

Well, good afternoon and thank you to one and all. It is truly an honor to be here.

I want to express my special thanks and gratitude to the leadership of AMM for inviting me to speak at this event, which means a lot to me and to AbelsonTaylor. We're intensely interested in making sure that the advertising product that we produce is accepted and embraced by the physician audience, and I think that the Doctor's Choice methodology is a good way to really understand that. So, I am honored to be here to speak to you.

I've titled this speech "Dr. Strange-glove: or how I learned to stop worrying and love the pharma marketing bubble."

Let's face it; we're sitting on a bubble. The industry that we work for is undergoing a contraction. I don't need to tell you that... and I don't need to cite the various data sources that illustrate that point.

Journal spends are down, sales forces are being downsized, and when sales force sizes are reduced so is the spending to support those sales forces. Virtually every person in this room has been feeling, and will continue to feel, this crunch.

We work in an industry that is targeted because of its profitability, and the fact that our profitability directly impacts federal budgets and the pocketbooks of the most influential block of voters in America... senior citizens.

And we are in an election year. In a little more than 6 weeks our nation will elect a new president, and the fervor surrounding that is enormous. Healthcare is not front and center in this debate, but it is being targeted in political campaigns on a national and on a statewide level.

So... how do we cope? Well, the answer is to focus upon what each of our businesses does best.

For my colleagues in the pharmaceutical industry, the joint hope of every person in this room is that our industry will continue to create new products that meet unmet healthcare needs. According to PhRMA, 554 products are in Phase III drug development... so I am most encouraged about the long-term health of our business. So long as pharma addresses the unmet health needs of our society, the underlying value of our industry will remain. The truth is, people are willing to pay more for better things... ESPECIALLY things that impact their health.

The underpinning of the political turmoil is that the elderly EXPECT that they should get the best health care can offer... even if they're not willing to pay for it. They've gotten the best in the past and didn't pay for it, and are angry now that the world has changed.

There is LOTS of unmet need out there... categories like osteoporosis and depression and cancer and immune disease are all still very unsatisfied... Primary care physicians need better products for diabetes, osteoarthritis and Alzheimer's Disease. Great good can be done by our industry in addressing these diseases.

To my colleagues in medical publishing... I honestly believe that you are doing an amazing job. You have maintained your cost efficiency for delivering promotion to our key audiences in the last 5 years, despite substantial losses in ad pages, for as publication size has shrunk the exposure potential for promotion has increased. It is my belief that journal advertising is an amazingly cost effective and productive medium for promoting healthcare products... and it is my hope that all of us in the advertising community continue to speak long and hard and loud in espousing the value of publications to our clients.

Further, I am encouraged by the vision of this group, exhibited in your name change, to the Association of Medical *Media*. In doing so, you are recognizing that the eyeballs of healthcare providers are more and more focusing upon their computer screens in addition to their journals... and you are reaching out to address that opportunity. As an advertiser who is focused upon buying access to those eyeballs, I am grateful for your foresight.

And finally, to the business I know best. I won't pretend to tell you all how to run your agencies... for I am just a fallen pharmacist who came over to the dark side 25 years ago. I will, however, encourage each of you that the path to winning in our business is the same as the path to properly promoting our clients' brands... that is, to figure out how you are better, to position yourself in the marketplace in a meaningful way, and then to slavishly devote yourselves to your organization's positioning.

But, at the end of the day, I truly believe that our businesses will not uniformly grow and become bigger and more profitable. I think that many people in this room will not become more prosperous, and some, perhaps many, of us may encounter situations where our prosperity declines.

So, with that bad news, what can I say to arouse the "unity and enthusiasm" that is requisite for a "keynote address?"

Well, I'm not going to tell you buck up. Instead, I'll tell you why I go to work in the morning.

Let's start with a couple of questions:

Colleagues working for pharmaceutical companies: are you unhappy at not working in packaged goods? You know, each year I help my b-school by mentoring a group of students focused upon marketing. On average, 8 of 10 tell me that they want to move forward into a job in the packaged goods industry.

When I probe them for their career strategies, mostly I get “Well, that’s where the opportunity is.” That’s where *they* think the money to do good research, good segmentation, good marketing, and good promotion is.

So, I’ll ask you what I ask them. Do you know how much is spent at retail in the US for a major packaged good category... a totally ubiquitous American product... catsup? Anybody?

\$400 million. The whole category. At last count, AbelsonTaylor had 15 different brands that sell more than \$400 million.

You can’t tell me that an industry where the whole category sells less than a single brand can drive analytics and promotion well. They just can’t afford it.

Our industry will continue to be a place where true analytics to really market brands well exists... for a very long time... recession or not. Rejoice in that if you consider yourself a “real” marketer.

And be honest: do you want to go to work even *caring* about what toilet tissue or candy bar or oven a customer buys? Really?

For my colleagues in the publication business, I think it’s even easier. Have you been to Milwaukee or St. Louis lately, trying to get some beer business?

Been to Oak Brook Terrace lately to sell the folks at Ronald’s House on a new promotion for Happy Meals?

When was the last time one of you flew to North Carolina to ask for a page of advertising from a cigarette manufacturer? Is that something you *ever* want to do?

Your job is a difficult one... but I believe it could be a lot worse.

And finally, for all of us, let me tell you why I do what I do for a living.

It’s really personal, and I may end up crying as I tell you this story... I almost always do.

In my last semester of pharmacy school, I spent a couple of weeks in a clinical rotation on an oncology floor at St. Joseph’s Medical Center in Ann Arbor.

My very first patient was a gentleman named “Mr. H.” Mr. H introduced himself to me by puking on my shoes... which was understandable as he had Oat’s Cell Carcinoma and was getting, I think, an anthracycline and a platinum compound... which caused a lot of nausea, and we just didn’t have the drugs for nausea in the early 80’s that we have today.

Well, over the course of the next couple weeks we actually got Mr. H into remission... with Oat's Cell, even today, that's close to miraculous. And I learned to really like him. He reminded me of a coach in high school and I admired the hell out of him.

And then the chemotherapy that was extending his life compromised his white cell count and he contracted a fungal infection and died of pneumonia.

And I decided that I didn't want to watch people die for a living and went to MBA school. And then chose to work in our industry, where people don't die when you make a mistake.

In 1996 I got the opportunity to work on the most rewarding business in my life so far... I worked on Neupogen, which tells your body to make more white blood cells, so you can not get infections on chemotherapy and ultimately, get the chemotherapy you need to be cured... especially in cancers like early stage breast cancer and non-Hodgkin's lymphoma.

The work was rewarding from a business sense... in 5 years, we grew Neupogen from \$400 million to \$1.1 billion, and went from a penetration of 14% in early stage breast cancer to a penetration of 42%.

But the important part, the part that made going to work special and fun and exciting to me, was that ***I got to beat fungal infections and bacterial infections and a lot of people who might have died... didn't.***

I promise you, my friends, that a difference like that makes a difference in whether you can wake up every morning and hold your head up high or not.

I can only wish that sort of experience for each person in this room.

Back in college, on about the seventh beer, we used to raise our glasses high and shout "they don't do this in the USSR!" It was kind of a sad rallying cry for capitalism, if you think about it, but after 7 beers that's not what a college junior is thinking about.

Let me offer a rallying cry to each of you... when you are together as a team, raise your glasses and say, solemnly or joyfully... "they don't do this selling Happy Meals!"

Let that be our industry's rallying cry. Each of us has the privilege, still, of working in a business where the end product really does promote and enhance people's health. That's worth a helluva lot to me.

Thanks for your kind attention.