



CMO AND PHARMACEUTICAL COMPANY RELATIONSHIPS: WHAT IS THE CLIENT'S ROLE?

Over the last twenty-five years, contract manufacturing organizations (CMOs) have played an increasingly important role in the pharmaceutical industry. The need to decrease time to market, improve process efficiency and reduce costs are all crucial reasons why pharma companies have an increasing use for CMOs — and they're the same key factors that have propelled the growth of the outsourcing market and will continue to propel its growth over the coming years.

A November 2016 study from Industry Standard Research Reports reveals that life sciences companies now outsource two-thirds of their manufacturing activities to CMOs. For small and mid-sized companies – where outsourcing manufacturing isn't just a convenience, it's a necessity – that figure is even higher: up to 80% in 2015.

These partnerships often last many years and have the potential to either constrict or add considerable value to a company's growth. Success relies, of course, on choosing the right manufacturer. But once the contract is signed, what are the responsibilities of the client to ensure effective collaboration and maximum productivity? Recognizing how the relationship can break down on the client's side is a crucial step in reducing risks.



APHENA PHARMA SOLUTIONS

We spoke to Aphena Pharma Solutions Inc. about the common challenges that pharmaceutical companies and manufacturers face when developing a partnership. Here, we discuss best-practice strategies that companies can implement to make the most out of their contract manufacturing relationships.



Point of Contact

Personnel play a central role in the CMO/client relationship.

Speaking to Generis Group about the importance of having a primary point of contact, Eric Allen, Executive VP of Sales and Marketing at Aphenia Pharma Solutions, said:

“The biggest challenge that we have with customers is having a solid point person. [The manufacturer] can drive the project. We can communicate effectively.

But if we're sending information to a large group, those things tend to go into limbo because no one is held accountable to drive it on the client's side.

But by having one central point of contact who's filtering all the data and communicating it back and forth, it cuts down on the errors. It cuts down on time. And it really streamlines the communication effectively between the two parties.”

To ensure smooth communication, choosing a liaison who will act as the client's primary point of contact with the CMO is pivotal in creating and maintaining a long and lasting relationship.



Streamlined Communication and Level of Engagement

Communication, or the lack of it, has become a clear issue in the CMO/client relationship picture. In 2013, BioPlan Associates released their 10th Annual Report and Survey of Biopharmaceutical Manufacturers, which revealed the most commonly cited mistakes made by CMOs' biopharmaceutical clients.

According to contract manufacturers responding to the survey, the most commonly

cited problem was that clients were not communicating effectively with their CMOs. This problem was cited by every single CMO in the sample.

With the growing complexity of CMO/client relationships, it is critical for pharmaceutical companies and CMOs to collaborate effectively to ensure maximum manufacturing productivity and efficiency.

"It really is a level of engagement on both sides. There should be phone calls even when the level of business is fairly stagnant, and there should be monthly phone calls to the decision makers just to stay in that loop and make sure you're not forgetting each other," Bob Scott, President of Operations at Aphena, told Generis Group.

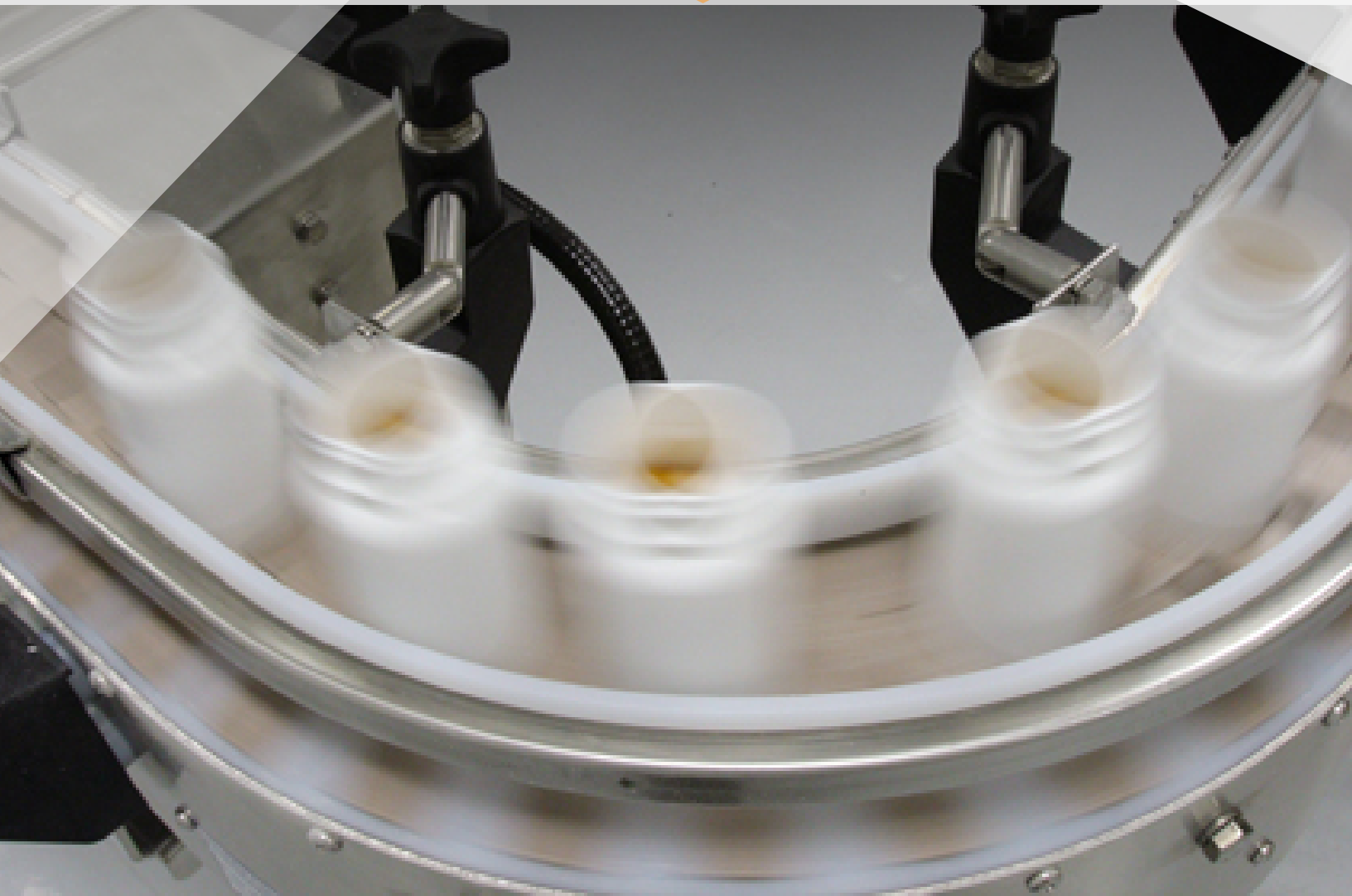


Accountability

In BioPharma's Ninth Annual Report and Survey of Biopharmaceutical Manufacturing Capacity and Production, 67% of CMO professionals said that pharmaceutical clients "handed off a project" without planning for ongoing interactions.

Paul Glintenkamp, Director of Business Development at Aphenia Pharma Solutions, says that clients should choose a main point of contact who will

be accountable to, firstly, get the product launched. If the client chooses to turn over the ongoing managing to a project or brand manager, this second point of contact should provide the CMO with the same level of communication and accountability postlaunch as the first point of contact did before the handoff.



Conclusion

Focused communication efforts between the client and the supplier are required to reduce risk, ensure maximum productivity, and maintain attention on product quality. The communication and responsiveness that a client has with its supplier is what keeps a pharmaceutical company with a particular CMO.



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