

Key considerations for companies outsourcing their clinical packaging needs

From virtual biotech companies to large pharmaceutical companies, outsourcing is a key consideration in clinical packaging and distribution. According to **Sherpa Clinical Packaging**, however, although outsourcing is a valuable strategy for companies of all sizes and capabilities, it should be entered into for reasons specific to a company's requirements.

It is important to select a supplier that meets the most important factors that the sponsor requires. For instance, for a large pharmaceutical company, outsourcing due to limited internal capacity may be a driver. For smaller companies, and especially for virtual companies, outsourcing is necessary to fill gaps in operational capabilities and core competencies.

Relationships can be tactical or more strategic. A one-time job may be awarded to a price leader that has been judged to be competent for the immediate scope of work. Longer-term relationships may be based on a desire to use a supplier that has capabilities that are not needed now, but may be needed later. Or it may be a preferred partner arrangement where the supplier agrees to a higher level of service (or investment), special pricing, or both, in exchange for being a single-source supplier for the sponsor and getting all of their pipeline projects.

Shortlist criteria

After generating a list of potential suppliers that may meet the outsourcing goals, there are several objective factors that should be considered in narrowing the selection. Some of these considerations are:

- years of experience
- financial stability
- the range of services offered that are in the scope of the project
- location of facilities
- track record and reputation
- size of company
- compliance history.

The selection process must also consider subjective criteria. As an example, selecting the largest company that has been in business the longest, with the highest name recognition, does not necessarily mean that you are selecting the supplier that is the lowest risk for your project. Sure, no one gets scolded up-front for picking what appears to be the market leader, but if the fit is not right then it may not be the optimal decision.

In small pharma companies where empowerment and accountability are high, a high level of control is desired,

especially if the company is completely vested in a single lead product. The small pharma company may need a partnership with constant communication, transparency and flexibility.

Cultural connections

A large clinical packaging supplier may have difficulty meeting these expectations and some suppliers with the wrong culture fit may find the customer to be a burden or overly demanding. A small company that makes decisions quickly and moves fast will work better with a supplier that has the same corporate culture. Some of the subjective factors that might be considered are:

- **responsiveness to communication:** such as requests for proposal (RFPs)
- **transparency:** clear and complete communication
- **following direction:** did the supplier respond to the RFP in the way that they were asked?
- **cultural fit between companies:** for example, are they both entrepreneurial organisations?
- **customer service:** how flexible is the company in meeting your unique requests?
- **trust and rapport:** meet the team face-to-face to ascertain your ability to work through problems with them if things do not go perfectly.

Lastly, check references with other clients that may have a similar profile and needs to your own. Selecting the right partner can make or break your project, so do not overlook the subjective factors in selection of the right company to trust for your clinical packaging and distribution needs.

Sherpa Clinical Packaging is ideally suited to work with small and virtual pharma companies. Don't get stuck with a supplier that is a bad fit. ■

Further information

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