

# Where will the R&D talent and expertise reside in the future?

## Pharma or CRO?

## What's best for your career?

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If you are looking to develop your career in R&D/clinical development, it could be argued that the expertise now sits within CROs. Increasingly pharmaceutical companies are becoming virtual from a clinical development perspective with a clear trend to outsource a greater proportion of their product development pipeline, and in some cases their entire development function. Additionally sponsors are outsourcing those programs that are deemed to be critical, rather than just the "excess".

Initially established over 20 years ago, designed to support the surplus workload that pharmaceutical sponsors could not themselves deliver, the Contract Research Organisations have grown and arguably become the leading force in the delivery of clinical research, clinical research technology, clinical research solutions and alternative options for emerging companies.

When the CRO industry commenced, the larger pharmaceutical companies 'looked down their nose' at the service organisations they considered were merely a second rate option for the delivery of low priority trials. It was never considered a career option and once this transition was made, the perception was that there would be no way back.

The relationship between sponsor and CRO has clearly evolved, but many would argue not changed dramatically and the CRO industry has yet to fully mature? CROs have grown, developed and now have a critically important role to play, which is likely to increase in the future.

Consequently, if you are looking to develop your career in an environment that offers:

- variety and scope
- a dynamic and changing environment
- opportunity to work across many different phases
- opportunity to work across many therapeutic areas
- opportunity to experience a variety of SOPs
- exposure to the culture and practices of many Pharma companies
- greater levels of responsibility

..... you are more likely to be successful within a CRO environment.

Gone are the days where there is any 'social stigma' attached to this, as arguably the highest quality R&D is now performed within the service sector. The CROs are recognised experts at the "clinical development process" with the continued identification of specialist teams in many key areas, including feasibility, site identification, study start up, patient recruitment, patient retention and with a truly global footprint.

Working within a Contract Research Organisation offers individuals the opportunity not only to gain experience that is diverse from the therapeutic, indication and phase perspective, but also enhances the potential for international diversity.

Many global programmes are currently managed through CROs. Individuals, at all levels, have the opportunity to work regionally and globally allowing them the opportunity to develop true international exposure. This enhances an individual's longer term career prospects and at the same time allows them to decide how and where they wish to pursue their continued development.

The sector itself offers tremendous variety, from global organisations which employ tens of thousands of personnel to smaller niche players, often focused within a key therapeutic area or in a new area of technology development.

The future of R&D within Pharmaceutical companies is only going to accentuate this trend. Never before has the rate of development of NCEs been so slow; never before has the return on R&D investment been so poor; never before have companies stopped even talking about their next blockbuster.

This has been confirmed by recent reports (Bloomberg & Deloitte - November 2011) stating that the world's biggest drug companies had seen ROI and new products decline by 29% from last year, as more drugs failed at costly late stages of development. The ROI fell by 3.4% to 8.4%, with the number of compounds in final stage development or undergoing regulatory review falling from 23% per company to 18%, at the same time that the cost of bringing a new medicine to market rose from \$830M to \$1.05B. Hard figures for the Pharma industry to accept and adjust to within their existing models.

In order to maintain their profitability Pharma companies will need to bring more molecules to market, bring them to market more rapidly and maximise their return on investment. This will create further opportunity for the CRO sector as Pharma looks to drive down their fixed overheads, resulting in a continued and increasing need to outsource. We are already seeing not just an increase in the volume of work that is outsourced but also the diversity of outsourced programs. As company shareholders demand greater ROI and regulators require new data we are seeing significant outsourcing into niche areas such as Health Outcomes / Health Economics and the growth of specialist CROs with expertise in these areas and Late Phase development, all areas that were traditionally the domain of Pharma.

The global CROs are increasing their areas of expertise and the number of niche CROs grows continually. The responsibility is being further enhanced by outsourcing creeping into areas that have traditionally been restricted, such as trial design, investigator selection and the use of new technology for trial simulation, imaging trials and driving the continued development of e-trials.

The ability to work within CRO environments can provide an extremely rounded experience, one where there is the clear ability to gain more within a shorter period of time and additionally where there are greater opportunities to be rewarded and promoted based upon performance and deliverables only.



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