

GSW Worldwide

Continuing to diversify revenue and extend global reach following another record year

"What's really fascinating about our industry is that innovation still finds money.
Clients want to be the first to do it"

—Phil Deschamps

o regularly does Phil Deschamps seem to announce record-breaking years for GSW Worldwide, that he even throws in an apology this time around for sounding, ironically, like a "broken record."

But 2010 was indeed another triumphant year for the Westerville, OH-based global network, in which it won eight new clients in the US, including Amgen (Prolia for postmenopausal osteoporosis), Supernus (two epilepsy drugs) and Azur Pharmaceuticals (Elestrin for menopausal hot flashes). But even more impressive were the 17 pieces of new business awarded by existing clients – including Novartis, Eli Lilly Allergan, Abbott Vascular, CSL Behring and Teva – amounting to 20% in organic growth.

"It's always exciting to have your clients just give you more business," says president and CEO Deschamps proudly. "Major manufacturers are looking to consolidate their business to get not only more value, but more effectiveness out of their agencies. Turbocharged by [owner] inVentiv Health and its services, we are really in a sweet spot to help them do, on a variable

cost basis, what they used to do internally."

According to Deschamps, GSW is "on the same kind of track" in 2011, except that the most significant of the eight wins to date are less about particular brands and more about GSW becoming a core agency for major clients. "We're essentially now part of *their* rosters," he says, of two "substantial, enterprise-wide, multibrand, multigeography" pieces of business.

Aside from being a big consolidation winner, GSW has been investing heavily in product and service development. Two years ago it built a digital development lab, iQ, from which it researches and develops proprietary technology tools in order to grow its offerings—and thereby diversify revenue streams. "That was really a magical switch for us," says Deschamps. "We invested in it primarily to speed and develop these products and services rather than just doing them on the backs of our clients, which allows us to regularly release these innovations and stay just slightly ahead of our clients."

Joe Daley, president, North America operations, says iQ was developed because clients recognize that cookie cutter solutions don't necessarily work anymore. "When we go into business planning services for our clients, there is more and more pressure on finding new answers, new approaches," says Daley. "We've had to transform our agency. In today's vernacular, we don't talk about an agency that is purely digital or not digital. GSW is fully digital capable and in many ways we believe are at the forefront of what's possible. We have not necessarily gotten into the software business, but we're right on the edge of it."

The value of a dedicated lab is not lost on chief creative officer Bruce Rooke, either. "Most of the time, you expect innovation to come from people who are



Above: NSider from Eisai, an online patient education tool for cancer patients/survivors or their caretakers

working to get jobs done," he says. "Then you wake up at the end of the year and ask: 'Where are the innovations?' So, we set aside this investment to truly find people to look ahead and really actively apply those innovations to what we are doing now."

But innovation can be a double-edged sword—clients often ask for it, only to demand guarantees of ROI to boot. Deschamps is unperturbed, however. "What's really fascinating about our industry is that innovation still finds money," he says. "When you have



AT THE HELM Phil Deschamps, president

PERFORMANCE

2010 was a "recordbreaking" year, including 20% organic growth

HIGHLIGHTS

Eight new clients plus 17 business wins from existing clients in 2010

Eight wins so far in 2011, including two "substantial, enterprise-wide, multibrand, multigeography" pieces of business

Took sibling Stonefly Communications under its wing and linked with Pink Tank in a successful new health and wellness offering, TheWell@GSW

Continued development of proprietary tools from digital development lab iQ

CHALLENGES

Short term: managing growth, hiring talent and staying ahead of clients' demands for innovation

Long-term: expansion into global markets, identifying opportunities from healthcare reform and the aging population

For contact details, service offerings and client roster, see Agency A-to-Z, beginning on page 169

a good idea it always finds a way to get funded. Interestingly, when those kinds of innovations happen, they tend to get a life of their own. Clients want to be the first to do it."

However, Daley doesn't believe it's possibly to wholly change the macro-dynamic of a highly regulated pharma industry. "Some companies have a more challenging history and are therefore more conservative than others," he says, "but that's a balance that we play with each and every day."

With record-breaking years comes the constant challenge of managing growth and, of course, recruiting talent to handle all those extra accounts. Daley says GSW added about 20% more staff in 2010. That brings the US contingent close to 500 people, with another 200 or so based overseas. "We really look at hiring that talent that really has the desire to do something different," says Rooke. "It's not just about their resume, but the chemistry that you can create within teams."

Globally, GSW has a footprint in 14 of the largest markets—Australia, Japan, Russia, the Middle East, the major five in Europe, Sweden, Canada, U.S., Mexico and Brazil—around 75% of which is owned. Deschamps adds that there are plans to expand further into emerging markets. Deschamps estimates that in 2010, 85% of GSW's new business had a global component. "That's the reality of our business today."

Back home, GSW recently brought under its wing in Ventiv sibling Stonefly Communications and allied it to its own women's health unit, Pink Tank, in a health and wellness offering called The Well @ GSW. According to Daley, the new unit is building "great momentum," having already picked up three substantial pieces of organic business.





Above (left and right): A professional corporate campaign for Lilly Oncology, from ASCO Annual Congress

As for future big-picture trends, Deschamps, like most of us, is trying to figure out the outcomes and opportunities associated with healthcare reform. "We're talking about a population larger than Canada coming into the healthcare system with really no resources to be able to handle it," he says. "So, [the opportunity lies in] being able to find a way to get information to patients and others interested and passionate about healthcare issues."

Deschamps believes the aging population will have a dramatic effect on the industry. "Around 30 million baby boomers will have their first major health event in the next three years as they turn between 65 and 70. Being part of that generation, I know how selfish we are. We are not going to stand down and accept the world according to pharmaceutical companies and/or governments. We will demand a level of service that lives up to our expectations. So, I think those dynamics are going to create opportunity for the organization that can stay slightly ahead of those things." —James Chase



Above: A journal ad for Lilly's Humalog, a mealtime insulin indicated for patients who have type 2 diabetes