



A global force in the CRO industry

James T Ogle, chief executive of INC Research tells *Scrip 100* how the recent acquisition of Kendle has enhanced its service offering and what opportunities 2012 promises to bring



James T Ogle, chief executive of INC Research

This year, INC Research acquired its direct competitor, Kendle International. What strengths does this newly enlarged company have compared to the previous individual companies?

Acquiring Kendle presented a unique opportunity for INC Research to create a new global force in the industry. Geographic size and scale — especially in Latin America and Asia, enhanced therapeutic breadth and depth, and new levels of operational efficiencies were all

key motivations for the acquisition and significantly enhanced our ability to meet customer needs on a global scale.

We also now offer robust early-phase and expanded proven late stage expertise for more complete lifecycle management of outsourced drug development programmes. Both organisations shared a common culture around customer-centric, high-quality service delivery so from that standpoint as well, we were a winning combination.

What services and areas of expertise have been enhanced as a result of the acquisition?

INC Research has long held a reputation for deep therapeutic expertise across a broad range of medical conditions, as well as with special populations such as women and paediatrics. Our global therapeutic experience includes cardiovascular, CNS, endocrine, immunology, infectious disease, oncology and respiratory. Kendle's therapeutic expertise was largely synergistic, so merging capabilities primarily added depth. New capabilities from the acquisition include key expertise in immunology and inflammatory disease.

Combining our complementary heritage of therapeutic expertise provides a broad spectrum of global therapeutic experience — much of which strategically aligns with the largest areas of clinical R&D investment by our customers, including cardiovascular, CNS, endocrine, infectious disease, oncology and respiratory. These therapeutic areas accounted for approximately two-thirds of the total US drug development pipeline in 2010 according to a report from Frost & Sullivan.

How is INC Research enhancing efficiency in drug development for its clients?

We are committed to increasing efficiency by bringing innovation to the drug development process, exploring new clinical research

techniques, refining best practices and implementing the latest technologies to help our customers succeed and bring their products to the marketplace faster. Recently, INC Research announced a partnership with SAS, which will allow us to use advanced analytics to optimise clinical trial designs and proactively manage operations. With better analytics and real-time data, we can assist our customers in making more rapid and informed decisions about the future of their clinical development programmes.

Which geographical regions are most important to INC Research over the next five years for growth?

Emerging markets are clearly driving the biopharmaceutical development market and are therefore very important to INC Research's future. We are seeing a new wave of innovation, and competition in emerging regions. Asia, for example, has growing and ageing populations that are demanding access to the latest drugs and we will continue to expand our capabilities and services to meet these demands.

What are the top trends and challenges you see in 2012?

We will be challenged to be more flexible and creative in developing strategic alliances to meet the needs of customers. We must evolve alliance partnership models with our customers to simultaneously take costs out of the process while spawning innovation in clinical development.

Another challenge to the market overall is the funding of R&D. A new wave of pharma investors is entering the market and is seeing opportunities in the compounds and therapies that asset holders lack the resources to develop internally — primarily because of financial pressures. These nontraditional funding sources will essentially form a new market segment, which could be considered a type of micropharma company because they will need to partner with CROs and other outsourcers to develop the compounds, as well as manage risk.

We are at the forefront of these arrangements which we term “networked drug development alliances”, in which we work with customers to bring together nontraditional funding sources and the operational/development expertise to successfully complete these programmes.

Competition and innovation also will continue to develop in emerging regions, particularly Asia. As local companies continue to enter the drug development industry creative solutions won't be far behind, making it clear that innovation in clinical development is not strictly a Western world commodity. Companies that embrace this global model will have a distinct advantage.