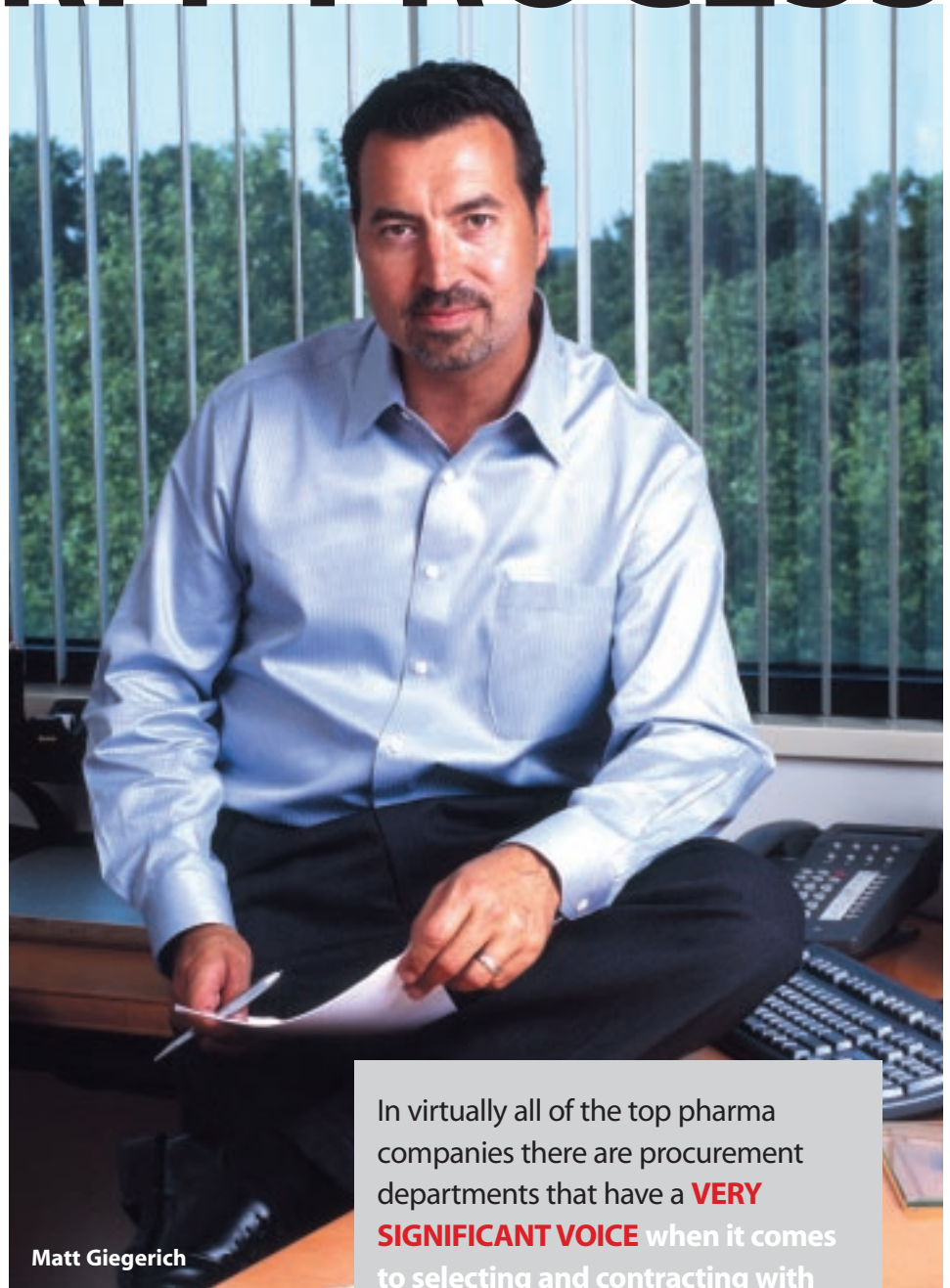


ERA OF EFFICIENCY?

Provider Selection and the RFP PROCESS

As procurement departments gain a stronger foothold within pharmaceutical companies, **SERVICE PROVIDERS ARE LEARNING HOW TO BEST WORK WITHIN THE RFP PROCESS TO CREATE MEANINGFUL PARTNERSHIPS.**

Service providers to the pharmaceutical industry, from agencies to CROs to IT companies to market research firms, have been facing a paradigm shift as sponsors continue to move provider selection into the hands of their procurement departments. This shift is being powered by financial pressures as the industry continues to contend with shrinking pipelines, fewer blockbusters, and consolidation through mergers and acquisitions. Some say choosing service providers in this way turns



Matt Giegerich

In virtually all of the top pharma companies there are procurement departments that have a **VERY SIGNIFICANT VOICE** when it comes to selecting and contracting with marketing services companies.

professional services into commodities by basing selection primarily on price, while others say procurement departments allow for unbiased decisions based on data that take into account factors beyond cost. While some experts believe procurement departments impact the partnership between the pharma company and the supplier, procurement experts say they serve as a conduit between the parties, solving problems that arise and facilitating clear communications.

The STATE of Procurement

THYEN. At Lilly, we have found that the benefit of going through the procurement department is that better business decisions are being made because the process is unbiased and driven by data. The internal marketing team can review more data to make their best decision, as well as evaluate multiple suppliers using consistent criteria. To ensure we issue a quality RFP and don't approach the purchase as just a lowest-cost activity, we staff our organization with a mix of experienced marketing and procurement professionals. Using this expertise, our procurement organization works in partnership with our internal marketing clients to calibrate and secure the best quality and delivery timeliness, along with a great price and a commercial agreement that delivers the appropriate risk protection for both the buyer and seller. This is the total value we seek and can achieve through a quality RFP process. We also can help start the relationship off on the right foot by clarifying the expected deliverables and working processes early in the selection process. My team's responsibility in the marketing and sales spend area primarily includes advertising and marketing communications agencies, public relations, media buying, and market research. In these spend areas, it is good to see there are fewer and fewer suppliers that resist using an unbiased data-driven process, reversing past beliefs that procurement organizations are only looking at the lowest cost. However, if a supplier assumes price will be a major consideration in the selection process, they may be better prepared to work through the competitive RFP process. Likewise, if they do not want to give the buyer a great price as a significant component of the overall value being delivered, or do not plan to work with the buyer to continually improve their price going forward, they may be better off declining the RFP. It is much better to enter the process and subsequent relationship with a full understanding of the capabilities and expectations of both sides than to expend energy and valuable resources correcting the errors of an undisciplined, hasty decision.

KEBABJIAN. Value generation in the form of service improvements, as well as cost reductions, can be achieved through bundling purchases. Whether a company is sourcing information technology such as laptops or procuring marketing services, a consolidation of spend to fewer more strategic suppliers can lead to benefits for a company. Novartis Pharmaceuticals' global sourcing category management process uses leveraged volume purchases to drive savings and service enhancements. Not only can per unit costs be improved, but so can the supplier-client relationship as a result of managing fewer suppliers in a particular category. A single-source supplier, if appropriate for a particular category of spend, is a great example of leveraging the total aggregate spend and driving purchasing improvements.

GIEGERICH. The pharmaceutical industry is facing big pressures on its top line because of patent expirations and a reduced number of new launches, so companies are looking to boost their bottom line by cutting costs. Different companies are going about this in different ways. Some are using outside consultants and intense procurement efficiency models and departments. Others are looking at consolidating their supplier rosters on every front, not just marketing services. The RFP process has added another dimension to agencies' relationships with pharma. It used to be fairly simple; the primary decision maker within the marketing department was responsible for awarding new business and shepherding existing relationships. The assessment of quality emanated from a single point person or a single team. Now, with contracting and procurement departments in the mix, this is a shared responsibility.

RFP EXPERTS

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Jim Knipper



PROVIDERS THAT SUFFER FROM COMMODITY PRICING fall into the range of services that are now considered nonstrategic or are companies that do not provide a range of services, such as pure lettershops, direct-mail houses, or premium suppliers.



Frank Garnham

In terms of clinical research, companies are moving toward unitized cost analysis for various functions because this is **AN EASIER WAY TO COMPARE CRO COSTS AND FOR SPONSORS TO UNDERSTAND WHAT THEY ARE BUYING.**

DALEY. As financial pressures intensify in our industry, many pharmaceutical companies are looking to cut their costs by managing their suppliers as commodity providers, particularly when they perceive that there is little differentiation between suppliers. As an advertising agency, our challenge is to help our clients recognize us as a partner rather than as a vendor. Agencies can do this by continually offering new ideas and innovative solutions that can help move their clients' brands forward. After all, if agencies only deliver the expected, they shouldn't be surprised if clients view them as a commodity.

VANDERVEER. Services are not being commoditized; pharma companies are trying to commoditize the pricing process, or the procurement process. We are still far away from services becoming genericized or commoditized. The major underlying issue impacting the procurement process is the difficult times that the pharmaceutical industry is facing. It is not just a microbattle about marketing research and procurement practices; it is a reflection of challenging times.

KNIPPER. I don't believe that all pharma industry outsourced services are considered commodities. There are a number of sectors where providers are considered strategic partners. Providers that suffer from commodity pricing fall into the range of services that are now considered nonstrategic or are companies that do not provide a range of services, such as pure lettershops, direct-mail houses, or premium suppliers. At times, service providers have compounded the problem by positioning themselves as providers of a commodity and, as such, by definition, compete purely on price with other providers in their space.

SAMMIS. There are any number of large public companies and hundreds of small companies that provide outsourcing to the industry, so pharma and biotech companies have lots of choices for more traditional CRO services. Because of the competition in the marketplace and CROs' traditional inability to differentiate their offerings, suppliers are forced to compete on price, which leads to commoditization.

ANDREWS. Some sponsors may view having the procurement departments involved or driving the process as a way to keep bias out of the equation and to make a selection based on cost. I do not

support selecting a CRO based strictly on lowest price. It's important that the outsourcing team be comfortable with the people doing the work. I don't believe a procurement department is capable of judging how well a CRO will perform.

TAAFFE. There are a number of economic factors that are driving pharmaceutical companies to push toward making clinical research a commodity. The cost of developing drugs continues to increase at a rapid pace, and companies cannot pass this cost along to consumers. Consequently, pharmaceutical companies are looking aggressively for cost savings in all parts of their business, including clinical development. Since certain aspects of development can be clearly defined, for example a monitoring visit or data entry for a page of CRF, there has been interest in bidding out these tasks in a commodity fashion. The danger here is the very major assumption that all suppliers, including CROs, will provide these tasks at the same quality level, and the sum of these parceled out tasks will equal that of the service provided by a single supplier. We believe that there are important differences in CRO abilities to successfully execute the major services associated with conducting a trial, given the variation in size, complexity, therapeutic area, and so on. And in the end, dissecting a trial into discrete tasks and evaluating these tasks as commodity items will not enable the pharmaceutical company to get the same end result.

LANGIN. One of the driving factors behind the attempt to turn services into commodities is the consolidation of the industry as a result of mergers and acquisitions. Sponsors are starting to look at service providers as if we all pretty much do the same thing when in reality there are clearly some vendors that are best of breed.

HIGGINBOTHAM. Most biopharmaceutical companies are feeling intense pressure to develop blockbuster drugs and ultimately increase shareholder value. Consequently, they are looking to reduce costs by outsourcing the most expensive line item on their balance sheet: R&D. With anticipated growth in the CRO market from about \$11.9 billion in 2004 to more than \$20 billion by 2008, biopharmaceutical companies will continue to outsource and by necessity will seek new and innovative approaches to making the procurement process more efficient. They will draw on their knowledge of generic purchasing techniques and procedures for other types of products and services as a way to reduce overall R&D costs.

EVALUATING the RFP Process

GIEGERICH. The procurement function has become more accepted internally at pharmaceu-

Brian Langin



COMPANIES WITH OUTSOURCING DEPARTMENTS AND THE ASSOCIATED INFRASTRUCTURE

have knowledgeable individuals who bring to the table their experiences, whether from the sponsor level or from the vendor level.



Mike Thyen

PROCUREMENT PROVIDES AN INSTITUTIONAL MEMORY.

Many companies have marketing people who often rotate, and with them moves the memory of the relationship. Procurement is the caretaker of the history of the relationships that a company has had and the performance of its suppliers.

tical companies. Previously there might have been push back from marketing managers who wanted to have more autonomy in their decision making. But, the procurement function has shown demonstrated savings to CEOs, so these departments have more authority and have more credibility within the organization.

ANDREWS. Many companies are requiring suppliers to update their capabilities in a database, which then can be accessed when the decision to outsource is being considered. This process is flawed; CROs increase resources based on client need. These databases don't capture real-life planning that goes with an award of a contract nor do they capture a CRO's succession plan, which is critical to the success of any program. Medi-

um-to-small niche CROs that may actually be better prepared to take on a project successfully may not get an opportunity to respond to a RFP. I doubt the process will change much. Companies that have bought into the database system will probably stick with it, while other companies will continue to work with CROs they have a relationship with and have trust in.

LANGIN. Many sponsors now are leaning heavily toward unit pricing, where a given task is viewed as a set unit with an associated budget. In the past, the best cost structure was based on the needs of each individual sponsor; there was fixed unit pricing, milestone payments, risk sharing, or fee for service. Today, budget grids give managers standardized pricing. They can go in front of their board and say we need "x" dollars to get these compounds to the FDA. But there are still aspects of a program or a trial that are difficult to break down into unit-by-unit components.

Budget grids don't take this into account.

GARNHAM. In the last 10 years, sponsors have gone from wanting to know very little to wanting to know incredibly minute details. They want to understand the marketplace and what CROs do and how they budget. Sponsors now have a good idea of how much time is spent on certain activities and by whom and what those hours cost.

DALEY. Companies are taking a more sophisti-

cated view of what the RFP response says about the supplier and the supplier's level of interest in a specific opportunity. In the future, I would expect best practices will be more universally shared, and the RFP process will become more uniform. As a result, each step in the process will become more competitive, and what's on paper will become just as important as the information shared in the pitch.

HIGGINBOTHAM. Some of the more significant and frequent changes we've encountered in the RFP process include: sponsor requests for strategic guidance on study design; recommendations on innovative and creative study design and operational strategies during the RFP stage; sponsor-supplied pricing templates so that bids can be compared on an apples-to-apples basis; an increase in use of technology with more sponsors creating Web-based portals for posting RFPs and receiving proposals; requests for RFIs to pre-qualify CROs before participating in the full-blown bid process; and an increase in the number of preferred provider relationships, which limits how many companies they will do business with.

TAAFFE. It is critical for any process to be constantly evaluated and improved. The pharmaceutical RFP process is no exception to this evolution, especially given the significant resources — human and financial — required to develop, evaluate, and select CRO partners. A recent change that ICON has observed is that some sponsors are moving away from doing a RFP for each individual study in a development program and toward packaging multiple studies into a single RFP. This program approach holds the potential for efficiencies that yield improved quality as well as time and cost savings across the suite of studies in the program. Looking forward, it will continue to be necessary to have a RFP process, despite the fact that it is a costly, time-intensive process for both the pharmaceutical company and the CRO. But with some preferred relationships, we've worked with our customers to develop ways to streamline the process. We also would expect a movement toward outcomes-based contracting for full-service projects. This approach, with a balance of risk, reward, and control, can provide both flexibility and incentive to the CRO to finish on or ahead of schedule.

PRIMERANO. The challenge facing the majority of pharma and biotech companies is that during the competitive bidding process, comparing pricing structures among suppliers can be extremely difficult. Therefore, we have noted that a number of sponsors are requiring suppliers to complete bid grids in order to submit responses to RFPs. These bid grids, by nature, are unit-driven, and in many instances are focused on individual building blocks. But

The Preferred Provider Tug-of-War

THE CHALLENGES, BENEFITS, AND OPPORTUNITIES WITH PREFERRED PROVIDER RELATIONSHIPS BETWEEN CROS AND PHARMACEUTICAL COMPANIES.

Despite the inherent need for stronger relationships, there is a tug-of-war between pharmaceutical companies and CROs. Although pharma companies seek to develop one or more preferred providers in an effort to outsource strategically, this distinction does not necessarily indicate a strategic relationship. Increasingly, pharma companies are placing price pressure on CROs and treat outsourcing as a transaction rather than a partnership. At the same time, some CROs are experiencing internal difficulties such as high turnover, employee burnout, and lack of innovation, conditions that are not conducive to the development of long-term strategic relationships.

Avoca surveyed a sampling of companies in the industry representing both large and small pharmaceutical companies, biotech companies as well as global CROs and niche providers. The firm studied the biggest obstacles, issues, and problems; benefits and opportunities for better partnerships; current and future needs; and elements of true strategic relationships.

A wide range of models for outsourced clinical research were described. Some pharma/biotech com-

panies have no outsourcing departments and researchers source the services themselves. Some companies maintain short lists based on previous use and success with CRO teams. Some companies maintain that CROs must be prequalified, but latitude is given to the research staff about hiring a CRO. Some companies have preferred provider lists where CROs have been fully assessed and senior management endorses their use unless a business case for going outside the list is made.

None of the pharma companies surveyed characterized their relationships with CROs as truly "strategic" and noted that outsourcing is still very transactional in nature even though they are investing significant resources into CRO assessments and developing qualified and/or preferred provider lists. Many indicated that the intent at the beginning of the preferred provider process was to develop strategic relationships. Most respondents reported that pharma/CRO relationships have a long way to go before they could be characterized as strategic.

Source: Patricia Leuchten, Founder and President, The Avoca Group, Princeton, N.J. For more information, visit theavocagroup.com.

Patricia Leuchten



Over the past decade, I have watched, and in some cases participated in, initiatives focused on the creation of "true partnerships" between big pharma companies and big CROs, **AND WITHOUT EXCEPTION, THESE INITIATIVES HAVE NOT LIVED UP TO EXPECTATIONS ON EITHER SIDE.**

from a service perspective, these grids may lack the ability to capture the expertise used to put the building blocks together.

VANDERVEER. In the last five years, the pendulum has swung on its axis — from a sourcing environment based on relationships to an environment where the vast majority of companies are implementing what we call the three-bid system. Even if a company had a list of preferred vendors for a particular project it still needed to go through the motion of getting two companies to submit "competitive" bids.

The FUTURE of the RFP

THYEN. In the future, RFPs will continue to be used as a way of competing to gain the business. There are more and more electronic-based tools that allow this process to be efficient. There also is going to be more diligence on these cost elements since companies will have data that they have collected from past RFPs. Companies are naturally going to look at how the proposal has changed versus historical data that they received from a company or in an area of spend. The best relationships that we have with suppliers and internal clients are those that have

embraced the RFP process and the procurement organization. We have had our suppliers come back and tell us that we were very thorough and very tough, but fair. And our suppliers have told us that they learned more about themselves, their capabilities, and their ability to deliver what Lilly wants to buy. These are also the suppliers that will approach working with us on our Six Sigma initiatives to improve efficiency and productivity in a positive way, thereby benefiting their organization's ability expand their overall business and margins with Lilly and other clients in the future.

GIEGERICH. There are two schools of thought on the future of the RFP process. First, some say that this is simply now a part of doing business and that extreme management of the cost side of a P&L is the new order of business. The pressure on profit margins and raw profits that pharma companies are facing is being handed down to all of their suppliers. The second view holds that this is a temporary situation that will be alleviated when drug pipelines begin to yield greater volume. When that happens, with less pressure on the cost side and more promise on the revenue side, marketing autonomy and authority will return.

If an agency only delivers the expected tactics, it **SHOULDN'T BE SURPRISED IF CLIENTS VIEW THE SERVICES PROVIDED AS COMMODITY ITEMS.**



Joe Daley



Dr. Richard Vanderveer

Being on the preferred provider list is **NOT A GUARANTEE THAT A COMPANY WILL MAINTAIN THAT STATUS.** All of the preferred provider agreements that we have entered have included semi-annual or annual review processes, so we are careful to adhere to the rules as stated in the agreements.

LANGIN. Moving ahead, we certainly have to take into account that the process will become standardized; there is going to be consistency required by both sponsors and vendors and the information is going to become evident, accurate, and available on a timely basis. The biggest change that we are starting to see is what we call relationship management and relationship value. Sponsors today are crying out to have the ability to access their information.

GARNHAM. Long term, we will continue to rigorously examine the budgets that we put forward, but buyers will want more emphasis on value. Sponsors will be more interested in how a service is going to change their trial and product program, rather than simply focusing on numbers.

The PROS and CONS of PPAs

THYEN. The preferred provider arrangement definitely helps build relationships between the companies and leads to the development of very efficient processes that will yield better results for both parties. The buyer is going to get greater value for the spend and there is an acceptable or greater level of profit for the supplier. We always want our suppliers to make an acceptable level of profit so that they can continue in their business. The downside of a preferred provider type of agreement is the potential for complacency on the part of suppliers. The supplier may not provide their best work or look for ways to deliver more value because they feel they have

the business and are locked in. If a buyer limits the number of companies that can compete for business or how often, it may not receive the cutting-edge services available in the marketplace. This situation can hurt the buying company and the supplier.

KEBABJIAN. The pros of a preferred provider relationship to the supplier include: more and/or consistent revenue; increased opportunities to conduct business in more or other departments within the company; a clear and consistent set of expectations; a reduced burden of having to win business; and a reduced administrative workload. For the sponsor, the benefits are improved pricing terms; clear and consistent expectations; a reduction or elimination of the administrative workload; fewer relationships to manage; financial transparency; and access to suppliers that

may have new and innovative service offerings. On the other hand, for the supplier the cons are: potential for reduced profit margins; disclosure of financial profitability/performance; resource requirements may be extensive during the preferred supplier selection process; and little or no benefits if the initiative is not sustained after the RFP selection process is concluded. For the sponsor, the cons are additional resource requirements during the selection process; limitation to innovation, new approaches if the preferred supplier roster is static; and little and or no benefit if the initiative is not sustained after RFP selection process is concluded.

PRIMERANO. I like to think of these relationships as preferred partnership agreements. If we can work with our colleagues in pharma/biotech as a partner and as a member of the clinical-development team, I only see pros to such relationships. Successful PPAs can result in a progressive solution-oriented environment that is cost effective for both the sponsor and the supplier. These relationships allow sponsors to exploit economies of scale through the transparency of a sponsor's pipeline, allowing the adequate alignment of resources that are needed in the implementation of sponsor-based standards.

VANDERVEER. To get on the preferred provider list, a company has to overcome all types of hurdles, but once a company is on that list there is a genuine sense of partnership. The preferred provider arrangement has had a significant impact on several major pharmaceutical companies and generally has had a positive impact on the way business is done. The RFP process is very much going to continue in the direction of the preferred provider agreement.

GIEGERICH. If a company is on a pharmaceutical manufacturer's short list of preferred providers, the relationship, while not totally secure, is more conducive to a partnership. There is still competition, because usually there is more than one supplier on the list. If a supplier is cut off the list, it is very difficult to get back into a preferred provider relationship. And, even if a company has a preferred provider relationship, it might have had to agree to financial terms that are less desirable or less profitable. For the most part, we are all running publicly held organizations where there is pressure on our profit margins as well, so the challenge is to run a balanced business model.

ANDREWS. The pros of a preferred provider agreement include continuity, trust, and a decreased learning curve. The cons of this type of relationship could be lack of competition and complacency.

TAAFFE. With careful implementation and the

Jim Primerano



I like to consider preferred provider agreements as **PREFERRED PARTNERSHIP AGREEMENTS**. If we can work with our colleagues in pharma and biotech as a partner and as a member of the clinical development team, I only see pros to such relationships.



Simon S. Higginbotham

Sponsors have become **SAVVY ABOUT HOW CROS OPERATE** and in turn how to more effectively manage the RFP process.

full support of the organization, the preferred provider relationship is a very efficient approach to outsourcing and has many benefits for pharmaceutical companies and CROs. Such a relationship means the pharmaceutical company has done the due diligence and concluded that the CRO it selects has the expertise and the quality in place to provide the needed support. It allows companies to be strategic rather than tactical. With planning and advanced notice of projects it is possible to better align the appropriate skill sets of the CRO staff to each sponsor study. In addition to getting the best staff for each project, the pharmaceutical company can gain significant saving by bundling services from several areas or divisions of a single CRO. Importantly, besides cost savings and accessing experienced staff, a preferred relationship can also improve efficiency, perhaps increase quality, and also streamline the sometimes burdensome tasks associated with the business relationship, for example, contracting and payment. We have about 15 preferred provider relationships and about six function in a strategic manner. The strategic relationships are the ones where the customer gets the most, in terms of saving time, saving

money, and working more efficiently and effectively. But not all companies are at a point where they are comfortable with this type of concept.

KNIPPER. The advantages of the preferred provider relationship lie in the ability to develop close working relationships and to share individual strengths that benefit both organizations and that foster best-in-class offerings. Long-term contracts allow for both partners to manage their budgets and resources for their respective companies. The most successful relationships are when we are invited to the table when our pharma partners are mapping out their long-term strategies, and we can provide up-front input to minimize costs and maximize the impact of their marketing programs. The challenge with a preferred provider relationship is when the strategic sourcing groups are not able to drive the decision down within their organization. In these cases both companies are unable to reap the benefits of the process.

GARNHAM. We find the healthier relationships are when we are included among a preselected number of CROs or providers, rather than being the only supplier. We would like to be the only CRO for a lot of companies, but it is important that sponsors understand the value of what they have been provided and to do that there has to be a means of comparison. With a preferred agreement, com-

panies don't have to continually negotiate contracts, so the preferred agreements are fantastic and are very important to sponsors, but maintaining a competitive review also is important.

LANGIN. Preferred provider relationships set up pricing competitions between the selected supplier and vendors wanting to get on the inside. The vendor on the outside is going to be as aggressive as possible to have that opportunity to get the contract. So that certainly is a con to the preferred provider relationship. Also, sometimes individuals within an organization don't necessarily like to be told that there are certain vendors that they have to use. In certain situations there are loopholes, and because individuals are under pressure to perform, they will try to find ways to circumvent the preferred provider process.

DALEY. For a pharmaceutical company, the benefits of having preferred providers are that it gets dedicated supplier teams, more favorable pricing, intellectual capital that continues to build over time, efficiencies that result from an evolved process, and relationships based on deeper knowledge and trust. The downside is that, over time, familiarity may lead to a lack of perspective and the ability to provide innovative, diverse thinking.

HIGGINBOTHAM. The pros of preferred provider relationships are that we can develop a relationship with the customer as early as possible in the development process; align with those customers whose specific needs match our expertise; work with the customer to establish mutually agreed-on approaches for measuring the relationship; share best practices with the customer, with the ultimate goal of reducing cycle times and getting their drug to market faster; and develop a heightened level of familiarity with the customer's specific needs, resulting in more efficient study start-ups, lower training costs, and reduced time to market. The downside to this approach is that if we're not selected as a preferred provider, we may be precluded from doing work for a particular customer for several years.

SAMMIS. A preferred provider relationship often is more limiting than it is intended to be. Oftentimes there is a gatekeeper separating the contracts group. The clinical group may or may not have the power to actually make decisions.

Defining RFP Responsibilities

THYEN. The responsibility of the company sending out the RFP is to have very clear specifications of what it wants to buy and how it wants to conduct business. The company receiving the RFP needs to look for that. If I were a supplier, I wouldn't go forward with a RFP

unless that clarification was evident, I wouldn't want to have to guess what the company was requesting. Any sponsoring procurement organization should be happy to clarify any points of confusion. Also, the supplier needs to be thoughtful and thorough, combining all of its questions in one communication to the procurement contact. Centralizing communications with the buyer is very helpful and effective in the RFP process.

KEBABJIAN. In the future, as companies continue to invest greater resources into a global sourcing category management processes to deliver value generation and savings contribution, suppliers will continue to be required to participate in RFPs and preferred supplier selection processes. To maintain participation from suppliers, conduct a successful selection process, and deliver worthwhile results, companies should focus on a commitment to a formal category management process; be open so there is two-way communications internally within the company as well as externally with suppliers; and there has to be continuous improvement of the RFP process.

VANDERVEER. Many RFPs are disseminated via e-mail or fax and are often vague and require instant turnaround. A better solution is a three-part process. First, a supplier needs to have its preferred providers or master service agreements in place. Second, a supplier should have ongoing contact with the product team. And third, a supplier needs to comply with procedures for evaluation, not only in responding to the RFP, but in handling all of the paperwork and processes.

PRIMERANO. The most successful proposal technique is having an overall structure integrated into the RFP process. If sponsors have a clearly outlined structure to their RFP process, which includes consistency in RFP submission documents, instructions, detailed requirements, and adequate timelines, suppliers can more effectively develop a solution-oriented proposal that focuses on the consultancy being provided.

DALEY. We've found that responding to an RFP is an opportunity to provide information as well as express our personality, to apply some of our problem solving methodologies, and to offer strong points of view.

ANDREWS. It is important that the RFP response is not generic. Companies should address the challenges, opportunities, and how their experience can contribute to a successful study. Responses should contain recommendations of where to conduct the study, challenge assumptions if flawed, and provide advice. The proposal should clearly lay out the team, their experience, and succession planning in event of turnover. Companies want to feel comfortable

that the CRO's senior management will be committed to the project after the ink is dry.

GARNHAM. Generally we give the sponsor a budget that is in line with what they ask for. Then we run our own feasibility for the study to evaluate what the sponsor may actually have to do and spend to get the job done right in the allocated period of time. A best practice is to give sponsors not only what they have asked for — overviews of the cost and who is going to be doing the work — but original analyses, such as a medical assessment of the protocol, if there are other competitive studies in the country, if there are better countries to go to then those listed by the sponsor, potential problems, and so on.

LANGIN. Our proposals reflect our metrics. A sponsor's metrics are based on internal processes, whereas our metrics are based on performance that is tied into the proposal system. We go to the Nth degree to provide details that are backed by actual performance metrics.

KNIPPER. There are two basic parts to RFPs — the prose and the pricing. The better RFPs are specific, contain core requirements, and are not cut and pasted from previous RFPs that contain nonpertinent questions. Second, clear pricing assumptions are embedded in a spreadsheet so that the company can accurately compare apples to apples. The final piece is a site visit and facility audit to be sure the company is getting what was represented in the written document.

GIEGERICH. In the long-list stage, the most important thing to realize is by its nature a request for information usually requires volumes of financial data; account activity, wins and losses; therapeutic category experience, capabilities, and competencies; and so on. It is very difficult for any reviewer to remember any one thing about any one company or agency given the volumes of information. The key is to be clear, concise, and, wherever possible, break from the standard format to highlight key points about what makes your company different. It is very important to make sure the key differentiating competitive points aren't lost inside the pages and paragraphs. ♦



Bill Taaffe

A CRO HAS TO BE FLEXIBLE, it has to be able to work with many types of companies of different sizes, and it has to be able to manage and allow for many different types of relationships. The perception that CROs only want to work in a strategic relationship is not correct. In addition to our strategic relations we work with many companies that want to use CROs on a tactical basis only.



Robert Sammis

In many ways this industry is on the cutting edge and in others it is still somewhat limited by the lack of technology and innovation. Outsourcing is something that has been going on in other industries for years, but **WE TALK ABOUT IT IN OUR INDUSTRY LIKE IT IS A NEW INVENTION.**

PharmaVoice welcomes comments about this article. E-mail us at feedback@pharmavoices.com.