

## Reimagining FSP with ProPharma's RCO Model

### first some background...

Functional Service Providers (FSPs) evolved from the landscape of full-service and business-process outsourcing (FSO and BPO) solutions to meet the growing desire of biopharma to outsource clinical operations functions in their entirety. The viability of FSP as a scalable solution to nimbly adapt and navigate the challenges posed by the rapid onset of regulatory changes, economic headwinds, and other black swans (e.g., the COVID-19 pandemic) has only become more apparent in recent years. FSPs have taken center stage as an essential vehicle to de-risk unexpected delays in full-service awards.

However, traditional FSP partnerships have had constraints in both context and capability. Indeed, FSPs within large CROs were primarily conceived as a necessary vehicle to fend off advances from low-cost Business Process Outsourcing (BPO) firms in the 1990s (e.g., Accenture, Cognizant). BPOs had introduced pharmaceutical companies to the potential value of outsourcing high-volume, transactional services like call centers and safety case processing, which early FSP models sought to emulate; however, it was rare for these models to generate much traction from an industry dominated by full-service mindsets.

By the 2010s, sponsor priorities shifted and FSP shops established themselves as THE solution to the core/non-core question pharmaceutical companies were looking to answer across product development operations. Sponsors were looking to discern and retain those activities that drove a competitive advantage and potentially outsource the rest (e.g. the "bookends" of a drug's development – on the one end sponsors will continue focusing on increasing the volume of NME's [new molecular entities] entering the pipeline, and at the other, post-approval commercialization).

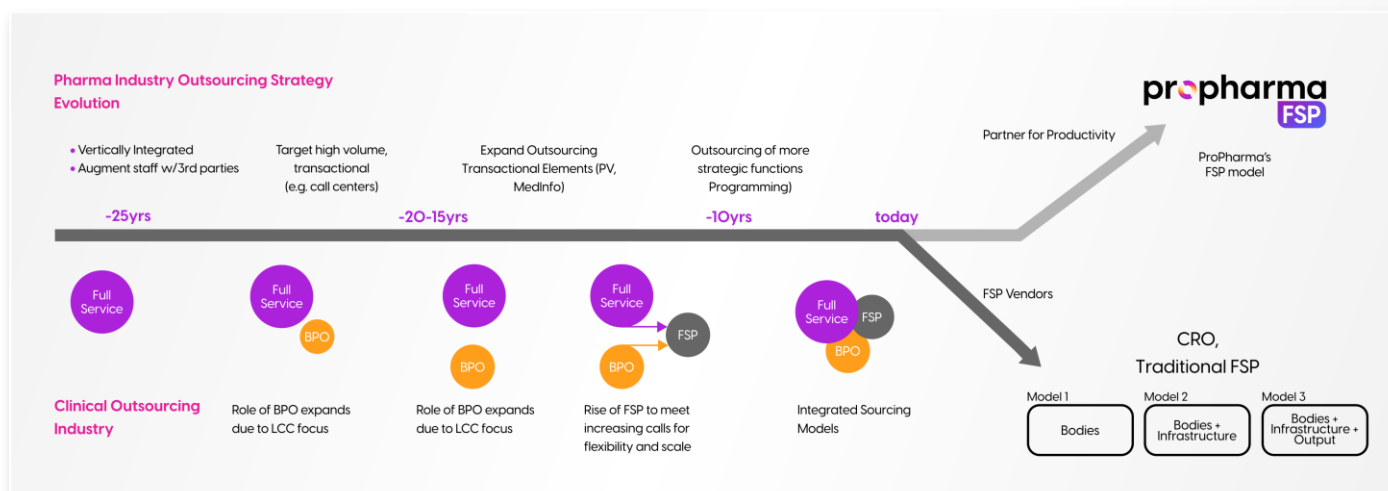


Figure 1. Evolution of biopharma outsourcing

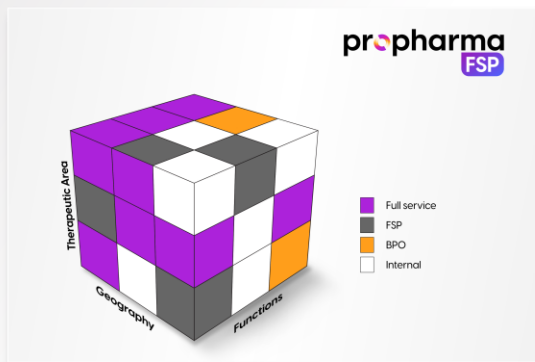


Figure 2. Example R&D outsourcing

This interest continues today. Currently, the mix of service providers and outsourcing models engaged by a sponsor is usually not based on a broader enterprise-wide sourcing strategy. However, it is primarily the result of several disparate transactions made by therapeutic, regional, and functional stakeholders across the business.

While it is true that many pharmaceutical and biotech companies are looking at enterprise-wide sourcing strategies and have adopted preferred-partnerships, a tapestry of FSP and full-service delivery models across therapeutic areas, programs and geographies remains.

## ProPharma's RCO FSP Model

ProPharma's Research Consulting Organization (RCO) model is a strategic evolution from the traditional CRO model. Designed to provide customized solutions, integrating **consulting expertise and quality-focused service delivery**, the RCO model operates within a strategic framework, allowing for scalable and agile solutions that can continuously improve and innovate to meet client needs.

ProPharma's RCO model takes FSP solutions beyond functional service delivery to include expertise to assist with client portfolio management, resourcing strategies, and deliver innovation. The RCO FSP model emphasizes:

- partnership
- transparency
- collaboration
- relationship management
- service delivery
- continuous improvement
- thought leadership

Contrary to the evolution of traditional FSP within a CRO context, the deep domain expertise inherent across ProPharma's RCO model was rooted in FSP principles from the start and has evolved into, not merely another staffing provider, but a unique capability that provides sponsors more flexibility and consistent, expert support. ProPharma's RCO FSP model is built on the concept of service evolution, collaborating with clients to adapt programs to meet business and industry changes, including the integration of innovative technologies to enhance service delivery.



## Key Features of the RCO FSP Model:

**Expertise and Specialization:** The RCO FSP model builds specialized, dedicated teams with deep expertise in various functions of pharmaceutical development. This ensures that clients have access to top-tier talent and resources tailored to their project's specific needs.

**Scalability and Flexibility:** The RCO FSP model allows sponsors to scale services up or down based on the project's lifecycle and client requirements. This agility is crucial for managing the ebbs and flows of drug development programs. ProPharma's world-class, specialized, dedicated recruitment team can quickly identify top-tier talent with the appropriate clinical expertise to rapidly scale any FSP program.

**Centralized Operations:** Each individual FSP within ProPharma's model is overseen by clear points of contact within a governance structure with a single Executive FSP Lead overseeing the performance of each functional service line operating at a sponsor. The Executive FSP Lead oversees the operations of the entire FSP structure and serves as a point of escalation and a consultant for process improvement and provides proactive risk management, ensuring that potential challenges are managed promptly and effectively. Where multiple FSP service lines operate at a single client, the Executive FSP Lead oversees the entire relationship, managing the coordination between different service areas and ensuring the services are integrated into the entire partnership.

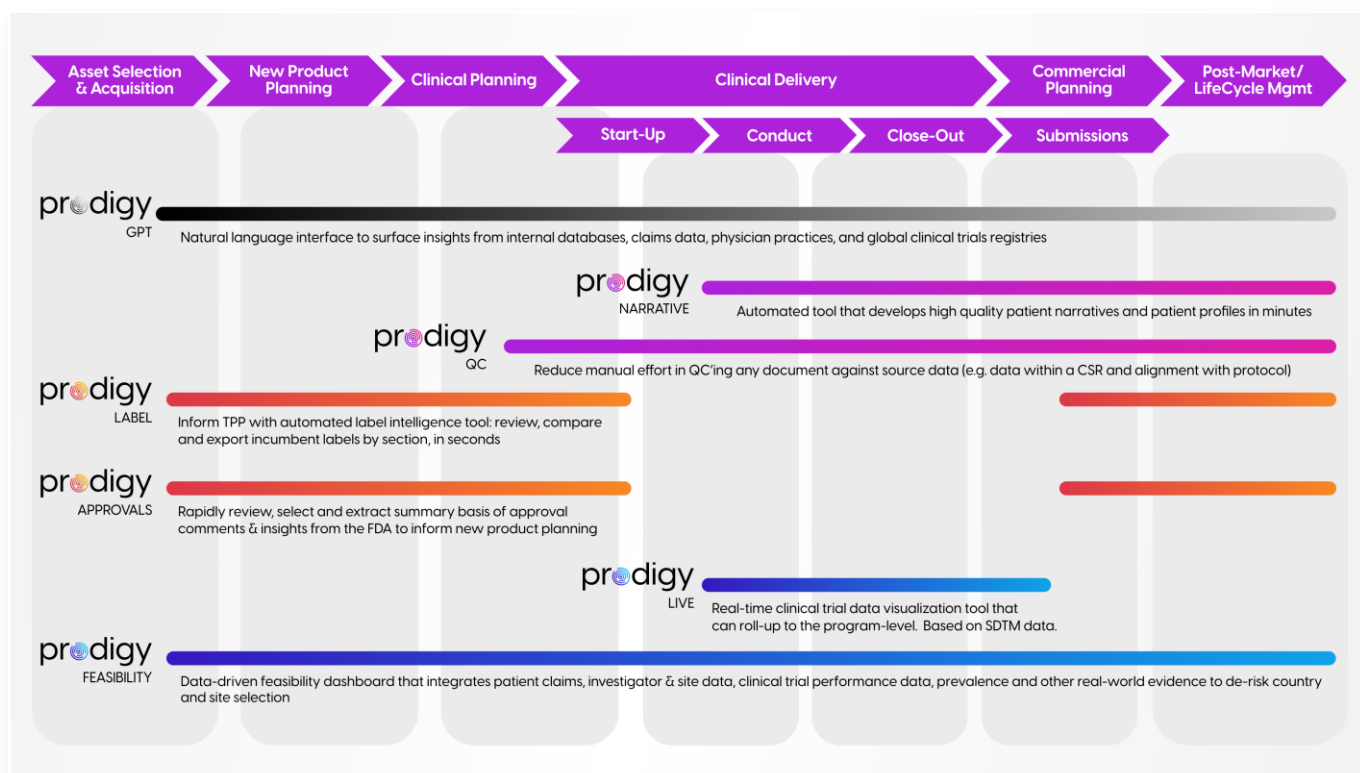


Figure 3. Enabling technologies

**Innovation and Technology:** The RCO FSP model utilizes ProPharma’s enabling technology platform, Prodigy, to streamline processes, enhance decision-making, and drive innovation. By embracing a tech-forward approach, the RCO FSP model positions itself at the forefront of modern pharmaceutical development. Enabling technologies include, but are not limited to, those described in FIGURE 3.

**Collaborative Approach:** Critically, the RCO FSP model fosters a culture of collaboration, both internally and with client teams. This approach ensures a shared vision and objectives, leading to more efficient and effective project outcomes.

**Cost-Effectiveness:** By optimizing resource allocation and minimizing redundancies, the RCO FSP model provides cost-effective solutions without compromising on quality or expertise.

**Client-Centric Service:** The RCO FSP model places a strong emphasis on understanding and meeting the unique needs of each client, providing personalized, flexible service plans, and maintaining open lines of communication throughout the partnership.

#### The bottom line—

ProPharma’s innovative, RCO FSP model blends functional expertise and technology-enhanced flexibility to offer a comprehensive solution that addresses the multifaceted challenges of modern pharmaceutical development. This model promises to revolutionize the way pharmaceutical companies approach resourcing strategies by offering a streamlined, efficient, and collaborative service platform designed to deliver success, be competitive and win in such a fast-paced industry.

#### improve the health and safety of patients.

From early concept development through each clinical phase, product launch, and commercialization, we partner with pharmaceutical, biotechnology, and medical device clients to tackle complex challenges. We help to ensure regulatory goals are met, business objectives are achieved, and patient health and safety is improved.

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