Outsourcing Version 4.0
The changing landscape of sponsor’s expectations

Outsourcing Classification

- Inhouse
- Accepted
- Outsource

Decision Factors

- Core
- Volume
- Low
- Important

Wave 1
(1980 – 1990)

- R&D Units – Internal
- Outsourcing a new concept; acceptance level was low
- Least important activities were outsourced

Wave 2
(1990 – 2000)

- Technological advancement: Outsourcing enable expediting time from discovery to market
- FSP, Dedicated, Ring Fenced: Business models prevalent
- Economic slowdown resulting in new drug pipeline shrinkage – wait and watch approach by Pharma Co.

Wave 3
(2000 – 2010)

- Gradual positive shift in acceptance towards outsourcing
- Business classification: True Core, Core and Non-core
- Comparison with in-house team: Specialization, Cost Effectiveness and Time-Zone Coverage

Wave 4
(2010 – Till Today)

- Major Patent expiries; Blockbuster era approaching standstill
- Consolidation of vendors; Searching one stop shop – preferred vendor to reduce oversight time
- Partnership based models: Focus on experienced staff for ROI; cost, quality, productivity and value addition

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