

Offshore, re-shore and right-shore: A CRO perspective



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Challenges of offshoring

At start of an assignment:

- Key to understand objectives and priorities for offshoring decision at sponsor
- Definition not only of deliverables but of expectations
- Usually not only technical and operational but also clinical and medical (domain) knowledge is needed and expected of the vendors
- Regulatory and clinical strategy understanding often lacking in BPO-type organizations



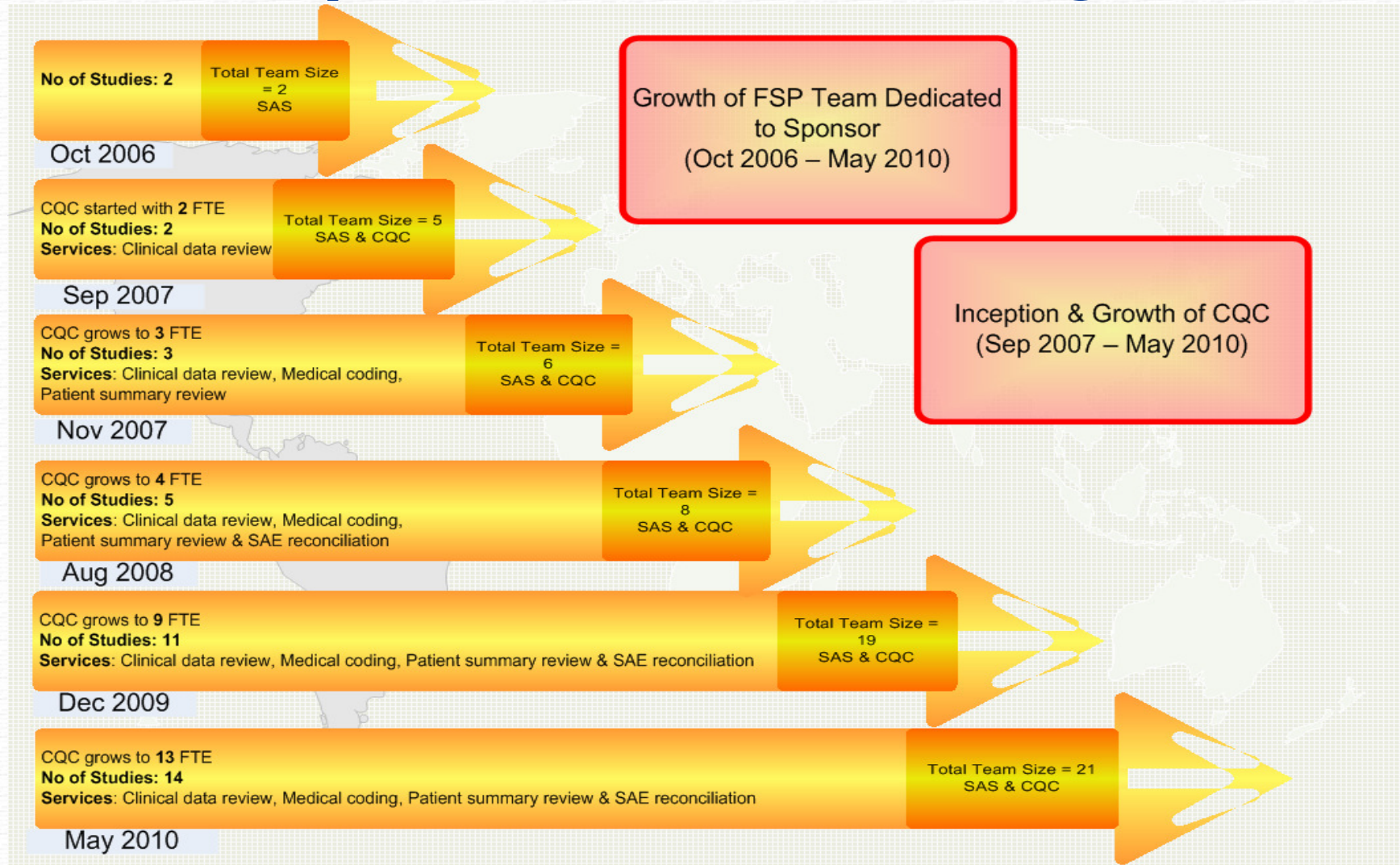
Challenges of offshoring: Interfaces

Communication, culture, costing:

- Defined communication lines on project and line function level; definition of level of control
- Awareness of cultural issues: F2F meetings, on-site training, near-shore communicator(s)
- Cheap off-shore staff vs. part of the team
- Costing: You get what you pay for
- Culture and communication will be a learning experience – takes time

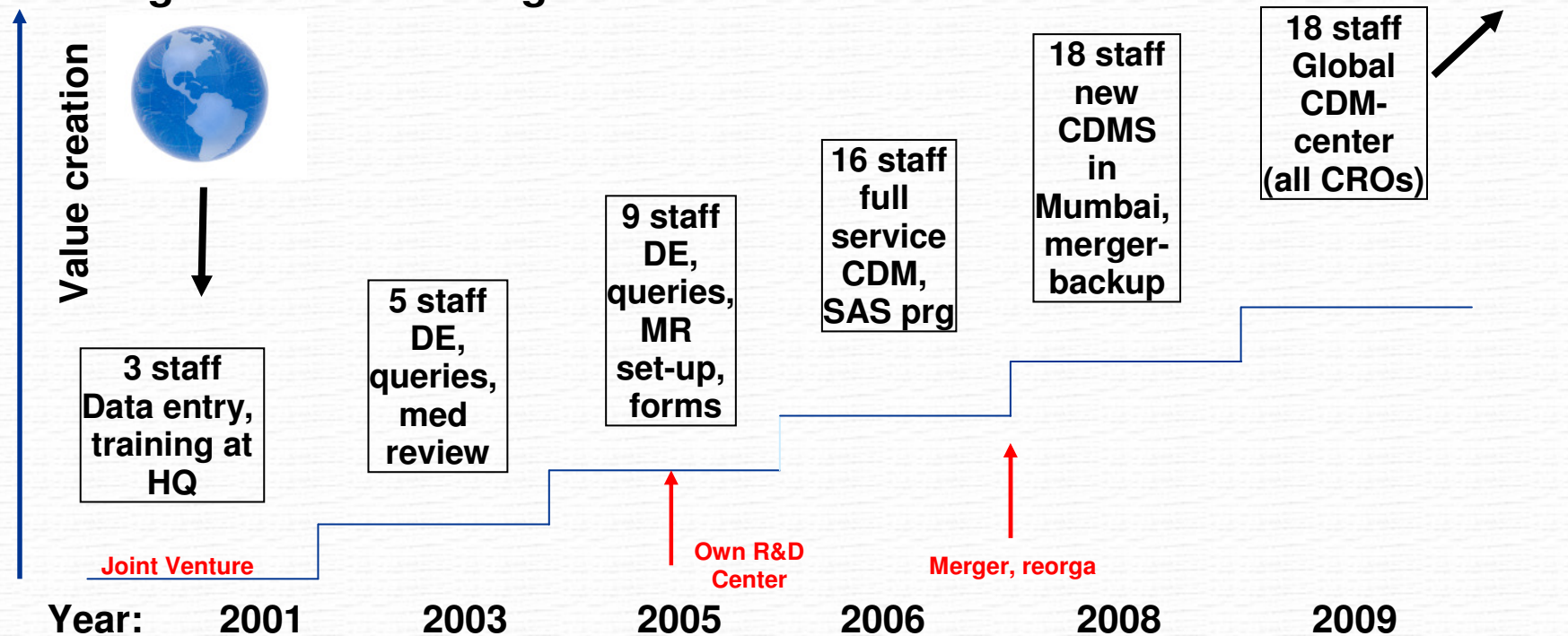


Development of a FSP assignment

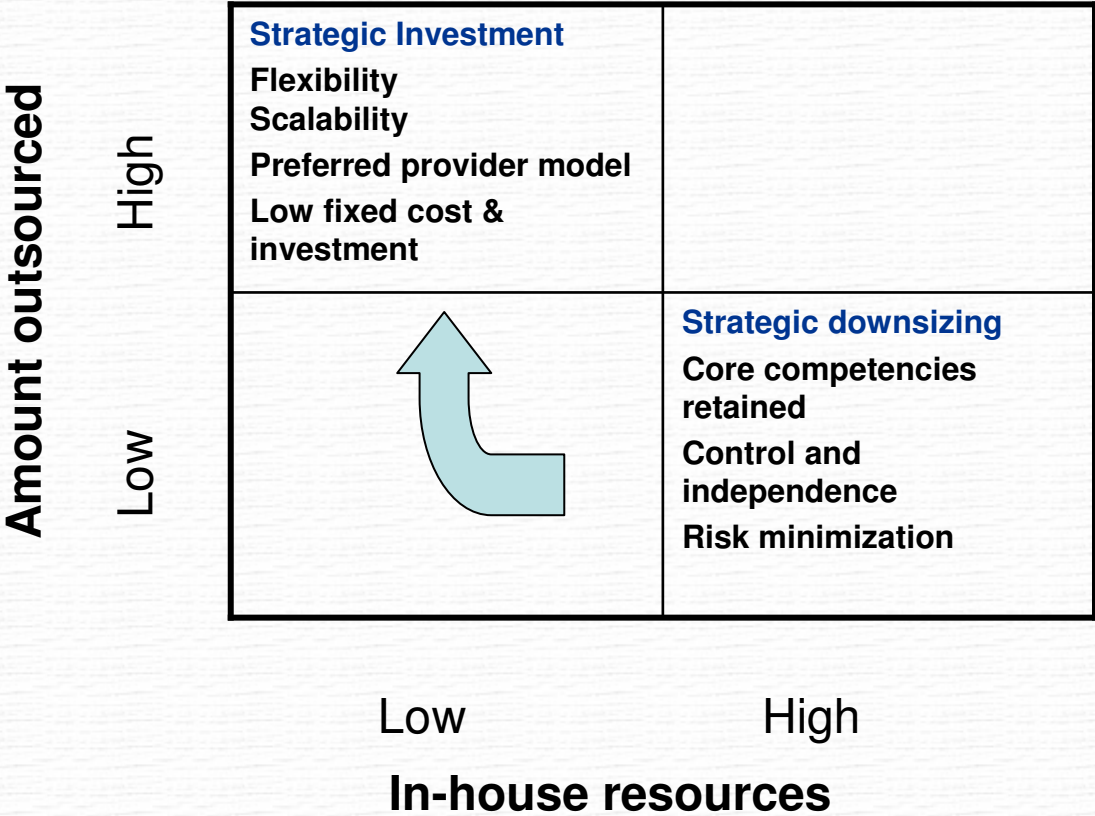


Genesis of German pharma's captive CDM center in India

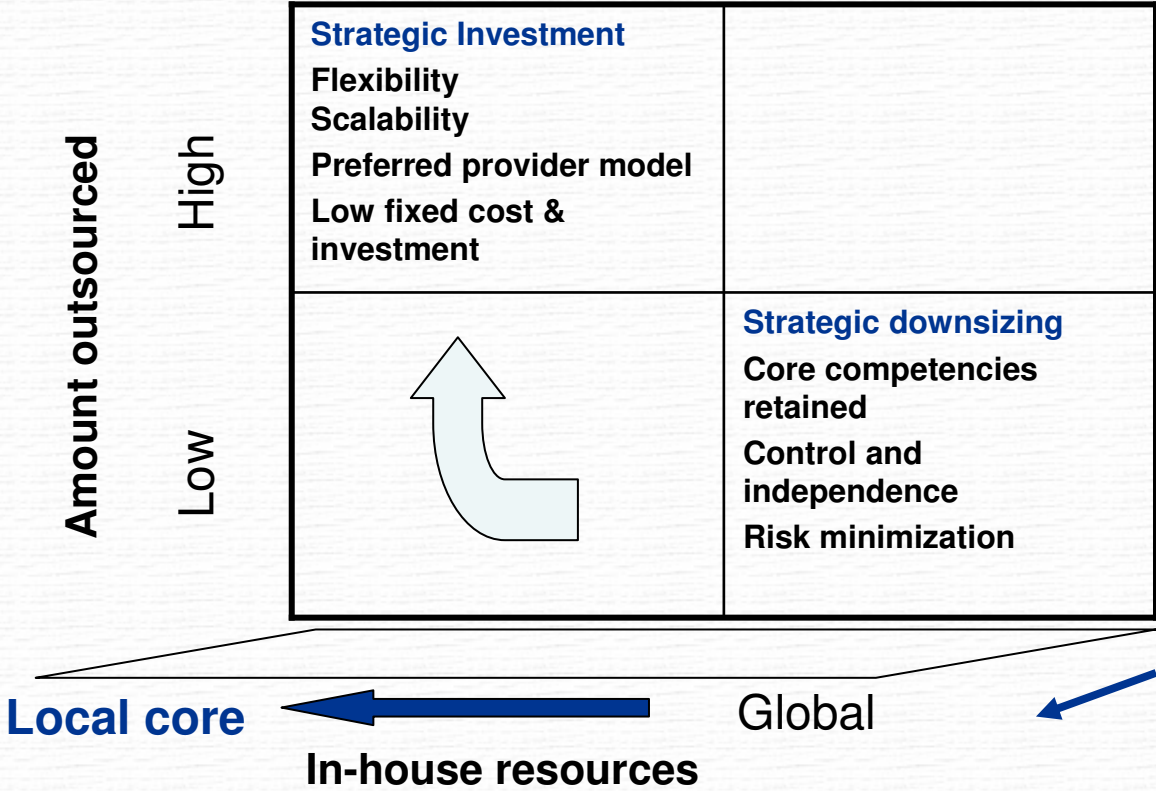
- Nine (9) years of development, since 2001 Joint Venture, since 2005 captive R&D center
- Relevant contingency and backup role during merger
- Now core know-how center for standards and interfacing for global CRO oversight



Balance between in-house resources and outsourcing: current model



Balance between in-house resources and outsourcing: Global vs. local



Success factors & trends

- Successful models will create an integrated team
- Successful set-ups will optimize interfaces
- Significant time- and people investment suggests to go slow and plan well
- With global delivery, location becomes less key – means benefits of near-shoring can be leveraged while optimizing off-shoring workload
- Future may see a fragmentation into vendors for core competency- vs. pure operational delivery



Conclusions

- Structuring of communication, governance and definition of expectations and objectives is key to success
- Offshoring only works in a partnership.
- The weakest piece of the process is likely to be the interfaces. They are prone to communication and cultural issues. Personal interaction is the best remedy.
- Newer models of outsourcing may focus on core competency in a captive or project-management outsourcing model, and source operations locally.

