Economics of Contracting
Statisticians in the Pharmaceutical Industry

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Nth Analytics
Pharmaceutical Statistician
Job Responsibilities

- Perform analyses using SAS
- Write Statistical Analysis Plans
- Validate programmer’s work
- Write statistical sections of CSRs
- Negotiate statistical issues with clinicians
- Responsible for accuracy of reports and analyses
Job Requirements

- Minimum MS Statistics
- Pharmaceutical Experience
  - or clinical trial experience
- Ability to work independently
- Good phone skills
- Professionalism
Career Path
Contractor to Employee

Most large companies have 1-2 year limit for contractors

- Convert to permanent employee, or
- Move to a contractor job at another company
Sample 5-Year Career Path
Permanent Employee

- Pharmaceutical industry is a small community
  - A good professional reputation is critical
  - Networks of friends are very important
<table>
<thead>
<tr>
<th>Company</th>
<th>Duration</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Company 1</td>
<td>1 year</td>
<td>$50/hr</td>
</tr>
<tr>
<td>Company 2</td>
<td>6 months</td>
<td>$45/hr</td>
</tr>
<tr>
<td>Company 3</td>
<td>6 months</td>
<td>$45/hr</td>
</tr>
<tr>
<td>Company 4</td>
<td>18 months</td>
<td>$60/hr</td>
</tr>
<tr>
<td>Company 5</td>
<td>3 Months</td>
<td>$50/hr</td>
</tr>
<tr>
<td>Company 6</td>
<td>9 Months</td>
<td>$55/hr</td>
</tr>
<tr>
<td>Company 1 (second time)</td>
<td>1 Year</td>
<td>$55/hr</td>
</tr>
</tbody>
</table>

- Frequent moves due to 1 year limits on contractors
- May require relocation
- Worst of both worlds
  - Don’t have the benefits of a permanent employee
  - Don’t get the tax breaks for business owners
Economics of Contracting

$85 Client → Consulting Agency

Direct Costs

$7 Payroll Costs (SS, Medicare, Misc.)

$1 Insurance

$40 Contractor

$48 Total

Gross Profit = $37

Indirect Costs

Office Rental, Recruiters, Advertising, etc. = $20

Net Profit = $17 or 20%

Annualized Net Profit:

40 hours x 48 weeks x $17 = $32,640

Assumes no benefits and no paid vacation. Benefits are subtracted from contractor’s rate to maintain gross profit. For example, two-week paid vacation would reduce contractor’s rate to $36.50/hr.