

FROST & SULLIVAN



2022 CUSTOMER VALUE LEADER

*ASIA-PACIFIC
CONTRACT RESEARCH
ORGANIZATION INDUSTRY*

Best Practices Criteria for World-Class Performance

Frost & Sullivan applies a rigorous analytical process to evaluate multiple nominees for each award category before determining the final award recipient. The process involves a detailed evaluation of best practices criteria across two dimensions for each nominated company. Avance Clinical excels in many of the criteria in the contract research organization space.

AWARD CRITERIA	
<i>Business Impact</i>	<i>Customer Impact</i>
Financial Performance	Price/Performance Value
Customer Acquisition	Customer Purchase Experience
Operational Efficiency	Customer Ownership Experience
Growth Potential	Customer Service Experience
Human Capital	Brand Equity

Asia-Pacific Contract Research Organization: Market Overview

Asia-Pacific’s (APAC) large regional population density and diversity renders it a highly attractive clinical trial destination. The APAC region, which includes countries like India, China, and Australia, provides a 35% to 50% cost advantage over Western countries such as the United States. A highly profitable region for outsourcing, the APAC contract research organization (CRO) market has seen more than a 30% increase in clinical trial activity over the last three to four years. The region effectively addresses language barriers and supports early-stage research.¹

Frost & Sullivan identifies APAC as one of the fastest-growing CRO markets globally, both in terms of clinical and non-clinical CRO services, with an estimated value of nearly \$8 billion in 2021. Main market drivers include a significant cost advantage, supporting infrastructure, the growing number of specialty CROs, and wide-ranging patient diversity mirroring western nations’ disease prevalence. Frost & Sullivan forecasts a compound annual growth rate of 15.9% from 2021 to 2027.²

Avance Clinical: The CRO for Biotechs

Founded in 2009 and headquartered in Adelaide, Australia, Avance Clinical is a leading CRO within APAC. The company provides in-depth clinical research services to local and international drug developers.

¹ *Global Contract Research Organization (CRO) Market, 2021-2027* [Unpublished], Frost & Sullivan.

² Ibid.

With over two decades of experience, Avance Clinical partners with biotechnology (biotech) sponsors in the early phases of their drug development. It delivers prompt, adaptive, client-oriented solutions and customizes its delivery based on its client's needs rather than the “one-size-fits-all” approach, which is a key differentiator.

Avance Clinical’s business model primarily supports small to medium-sized biotech companies in their Phase I and II clinical trials. With an experienced 260+-strong specialist team across key therapeutic areas, the company has played a vital role in more than 200 early-phase clinical trials conducted over the last

“The company [Avance Clinical] builds its clinical trial offering by collaborating closely with state-of-the-art technologies and world-class partners to exceed market needs and trends. Specifically, it works with Medrio, Medidata, IBM, and Oracle, delivering regulatory-compliant tools which enable clients’ to rapidly progress from the pre-clinical stage to Phases I through III.”

*- Azza Fazar,
Best Practices Research Analyst*

five years. Avance Clinical consistently delivers high-quality, customer-centric services which is highlighted by its 74% repeat business rate.³ Its highly knowledgeable scientific team, successful quality control and assurance framework, and project managers with substantial experience from working with over 100 global biotech and pharmaceutical (pharma) organizations are the backbone to its high-quality services and customer satisfaction.⁴

In 2020 and 2021, Frost & Sullivan recognized Avance Clinical for its innovative solutions, growth strategies, and brand equity and remains impressed with the

company’s continuing innovation and sustained leadership. Since this recognition, the Adelaide-based CRO has rapidly grown in Australia and expanded to New Zealand and larger Asian markets. It also recently entered the United States (US) market with a significant acquisition of and established US CRO.

Roadmap to Success: Customer-centric, Continuous, Proactive

Avance Clinical’s business model centers on supporting biotechnology companies in the early phases of clinical trials to get medicines to patients faster. It connects experienced domain and operational knowledge with advanced technology to facilitate deploying its trial solutions to clients.

The company builds its clinical trial offering by collaborating closely with state-of-the-art technologies and world-class partners to match and exceed market needs and trends. Specifically, it works with Medrio, Medidata, IBM, and Oracle, delivering globally recognized, regulatory-compliant tools which enable clients’ to rapidly progress from the pre-clinical stage to Phases I through III.

These technologies have also enabled the company to deliver high quality eClinical solutions to their clients, supporting their clinical development pathways with quality data accepted by global regulators.

Avance Clinical’s data management team customizes, monitors, and reviews all material, ensuring a tailored solution is delivered through the use of quality electronic data capture platforms. The data generated has been tried and tested many times over as accepted by global regulators.

³ Frost & Sullivan interview with Avance Clinical, July 2022.

⁴ <https://www.avancecro.com/about/about-the-team/>

Avance Clinical's frictionless methods and close relationships position it as a partner of choice. With a legacy of industry leadership, the company's compelling value proposition underpins its sustained success.

Customer-focused Growth Strategy

Avance Clinical's approach goes beyond its extensive expertise and best-in-class capabilities, with customer value as a strategic imperative. Through the years, the company has earned an outstanding reputation supporting clients' path toward seamless clinical trial execution.

Avance Clinical entered 2022 with solid US expansion program which is also known as Global Ready, backed by a recent investment from The Riverside Company (Riverside) in November 2021. The investment values Avance Clinical at over \$200 million.⁵ Riverside's investment allows the company to accelerate its clinical trial business. The Global Ready initiative launched in 2022 offers a seamless transition from Australia to North America for biotech's planning on FDA approval.

"We were highly attracted to Avance's leading management team, who has secured blue chip customers from across the globe, providing them world-class services. Riverside brings decades of global life sciences experience, which we will leverage to support Avance's growth objectives further, focusing on North America and Asia."

– Nick Speer, Riverside Partner⁶

Avance Clinical's client-base is 65% US biotechnology companies, and about 30% Asian biotechnology companies.⁷ Many clients take advantage of the Australian landscape and quality FDA-accepted data for

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early Phase clinical trials then transition to the US to progress approval from the FDA. Its presence in the US and its GlobalReady initiative facilitates the flow of client trials through Australia to the US.

At the same time, Avance Clinical incorporates client feedback into its strategic decisions and implementation plans to maximize short-term growth opportunities while providing a path to future revenues. Biotechnology firms seek partnerships with a strong sense of team unity. The company strives to support its biotechnology clients early in clinical trials with deep scientific expertise.

Additionally, Avance Clinical's medium size (over 260 employees) makes it easy for clients to gain support from senior management, delivering an unparalleled customer experience.⁸ Its seamless and non-adversarial approach and close relationships position it as a partner of choice.

⁵ <https://www.pharmiweb.com/press-release/2022-03-31/avance-clinical-announces-new-office-opening-in-melbourne>

⁶ <https://www.afr.com/street-talk/riverside-snaps-up-avance-stake-joins-hot-clinical-trials-sector-20211108-p5970x>

⁷ Frost & Sullivan interview with Avance Clinical, July 2022.

⁸ Frost & Sullivan interview with Avance Clinical, July 2022.

Positioned for Growth

Since its inception, Avance Clinical's reputation for excellence and customer-centric framework has delivered its coveted preferred partner status. Over the years, it has added a range of new clients to its established base. As a testament to the company's high client satisfaction rate, Avance Clinical acquires many of its customers through word-of-mouth, fueled by its exceptional scientific expertise, operational strategies, and client support.

"We have shown, with our high growth and industry-leading repeat business rates, that our focus on gold standard technology paired with solution-orientated clinical experts is the mix our biopharma clients require in this fast-moving, competitive, and high-stakes sector."

– Yvonne Lungershausen, Chief Executive Officer, Avance Clinical⁹

In 2021, the company reported 65% growth in 2020. Aside from doubling its employee headcount, it also focused on expanding within Australia and the US.¹⁰ In 2022, Avance Clinical opened new offices in Melbourne, Sydney, and San Diego, supporting its growing clinical team in the greater Melbourne region.

The company's financial success is a testament to successfully delivering its robust offerings and clinical programs. It seamlessly offers a comprehensive suite of systems, providing high-quality clinical outcomes through investments in the latest technology. Avance Clinical enables clients to review data using Medical Dictionary for Regulatory Activities for coding, Phoenix WinNonlin for pharmacokinetic and pharmacodynamic analysis, statistical analysis software, and Clinical Data Interchange Standards Consortium capabilities.

The company's impressive growth momentum and trajectory hinge on its customer-centric approach, revolutionary services, and exceptional growth strategies, earning its clients' trust and loyalty. Frost & Sullivan believes Avance Clinical is well-positioned to drive the CRO space into its next growth phase, capturing market share and sustaining its leadership in the coming years.

⁹ <https://www.pharmiweb.com/press-release/2022-03-31/avance-clinical-announces-new-office-opening-in-melbourne>

¹⁰ Frost & Sullivan interview with Avance Clinical, July 2022.

Conclusion

Avance Clinical incorporates client-focused strategies and exemplifies best practice implementation. It dedicates its business to supporting medium-sized biotechnology companies across Asia-Pacific (APAC) and the United States (US). The company focuses on closely collaborating with technology pioneers such as Medrio, Oracle, IBM, and Medidata, making regulatory-compliant tools available to its clients during their early phase clinical trials.

The COVID-19 pandemic made the digitalization of decentralized clinical trials by contract research organizations in APAC more critical than ever, and Avance Clinicals' offerings were readily available to accommodate this need. Its strong leadership focus incorporates client-centric strategies and superior implementation. Moreover, compared to other contract research organizations, Avance Clinical provides the care and attention that clients require. As a mid-sized CRO, clients have access to a broad range of specialist services and in-house therapeutic expertise as week as the senior management team.

This overall customer-first approach offers immense value to existing and new customers and solidifies the company's position in the market. Avance Clinical remains a trusted partner, earning a reputation for delivering the overall best in the CRO industry. With its strong overall performance, Avance Clinical earns Frost & Sullivan's 2022 Asia-Pacific Customer Value Leadership Award in the contract research organization industry.

What You Need to Know about the Customer Value Leadership Recognition

Frost & Sullivan's Customer Value Leadership Award recognizes the company that offers products or services customers find superior for the overall price, performance, and quality.

Best Practices Award Analysis

For the Customer Value Leadership Award, Frost & Sullivan analysts independently evaluated the criteria listed below.

Business Impact

Financial Performance: Strong overall financial performance is achieved in terms of revenues, revenue growth, operating margin, and other key financial metrics

Customer Acquisition: Customer-facing processes support efficient and consistent new customer acquisition while enhancing customer retention

Operational Efficiency: Company staff performs assigned tasks productively, quickly, and to a high-quality standard

Growth Potential: Growth is fostered by a strong customer focus that strengthens the brand and reinforces customer loyalty

Human Capital: Commitment to quality and to customers characterize the company culture, which in turn enhances employee morale and retention

Customer Impact

Price/Performance Value: Products or services provide the best value for the price compared to similar market offerings

Customer Purchase Experience: Quality of the purchase experience assures customers that they are buying the optimal solution for addressing their unique needs and constraints

Customer Ownership Experience: Customers proudly own the company's product or service and have a positive experience throughout the life of the product or service

Customer Service Experience: Customer service is accessible, fast, stress-free, and high quality

Brand Equity: Customers perceive the brand positively and exhibit high brand loyalty

About Frost & Sullivan

Frost & Sullivan is the Growth Pipeline Company™. We power our clients to a future shaped by growth. Our Growth Pipeline as a Service™ provides the CEO and the CEO's growth team with a continuous and rigorous platform of growth opportunities, ensuring long-term success. To achieve positive outcomes, our team leverages over 60 years of experience, coaching organizations of all types and sizes across 6 continents with our proven best practices. To power your Growth Pipeline future, visit Frost & Sullivan at <http://www.frost.com>.

The Growth Pipeline Engine™

Frost & Sullivan’s proprietary model to systematically create ongoing growth opportunities and strategies for our clients is fuelled by the Innovation Generator™.

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Key Impacts:

- **Growth Pipeline:** Continuous Flow of Growth Opportunities
- **Growth Strategies:** Proven Best Practices
- **Innovation Culture:** Optimized Customer Experience
- **ROI & Margin:** Implementation Excellence
- **Transformational Growth:** Industry Leadership



The Innovation Generator™

Our 6 analytical perspectives are crucial in capturing the broadest range of innovative growth opportunities, most of which occur at the points of these perspectives.

Analytical Perspectives:

- Mega Trend (MT)
- Business Model (BM)
- Technology (TE)
- Industries (IN)
- Customer (CU)
- Geographies (GE)

