Research has shown Strategic Partnerships are changing the way biopharmaceutical companies meet the challenges of today’s drug development environment. We asked Carol Collins, Corporate Vice President, Strategic Partnerships, to clarify how Strategic Partnerships differ from other outsourcing approaches – and what makes them more effective. Here’s what she said:

**Q: Generally speaking, how are Strategic Partnerships different?**

**A:** Compared with traditional project-based engagements, Strategic Partnerships are broader in scope and commitment, based on mutual investment in processes, systems and resources and are more aligned around expectations and incentives.
Q: What about at the core? Are there fundamental differences between Strategic Partnerships and other outsourcing models?

A: Yes. There are four elements that differentiate Strategic Partnerships from transaction-based outsourcing relationships.

The first is commitment: partners create a multi-year agreement with minimal competitive bidding that incorporates a broad scope of projects and services.

The second is mutual investment: both sides work to develop an infrastructure that covers technology, innovation and best practices to leverage core competencies from each. And they create a strong governance structure with executive oversight.

The third difference is trust and transparency: for maximum impact, CROs need long-term pipeline visibility, maximum autonomy and decreased sponsor oversight. A Strategic Partnership allows it to happen.

The fourth differentiator is aligned expectations: these partnerships have defined deliverables, benchmarks and acceptance criteria to assure accurate measurement of performance. This allows for value creation at all levels of the partnership enterprise and a financial compensation model that’s linked to a risk/reward construct.

Q: Let’s talk value. What benefits can a Strategic Partnership deliver for biopharmaceutical companies?

A: The duration, depth, and mutual investments that characterize a Strategic Partnership create value opportunities that traditional transactional outsourcing cannot achieve.

• Significant improvement in clinical productivity and cycle times due to streamlined processes and early engagement between sponsor and CRO

• Reduction in costs with improved predictability driven by partnership innovations and efficiencies

• Faster time to market enabled by data efficiencies and improved technologies, as well as by bridging the gap between clinical and regulatory expertise

Q: That suggests significant value. Can you tell us more?

A: Absolutely. The total cost of ownership for a Sponsor developing a drug can be reduced significantly through partnership-level innovations, processes and infrastructure. For example, partnership investments can decrease the average sponsor’s full-time employee (FTE) to CRO FTE oversight ratio from 1:3 to 1:8. In more advanced full-scope partnerships, the oversight ratio can increase to 1:15, resulting in substantial savings.

Q: So what do the partners need for a Strategic Partnership to start delivering value?

A: There are several critical drivers to establishing a successful productive partnership:

• Development pipeline of sufficient critical mass for strategic partnering

• Alignment of Sponsor and CRO expectations and incentives

• Multi-year commitment and investment

• Willingness to share information and consider external advice

• Proprietary patient recruitment technologies that provide greater predictability when used with Sponsor teams

• Acceptance of change management
Q: Can you sum it all up for us? Why, in a nutshell, should Sponsors be interested in Strategic Partnerships?

A: The ultimate benefits for biopharmaceutical companies with the right partner are compelling:

1 | Significant improvement in clinical productivity and cycle times with streamlined processes, improved transaction processing and quicker start-ups due to advance planning.

2 | Reduced, more-predictable costs from lower internal management oversight costs, ongoing innovation focused on all major cost drivers and fewer change orders due to ongoing monitoring and intervention.

3 | Faster time to market through improved data efficiencies with integrated e-Clinical software, early strategic engagement of regulatory experts in clinical development planning, and maximum potential for product success by incorporating regulatory, market access and commercial strategies into the trial process.

The continuously evolving Strategic Partnerships model offers viable, proven solutions to enable every size and type of company to succeed in today’s challenging biopharmaceutical environment.

Learn more about how Strategic Partnerships are changing clinical trials for the better.
Read Strategic Partnerships 2014: Driving Biopharmaceutical Outsourcing Effectiveness
Download at PAREXEL.com/SPReport

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