

360 [degrees] feedback -- improving the selection process all the way around: sponsors can use 360 [degrees] feedback to rate a contract research organization (CRO)'s performance or to evaluate employees. In either instance, it can lead to a better partnership and relationship. (Contract Services).

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Pharmaceutical companies typically evaluate both current and potential CRO partners using a linear process. The feedback flows only one way -- from sponsor to vendor -- and may be restricted to people in management positions.

Traditionally, 360 [degrees] feedback is used in corporations to give individuals feedback about their performance. Input is provided from a range of colleagues who interact regularly with the person being evaluated, including supervisors, coworkers, and subordinates who are representative of the stakeholders in the person's performance. Howard Williams, executive consultant with Personnel Decisions International (Boston, MA) says the 360 [degrees] approach has two major advantages: first, the subject receives a more extensive evaluation than typically is given in a linear supervisor-subordinate assessment; and second, because multiple observers are used, the information is more likely to be accurate than the information gathered during traditional evaluation processes.

Williams makes the case for using 360 [degrees] feedback both for choosing new CROs and rating existing ones. "360 [degrees] feedback can lead to a better partnership and a better relationship" claims Williams.

Core criteria

Sponsors can effectively use 360 [degrees] feedback to rate a CRO's performance, says Williams. Ideally, this process would be linked to the selection process for evaluating potential outsourcing partners.

The evaluation process should be linked to the core criteria that are required for a vendor to successfully execute a project. Sponsors should list the essential tangible and intangible characteristics that the project requires for successful execution by the CRO. Leadership skills, technical knowledge, plant capacity, turnaround time, and financial outlay are examples of areas in which core criteria should be examined, notes Williams. "Basically, you're asking, 'What do we want in a partner?'" he says. The criteria also should reflect a company's long-term values and what it expects from its outsourcing partners. To establish the criteria, it may be necessary to form an internal focus group that identifies the key needs and values it expects a vendor to match.

Once the core criteria are in place, the company can link them to the 360 process. At this stage, a sponsor team is selected to evaluate the CRO in each area of the core criteria model. The evaluators should come from various departments -- research and development, marketing, manufacturing, etc. -- and should range from executives to project managers to line workers.

"Anyone with a stake in the project's success should be involved," says Williams. He suggests choosing people diagonally -- in other words, avoid putting people on the team who directly report to each other. "If we can get stakeholders at different levels, we get a better mix than if we do it horizontally." The mix is important because each

department and level brings a different perspective to the evaluation process.

"You may even go outside the organization in some cases" he suggests. This may include getting feedback from the CRO's existing clients or from consultants who regularly help sponsors manage studies.

No matter who is doing the evaluating, Williams prefers to restrict the size of the team. "We like to use between four and six observers," he says. Less than four, and feedback isn't accurate; but once the team gets into double digits, the feedback tends to be redundant.

The team members rate the vendor on the basis of the established core criteria. Once the feedback has been compiled, it can be analyzed in various ways depending on the sponsor's needs, says Williams. When used for vendor selection, the feedback can identify the vendor that most closely matches the required core criteria.

Planning for development

Whether 360 [degrees] feedback is used to choose a vendor or to evaluate an employee, it's essential to follow through with a development plan. "Otherwise, what's the point?" asks Williams.

For a CRO, the initial 360 [degrees] process serves as a baseline. Although it may indicate that the CRO has the necessary capabilities and qualities to carry out the project, the preselection 360 [degrees] feedback evaluation will identify areas that the CRO should work on -- and that the sponsor should monitor -- during implementation. Once the project is completed, a postproject evaluation can establish what worked, what didn't, and what should be improved.

But a postproject evaluation also should be a two-way process. "Yes, it's a form of benchmarking -- how the CRO stacks up, and what it can do better," Williams says. "But to build a better partnership, feedback has to come from the CRO as well."

Ideally, another 360 [degrees] feedback session should be scheduled about a year after the original baseline evaluation. This one should be conducted using evaluators from both sides, and both the CRO and the pharmaceutical company should be reviewed. After the data have been collected, the two parties should meet.

"You want both sides to sit down in the same room and talk," says Williams. The session should end with a three-column list -- what works, what doesn't, and what is a priority for improvement. The group should formulate an action plan outlining what steps will be taken, and by whom, to bring about the required change. Typically, such a session would be driven by the sponsor, notes Williams, but he argues that there should be a joint chairperson at that point. "If you can get to this stage, it's a great way to see where the companies stand," he says.

Unfortunately, many companies who start the 360 [degrees] feedback process aren't willing to put the required resources behind it. An internal champion is essential, notes Williams. Without a high-level person to make things happen, it's likely the process will stall before it reaches the feedback session.

Seeing improvements can take time. But Williams, who has used the process at companies ranging from new dot-coms to global financial institutions, argues that most clients find the investment worth it.

"If a company can connect its recruiting, selection, and development processes to 360 [degrees] feedback when selecting their staff, they'll see major changes in productivity.

When used to select vendors, they'll see improvements in cost reductions, timelines, and quality," he says.

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