

 **Customer insight**

Performance management  
speeds the success of  
a global merger





Performance management speeds

# success

The merger of Merck and Schering-Plough brought together two companies of almost 50,000 people each, spread across 100 countries. To ensure that the new organisation could meet its targets as quickly as possible, the leadership team knew it would be vital to find effective ways to accelerate the integration process.

## Setting the scene

“We knew that to achieve our aims we had to go beyond harmonising job titles and compensation,” explains Jamie Whitmore, Director of Executive Talent Development at Merck. “We needed to be able to cascade objectives to all employees throughout the new organisation, link their objectives to business priorities, and instil the desired culture among employees.” That culture was based on a clearly defined set of leadership behaviours – including customer focus, driving results, and rapid and disciplined decision-making – that all employees would be expected to adopt.

“We quickly realised that unifying performance management was the most efficient way of getting everyone onto the same page,” continues Whitmore. “It would enable us to evaluate performance against objectives in a consistent way and assess how well everyone was embracing the leadership behaviours.”

The next step was to select a technology solution to underpin the rollout of a consistent global performance management process across the new organisation.

## Inspiring solutions

Schering-Plough was already using Lumesse\* Talent Management to underpin performance management. During Schering-Plough's earlier acquisition of Organon BioSciences, the solution had helped bring the two companies together by facilitating rollout of a company-wide performance management process.

Whitmore and his colleagues reviewed the Lumesse solution, the tool that was in use at Merck and the performance management capabilities available with SAP. They selected Lumesse as the system best able to support the integration of the two companies, basing their decision on factors including cost, flexibility and ease of implementation and use.

In a joint project between Merck, Schering-Plough and Lumesse the talent management solution was rolled out in 100 days, meeting the leadership team's target of going live during the first quarter following the merger.

The talent management solution has been integrated with SAP, Merck's chosen HR system, to enable transfer of employee information to the solution; and with the company's compensation system, as performance directly affects pay and bonuses.

Although Merck kept the initial implementation as simple as possible, the company asked Lumesse for some customisation to meet its particular requirements. One area of customisation relates to Merck's differentiation process for identifying how employees are performing relative to the average. The solution's existing drag-and-drop functionality has been tailored to Merck's specific differentiation process; and the reporting has also been customised to meet Merck's requirements in this area.

“Another area of customisation relates to our matrix structure,” says Whitmore. “With the help of Lumesse we've been able to give our managers greater insight into the performance of their 'dotted-line' employees than is usually possible.”

“The business case for the talent management solution was based on its ability to help accelerate the integration of the two companies – and it has absolutely done that.”

Merck

### Fanstastic outcomes

The rapid rollout of the talent management solution enabled HR to support the integration of Merck and Schering-Plough from the outset.

“It was the first global solution to be launched in support of the merger,” says Whitmore. “This was achieved due to a combination of factors: on the one hand, commitment, capability and responsiveness from Lumesse; and on the other, our ability to partner effectively with works councils and local privacy authorities in all our operating regions to gain agreement to the performance management process.”

The talent management solution helped the company achieve its desired business results in its first operating year. Because employees were fully aligned to the company’s objectives and had adopted the desired leadership behaviours, Merck exceeded its scorecard targets.

“The business case for the talent management solution was based on its ability to help accelerate the integration of the two companies – and it has absolutely done that,” confirms Whitmore.

For managers, having a single tool to cascade objectives, establish development plans and assess performance makes the performance management process straightforward and efficient.

The tool enables consistent application of the same performance assessment system globally; and lets management and HR identify the high-performing employees in each division and country.

Based on the success of the first full performance management cycle, Whitmore is positive about the solution’s ability to continue underpinning talent management at Merck. The company is already looking into rolling out other aspects of the solution, including succession planning.



## In brief

**Solution:** Talent Management  
• Performance Management

**Industry:** Healthcare and pharmaceuticals

**Country:** Worldwide

**Employees:** 94,000

Formed by the merger of Merck and Schering-Plough, Merck is an innovative global healthcare leader committed to improving health and wellbeing around the world. The company develops therapies for heart and respiratory conditions, infectious diseases, sun care and women's health issues, among many others. Merck continues to research conditions such as Alzheimer's, diabetes and cancer that affect millions of people around the world, while expanding its strength in new areas such as biologics.

After the merger of Merck and Schering-Plough, the merged company needed to be able to quickly align all individuals throughout the organisation to the new business strategy and scorecards and ensure that employees would adopt the desired culture and leadership behaviours of the new organisation.

The leadership team realised that a unified performance management process and system would be the most efficient way to achieve these objectives and accelerate the integration of the two companies.

Lumesse Talent Management was selected as the global tool for the company's performance management process. Launched within the first quarter of the merged company's operations, it automates performance management for Merck's employees in nearly 100 countries.

The rapid rollout of the solution enabled HR to support the integration of Merck and Schering-Plough from the outset. By facilitating alignment of employees to the company's objectives and adoption of the desired leadership behaviours, the talent management solution helped the company achieve its desired business results in its first operating year.

## About

Lumesse is the only global company making talent management solutions work locally. We help customers around the world to implement successful local talent management initiatives that identify, nurture and develop the right people, in the right place, at the right time. Our multi-cultural background and presence means we understand how to deliver talent solutions that work the way our customers work, as individuals and as teams, because no two people, organisations or cultures are the same. We regard differences as strengths, not as obstacles.

1,700 customers work with us in over 70 countries because they recognise that commitment, innovation and value only come from people. We help customers to unlock and inspire that human potential in their businesses. Our integrated talent management solutions are comprehensive, intuitive, secure and fully internationalised into over 50 languages.

We have Lumesse offices and partners in more than 40 countries, covering EMEA, the Americas and Asia-Pacific. To find your nearest office and talk to someone who speaks your language, visit:

[www.lumesse.com/get-in-touch](http://www.lumesse.com/get-in-touch)



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