


Computerizing the Selection Process: A Case Study

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The Project

Clinical Provider Pre-Qualification

- Strong Team Involvement
- Pre-determined Selection Criteria
- Robust RFI
- Mock RFPs
- On-line Negotiation

The entire process was facilitated by the use of an Electronic Sourcing Tool.

The Electronic Sourcing Tool

- Multiple tools, similar functions
- Capabilities
- Limitations
- It is only a tool, use correctly to maximize results

The Process

TRADITIONAL

- Establish Selection Criteria
- Request for Information
- Analysis of Responses (Selection)
- Request for Proposal
- Analysis of Responses (Selection)
- Bid Defense
- Budget Negotiations
- Final Selection

eSOURCING

- Establish Selection Criteria
- Request for Information
- Analysis of Responses (Selection)
- Request for Proposal
- Analysis of Responses (Selection)
- Bid Defense
- **On-line negotiation**
- Final Selection

Benefits: Sponsor and Provider

- Enables efficient and consistent communication
- Provides archive
- Levels playing field, enhances objectivity
- Facilitates best sourcing practices & process
- Organizes, automates and customizes
- Facilitates best value vs. best price
- Allows market forces to work
- CRO - Awareness of where bid falls
- Sponsor – Reduces cost

Drawbacks

- CRO Perspective
 - Price pressures
 - Competitive desire to be lowest bidder
 - Perceived commoditization & dehumanization
- Sponsor Perspective
 - On-line negotiation drives focus on price rather value
 - Danger in using tool in the absence of sourcing BPs
 - Perceived commoditization & dehumanization

Common Misconceptions

- CRO services become a commodity
- Low bidder wins
- Simplifies the sourcing process
- Takes less time to complete
- Dehumanizes the process

Lessons Learned

- Criteria and weightings—keep it simple
- RFI evaluation is critical
- Limit the number of Providers participating in the on-line negotiation (based on RFI/RFP response)
- On-line Negotiation
 - Limit increments of change
 - Allow Provider to see rank not price
 - Rates vs. Units vs. Total Cost
 - Limit time to view and modify costing

Conclusion

- eSourcing is a robust tool
- Critical to use the tool correctly
- Process is the same with or without the tool and should be followed carefully
- Quality results based on carefully chosen criteria, not just price

Questions & Answers

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