

Press release

SPECIALIZATION AND STAFF MOTIVATION ARE TOP PRIORITIES SAY GERMAN CHEMICAL AND PHARMACEUTICAL CEOS

Düsseldorf, 25 March 2008 – Celerant Consulting (Celerant), the global management consultancy specialising in operational improvement, has conducted a study which showed that specialization and motivation and training of employees are the main issues occupying CEOs of leading German chemicals and pharmaceutical companies.

The study also found that in the chemicals industry the move towards Asia and the increasing cost raw materials are further topics on the agenda of CEOs. The research showed that both industries are currently developing individual strategies to come to grips with this situation. Pharmaceutical companies are currently trying to get patents on many of their production processes in the wake of many “classical” patents running out and there being no new blockbuster products to replace them. Generic producers, on the other hand, face stiff competition from Asia and need to specialize in biotechnology. We see similar developments in the chemicals industry where mass producers have now started focusing on “specialist chemicals” and becoming solution providers.

The survey was conducted in December 2007, when Celerant talked to top managers in both industries about the challenges, problems, and opportunities they face. The survey took as its starting point that the German chemicals and pharmaceutical industries are under increasing pressure: global markets challenge most companies on a daily basis and they face ever greater pressure to react quickly and deliver results. Besides that, there is constant pressure to innovate and manage costs. In recent years the competition, particularly from Asia, has made gigantic leaps in terms of capabilities and product development.

Stephan Orth, Country Manager, Germany, said: “The results of the study are a warning signal. Both industries are facing a period of fundamental change. Companies that do not prepare now will struggle to be competitive in future.”

Rudolf Jerrentrup, Senior Chemicals adviser, said: “It is increasingly difficult for companies to balance the ever rising costs for raw materials with alternative products or process changes. Real added value can only be generated by higher and more efficient research and development processes and the changes in procedures and processes that these require.”

Stephan Orth, concluded: “There is a rising demand for scientists who are also interested in marketing of their ideas and products.”

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Notes To Editors:

About Celerant Consulting

Celerant Consulting (Celerant) is a leading global management consultancy specialising in delivering operational transformation across a broad range of industry sectors.

Celerant helps leading companies worldwide achieve and sustain world class performance from their operations. The essence of its approach is Closework® where consultants work side-by-side with people in the front lines of the business to ensure sustainable and measurable gains. Celerant embeds long-term behavioural change into the culture of the client organisation – the key to sustainable change.

In 2006, Celerant delivered over \$1 billion in annualised sustainable savings to its clients. Over the last 20 years, Celerant has become the largest independent firm of business operations consultants with revenues of \$145 million in 2006.