

Choosing a CRO as a small to mid-sized biotech company: factors to consider



Immunic
THERAPEUTICS

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Immunic Therapeutics



Mission

Developing a pipeline of next-generation selective oral therapies focused on offering patients with chronic inflammatory and autoimmune diseases new and clinically meaningful treatment options.

Program	Target	Preclinical	Phase 1	Phase 2	Phase 3
Vidofludimus Calcium (IMU-838)	DHODH	Relapsing Multiple Sclerosis – ENSURE Trials			
		Progressive Multiple Sclerosis – CALLIPER Trial			
IMU-935	IL-17 / RORγt	Psoriasis			
		Castration-Resistant Prostate Cancer			
IMU-856	Intestinal Barrier Function	Celiac Disease			



Agenda

01 Outsourcing clinical development

02 Choosing a CRO

03 Small vs big CRO

04 CRO with experience in a specific therapeutic area

05 Working with multiple vendors



01

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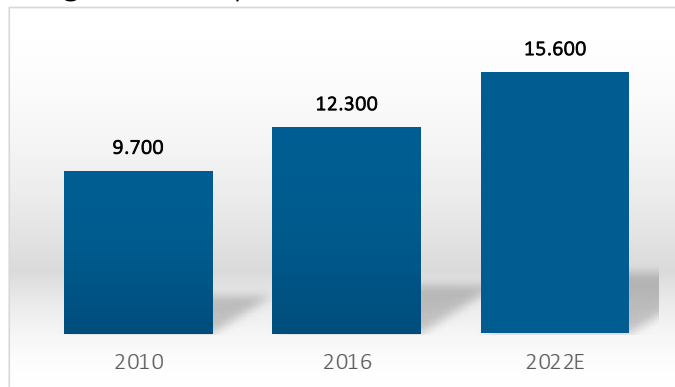
Outsourcing clinical development



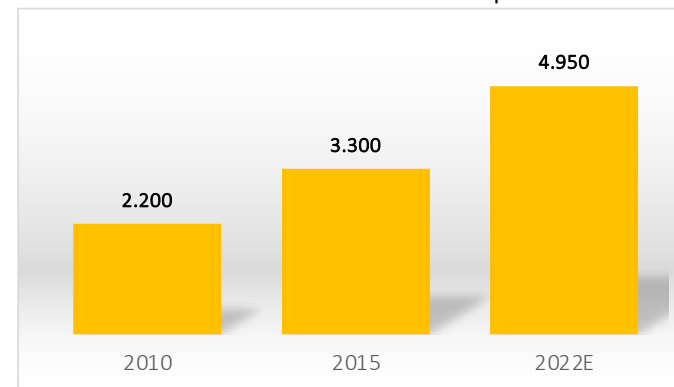
Outsourcing Clinical Development

- Pharmaceutical and biotech reliance on outsourcing is high and continuously increasing
- Main drivers of increasing need for outsourcing:
 - Growing pipelines
 - Emergence and proliferation of small biotech companies (>60% of active pipeline)
 - Pharmaceutical and biotech company layoffs

Drugs in development



Pharmaceutical and biotech companies



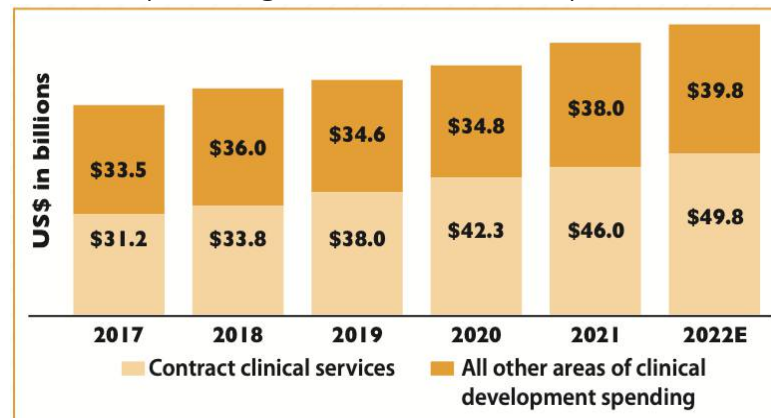
Tufts Center for the Study of Drug Development, 2016 (modified)



Outsourcing Clinical Development

- Total spending in **clinical drug development** industry is approaching \$90 billion in 2022
- **56%** of all investment in clinical development activities is spent on **outsourced clinical development services**

Global spending on clinical development

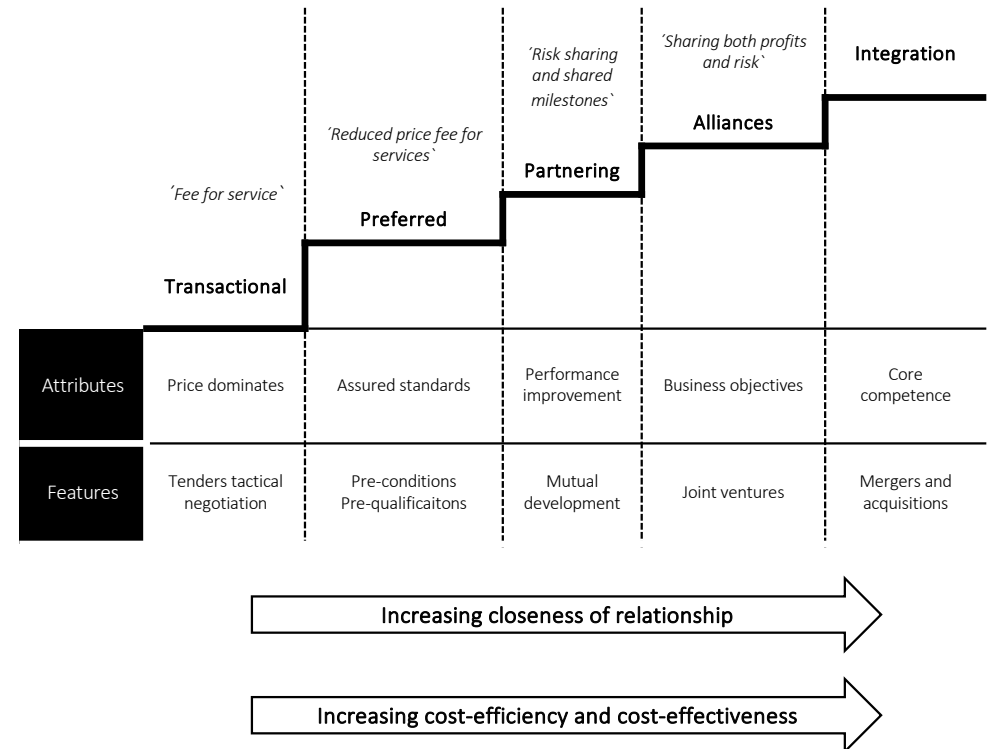


Tufts Center for the Study of Drug Development, 2022



Outsourcing Models

- Sponsors employ a **variety of outsourcing approaches simultaneously**, including transacting for individual tasks, full-service, and functional/program service relationships.
- Number of **different operating and contractual frameworks**, each varying in level of trust and transparency between the parties and in cost-effectiveness and cost-efficiency.



Outsourcing Clinical Development, J. Winter and J. Baguley (2006) (modified)



Outsourcing Clinical Development

- ✓ The need for outsourcing is high with a steady increase over last decades
- ✓ In 2022 over 55% of \$90 billion spent for clinical development is outsourced
- ✓ Sponsors employ a variety of operational and contracting frameworks in outsourcing with the goal to increase the benefits and reduce the risks and costs of clinical development

- 77% of companies report using **full-service outsourcing**, only **26% (!)** find full-service outsourcing is being done **effectively**.
- Only **30%** of companies believe that the **oversight processes** are well established and only **20%** companies rate these processes 'highly effective'.



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Choosing a CRO



Outsourcing Strategy – Questions to Ask Yourself

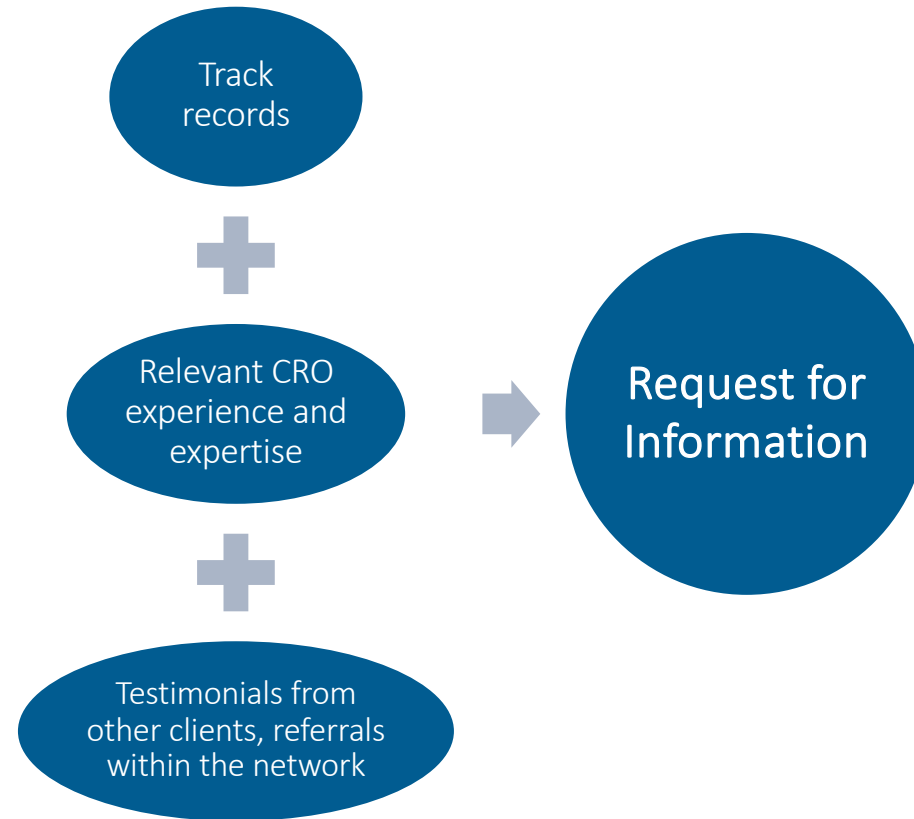


- What is your overall organization's business goal?
 - Are you going to develop your products all the way to the market?
 - Build depending on phase of development program, or build a strategic relationship?
- What are the competencies you can cover in-house, which ones need to be outsourced?
 - CRO „all in one“ and/or CRO with expertise in a specific function?
- Timelines
- Budget

-> **Goal:** build a fit-to-purpose cost-effective and cost-efficient outsourcing model



Choosing a CRO – Request for Information





Choosing a CRO – Request for Proposal

As detailed as possible

CVs of proposed core team members

Allocation of the proposed team members

Turnover rate

SOP list

Q&A Log



Choosing a CRO – Proposal/Bid-defense Stage

Organizational size and structure

Therapeutic area expertise and experience

Operational expertise and experience
(Regulatory, DM, Biostatistics, Medical Writing, Safety, etc.)

Geographical location(s)

Clear timelines and milestones

Budget transparency and hidden costs

Systems – CTMS, EDC, IRT

Willingness to collaborate with another CRO

Risk-sharing opportunities

Quality Management (Documentation) System



Choosing a CRO – Proposal/Bid-defense Stage (continued)

- Does the CRO has the right understanding of sponsor requirements?
 - Is CRO capable of adapting their services as needed?
 - Management skills of the Project Manager/Project Director?
 - Willingness to go an extra mile?
-
- ❖ Is the CRO able to **fully commit** to the scope and be held **accountable** for the project outcomes?



Choosing a CRO by Immunic

- **flexible** and **program- and phase-dependent** outsourcing strategy
- outsourcing **full service** via single or multiple vendors
- SOP for Vendor Selection, Qualification, Management and Oversight
- Main selection criteria:
 - Demonstrated focus and commitment to executing in line with agreed timelines
 - Clear proposal and transparent budget
 - Clear communication
 - Flexibility, capability to quickly adapt
 - Work in a multiple vendor setting
 - Risk sharing
 - Systems with a real-time access to study/data status

Program	Phase
Vidofludimus Calcium (IMU-838)	Phase II & III
IMU-935	Phase I & Ib
IMU-856	Phase I & Ib



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Small vs big CRO for a small to mid-sized biotech



Small CRO vs Big CRO

Requirement	Small CRO	Big CRO
Global reach – multiple regions		X
Single-country – local specialty	X	(X)
Long-term strategic partnership	(X)	X
Transactional outsourcing	X	X
Full-service	X	X
Functional outsourcing	X	X
Therapeutic area experience	X	X
Budget	X	X



Small CRO vs Big CRO at Immunic

Program	Preclinical	Phase 1	Phase 2	Phase 3	CRO
Vidofludimus Calcium (IMU-838)	Relapsing Multiple Sclerosis – ENSURE Trials				Global full-service CROs, Local specialty CROs
	Progressive Multiple Sclerosis – CALLIPER Trial				
IMU-935	Psoriasis				Local specialty CROs
	Castration-Resistant Prostate Cancer				
IMU-856	Celiac Disease				Local specialty CRO



Small CRO vs Big CRO at Immunic

Small CRO	Big CRO
Outsourcing likely (DM, PV, MW)	In-house experience and expertise
Local/Limited access to sites/KOLs/patients – but closer relationship!	Global access to sites/KOLs/patients
Smaller team – flat hierarchy	Tall/Vertical hierarchy
Undivided attention to your trial, senior level team members	Low FTE, high turnover
Similar values, similar approach and focus towards the goal	1 out of many clients
Flexibility	Rigid processes
Limited resources	Vendor management, Centralized monitoring, etc.



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CRO with experience in a specific
therapeutic area



Therapeutic Areas at Immunic

Program	Phase	Therapeutic area
Vidofludimus Calcium (IMU-838)	Phase II & III	Relapsing Multiple Sclerosis Progressive Multiple Sclerosis
IMU-935	Phase I & Ib	Psoriasis Castration Resistant Prostate Cancer
IMU-856	Phase I & Ib	Celiac Disease

- CRO has to be highly informed about the standards of care of every country where they have operations.
- If country-specific information is not considered properly, recruitment in the respective country might fail.



CRO Experience in Therapeutic Area

- Crucial for the execution of the trial:
 - Protocol design
 - KOL network
 - Region/Country selection
 - Site selection
 - Vendor selection
 - Medical monitoring
 - Data management
 - Data quality



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Working with multiple vendors



Working with Multiple Vendors

- outsourcing to multiple vendors requires a lot of time to ensure third parties are working according to stipulated timelines while delivering high quality services
- ‘one-stop shop` approach:
 - Reduces timelines
 - Prevents lack of alignment
 - Eases sponsor oversight





Working with Multiple Vendors – when is it needed?

- Adapt clinical operations strategy
 - Improving the reach to the target patient population (rescue studies)
 - Outsourcing specific functional services
 - Secure data integrity and data quality
- Late-stage development programs
 - Ensuring multi-regional coverage
 - Ensuring milestone delivery



Working with Multiple Vendors at Immunic

- Make sure that all the parties are aligned
- Make sure to assign clearly Global/Lead and Local CRO responsibilities
- Have a clearly defined communication plan for the study
- Treat all the vendors with same respect
- Be clear on the expectations
- Trust, but verify



Way to Successful CRO Selection – Summary

- Know yourself
- Do your work – investigate prior to sending RFP
- Detailed RFP
- Ask questions as early as possible
- Careful proposal/budget review
- Operational and therapeutic area experience and competencies
- Timelines and milestones feasibility
- Quality standards
- Soft skills of core team members
- Flexibility
- Commitment
- Accountability
- ***Start building the partnership!***



Doesn't matter if it's personal or professional, a good partnership takes work.

Brian K. Vaughan



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CRO Market

Activities to be outsourced	Global Commodity Full Service CRO	Full Service CRO	Global Specialty CRO (niche CRO)	Local Specialty CRO
Clinical Development Program	█	█	█	
Phase I	█			█
Phase II and III	█	█	█	
Multi-centre specialist trial, for example oncology			█	█
Multi-centre specialist trial, for example specific region		█		█

Outsourcing Clinical Development, J. Winter and J. Baguley (2006)