HBA's Woman of the Year

Catherine Sohn Guides GSK's Consumer Powerhouse
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BY JOANNA BREITSTEIN
Senior Associate Editor

In hindsight, it seems Catherine Angell Sohn, PharmD, was destined to become vice-president, worldwide business development for Glaxo-SmithKline Consumer Healthcare (GSKCH). Sohn, a former pharmacist, architect of three Rx blockbuster launches, and engineer of innumerable partnerships and licensing agreements, is a pivotal link between GSK’s pharmaceuticals and consumer healthcare.
Winning Record

Sohn’s varied career made her a perfect fit for the role of business development. (See “Career Profile,” page 5.) “Business development relies on having worked in a lot of different line functions and both pharmaceuticals and consumer healthcare,” she says. “The challenge is to identify opportunities that you can see but may not be clear to everyone yet, then show how the new opportunity fits in the business and advocate for that.”

Sohn’s vision is grounded in her dedication to patients and serves as the impetus that makes her products succeed as well as advance her career. As senior manager of business and new product development, she argued that changing immigration patterns brought hepatitis B from the developing world to the United States and

Given the environment that embraces Rx-to-OTC switches and indulges the “consumerism” of pharmaceuticals that DTC advertising generates, Sohn and her executive team have prepared CH to support the pharma side in its consumer outreach efforts—and enhance its position as a profit driver within GSK.

When Glaxo Wellcome and SmithKline Beecham merged to form the world’s largest pharma company, Sohn helped propel GSKCH’s own growth by leading and executing the $1 billion purchase of Block Drug, CH’s most significant acquisition to date. Now a $5 billion business, CH represents 16 percent of GSK’s overall sales and is one of the industry’s most profitable consumer healthcare divisions.

For those achievements, the Healthcare Businesswomen’s Association (HBA) named Sohn its 2003 Woman of the Year. But working tirelessly to advance the health of patients, of her company, and of the industry at large, Sohn contends that the best is yet to come.

HBA’s 2003 Woman of the Year Catherine Sohn helps bridge the gap between GlaxoSmithKline’s consumer healthcare and pharmaceuticals businesses.
that a vaccine should be marketed there to protect physicians and nurses. Along with GSK’s vaccine teams, she shepherded Energix-B through FDA review and then won the crucial approval of the Centers for Disease Control committee that recommends immunizations.

“She mentioned to me that she felt health workers, particularly those in hospitals and clinical laboratories, could benefit from Engerix-B if it were available,” writes James Cavanaugh, PhD, former president of SmithKline & French US and current president of HealthCare Ventures, in his HBA Woman of the Year nomination letter. “I was impressed with the data she pulled together, which clearly demonstrated the positive impact an available vaccine would have on public health. After additional review with our medical and marketing teams, largely based on Dr. Sohn’s data, the product was developed and launched in the United States.”

After Engerix-B’s success, the company launched Twinrix (a combination hepatitis A and B vaccine), which, along with other products in the hepatitis franchise, brought in more than $400 million in 2002.

Sohn’s commitment to patients also helped Paxil (paroxetine) reach blockbuster status and become the company’s leading product, with $2.1 billion in 2002 sales.

“I can still recall her 1994 presentation to the SmithKline Beecham product review board on how to expand Paxil usage,” recounts Diana Makie, vice-president of the switch group, CH strategic development. “Her strategy showed Paxil’s effectiveness in a series of new, previously undefined indications, such as general anxiety disorder and obsessive/compulsive disorder. She dared to challenge the product strategy through segmenting consumer behaviors into many often unrecognized problems that Paxil could help. That innovative fragmentation strategy drove Paxil to its position as one of the top ten drugs in the world.”

GSK CEO Jean-Paul Garnier credits Sohn’s “marketing leadership, her education as a PharmD, and her experience in professional drug information as key to ensuring strong positioning and acceptance in a market already dominated by two strong competitors.”

Sohn was also responsible for leading the strategic product development, commercial assessment, and worldwide marketing plans for Type 2 diabetes treatment Avandia (rosiglitazone), which generated more than $1 billion in 2002.

When asked about her success, Sohn quickly points out, “Those are important accomplishments, not because of the size of the products for the company, but because they improve patients’ lives.”

### Filling the Pipeline

Even with antibiotic Augmentin’s (amoxicillin/clavulanate) patent already expired and Paxil’s patent under challenge, investment banks report that GSK remains a buy. That’s because, according to a Lehman Brothers report, “GSK, by virtue of its sheer size, is becoming more like an industrial conglomerate that just happens to operate in the pharma industry. Its product portfolio

### Brands Your Mother Knew Best

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<tr>
<th>Brand</th>
<th>Age</th>
<th>2001 Sales (in $m)</th>
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<tr>
<td>Aquafresh</td>
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<tr>
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<td>Odol</td>
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Source: GSK, 2001
neutralizes it from a significant hit from any one product, but by the same token, new products also have little influence on growth.”

CH is part of that stabilizing portfolio, with well known consumer brands such as Aquafresh, Sensodyne, Nicoderm CQ, Nicorette (nicotine), and Tums (calcium). “Although it can throw off double-digit profit growth, consumer is a single-digit growth industry,” says CH president Jack Ziegler.

“But it is very different from pharmaceuticals, which has its own set of opportunities and issues, such as the enormous impact of launches and patent expirations. Some of our businesses are more than 100 years old; there aren’t any pharmaceuticals like that.” (See “Brands Your Mother Knew Best,” page 5.)

Sohn puts it another way: “We’re like the bond part of your portfolio—steady Eddie, over the long term, and not as susceptible to patent expiration.”

Sohn's cool description belies the frenetic pace she must maintain to build GSKCH’s pipeline, and consequently, its future. “Now that we’re a $5 billion company,” she admits, “one small, new-technology licensing agreement at a time will not generate the kind of growth that we’re looking for. We need additional partnerships, global acquisitions, or external Rx-to-OTC switch assets.”

For that reason, business development is more important than ever. “Although our internal research and development resources are important, we are more likely to harness external creativity than to spend billions of dollars developing it on our own,” says Ziegler. “From that point of view, business development is a key engine to grow the business, and that’s why Cathy and her team are so essential.”

HBA’s 1999 Woman of the Year, Tamar Howson, then senior vice-president and director of business development for SmithKline Beecham and now senior vice-president of corporate and business development at Bristol Myers-Squibb, says Sohn has the skills necessary to excel in business development. “Cathy possesses the ability to manage complex projects, has knowledge and understanding of almost every function within the company, and she has the interpersonal skills to bring together diverse groups and align them under the same goal. She possesses all those skills to a significant degree, probably because she came to business development from a marketing background at SmithKline Beecham, where she developed good internal relationships with different functions. She moved from pharma to consumer, and that seems to have been a very successful switch.”

But Sohn believes that the secret to her success lies in the relationships she develops: “I help the company, university, or researcher feel comfortable giving their ‘baby’ to us. GlaxoSmithKline Consumer Healthcare is a midsize company and the most important message to convey is that we are big enough to have the research and development, regulatory, sales and marketing infrastructure, yet small enough to treasure each asset that is made part of the business.”

Strategic partnerships are increasingly a means for two companies to complement each other’s strengths. Sohn’s enthusiasm for working with external partners is evident in the way she continues to build on and champion the relationships even after signing the deal. “Our goal is to bring important new medicines to people while...
driving our business growth. Working in a cooperative way with external companies benefits everyone."

Sohn says GSKCH’s relationship with Block Drug was instrumental to the acquisition. Since it was Block’s product distributor in France for ten years, Sohn understood the connections between the companies’ products and corporate philosophies. She was able to gain the executive management team’s consensus and submit a bid for the company in October 2000, shortly after it became available. Even more important, those relationships established trust that allowed the acquisition to move forward, despite the fact that the Glaxo Wellcome/SmithKline Beecham merger was still in progress. That $1.24 billion purchase grew the business by more than 20 percent, catapulting it to its place among the top three consumer healthcare companies in the world and to number two in oral healthcare.

Ziegler appointed Sohn integration co-leader—an unusual responsibility for a negotiator—because she had already gained the trust of Block Drug’s owners and senior managers.

“Cathy led her team in developing the proposition, helping me sell it to Jean-Paul Garnier and helping us sell it to the board,” says Ziegler. “Once the deal was signed, she headed the team that made the objectives we promised to the board happen in terms of timing, sales, and profits.”

Integrating two companies across functions and geographies is a formidable task, but Sohn’s personal philosophy and commitment—exemplified by the plaque on her desk that reads, “It can be done!”—made perseverance the only option.

“The most important thing in asking the board for another $1 billion for the next acquisition is making the first one work.”

— Catherine Sohn

which gave the company’s smoking cessation franchise a stronghold in Japan. Although GSKCH successfully developed and commercialized Nicoderm, Niquitin, and Niquitin Lozenge in many countries and markets Nicorette gum and Commit Lozenge in the United States, the nature of the Japanese market—populated almost exclusively by local companies—made partnering a logical choice. “When we decided to bring our smoking cessation products to Japan, we knew we needed a Japanese partner that had expertise in development and regulatory and a large existing sales force to go to pharmacies in the country.”

The timing was right to begin the long development process. The Japanese government had recently announced Healthy Japan 2010, an initiative aimed at reducing the number of adult smokers by 50 percent. “Smoking cessation in Japan is at its early stages right now, but it will grow into a very large market,” says Ziegler, “particularly as government takes further steps to restrict smoking and people realize the health impact.”

Given the recent launch of Commit Lozenge, Ziegler expects that franchise to expand. He says: “Cathy accessed that product initially from Theratech, CH developed and enhanced it through clinical trials, it went through FDA, and it went out the door in late 2002. It looks very good.”
The following excerpts, taken from nomination letters written by current and past colleagues, mentors and mentees, and industry peers, explain why Catherine Sohn is the Healthcare Businesswomen’s Association (HBA) 2003 Woman of the Year.

“I never would have joined HBA without Cathy Sohn’s influence. She invited me to a meeting seven years ago and the rest is history. She is a huge champion of women and of HBA. On a personal note, she is my mentor and friend and the most reliable and trusted advocate of my career.”

— Diane Sullivan, director, commercial capabilities, US Pharma, GSK

“Cathy has superb interpersonal skills. I have seen her interact with foreign executives with the skill of a trained diplomat and handle the delicate process of acquiring a business enterprise with warmth and empathy.”

— Kevin Lewis, managing director, Lehman Brothers

“Cathy has been a personal inspiration to me. I first met her when she was vice-president of worldwide strategic product development at SmithKline Beecham. She was not only my boss, she was my mentor. She is the most strategic person I know—and not just about product strategy. She taught me about strategy influencing and career management and the subtleties of leadership—like how to get people motivated to follow you and go that extra effort.”

— Libby Keating, marketing director of oncology for AstraZeneca Pharmaceuticals

“I have seen her interact with foreign executives with the skill of a trained diplomat and handle the delicate process of acquiring a business enterprise with warmth and empathy.”

— Gregory Westerbeck, director, WW business development, GSKCH

“Cathy’s actions during the acquisition of Block Drug ensured a smooth transition of this important oral care company into the GSK Consumer Healthcare division. She went far beyond her stated role, which is the deal negotiation group. She gained the trust of the Block Drug owners and senior managers and moved the process steadily to deal closure. Consequently, Cathy became the acquisition integration co-leader. She then ensured that the people aspects were arranged evenhandedly and that GSKCH retained the valuable managers and leaders of Block Drug.”

— Jean-Paul Garnier, CEO, GSK

“Cathy is a dedicated change agent constantly seeking improvement in herself and her team. Her energy and sense of urgency have allowed her to overcome whatever obstacles are ahead. She attracts the very best talent because of her dynamic, aggressive, “can do” attitude. In GSKCH, business development used to be a secondary department. No longer. Cathy has transformed BD into a group where many GSK associates are clamoring to work!”

— Mark McCoy, senior vice-president of medical strategy for Palio Communications

“I have seen her ‘rescue’ the careers of talented and valuable people who otherwise might have been left behind. Each time Cathy has come to the aid of such a person, they have gone on to make contributions to the organization’s success.”

— Louis Manzi, vice-president of global recruitment, GSK

“Cathy Sohn has been a manager, coach, and mentor for almost every one of the new MBAs coming into GSK.”

— Louis Manzi, vice-president of global recruitment, GSK
**Consumer Meets Pharma**

Perhaps the greatest influence on Sohn’s career was her father, a pharmacist who worked in the small town of Ukiah, California. Sohn’s interest in making healthcare more accessible to patients was ignited by watching him interact with customers.

“I grew up working Saturdays in my father’s private pharmacy. He was the type of pharmacist that I thought was everywhere—he was accessible to patients, answered their questions, and recommended when they should go to the doctor. He showed me that I could make a difference in individual people’s lives.”

But Sohn says that working for the pharma industry allowed her to affect many patients’ lives. “One of the reasons people decide to work for big pharmaceutical corporations is because they have the capital to invest in new products that serve important unmet healthcare needs.”

The company’s size also allowed Sohn to grow, and she is now in a position to funnel her pharma expertise into the increasingly strategic consumer healthcare landscape. “I’m familiar with, and comfortable speaking to, pharmaceutical companies and educating them about how GSKCH can further develop their products and bring benefit to both companies by taking it to consumers.”

Sohn speaks confidently about CH’s Rx-to-OTC switch capabilities—after all, it’s based on experience. GlaxoSmithKline switched gastrointestinal drugs Tagamet (cimetidine) in 1994 and Zantac (ranitidine) in 1995. She says Nicoderm CQ and Nicorette, (switched in 1996) in particular, are testaments to the growth OTC status can bring. When launched as CH’s OTC consumer products, Nicoderm CQ and Nicorette became two and four times larger, respectively, than they were as Rx products. In fact, 2002 combined sales for the smoking cessa-

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**New Rx-to-OTC Environment**

Sohn’s colleagues, who are responsible for internal Rx-to-OTC switches, must deal with several issues to help GSK prepare for change.

“Bringing Rx products over the counter is not new,” says Laura Mahecha, healthcare industry manager for the Kline Group, a consulting company. “What is new is that third parties are petitioning FDA to switch products as a cost-containment measure. In the past, drug manufacturers petitioned the switch. The case of Claritin (loratadine) marked the first time that a third party, Wellpoint Health Networks, a managed care organization, petitioned FDA to switch products’ designation.”

By initiating the switch process with companies, FDA commissioner Mark McClellan says the agency plans to increase switches by 50 percent. The US Health and Human Services Department has already earmarked $1 million for new staff to review proposals. (See PE, “Bush Budget Outlines Healthcare Priorities,” March 2003). More and more, Rx products that treat diseases for which patients can self-medicate are likely to go straight to retail drug store shelves. In fact, CH bought the cold sore treatment Abreva (docosanol) from Avinir Pharmaceuticals after the company submitted it for Rx approval and FDA recommended OTC approval.

Pharma companies are on the defensive in an environment that often churns out new competitors before they can deal with the old ones. Says Mahecha, “Companies may consider switching products that they might not have before. It’s on their radar because their products could be targeted next.”

Ziegler says the allergy category is on CH’s radar because of FDA’s redesignation of Claritin (loratadine) as an OTC product. The company’s current DTC ad for allergic rhinitis treatment Flonase (fluticasone) compares the product to OTC Claritin and several prescription medications. Claritin’s OTC status doesn’t necessarily mean that managed care organizations will exclude Flonase from reimbursement; it’s not in the non-sedating antihistamine class. But a recent Decision Resources report, “The Impact of Generic and OTC Claritin on the Treatment of Allergic Rhinitis” notes that the switch may affect coverage of other allergy therapies. Lack of reimbursement may lead to a drop in GSK product sales if patients and employers must cover the entire expense out of pocket.

Although switching Flonase over the counter may make sense competitively, it remains to be seen if FDA will approve the action because of the potential for consumer confusion over the dosing of an inhaled steroid.
tion aids exceeded $500 million. “When one product in a class goes OTC, there is discussion about the implications of the formulary status for the ones that remain Rx,” says Sohn. “It plays out a little differently in each therapeutic area.” (See “New Rx-to-OTC Environment.”)

The Kline Group, a consulting company, notes that several GSK Rx products are ripe for switch. But Laura Mahecha, healthcare industry manager for that company, speculates that it is the five prescription dermatology treatments that Sohn recently helped acquire from Elan—Aclovate (alclometasone), Cutivate (fluticasone), Temovate (clobetasol), Oxistat (oxiconazole), and Emgel (erythromycin)—that may switch next. “Usually, GSK would acquire the products and then the consumer group would get involved. That’s not the case, so you may see some activity there.”

The five products generated revenues of $62 million in 2001, according to Elan, but GSKCH would not speculate about the revenue those products might bring in as OTCs.

Sharing Expertise
Before acquiring the dermatology products, Sohn conferred with its “internal consultants,” GSK’s pharma-side R&D and marketing experts in that therapeutic category. In return, CH share best practices in DTC marketing and advertising. There is no shortage of need, with IMS Health pegging GSK as the top DTC spender in the 12 months ending September 2002.

Role Model

Pharmaceutical Executive named Sohn a “Pharma Star” back in 1998. As colleagues pass her in the hallway of GSK’s Philadelphia office posing for PE’s cover, they don’t seem surprised that, five years later, Cathy is HBA’s Woman of the Year.

“She is an inspiration and a role model to women in the organization,” says Jack Ziegler, GSKCH president. “She mentors quite a few women in the company—and not just in consumer healthcare.

“I spend a lot of time mentoring because I enjoy it and it’s my way of giving back,” says Sohn. “One of the first women I worked for was Lolita Morada, the chief of pharmacy at Kaiser in San Francisco, who gave me the chance to be the editor of the Drug Bulletin. I asked her what I could do to thank her, and she told me, ‘Help women behind you.’ She said, ‘After you’ve been helped, you should spend the rest of your career thinking about how you can help somebody else.’ And she was right.

“I like working with young people. They are very energetic, full of ideas, and interested in completing a project to demonstrate their work. They have the unabashed confidence that they can do things. I can’t resist sharing my unsolicited advice with them. It’s lucky for me that mentoring has become popular.”

Sohn also speaks at high schools to encourage girls who have an interest in science to consider a career in the pharma or healthcare industries. “It’s important that we provide role models for girls who are deciding what to do,” says Sohn. “We must convey that there are a huge number of possibilities within the pharma industry, which is looking for people that believe in making a difference in healthcare. It’s not only R&D. They could also go into communication/advertising, public relations, government policy, or regulatory affairs.”

Cathy has obviously inspired her daughters to shoot for the stars. Her oldest will study engineering in graduate school and her youngest is an undergrad in international business, marketing, and advertising.

“Somebody once said, ‘I dare to believe that it can be different,’ and I believe that one can make a difference in a big industry that 21 years ago was mostly men,” recounts Sohn. “Now, at the sales meetings for new products, half or more of the sales representatives are women. In management, we’re seeing more women each year.

“Winning the WOTY Award is a huge honor. Dorothy Philips, an HBA Board member, recommended I join HBA when I was working with Philips Healthcare on the launch of Engerix-B. She told me that I would meet talented, dynamic, fun women at HBA who would inspire, mentor, and guide me. She explained that the women in HBA share pride in the value our industry brings to people by helping them live longer, healthier, and happier lives. HBA has lived up to those expectations.

“It is humbling to be nominated by so many colleagues and to be recognized among such an extraordinary group of prior WOTY recipients.”

The core heritage of consumer healthcare is 50 years of experience and excellence in advertising the benefits of products directly to consumers.
“The core heritage of consumer healthcare is 50 years of experience and excellence in advertising the benefits of the product directly to consumers,” says Sohn. CH works closely with pharmaceuticals to share its knowledge and capabilities, especially since DTC became an available vehicle.”

“We have the obligation to demonstrate the value of our products—overall and from a health point of view.”

— Catherine Sohn

The Advair (fluticasone and salmeterol) product team, for example, uses branding, packaging, and events to create a “consumerized” Rx therapy. That formula must be successful because, after less than two years, the product is the US market leader, generating $1.32 billion in sales in 2002. Its bright purple packaging is a plastic device with the brand name Diskus that increases convenience by eliminating complicated dosing. After patients activate the device, they inhale two medications simultaneously through the mouthpiece. The company also recently launched an asthma screening initiative, “Racing Against Asthma,” to raise awareness of the disease and the product. The company sends a 75-foot double-expandable truck to 25 NASCAR races around the United States to educate motor sports fans about the disease and to test them for it.

CH’s consumer targeted communication hinges on the philosophy of science-driven healthcare. Current ads tout Nicoderm CQ as clinically proven to relieve smokers’ morning cravings, Commit Lozenges as increasing consumers’ chances of quitting smoking, Aquafresh toothpaste as able to fight cavities, whiten teeth, and freshen breath, and Tums to help prevent osteoporosis.

“Each year, we conduct studies to support new claims for next year’s communication,” says Sohn. “Consumers always want to know what’s new, or if someone else is coming out with a product, they want to know, ‘How does yours compare?’ We have the obligation to demonstrate the value of our products—overall and from a health point of view.”

Sohn has delivered on that obligation in one way or another since joining GSK 20 years ago. An Rx-to-OTC switch herself, Sohn was either ahead of her time or just dedicated to making healthcare more accessible to consumers. Regardless, companies have followed suit. But given the ease with which Sohn leverages her two experiences, she may prove to the industry and its observers that pharmaceuticals and consumer healthcare aren’t so separate after all.
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