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PUBLISHER Lisa Banket
EDITOR Taren Grom
CREATIVE DIRECTOR Marah Walsh

MANAGING EDITOR
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ASSOCIATE EDITOR
Elisabeth Pena

FEATURES EDITOR
Kim Ribbink

CONTRIBUTING EDITORS
Lisa Dress

Autumn Konopka

DESIGN ASSOCIATE
Cathy Liszewski

NATIONAL ACCOUNT MANAGERS

Melissa Drozdoff
Cathy Tracy

MARKETING ASSISTANTS

Jayne Hudson
Kristin Scally

CIRCULATION ASSISTANT

Robert Harrison

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Healthcare advertising agencies, service providers, and companies offering strategic consulting to pharmaceutical and life-sciences companies

are grappling with the challenges facing their clients: shrinking profit margins, fewer drugs in the pipeline, consolidation, heightened regulatory scrutiny, and myriad other issues.

A distinguished panel of agency presidents representing four leading healthcare communications and advertising companies, addressed the ramifications that these complex market conditions are having not only on their agencies but the industry in general at a recent educational event sponsored by the Midwest HealthCare Marketing Association (MHMA).

Many thanks to Marita Gomez, educational director, and Jason O'Grady, president, of MHMA for giving PharmaVOICE the opportunity to facilitate an exciting and lively discussion between Joe Kuchta, president of Goble & Associates, Dr. Ahnal Purohit, president and CEO of Donahoe Purohit Miller, Tony Goosmann, president of Williams-Labadie, and Elaine Eisen, president of Corbett Accel Healthcare Group.

The continuing consolidation among pharmaceutical companies has created a significant business challenge, Dr. Purohit says. There are fewer brands and fewer clients and, as a result, there is greater competition among agencies for business.

"The dearth of pipeline products has definitely triggered a new sense of competition," Ms. Eisen says. "More agencies are going after brands that they never would have pursued before. And, because of consolidation, an unexpected challenge that our industry faces is the exodus of entrepreneurial-oriented clients. The individuals who are willing to take risks for the brand and allow agencies to do great work are fleeing our industry."

Mr. Goosmann adds that because there



Joe Kuchta, Goble & Associates; Ahnal Purohit, Donahoe Purohit Miller; Taren Grom, PharmaVOICE; Marita Gomez, MHMA; Tony Goosmann, Williams-Labadie; and Elaine Eisen, Corbett Accel Healthcare Group discussed the many challenges involved with managing client pressures at a recent MHMA educational event in Chicago.

are fewer brands to work with and fewer products in the pipeline, an agency's job becomes much harder even after it obtains the assignment.

Compounding these challenges is the constant turnover of marketing personnel on the client brand teams.

According to Mr. Kuchta, building strong client/agency relationships is now a constant battle because product management teams change so often.

"If clients are going to invest millions of dollars, they will funnel those resources to the agencies they trust," he says.

Mr. Goosmann agrees that the revolving door at the marketing level has made agency interaction sporadic.

"Clients can choose to eliminate their agency at the drop of a hat, if they wish to," he says. "To ensure consistency for the brand, clients need to think about what's best for the brand."

"One way to build relationships with clients is through data," Dr. Purohit says. "Data don't lie. In many cases, we have developed relationships by showing the results we've achieved for the brand."

Taren Grom
Editor

Facing industry challenges