

HILL & KNOWLTON

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HILL & KNOWLTON
500 PAVILION DRIVE
EMERYVILLE, CALIF. 94608
415/761-2400

August 14, 1984

Ms. Carolyn Patrick
Director of Product Management
Cutter Biological
P. O. Box 8817
Emeryville, CA 94662

Dear Carolyn:

We have given a great deal of thought to the situation described to us by you and Hyland's representatives at our recent meeting in Los Angeles. We regret that we were not able to meet also with people from Alpha and Armour, as we believe the four companies -- along with, perhaps, the Red Cross -- have a common need for a good, honest, straight-forward education program.

We agree that the availability of a blood-screening test should have a tremendous impact on your ability to reassure hemophiliacs concerned about the safety of prophylactic treatments.

But even when such testing does become available, there will be many obstacles to communicating the news to patients, particularly those who have abandoned treatments, because:

1. There is no real understanding of why some patients have ceased the treatments while others have not, and what factors, messages and sources have had the greatest influence on patients' decisions, one way or the other. In short, we don't have a useful "fix" on the emotional vs. rational factors involved.
2. There is no effective procedure now in place for designing and implementing an effective communications program specifically for these patients and their parents.

As you can appreciate, the basic research (No. 1 above) must be accomplished first, if there is to be any chance of developing a successful communications program (No. 2). And we believe the latter is required in order for you to realize a measureable positive impact on sales.

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Cutter Laboratories, Inc.

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Having said all this, we propose that Hill and Knowlton work with your group at least initially to probe the attitudes of the two groups of patients: those who continue to accept or self-administer the treatments and those who have ceased to do so. This kind of research would be valuable no matter what you decide to do later. The results would provide the mandatory basis upon which to develop and implement an education program. They would provide greater and more accurate insights into the apprehensions and knowledge levels of these patient groups, to supplant the guesses we now are making. And they would help determine what new or different messages are needed in order to reach patients with new information and then to reassure them that they have made the right choice in continuing or renewing their treatment programs.

This research also could be designed to give you information that would help you determine the need or wisdom of approaching the Red Cross as a prospective member of your association, and on what terms.

Additionally, the preliminary research program should probe just as deeply the opinions, feelings and decision-making processes of the patients' parents and physicians, while at the same time surveying the applicable literature available to these three separate but interrelated groups.

We propose then to conduct for your association the following research:

1. One focus group interview session with hemophilia patients, both those who continue and those who have abandoned prophylactic treatments.

We would conduct this session in consultation with our research subsidiary, Group Attitudes Corporation (see attached materials), and prepare a written report of our findings, in response to these and any other key questions we identify during preparation:

- o What information have these patients received and from what source or sources?
- o What is the perceived credibility of the information, the messages and the sources, and how does this credibility differ among the two types of patients?

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(This information will be invaluable in determining whether the communications/education program should come from the National Hemophilia Foundation, the manufacturers' association or even some other source.)

- o What are the critical factors involved in a decision to continue or abandon treatments? To what extent do physicians, parents, peers or others affect these decisions? How does this differ among the two types of patients?
 - o What other information is necessary in order for patients to be reassured about the relative safety of continuing or renewing treatments?
2. One focus group interview with physicians whose practices include patients with hemophilia, to probe physician's opinions, knowledge, attitudes and needs. One of the physicians we would ask to participate would be the NHF's medical director, Dr. Peter Levine.

Again, we would conduct this project in consultation with Group Attitudes and we would prepare a written report of our findings.

3. A survey and critique of all available communications to hemophilia patients concerning the need and risks of prophylactic treatments. We would assess the effectiveness of these materials, particularly in light of the results of the focus group surveys.

We then will be able to give you our research data, our analysis and a proposal for a communications program designed to maximize the positive impact of the new blood-screening test when it becomes available and to continue to reinforce decisions to continue or renew prophylactic treatments.

We believe we can deliver the three-part preliminary research, analysis and proposal on a budget of \$16,000 to \$20,000. To control costs, there may be some of this work that your association could handle. However, I would caution against jeopardizing the confidentiality and

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objectivity an outside, third party such as Hill and Knowlton can provide.

If the unlikely event that cost is not a factor, we propose two additional steps that we feel would maximize the effectiveness of our research:

1. We would conduct one more focus group session, combining both types of patients plus their parents, to test the interaction of patient and parent in the decision-making process.
2. Based on the outcome of our focus group research, we would conduct in-depth, individual interviews with key opinion leaders, as appropriate, to gain further insight into their attitudes and motivations.

Depending on the number and location of these interviews, the interviews and a written analysis should not exceed \$5,000 or \$6,000. The additional focus group session and subsequent report would add \$5,000 to the budget.

In any case, timing is critical if we are to complete this research program in time to develop a communications program for you to implement in conjunction with announcement and availability of the new screening test.

We very much would like to pursue this program. We're convinced of its need and value.

Please let us know if we may supply any additional information about our proposal. We look forward to hearing from you.

Sincerely,

GRO-C

Barbara Strong
Director of Media
Relations

cc: Jim Musslewhite

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Burson-Marsteller

PUBLIC RELATIONS PROPOSAL

FOR

HYLAND THERAPEUTICS
ARMOUR PHARMACEUTICALS
CUTTER BIOLOGICAL
ALPHA THERAPEUTICS

Burson-Marsteller
August 13, 1984

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SITUATION

Four companies - Hyland Therapeutics, Armour Pharmaceuticals, Cutter Biological and Alpha Therapeutics - comprise an industry that provides an antihemophilic factor to approximately 20,000 hemophiliacs nationwide. The antihemophilic factor restores a hemophiliac's clotting factor during a bleeding episode.

Last year it is estimated that 40 hemophiliacs contracted and died of Acquired Immune Deficiency Syndrome (AIDS) after receiving an infusion of an antihemophilic factor that was contaminated with the virus. Subsequently, hemophiliacs nationwide have reduced the frequency of their infusions because of the fear of contracting AIDS, even though their physicians and the hemophiliac associations have urged them to maintain normal infusion rates.

Consequently, sales for the antihemophilic factor have declined 15 to 20 percent in the last year.

Alpha, Cutter, Armour and Hyland have asked Burson-Marsteller to develop a public relations proposal to address the problem of decreasing infusion rates of the antihemophilic factor among hemophiliacs.

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OBJECTIVES

- o To increase the awareness among hemophiliacs of the dangers of reducing infusion rates, i.e., there is more risk is involved of long-term complications from not conducting the infusions than in getting AIDS.
- o To improve communications between hemophiliacs, their physicians the hemophilia associations and the supplying companies.

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A FIRST STEP

Strategic Alternatives

- o Increase communications with hemophiliacs now
 - from associations
 - from medical community
 - from supplying companies
 - from other third party groups
- o Wait until AIDS test is available to begin communications effort
- o Do nothing

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THE STRATEGIC RECOMMENDATION

Burson-Marsteller urges the supplying companies to act now. Our informal research points to a situation which calls for general "consciousness-raising". We perceive a situation where doctors and associations are recommending that treatments be maintained, yet users fail to heed the advice.

There seems to be a gap -- either doctors' warnings lack conviction, or patients receive outside information that contradicts medical opinion.

We see this as a critical gap that must be addressed. Quite simply, we see an opportunity for a proactive medical education program that would:

- o Address concerns directly
 - Physician concerns
 - Patient concerns
- o Identify new mechanisms for improved communications within the hemophilia community.

Our recommendation is based on the premise that the supplying companies and their medical allies must do something NOW to raise the visibility of the FACTS.

To wait until the AIDS screening test is available would leave patients vulnerable to the effects of alarmist information, that is leading hemophiliacs to make poor judgements about personal treatment.

There are sound marketing reasons for conducting an educational campaign. But even beyond the marketing arena, this effort will address the realm of corporate responsibility toward the consumers you serve.

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STRATEGY

- o Create an open forum among hemophiliacs, top hemotologists, and the hemophilia associations to address concerns and fears
- o Extend information generated at forum to all hemophiliacs, physicians and associations
- o Establish ongoing communications channels between company and target audiences.

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TARGET AUDIENCES

- o Hemophiliacs
- o Physicians
- o Hemophilia associations, Center for Disease Control
- o Other third party groups

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COMMUNICATIONS TACTICS

- o Hemophilia Open Forum
 - Consensus gathering
 - Invite four of nation's top hemotologists, four hemophiliacs, and three to four representatives of hemophilia associations
 - Gain support and possible sponsorship from hemophilia associations and Center for Disease Control
 - Moderate by association or CDC
 - Address hemophiliacs' fears of contracting AIDS
 - Emphasize risks involved from reduced infusion rates
 - Discuss methods to improve communications between
 - physicians and their patients
 - associations and hemophiliacs
 - associations and physicians
 - blood donation center staff and donators
 - Examine steps being taken to address AIDS problem
 - communications to homosexuals and Haitians to not give blood
 - research under way to test donated blood for possible contamination
 - possible approval of new AIDS test in nine to twelve months

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- o Publicize results of open forum in major trade publications
JAMA, Medical World News, Modern Medicine, and specialized
hemotologist publications
- o Publish results in association and foundation newsletters,
such as the National Hemophilia Foundation Information
Exchange
- o Produce booklet with transcription of open forum
 - Introduction by Center for Disease Control, and individual
analyses by four hemotologists
 - Distribute booklet to hemophiliacs and hemotologists
- o Advisory Panel
 - Invite four hemotologists from open forum to be members of
an Advisory Panel for physicians and hemophiliacs
 - Establish two-way communications between Panel and
physicians/patients on need to continue normal infusion
rates
 - Conduct quarterly meetings
 - publish results in professional publications
 - include results in monthly newsletter and association
publications
- o Hemophilia Question-and-Answer Brochure
 - Advisory panel answers most-often-asked questions by
hemotologists and hemophiliacs
 - Addresses concerns on AIDS and reduced infusion rates
 - Distribute to physicians and hemophiliacs
 - Invite hemophiliacs to address unanswered questions to
Advisory Panel

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RECOMMENDED NEXT STEPS

- o Develop open forum plan and present to Center for Disease Control and national hemophilia associations
- o Determine top four hemotologists
- o Present approved plan by CDC to physicians
- o Determine site for open forum
- o Determine hemophilia associations to attend open forum

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PRELIMINARY BUDGET ESTIMATE*

	<u>TIME</u>	<u>OOB</u>	<u>TOTAL</u>
<u>Hemophilia Open Forum Phase I:</u>			
<u>Plan Development</u>			
Includes:			
o Site determination, panel arrangement, i.e., setting up hematologists, associations and hemophiliacs			
o Write plan for open forum			
o Investigate sponsorship and moderator from CDC or Association	\$ 14,300	\$ 1,000	\$ 15,300
<u>Phase II: Implementation**</u>			
o Logistics, forum set-up, A-V arrangements, etc.	4,000	3,000	7,000
o On-site supervision	4,000	250 (does not include travel)	4,250
o Prepare moderator's opening remarks	2,640	250	2,890
o Trade/professional/association newsletter relations	2,400	750	3,150
o Open forum summary booklet Includes: writing and design, 25,000 qty.	5,000	12,000	17,000
o Advisory Panel Includes: establishing panel and meeting dates, meeting attendance and past publicity	5,000 (per quarterly meeting)	750 (does not include travel or honoraria)	5,750-23,000

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(Budget con't)

o Q & A Brochure Includes: writing editing, design illustration and printing, 30,000 qty.	7,000	11,500	18,500
o Account administration and coordinating among three offices (meetings, approvals, etc.)	11,000	5,000	16,000
o Contingency	5,000		5,000

TOTAL

\$ 60,340	\$ 34,500	\$ 94,840
\$ 75,340	36,750	112,090

* +/- 10 percent

** Preliminary figures only. Cost estimates to be updated upon development of detailed Open Forum plan.

CELEBRATION

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Burson-Marsteller

SHARI ANNES
ACCOUNT SUPERVISOR, SAN FRANCISCO

Shari signed on as an account executive with Burson-Marsteller's New York office in 1976, and worked on a variety of Fortune 500 accounts, in particular, women's programs, environmental and issues-oriented accounts. In 1978, she left B-M to open her own public relations/public affairs agency in Steamboat Springs, Colorado.

Shari returned to Burson-Marsteller/Los Angeles in May, 1983 and recently relocated to San Francisco. As an account supervisor, she supervises a variety of accounts, including consumer marketing, business-to-business, and public affairs assignments.

As head of her own public relations firm, Shari specialized in travel, ski industry and public affairs assignments. Among her clients were the Committee for Summit County's Future, the Summit County Charter Commission, the Sheraton at Steamboat Resort, the Steamboat Ski Company and Tom Glass for State Senate. She was also the Denver-based lobbyist for Colorado's 30 ski resorts, acting as Public Affairs Director for Colorado Ski Country, U.S.A.

Prior to joining B-M/New York, Shari developed environmental and legislative communications for American Can at its Greenwich, Connecticut headquarters. She also served as a legislative assistant for the United States Senate Subcommittee on the Environment. Before that she was an editor of "Packaging and Labeling" Newsletter, and worked as an intern in the President's Office of Consumer Affairs in Washington D.C.

Shari graduated from the University of Pennsylvania with a bachelor's degree in psychology. She has also completed graduate business work at Columbia University as well as art programs at Harvard University and the Chicago Art Institute.

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Burson-Marsteller

CHRISTINE A. BOENLKE
VICE PRESIDENT/GENERAL MANAGER
SAN FRANCISCO

Chris brings 15 years experience in consumer and business-to-business marketing of goods and services to Burson-Marsteller's San Francisco office. She joined the Chicago office of Burson-Marsteller in 1981 as a client services manager. In 1982 she was promoted to vice president and manager of a consumer marketing account group. Prior to joining Burson-Marsteller, she was a group vice president of the Chicago office of Daniel J. Edelman. She also has held the positions of manager of national retail chain and department store advertising for a metropolitan newspaper and publisher of a major newspaper.

She has extensive experience in the areas of consumer marketing of goods and services and in development of consumer education programs for professional associations. She has managed such accounts as Johnson & Johnson (personal care division), Miles Laboratories (Flintstones vitamins), American Society of Anesthesiologists, Medic Alert International, American College of Radiology, Certified Commercial Investment Realtors, The Ski Lake Tahoe Association, The Indiana Port Commission, Evenflo Products, Beech-Nut Baby Foods, Spiegel, R. T. French and Ralston Purina (protein division).

She has won a Silver Anvil from the Public Relations Society of America, two Golden Trumpets from the Publicity Club of Chicago, and one of "The Year's Ten Best Advertising Campaigns" from the National Newspaper Advertising Bureau.

She is a native of New York City and holds a B.A. from the University of Pennsylvania in Philadelphia.

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Burson-Marsteller

BARBARA M. SMITH

Senior Vice President/Creative Director - Western Region

Joined Burson-Marsteller in May, 1972. Involved in program development for B-M clients in the Eastern region, Canada and South America. Assists account groups with creative and programming process, planning special events and coordinating major projects. Has extensive experience in communications development and has designed employee relations/communications programs, crisis communications seminars and a variety of training programs for supervisors and managers. Experience includes producing audio-visual presentations including films, multi-medias and videotapes.

Previously was assistant editorial director at WBBM-TV in Chicago. She has a B.A. in speech education and theater arts, Washington University, St. Louis and an M.A. in communications at Northwestern University.

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Burson-Marsteller

MARK P. BOYER

Account Supervision

Mark joined Burson-Marsteller in 1982 after one and a half years as director of publications for Economics Research Associates, an international management consulting firm. Currently, Mark's responsibilities include Merrill Lynch Capital Markets, National Medical Enterprises, Treatment Centers of America and Zoecon Crop Protection. Previously, Mark has worked on Axonics, Inc., Allergenetics, Inc., Disonics, Inc., CooperVision, Flying Tigers, G.D. Searle, Sandoz Pharmaceuticals, California Roundtable, E.R. Squibb and Tubesales.

Prior to Economics Research Associates, Mark was associate editor at Creative Age Publications and worked as a staff writer for the Camarillo Daily News while earning his bachelor of arts degree in English at the University of Southern California.

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Burson-Marsteller

Marcia Katz

Marcia Katz is a senior vice president Medical/Health Services of Burson-Marsteller.

She exercises agency-wide responsibility for the development, direction and quality of Burson-Marsteller's health care communications and is co-chairman of B-M's Medical Communications Steering Committee.

Ms. Katz co-chairs the public relations committee for the Pharmaceutical Advertising Council (PAC) and is a member of the public communications task force of the National Council on Patient Information and Education (NCPIE).

She has broad experience on a variety of marketing and corporate accounts. Clients have included Ayerst Laboratories, Du Pont Pharmaceuticals, General Foods (where she worked on the Nutrition Program for the Professional Community), Glaxo, Inc., Hoechst-Roussel, McNeil Consumer Products Company, McNeil Pharmaceutical, Miles Laboratories, Novo Labs, Ortho Pharmaceuticals, Pfizer Labs, Sandoz, Squibb, Stuart/ICI and Warner-Lambert/Parke-Davis.

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Before joining Burson-Marsteller in 1976, she was a reading specialist and teacher in the New York City School System, responsible for the development and implementation of a multi-modality remedial program for learning disabled children. Additionally, she co-instructed an educational psychology course at Hunter College.

Ms. Katz received a B.S. in education/child psychology from Queens College, where she graduated Phi Beta Kappa, Magna Cum Laude, and an M.S. in learning disabilities from Hunter College; doing her postgraduate work in clinical psychology.

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Group Attitudes Corporation

ISSUE-ORIENTED CONSUMER FOCUS GROUP RESEARCH --
A USEFUL TECHNIQUE FOR PUBLIC RELATIONS PLANNING

Designed as brain-storming, idea-gathering and concept testing sessions, consumer focus group interviews can be aimed at exploring a broad array of topics for any organization. Group Attitudes Corporation, the survey research subsidiary of Hill and Knowlton, Inc., has found that this exploratory research method particularly lends itself to identifying and refining the full range of possible general public concerns relating to major corporate and social issues.

A focus group usually consists of 10 to 12 persons, selected on a judgmental or quota basis rather than at random. Under the careful guidance of a trained moderator, individual participants are encouraged to freely discuss any and all of their feelings, concerns, problems, and frustrations relating to corporate and social issues in general and to the problems of the organization sponsoring the research in particular. During these informal group interview sessions, individuals respond to each other's statements, contribute their own thoughts, and thus "build" a picture of consumer attitudes. When conducted effectively, focus groups can reveal insights into underlying causes of opinions and can also indicate whether or not these beliefs are deeply held or subject to change.

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When representatives from an organization's public relations, public affairs, marketing and advertising departments observe the focus groups via one-way mirrors or video monitors, the client gains another benefit from this research method. By doing this, communicators not only gain insights into the emotional "flavor" of stated opinions, but they also obtain valuable knowledge about the phrases customers themselves use when discussing topics that relate to their organization. Needless to say, incorporating these phrases into communications materials can be very effective.

In order to insure reliability and validity of the research, a minimum of three focus group sessions, approximately two hours in length, is required in each specific area to be covered. In the past, we have found it useful to have one group with women only, one with men only, and the third with both women and men.

Once an outline of potential discussion topics is developed, the focus interview project can be conducted within three to five weeks. Two weeks are usually spent lining up participants and conducting the sessions. The remaining time is set aside for analysis of the findings and preparation of a report.

How Group Attitudes Corporation Conducts Image
and Issue-Oriented Focus Group Research

One Group Attitudes Corporation staff member serves as the moderator, a second as the assistant moderator. The moderator leads a particular focus group session, initiates

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discussion, fields questions, and controls the group interview. The assistant moderator observes the interaction and provides whatever aid is necessary to the moderator to conduct a successful group session.

The moderator poses questions to the group of respondents who are encouraged to debate the issues with one another. The moderator urges all group members to participate and describe their feelings, concerns, problems and frustrations as they relate to specified topics.

It is the moderator's responsibility to center the discussion. Often respondents will ramble about seemingly unrelated topics. At first, they are allowed to continue. A tangential discussion can sometimes lead to important information. It also lets respondents feel they are important and that they have a chance to shape the discussion.

Comments made by one respondent will spark feelings in others. Thus, the "focus group" becomes a forum in which respondents are encouraged to exchange ideas with each other. The moderator is there as facilitator and observer of the action that takes place.

At the same time, the moderator must always serve as a group guide. If conversation becomes trivial or too far removed from the outline topics, the moderator must refocus the group. He or she knows how much time has passed and what remains to be covered.

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The moderator has prompter cards in front of him at the table. The cards remind him of key questions. The questions can be asked in any order. The natural flow of conversation will determine when each issue is raised.

The moderator's role is to officiate and serve as referee, not to inject his or her feelings. Expression of personal feelings and biases on the part of the moderator could seriously color research results.

A good moderator listens, thinks, probes, and explores. He or she helps respondents to relax in the group situation, talk openly, reveal their true feelings, and confront one another when necessary. The moderator facilitates conversation, and guides discussion.

The moderator always probes for deeper insight into what the respondents are saying. His aim is to walk away with a clear picture of each individual, his way of thinking, and where that person stands on the issues.

If a session is videotaped, the moderator explains at the beginning of the session that videotaping is taking place. Respondents are always assured that these tapes are being made for research purposes only and will be viewed in their entirety only by Group Attitudes Corporation staff in New York.

At the end of each session, the moderator gives a copy of an evaluation questionnaire to each respondent. The moderator makes sure that all participants fill it out before leaving the studio.

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The person known as the assistant moderator observes the interaction. He or she watches the participants, pays attention to voices and body posture, and looks for meaning beyond words that are said. The assistant is an "outsider" and does not take part in discussion. Therefore, this person is free to develop a more objective view of the discussion.

A good assistant helps the moderator to function effectively. This person is also holding the question cards in his or her hand throughout the session. If the moderator forgets to touch upon a salient point, the assistant generally signals to the moderator with an agreed-upon gesture or whisper. The most important points are marked on the cards with an asterisk.

The assistant moderator is responsible for tape recording the session on machines that are provided.

The moderator and assistant work as a team. Their close cooperation is critical to the success of the project.

At the conclusion of a series of consumer focus group sessions, Group Attitudes Company research analysts review and interpret all of the collected data and prepare a detailed, written narrative report for the client giving the research results.

More detailed information about issue-oriented consumer focus group research for public relations planning may be obtained by contacting Dr. Walter K. Lindenmann, President of Group Attitudes Corporation, 420 Lexington Avenue, New York, N.Y. 10017, or by calling GRO-C

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