



Frankfurt



Bangalore

*5th Global Conference on Clinical Research
and Drug Development –
Business Models and Opportunities*

**Current challenges in creating
capabilities and
scales in clinical research**

*Krathish Bopanna PhD, DSc
Senior Vice President
Manipal Acunova Ltd
Bangalore*

Krathish.bopanna@ecronacunova.com



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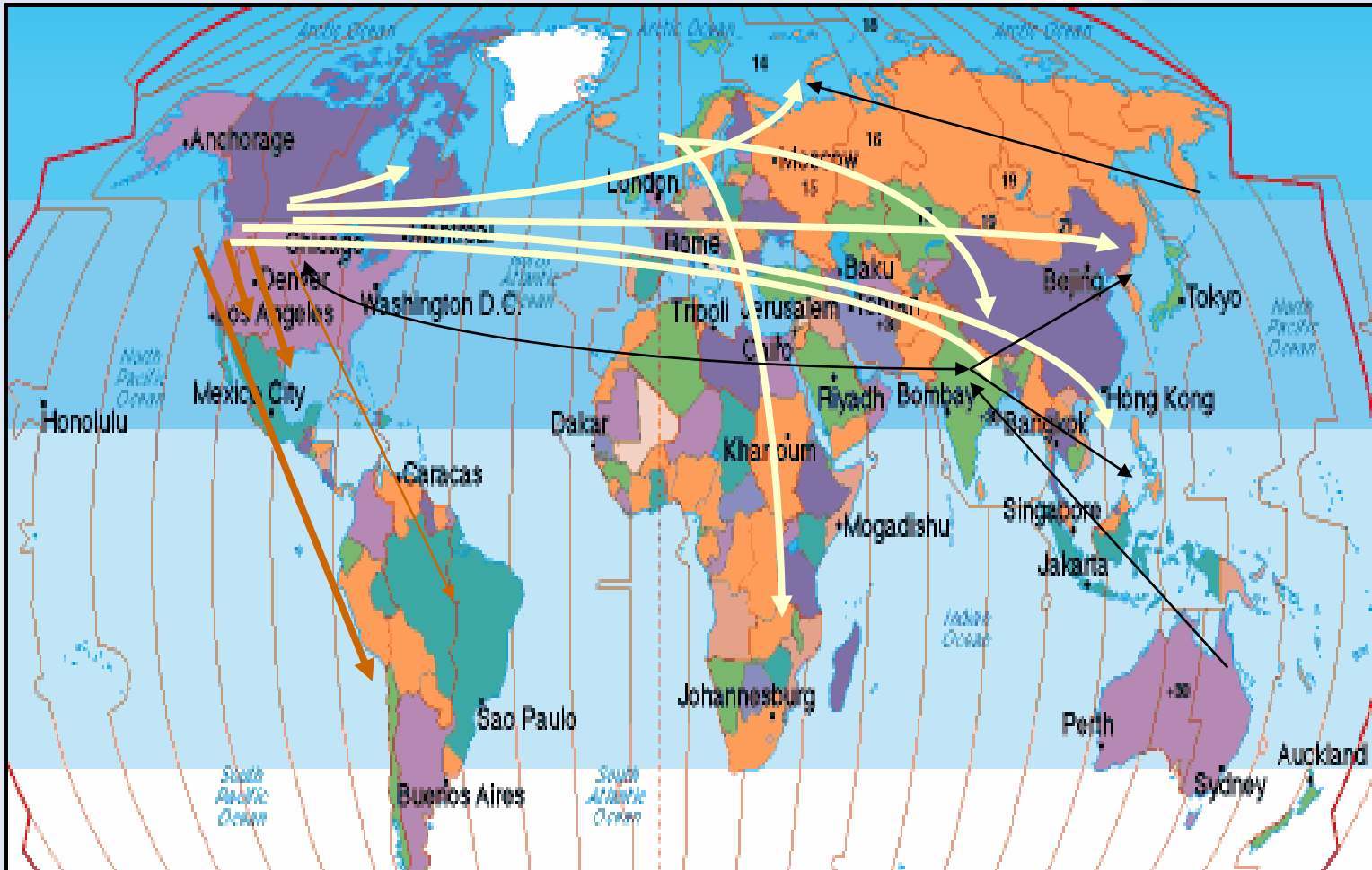


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- Structural transformation in Global business
- Evolving country decision
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Structural Transformation in Global Business



Unspoken Law of Economics: A labor cost differential of 5-10x means that the movement of work 'offshore' is inevitable



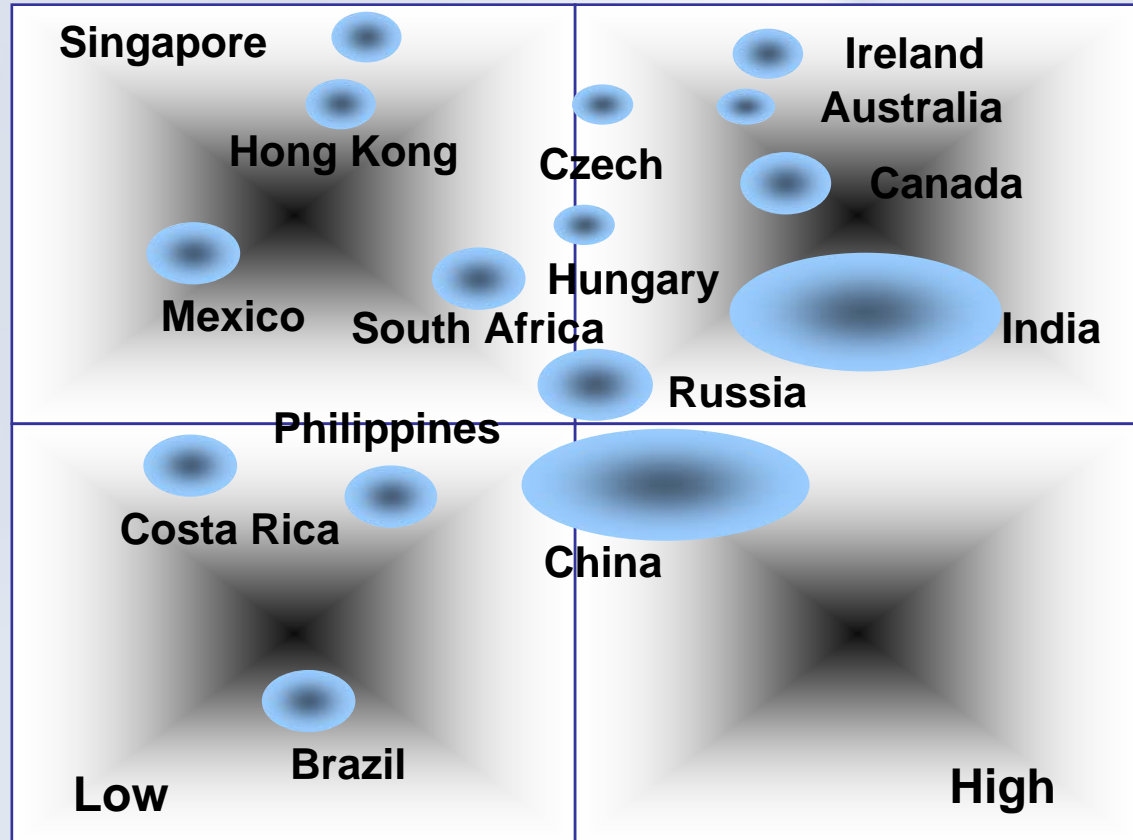
Evolving Country Decision

Location Attractiveness

- Cultural Compatibility
- Infrastructure
 - Communication
 - Basic infrastructure
- Country risks
- Time zone attractiveness
- Tax Incentives

High

Low



Capabilities of Workforce

- Wages ; Education Qualifications/Capabilities; Quality of work/Work ethic; Attrition Rates; Middle Management Talent

Source: McKinsey, E-Business Strategies

ROI & Economics Vary Considerably by Process and Location



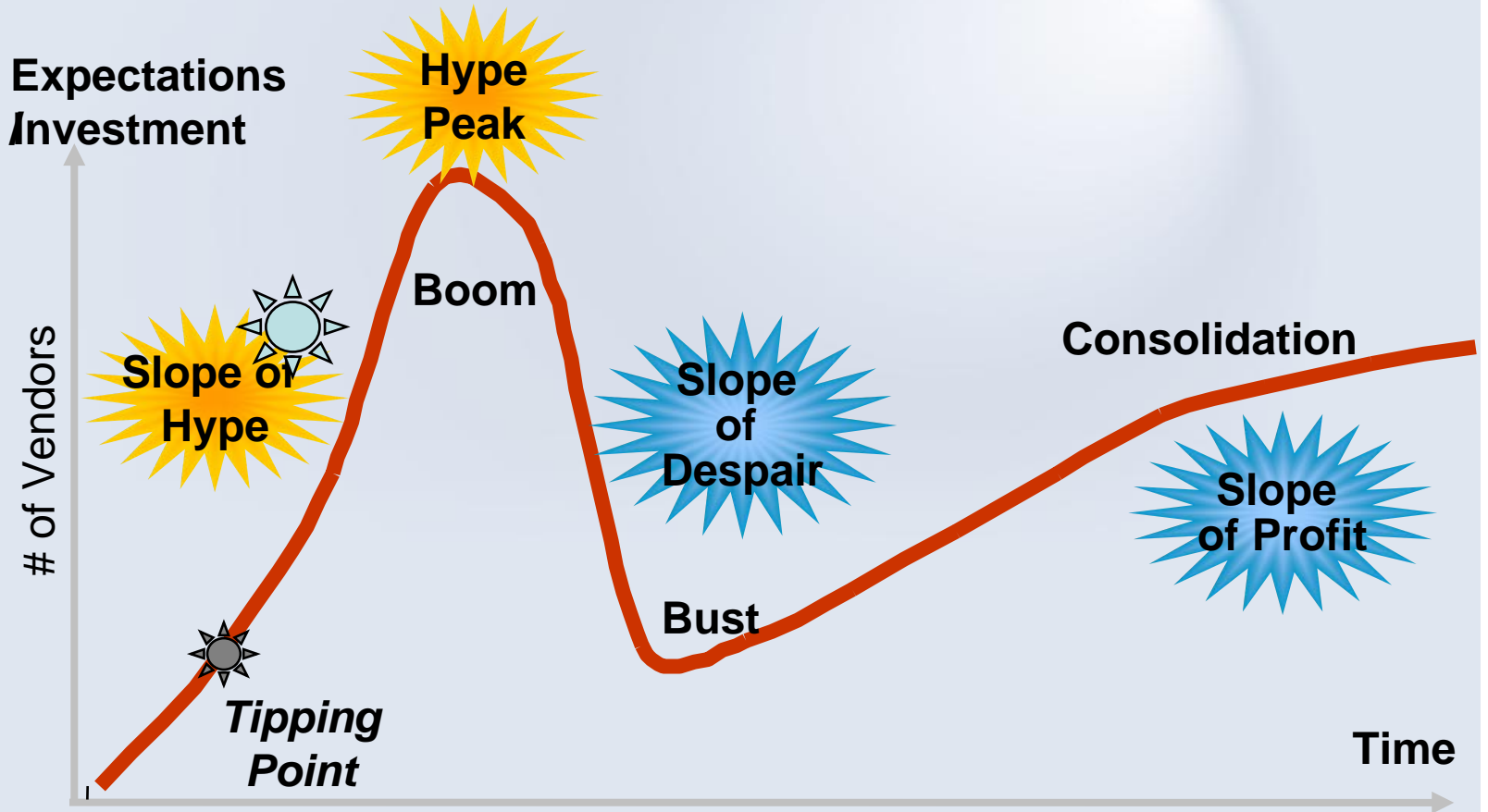
Service layer scaling opportunities

- Clinical Operations: Investigators, site-co-ordinators, monitors, medical monitors, technical co-ordinators, trial supply support
- Clinical data management: database programmers, data validation associates, data entry operators, medical coders, database administrators, project data managers, IT help desk
- Biostatistics & Programming: Biostatisticians, SAS programmers, CDISC standard implementers
- Medical Writing: Narrative writers, medical coders, CQC associates, physicians, report management associates
- Pharmacovigilance: Help desk associates, drug safety managers, drug safety physicians, statisticians, database administrators, safety co-ordinators

Gross mismatch between demand and supply!



Inside the "S" Curve:

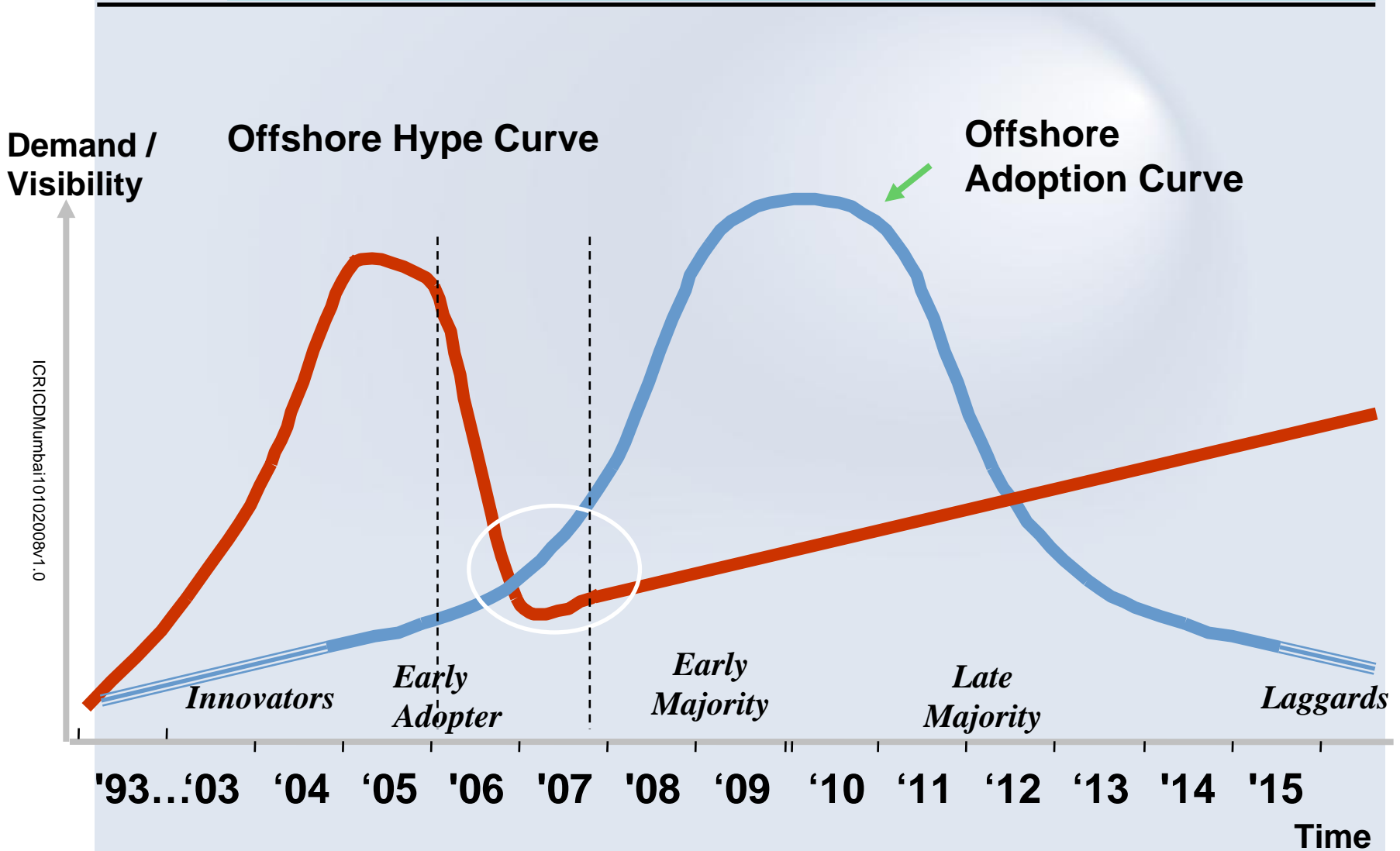


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Offshore vendor space will go through a boom-bust cycle ...



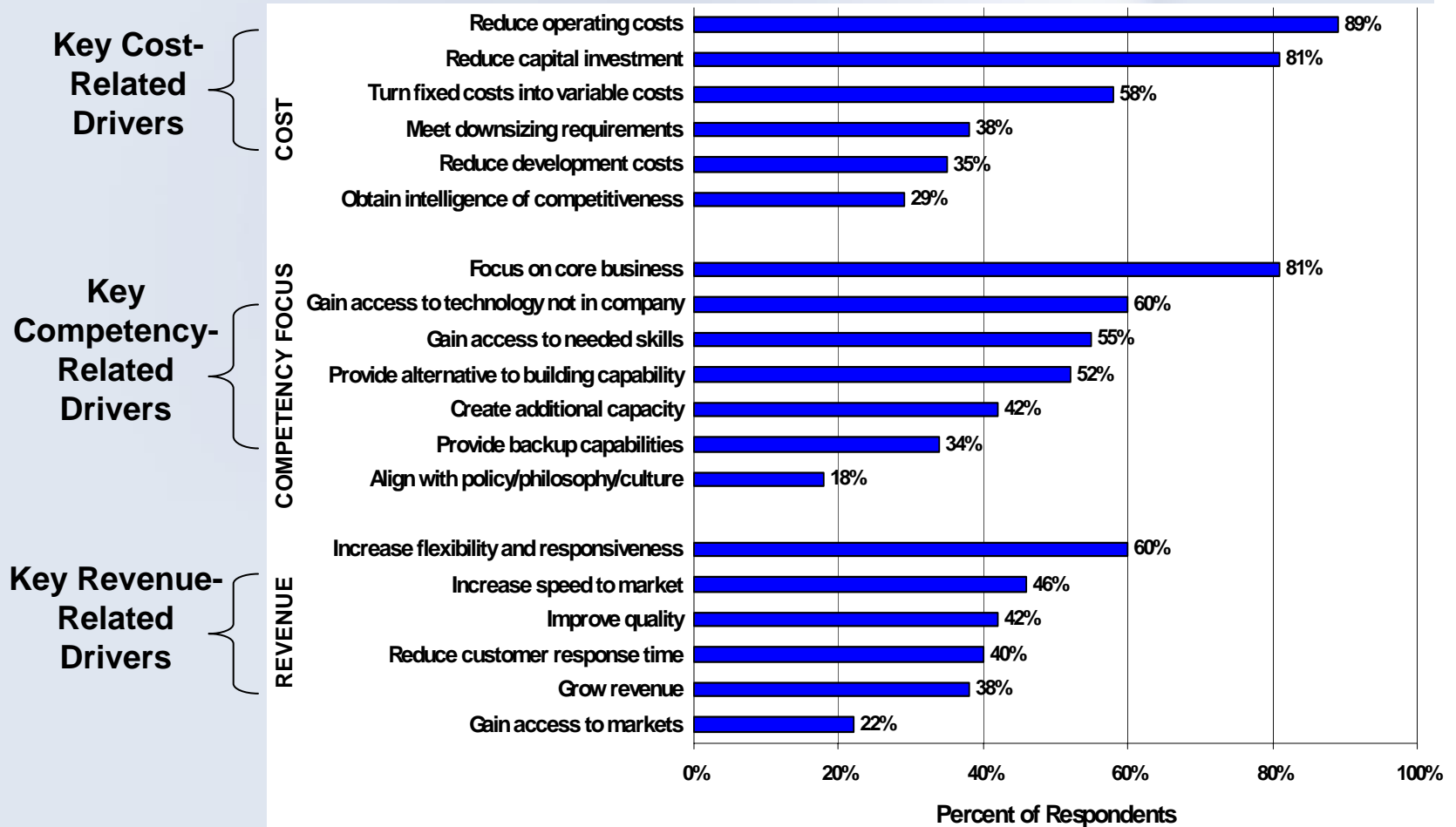
Demand Side Timing and Market Diffusion



**Offshore adoption will take longer than most analysts are predicting.
Significant Business Process Changes are required!**



Three key business benefits



Source: AT Kearney, Outsourcing Strategically for Sustainable Competitive Advantage, 2005

Reducing operating costs, capital investment, focusing on core business, increasing flexibility and responsiveness!



Conclusion

- Building capabilities (knowledge and skill) needs to get into mature phase
- Planning commission emphasis the need to build scale in clinical trial industry
- Progress of growth in the 'hype' mode and still possess a challenge
- Still the curve of outsourcing is the mode of 'early adopters'
- Mode of outsourcing to India is 'low risk, low reward' model

Utilisation of potential is still very low!