

## Case Study Overview:

# CLINICAL RESEARCH ORGANIZATIONS

## CLIENT BACKGROUND

Our client conducts hundreds of global clinical drug trials (Phase I–IV) each year to develop new pharmaceutical drugs. Their annual spend was \$300+ million on clinical research organizations (CROs) for support of various clinical functions (e.g., data management, statistical reporting and analysis, monitoring) on these trials. The client lacked a standardized sourcing approach across sites and recently acquired organizations, had multiple independent relationships with CROs, and did not appropriately leverage its scale.

## PROJECT OBJECTIVES AND APPROACH

Axia was engaged to work with our client's development group to improve the clinical research sourcing strategy and CRO management strategy for globally run trials. The strategy had to accommodate strict selection criteria, decentralized budgets and decision making, and limited clinical resources, while delivering the efficiencies and synergies of a global development operations model.

Specific project objectives included:

- Building strategic relationships with a few core providers

- Developing an infrastructure for CROs to act as an extension of the client
- Improving performance management and oversight of providers
- Expanding use of cost-effective alternative resources (e.g., low-cost countries)
- Reducing cost of services while maintaining or improving the quality and speed of clinical operations

Axia helped the client develop a new sourcing strategy through conducting robust Request for Information (RFI) and Request for Proposal (RFP) processes to rationalize the supply base to a few core suppliers. The team ran a reverse auction to speed up the RFP process, which resulted in significantly more savings than traditional negotiations had achieved in the past.

In the end, our client had a more streamlined sourcing process, fewer CROs, and an improved cost structure. In addition, the effort enabled management to have a better understanding of its current resource levels on all of its global clinical trials and future resource needs, and to re-evaluate how trials will be conducted.

## Results and Value Delivered

- Reduced cost of services by 10% to 20% while maintaining or improving the quality and speed of clinical operations
- Worked with CROs to transfer work from the US to low-cost countries
- Reduced supply base from hundreds of suppliers to a few for over 80% of the spend
- Negotiated global rate cards with CROs, reducing fees by more than 15%
- Standardized service level agreements across sites and businesses
- Created seamless boundaries with providers through standardized processes, software systems, and tools