

Navigating Biotech/Pharma Mergers and Acquisitions

Ready to dive right into a career in biotechnology/pharmaceuticals? If so, one has to learn to navigate the choppy waters that occur during mergers and acquisitions. Researchers in this area give tips as to how to come out unscathed and even promoted after this process.

By **Jacqueline Ruttimann Oberst**

Years ago when Sugen, a company focused on protein kinase inhibitors, was bought by Pfizer, over 300 people lost their jobs, but not their sense of humor.

These intrepid scientists held wave parties to announce the latest round of scientists that were given severance pay and let go. But these were not pity parties in the least—most went on to equally lucrative, or even better, positions in other companies.

Mergers and acquisitions might sound daunting, but those who work in the biotechnology/pharmaceutical arena know it as a fact of life. Researchers who are interested in entering this fast-paced world need to learn how to “ride the wave” and always keep their eye out for other opportunities. In short, they need to take advice from the cover of Douglas Adams’ “Hitchhiker’s Guide to the Galaxy” series: “Don’t Panic.”

“You have to make light of these situations,” says **Jerry McMahon**, former Sugen president but now president and chief executive officer of Kolltan Pharmaceuticals. “You have to take it as a positive thing in your career. When Sugen closed its site, almost everyone went on to something useful.”

STAY CALM AND CARRY ON

“Once the merger and acquisition occurs, it typically takes two years to finalize,” explains **Steve Projan**, senior vice president of research and development and head of the Infectious Diseases and Vaccines unit at MedImmune, who experienced this process twice when he was with Wyeth, once when this pharmaceutical company acquired American Cyanamid and again when it merged with Pfizer. “There is more than enough time to look for another job. If you leave the job, there will be another job.”

Many industry experts say that the biggest mistake that one can make during this transition time is to get caught up in the drama and get derailed from their task at hand—the work that one does is exactly what is going to help them either stay or land another job.

“Focus on the work. Don’t get agitated and stop working—continue to demonstrate value to the company. The nervous ones are always the first ones gone,” says **Bing Yao**, senior vice president, IMED/Respiratory/Inflammation, Autoimmunity at MedImmune. Dr. Yao should know—he’s endured five mergers and acquisitions over the course of his career, with Genentech, Tanox, Aventis, Amgen, and Immunex.

From the buying company’s perspective, there is a lot to be considered as well.

“Each deal presents itself with different challenges,” notes **Paul Grossman**, head of corporate development and strategy at Life Technologies, who himself has been involved in 20 mergers and acquisitions.

Although the general acquisition itself doesn’t take too long, generally two to four months, the main challenges at hand include obtaining a clear idea of what the parent company wants to achieve (e.g., acquiring a new technology or product) and the integration process itself in which the two cultures of the buying and purchased companies themselves have to come to some sort of symbiosis.

In the case of when a company acquires another that specializes in a new technology, Grossman says that the parent company wants to maintain the culture of the target company to the fullest extent possible to avoid jeopardizing its innovativeness. Alternatively, a parent company may want to take back a bit of the cost of the target company and try to make it **continued**>

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