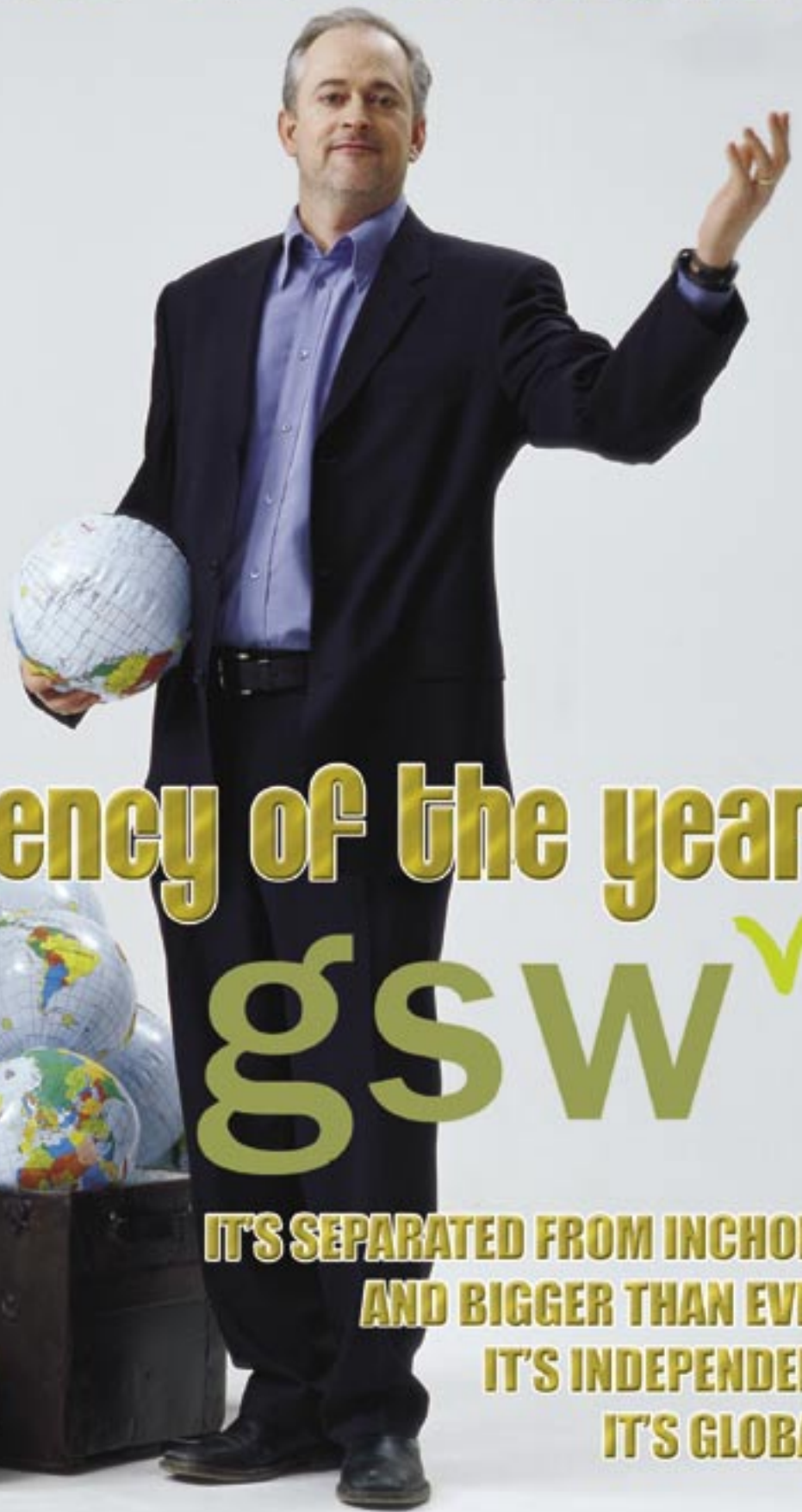


MedAdNews

Volume 23 Number 4 • April 2004 • \$100

TOP HEALTH CARE AD AGENCIES

medadnews.com



agency of the year
gsw^w

IT'S SEPARATED FROM INCHORD
AND BIGGER THAN EVER.
IT'S INDEPENDENT.
IT'S GLOBAL.

PHIL DESCHAMPS AND BRUCE ROOKE
ARE JUST GETTING STARTED.

agency of the year

GSW Worldwide

500 Olde Worthington Road, Westerville, OH 43082 • Telephone: 614-848-4848 • Facsimile: 614-848-3477 • Website: gsw-w.com

WINNER
AGENCY OF THE YEAR

FINALIST
BEST PROFESSIONAL
ADVERTISEMENT

Loprox Shampoo, for the treatment of seborrheic dermatitis, created for Medicis Pharmaceutical Corp.

by **Gina-Louise Monari**

2003 was a milestone year for GSW. Strategic geographic expansion, new business wins, additional new strong leaders, and the launch of several key products highlighted the past year for the largest independent agency in the country. This success was reflected in GSW's double-digit growth in total revenue and capitalized billings. *Med Ad News'* Agency of the Year has not slowed down in 2004, having recently been rebranded, added a new high-profile executive, and taken on new business.

The past year's biggest achievement for GSW Worldwide, the lead agency in the inChord Communications Inc. network, was the launch of its New York office. A global group of communications companies providing customized-marketing solutions with a single point of accountability, inChord reported capitalized billings of \$885 million in 2003, making the group one of the largest independent communications organizations in the world. At a time when most large agencies are scaling back their operations and closing offices, Columbus, Ohio-based GSW's expansion to New York was a courageous move.

Art Chavez is president of GSW New York. Mr. Chavez is responsible for all



"What we're trying to create is one worldwide agency in which the teams are built from scratch and be with our clients in the markets that they require. We're trying to get out of the network mentality and provide one worldwide agency solution to our clients."

President, inChord New York, Vince Parry; Chief Creative Officer, GSW Worldwide, Bruce Rooke; CEO, inChord, Blane Walter; President, GSW Columbus, Joe Daley; President, GSW Worldwide, Phil Deschamps

aspects of the business, including operations, financial management, new business development, and client service. He reports directly to Vince Parry, president of inChord New York. The New York office has more than 30 employees.

Mr. Chavez formerly served as executive VP, director of operations worldwide advertising, for Grey Healthcare Advertising. During his 14-year career at Grey, Mr. Chavez worked with clients such as AstraZeneca, Aventis, Boehringer Ingelheim, GlaxoSmithKline, Eli Lilly and Company, Novartis, Pfizer, Procter & Gamble, and Wyeth. Mr. Chavez oversees

key divisions within the agency, including electronic business, studio services, creative support services, and human resources. He played a key role in managing global accounts for Grey Healthcare.

Replicating the successful business model that GSW built in Columbus, the New York office provides enhanced access to clients on the East Coast and more connectivity to other inChord (inchord.com) companies in the area.

"We opened GSW New York last year for a couple of basic reasons," Mr. Parry says. "One, we feel we have a very successful business model that we developed in our headquarters in Columbus and obviously wanted to put that model geographically closer not only to clients we currently do business with in the East Coast corridor but also to expose ourselves to clients that haven't been that familiar with us. And the second reason is obviously as a base of operations to help link with our global partners in Europe and around the world."

Mr. Parry, who joined inChord in November 2001, is the founder and president of inChord's branding company, **Y Brand**. Elisa Cooper-Broski, creative director, and Diane Pencek, director of client services, provide additional leadership to the New York business.

To emphasize the global marketing aspect of the agency, the Gerbig, Snell/Weisheimer brand was changed to GSW Worldwide. "We changed our name to GSW Worldwide to better reflect how we are interfacing and the kind of offering that we're giving to our clients," says Phil Deschamps, president of GSW Worldwide.

Financially, the agency performed extraordinarily well in a year during which many other agencies could only

Client Roster

Full-service ad accounts

aaiPharma Inc.
Pain Franchise

Biogen Idec Inc.
Avonex

Cephalon Inc.
Actiq, Gabitril, Provigil

Champion Mortgage
Corporate Marketing

Children's Hospital of Columbus
Corporate

DePuy Inc.
Corporate Marketing

Ethicon Endo-Surgery Inc.
Corporate

Genentech Inc.
Nutropin, Nutropin AQ, Pulmozyme, Raptiva, Rituxan

Genzyme Corp.
Renagel

KeyBank
Business Banking, Capital Markets, Commercial Banking, Commercial Real Estate, Corporate and Institutional Brand, Global Treasury Management, High-Net Worth Customer Marketing, Victory Capital Management

Eli Lilly and Co.
Alimta, Cymbalta, Evista, Forteo, Gemzar, Humalog, Humalog Mix75/25, Humulin 70/30, Humulin L, Humulin N, Humulin R, Humulin U, Strattera, Symbyax, Xigris, Yentreve, Zyprexa

The Medicines Co.
Angiomax

Medicis Pharmaceutical Corp.
Alustra, Loprox, Lustra, Restylane

Hoffmann-LaRoche Inc.
Boosted Saquinavir, Fuzeon, HIV Franchise

Ross Products
Multiple Products

For a detailed listing of account rosters, including brand assignments for the health-care ad agencies, log on to pharmalive.com/specialreports.



The fence-gap theme in the premarket campaign for the psoriasis drug Raptiva is designed to plant a seed of doubt in the mind of physicians about existing and emerging psoriasis therapies that require patients to start and stop treatment.

generate single-digit or flat revenue. GSW recorded total revenue of \$70.5 million in 2003, 45.7% more than in 2002. Total capitalized billings were \$563.2 million, 37.2% more than in 2002. The agency attributes the rise to the formalization of its relationships with its worldwide partners.

GSW's global network, which encompasses at least eight European and Asian countries, was strengthened when the agency established equity partnerships with its affiliate agencies. The income and billings from these agencies were included in GSW's reporting. The largest among these partners are **GSW/Action D'Eclat** in France and **GSW/Liedler** in Germany. GSW expects to announce additional global partnerships in 2004.

To reinforce its global capabilities, the agency made significant management changes. Mr. Deschamps, president of GSW Columbus, became president of GSW Worldwide, with an increased focus on managing global capabilities. Daniel Teper, who previously oversaw global operations for Euro RSCG, CommonHealth, and Lowe Healthcare, was hired as GSW's chief global officer. Together, they are charged with driving the agency's global marketing strategy. Mr. Teper is responsible for identifying opportunities for current and future clients to grow the visibility of their brands worldwide.

Brian Heffernan was hired to lead GSW's direct-to-consumer and health and well-being business, to ensure that the agency continues to provide connected solutions. Because public relations has become a bigger focus in the pharmaceutical marketing mix, John Deats, a 15-year

expert in health-care public relations, was hired in June 2003 as executive VP of the PR practice.

Another notable leadership change in 2003 was the retirement of Chris Snell. Mr. Snell jointly founded Gerbig, Snell/Weisheimer, with Robert Gerbig and Rick Weisheimer in 1977 and served as president of creative services until 2002. Last year, he oversaw business development, marketing, and integration for the seven inChord companies as chief innovation officer. He retired Dec. 31, 2003.

GSW's successful model was reinforced by numerous new business wins and a significant expansion of work assignments from many current clients. In 2003, clients increasingly turned to GSW for support in managing and launching global brands, which spurred the agency to expand its global presence significantly. "Globalization is a major, major change over the last

couple of years," Mr. Deschamps says. "For us, we estimate that 50% of our clients are utilizing us with a global perspective in one form or fashion. That's very different from what it was five years ago."

Mr. Deschamps says GSW is offering a single worldwide agency perspective. He does not characterize the agency's global capabilities as a network. To him, a network is a group of agencies that get together and try to provide solutions for clients. "What we're trying to create is one worldwide agency in which the teams are built from scratch and by definition with our clients in the markets that they require," he says. "What we're trying to do is get out of the network mentality and provide one worldwide agency solution for our clients."

The agency has developed processes and protocols that allow its global clients to manage their brand in all of the major

pharmaceutical markets with one team. Each of the agency's global brand teams is chaired by a worldwide account person and a worldwide creative director. Because the U.S. business is so significant to most of GSW's clients and most of the global brands, each team is also staffed with a group of three individuals who manage brands. These three people have to provide solutions and provide strategies that are balanced with all the interests. "This allows a completely integrated approach without the pitfalls of the traditional agency networks where jurisdictional issues get in the way of marketing the brands in a true global fashion," Mr. Deschamps says.

Clients have responded to this approach. Eli Lilly and Co. (lilly.com), GSW's long-time and largest client, awarded the agency global marketing responsibility for all of the brands that the agency is managing in the United States.

GSW has been assigned full-service accounts by two new clients that are two of the five top-revenue-generating biotechnology companies in the world: **Biogen Idec Inc.** (biogenidec.com) and **Genzyme Corp.** (genzyme.com).

In the New York office, the agency was awarded the global marketing for **Avonex**, Biogen Idec's billion-dollar brand for the treatment of multiple sclerosis. In Columbus, GSW won an account in January 2004 for Genzyme's **Renagel**, a calcium and metal-free phosphate binder that reduces phosphorus levels in hemodialysis patients.

Other new business picked up by the New York office was for The **Medicines Co.** (themedicinescompany.com), which awarded GSW the U.S. full-service health-care professional account for the antithrombotic drug **Angiomax**.

The Columbus office was awarded a corporate marketing assignment by **DePuy Inc.** (depu.com), a division of Johnson & Johnson. GSW Columbus expanded its nonpharmaceutical practice with the addition of a full-service consumer account for **Champion Mortgage** (championmortgage.com), a mortgage refinance company and home-equity lender owned by **KeyBank** (keybank.com), another of the agency's clients.

Although 2003 was characterized by fewer-than-expected new product approvals by the U.S. Food and Drug Administration, GSW partnered with clients on the launches of four new products that were cleared for marketing in 2003. These include **Fuzeon**, an HIV infection drug launched in March for **Roche** (roche.com); **Raptiva**, a psoriasis drug that was launched in October for **Genentech Inc.** (gene.com); **Restylane**, a cosmetic dermatology product from **Medicis Pharmaceutical Corp.** (medicis.com) launched in December; and **Symbyax**, a new product for bipolar depression from Lilly that received FDA approval during the last week of 2003. Several major launches for GSW clients are expected in 2004, which began with the Symbyax introduction in mid-January.

An advertisement for another Medicis account, for **Loprox Shampoo**, caught the eyes of dermatologists and the eyes of the editors of *Med Ad News*. Indicated for the treatment of seborrheic dermatitis, Loprox Shampoo is a finalist for *Med Ad News'* Best Professional Advertisement Manny Award this year (see box). The ad features a row of heads with eccentrically styled hair, which brings attention to seborrheic dermatitis, a condition that is easily mistaken for dandruff and goes undiagnosed by general practitioners and dermatologists. Within

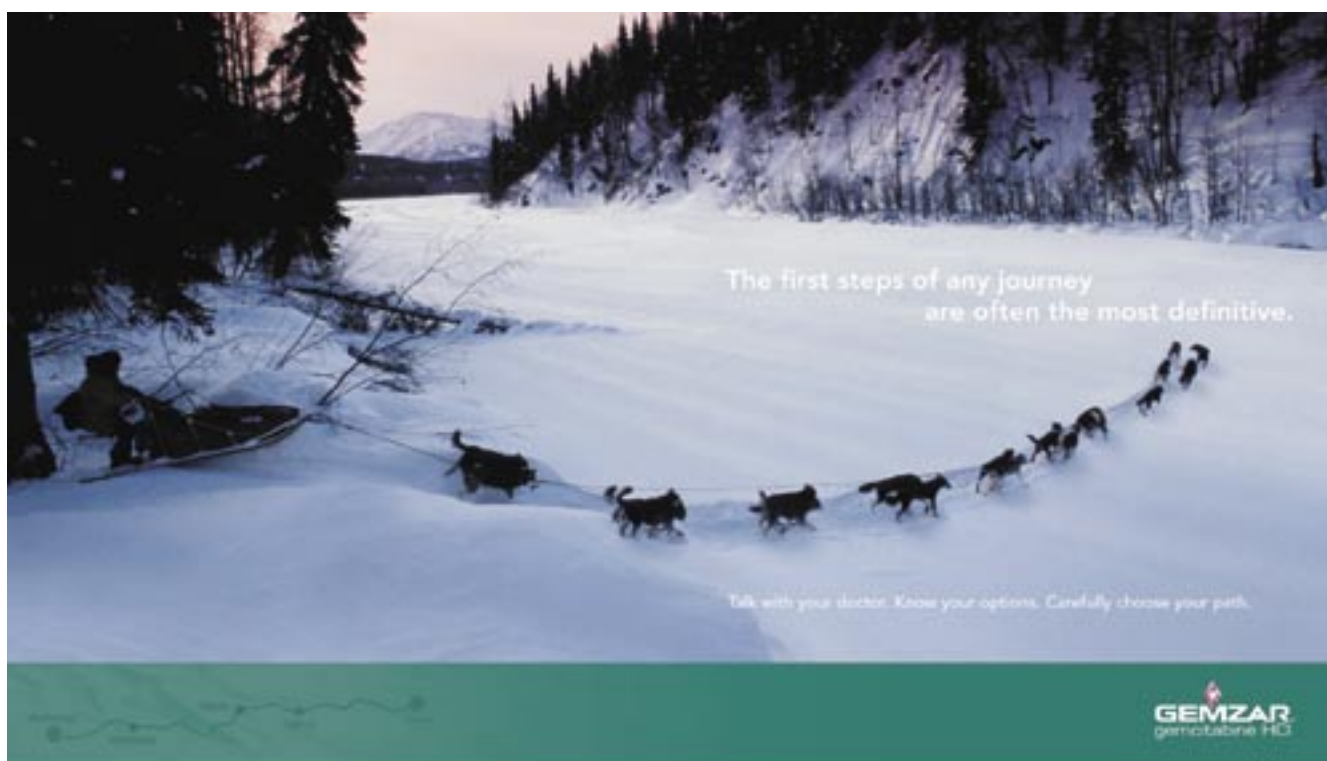


Finalist Best Professional Advertisement

Loprox Shampoo — Crazy Head Campaign

For the topical treatment of seborrheic dermatitis of the scalp, created by GSW Worldwide for Medicis

Although Loprox already was a successful brand of topical antifungal, the new shampoo formulation had the potential to transcend topical sales figures and any brand equity. For Loprox Shampoo, GSW rooted the creative in a basic human condition to which dermatologists, general practitioners, and patients can relate. The agency created anticipation with a rolling launch campaign that included unusual media buys and a snow globe "dandruff head" mailer. The result: two weeks after launch, the new product had met its incremental sales goals.



This direct-to-patient ad for the cancer drug Gemzar departs from the usual happy, smiling patient imagery with its use of a sled-dog as a leader overcoming the harsh environment, and established the product as a powerful chemotherapy that patients or family members may want to ask their doctor about.

two weeks of launch, Loprox Shampoo met its incremental sales goals, and Medicis was so pleased with the response from the campaign that postlaunch materials and refreshed sales collateral have extended the “crazy head” concept.

GSW managers say the agency is being affected by several trends in the industry, including the growing complexity of doctor-patient relationships and the globalization of health care. “That’s a trend that we recognized a couple of years ago,” Mr. Deschamps told *Med Ad News*. “But it certainly has caught steam in 2003.”

Another trend affecting GSW is the important role of procurement agents that work for pharmaceutical companies and are charged with obtaining services at a reduced cost. The agency has worked with its clients’ procurement officers to streamline the process yet maintain the effectiveness of their working relationship.

“We found a way to celebrate the role and maintain our margins while taking a lot of inefficiency out of the system,” Mr. Deschamps says.

GSW has developed its platform and brand around the concept of “liberating ideas.” The concept was developed in 2002 as the agency was rebranding itself. GSW approaches the marketing of brands in a completely different, mostly integrated way, agency managers say. The agency focuses on each individual client’s business and makes sure a solution is customized, based on the sophistication of each of the agency’s practice areas. Agency managers say liberating ideas give their clients the freedom to succeed.

According to Mr. Deschamps, following the launch of inChord in 2001, the need to focus on GSW’s brand and redefine how the agency differs from other advertising agencies in the marketplace became clear. The senior officers of inChord came together and put themselves through the agency’s own branding process. During the discussion, executives kept coming back to the idea of independence and freedom. Unlike many other agencies, GSW does not have to answer to a group of corporate shareholders.

This independence fosters a culture in which employees are empowered to share ideas and make decisions that are in the

best interest of the clients and no one else. GSW executives say this means the agency is free to create, innovate, and find innovative solutions to clients’ problems better than other agencies.

“From a brand personality standpoint, to build on the liberating ideas as the largest independent health-care communications company in the world, our independence and our size gives us an entrepreneurial spirit that we find very different,” Mr. Parry told *Med Ad News*. “The other aspect is that we are universally shared throughout the organization. We have best-practices policies, and they’re seamlessly integrated. And we get a lot of feedback from our clients about not only how efficient our processes are, but how truly they build some very unusual and powerful insights into their brand.”

GSW managers believe that after years of flat or diminished activity, advertising activity is increasing. Clients are experiencing success with the agency’s solutions and finding benefit in promoting their brands. This, agency managers say, accounts for much of the increases in the agency’s business with existing clients and new clients.

Mr. Deschamps says GSW not only is looking at advertising as a way to grow its business, but is taking a more balanced approach. “We have focused all of our practice areas — our PR business, our consumer business, our interactive business — on their own opportunities and to gain clients that consume only those services, in addition to growing our existing business,” he says.

Agency managers say GSW is benefiting from the pharmaceutical industry’s realization of the need to break away from its overdependence on the sales force. Companies are exploring other marketing solutions.

“The increase that we’re seeing in advertising is an increase of the pharmaceutical companies using different channels to support their brands,” Mr. Parry says. “And that’s why we have continued our investment in making sure that all of the areas, such as direct marketing, PR, medical education, consumer support, get the proper attention.”

GSW’s clients are feeling the pressure to reduce their fixed costs and are looking to the agency to help them examine

other channels and to determine what the equivalency of a representative is in terms of direct marketing, interactive, advertising. Clients are diversifying the way that they use the agency’s services. There has been a heavy investment by clients in applying market conditioning techniques to create a brand while the brand is still in development.

“It used to be that agencies would focus mainly on promotional activities just around the immediate prelaunch period through the launch and execution period and continuing on as the product matures in its life cycle,” Mr. Parry says. “There has been a much more focused investment on the market conditioning area that used to be the purview of an education company. Now they’re not only fielding educational venues in market conditioning situations, but they’re also fielding promotional opportunities as well.”

Mr. Deschamps says clients used to spend between 10% or 15% of their launch budget in the years preceding the launch. Now, clients are spending 20% to 30% of their launch budget in those years, as marketers have recognized the need to establish the science and the market conditioning before the products are launched.

“Three or four years ago, if we looked at a traditional major-brand pharmaceutical, we would look at 30% of the spend to be in medical education venues, roughly 30% of the spend in traditional advertising, and the last part in promotion,” Mr. Deschamps says. “Now areas such as PR and DTC as well as online and offline promotional activities would split that up considerably.”

GSW can access the additional services it needs for its clients through sister inChord companies. These companies include **Blue Diesel**, a full-service interactive company specializing in the integration of technology, marketing, and design; **CHS**, a marketing consulting company; **Cadent Medical Communications**; a strategic medical education company; **Health Process Management**, a data-management and analytics company that provides information to assist pharmaceutical and biotechnology companies in the development of customized marketing programs; the branding and strategic consultancy group **Y Brand**; and **RxPedita LLC**.

RxPedita is a joint venture of inChord and the health-care services company **Cardinal Health** (cardinal.com) that was established as a stand-alone company in January 2004 to provide product-launch support to emerging pharmaceutical and biotechnology companies.

GSW managers believe that because of these expanding marketing opportunities, the agency is expected to experience growth of more than 20% in 2004. Much of this growth is expected to come through the New York office.

“We are believers that this is an expanding market,” Mr. Deschamps told *Med Ad News*. “And I really don’t know of any other major shop that right now is opening a new office in New York or contemplating other expansion. That’s a very significant move. We’ve made sure that we’ve lined up the right people. We’ve made sure that we are doing it at the right time. The worldwide growth and the expansion of New York is our major focus in 2004.”

Mr. Deschamps says a challenge for any growing agency is to continue to recruit top talent. GSW continues to invest in its management team. In February 2004, the New York office added four new executives.

Clare Carroll was appointed global VP, client services. Ms. Carroll is responsible for providing strategic oversight of GSW’s global accounts and leading account teams in the United States and internationally. She was VP, group account supervisor, of the GlaxoSmithKline NeuroHealth Division at Foote Cone & Belding, where she was instrumental in the launch, branding, and marketing of the antiepileptic drug Lamictal.

D.J. Jaffe was appointed VP/creative director. Mr. Jaffe was creative director at Margeotes, Fertitta & Partners. Scott Tannenbaum became senior VP/client services. He was VP/management supervisor at The Martin Agency. Caroline Waloski is VP/associate creative director. She was associate creative director/VP at Robert A. Becker Euro RSCG.

GSW has the critical mass to provide every solution to its customers, and because the agency is part of an independent group of companies, managers say they only answer to clients, not a network holding company. Priorities for 2004 are to continue in launch mode in New York, continue to strengthen the agency’s global network, and to continue to service clients. Five years from now, agency managers hope to position GSW as a very significant player on a global-account basis.

The agency received recognition in 2003 not only in the form of new accounts from clients but in the form of creative honors from its peers. GSW was the recipient of several creative awards and industry recognition within the health-care industry for its creative work.

Some of the accolades the agency received in 2003 include two silver and one gold award from In-Awe, 10 finalist certificates at the Global Awards, 18 Rx Club awards, and two silver Addys at the District Five Addy Awards. In addition, GSW received a Global Supplier Award from its client Lilly. GSW was one of only 16 companies, of more than 6,000 service suppliers, selected for the award.

Lilly’s satisfaction as a client is shared by other clients, GSW executives say. “One of the things that we’re particularly proud of for 2003 is our average rating with our clients in the last surveys,” Mr. Deschamps told *Med Ad News*. “We survey all of our clients on a continual basis, and we averaged 4.15 out of 5.” □



Each two-sided insert in its design incorporates the small body entry holes used in minimally invasive surgical procedures. The campaign energized the Ethicon Endo-Surgery sales force and sparked positive responses from customers.



Traditional pharmaceutical marketing principles are mixed with style and glamour in advertisements, collateral, in-office education, patient communications, training videos, and Websites to promote the facial sculpting gel, Restylane.



This poster imitates a stimulus overload, showing how it feels to be a person with attention-deficit hyperactivity disorder. Created for Eli Lilly, this piece was designed to build public understanding, empathy, and awareness.