

# The Impact of Mergers and Acquisitions on Industry's Relationship With Ophthalmologists

The successful management of the industry-ophthalmologist relationship requires understanding.

BY MARK J. FORCHETTE

One of the most rewarding parts of being on the business side of the development and commercialization of ophthalmic technology is the opportunity to achieve meaningful innovations that have an impact on patients' care. At OptiMedica Corp., now a part of Abbott Medical Optics Inc., our fundamental objective in designing, developing, and launching technology has been to serve the unmet needs of patients. If we do our work correctly, the technologies we develop can become innovative products that naturally progress to gaining the attention of companies with the scale to take the technologies to patients throughout the world. Transactions like this may be key corporate moments; but, they also create a delicate inflection point filled with great opportunity.

## WHAT PHYSICIANS BRING TO THE TABLE

Regardless of whether a company is in a stage pre- or postmerger/acquisition, the fundamental impact of industry's relationship with ophthalmologists is immense. If a company is trying to create the world's unique and most desirable products, then the passionate input of physicians at virtually every step is critical to success. The continuum of the product's life cycle requires insight for it to be successful. Physicians' experience and knowledge provided at the concept, feasibility, and definition stages of product development are crucial. Their creativity provides powerful wisdom for product development and can prompt innovative approaches to its launch and introduction in the

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marketplace. Physicians' counsel, as a basis for strategic and tactical management, can help supply industry with a basis for the product's management after its launch.

In my experience, physicians can become crucial advisors and become deeply involved in the workings and dynamics of a corporate team focused on developing and launching a technology. These corporate interactions, processes, and methods are intellectually stimulating and can be fun. The collaboration invigorates thinking and ultimately results in better solutions and greater success with new technologies.

## MANAGING THE THREE-WAY RELATIONSHIP

Successfully managing the industry-ophthalmologist relationship requires understanding three separate constituencies: the company being acquired, the acquiring company, and the physicians who work with these companies. The company being acquired brings a certain set of processes and values to the equation. The acquiring company is likely much more developed and committed to the processes that are core to its organization.

*(Continued on page 62)*

*(Continued from page 60)*

Physicians, then, may find themselves in the middle of the transition and are likely to experience the two organizations' differences. Usually, the cultures of two companies that are merging are different but may be complementary. If the core values and standards of behavior of the two organizations are similar, then there is a greater likelihood of a positive effect on the combined company and the established relationships with ophthalmologists.

The company being acquired may be a startup with new technology desirable to the acquirer. The startup may represent a pure, single-technology focus to physicians and an opportunity for their meaningful involvement in advancing that technology. The physician may find it particularly rewarding to interact at a high level with a small team that is concentrating on one project and one specific technology. This intensity of focus can create an opportunity for physicians to have a real impact on the product development efforts of the new combined company.

A corporation that is making the acquisition brings its own benefits to the relationship with ophthalmologists. The merger or acquisition will likely harness broader resources and possibly new thinking related to strategy, the marketplace, and finances. Additionally, the acquirer most likely has a group of physician advisors in a consultative capacity.

If the core values of the organizations are similar, great things can happen. The new mix of scale, diverse thought, and voices and a broader focus can be compelling and successful. A solid foundation can be created for the physicians involved to participate and contribute in a way that serves patients, delights customers, and drives technology to new levels. The team's continuity can be protected, and the passion of the involved physicians can be sustained throughout the effort.

## CONCLUSION

The success of industry's relationship with ophthalmologists through mergers and acquisitions depends upon people. Organizations that value the input of physicians will find a way to sustain the passion that both sides bring. New processes are involved as a natural part of a larger team, but these processes can evolve and develop to accommodate that passion. As the people responsible for designing, developing, and commercializing the technology embrace physicians' input, they can find the right path after a merger or acquisition to continue these relationships successfully. ■

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