

Outsourcing Laboratory Practices

V.K. Bafna

Managing Director
TCR Engineering Services



www.tcreng.com

The World is Flat

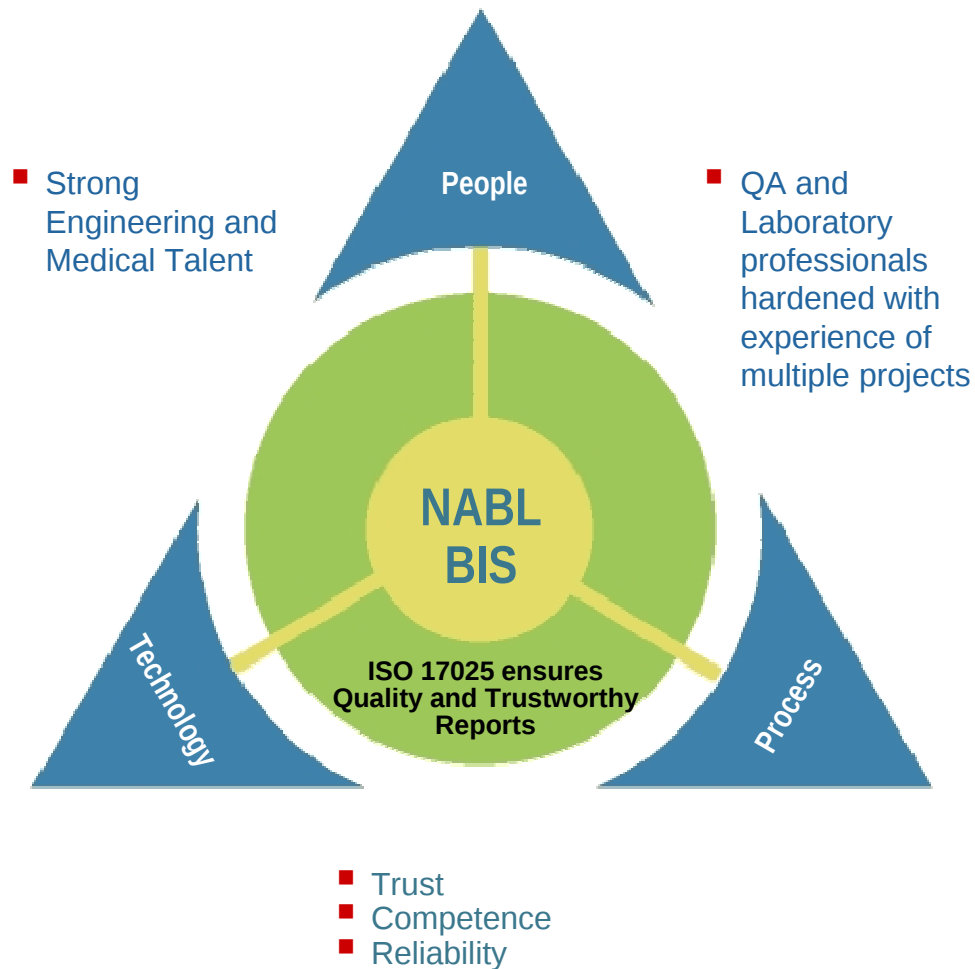


- Outsourcing to India...Beyond Information Technology
 - Clinical Trials
 - Medical Transcription
 - Legal Services
 - Laboratory Services
 - Contract Research
- Lab outsourcing
 - Conducting quality control testing or other analytical services associated for an industrial site, such as a chemical plant, refinery, consumer product, corporate research & technical center, medical, food processor or other business.

In-house Vs. Outsource Lab

- In-house laboratories provide essential services, but such labs are expensive to operate and assets are under-utilized
 - Global shortage of good laboratory and QA professionals
- Outsourcing the lab function reduces overhead and operating costs while the company continues to benefit from needed laboratory services
 - Test Standards or Custom Requirements must be created
 - ◆ Initial adaptation costs
 - Faster to adapt new techniques to test or research
 - ◆ New Government Policies allow Indian Labs to procure state-of-the-art test equipment
 - Accreditation of laboratories in India by NABL to ISO 17025 standards provide global recognition

Advantage India



- **Ability to organize diverse teams under one roof comprising of chemists, metallurgists, engineers**
- **Ability to expand on test reporting to include contract research if necessary**
- **Reporting can be tailored to meet global or client specific requirement**
- **Test Samples are shipped under 3 days from USA or Europe**

Technologies are constantly changing and independent labs are generally better able to keep up with the latest technological advances. In their third-party position, outsourced labs can also add to the ultimate product credibility via their independent test results.

Opportunities in the Market Place

- Exploring New Fields
 - Existing Labs must prepare themselves to address the growth anticipated by global outsourcing
 - ◆ Improve test equipment, reporting and company talent
- Pricing Models
 - Competitive Global Landscape
 - ◆ Enterprises derive maximum benefit from sending test samples to Indian Labs which offer lower costs
- Training and Adapting
 - Knowledge Transfer between enterprises and outsourced labs
- Increased Revenue Streams
 - Earn more revenue than domestic India-based Customers
 - Newer Business Models to include
 - ◆ Product or Material Testing, Clinical Testing, Pharma Testing
 - ◆ Contract Research

Targeting Prospective Customers

- Industry Verticals

- Metallurgical, Pharmaceutical, Chemical, Food and Agricultural Products, Minerals, Ceramics & Refractory

- Global Regions

- Developed World
 - ◆ USA, Europe, Asia-Pacific
- Middle-East
 - ◆ Fewer Labs than in USA or Europe in this region
 - ◆ Closer to India
- Under-developed Nations
 - ◆ Bangladesh, Nigeria, Kenya,, Uganda
 - Outsourcing for them is a must to ensure quality

- Reaching out

- Innovating Advertising and Marketing Strategies must be adopted
 - ◆ Internet Exposure
 - ◆ Advertising in Professional Journals
 - ◆ Participating in Professional Conferences and Seminars
 - ◆ Press Releases and Public Relations
 - ◆ Conducting Training Courses and Workshops

Challenges and Value Addition

- Challenges

- Getting Qualified & Trained Man Power
- Retaining Trained Manpower
- Obtaining and maintaining sophisticated instruments
 - ◆ Financial Costs
- Meeting deadlines
 - ◆ Customers seeking faster responses

- Value Addition to Lab Services

- Providing consultancy in respect of Observations / Test Results obtained.
- Suggesting relevant additional tests / investigations which can help achieve customers QA and R&D goals.
- Using Computer Science to make in-depth presentation of test observations
- Conducting seminars and talks at customers' site and making their staff aware of your activities and how your activities can be of help to them.

Common Questions Posed By Customers

- Criteria while choosing an Outsourced Laboratory in India
 - The lab's experience in the business.
 - How much experience do they have in the specific kinds of testing you require?
 - Do they have the right kind of equipment to efficiently perform the tests you need?
 - Logistics and the mechanics of delivery must be taken into account. Is the estimated turnaround time acceptable?
 - Is rush service available? Does the lab provide pickup and delivery for your supplier / manufacturer?
 - Does the laboratory have online access to deliver results? Look at the depth of the lab's staff and equipment.
 - Is there back-up equipment available? What kind of reputation and accreditation does the lab have?
 - Does the staff have visas and travel permits to visit the on-site locations

Questions?

Email: vkb@tcreng.com



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