

CommonHealth

WPP shop had 'best year ever' post-consolidation, revamped traditional offerings

“We happened to be assigned work that was popping, products that were being fueled with work”

—Matt Giegerich

The economic rollercoaster of the late 2000s, by most current accounts, reached the bottom of the trough sometime in 2009, and has at least shown signs of pushing back in the right direction. As bad as it got, a couple of things never changed: people still got sick, they still visited the doctor’s office and they still filled prescriptions. Which prescriptions they got filled—all marketing, promotion and comparative effectiveness aside—involved a healthy dose of luck, explains Matt Giegerich, CEO and president at CommonHealth, one of the largest healthcare agencies inside one of the biggest agency networks, WPP.

Giegerich says the agency’s success last year, which was “top line, bottom line, the best year ever,” with \$24 million in new business pitched and won by the close of the fourth quarter, was in a sense “ironic,” given the economic realities of 2009, and the continued march toward consolidation at several top-10 pharmaceutical companies. There was an “awkward jubilation” about the agency’s growth during tundra-like conditions elsewhere, says Giegerich, who credits CommonHealth’s persistence over the long-term, and payoffs set in motion years ago, in terms of talent, innovation and client relations.

Lots of agencies invested in talent, innovation and client relations, though. “To be honest, there’s a fair amount of luck involved,” admits Giegerich.

“We happened to be assigned work that was pop-

ping, and products that were being fueled with work and activity and approvals. You could just as easily be on the downside of that,” he says, when drugs in an agency’s roster get denied by the FDA, or get significant black-box labels and restrictive funding for promotion. “There’s a bit of luck that affects everybody in this industry.”

For the 2009 calendar year, CommonHealth’s growth percentage was in the teens, with digital revenues up 40% (led by Qi, the agency’s digital playground). Customer-relationship management (CRM) programs, as a business sector, “grew by almost 25%,” per Giegerich. “We expanded our account roster with all of our top clients, including Johnson & Johnson, AstraZeneca, Bayer and Merck,” says Giegerich.

Much of the new business on the books at CommonHealth in 2009 came from Johnson & Johnson’s ad agency consolidation at the end of 2008, which split J&J’s \$150 million US advertising business for prescription drugs between WPP, CommonHealth’s

Above: A consumer ad for OTC Novartis' Prevacid 24HR, to treat frequent heartburn for a full 24 hours

parent, and the Interpublic Group. Recently, J&J OTC staples—including Tylenol, Motrin, Benadryl and Rolaid—have been recalled due to manufacturing misconduct, and the issue has become a cause célèbre for Big Pharma haters. CommonHealth has OTC assignments “across the J&J portfolio,” but Giegerich says fallout from J&J recalls has had “no impact, financially,” at CommonHealth, although it’s “certainly a focal point of the management team at J&J,” he says. “I think it has shifted their attention a lot. It’s a very public thing and they’re dealing with it, but there hasn’t been any consequence other than some meetings getting cancelled and things like that.”

Last September, CommonHealth carved out and formalized its OTC practice within Ferguson, one of the agency's three professional shops, and named it the OTC Center of Excellence. Led by executive vice president, director of client services Brian Doherty, the group is focused specifically on prescription drugs that transition to OTC, although the group also works on traditional OTC brands. Doherty said in September that the agency handles J&J's "oral and upper respiratory OTCs," as well as Novartis' line of consumer products. Giegerich says the group also works on the Wyeth/Pfizer portfolio of OTC products, and it "just recently picked up the GSK portfolio." Though the OTC business wasn't exactly new, Giegerich said the formalization and launch speak to the agency's strategy to diversify. "We want to stay in the health-related business, but being so dependent on the ebb and flow of [a manufacturer's] pipeline is tough, as a business," says Giegerich. "We need to spread ourselves out a little further."



Above: A professional ad for OTC syrup to relieve cough and cold symptoms, Robitussin, by Wyeth

Diversification is one way to insulate revenue streams against pipeline surprises, but CommonHealth, traditionally a print-heavy agency supporting sales forces, has also had to drastically realign its business to reflect an evolving marketplace. Those traditional outputs—sales aids, slim jims, file cards, flash cards and leave behinds—have declined "almost 10% year-over-year, for the last five years," says Giegerich. David Chapman, managing partner at CommonHealth, says the agency's professional shops, which include Ferguson, Carbon and Altum, each added a "substantial new client in the course of the last 12 months," all of which



AT THE HELM
Matt Giegerich, CEO and managing partner

PERFORMANCE
"Top line, bottom line, the best year ever"

HIGHLIGHTS
\$24 million in new business pitched and won by the end of Q4 2009

Digital revenues were up 40% (led by Qi) and CRM programs "grew by almost 25%"

Grew organically, specifically with Johnson & Johnson after its \$150 million agency consolidation

Formalized OTC practice within Ferguson, the OTC Center of Excellence

Utilizing CHAMP (CommonHealth Advanced Marketing Partner)

Managed market shops Solara and Valos continue to grow

CHALLENGES
Traditional outputs—sales aids, leave behinds—have declined "almost 10% year-over-year, for the last five years"

Targeting the 30 million new patients that will surface post-healthcare reform

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

don't allow CommonHealth to identify them as clients, according to Chapman. "None of [the new client wins] are in New Jersey," allows Chapman. "One is overseas." New hires on the professional side include Jen Saydah, SVP, management supervisor, Altum, Pegi Wieczorek, EVP, director of client services, also at Altum, and Val Brochard, EVP, franchise chemist, Carbon.

Speaking on the transition away from "reiterative project work, and sizing and studio work," Chapman says account and creative staff in the professional shops start assignments from a digital perspective. "As sales forces continue to diminish, what replaces the rep in the doctor's office is a virtual play," explains Chapman. "That play is everything from doctors becoming avatars as they visit the different stations of knowledge, to the webinar and webcast." Chapman says the ratio of account to creative hours has started to change for the first time in many years. "It used to be 50/50. Now it's closer to 60/40, and I think it will go lower," in terms of account versus creative work, says Chapman. That shift in the business reflects not only decreasing face-time with reps, but also the way everyone consumes information these days. Chapman, whose wife is a physician, says she accesses information in the same way he does. "The first thing you do is go to Google," he says. Although some digital and online channels have by now become a part of the traditional marketing tool set, Chapman says there's still a place for print advertising, and there's always a contrarian. "Forest Laboratories is one of the single-largest print advertisers," he says. "If no one is advertising in the books, I can buy the space cheaply, and I can own [that audience]," says Chapman, adding that oncology and other specialty journals in categories like HIV and hepatitis B still have a branding stake in the ground. However, some areas are probably done for, print-wise. "I don't think anyone's going to go toe-to-toe in hypertension, ever again, in print," he says.

Chapman hopes to move professional agencies at CommonHealth into a higher strategic and consulting role, but says plenty of calls are still coming in for professional AOR work "as a kind of siloed point of view," but that kind of assignment typically includes



Above: A journal ad for AstraZeneca's Symbicort, part of a campaign that also includes digital and CRM

“some of the most important work,” especially on a pre-launch brand, such as initial positioning and message flow, plus the development of the scientific story, he says. Whereas professional agencies used to set the course for a given drug’s overall marketing strategy, those kinds of “surround sound” assignments now come in through Qi, or even managed market groups, says Chapman. Regardless of the assignment, clients are asking for a singular steward of strategy and messaging across channels, and job titles like “navigator” at Saatchi, or Common Health Advanced Marketing Partner (CHAMP) at CommonHealth, are becoming more widespread. Chapman says the agency is also getting a good number of requests for the fully-integrated package from the start.

Although traditional printed materials continue to decline, those losses have been replaced by “huge expansions” in digital, CRM work, managed care and managed market areas, according to Giegerich (CommonHealth no longer offers CME, but offers promotional education services instead). Marc Weiner, managing partner and overseer of CommonHealth’s consumer and digital shops, says Qi “continues to be one of the fastest growing business units” at CommonHealth. Weiner says he feels like an old man among the youngest Qi staffers, who now number in the 80s, in terms of headcount. One of Weiner’s major responsibilities with that shop is to “make sure they have the latest and greatest toys to play with.” Boris Kushkuley, previously general manager at Qi, was promoted to president of the group last year.

One highlight for Qi this year was a “big AOR global assignment” with a Bayer’s women’s health brand not yet on the market, according to Weiner, who underscores the fact that Qi has expanded outside of the US. “We have German, Japanese, Russian and Hebrew speakers” on staff, says Weiner. Qi had no losses last year, and most of the business wins were organic, including the Bayer work (Qi works on birth control meds Yaz and Mirena) as well as J&J projects. Weiner says Y&R handles broadcast for Yaz, so Qi wasn’t involved in the FDA-mandated corrective TV ads that ran last year. Weiner points to the website for Suboxone, Reckitt Benckiser Pharmaceuticals’ opioid dependence treatment, as a good example of Qi’s output. The website features testimonial videos, a doctor locator and free live support with “care coaches,” among other things. Weiner says Qi has been able to



PROFESSIONAL

David Chapman, managing partner

HIGHLIGHT

Won “substantial”—albeit unnamed—clients, “none in New Jersey”

Looking to move professional into higher strategic and consulting role

CHALLENGE

Offsetting print losses



CONSUMER/DIGITAL

Marc Weiner, managing partner

HIGHLIGHT

Continues to be “one of the fastest-growing business units”

No losses; mostly organic wins including global AOR work for Bayer

CHALLENGE

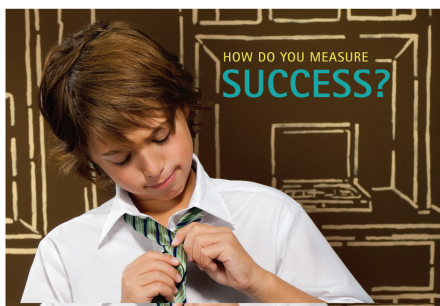
Presenting fair balance via mobile promotion

mature brands from a tactical project business into a more robust AOR business with its client base.

At EvoLogue, CommonHealth’s consumer shop, Weiner brought in ex-Saatchi & Saatchi Wellness vet Justin Harrington, EVP, director of client services, and Tom Millar, chief creative officer, formerly of Ogilvy Healthworld. Weiner says EvoLogue still does “some of the best print and broadcast out there...our customers are looking to get out of the 30- and 60-second realm and get the full story [on a drug], and that’s really an internet story.” New clients at EvoLogue can’t be named, but Weiner says a lot of the work lately has not been big AOR assignments, but smaller project-based assignments. That’s OK with Weiner; he says beginning small lets a client “take a test run to see if working together is beneficial, and if you have shared success, you can expand your scope rather quickly with one another,” he says. With AstraZeneca, Weiner says DTC work for Symbicort, an asthma inhaler, has helped grow market share and raise consumer awareness. Assignments on Symbicort have grown to include print, digital and CRM across two indications. The agency is also doing pre-launch work on a new cardiovascular brand with AstraZeneca, which could not be named.

On the mobile front, there is some difficulty as to how fair/balance information should be presented, because the real estate is finite, says Weiner. “You have to be extremely creative to find ways to tell a balanced story in a medium where the end user, by definition, expects something brief,” he says. Weiner predicts that video will have a huge role in mobile communications going forward, but not just on mobile devices. Now that YouTube has become the second most popular search engine, “virtually all of our clients are looking at video in some way, shape or form, and we counsel them in that direction,” says Weiner.

Last but certainly not least, CommonHealth’s two managed market shops—Solara and Valos—continue to grow. Dana Regan, who worked at Ferguson before taking a job with Torre Lazur, returned to Solara as SVP, enterprise lead. Chapman says the managed market groups are on the front lines of policy issues, whether it’s health reform or legislation at the state level. Payers have become more sophisticated, and CommonHealth has brought in experts doing “value proposition health economic outcomes research, and contracting for major clients like Novartis, J&J and Roche,” says Chapman. — Ben Comer



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