

SPECIAL FOCUS— ACHIEVING STRONG CUSTOMER PERCEPTION THE CUSTOMER EXPERIENCE

The Nice Insight Pharmaceutical and Biotechnology Survey is deployed to outsourcing-facing pharmaceutical and biotechnology executives each year. Customer Perception (CP) of CRO/CMO/CDMOs is a major focus of the survey. Based on consistently high survey results, Capsugel Dosage Form Solutions is featured in this article to help readers learn more about creating an exceptional customer experience.



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Guy Tiene is Strategic Content Director and Partner at That's Nice LLC. Having worked at That's Nice from 2000 to 2006 as Business Director for many life science accounts, Guy's new role involves the deployment of strategic content across marketing communications, PR, and thought leadership positioning. Prior to his return to the agency, Guy headed global marketing and communications for a large corporate business group in pharmaceutical manufacturing. A New Jersey resident with two grown sons, Guy holds a master's degree from Columbia University.

Survey respondents answer a range of questions based on their outsourcing needs and behaviors. The data provides ratings of company strengths for providers offering similar services based on various criteria, such as buyer group or service type.

The 2015 report includes responses from 2,303 participants who represent big pharma (16%), specialty pharma (20%), emerging, niche, or start-up pharma (9%), large biotech (19%), emerging biotech (14%), medical device (17%), and generics/biosimilars (5%) companies, and have positions in C-suite (17%), operations (17%), manufacturing (16%), quality assurance (16%), R&D/formulation (13%), and data/clinical trials management, purchasing, and regulatory affairs (5%-8% each).

The survey comprises 240+ questions, of which ~35 questions were randomly presented to each respondent in order to collect baseline information with respect to customer awareness and perceptions of the top CMO/CDMOs (~125) and CROs (~75) servicing the drug development cycle in North America, Europe, and Asia.

Respondents to Nice Insight's 2015 Pharmaceutical and Biotechnology Outsourcing survey consider technological innovation to be important for improving key operations within the pharmaceutical and biopharmaceutical sectors. In fact, survey participants indicated that quality control, research and development, manufacturing, distribution, and labeling and packaging would benefit the most in that order.

It should also be noted that most survey respondents (96%) have at least some interest in forming outsourcing partnerships with CMO/CDMOs that adopt state-of-the-art technologies to increase efficiency, safety, quality, and traceability. Specifically, 40% indicated they were interested in partnering with a CMO/CDMO that adopts state-of-the-art technologies, while 31% indicated moderate interest and 25% indicated some interest.

For purposes of the Nice Insight survey, Customer Awareness (CA) describes a potential or current buyer's knowledge of a particular company, product, or service offering. Customer Perception (CP) reflects how a current buyer or prospect rates a company based on information he/she has been exposed to, such as marketing materials and word-of-mouth influence, as well as personal experience. The ranges for the Customer Perception scores are 1-20 = Unsatisfactory, 21-40 = Poor, 41-60 = Average, 61-80 = Good, and 81-100 = Excellent.

The CP score is based on six drivers in outsourcing: Reliability, Quality, Innovation, Affordability, Productivity, and Regulatory Track Record. In addition to measuring customer awareness and perception information on specific companies, the survey collects data on general outsourcing practices and preferences, as well as barriers to strategic partnerships among buyers of outsourced services.

Gaining Market Leadership Through The Creation Of Exceptional Customer Experience

AN INTERVIEW WITH CAPSUGEL DOSAGE FORM SOLUTIONS

The 2015 results of the Nice Insight survey revealed a wide variety of predictable and more interesting findings. Considering the ongoing industry interest in collaboration, strategic partnerships, and overall “customer-centricity,” we decided to take a look at some interesting aspects of the CP findings, including the role of innovation. Focusing on larger CDMOs in the study, we collected the CP figures for early phase services and the ratings given to purchasing/procurement/outsourcing departments.

In the area of Clinical Trial Management/Data Management, Catalent rated 84% (Excellent) for Innovation and Patheon 83% (Excellent) for Reliability. The CP results for R&D/Formulation for Aenova, Capsugel, Catalent, and Patheon were then compared. While Aenova scored highest with an 85% (Excellent) rating for Regulatory, Capsugel scored highest on all other drivers with a total average of 87% (Excellent), and notably with scores of 93% (Excellent) for Reliability, 90% (Excellent) for Productivity, and 88% (Excellent) for Innovation. The Purchasing, Procurement, and Outsourcing departments at Capsugel and Aenova received equal ratings of 85% (Excellent), while Catalent rated 83% (Excellent) for Affordability.

Considering all three of these organizational departments, it is clear that Capsugel rated highest overall with values of 81%, 83%, and 87%, respectively, for Clinical Trial Management/Data Management; Purchasing, Procurement, and Outsourcing; and R&D/Formulation. To gain insight into the reasons behind the excellent customer perception ratings received by Capsugel across numerous departments, Nice Insight spoke to company representatives about what aspects of their business garner them such recognition as a leading CDMO and what they believe drives customer collaboration.

NI: Capsugel has achieved clear success in Customer Perception. At the highest level, to what do you attribute the exceptional ratings given to Capsugel?

AMIT PATEL, President, Capsugel Dosage Form Solutions: It all starts with our vision: to be the leading provider of innovative dosage forms and solutions to healthcare customers around the world. Central to realizing this vision are a solutions-based approach

CAPSUGEL REPRESENTATIVES



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grounded in science and engineering fundamentals, and an “alliance mindset” that positions Capsugel as a true partner rather than just a supplier. As a result, more and more customers are seeking to collaborate with us, starting at the design stage, to achieve their project goals.

Our breadth of technologies and depth of experience make it possible for Capsugel to tailor our support to each customer’s specific needs and identify the optimal solutions that meet their target product profiles and commercial objectives. Customers can rely on us for integrated design, development, and manufacturing support, which serves to reduce costs and complexity when compared with having to access and manage multiple partners. In addition, we often work with customers across multiple technology platforms, projects, and project stages, which oftentimes involves a high level of transparency into their pipelines and strategies, and consequently a high degree of trust.

Capsugel Dosage Form Solutions has received very positive customer response to our new technologies resulting from internal R&D, infrastructure improvements and expansions, and acquisitions. The high perception scores reflected in the recent Nice Insight survey further confirms that we are on the right track. We also believe these scores reflect the benefits realized by our customers – accelerated development times, reduced costs, and most importantly, the fact that they are able to more quickly get innovative, safe, and effective medicines into the hands of the patients that need them.

NI: Please elaborate on what you mean by a “science-driven” approach to problem solving?

JIM NIGHTINGALE, Ph.D., Managing Director, Bend Research: We have always been passionate about high quality science and engineering in our drug delivery research. We focus on developing a fundamental understanding of the problem statement, and our definition of the problem statement is at times different than what our customer may have originally defined. Only through a deep understanding of the

What distinguishes Bend Research/Capsugel is its scientific engineering and problem solving expertise. They remain our number-one partner with regards to product development.

Capsugel Dosage Form Solutions client

physicochemistry of the API and biological properties of the site where the compound is administered – and taking into account the desired product profile, patient needs, potential scale-up issues, commercial objectives, and IP considerations – can an optimal approach and process for meeting a customer's goals be effectively designed and developed.

This type of unbiased approach is possible at Capsugel because we have breadth and depth of technologies as well as human expertise in the form of material scientists, mathematicians, physicists, biologists, chemical and mechanical engineers, and many others with invaluable backgrounds and experience in the fundamental sciences. Our product development teams therefore tend to complement the applied science expertise of our customers, and together we can best design and advance their compounds.

A key factor in Capsugel's continued innovation is having our own internal R&D group – we continually invest in new drug delivery technologies, formulation tools, and processing techniques that incorporate advanced modeling, process optimization techniques, and experimental protocols gleaned from the experience gained in advancing 1,000+ compounds. A good example is our technology selection methodologies, which include models developed from years of investigation, and enable our teams to select optimal enabling technologies and develop prototypes with minimal API requirements.

Our clients also rely on us for process development. The products we design have the end use in mind, and we account for ultimate “manufacturability” at the earliest stages of product development. The same fundamental science approach used in drug design has also been utilized to develop optimal processing techniques, and our emphasis on the science of scale has facilitated the development of phase-appropriate equipment. The application of fundamental science and engineering concepts, incorporating Quality-by-Design (QbD) principles, ensure smooth scale-up and technology transfer to larger equipment and commercial manufacturing.

Because Capsugel uses this science-driven approach across the product development cycle, and focuses on fundamentally understanding the client's problem statement, target product profile, and commercial objectives, we often identify optimum solutions previously not considered.

NI: It's been stated that Capsugel has an “alliance mindset” when dealing with clients in product development — what does this mean?

TREVOR WIGLE, PE, Director of Product Development, Capsugel Dosage Form Solutions: A deep level of trust is the hallmark of our ongoing customer relationships. We often state that “a customer's compound becomes

What makes [them] better?
It boils down to a few things,
including technical competence,
straightforward communication,
a collaborative approach, and
their ability to provide the
flexibility we need.

Capsugel Dosage Form Solutions client



our compound” as we work together to bring it to market. Certainly we strive to have an open, transparent, and collaborative relationship with all of our customers. We also focus on truly understanding them – not just their compounds, but their risk tolerance, how they define success, their specific project needs, the people we interact with on a daily basis, and the patient populations they are serving – so that we can support them in the most effective manner possible.

This type of collaborative relationship allows the back-and-forth discussion required to dig down to the real problem statement for each project, which is the first crucial step in identifying the optimum solution. We have also found that an initial project typically leads to multiple projects and a multifaceted relationship across customer functions and business units, and often incorporates our participation in broader customer pipeline discussions and project planning.

Capsugel's alliance managers ensure the high-level engagement needed to facilitate these types of relationships. Our teams are tailored to the customer teams' strengths and needs, so that we can together reach successful outcomes. Individual projects are supported by multidisciplinary teams whose compositions change in response to the varying needs of projects as they move from the design stage through development and on to commercialization.

NI: Has Capsugel made any recent investments to improve the customer experience further?

AMIT PATEL, President, Capsugel Dosage Form Solutions: Since Capsugel was acquired by KKR & Co (NYSE KKR) in 2011, we have been implementing a strategy focused on innovation and growth, and leveraging core science and engineering strengths. That strategy is reflected in our acquisitions of Encap Drug Delivery and Bend Research, our investment in internal R&D programs targeting novel drug delivery technologies, and our expansion of drug product

**CAPSUGEL CUSTOMER
PERCEPTION (CP) SCORES**

87%
(EXCELLENT)
OVERALL SCORE

93%
(EXCELLENT)
RELIABILITY

90%
(EXCELLENT)
PRODUCTIVITY

88%
(EXCELLENT)
INNOVATION


Source: Nice Insight's
2015 Pharmaceutical
and Biotechnology
Outsourcing survey

design, development, and manufacturing infrastructure. All of our investments are aimed to address our customers' changing needs and their increased reliance on trusted partners to bring better medicines to market.


Our expanded toolkit of advanced technologies has improved our ability to find optimum solutions that meet our customers' target product profiles and commercial objectives. We are also leveraging the core capabilities of our legacy companies to develop innovative solutions to formulation challenges. Some examples include our new lipid multiparticulate technology, based on Capsugel's lipid formulation expertise and proprietary melt-spray-congeal processing developed by Bend Research. Intrinsically enteric capsule drug delivery technology has been developed based on combined polymer science expertise and capsule engineering capabilities. Advanced pediatric and pulmonary delivery solutions leverage our multiparticulate formulation range, particle engineering based on spray drying, and specially designed capsules.

Capsugel has also been investing to expand infrastructure at our colocated product development and manufacturing sites in the US, UK, and France. Over the last two years, Capsugel Dosage Form Solutions has invested approximately \$50 million and added over 100 new colleagues at these sites, and that investment and growth still continues. Our investments reflect our customers' changing needs, e.g., high containment capability for handling highly potent APIs, and flexible manufacturing to accommodate lower-volume applications such as orphan drugs and pediatric dosage forms.

Our most recent investment is a great example – expanded commercial-scale spray dried dispersion (SDD) capacity, and capability for drug product intermediate production at Bend Research (Bend, OR). This expansion includes both development and cGMP capacity to accommodate rapid development and scale-up, QBD studies, and commercial manufacturing inclusive of high containment. As a result, we have combined premier SDD formulation expertise with the largest integrated SDD design, development, and manufacturing infrastructure in North America to support an ever-increasing number of client projects utilizing this technology.

We feel that Capsugel Dosage Form Solutions is an integrated and trusted partner for our clients and is well-positioned to optimally meet their evolving needs. The latest investment in innovation and infrastructure ensures that our clients can increasingly rely on Capsugel as their primary product development partner of choice, accessing an expanding range of solutions from product design through commercialization. We will continue to build on this strong foundation through organic growth, acquisitions, and the formation of additional alliances. 

CAPSUGEL®
Dosage Form Solutions



**THE
RIGHT
SOLUTION
COMES FROM
THE RIGHT
PARTNER.**

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