

# Euro RSCG Worldwide

## The Power of Creative Thinking

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Talking with Bob Schmetterer  
Chairman and CEO, Euro RSCG Worldwide

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**Could you give us a bit of background on your career?**

Well, the last thing I ever thought I would do is advertising or marketing. It was during my graduate studies that I became interested in market research and psychology. In my early 20s I wound up working for Volvo as a market research director. Working for a company that was very small and not particularly well-known in the world outside of Sweden showed me what advertising and marketing could do—make people aware of something they wouldn't have been aware of otherwise. From Volvo, I went on to work at an agency that helped Volvo at the time, eventually becoming the head of that agency.

I later started my own agency with four great partners and built that up to be quite a successful business. I enjoyed the building process, but then eventually sold the agency to what is now Euro RSCG Worldwide. A few years after the sale, I was asked by the management and board of Euro RSCG to take on the position of CEO of worldwide operations for the company. I accepted, and today, after all my experiences, I still believe that the work I do is important, globally. It's work that underlies the economies of the free world.



Bob Schmetterer, Chairman and CEO.

**Tell us a little about Euro.**

Euro RSCG Worldwide is one of the world's leading integrated marketing communications agencies. We're fairly unique in the sense that our business is geographically split between the North American and European operations, which are about equal in size, and then, the Latin American and Asian operations, which are still growing.

Our business is structured in such a way that our consumer group is organized geographically, therefore, we have management teams in North America, Asia, Latin America, and Europe.

We're also about constant growth. We've been evolving through various means, one of which has been acquisitions. We have made acquisitions that have become a huge part of our business in North America.

These acquisitions will guide our worldwide efforts and help bring new examples of creative thinking to what we're doing.

We are also investing extensive time and energy acquiring new technology that will ultimately enhance our growth.

**How important is pharma to your agency?**

The pharmaceutical or health-care side of our business became a major strategic initiative early on in my tenure as CEO. I'm a huge believer in the pharma

business. I've often said what packaged goods were to advertising in the '80s, pharmaceuticals are in this new century. Because of this belief, five years ago, I promoted the idea that pharmaceuticals was going to be a major initiative for us. As a result, we've set up what is now called RSCG Life, and it's become a leading global health-care agency. It is the largest single practice we have within the agency, so it's a very important part of what we're all about.

**In your new book, *Leap*, you discuss the concept of the Creative Business Idea® (CBI). Could you elaborate on that concept?**

I think the idea of creative business thinking is simple. Essentially, the result of creative business thinking is a creative business idea.

Creative business thinking simply says that the advertising/communications business is populated by a large percentage of creative thinkers who get paid every day to write copy, create ads, or come up with public relations material or medical education ideas. Creativity is our core competency.

A couple of years ago, we started thinking about how to take that core competency and make it even more valuable to clients and, therefore, to ourselves over a period of time. What we decided to do was look for areas where we were doing the best thinking. What we found was that the best thinking was being done when we asked creative thinkers to broaden their outlook and not just think about their own ad campaign, but about the business itself. Our goal is to have these creative thinkers ask themselves how the business strategy can be more successful tomorrow than it already is today.

Thus, the concept of the CBI has to do with the business strategy, not just with the communication or the execution of the communication. By getting our best thinkers to focus on a higher goal, we've seen tremendous evidence that what we do for clients and the kind of presentations we make to clients, are also at a higher level.

**Can you share examples of CBI application from the pharma world?**

Let's take the example of Lantus, an Aventis account we won in January 2003. The great thing about that win was how we accomplished it from a creative business platform. Aventis is a company that is now committed to global brands. They want a drug brand to be the same everywhere in the world and to use the same marketing strategy everywhere in the world. We worked together with Aventis and created a global agency dedicated to Lantus. The early signs in terms of the quality of thinking, work that's being done on the launch, and the feedback from management have been extremely positive. Aventis also recently announced that they are going to pursue this business model with a number of their other brands, now that they actually have someone they can turn to.

Another example is the marketing strategy we used for Sanofi-Synthelabo's Ambien, a treatment for sleep disorder. It would have been fairly easy for us to bring the new medication into that therapeutic category just by targeting physicians and consumers with promises of a new and improved medication to help you sleep. Instead, we spent a huge amount of time explaining why it is that most people who should be using sleep medications don't. We wanted to get across that this was not about the product itself, but about ensuring that sleeping well is not something people should have to worry about.

**What is required to make the client relationship work using the CBI concept?**

I think the main question is: How do you convince an industry or a company that's been very successful by being conservative to start thinking differently? There are three keys to answering this question.

The first key is to recognize that everything is broken, and if it's not broken yet, it will be soon, due to dramatic changes in human beings and human behaviour. The assumption that success can be achieved by spending a certain amount on advertising space, medical education, and public relations, and then just letting your sales force loose in the marketplace is no longer accurate. The traditional advertising methods are under enormous pressure and the agencies that

come up with the most creative solution to that problem will have a tremendous competitive advantage.

The second thing I think is very important for the success of a CBI is recognizing that there has been an implied trust between company and agency. That same dynamic is going to be very hard to replicate over the next ten years, as new people come into the business on both sides. A different kind of trust and relationship will need to be built.

The third key to making the concept work is for the CEOs and chief marketing officers wanting more creative thinking in their business plan, to recognize that they have to start setting the example.

### **Are there some issues in the health-care world today that you believe need fixing?**

I think there are a lot of them. First, I think the issue of branding is a real concern. I know there are many people who practise pharmaceutical marketing in a very traditional manner. These people say brands are for consumer goods only, but they're wrong. Brands are for everybody, and what brands allow you to do is be heard by your target market.

The second big area that I think needs to be clarified is the line between direct-to-consumer (DTC) and ethical marketing. I think both pharma companies and ad agencies have tried to say that DTC and ethical marketing are two different things. That may have been true in the past, but I don't believe it anymore. Not only are physicians consumers too, but patients are now increasingly involved in their own treatment. If we're really smart, we'll figure out how to appeal to that collective audience.

Last, but not least, the third big issue facing the pharma industry is that the strategy of simply putting out more representatives is procuring diminishing returns, as the amount of time representatives spend with physicians has been constantly decreasing.

### **You touched on globalization earlier, but can you elaborate on globalization in the pharma sector and on the need for local marketing initiatives?**

As forward-thinking as we might be, we still have to deal with the fact that regulatory environments are country-specific. Although there have been some

moves to make regulations more homogeneous in Europe, the goal of complete homogeneity is still a ways off. Therefore, for the foreseeable future, there will still be an incredibly strong need to continue to think and execute locally within the pharma industry.

The globalization opportunity is one of recognizing the power of global branding and learning, and realizing that some of the things that could be learned from a strategy for sleep medication in France are perfectly applicable in the U.S.

Historically, companies have always thought people behaved so differently between countries that marketing could not be done in the same way. I think that attitude is going to decline. Short-term global brands can exist even with the different regulatory environments. I think pharma can move toward a much more holistic marketing platform.

### **Do you have any thoughts you'd like to leave our readers with in terms of future outlook?**

I've said this often, and will continue to say it often. If I were entering the marketing business today, pharma is where I would enter because I see it as the most exciting and promising area over the next few years. When I'm travelling around and talking to university students, people always look at me inquisitively. I try to explain to them that pharma is an industry that is changing the world, just like Volvo did so many years ago.

However, the pharma industry is facing a lot of pressure, and is extremely hungry for creative thinking. The power of creative marketing can allow this research-dominated industry to flourish more than it already has.

Despite its few shortcomings, my view of the pharma industry remains greatly optimistic, but companies should be sure they are working with the right agency! **CPM**