



AT THE HELM
Ryan Abbate, president

PERFORMANCE
2006 revenue grew 23% vs. 2005

HIGHLIGHTS
Regained Allergan's eye care managed care business and won Juvederm

Other new clients:
Prometheus, Optimer and Medtronic

Staff grew by 25 people

CHALLENGES
Hiring talent on the West Coast continues to be difficult

Garnering public trust in the industry

For contact details, service offerings and client roster, see Agency A-to-Z, beginning on page 143

“Interactive is a fact of life, and its use is increasing. It’s not new.”

—Ryan Abbate

Pacific Communications

Revenues and staffing levels continue to rise in a difficult West Coast market

West Coast shop Pacific Communications is on a roll. Revenue grew 23% over 2005—which was also up—and staff increased in tandem, as about 25 new people signed on last year.

“Growth on the West Coast is harder to come by than growth on the East Coast,” says president Ryan Abbate.

Abbate reports that talent is also harder to find out West, but that he’s managed to add good people at all levels. He spends a great deal of time networking on the East Coast and attracted “a lot” of people from there. “We had need in virtually all areas,” Abbate says. “It’s been an HR mechanism in perpetual motion. We even ran full recruitment ads in the trade publications.”

Pacific kept all of its business, with substantial organic growth and new wins, perhaps the sweetest of which was regaining Allergan’s eye care managed care business. There’s been growth in aesthetics, as well. Allergan awarded the agency Juvederm (dermal filler), plus an as yet unnamed, high-end glycolic product. Other new clients include Prometheus (lower GI), Optimer (infectious disease area) and Medtronic (diabetes devices). Though the Medtronic business came in 2005, Paradigm REAL-Time and Guardian RT launched last year.

Hiring has been the greatest challenge, it has also been tough to manage operations on shrinking margins. Craig Sullivan, EVP management director, took on more responsibility for agency management.

“Growth allows us to do new things,” Abbate notes. “We have plans to add even more people. We’re expanding interactive and creative, [and looking to] bring in more consumer sensibility.”

Though he admits, “it may be blasphemy,” Abbate

doesn’t see trends in medical advertising. “I chuckle when I hear talk about DTC as a trend, because we’ve been doing it 20 years,” he says. “Interactive is a fact of life, and [use is] increasing. It’s not new. It’s about translating every traditional tactic to interactive. Interactive is a repository for all content, no matter who it goes to.”

Abbate says the regulatory environment is having the biggest impact on agencies. “When it comes time for submissions and approval, everybody keeps their fingers crossed,” he says. “You’re never sure. You can bank on a client that ends up disappearing overnight.”

The public trust issue is a “fact of life” that’s unlikely to get better any time soon, according to Abbate. “As long as healthcare spending is in the public eye, the pharma industry will remain a target,” he says. “I don’t know that there’s any way around that. If anything, it’s going to get worse because of the difficulty in managing healthcare spending in this country.”

“The pharma industry is very visible,” Abbate continues. “DTC ads [and other] things we do are far more visible than any other aspect of the healthcare system. Even though we are a small portion of the spend, we get a disproportionate amount of attention. It’s tough. In an



Above: Journal advertisement for Allergan’s Zymar

election year, you hear a lot about healthcare, and you’re going to hear a lot more about the expense of pharma. Pharma companies feel the public outcry more than agencies.”

Plans for this year include continuing to grow methodically. “Turning clients constantly is not the treadmill we want to get on,” Abbate says. “We want to be partners.”—Tanya Lewis