



CRO closure or buyout....

Implications & circumvention

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CRO Industry Lifecycle

Foundation

- Investments
- People
- GLP
- Brand Building

Challenges

- Talent retention
- Cash flow ?
Revenues
- Management changes
- Compliances

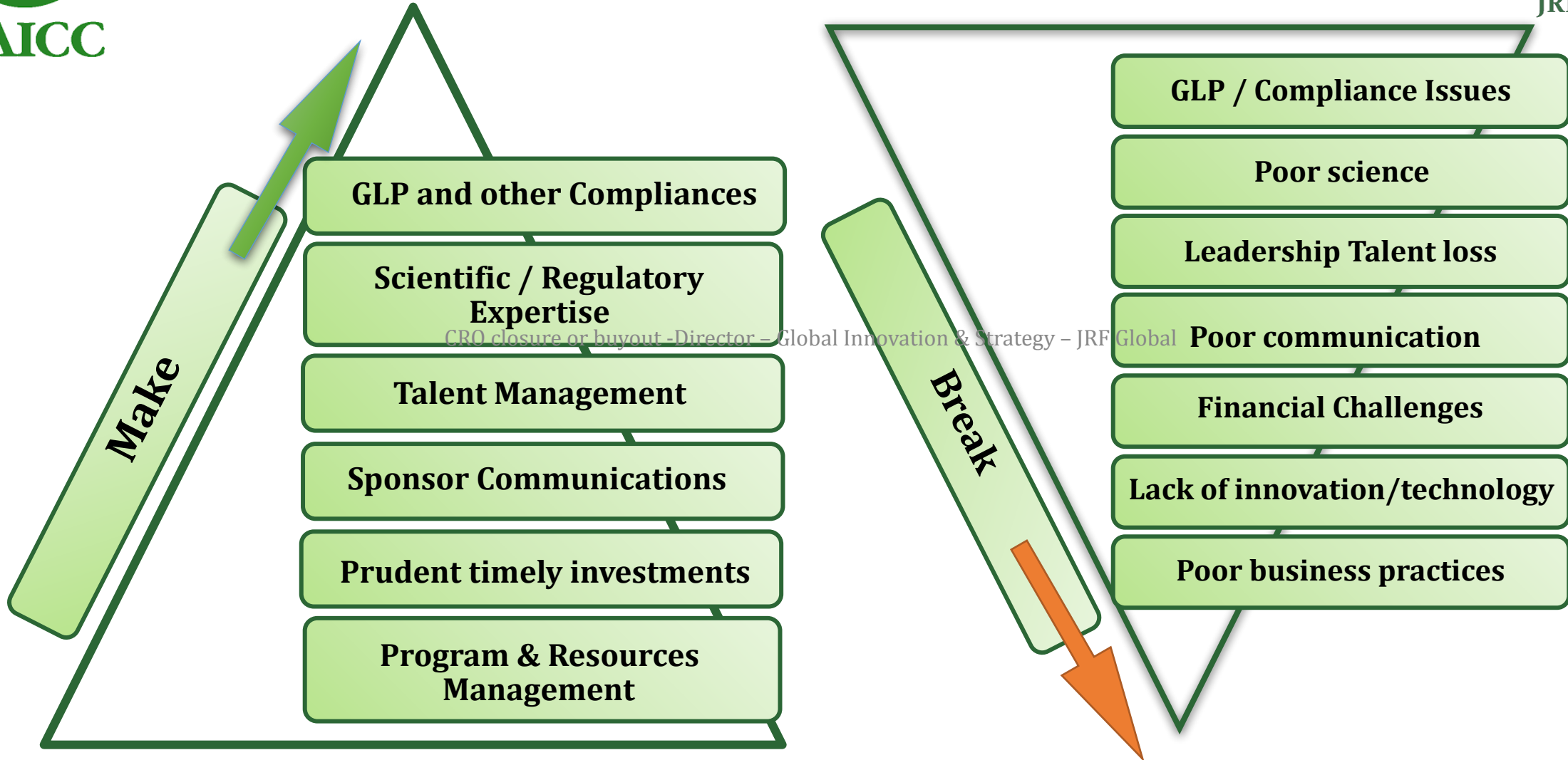
Result

- Closure
- Merger /
Acquisition

Result

- Maturation
- Expansion/
diversification

What Can **Make** & **Break** a CRO?



Consequences of CRO closure

People

- Loss of individual credibility
- Loss of scientific jobs
- All stakeholders are affected incl. academia

Sponsors

- Uncertainty and anxiety
- Loss of business opportunity (Delays!), & additional expenditure

Industry

- Encourages Monopolistic environment
- Loss of core competence
- Shortage of service providers

Consequences of CRO acquisition

Organizational loss

- Instability in Sponsor relationship
- Potential loss of Talent & critical mass

Loss of value

- Loss of credibility
- Loss of brand image

People

- Problems in Cultural assimilation
- Relationship Disruption: SD and SM

Business loss

- Cost to customers
- Project delays
- Chaos in the ongoing projects

CRO Business Models



CRO Type

Transaction Based

Niche Expertise Based

Preferred Partner Based

Invests in infrastructure
Supermarket portfolio
Moderate growth & Credibility

Specialized domain expertise
Premium services & prices, low Growth

Invest in Technology, & Talent
Regulatory/discovery horizon expands with Partner needs
Rapid growth

CRO as a target of M&A

Challenges

- Financial
- Operational
- Environmental
- Internal issues

Opportunity

- High Profits
- Growth potential
- Kill competition?
- Lab Facility

Complementarity

- Business
- Geography
- Service Portfolio
- Niche service



GXP

Good Laboratory Practices

Good Talent Management Practices

Training & Development

Good Program Management

Good Portfolio Management

Good Communication Practices

Good Business Practices

Customer Expectations

Proactive interactions

Providing solutions

Timeline compliance

Top quality

Regulatory support

Involve and Engage

Talent Management

Encourage innovation

Inculcate Honesty & Transparency

Competence & Expertise

Training & Development

New Developments

Publications

Strategy

Blue Ocean Strategies

Blend Regular, Niche
& Futuristic Services

Contemporary science

Publications

Offer Solutions

Strategy

Blue Ocean Strategies

Network & Branding

Build up unique
differentiators

Opportunity Hunt

Visibility/Brand building

Leadership

Futuristic vision & Strategy

Implementation focus

Investments:

Soft: Value innovation

Capex: Latest equipment

Zero tolerance for non-compliance

Listens to inputs, Nimble, flexible

Advantages of Global CROs

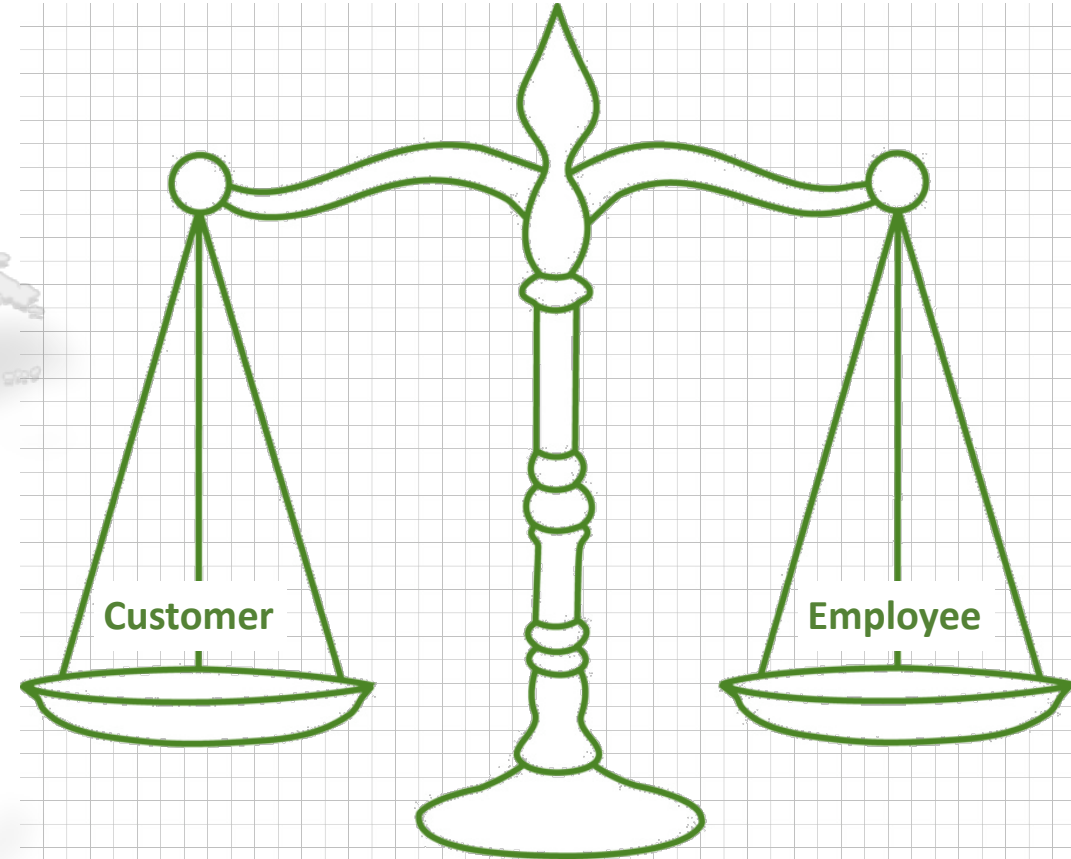


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Thank you