



AT THE HELM

Leadership team: Hari Mahadevan, PhD, Jamie Peck, Kurt Holstein, Steven Michaelson and Judy Capano

PERFORMANCE

Firm is up 15% in 2010 over year-ago period

HIGHLIGHTS

Grew organically with existing clients Bristol-Myers Squibb, Johnson & Johnson, Allergan and Otsuka

Acquired Wishbone at end of 2009, helping the firm's staff jump 20%

CHALLENGE

Tempering expectations of double-digit growth

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"With Wishbone, we have somebody that understands the essences of these brands"

—Hari Mahadevan

Rosetta Healthcare

Powerhouse agency acquires Wishbone, grows organically with Big Pharma clients

In years past, independently owned digital giant Rosetta had made no secret of its expansionist agenda. It snapped up digital ad agency SimStar in 2005, diagnostics expert Xteric Technology Group and search engine optimization specialists eMergent Marketing in 2006, and interactive marketing shop Brulant in 2008. So, as Rosetta careened into the final months of a successful 2009—it grew 10% overall and 33% in healthcare—the question wasn't if the company would snare another coveted property, but when.

It took until the very end of the year—its last day, actually—before a deal went down. By the time the smoke had cleared, Rosetta had added more healthcare expertise with the acquisition of the highly regarded Wishbone, described by Rosetta president Kurt Holstein as "an absolutely exquisite little agency."

Rosetta's cupboard wasn't exactly bare before the deal; even before factoring in Wishbone's numbers, it was up 28% in healthcare year-over-year. In 2009, that healthcare arm grew its relationships with nearly all of its clients. Bristol-Myers Squibb had previously entrusted the firm with anti-clot drug Plavix; last year, it added diabetes therapy Onglyza (saxagliptin) and some immunology work to Rosetta's slate. Other pharma clients that similarly expanded their relationships with the agency included Johnson & Johnson, Allergan and Otsuka. It lost a single client: Pfizer, which consolidated agencies in the wake of its

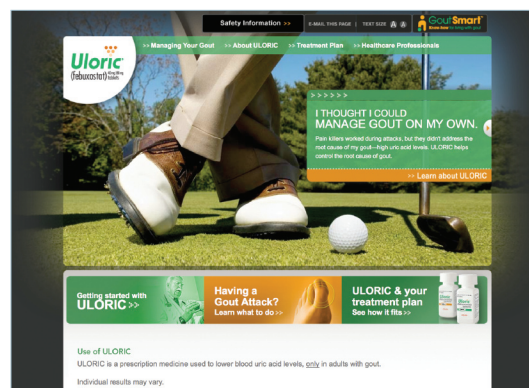
acquisition of Wyeth. After the Wishbone deal was completed, Rosetta woke up on New Year's Day a bigger and more versatile player in healthcare than it was before.

"Last year, we went into the year saying, 'This is going to be rough,'" recalls Hari Mahadevan, a managing partner and vertical leader of Rosetta Healthcare. "This year, we knew it would be a little different. With Wishbone, we have somebody that understands the essences of these brands and that has that deep insight. We're expecting great growth."

To ensure that Rosetta's 2010 matches its 2009, the firm plans to push forward even further with its longtime operating philosophy: Know Thy Consumer. "We've been working on this for 12 years. We're very grateful that Al Gore created the internet, because it's the perfect channel for just about everything we've said," cracks chairman and CEO Chris Kuenne.

In the same breath, however, Kuenne stresses the rigor with which Rosetta has sought to measure the impact of its programs. "We're so obsessed," he continues. "Personalization and metrics have been our ethos for years. In challenging times, sometimes some people get a little bit away from what they do well. Not us."

Pressed to identify the greatest challenge the firm stared down in 2009, in fact, Kuenne suggests that it was tempering expectations. In the five years prior to 2009, Rosetta grew an average of 40% annually. "When you have a culture that's geared for 30%,



The brand.com website for Takeda's Uloric, indicated to lower blood uric acid levels only in adults with gout

40%, 50% growth and you hit a year where you only grow by 10%, it's a fundamentally different feeling," he explains. "We were used to hiring 150 people every six months, but we cut that down to just replacing attrition."

There were no layoffs, Kuenne notes. Within healthcare, the firm jumped its staff by 20% in 2009. Headcount currently sits slightly north of 760.

Further growth lies ahead, all three execs stress. For 2010, Rosetta is up 15% over the year-ago period, and the firm anticipates that it'll end the year up 15-20% over 2009. As for the future, Kuenne is bullish: "We believe we can maintain a 20-30% growth rate over the next several years." —Larry Dobrow