



AT THE HELM

Peter Nalen, president-CEO

PERFORMANCE

Due to repositioning, just slight growth in 2011

HIGHLIGHTS

New accounts from Upsher-Smith Laboratories, Raptor Pharmaceutical and Chelsea Therapeutics

Opened a California office to get closer to the biotech and specialty pharma communities

CHALLENGES

Lost business from Dey Pharma, due to Mylan acquisition

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

Compass Healthcare Marketers

How can you fight industry doom and gloom? Find the right space

Considering how much doom, gloom and bitter if not desperate competition have marked the pharma marketplace recently, Peter Nalen, president-CEO of Compass Healthcare Marketers, stands out. For one thing, it sounds like he's having fun. Credit that in no small part to his agency's recent refocusing on drugs for rare and orphan diseases.

"What's fun and interesting about this market is that there's no real competitors—usually there's only one brand per category," he said, speaking of a few thought-leadership events Compass produced last year. Rare diseases affect fewer than 200,000 people, while orphan diseases are those that likely won't yield an economic benefit for drugmakers and so receive regulatory incentives. "People don't look across the aisle and say, 'I have to kill you.' We're all facing the same problems. When it's industry-only and just commercial folks in the room, they're free and open to ask questions."

Compass's change, which Nalen calls "more an evolution than a revolution," began in 2010. But his passion for patients goes way back. His brother's fatal struggle with liposarcoma—initially misdiagnosed—was the impetus for the agency. Nalen said, "We started the agency nine years ago on the belief that if patients had better information they'd be in the position to make better decisions, and they'd have better outcomes."

At this point, about 95% of Compass's clients are in the rare and orphan drug space. In 2011, Compass won new accounts from Upsher-Smith Laboratories, Raptor Pharmaceutical (an unnamed Nephropathic cystinosis drug), Chelsea Therapeutics (Nothera), and the agency is doing social media and landscape analysis for GlaxoSmithKline in the areas of Fabry's

disease and Duchenne muscular dystrophy. The sole loss was Dey Pharma, which, Nalen explained, was a result of the Mylan acquisition and the ensuing agency consolidation. "We were the last one to go," he said.

Nalen declined to disclose growth figures, but said this: "We're averaging anywhere between 10 and 18% year-over-year for the last five years. 2009 was okay and 2010 was unbelievably good. 2011 had slight growth, but that was because we repositioned, and it took a little while to get new clients to know who we were." Compass employs 30 people, with two open positions.

Compass's repositioning has come with an evolution of the products and services. "Interactive is at our core and that's where 90% of the community is looking for information," Nalen said. There's also a community-engagement group focused on reaching the patient community, from advocacy groups to patients, on behalf of clients. Compass employs much the same staff that it did before the positioning, though last year it opened a California office that now has six people.

The California move was to get even closer to the biotech and specialty pharma community there, but the



From top: A web site for Cushing's drug Korlym, putting Proleukin patients' stories on YouTube

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—Peter Nalen

shift to rare and orphan has led to more interest from the big boys. "Funnily enough, this positioning puts big pharma on our radar more than before," he said.

Nalen notes that each of the top ten pharma companies except Genentech has a rare and orphan group. "It's a smart place to be as we fall off the blockbuster cliff. We'll see how it pans out. As long as they come in with the right intentions, it shouldn't hurt the space. A lot of the smaller biotech companies are a little nervous. The playbook is to steal market share by pricing." — Matthew Creamer