

The State of the CRO Industry: Perspectives from Mid-Sized CROs

By Moe Alsumidaie

The CRO industry is experiencing a sea change, as larger CROs start to consolidate through mergers & acquisitions, leaving areas for smaller—mid-sized CROs to capitalize. Peter Benton, President and Chief Operating Officer of Worldwide Clinical Trials (Worldwide), will discuss areas of opportunity, CRO differentiation strategies, and organizational diversity.

What key areas are sponsors looking for in CROs today?

With change and innovation in big data and personalized medicine, the number one thing customers want from us is customer service. They want someone who is going to treat them as a customer and as a partner and be flexible and adaptable to support them. They want CROs who can work with them on all problems that occur in a clinical trial, even when study outcomes go better and faster than planned (those are a problem too). For example, fast enrollment is as much of a problem as slow enrollment due to the cash flow situation with accruals, the speed of the trial, and quality of data. I often say, “are you big enough to matter or are you small enough to care?” Our industry is divided into large CROs who are certainly big enough to matter, but are not small enough to care. There are a lot of little providers out there that are small enough to care, but I am not sure that they are big enough to matter. Worldwide is at that intersection of being big enough to do large, global Phase III trials with therapeutic and scientific expertise, but small enough to care about every trial, trial participants, and their families. We recently received feedback from one of the patient advocacy leaders saying that we are the only CRO in the whole industry that ever talks to them outside of clinical trial procedures.

Some large CROs are starting to offer commercial services; are mid-sized CROs also heading in that direction?

Not at this point. People who are focused on running and executing clinical trials are not the same as people who are focused on commercialization; we think about health economic outcomes (from payer and provider perspectives), but the actual



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commercialization process is very different. I believe large CROs are diversifying their business practices because it is impossible for them to grow to meet investors' growth expectations of 15-25% when the market is only growing at 7%. By diversifying their lines of business, I believe those large CROs are more likely to lose focus on customer needs. Over the past year, Worldwide has made acquisitions to deepen our real-world evidence and HEOR capabilities, while at the same time we have made some significant partnerships to enhance customer support.

Can you describe typical mid-sized CRO clients?

We are focused on the emerging to mid-sized pharma customer. The top 20, even top 50 sponsors in the industry are not our primary target customer for full-service; we let the largest seven CROs focus on large pharma. Our target market is the emerging to mid-size market because that's where innovation and new opportunities are arising. Exciting therapies, such as stem cell, gene editing, gene splicing, and personalized medicine are coming from the emerging to mid-size biotech market, and 100 to 150 new companies form every year in this space globally.

What are the top areas that you think as an industry we need to focus on to see significant advancements?

It's tough to tell. Every time we, as an industry, think that a certain therapeutic area is going to taper off and reduce, it increases. For example, while the industry considers large-scale trials and big areas of investments, simultaneously we are working with 50 other small companies that are focused on orphan and rare indications. It is an exciting time to be in this industry. I cannot predict where we are headed definitively, but I think there is much opportunity to help improve patients' lives.

Can you speak about how CROs should value gender diversity?

Each aspect of the relationship that you build within your organization and the industry allows you to be more effective and successful. We need to be diverse, not only regarding gender, but also across the board. We need that diversity of thought and experiences to make better decisions; by having different ways of thinking, and a variety of experiences, we're able to

understand reality better; I am an advocate for diversity because these different perspectives help me understand a problem that I did not think existed. To increase diversity, the first step is to have conversations, whether in group settings or publicly and to make sure we make people aware of the importance of diversity. We all have a responsibility as leaders to help educate the workforce. We started a women's leadership group and initiative at Worldwide, and we need to continue to do more for all diversity groups. Diversity helps us ensure that we understand everyone inside and outside our company and how they think and feel, from client to patient. At Worldwide, we are almost at a 70% female to male ratio. This figure tapers off a little and gets closer to 50% within the senior ranks of the organization. I have made it my mission to help change leadership diversity in our industry. It is going to take a little bit of effort to try and swing the pendulum the other way so that things eventually balance themselves out.

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