Overcoming Stressors in Knowledge Transfer

Addressing overpromising, performance issues, and organizational alignment to foster successful collaboration. *This is the second of a four-part series of articles addressing best practices for a successful relationship with your service partners.*

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Congratulations on selecting your Service Partner(s)! Now, let's delve into potential areas that could lead to project constraints or adversarial working environments. In this Part 2, we'll address three main categories that often contribute to relationship stressors. The first is overpromising, the second is performance, and the third is organizational misalignment and turnover.

OVERPROMISING

One of the most important and well understood activities of using your contract development and manufacturing organization (CDMO) to help you manufacture and test your product is having a robust knowledge transfer process that includes documentation management and structure. Even though this is well understood, there is often a disconnect in expectations that can quickly sour relations early in the process. Timeline and cost saving pressures often lead to project timelines that are based on what is possible vs. what is likely to occur. Two common examples are assay transfers and documentation approvals. These two activities may seem ordinary and simple to execute, however, there are many factors that can extend the documented expected timelines. Examples include:

- The timeline for training staff at the CDMO is inadequate and the sponsor/sponsor's expectations are not aligned with the CDMO's standard processes.
- CGMP document drafting, review and approvals are normally much longer than most would expect. This is because the sponsor and CDMO tend to uncover inaccuracies or nuances that are critical for the success of production. Those nuances also need communication and training, adding even more time.
- Competing priorities between the service partners and sponsor delay review and approvals. If the contract allows for 7 days of review for both the sponsor and the CDMO, and there are two rounds of reviews agreed in the quality agreement, that is a month not including the last-minute issues that will certainly arise. There is often a mad rush at the end creating confusion, poor training, and frustration between the partners.

PERFORMANCE

As someone who has deep experience from both the sponsor and the CDMO perspectives on this subject, I have some insights to share.

- There will be many activities that do not execute as expected and will delay your timeline. Human beings and machines do not execute flawlessly and add the overpromise issues above and you have the recipe for errors, breakdowns, and poor results.
- Supply chain and logistics will often be the culprit of delays, errors, and documentation challenges. These types of issues are difficult to assign accountability to. It is critically important that both sponsor and partner work transparently together to address these issues. However, early in the timeline development, both parties should agree on the timeline and address the process risks associated with those who provide the critical raw materials and equipment required to successfully execute your process.
- Human errors are a major concern for any organization as they are unavoidable, especially in any new relationship and process. Even the firms that manufacture a product year after year experience issues. One way to maintain a good relationship is not to dwell on who made the error (unless it is a repeat offender) but rather to address the conditions under which the error manifested. Rushing, poor documentation, lack of supervision, lack of clarity of key performance factors or critical aspects of the process will result in errors. Compassion, understanding, and striving to address the conditions of why the error happened will go a long way in maintaining the relationship. As a sponsor, you must account for these things to happen. If you fail to build in for the inevitable human errors, you will have to face leadership with a delayed timeline. If you then ask your CDMO to go even faster, without addressing the root cause, this will create an environment for additional errors and the cycle will continue.

ORGANIZATIONAL MISALIGNMENT

CDMOs have very tight margins. They absorb much of the risk with very little upside opportunities. They do not have the types of resources and functional structure that a large pharma would have.

CDMO & Sponsor Perspectives

The following is a Q&A highlighting real-life situations faced by both the CDMO and sponsor perspectives provided by Kip Wolf, head of technical operations and portfolio management at X-VAX Technology, and Allen Bolden, former senior director of commercial operations with Ridgeback Bio and Alliance Bio and supplier relationship manager with AstraZeneca and GSK.

Lisa Cozza: Based on the relationship stressors discussed in this article, what are some of the tactics you have taken to ensure that your Supplier Partners and your leadership were aligned and remained supportive?

Allen Bolden: The project or program kickoff meeting is one critical opportunity for the supplier and sponsor teams as well as their respective leadership to jointly 1) acknowledge the "stressors" that you articulated, and 2) to provide a jumping point for both teams to identify how the stressors will be managed throughout the course of the relationship. Another critical component that is often left out of Supplier Agreements is clear guidance on how the relationship will be governed. It is essential that oversight for the project or program be clearly defined for both the operational teams and their respective leadership teams. This usually occurs through various steering committees. I always make it a point to use the kickoff meeting as an opportunity to highlight any challenges the teams may encounter. I also strongly advocate adding language to Service Agreements that outlines how the two parties will govern the relationship.

Kip Wolf: It is important to define, confirm, and track/measure document management during review/approvals for critical process documents (e.g., specifications, testing plans, batch records). For example, use a shared collaboration tool like a dashboard for document processing viewable for all stakeholders in the process.

For the overall project structure and timeline, define and align on probability of success within the agreed project timeline and schedule (e.g., quantify the timeline with clear deadlines aligned with sponsor's technical AND BUSINESS objectives, and add qualitative/subjective confidence indicators for such, confirmed at regular intervals AND at inflection points or stage gates).

Lisa: What specific example could you provide for how a sponsor could support the CDMO when staffing shortages or significant turnover add risk to the program?

Allen: This is exceedingly challenging in a CGMP environment due to the training requirements that suppliers must have in place. However, many sponsors have strong R&D expertise (personnel and labs) that could supplement activities at a CMO. I have certainly been involved in instances where the sponsor helped to troubleshoot assay issues in their own lab to free up time for the CDMO to do other work.

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- CDMOs must contend with frequent sponsor visits, audits, and new potential sponsor BD visits, all taking top talent from day-to-day business.
- CDMOs have a much higher turnover than most sponsor companies. This is mainly because working conditions and long-term incentives at CDMOs are often less appealing than working for innovator companies. This translates to a chronic brain drain of talent and even if a sponsor provided excellent training and support during tech transfer, just one year later there may be a need to re-communicate.
- CDMOs have less supportive infrastructure to deal with IT, HR, and other G&A challenges.
- Sponsors often have a team of people in functional roles that may not match up with the CDMO team members.

Understanding these truths will help the sponsor and CDMO manage the challenges. It may be the case that the sponsor must provide more collaborative oversight and process training. It is also important for CDMOs to recognize that high turnover will increase errors and that staffing may need to increase to address this chronic issue.

There is quite a lot to consider when working together in a partnership. There will be issues, there will be surprises, and tensions will certainly grow, but with an educated outlook, a mutual respect for each other's needs and the goals for each partner, you can better navigate through the challenges.

In Part 3 of this series, we will delve into the crucial quality, political, and regional challenges that need consistent attention to build a robust partnership. **CP**

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Kip: Human resource constraints are common whether as a result of CDMO turnover, CDMO business expansion, or CDMO mergers and acquisition. Clearly defining roles and responsibilities early and reinforcing often provides an opportunity to manage closely and prevent impacts and delays. A mitigation tactic that provides great benefit is to document and share the resource matrix showing cross-functional and cross-company (e.g., sponsor and CDMO) roles and resource assignments. Using tools like RACI charts adds great value. And defining back-ups where possible and alternative resources in advance of constraints adds additional risk mitigation for human resource challenges.

Even in the absence of CDMO talent leaving the company or other turnover, CDMOs are known to shift resources across projects, particularly in support functions such as project management and quality assurance. In extreme cases, these support resources are provided to the project from a pool of talent and different personnel may be in each subsequent meeting, challenging strategic alignment and consistency of results. In addition to the stated concerns as a sponsor, this also may have a negative impact on overall team morale, not just at the CDMO. A sponsor must be prepared to re-state their objectives and re-explain the project at every opportunity to prepare for and mitigate risks when (not if) workforce turnover occurs.

Lisa: When building a timeline that might be used for funding purposes, what tactics do you use to ensure the timeline is realistic?

Allen: For me, ensuring the timeline has been vetted by those actually executing the work is critical. Most CDMOs have standard timelines for their work but often times those timelines don't account for staffing levels that fluctuate and other efforts in play at the CDMO. I think it's critical that the timeline be vetted "again" as late in the process as possible but with the actual people executing the work.

Kip: Regular alignment of the timeline at all levels of detail is critical. Project management capabilities cannot be overstated. Having dedicated project managers on both sides (sponsor and CDMO) and aligning regularly from a detailed technical schedule level all the way to executive summary GANTTs absolutely prevents missed expectations. Also sharing overall sponsor goals, business strategy, and specific business objectives in the context of the schedule discussions ensures alignment at all levels of the project organization. For example, having detailed technical resources understand the "why" of an activity adds value in the result and ensures commitment to the objectives.

Lisa: Any other examples that you have taken that would help protect the integrity of the Supplier Partnership?

Allen: I always make it a point to build an open and trusting relationship with my counterpart in the other organization. Our collective job is to maintain the health of the relationship. If we have trust in each other and in turn have the trust of our respective organizations, we can always work through the stressors you highlighted.

Kip: Lack of clarity and alignment on details related to key milestones (e.g., readiness for thaw). For example, the detailed execution of the completion, review, and approval of things like specifications and batch records may deserve micro-management as the project approaches critical operation time points and key inflection points.

Supply chain constraints whether simply from demands by other projects or from something like pandemic conditions presents exception challenges to costs, controls, and alignment. Having dedicated resources focused on things like consumable/material availability and outsourced testing status (to name just a few) is well worth the resource cost.