

The Four Requirements for Profitable Clinical Research

By Norman M. Goldfarb

It is tough for a U.S. clinical research site to operate profitably today. Increasing competition from developing countries will make it even tougher. However, some sites are profitable. How do they do it? There are four requirements:

- **Locate in low-cost area.** A site in Atlanta has a built-in cost advantage over a site in Manhattan. Most sponsors will not pay a premium just because your site is located in a high-cost area. If you are located in a low-cost area, you have a competitive advantage.
- **Conduct research that sponsors want.** If you conduct generic studies, you are competing with numerous sites that will accept generic prices. Demand for investigative site services ebbs and flows with the demand and supply of new drugs. If you specialize in a therapeutic area or type of subject where demand exceeds supply, you have a competitive advantage.
- **Access a large, recruitable population.** Established sites and large clinics have existing relationships with potential subjects. They may have easy-to-screen databases and electronic medical records. If you have existing relationships with a large population of readily-accessible potential subjects, you have a competitive advantage.
- **Become Competent.** If you are competent at finding, selecting, negotiating and conducting studies, you have a competitive advantage.

If your site does not meet most or all of these requirements, you are probably not operating profitably. You probably cannot move your site, but you can focus on promising therapeutic areas, build relationships with potential subjects, and become competent in clinical research.

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