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CONSULTING

**RESPONSIBILITIES OF AN
INTEGRATION MANAGEMENT
OFFICE (IMO) FOR A LIFE
SCIENCES POST-MERGER
INTEGRATION**



The [combination of two entities](#) post-merger is a complex task that calls for strategic coordination and careful planning. Post-merger integration is particularly complicated in the [life sciences industry](#) due to the myriad of operational, developmental, and regulatory business elements at play. Hence, it's essential to have an [Integration Management Office \(IMO\)](#), a dedicated unit responsible for coordinating and facilitating integration efforts.

This guide outlines the main responsibilities of an IMO for a life sciences post-merger integration as well as provides recommendations for how to arrange the IMO.

GENERAL NATURE AND RESPONSIBILITIES OF THE IMO

[Integrations are complicated endeavors](#) that require meticulous planning and execution, especially in the research and regulatory environment of the [life sciences industry](#), thus requiring a leadership team diverse enough to comprehend every aspect of the project in detail. The IMO should be a leadership team capable of cross-functional collaboration and clear communication. If properly arranged, the IMO should draw personnel from many divisions of the integration effort, including members of the selling party, bringing together a range of perspectives and expertise that will create [well-rounded and informed decision-making](#).

The general responsibilities of the IMO include:

- **Strategic Planning:** Develop a thorough [integration strategy](#) that aligns with the overarching goals of the merger.
- **Project Management:** Oversee and coordinate various integration workstreams, ensuring the efficient allocation of resources and timely execution of tasks.
 - *Use a consistent set of tools and templates for enhanced efficiency and simplified key performance indicator (KPI) reporting.*
- **Bi-Directional Communication:** Offer clear communication from leadership and pursue honest feedback from the wider team.
- **Risk & Resolution Management:** Identify potential risks and devise mitigation strategies to minimize disruptions.

LEADERSHIP AND GOVERNANCE

A clear leadership and governance framework within the IMO is imperative. [Roles and responsibilities](#) should be well-defined for team members and supported through regular reporting and decision-making mechanisms that uphold accountability and transparency. This applies to all business divisions, whether they be functional, technical, or otherwise, for the IMO must account for all aspects of the business to ensure a comprehensive integration. Such a framework not only provides executives and [project managers](#) with greater quantitative visibility on project progress but also creates a medium for receiving qualitative feedback from employees. In short, the leadership and governance goal of the IMO should be to create a structure of communication that facilitates knowledge transfer up, down, and across the project.

Case Study: On a recent engagement for an international pharmaceutical developer, Clarkston was tasked with constructing the IMO that would oversee the integration of a newly acquired manufacturing facility. The project required not only a complete realignment of the facility's [Laboratory Information Management Systems](#) (LIMS) and Enterprise Resource Planning (ERP) systems but also the integration of the 200 plant employees that would be retained by the client. Recognizing the need for a diverse leadership team capable of addressing all aspects of change this integration would bring, Clarkston began by establishing an IMO with personnel from both buyer and seller, who understood the [infrastructural and cultural challenges](#) at hand. With the right representatives in place, a clear hierarchical communication structure was defined, starting from project managers and extending to senior executive leadership. This governance structure ensured that decisions were made based on appropriately [diverse sets of information and cross-functional considerations](#).



TIMELINE DEVELOPMENT AND MANAGEMENT

Every successful life sciences integration requires a timeline that is proactively and meticulously planned. The timeline should serve as a roadmap detailing various processes, systems, and organizational workstreams, with a clear sequence of activities, milestones, and target dates. IMO leadership must collaborate with functional integration leads to ensure timeline feasibility and [secure buy-in](#).

Updates to co-functional systems, like regulatory compliance and [Manufacturing Execution Systems](#), should be scheduled in tandem and preceded by proof of concepts to maximize timeline efficiency and minimize business impact. Timeline development should be mindful of possibilities for delays, as

they often occur around testing and cutover plans that reveal issues. To counterbalance delays, the timeline should be dynamically reassessed as the project proceeds and some activities reveal themselves to be less demanding or necessary than initially believed.

Case Study: In the previously mentioned integration project, Clarkston employed a bottom-up approach to inform timeline development, where insights from project managers and technical teams were conveyed upward to senior executives. This not only made the timeline more realistic and feasible, but it also fostered a [shared sense of ownership](#) for the project's success. This bottom-up approach was utilized in timeline management as well, using the feedback from functional team members to foresee and mitigate delays. Additionally, bottom-up insights were able to identify inefficiencies in the project's data migration plan which, upon reassessment, was able to be streamlined, thus saving resources and time.

CULTURAL STEWARDSHIP

No matter how well an acquisition works on paper, its ultimate success hinges on the meaningful integration of cultural differences and people's ways of working. The employees of life sciences companies often take pride in the mission of their firm, whether it be the creation of a novel cure or essential generics, which is subject to change in acquisitions. The IMO must formulate a thorough [change management strategy](#) that helps employees navigate the changes to their workplace and [align them with the organization's vision](#). A robust communication plan ensures timely and transparent [communication with all stakeholders](#) in the acquired and acquiring entities and should also highlight various planned and achieved milestones. Forums for teams to collaborate, air concerns, and solve problems can facilitate cultural harmonization and reduce the turbulence of change.



Case Study: In the integration discussed above, the employees of the acquired plant would see everything about their workplace change but for the location. The IMO needed a change management plan that accounted for every aspect of their employees' new world, whether it be [training people on supply chain](#) systems or familiarization with payroll software. In addition to developing training materials and conducting workshops, Clarkston held open forums for employees. These forums were spaces for honest discussions about the integration that allowed employees to air concerns and ask questions that could be addressed by the IMO. Consequently, employees became active contributors to the direction of the integration instead of passive participants. Furthermore, these forums provided the IMO with invaluable insights into their governance, the impact of initiatives, and the cultural success of the integration.

OPERATIONAL OPENNESS AND FLEXIBILITY

Throughout the integration journey, the IMO must operate with openness and flexibility. These characteristics will promote the transfer of information from functional team members to executives, facilitating the best decision-making possible. In addition, the IMO will be better able to measure the progress of integration initiatives, [anticipate risks](#), and quickly respond to developments. It's also important to remember that the attitude of the IMO sets the tone for the rest of the organization. Hence, leaders should be mindful to offer constructive feedback, reward positive behaviors, and provide recognition to those who go above and beyond in their work.

Case Study: The accessibility and approachability of the IMO were a major factor in the success of the integration we've referenced. Clear and open communication was a catalyst for proactive planning, adaptability, and project effectiveness. Especially given the large number of employees that would be retained from the selling party, it was essential that the buyer be perceived as a true partner.

SUCCESSFULLY STANDING UP AN IMO FOR A LIFE SCIENCES POST-MERGER INTEGRATION

The IMO plays a crucial role in orchestrating the many moving – and changing – parts inherent to life sciences post-merger integrations. Serving as both a provider and recipient of information, the IMO can greatly facilitate cross-functional communication and effectiveness. This guide outlines the key steps and considerations in establishing a successful IMO, delving into one of Clarkston's integration success stories within the [life sciences industry](#).

For further guidance on standing up a successful Integration Management Office for post-merger integration, [connect with one of our experts today](#).

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