



Stanford eCorner

Acquisition Can Amplify Impact

Michael Ackermann, *Allergan*

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Michael Ackermann, CEO of a medical-device startup acquired by Allergan, discusses the advantages of joining a larger company. Acquired firms can leverage the massive resources and market coverage of a parent company to magnify impact, as well as learn from experienced professionals about how to launch new products, Ackermann says. Now vice president of neurostimulation at Allergan, Ackermann adds that entrepreneurs should see acquisition as an opportunity because it eliminates the funding uncertainties startups typically face.



Transcript

- So, as mentioned before, that we were acquired by Allergan, in August of last year. I do want to touch on that as well. In addition to the obvious in terms of providing return for the shareholders, most importantly, Allergan increases enormous lever of us, right? So, if we're a very small company, and we're trying to go out and treat patients that are not only all over the United States, but frankly, all over the planet. It's really hard, I mean, you've gotta one rep at a time, it's something that Facebook advertising alone isn't gonna take care of, because you do have this complex network you need a healthcare provider to actually ultimately prescribe that device. In Allergan, they're the world leader in the space right now, right? They have sales representatives in the offices of 23,000 eye care professionals in the U.S. alone. That's almost all of them, right? And what a really tremendous opportunity for us to be able to make a really meaningful impact on public health in a very short order of time. I did also just wanna touch on it now that I've actually spent some time on it in a big company, and just reflect on it a little bit as well. I'm sort of inline with some other things we talked about, in addition to come to this management of risk that I think is important certainly to some of our staff, and I've also learned a lot, right? I'm there, I'm working at a place, we're about to launch a product, and we're gonna launch it in a world class way, right? And learning from people who are very, very good at this, people who are skilled at manufacturing, learning how to do that, and I think that's also true for our staff as well, being able to come in and really learn from people who are frankly some of the best in the business, and particularly that's some of these later stage parts of their product cycle. And again, making this opportunity to make impact.

Now, one of the things that it has been really fun about this is that there's money there, right? I mentioned earlier in the startup, you have confidence that there's gonna be the next check if you're doing the right things, but frankly there's a lot of uncertainty there, and when you're at a profitable business, there's a lot of resources, and so actually with our group we have two pipeline products, that weren't there when we started, and actually some really innovative folks with our group have developed two new technology ideas, and there up and running, and it's really nice to be in a place where that can happen, and I think that to echo the opportunity for entrepreneurship as well, just really into that that can actually happen.