



Using CRO Standardized Performance Metrics to Enhance Partnership Performance: A Message from the Metrics Champion Consortium

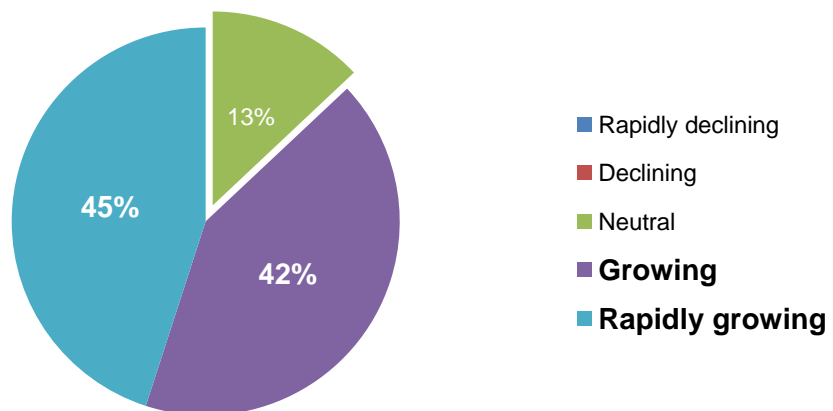
Dear Colleagues:

Thank you for attending the 2008 IIR 17th Annual Partnerships with CROs conference and for devoting a full day of your limited time to the Metric Champion Consortium's (MCC) CRO Performance Metrics Workshop. Your input is invaluable to the MCC as we develop the road map for a set of standardized Performance Metrics that will promote improvement of overall performance, alleviation of organizational inefficiencies, and elimination of expense and time associated with customized metric requests on a global, industry-wide scope. The CRO Steering Committee and Work Groups will use your feedback as a benchmark for defining the success of the CRO Initiative. As you may recall, the MCC conducted a survey during the course of the workshop in which Sponsor companies and CROs were asked a number of questions regarding the current need for and utilization of standardized Performance Metrics. We wanted to take an opportunity to share some of the more crucial results with you as they are indicative that a change in the current approach to Performance Metrics is essential to the overall well-being of industry performance and partnerships.

Responses of note from Sponsor companies (n=32) included:

87% reported that the demand for performance metrics in the industry was either growing (42%) or rapidly growing (45%) (Exhibit 1)

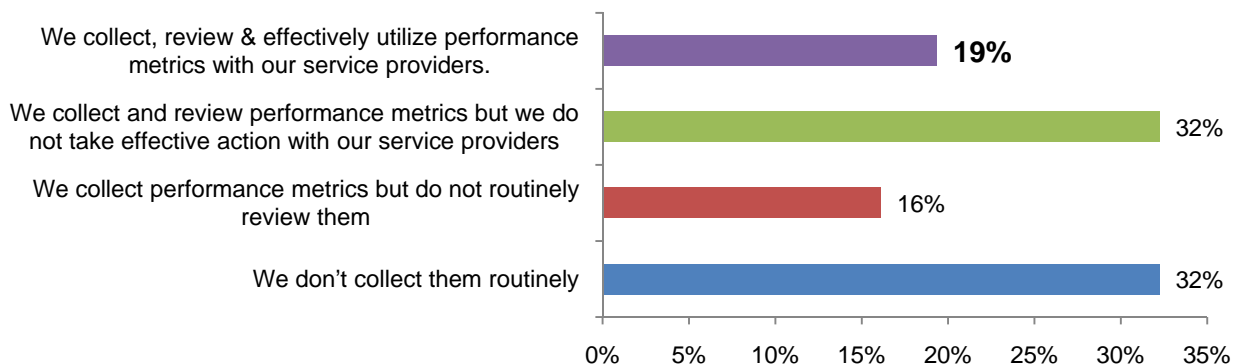
The demand from our organization for performance metrics is:



19%

reported that they collect, review and effectively utilize performance metrics with their service providers (Exhibit 2)

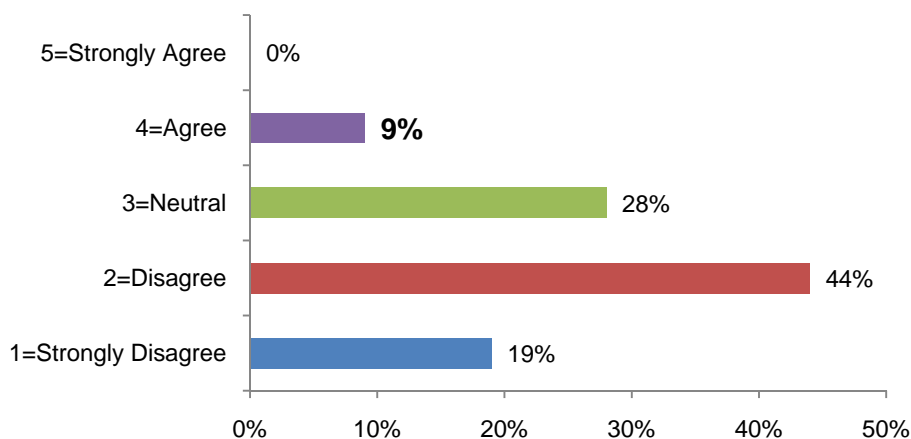
Which category best describes how your organization, on average, uses performance metrics to help manage relationships with service providers



9%

reported that they effectively use performance metrics to help **improve relationships** with CROs (Exhibit 3)

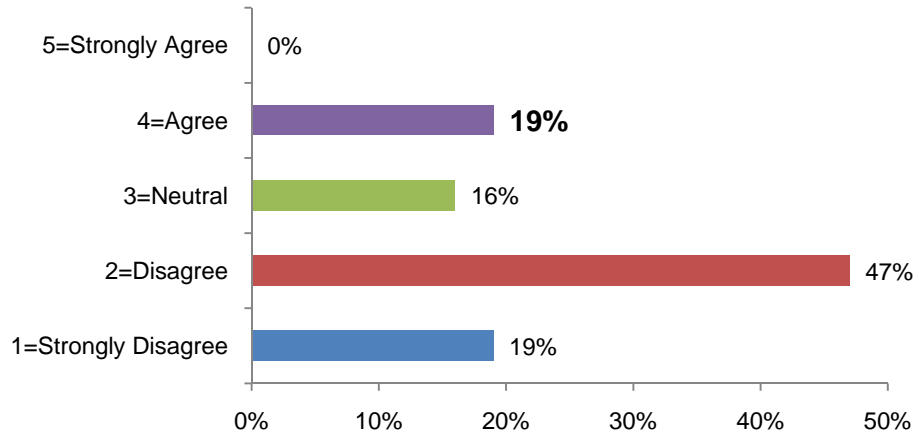
My company effectively uses performance metrics to IMPROVE RELATIONSHIPS with CROs.



19%

reported that they effectively use performance metrics to improve productivity with CROs (Exhibit 4)

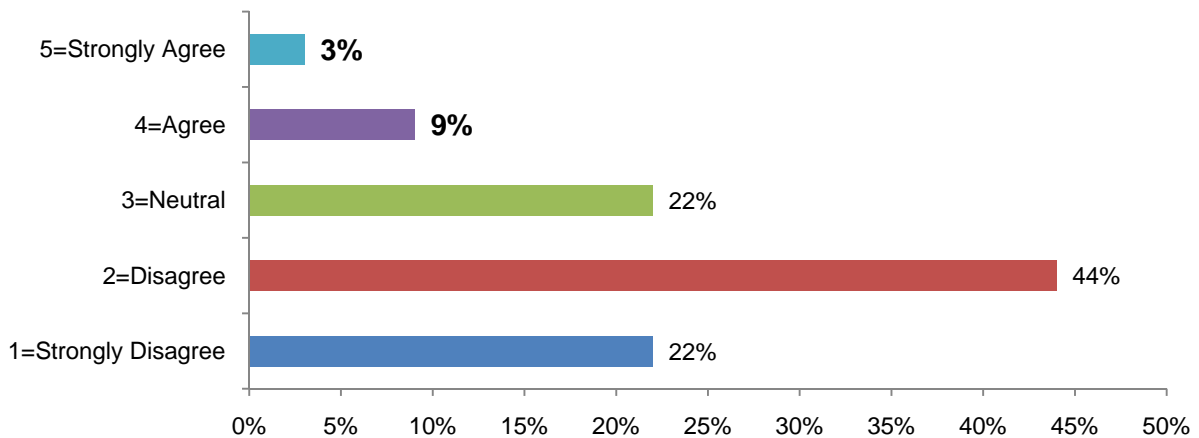
My company effectively uses performance metrics to IMPROVE PRODUCTIVITY with CROs.



12%

reported having well-defined, clearly understood performance metrics currently in place (Exhibit 5)

My company has well defined service provider performance metrics that are clearly understood internally and by our service providers.

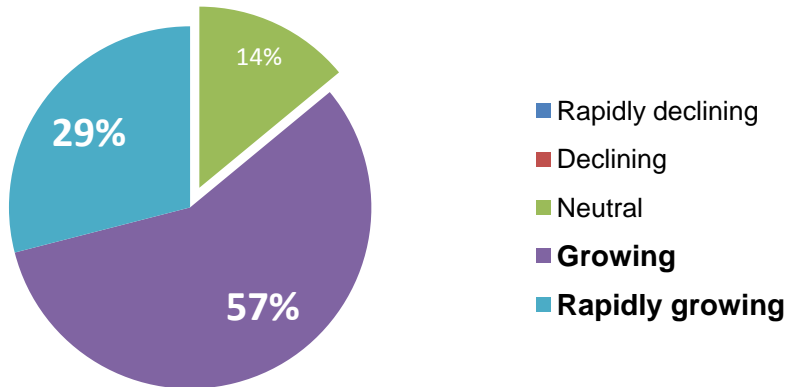


Responses of note from CROs (n=14) included:

86%

reported that the demand for performance metrics was growing (57%) or rapidly growing (29%) among sponsor companies (Exhibit 6)

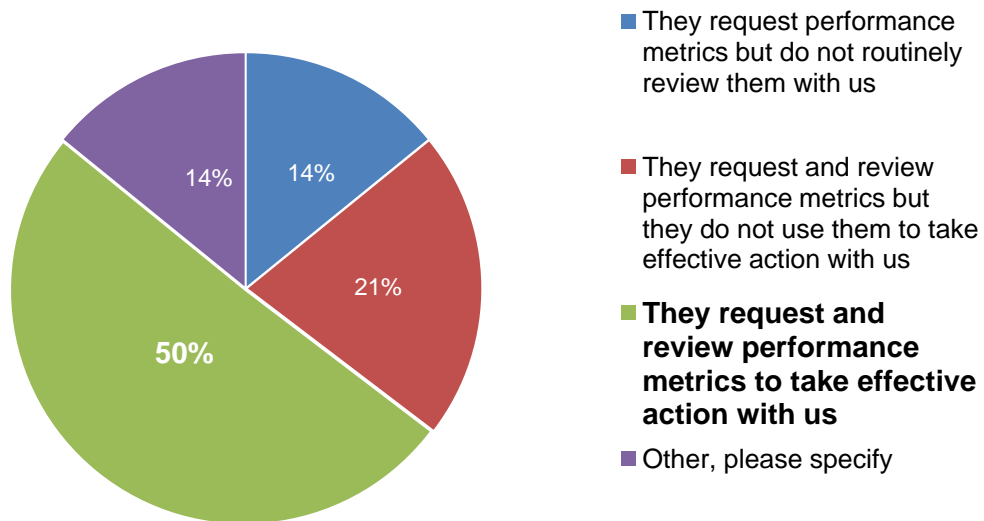
The demand from our sponsor organizations for performance metrics is:



50%

reported that sponsor companies requested and reviewed performance to take effective action with them (Exhibit 7)

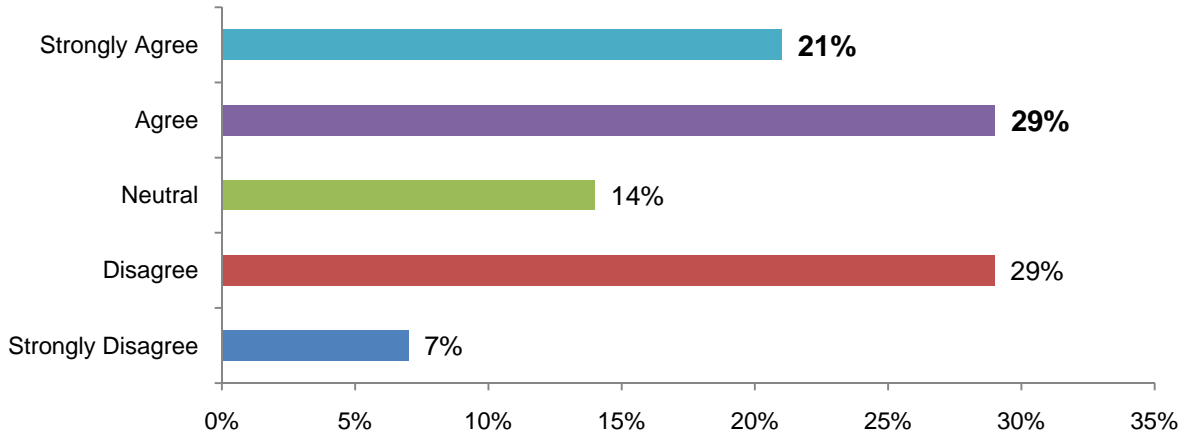
Which category best describes your perception of how "average" sponsor organizations use performance metrics to help manage their relationship with your organization:



50%

agreed that their companies effectively use performance metrics to improve relationships with Sponsors (Exhibit 8)

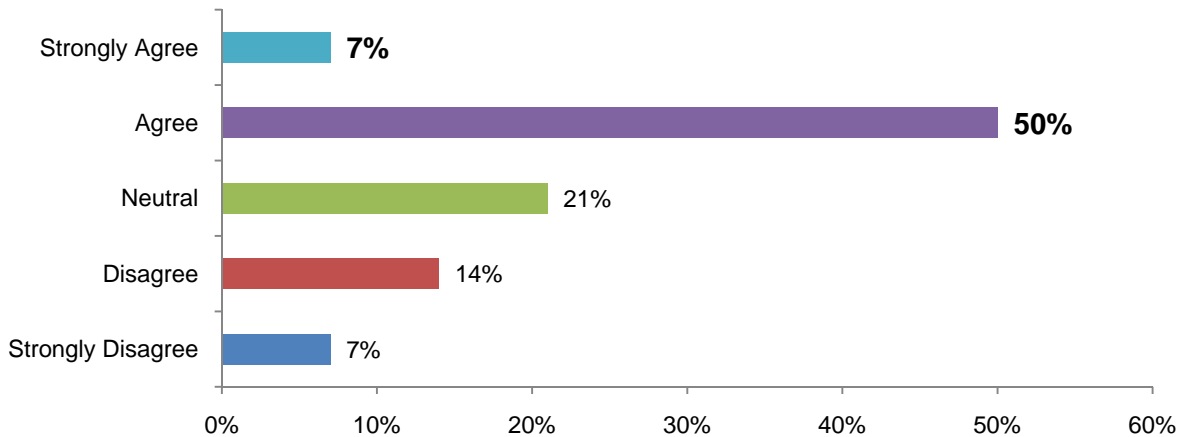
My company effectively uses performance metrics to IMPROVE RELATIONSHIPS with Sponsors.



57%

agreed that their companies effectively use performance metrics to improve productivity relationships with Sponsors (Exhibit 9)

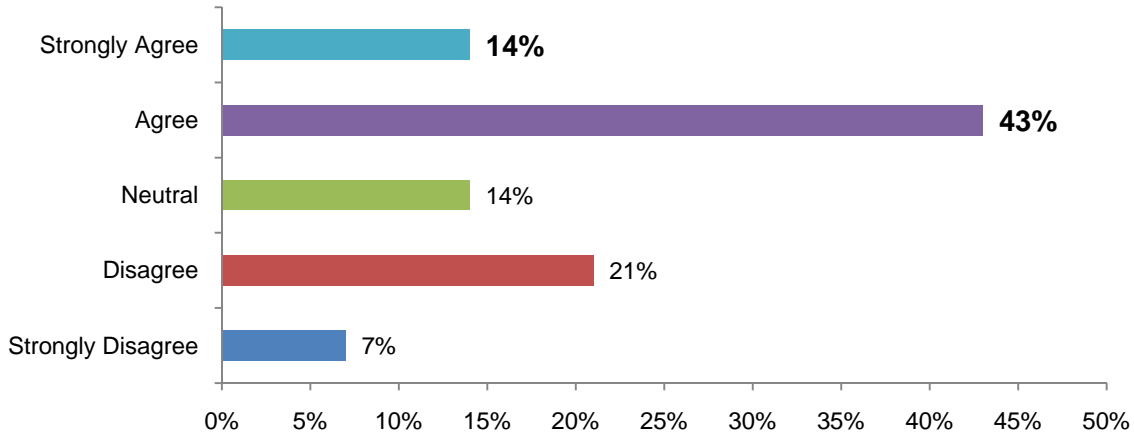
My company effectively uses performance metrics to IMPROVE PRODUCTIVITY with Sponsors.



57%

agreed that their companies routinely use performance metrics intended for sponsors to improve their operations (Exhibit 10)

My company routinely uses performance metrics intended for sponsors to improve our operations.



These results not only demonstrate a disconnect between the need for and the utilization of standardized Performance Metrics across our industry, but they also illustrate the need for a more productive use of resources brought about by the agreement on and implementation of a core set of standardized Performance Metrics. It is the goal of the MCC's CRO Steering Committee and Work Groups to develop and promote the adoption of such standardized Performance Metrics, thereby bridging the gap between their need and utilization and enhancing Partnership Performance between Sponsor companies and CROs.

Your further input and participation are warranted to ensure that your company's interests are represented as we move forward with these initiatives. We are still accepting representatives to participate in the CRO Work Groups. Because the MCC is a nonprofit organization, we rely on volunteers (i.e., MCC Corporate Sponsors and Members) to help us accomplish our strategic goals; however, there is a certain level of funding that is required for the administration of MCC functions. Information on membership benefits and dues, as well as on the MCC's successes and upcoming enterprises is available at www.metricschampion.org.

It is with great anticipation that we look toward working with you and your organization on the development of CRO Performance Metrics.

MCC CRO Performance Metrics Steering Committee

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|--------------------------------------|-------------------------------|--------------------------------|
| Cory Gutterman (Chair) Abbott | Kathe Balinski Medarex | Scott Treiber PharmaNet |
| Ed Cannon AstraZeneca | Magaly Woolard Merck | Kristy Morgan Quintiles |
| Beenu Kapoor Covance | April Davis Perceptive | Paul Shin Valeant |
| Holly Hankins Eli Lilly | Informatics | |