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Clinipace: Empowering Partner CROs with IT Might

By Deborah Borfitz

April 19, 2007 | Small and mid-sized contract research organizations (CROs) will be able to “go after opportunities they would not otherwise have a shot at winning” by tag-teaming with Clinipace Inc., says Jeff Williams, CEO of the Research Triangle Park, NC-based clinical research software company.

Last month, Clinipace launched its Empowered Partner Program (EPP) to give smaller CROs the “muscle and might” of information technology when competing against larger, full-service CROs for clinical trial and registry business. Joining EPP requires no capital investment, training, or long-term commitment, says Williams, making it the “antithesis” of a technology transfer program. It’s a true “partnership” in every sense of the word.

“Half of all CRO business goes to the smaller guys,” says Williams, which number about 1,000 in the U.S. alone. “They’re very effective in the marketplace. Unlike the big players, they’re usually very therapeutically focused and thus can provide expertise at a fraction of the price.” But they also run lean, having neither the people nor wealth to establish an electronic infrastructure that is more and more a requirement of prospective customers.

“Therein lies the opportunity,” says Williams. EPP allows CROs to make Clinipace’s electronic data capture (EDC) and study management platform (TEMPO) part of their ongoing sales pitch, or at least when they’re in a position to make software recommendations. CROs can stay focused on providing study management services because Clinipace handles the task of technology implementation and support as well as tracking study progress from the CRO’s point of view.

To date, Clinipace has four partner CROs, says Williams. One of the two partners that tried out EPP on a trial basis late last year has already won \$3 million in new business. The other, Philadelphia, PA-based ClinLogix, has closed nearly \$1.5 million worth of deals.

EDC capabilities are important in landing investigator-initiated trials (IITs) and registry business, says JeanMarie Markham, president and CEO of ClinLogix. IITs represent about half of the trials managed by the 17-year-old CRO. Clinipace was a “good fit” because of its expertise in this arena. “It’s a great little company. The people there are very responsive.”

ClinLogix is currently working on one of the “few bigger” investigator-initiated oncology trials using EDC, says Markham. “We customize trial work to fit the needs of clients” – in this case, with EDC as well as a project team whose members each have at least five years of oncology experience. The investigator network was pleasantly surprised by TEMPO’s affordability, she adds.

“[EPP] has really helped bolster our service offering,” says Markham. The partnership, “unique at the moment in the realm of ITTs,” is expected to raise [ClinLogix’s] revenues by 10 percent this year.

Partner CROs determine how the combined offering gets presented to prospects, says Williams. Clinipace typically joins the CRO on a sales call, though not necessarily the first one. Proposals get merged into a single document, but the CRO takes the lead. Partner CROs get “meaningful savings” on Clinipace software and services “since we don’t have the same degree of investment in sales.”

The hope, of course, is that the value of the partnership will become self-evident and partner CROs will want to bring in Clinipace on projects indefinitely. “This is somewhat risky on our behalf, since [partner CROs] have no skin in the game. But we’re confident it’s a good win-win opportunity,” says Williams.

Overall, business has been brisk for Clinipace, says Williams. In 2006, revenues more than doubled and the number of new clients nearly tripled. “This is a great industry to be in.”