

Outsourcing Performance Metrics Working Group

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- Metrics for this Working Group very similar to Outsourcing Metrics in other MCC groups (i.e. ECG)
- Classified as Outsourcing categories but all have financial savings outcomes
- Two metrics for current review and finalization
- Two metrics “On hold”
- One metric undergoing additional discussions for finalization

Outsourcing Working Group Metrics

Category	Metric Title	Definition	Formula / Example	Unit of Measure	Reporting Frequency	Target	Business Driver(s) / Benefit Statement
Outsourcing	Average Percentage of variance in the Imaging budget	<p>Minimum: Report variance in budget in terms of looking for variances between current contracted value (including change orders and pass through costs) vs. actuals during life of project and at completion of the project</p> <p>Additional analysis on a "for cause" basis: Report variance in budget in terms of looking for variances between current contracted value (including change orders) vs. actuals at completion of and throughout the life of a project and proactively reconcile, reforecast, and adjust budget to align with revised forecast for a project</p>	<p>Formula: % variation between actuals vs. current contract upon completion of the study.</p> <p>Formula Earned Value Approach: Agreed contract value (Total of all Contracts and Amendments or Out of Scope items agreed upon to Date) and Earned Value of Contract (Actuals Invoiced Monthly) on an ongoing basis. Reassess total contract value (Quarterly) with per study look at actuals + current forecast. Reforecast and readjust contract value as needed. Measure variance between current contract value and re-forecasted Contract Value in terms of under or over spend. Suggest quarterly reconciliation and reforecast of all projects > 12 months. For studies < 12 months, reconciliation and reforecast at 6 months.</p> <p>Specific Example: Measure deviation/variance quarter to quarter and then at the end another comparison of final contract budget vs. actuals. Standard Deviation/Variance (Range from 0-5%) - Optimal, Deviation range 5 - 10% Satisfactory, etc</p>	Average percentage (%) of variance maintained in the budget	Quarterly	<p>1) Final variance between Current Contract Value and actual Budget is >XX%</p> <p>2) Maintain >XX% average variance over the course of a trial</p>	Sponsor and supplier will play a proactive role in managing initial forecast budget. This means tracking actuals against forecasted contract budget and "reforecasting" as needed based on usage and/or study events (e.g. increase in enrollment) NOT simply adding to budget when there is a change in scope. Suppliers will be more able to accurately project revenue and sponsors will be able to readjust budgets and reallocate spend if current contract budget is "over estimated" or proactively increase budget during the study vs. at the end. This requires support from supplier's finance and project management groups to track, evaluate, reconcile, and then reforecast based on study information. Also requires support from sponsor to help with reforecast based on study factors such as enrollment rates, etc.
Outsourcing	Average number of days from Imaging study award to contract signature	<p>Minimum: The average number of days to move from study award (award e-mail/letter) to a fully executed contract.</p> <p>Additional analysis on a "for cause" basis: This is to include analysis of the reasons for delays in the process and would include the following:</p> <ul style="list-style-type: none"> • Legal review by both Sponsor and Core Lab • SOW development times, based upon final protocol • Sponsor delays in study initiation 	<p>Formula: Total days to move from award notification to contract signature / Total N of protocols evaluated.</p> <p>Specific Example: Protocol 1 = 10 days; Protocol 2 = 20 days; Protocol 3 = 30 days. Result: Total days = 10 + 20 + 30 = 60; (60/3) = 20.0 average days to move from notification of award to contract signature</p>	Days	Quarterly	Per Contract	<p>Identifying and reducing delays in the contracting process will benefit both sponsors and suppliers as a delayed contract frequently results in the delays to the study process such as:</p> <ul style="list-style-type: none"> • Study start-up activities • Payment • Invoicing.

Outsourcing Working Group

Metric #1

- **Metric** - Average Percentage of variance in the Imaging budget
- **Definition** - Report variance in budget in terms of looking for variances between current contracted value (including change orders and pass through costs) vs. actuals during life of project and at completion of the project
- **Formula** - % variation between actuals vs. current contract upon completion of the study. Suggest quarterly reconciliation and reforecast of all projects > 12 months. For studies < 12 months, reconciliation and reforecast at 6 months.

Outsourcing Working Group

Metric #1

- **Reporting Frequency** - Quarterly
- **Target** –
 - 1) Final variance between Current Contract Value and actual Budget is $>XX\%$
 - 2) 2) Maintain $>XX\%$ average variance over the course of a trial

- **Metric** - Average number of days from Imaging study award to contract signature
- **Definition** - Minimum: The average number of days to move from study award (award e-mail/letter) to a fully executed contract.
- **Additional analysis on a "for cause" basis:** This is to include analysis of the reasons for delays in the process and would include the following:
 - Legal review by both Sponsor and Core Lab
 - SOW development times, based upon final protocol
 - Sponsor delays in study initiation

- **Formula** - Total days to move from award notification to contract signature / Total N of protocols evaluated.

Specific Example: Protocol 1 = 10 days; Protocol 2 = 20 days; Protocol 3 = 30 days. Result: Total days = $10 + 20 + 30 = 60$; $(60/3) = 20.0$ average days to move from notification of award to contract signature

- **Reporting frequency** - Quarterly
- **Target** – Will be determined per contract/sponsor

- Average percent of spend on project work done
- Average number of changes in scope during the course of a project(s) for a particular sponsor

- Turn around time from Proposal revision request to revised proposal document