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CROs gain popularity in pharma sector

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By our correspondent

The concept of contract research organisations (CROs) are growing in the Indian pharmaceutical sector.

Outsourcing clinical trial activities to India as a means of slashing research costs has seen a growth, where outsourcing activities in India currently amount to 20-30 per cent of total global clinical trials. Leading international CROs, including multinationals such as Eli Lilly, Wyeth and Novo Nordisk, have been outsourcing clinical trial activities to India as a means of slashing research costs.

Dr Arun Bhatt, president, Clininvent Research, a CRO with the New York based Chatterjee Group said, "CRO is a means of converting the fixed costs of maintaining the necessary personnel, infrastructure and expertise into the variable costs of paying a sub-contractor to perform that particular function when it is required. This has been particularly influential in the pharmaceutical industry as the success of a large pharmaceutical company depends on competence in fields as diverse as combinatorial chemistry, computer integration and marketing medicines directly to consumers."

"There are three major reasons why companies might take the decision to outsource some of their services. These are lack of capacity, skill deficiency and cost control. However, external cost pressures have also acted as a major driver for the pharmaceutical outsourcing market.