

Acquisition and **INTEGRATION**

► *Jane Griffiths, Ph.D., Global Head of Actelion, discusses the process of integration post acquisition by Johnson & Johnson in November 2017.*

PV: Why did J&J acquire Actelion?

GRIFFITHS: J&J had spotted Actelion several years prior to the acquisition because of its great science and products in a disease area of high unmet need.

At J&J and Janssen, our mantra is: follow the science wherever it comes from. Whether the science comes from our own R&D pipeline or from externally sourced innovation, as long as it is robust and addresses a high unmet need, we are agnostic. The Actelion acquisition exemplifies this mission.

Actelion's research in pulmonary arterial hypertension (PAH) and allied diseases represents a new therapeutic area for us. Janssen's other therapeutic areas are oncology, infectious diseases, immunology, neuroscience and cardiovascular and metabolism. We were able to bolt on this new disease area to our existing portfolio.

As far as the organization is concerned, the customer-facing groups have remained untouched with reporting line changes where smaller markets are reporting into the Janssen organizations in each country. Basel, Switzerland, remains a significant R&D, strategic and administrative hub for us.

We've approached the integration by looking at how we can use the size, scale, and the expertise within Janssen to help Actelion grow faster. The integration is proceeding as planned.

PV: What challenges did you find as you were going through this process of integration?

GRIFFITHS: Although J&J has acquired Actelion, we want to retain our distinctness, while integrating Actelion to be part of Janssen and J&J.

Of course, there's always a journey when a company is acquired; I'm sure Actelion employees were asking themselves questions such as: "Is this going to be good for us? How will it feel? Is the culture going to change?" The cultures are not dissimilar. Like J&J, Actelion is very patient-focused, and its culture is rooted in science.

Actelion was a small biotech company, established 20 years ago, and it has achieved great things. With J&J's size comes greater complexity and a more matrixed working environment, to which our Actelion colleagues will need to adjust to with our support.



Dr. Jane Griffiths

PV: How important is culture in an acquisition?

GRIFFITHS: Culture is incredibly important. Since the deal closed, we undertook an integration survey that focused on how employees are experiencing the culture in the organization. We worry that people will want to leave because they feel unsure or they don't feel the culture is the same.

As I've said though, fortunately our patient-centered, science-driven cultures are shared by both companies. We are interested both in science and how science and technology can advance patient longevity and quality of life. Having that higher purpose at the core of what both companies do is a real point of cohesion.

PV: How did you engage Actelion employees, and why is employee engagement important in an acquisition?

GRIFFITHS: It's very difficult to run a successful business unless people are fully engaged. Engagement takes many forms and is created in many ways. One way to do this is to create a culture of openness, which is very important to me. I am proud to lead a company that has achieved as

much as Actelion has, and the employees here have immense pride in what they've done. I want to build on that.

This was not an acquisition that was driven primarily to take out costs; Actelion is a lean organization, and in terms of the customer-facing group, there was no duplication.

It was attractive for the growth opportunity for the future. We will combine the scientific and customer intimacy skills of Actelion with some of the great strengths that J&J has in certain areas, for example in market access, health economics, pricing, and big data analytics.

As for the people in the organization, I want to make sure they are being developed and that they see opportunities for growth in their careers. This can be a limiting factor in a small company because the hierarchy is not there for them to progress upwards. Within J&J, there are huge opportunities for different jobs in different sectors and in different roles. We hope to provide an opportunity for personal advancement and engage them to feel part of the larger company.

To monitor how the integration is progressing we are using an integration survey to find out how people are feeling. If they want certain improvements, we try to act on those.

Of course, as with any acquisition, the biggest thing employees want is communication about what's going on, what they should expect, how the company is progressing and how the company is performing.

PV: What are some lessons learned from this integration process?

GRIFFITHS: The biggest lesson for us is that integration is a process that takes time, but if there are changes to be made, make them as fast as possible. With any acquisition, there is a lot of uncertainty, and living with uncertainty is often worse than the change itself.

On day one, we told the general managers of the small to mid-sized markets that they would be reporting into the Janssen managing directors from day 100. We were clear, people knew where they stood, and they were grateful for that.

Then, there are the things that take time, such as aligning of processes, finance platforms, and IT platforms.

One lesson for me was that one can never over-communicate in situations like this. People have a real need to know what's happening, where they stand, what the future holds. I try to paint a vision for the future that is exciting, to inspire people and to give them a reason to stay; where is this company going to be in five to 10 years, what are we going to create, and is it going to be as exciting as the first 20 years of Actelion? I certainly hope so, because that's the plan. **PV**



WOMAN OF THE YEAR
Dr. Julie Gerberding, Merck



2018 Woman of the Year event

**Thursday, 3 May, 2018
New York Hilton Midtown**

HONORABLE MENTOR
Nick Colucci, Publicis Health



Connect with 2,500 healthcare and life sciences industry leaders to celebrate this year's honorees for their stellar efforts in advancing gender parity.

Nearly 100 Rising Stars and Luminaries from across the spectrum of healthcare will be recognized.

STAR
Terri Pascarelli, AIT Bioscience



COLUMBUS
LOS ANGELES
MONTREAL
NEW YORK
PHILADELPHIA
TORONTO



These 26 letters make up every word ever.

That doesn't mean you need every word ever.

(c) PharmaLinx LLC. Rights do not include promotional use.
For distribution or printing rights, contact mwals@pharmavoice.com

To find out how Speak People can transform your brand, contact Sonja Foster-Storch at: sonja.foster-storch@syneoshealth.com

