

**ORIGINAL SITUATION**

In February 2004, senior managers at Fujisawa Pharmaceutical and Yamanouchi Pharmaceutical announced the decision to merge and form Astellas Pharma US, Inc., creating one of the 20 largest pharmaceutical companies in the world. Rather than let employees struggle with the impact of change without support, the company's senior managers decided to address the challenges head-on.

**BUSINESS IMPROVEMENTS**

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# Strategic Enhancement Group's Commitment to Success at Astellas.

*Seizing the Opportunity of Change.*



In this era of mergers, industry consolidations and corporate reorganizations, change is inevitable. However, seasoned business professionals have learned that while change is unavoidable, the negative impact and challenges that often accompany it can be minimized with effective planning and communication.

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**The Power – and Challenge – of Change**

“Change can be a wonderful energizer. But it also can cause frustration, fear and anxiety for the team members affected by it. With employees worried about their

**RESULTS ACHIEVED**



job security, and changing roles and responsibilities, productivity often plummets during the first months of a merger," explained Janine Campagna, Senior Performance Consultant for Strategic Enhancement Group (SEG).

Dick Brown, Assistant Director of Human Resources for Astellas, spearheaded the effort to address the human impact that would accompany the merger of the two companies. A veteran of mergers in other pharmaceutical companies, Brown had experienced first-hand the negative effects a merger could have on employee productivity and corporate culture.

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**DIANE MURPHY**  
SEG Facilitator

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"Senior managers are often so focused on operational hurdles that they're unaware of the human toll. Astellas was very proactive in recognizing that staff morale and productivity could be damaged if steps weren't taken to help them transition effectively to the new organization, both personally and as leaders," said Campagna.

### Getting Started

SEG worked with Brown to develop and implement *The Opportunity of Change*, a customized program to give employees a forum for discussing concerns and fears, learn coping strategies, techniques for minimizing stressful situations and team building skills, and embrace new goals and visions. Based on Wilson Learning's *Leading in Challenging Times* (for managers) and *Working in Challenging Times* (for individual contributors) programs, the Astellas solution was delivered in a single day to minimize the time managers and individual contributors were required to be away from their jobs.

"One of the frustrations team members were experiencing at the time was an increased workload. Requiring them to be away from their jobs for several days would have added to that. A one-day break offered a good opportunity to step back and regroup but didn't add a significant burden," explained Brown.

According to Brown, Astellas chose SEG as a partner for several reasons. First, Fujisawa had developed a solid partnership with SEG over the past several years when it had presented team building and communications training to Fujisawa team members. SEG's association with Wilson Learning was another plus since Yamanouchi had worked with Wilson Learning in the past. Strong working relationships with Janine Campagna and Diane Murphy, the facilitator selected by SEG to deliver the *Valuing Working Styles (Social Styles)* training, also were important.

### Perfecting the Strategy

"Diane was essential to the effort's success," explained Campagna, noting that Murphy's familiarity with both the curriculum and the company allowed her to bring important insights to development and delivery of the training.

One of the biggest challenges facing the new company was ensuring that the program was applicable in both the United States, where the majority of employees were based, and in Japan where the holding company was headquartered.

To help accomplish this, SEG collaborated with an expert in Japanese culture who worked with Astellas senior management to identify critical success factors for the new company. These, in turn, formed the basis of the content of *The Opportunity of Change* curriculum.

Initial design discussions got underway in the fall. Two separate, customized courses were required – one for managers and one for individual contributors. Development also included creation of a participant questionnaire, a comprehensive training schedule and administrative processes. Materials were designed and, eventually, translated into Japanese. By January, just weeks before the merger deadline, the course was approved and ready for delivery.

Senior management endorsement and support was crucial to the program's success. Working under a compressed timeframe, Brown and Murphy presented an abbreviated version of the training to senior managers in February. With their support, the training was ready for implementation.

## COMPANY PROFILE

Astellas Pharma US, Inc., is a U.S. affiliate of Tokyo-based Astellas Pharma Inc. Located in Northbrook, Illinois, the company serves as the headquarters for the Americas and employs nearly 3,000 people. Astellas is a pharmaceutical company dedicated to improving the health of people around the world through the provision of innovative and reliable pharmaceutical products.

In February, training began at Astellas' United States headquarters in Deerfield, IL. By the end of May, all 250 Astellas managers had completed the training and nine Astellas managers had been trained to facilitate the training for 400 individual contributors. In all, nearly 650 Astellas team members attended the mandatory training between February and June.

### Putting Loss Into Words

"The training helped employees recognize that change was a reality that was largely outside of their control. However, they could control their reactions to it. The training helped employees understand what was happening in the company, where we were headed and helped them decide how they would react to those changes," said Brown.

Issues and frustrations that were identified during the training were compiled into a regular weekly report that was presented to senior managers.

Larry Fagerhaug, Director of People Development for Astellas, said employee concerns tended to fall into three categories: Lack of trust and anxiety, concern over leadership changes, and communications problems.

"These reports allowed us to bring critical issues to senior management's attention and help them get their arms around employees concerns about the merger," said Fagerhaug. "Effective communication is absolutely essential to an effective merger."

In addition to documenting concerns in a weekly report, Murphy regularly presented the findings to senior leadership. She also worked one-on-one with senior managers who wanted to discuss information that was specific to their work groups. Senior managers, in turn, used this information to respond to specific questions, increase the amount of information employees received and adjust strategies as needed.

### Focus on the Future

Participant responses to the training prove its value. According to Brown, a number of employees have approached him – several months later – and said they're applying the skills they learned in the training.

Murphy recounts a similar experience. "Many participants stopped after the session to thank the company for offering the training and helping employees learn to make the most of change. For many, it was very empowering to understand that while they can't change the circumstances, they can change their reactions to them."

"The training clearly identified the company's values and let everyone know where we were headed and gave everyone a chance to get on board," said Brown.

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To learn more about these concepts and how Strategic Enhancement Group, Inc. can help you in addressing these issues, contact us at (630) 377-4300, (888) 668-9382 outside of IL or [StrategicEnhancement.com](http://StrategicEnhancement.com).