

Clinical trial outsourcing

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Clinical Investigation spoke to three experts in clinical trial outsourcing, which has become increasingly common in the pharmaceutical industry. Their enlightening responses provide a valuable insight into a number of aspects of outsourcing, including the challenges faced and the key factors to take into consideration when developing requests for proposals or choosing outsourcing partners.



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Q What factors do you believe have driven companies to increase the outsourcing of clinical trials?

The need to improve efficiency and reduce R&D costs are two of the most important drivers for the observed increase in outsourcing clinical trials. Outsourcing allows a company to leverage the Clinical Research Organization's (CRO's) therapeutic area and operational expertise, geographic reach and well-established processes and tools while conserving the company's own limited resources for the most value adding activities. Also important is the ongoing trend towards drug development in specialized therapeutic areas such as oncology. Outsourcing can make it possible for small- and medium-sized companies to conduct clinical trials in these areas where the company itself may not have the therapeutic area expertise and/or resources to independently develop the product.

Q What are the most important factors in developing effective requests for proposals (RFPs)?

The most important factors in developing an effective RFP are a clear development strategy, objectives and project scope for the trial or project that is being outsourced. Questions that should be asked while generating the RFP include: How does this study or project fit into the overall clinical development plan? Is this study the key bottleneck for a 'go–no go' decision? Is this a pivotal study for the submission? What are the timelines for regulatory submission and approval? Answers to these questions should then drive the specific tasks and metrics that are included in the RFP. Too often, the focus is on operational and trial specific metrics such as the timelines for site initiation and first patient first visit rather than the broader strategic goals. It is important to look at the strategic goals first and then work from the key strategic milestones when developing the RFP. The project scope should be realistic, and based on the weight of feasibility and historic data. The scope should consider and balance for the desired speed, known risks and cost considerations.

Q What are the most effective ways to maintain strong sponsor–vendor relationships and ensure success?

Effective ways to maintain strong sponsor–vendor relationships include having a shared vision, establishing a true strategic partnership and having open channels of communications including mutually agreed upon rules and processes for issue escalation.

A common vision for the project creates a truly strategic engagement between the sponsor and the vendor where both recognize the mutual incremental value in the relationship and share accountability. It also allows for the development of realistic milestone plans and metrics, and facilitates the development of a strategic partnership.

A strategic partnership between the sponsor and vendor is the optimum model to achieve the business objectives of timely delivery of high quality data, at competitive costs. Such a partnership allows for the joint identification of the operational challenges that could lead to changes in project scope and increases in cost. It also allows the two parties to determine how to best manage these challenges rather than focusing on just the initial bid price. A true

partnership includes involving the CRO in the project design and planning in order to maximize the benefits from leveraging the vendors' expertise. The project deliverables as well as key performance indicators and key risk indicators should be mutually agreed upon based on project strategy and scope.

Open, honest and transparent two-way communication is essential to build trust between the two parties. The CRO monitors are the face of the sponsor and must be able to represent the project with a high level of project and content knowledge. It is also important that the CRO establishes and maintains regular communication with study sites in order to promptly identify issues including protocol-related questions and concerns, recruitment challenges and quality concerns.

Finally, a clear issue escalation process will also help to maintain a strong sponsor–vendor relationship. The project teams should be empowered, and expected, to problem solve and resolve issues at the team level. Inappropriate escalation of an issue should be pushed back to the teams. Issue escalation rarely supports resolution on matters of operational detail, and unilateral issue escalation by one part of the joint team is unlikely to be effective or balanced. Such unilateral escalation should be strongly discouraged, and the teams should be encouraged to jointly propose solutions with an understanding by both sponsor and vendor that the vast majority of issues can be solved by the joint teams.

Q In your opinion, what are the advantages and disadvantages of long-term partnerships?

A long-term strategic partnership between the sponsor and vendor is the ideal way to achieve the business objectives of timely delivery of high-quality data, at competitive costs. Such a partnership leads to the development of a common vision and allows for joint identification of the operational challenges that could make or break the project. It also allows the two parties to determine how to best manage these challenges rather than focusing on project cost.

Long-term partnerships also allow the sponsor to leverage the governance structure, processes, key performance indicators, key risk indicators and communication channels that have been established from project to project instead of having to redo this work every time a new vendor is chosen. This greatly enhances the overall project efficiency and also stimulates an environment of continuous improvement. Given these advantages, it is always preferable to establish a long-term strategic partnership wherever possible.

The potential disadvantages of a long-term partnership include the resource and time commitment to establish the initial partnership. This may not make sense if the outsourcing is being done for a short-term tactical project. Another disadvantage is the loss of flexibility in choosing the most appropriate vendor for a given project. For this reason, the long-term partner must be chosen with care to ensure that they will be able to support current and future development portfolios.



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Q What factors do you believe have driven companies to increase the outsourcing of clinical trials?

Predominantly the need to strive for efficiency in drug development and keeping unnecessary overhead at a minimum. Outsourcing provides the flexibility in resourcing (headcount) that companies need. There is also a crowded marketplace and access to patients has become increasingly difficult. This has created a need for companies to look beyond their own shores and partner with outsourcing providers with a presence in the region of choice.

Q In your opinion, over the past 5–10 years, which processes have benefited from outsourcing the most?

Processes that demonstrate 'stresses' on resource needs based on rapid changes in volume of work, or those that have geographic diversity and the need for local resource. Clinical monitoring is the process that will continue to benefit from outsourcing as the need to maintain large workforces as salaried employees with benefits is minimized. The regulatory process will also benefit from 'local knowledge' in markets where sponsors have no presence.

Q What are the most important factors in developing effective RFPs?

The most effective RFPs are those that provide detailed sets of assumptions around all aspects of the conduct of the trial. Many sponsors continue to neglect the amount of time it will take to build and test a series of assumptions. The inclusion of a comprehensive risk plan for all eventualities is key in setting expectations both from the sponsor and CRO as to a particular course of action should a particular situation arise.

Effective RFPs need to be concise and clear to the readers so that proposals received are focused on the same parameters and issues.

Q What are the key factors to consider when selecting an outsourcing partner? Do you believe that company size is a contributing factor?

The needs of a sponsor are often dictated by their own size and reach. With an increasing need for presence in multiple geographies, it is often a natural reaction and instinct to lean towards larger organizations with a broader reach to partner with. I believe it is more important to focus on the end product and ensuring that the deliverable is of the highest quality. Recently, quality has been a difficult area for many outsourced programs (fuelled primarily by the supply and demand for personnel – there are not enough qualified people for all of the outsourced trials). If a company has an operating model (even if it includes partnering or subcontracting) that is geared towards quality oversight, then I believe that to be the key. Other factors that we have typically taken into account, such as therapeutic experience and cost, are also part of the mix, and sponsors will weight their importance based on their own selection criteria.

Q What are the most effective ways to maintain strong sponsor–vendor relationships and ensure success?

Thorough and fully developed oversight plans and a sponsor–CRO governance structure that allows for transparency between the partners. The oversight plan should spell out how performance will be monitored and measured and a governance structure (joint committees) should provide the forum for candid discussion of the output of such plans and measures. I believe it is also important that any joint governance committee is suitably empowered to make decisions that allow for rapid and effective ‘removal’ of any obstacles or issues that a project team may face. This empowerment will need to be supported by a clear escalation process should there be a need to seek additional executive support.

Q In your opinion, what are the main challenges faced in clinical outsourcing? How do these differ from the perspective of small/large companies? How can these challenges be overcome?

I still believe that quality remains the number one challenge facing outsourcing in the industry. The continued expansion of outsourcing needs has not been matched by training and development of personnel in the industry. Companies have until recently operated in vacuums with little knowledge sharing between organizations. Thankfully this is changing, with many forums developing for peer-to-peer networking, as well as organizations such as Transcelerate working to help us standardize processes and seek out mutual recognition in many areas so that we are not continuing to overburden sites or sponsors in reinventing the wheel every time we do a trial. Business process integration is another area that is sucking resource on both sides of the equation, with far too much time spent on back room process – be it financial, legal or otherwise – because of the differing needs of sponsor organizations. From my own experiences and discussions, the problems facing companies are the same irrespective of company size, and it is just a matter of scale.

There are a lot of technological advances that can be used to make many processes more efficient. This combined with the advent of longer term one-on-one partnerships with providers allowing for better business process integration, ‘institutional’ memory. I believe the way forward will be to learn from and address our mistakes and issues, and continue to make progress in standardization across the industry to allow for greater efficiency in trial conduct.

Q In what situations do you believe the multivendor outsourcing model is more efficacious?

If there is a solid governance and communication platform I believe that there will always be advantages in multivendor models where each vendor is focused on their own area of core competency. The challenge is in the integration of the service offerings and the resource needed to manage the ‘extended’ team. It is high time that vendors acknowledge that we are not all masters of every aspect of clinical development and we should be willing to look to those with specific expertise in our quest for a quality deliverable.

Q In your opinion, what are the advantages and disadvantages of long-term partnerships?

A long-term partnership allows you to grow together and address issues as they arise and not repeat mistakes in the future. No business relationship will get it right first time, and we are all quick to retreat from a perceived bad relationship. Longer partnerships will allow for ‘institutional’ memory on processes, documentation, plans, and so forth, to develop and be refined, and the challenges in business process integration should also become easier over time. There is probably no disadvantage to a well-thought-out and well-planned long-term partnership, but for those that are not, the ability to exit from the agreement is difficult. Some sponsors believe there are

risks associated with tying up all of your resource into one partnership, as it perhaps does not foster innovation or provide a competitive platform, and in some cases may lead to complacency in the execution of programs.

Q How do you envisage the future of outsourcing in clinical trials?

The outsourcing model is here to stay and it will adapt depending on our needs. I believe the traditional roles and responsibilities of key personnel are changing as we change the way in which we implement trials. I hope that this will lead us to re-examine the process and allow us to further streamline the outsourcing model. I believe there is too much 'waste' and we have to be more efficient and cost-effective across the board. There will be room for multivendor and single-vendor models depending on the work at hand.



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Q What factors do you believe have driven companies to increase the outsourcing of clinical trials?

For Big Pharma, the driving factors for favoring outsourcing may be related in some cases to the inexperience of the outsourcing company in certain therapeutic areas in which their pipeline may have a product or products. They may seek to outsource particularly the preregistration studies to CROs with substantial experience in that therapeutic area. A second major driver for outsourcing is the flexibility it renders a global pharmaceutical company, both through programmatic outsourcing or functional outsourcing. Such flexibility enables pharmaceutical companies to waive the need to have very costly clinical research footprint in countries where such a footprint is not feasible as the scope and extent of clinical research is not wide or large enough to justify the cost.

Q What are the most important factors in developing effective RFPs?

First of all you have to be fully aware of what you want, and then what it will take to get it. The bidding process will be much shorter and much more efficient, and you can cut to the chase without much ado if these are clear in your mind and also in the RFP that is serviced to the potential outsourcing partners. I am not saying that we should twist the arm of the bidding CRO by imposing a functional organizational structure, but the following questions should be answered:

- What kind of human resource will be required?
- What will be the basic minimum of this resource needed to execute an acceptable job?
- What level of efficiencies should be expected from various study team members to be engaged?
- What kind of hours should be allocated for various functions to enable the execution of a successful study that will meet the timelines and other numeric targets, not create risks of any sort (including quality in general and data quality in particular, and patient safety) and end up with a Clinical Study Report that is good science?

In other words, the golden rule of developing an effective RFP is to do a mock proposal yourself in house, so that you not only give the message to the management of the CRO that you know the game, and hence make life easier for them in preparing the bid, but also minimize the risk of having surprises in the bids you will receive. This also serves to set-up a good basis of understanding from this early stage, which will help with your communications with the selected CRO after the bidding is finalized and the project is put to the test of life and reality.

Q What are the key factors to consider when selecting an outsourcing partner? Do you believe that company size is a contributing factor?

The answer to this question is dependent on the scope of the outsourcing, is it programmatic outsourcing, is it for a global or regional study, or is it a single country study outsourcing? This in turn defines the required capacity and capabilities of the to-be-selected outsourcing partner. Then, we have to use the clusters of the relevant candidate outsourcing partners to match them with the outsourcing scheme we have in hand.

At this point, size is no longer a contributing factor but more of a confounding factor, as the best way forward is to select the right partner for the right scope of outsourcing. In other words, while a global CRO with substantial size and almost universal footprint may be the only correct choice for programmatic or global outsourcing, the

same CRO may not be the right choice for a comparatively smaller outsourcing scheme, for reasons of level of cost, level of interest and efficiency in communication lines. It may be said that there is no such thing as a golden rule to success by matching smaller CROs with smaller outsourcing schemes, but personal experience has taught me that matching the size of the CRO with the size of the outsourcing scheme not only increases the chances of success, but also augments the bilateral satisfaction from the job that is executed at the end of the day. My rule of thumb is to go for a regional CRO for a regional study. That would be a CRO with sufficient footprint in the countries of concern, or an intention to create that footprint by the time of implementation, a proven track record in multicountry initiatives in studies of similar phasing and complexity, an appetite for success and an ambition to excel and grow to become a bigger player in their setting.

The smaller the size, the more shortcomings of capacity and capabilities, but then this is counterbalanced with better communication, more swiftness in decision making, more flexibility and much higher level of executive engagement.

Q What are the most effective ways to maintain strong sponsor–vendor relationships and ensure success?

One factor leading to a successful relationship is customer centricity on the part of the vendor, which in essence entails a fundamental understanding of the needs of the sponsor, and consequently a matching proactivity, focus and diligence to meet these needs. The other factor is the establishment of structured communication lines at all levels of the interaction at both sides, and the ability of both the sponsor and the vendor to effectively communicate through these lines at all levels.

Disclaimer

All opinions expressed in this interview are those of the interviewees and do not necessarily reflect the views of Future Science Ltd.

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S Choudhri is an employee of Bayer Inc and owns stock in Bayer AG. The interviewees have no other relevant affiliations or financial involvement with any organization or entity with a financial interest in or financial conflict with the subject matter or materials discussed in the manuscript apart from those disclosed.

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