

Interview: John Sampalis, CEO, JSS Medical Research, Canada



01.09.2013

Tags: [clinical research](#), [CROs](#), [JSS Medical Research](#),

Industry veteran and CEO of JSS Medical research explains what he thinks is going wrong with clinical research in Canada today, how Canadian CROs are losing out at the hands of global CROs, and offers some advice on how to stay in the game.

What are the biggest challenges facing CROs in Canada today?

There is still much fragmentation of the industry. This is becoming less and less appealing to JSS Medical Research's clients, who are downsizing and would rather have a one-stop shop to conduct research. Canadian CROs conducting Phase II and III trials face the challenges of globalization of the business, by which large pharmaceutical companies have forged relationships with large CROs. Regional affiliates are expected to work with those large CROs, therefore denting market availability for Canadian CROs. In the absence of business, smaller Canadian CROs cannot expand their service offering, and will stay small, become smaller or disappear. This affects the entire principle of why research is supported by the Canadian government, which is to provide work to local CROs and universities and promote that research activity and development in Canada. Large pharmaceutical companies engaging global CROs goes against this mission. Additionally, because JSS Medical Research's clients are asking for more consolidated services, many existing CROs lack the expertise to provide these services. Consequently, they must outsource many parts of projects, and this affects their business model.

What advice might you give to the government in terms of restructuring the model to allow more growth for local CROs?

I would try to understand the rationale between the globalization of CRO services and big pharmaceutical companies. It has already started to break apart in the big pharmaceutical model because regional affiliates are starting to be dissatisfied with the results for their regional needs. There must be an effort to repatriate some of that work to Canadian companies. Secondly, Canada needs to come up with an accreditation process for CROs. I would even support the licensing of CROs by which the government puts certain standards for what is required to function as a Canadian CRO. This might eliminate some CROs or force some of them to merge, but this standardizes the quality and puts Canadian CROs at a very competitive level with larger ones. If you have an accreditation process and have been licensed by Health Canada to conduct research, at least at the level of quality and service offering, you become globally competitive. At the moment there is no such process. This is a weakness for many CROs that lack that expertise; they will not be able to attract business.

How do you stay one step ahead of the competition in terms of attracting patients?

Competition for attracting patients has not affected JSS Medical Research because the company is a service offering that is very different from the kind of research that Quintiles and PPD offer. Those companies run a commodity-based CRO business, essentially processing patients and producing data. JSS Medical Research is not a commodity-based CRO; the company offers services ranging from the conception of clinical programs, design of studies, understanding the treatment and knowledge gaps that exist that help clients address these difficulties, and producing research that is beneficial to clients, healthcare providers, patients and governments. This places JSS Medical Research more as a consulting organization rather than a commodity-based CRO. That is why the company has been able to sustain growth and gain international recognition.

What have you been able to bring from your expertise to this position here at JSS Medical Research?

The transition from the academic epidemiology world to the needs of the industry is an easy one. The industry needs sound clinical research based on the methodologies we learn as clinical epidemiologists. I think that is important because ultimately JSS Medical Research has to deliver good science.

The growth of the company has been a product of the demand from industry clients, including pharmaceutical companies, governments, universities and hospitals. JSS Medical Research started

as a small consulting group for pharmaceutical companies as an academic entity. Over the years, the demands of the industry have increased. JSS Medical Research responded by evolving into an independent CRO, and extended its scope to activities like data management, logistics, quality assurance, monitoring, and project management. In the last five years, demand from clients has expanded outside of Canada and the company expanded internationally. These milestones were driven by client and industry demands, and always employed sound scientific standards tied into academic credentials and code of conduct by universities with which JSS Medical Research is affiliated.

How can industry, hospitals, universities and government agencies benefit the most from the research JSS offers?

All four benefit equally. You cannot disentangle the potential benefits of a good research study, particularly post-marketing. We have to keep the returns on investments for stakeholders in mind. The industry invests in research because it needs to create revenue for shareholders and to generate new ideas, product and treatments. Through its profits, the industry finances and supports a good part of academic research where they have no involvement. This is particularly helpful given the declining availability of government grants.

Patients also benefit from this work. Through good post-marketing research, physicians, governments and pharmaceutical companies understand how to best use marketed medications or interventions. Healthcare providers benefit because they learn how to better manage their patient. JSS Medical Research helps providers transition from a prescription-based to a disease-management practice of medicine. In a survey of 400 doctors in the company's post-marketing research, 80 percent said that participating in that study helped them to use medicine more efficiently. The same proportion understood the importance of compliance and is spending more time talking to patients about taking medication properly, for chronic conditions that have a significant burden of illness. Healthcare providers, patients and the industry all benefit. The government and third party payers ultimately benefit because they optimize their return on investment in buying these drugs.

Much of what we do is identifying where treatment gaps are and making suggestions about possible programs, either patient support programs, compliance programs, or physician education programs – how to use medication which ultimately helps everyone.

What strategic advantages does providing a full range of services in multiple therapeutic areas bring in this Canadian context?

To a great extent, the success of JSS Medical Research has been based on the company's proximity to its clients. JSS Medical Research has seen its clients through difficult times and the company exists to solve their problems and offer solutions. The company has executed rescue analysis with some of clients, such as smaller biotech companies facing problems with FDA or Health Canada submissions. JSS Medical Research was able to secure them a lifeline. This attitude towards clients differentiates the company. While JSS Medical Research might lose business to Quintiles or PPD, or similar sized CROs, I believe that the company has a good portion of the business. 70-80 percent of business comes from repeat clients, which is an indicator of the quality of work here. JSS Medical Research is the client's partner from beginning to end.

JSS Medical Research is currently working in 15 countries spread around the world.

What is the scope of activities going on in these countries?

It is epidemiological research; 60 percent of activities are epidemiological: understanding treatment gaps, burdens of illness, and health economics analysis for emerging products. This also includes pre-launch activities. The other 40 percent is clinical trials and assessing new medications.

What advantages have your recent joint venture with Venn Life Sciences brought in terms of transatlantic collaboration in clinical research?

It is still in initial phases because Venn has recently restructured itself. I expect that this joint venture will allow JSS Medical Research to expand services in Canada to the European affiliates of clients in the coming years. Given the economic crisis in Europe, this timing works well. These companies will need to answer questions about health economics and value added to certain products.

What are your hopes for the future development of the company?

JSS Medical Research will consolidate its position in Canada as the leading Canadian-owned CRO. With respect to international expansion and acquisitions, the company will have evolved into a larger, niche CRO. The company might be perceived as a consulting organization that helps its clients design and execute research programs rather than a CRO. With the current succession plan in place, JSS Medical Research will grow into a company that bridges academic and industry research. This is based on scientific excellence, and the company will continue that mission on a global level.

As an academic, do you miss the hands-on research?

I still am hands-on in academic and industry research, and am still involved with some projects. I still do statistical analysis and write papers, both as an academic and CEO of JSS Medical Research. I spend more time now at higher levels talking with partners and finding new ways to finance growth.

With respect to work, I usually find myself thinking about a problem that I have to solve scientifically. Either I or my staff will find ways to implement solutions. I am regularly in touch with clients to recommend such solutions. Reading about others' discoveries in journals also provides new solutions. Essentially, curiosity is the greatest motivator.

[See more interviews](#)