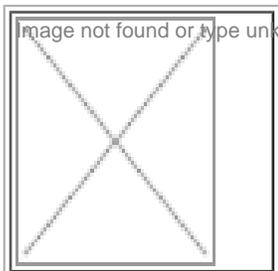


Customer relationships in a competitive market

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The pharmaceutical industry, which is recovering from an economic downturn, is now undergoing significant changes ranging from drug development philosophy and tightening of regulations to restructuring, consolidation, and mergers and acquisitions. These changes are impacting the contract research organizations (CROs) and the services that they provide, from where, and to whom. The drop in R&D spending during the last few months is beginning to take its toll on preclinical CROs, which are experiencing heavy discounting, delays, and cancellations. These changes may, however, present some opportunities for CROs. Although R&D spend has been down, many in the industry believe that outsourcing will inevitably rise in the near future.

Preclinical CROs face situations that are as challenging as those faced by pharmaceutical and biotechnology companies but with additional unique challenges. In this service-based industry, managing customer relationships is especially important. Staying at the forefront of cutting edge technology is crucial, and the service portfolio of a CRO must adapt to utilize new tools and maintain a state-of-the-art offering of services and capabilities to customers. Contract research organizations must also make their clients comfortable to entrust them with the responsibility of conducting a study. At the same time, CROs face

pricing pressures and competitive marketplaces, just like companies developing the products.

In the current scenario, Dabur Research Foundation has taken six key initiatives to differentiate itself from the others.

Strategic partnership with other CROs

Rather than being the small fish in a big pond, emerging firms are actively elevating their status by testing the waters of strategic partnerships with other CROs. In an article in BioSpectrum this year, titled 'The Year of Consolidation & Collaboration: CROs to see big boom', I mentioned that many CROs and pharmaceutical companies are turning to strategic partnerships to gain a competitive edge in the global business environment. Various business models are being employed to forge long-term relationships. Consolidation of businesses has turned from a trend to reality. The CRO market, which is highly fragmented today, will see further consolidation in 2012 where small and large CROs will continue to merge. Dabur Research Foundation now has strategic partnerships with other Indian CROs that enable a broader service offering to clients. Such partnerships are a win-win situation for both clients and the CROs.

Customization of services

A smaller CRO has the ability to tailor its services to the specific needs of the sponsor. This has the added benefit of building trust since the sponsor doesn't feel nickel-and-dimed. Dabur Research Foundation recognizes the need for outside the box thinking to enable rapid and cost-effective preclinical development of molecules for its valued clients. We take pride in the fact that we go beyond being a service provider and partner with our clients during the entire drug development process. To facilitate this, Dabur Research Foundation has a unique central innovation research team (CIRT) that develops novel or hard to do in vitro, ex vivo and in vivo disease models required for specific client projects. The CIRT comprises talented researchers who take responsibility for development, validation and successful transfer of new models to the study teams.

Gaining entry in new geographies

While it is imperative to expand the geographical reach of the business, it is virtually impossible to set up offices and hire business development personnel in each of the important geographies. Several countries have not-for-profit organizations that have a mandate of helping those interested in exploring market opportunities, provide in-depth information on key industries and offer guidance for setting up business in their countries. Majority of such organizations are located in important biotech hubs with a cluster of small and large pharmaceutical and biotechnology companies operating in diverse therapeutic areas. With an aim to promote the region internationally while attracting and maintaining foreign companies, entering a new geography with the help of such organizations is a very attractive route before one makes larger financial commitments.

Do more with your website

Your website should be your most effective marketing tool for lead generation. Besides putting details of your services on the website, conversation opportunities are being increasingly employed by CROs today to increase visibility and attract business. Newsletter, notifications, opportunity to download documents and reports, encouraging prospects to email with questions, and options for online instant messaging are being seen on many websites. Many also link blogs to websites. People want to be educated these days, not sold. Blogging helps to position yourself as an expert in your field. Also, linking your blog to the website helps increase the likelihood of your site moving up in search engine rankings.

Partnering meetings

Personal interaction with contacts, at conferences, trade shows, congresses, and through presentations is an old and time tested way of effective marketing. Partnering meetings give an opportunity to connect with a growing community of potential partners. It's an ideal forum for meeting people with expertise in research, manufacturing, materials, regulations, licensing, financing, or intellectual property rights. Deals that may otherwise seem very complex to consummate and take several weeks or months get expedited since such meetings help you to set appointments with the decision makers.

Use online marketplace

While it is important to have a broad-based service portfolio, it is no good if potential clients are not aware of the services. There are several online marketplaces for drug discovery and research services. Researchers are increasingly using this marketplace to find, compare and purchase research services and to request information from thousands of contract research organizations. Dabur Research Foundation uses this marketplace to offer services and products to the global research community.

What doesn't work

With ready availability of advanced software solutions and hosted services, launching a mass email campaign has become easier than ever before. Mass email is a powerful vehicle that gives you the opportunity to market new products and services to a global audience of potential customers. However, there is a very fine line between genuine email marketing and spam and several surveys have shown that such mails are treated much the same way one treats pesky SMSes today. Great technical skill-set but a poor representation of business has been the bane for many CROs. Clients are no longer

satisfied by just meeting the business development manager who has great business sense but knows little about the technical aspects of the study being discussed. Decisions about outsourcing are increasingly being taken by senior scientists today and they want to meet people who understand science and can make them comfortable outsourcing their precious studies.