

Strategic Direct Marketing Solutions for the Healthcare Industry

Business Services Marketing

Direct Innovations
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Herb Torgersen
President

BIO:

Herb Torgersen is the President of DirectInnovations, Inc. He is a direct marketing industry veteran with over 30 years of marketing and management experience. Acknowledged as one of the industry's leading experts on direct/database marketing, Herb became a strong advocate in developing direct marketing initiatives for the clients he has consulted with early on in his career.

Over the past three decades he has developed strategic marketing initia-

tives for clients across many industries. By constantly adopting the general principles of direct marketing to current business environments, he has assisted clients in developing multi-channel marketing initiatives that utilize traditional direct mail, database marketing and online media. His underlying premise has always been to achieve ROI on all client marketing initiatives and to acquire and maintain new customer relationships.

About Direct Innovations:

DirectInnovations.....a full service direct marketing services firm employing integrated media to create strategic and innovative marketing solutions. Achieving mutual goals and objectives is our daily mission.

Interview conducted by:
Lynn Fosse, Senior Editor
CEOCFO Magazine

CEOCFO: Mr. Torgersen, what do you do at DirectInnovations?

Mr. Torgersen: We develop and deploy strategic direct marketing solutions primarily for the healthcare industry.

CEOCFO: Was that the initial focus of the company or did the healthcare focus develop opportunistically?

Mr. Torgersen: It was not the initial focus. The initial focus was to provide strategic direct marketing solutions to business-to-business marketers and some consumer marketers. The whole landscape in the direct marketing area has changed considerably over the last 10 years. There are less cataloguers out today than there was about 10 years ago. Cataloguers and Publishers who use to invest considerably in direct mail and direct marketing initiatives are no longer doing so. Internet commerce has

taken a toll on these traditional direct marketers. I have long had an expertise in assisting pharmaceutical companies to target their audiences, so that is what we primarily focus on now.

CEOCFO: Would you give us an example of how you work with a company?

Mr. Torgersen: A company might come to us and they have a new Rx that they are launching, and they are looking to reach people with particular medical ailments or are taking a specific Rx or OTC medication. They want to know how they should go about targeting them and reaching them. We have developed and worked with several large consumer database companies that offer consumer medical data that is HIPAA compliant.

CEOCFO: What is the process on your end to achieve the goal for your client?

Mr. Torgersen: We identify commercially available databases that have that pertinent data, are also HIPAA compliant, and adhere to all privacy standards. When HIPAA comes into play, the only way you can identify markets where a person might have allergies and takes a particular Rx or OTC medication is if the person filled out a survey either online or offline. They are raising their hand and saying, "Yes, I suffer from this medical ailment and this is what I take to treat it." All of that data has to be self-reported, on a volunteer basis, by the consumer.

CEOCFO: Would you give us an idea of the campaigns that you develop and how do you keep each one different?

Mr. Torgersen: We do not do any creative. We develop audience universes based on the particular parameters given to us by our clients. In many of our efforts, we work with the agencies or the pharmaceutical company directly, but we strictly focus on helping them reach their target audience. If a pharmaceutical company comes to us and says they need to reach people with allergies or with diabetes, we go out and present to them what is available, and how they can reach them wither by direct mail, email, or whatever the case may be. The end result is the development of a comprehensive audience universe study that enables the marketer to see the total available audience they can reach based on their target parameters.

CEO CFO: What are some of the challenges in getting the names together?

Mr. Torgersen: The challenge in doing that is to make sure that the companies who collect and offer the data for rental is strictly adhering to privacy policy standards and more importantly, that the data is 100% HIPAA compliant.

CEO CFO: How do you ensure that?

Mr. Torgersen: When we recommend to a client to use a specific database that might have the data attributes that they are seeking to target and reach the end consumer, we have to make sure that the entire data collection process is above board and HIPAA compliant. We are going to methodically ask the database owners how their data was collected, and we will need to verify the data collection process. We need to see how it is collected. For example you cannot just tell me that you have two million Diabetes sufferers and of that 2 million 750,000 have type one diabetes and the rest have type two. It boils down to how they collected that data and showing us how they collected that data. If it is an online survey, we need an active URL link where we can see exactly how they asked the consumer the question, how it is collected, and how they opt

in or opt out. If it happens to be with a paper survey or direct mail survey, we want a copy of the survey itself. There are a million and one companies that say they have data, and when it comes down to it, they are not specifically sharing how they captured that data. My response is that if they cannot show me how they are collecting that data and where I can go in and see how the questions are asked, then we really cannot recommend that data to our clients. In the end when those recommendations go through to the pharmaceutical company, the individual databases are going to be checked and vetted by their legal department.

CEO CFO: Is there much misconduct in the industry?

Mr. Torgersen: I do not think it is misconduct. I think there are a lot of

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people who try to resell other people's data. The bottom line is that I will not classify it one way or another; I just look at it in black and white. If you are presenting a data source and it is something that I want to have my clients use, then you basically have to show us from ground up how you captured that data.

CEO CFO: Do you have a global reach?

Mr. Torgersen: Right now, we are strictly in the U.S.

CEO CFO: Do you see that changing?

Mr. Torgersen: Not particularly. I am just more in line to stay with dealing with U.S. companies and marketing within the U.S. because we know what the guidelines are in the U.S. We do not really want to get into the guidelines in the E.U. or Asia because they are totally different country by country.

CEO CFO: Does it matter on your end whether it is an over the counter drug or a prescription product?

Mr. Torgersen: The steps are fairly similar and it does not matter to us whether it is over the counter or prescription. There are a lot heavier, direct marketing initiatives put towards Rx medications versus OTC medications. I will use allergy medications as an example. There are so many drugs on the OTC market that used to be Rx drugs, such as Allegra and Claritin. They used to be Rx medications before they were approved for OTC use. It really does not matter if it is Rx or OTC. It is about doing our diligent research and making sure that we find the best in class data that meets privacy and HIPAA compliancy.

CEO CFO: Are there many companies in your space?

Mr. Torgersen: Not a lot. My company would basically fall under the term of a database brokerage and management firm, but as one that specializes in the health care area, and there is not much competition there.

CEO CFO: Do the people who should know about Direct Innovations know you?

Mr. Torgersen: Yes, they do. For years and years, I used to be at the Direct Marketing Association annual conference every year. I go to that once every couple of years now, but my focus for my company is strictly in the pharmaceutical area and outpatient health care. We tend to exhibit at shows such as the DTC Perspectives National Conference, which specifically deals with pharmaceutical marketing.

CEO CFO: How is business these days?

Mr. Torgersen: I am not complaining. Business is good. A lot of times, how good business can or cannot be also depends on what the FDA is doing at a given point in time as well. Pharmaceutical marketers tend to want to announce a new drug that has been approved by the FDA, or they will do campaigns as their drugs are

winding down off their patents. It all depends.

CEO CFO: Why should people in the business and investment community pay attention to DirectInnovations?

Mr. Torgersen: We have an expertise in knowing where the data is, how it is collected, and how good the data

performs...a unique insight which will allow pharmaceutical companies and outpatient health care facilities to reach the consumer who suffers from a specific medical ailment, for which their product offers therapeutic relief, in a cost-efficient way.

CEO CFO: Final thoughts?

Mr. Torgersen: It is a new space we are in, but it is something that is very interesting. In the end, we think we are contributing to helping improve the lives of consumers while assisting our clients to do so.



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