

SAPA-GP Conference Report: Outsourcing & Offshoring of Drug Development To China

The outsourcing practice has been a main stay for industries such as services, auto, and information technology. The trend has evolved from these industries to pharmaceutical businesses, first to generics then to ethical drug research and development for both small molecule and to a less extent biomolecule drugs. As a result of the globalization of commerce, the advancement of communication technology, and in particular, new workforce from China and India, “outsourcing” pharmaceutical operations to these far away places is no longer a prospect but a reality. Furthermore, “outsourcing” has become a part of corporate strategic planning rather than a tactical procurement for goods or services. “Strategic outsourcing” not only can relieve price pressure for finished goods, but also enhances efficiency for production and delivery; all aimed to gain the maximum competitive edge.

The one-day SAPA-GP conference of “Outsourcing & Offshoring of Drug Development To China”, held on November 12, 2006, at Double Tree Hotel, Plymouth Meeting, PA, convened many industry leaders from both customers (outsourcers) and suppliers (outsourtees) to discuss this timely and important topic. It was also designed to help our members to better understand what the outsourcing is about, what the global trend of outsourcing is, how it is done in each phase of the drug development or in each functional area, and what the challenges one is facing. The Conference was clearly a great success. Senior executives and experts in the US and Chinese pharmaceutical industry were very animatedly and vividly presenting their vision of pharmaceutical outsourcing in the 21st century with a focus on partnership, challenges, opportunities, as well as the trend of globalization.

The AM session was opened by Jim Miller, President of PharmSource, who gave the keynote speech on the current outsourcing market and trend analysis. He discussed the outlook for contract drug development and Asia's Role in the pharmaceutical outsourcing industry. Carole C. Davis, a Senior Sourcing Manager from Johnson & Johnson PRD, discussed the strategic approach to outsourcing in China. The conference is followed by Peter Wang, Director, Head of Global Clinical Data System, Global Clinical Operation, Johnson & Johnson, who talked about common opportunities and challenges facing the decision maker in selecting outsourcing partners. He also shared his personal experiences and gave a few “lessons learned” case reports. Joanne Chen, Director of Global Project Management and Leadership, Daiichi Sankyo Pharma Development was the last speaker to conclude the customers’ perspectives on this topic. She discussed her clinical outsourcing experiences as a project manager and what an ideal CRO would or should look like.

In the PM, speakers from suppliers’ side gave their distinctive business experiences and personal views on sourcing to China. The speakers were James Chen, President and CEO of Agno Pharma on “GMP Contract Manufacturing in China”, Song Li, President of Frontage Laboratories Inc., on Pharmaceutical Contract Service Business - Challenges and Opportunities, Glenn Rice, CEO and President of Bridge Pharmaceuticals Inc., on

Preclinical Drug Development in China: Update on Applying US GLP Standards for Toxicology, safety Pharmacology and DMPK, and Dan Zhang, Head of Clinical Development & Human Safety, Sigma-Tau Research Inc., on Conducting a Global Study: Role of Sponsor and CRO. The session ended with a panel discussion with a majority of conference speakers (a few has left due to personal matters) and other honorable guests Howard Qiu of Synera Chem, Jason Jin of Shanghai BioChip, and Xiaodi Guo of HuaHai. The panelists were very engaging answering questions from the attendees. The questions from the floor were also a garden of variety, ranging from the practical outsourcing topics to individuals' career development in order to catch this "east-bound" wave.

To conclude, this conference was a very meaningful and fruitful to our SAPA members. We provided a gateway for SAPA members' future work in China and we saw so many opportunities they can pursue for their career gain. The length of the pharmaceutical development cycle makes outsourcing possible practically in every sector, from drug discovery to product manufacturing, and China is well positioned in all areas of this long supply chain. We thank all of the team's members' hard work and wonderful workshop presentations. Thanks to the supports from all EC/TC members. Special thanks to Ming, Deana and Lee for the organization and they deserve a big round of applause for the success.

(Report: Lee Kang, Photos: Youheng Su)

