

# H4B Chelsea

Havas's thriving H4B flagship has tripled in size over three years



**“We’re not pushing one vehicle or one channel. It’s what’s best for the brand”**

—Steve Nothel

However listless H4B Chelsea might have seemed a few years back, it pulled a full 180 last year, growing at light speed on the back of such refreshingly original work as the campaign they developed for Reyataz, starring the Alvin Ailey American Dance Theater.

That effort featured a collaboration in which dancers appeared in Reyataz promotions while the award-winning troupe put together a production based on entries to the BMS Fight HIV Your Way campaign, which has, since 2006, collected patient stories. The disease claimed Ailey in 1989.

“Corporate sponsorship is nothing new to the economics of dance, or to the Ailey organization,” said a *New York Times* piece on the partnership. “But rarely has the sponsor-product connection been so direct.”

“I mean, who the hell does that, right?” says H4B Chelsea co-managing director and chief creative Christian Bauman. “The next thing you know, we’re doing the professional side of their business.”

Novartis’s Alcon has similarly rewarded the shop. “Just a year ago, we started with them on a very small piece of business,” says co-managing director Steve Nothel. “Over the course of the year, we did a great job on that piece, and they handed us another and another, and the next thing you know we’re doing all of their professional, we’re doing their TV spots for contact lenses, for lens care products, for solutions. And now we’ve branched off into glaucoma.”

“That’s the kind of growth that’s awesome,” Bauman says. “Because you’re not spending money on the pitch, the client isn’t spending money and political and psychic capital trying to do an agency switch. It’s just that they have trust in us, we have trust in them, and the next thing you know, our business grows.”

That sort of organic growth accounts for three-quarters of the shop’s overall growth over the last few years, according to co-managing director Mike Peto. In that time, Chelsea has gone from a staff of 90 employees who were servicing nine clients to almost 270 servicing 19 clients. In the past year alone, they’ve twice had to reorganize their cavernous office, which takes up a floor of the old Nabisco factory on Ninth Avenue (aka Chelsea Market), to cram in an extra 50–70 desks.

“We were at the point where we didn’t have one desk three months ago,” says Nothel.

Revenues rose 35% in 2010 and 40% in 2011, when they won 11 new business pitches. Nothel says they’re on track for another year of double-digit growth, though at a much tamer figure than the past two years.

But things haven’t all been wine and roses for Chelsea, as the shop’s largest legacy client, Pfizer, has wound down its marketing spend sharply. And like many other agencies, Chelsea has seen some big accounts vaporize following disappointing results from late-stage clinical trials—four in the last two years. But they’ve managed not to make any layoffs as a result.

“It’s hard when that happens,” says Peto, “but the great thing for us is that we are a healthy enough agency that we’ve survived. We used to be a very Pfizer/Wyeth shop, and our volume of Pfizer business hasn’t gone down, but we’re less dependent on it than we used to be, because we’ve grown.”

In addition to the Alcon work, the shop has, over the past year, seen new business come its way from Astellas (for Vesicare follow-on Mirabegron), Genzyme (for MS candidate Lemtrada), Sanofi, Novartis (Ryverna for PAH and Xolair global), Janssen (bapineuzumab) and Teva.

Consumer and patient work comprises a fast-growing fifth of the shop’s business, with accounts from BMS and Alcon, Warner Chilcott and Savient’s Krystexxa. Recent consumer campaigns executed by the agency include TV spots for Alcon’s Air Optix and the Reyataz work with the Alvin Ailey company. Mirabegron unbranded is slated to break toward the end of the year, and patient work for Krystexxa is launching soon.



**AT THE HELM**

Co-managing directors Mike Peto, Steve Nothel and Christian Bauman

**PERFORMANCE**

Revenue was up 40% in 2011

Headcount has grown to almost 270

**HIGHLIGHTS**

Got widespread attention for Reyataz ad campaign featuring the Alvin Ailey American Dance Theater

Expanded relationship with Novartis in support of Alcon

Won 11 new business pitches

Produced a comic book for children with cystic fibrosis

Extended digital work into the 3D arena with projects for Mirabegron and Genzyme's MS Atrium

Further established its global status through offices in such cities as London and Paris

**CHALLENGES**

Has suffered from Pfizer's sharp downturn in marketing spend

Dealing with the ever-present threat of account losses due to clinical trial results

For contact details, service offerings and client roster, see Agency A-to-Z, beginning on page 181

Chelsea's also been working on 3D virtual environments—for Mirabegron and Genzyme's MS Atrium, an interactive virtual environment for KOLs and physicians. A patient room is in the works on that account as well. Chelsea also did a 3D mechanism-of-action video for Mirabegron. And they're working on gaming, having developed a game for Alcon's sales staff, and prevailed in a pitch against three gaming companies. For another pre-launch client, the shop executed a fully interactive Wii game for their convention booth.

"We've done these kind of unique and interesting things, but at the end of it, it's not just that they're cool," says Nothel. "We've had to bring a lot of different ways to solve challenges. That's what we think part of the uniqueness of this agency is—it's that we're not pushing one vehicle or one channel. It's what's best for the brand."

The shop executed the first-ever iPad campaigns

got to go convince them that we can herd the cats. We are one agency. All of our paychecks are signed by the same person, and we will collectively launch the brand."

Chelsea has long traded on the hipness factor of its artsy digs. Its redbrick barrel vaulted ceilings and situation above a gallery of chic shops helps draw in both staff and clients, say the partners, who crowd over the tight-knit agency culture they've cultivated—one that comes through in a pitch.

"It used to be, 'Okay, you have good creative and good strategy, we'll make it work,'" comments Bauman. "The key now is really who the teams are, who's presenting to the prospective client, who's going to be on their team. These teams are making connections with their prospective clients and they are seeing right off the bat the value, talent, passion and commitment they bring."

The emotional center of the New York shop is its



Opposite page: A comic book in support of Pulmozyme. This page: The Reyataz/Alvin Ailey campaign

for Shire (Lialda) and Genentech (Pulmozyme). For the latter brand, Chelsea also produced a comic book called *Truth or Dare* for children with cystic fibrosis.

H4B is establishing itself as a global network, with 12–15 offices, including sizeable ones in London and Paris, and the Chelsea team boasts that they can service 90% of the world.

"Most of the holding companies, when they go to pitch a piece of global business, they've got what is essentially, no matter how they frame it, a loosely affiliated network of agencies that aren't actually particularly related to each other," says Peto. "These are wholly owned, completely partnered agencies of ours. That's a big deal. When you're talking to clients who want to launch a global brand, it's not like we've

foosball table, where art directors, copy writers and account people congregate. After last year's tsunami devastated Japan, the shop broadcast fundraising foosball tournaments to its satellites, raising \$6,000 in one day. Other fundraisers have targeted prostate cancer and helping a copywriter build a school in Nepal. A pro-bono campaign for the Arthritis Foundation is in the works.

"We've worked really hard to make it a productive, passionate, exciting place to be," says Bauman, "and a testament to that is our very, very high retention rate in all departments—creative, accounts, operations, planning, medical, you name it. People will come back and interview who had been here previously, and they'll say, 'Wow, I didn't know how great a culture this was until I left.'" — Matthew Arnold