

Vendor

Some projects may require only a “one-off” type of relationship; that is, the outsourced project is a one-time event and there is no need for a long-term relationship with the CRO. Some questions that need to be resolved include the following:

- Is the project a one-time event?
- What is most critical to the company: timing or cost?
- Will the deliverable be a commodity that is awarded to the CRO with the lowest price?
- Will the study be awarded to the CRO with the earliest dosing date and fastest timelines?
- Does the firm require a single-service CRO (e.g., bioanalytical services)?

Outsourcing managers are cautioned to avoid the “commodity” mindset. Many CRO services are considered to be or are evaluated as if the service was a commodity. Commodities are purchased based on price; quality and value are all considered to be equal (between brands, or CROs). Unfortunately (for the accountants), this mindset is not generally successful in the drug development arena and the phrase “you get what you pay for” is applicable. In the long run, it is important to also focus on quality, timelines, and service level when considering contracting a single service.

Preferred Provider

A preferred provider or vendor relationship/agreement works in two directions. It is assumed that the company or sponsor prefers to give work to those companies with which it has developed this relationship. In return, the CRO is expected to provide better than average timelines and prices. Often, these agreements provide for a tiered discount (i.e., the more studies that a client places with the CRO, the greater the discount on the pricing).

Partner

As mentioned above, an effective CRO-client relationship requires close collaboration and seamless communication to achieve study success in a timely manner. The best outsourcing results are obtained when pharmaceutical firms develop a long-term partner relationship with a quality CRO (or at least assume a partner “mentality” or perspective).

Partners work toward a common goal and benefit. It is important to realize that CROs are made up of individuals who value their work. To them, their work is more than just a commodity. Partnering with these individuals results in a feeling of ownership; this type of relationship will motivate individuals to go beyond the minimum requirements and will result in a higher-quality end product.

As a full development partner, a CRO will help to develop the entire program. As a partner, the CRO has a vested interest in the success of the program and will run with it as if it were its own drug product. Virtual pharmaceutical companies that do not have the in-house expertise for full development must rely on consultants or