

A CenterWatch Publication

Profile: Contract Research Organization

DSP Clinical Research, Parsippany, N.J.

An interview with Darlene Panzitta, president and founder

How and why did you found DSP Clinical Research?

I initially founded DSP in 1999 to provide management of the contract research organizations (CROs) that smaller pharma and biotech companies would hire to do their studies. These smaller sponsor companies often had only a couple of people internally, so they really needed somebody to manage their day-to-day operations. In 2004, I expanded the company services to include study monitoring and become full service. I was confident that DSP could successfully compete with large CROs, and we did. We started by hiring contract monitors but found that they preferred to be full-time employees, so we offered our monitors permanent positions yet paid them the salaries of contractors. We set up this structure as part of our retention plan for our monitors. I believe that this compensation structure is the single best way to ensure high quality CRAs and minimize turnover. Low turnover brings a host of benefits to our clients and DSP: greater study continuity, lower training costs and fewer learning curves. We have been full service for the past five years, focusing on the smaller clients that don't have the internal resources or expertise to do studies themselves or who don't want to outsource to one of the larger CROs.

What differentiates DSP from other CROs?

One of the major differentiators is the fact that we will man-

age another CRO for a sponsor company, although it's not as prevalent as it was 10 years ago. Another differentiator is our fixed-cost billing model. Most CROs will tell you they have that, but they don't. We don't have line items, so a client knows what their study is going to cost them from beginning to end, even if there is a change in the scope of work. We factor in every possible scenario from the beginning of the study so that we can stick to our fixed-price model. A final differentiator is my requirement that upper management at DSP have direct pharma experience. We go into a study from the perspective of the pharma/biotech company, not a CRO. This enables us to better understand sponsor needs and view studies from their perspective: How can we do the study better, faster and stay within budget?

What challenges do you face?

A key challenge we're seeing right now is that the larger CROs are lowering their rates to compete with the smaller CROs. Our bids used to be almost 40% less than what the larger CROs bid, but now the difference isn't as great. However, although a larger CRO can lower its rates occasionally, they can't do it for every study because they can't operate that way in the long run. As a smaller CRO, we can and we do. We have a much leaner staff and much lower overhead than the larger CROs have. We provide services with approximately 30% less staff than the larger CROs. This lean

Year founded: 1999

Employees: 28

Active projects: 11

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staffing model keeps overhead expenses down and also creates clear lines of communication internally and with clients.

Another challenge is convincing our clients to use EDC [electronic data capture] for data collection during a study, instead of paper. Our clients are small, and they understandably want to save money. Upfront, paper is less expensive, but at the end of the day they're really sacrificing their time and timelines, which translates into budget. The larger companies embrace EDC, but it still takes a lot to convince the smaller companies that EDC is better in terms of cost savings.

What changes have you observed and how has DSP addressed them?

The biggest change I've seen is that when I started the company, the smaller pharma and biotech only wanted to outsource a part of the study, such as project management or monitoring—functional outsourcing. Now we're seeing more companies wanting full service, yet they also want the personalized service and better pricing that smaller companies give them. That's where we fit in—this is our value proposition.

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