer gets a little more complicated.

**Anita Burrell (Anita Burrell Consulting):** I cannot agree more with your earlier point, Joe, about don't build me an app, build something with which you can actually provide us an answer to a patient's problem. That creates even more need to have a linked-up strategy.

**Marc Iskowitz (MM&M):** You both raise an excellent point. The nature of the work is changing. How are the players evolving?

**Joseph Kuchta (GA Communication Group):** The whole industry's evolving. We used to just push blockbuster brands. We've all evolved toward engaging people now. I can't remember the last time we called ourselves an "advertising agency" because we don't do advertising

anymore. Yes, we do a lot of communication and engage a lot of people, but we are just not pushing ads out there.

**Marc Iskowitz (MM&M):** What about agencies?

**Joseph Kuchta (GA Communication Group):** We've had to adapt to survive. Everybody's trying to evolve to fill their gaps.

**Joe Shields (AstraZeneca):** Agencies today want accountability, but there's such a dependence on other external factors. In the old days you had complete control from design through printing and rep delivery. Now you put things out there and they get mashed up ... or they get kind of sucked up in a social-media trend.

**Marc Iskowitz (MM&M):** Let's switch gears and move over to Dennis. Is agency structure a challenge and, if so, how do we overcome it?

**Dennis Hoppe (CAHG):** I go to the ANA [Association of National Advertisers] Advertising Financial Management Conference every year and every year there's a new company talking about their successful new holding-company model, and the next presentation is about their undoing of the holding-company model! It is all over the place, but there are a couple of things that make it work: collaboration and defining rules of engagement.

**Marc Iskowitz (MM&M):** As you're a CFO, Dennis, I'll ask you this: Marketing budgets are tight, and agency costs can be the largest expense for the brand. Where can clients, maybe, decrease the costs without reducing the quality of the output?

**Dennis Hoppe (CAHG):** I often hear people ask me, "Where's the fluff in the budget?" There is no fluff. Procurement has done its job. That went away five years ago. My suggestion is, Look at the total cost and ask your agency, "Are there things that you can do to make that program in total less expensive, not just [the agency's] portion?"

**Diane Parks (Pharmacyclics):** One thing that could help the client side, especially when budgets are tight and you have to get a lot of people invested, is in helping us understand the costs when they're presented. Give us the ammunition to defend it internally because that's an area that I get flat-footed, sometimes, trying to defend. ■