100 Agencies

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

PERFORMANCE
Growth of about 15% with revenue in the upper-$60-millions range

HIGHLIGHTS
New business included two Actavis brands, CNS work from Otsuka, a Novartis wellness assignment and brand-bolstering for biotech Relypsa

Expanded relationship with Alcon

CHALLENGES
Lost business from FDA denial of several products

For contact details, service offerings and client roster, see Agency A-to-Z, beginning on page 183

H4B Chelsea

A team that deftly fielded several curves the FDA threw its way

Having been asked to give a big-picture assessment of his company's fortunes during the past year, H4B Chelsea managing director, chief creative officer Christian Bauman responds, "We're doing really, really well, especially considering the major hole we had to climb out of, again." Bauman says this with the weariness of a traveler delayed at an airport, rather than with the bitterness that characterizes similar pronouncements from other agency chiefs. Left unsaid is that 2013 marked another year in which the FDA seemed to take singular delight in messing with brands upon which H4B Chelsea was working.

Happily for the firm, it has long built wiggle room for such professional tremors into its annual budgets. As a result, H4B Chelsea has weathered the FDA-denial storms with relative ease, without having to lay off any staffers in their wake—and with results most of its peers would envy.

Following years in which it reported growth of 35%, 40%, 15% and 5%, the company surged about another 15% in 2013, with annual revenue reaching the upper $60s (that's millions). It further distanced itself from its past rep as The Wyeth Agency—five years ago, managing partner Mike Peto recalls, the agency's business was 70% Wyeth—and diversified its therapeutic and client mix. Headcount remained relatively static, sitting at 275 full-timers and enough freelancers to drive daily attendance past the 300-person mark.

That's far from where H4B Chelsea was when its current three managing partners took the reins five years ago. Then, the agency netted $25 million in revenue; this year, it will likely cross the $70 million threshold. Among the keys to the string of recent successes: a hiring strategy that prizes versatility and, well, coolness.

"We kept hearing the words 'the right fit.' That's what we were"

—Steve Nothel

"We hire people we want to work with no matter what project we need help with," Bauman says. "'Bodies for brands' is a bad staffing model."

New business during 2013 included two Actavis brands in two different categories, women's health and GI; CNS work from Otsuka; a Novartis wellness assignment; and some brand-bolstering for biotech startup Relypsa. H4B Chelsea also expanded its relationship with Alcon, which now includes all of the company's contact lens business (professional/consumer, including TV) and projects within the pharma division (glaucoma-related). "We kept hearing the words 'the right fit.' That's what we were in so many of those cases," crows managing partner Steve Nothel.

The agency took two non-FDA-related hits. When Trius Therapeutics was acquired last July by Cubist Pharmaceuticals, H4B Chelsea lost a sizable ($2 milion-$3 million) piece of business. The other loss, however, exposed the H4B Chelsea ruling troika as uncommonly good sports.

H4B Chelsea's expanded relationship with Alcon includes all the company's contact lens brands

Holding-agency consolidation meant that the Havas network of firms lost out on Pfizer business—and in H4B Chelsea's case, that meant the end of its work on depression drug Pristiq. Nonetheless, the three managing partners cite that final campaign as one of the year's high creative water marks, and one in which their value to the client was fully recognized.

"Technically, all Pfizer business was supposed to be gone by March 2013," Peto recalls. "But they kept us around until the beginning of the fourth quarter. They really appreciated that even though the business was going away, we never gave up on them. We're proud of that." —*Larry Dobrow*