

How the biopharmaceutical industry is embracing the insourcing business model

Beth DiPaolo, MA

President, Eurofins BioPharma Product Testing PSS Insourcing Solutions

Just a few decades ago, the pharmaceutical industry as standard practice did not outsource products to a contract lab for testing, much less open their doors to the ask contract labs to conduct testing on-site. As everyone knows, during the past 20 years or so, outsourcing has become an essential support solution to the industry's advancing drug development candidates and marketed products. Times have changed dramatically with the biopharma industry now viewing outsourcing as a strategic critical success factor in achieving overall objectives. While we have seen significant growth during this time as an outsourcing partner, quite remarkably, the last 14 years have shown exponential growth for the insourcing business model in the United States, and now, notably, Europe.

Why is this trend, where the client requests laboratory services to be performed in their laboratories under their quality systems, so beneficial? Clients need to insource for many reasons. The primary reason may be that they cannot get their own headcount approved. Publicly-held companies favour variable non-labour costs, and that is where insourcing sits. Often they have the space and laboratory equipment, need immediate turnaround time and scientific collaboration, but do not have the headcount to make this happen. Insourcing allows clients to assign a distinct body of work to a vendor and ask that they manage the process and provide services on-site.

Professional Scientific Services (PSS) Insourcing Solutions has seen significant growth in the insourcing market during the last 14 years of providing these services. We currently have approximately 1,400 employees serving our clients in 13 countries throughout North America and Europe. As part of the largest network of harmonised GMP laboratories worldwide, we can tap into our technical and operational resources at our laboratories to support insourcing growth in these areas. Clients see that we know how to set up and manage laboratories with a focus on taking




great care of our employees so they in turn will take great care of our clients. Translating that in client environments has been extremely successful in exceeding client expectations. As a result we have received nine strategic partnership awards in the past eight years, the only insourcing solution that has received such recognition. For clients, insourcing transforms their science into an outstanding service experience, under their roof.

We have differentiated ourselves by incorporating our laboratory technical and operational expertise by applying Lean concepts to setting up our labs in client environments, providing technical and regulatory training to our employees so they ensure the highest quality standard to our clients, and implementing HR best practices to ensure we focus on the attraction, motivation and engagement of our employees through on-site leadership at our client sites. Our laboratory technical and regulatory expertise, technical training and HR best practices are what make PSS successful.

The strategic partner approach is enhanced even further when clients use all three service models: fee-for-service, FTE teams, both in our laboratories under our quality systems, in combination with PSS.

We have several examples of our PSS teams training our FTE teams on the same bioassays to ensure uniformity in laboratory results. We have

temporarily moved PSS employees to different client sites globally to help with work fluctuations and priorities. We can tap into our laboratory expertise when needed to ensure PSS teams can best serve our clients when insourcing.

To drive success with strategic insourcing solutions, we highly recommend agreeing upon quality and productivity metrics and governance meetings on a regular basis so the insourcing provider you choose can demonstrate that they are delivering on the promise of high quality, safety and compliance with your laboratory initiatives. Although this model is intended for flexibility, we have seen our clients secure it as a long-term strategy with supporting their pipelines. Our first client over 14 years ago is still continuously using these services. Having the trust and security in such a partnership provides a strategic flexibility in meeting clients' scientific needs. For 55 years, Eurofins Lancaster Laboratories has maintained that people are the most important element in our chemistry. And PSS Insourcing Solutions delivers this value to a client's front door. 

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