

LIFE SCIENCES REPORT

Fixed Term Contract (FTC



October 2020

Introduction



UK Life Sciences Industry experiences 35% increase in Fixed Term Contract (FTC) roles during Q3 this year

Our latest report on the life sciences industry and vacancy landscape shows some interesting, if not unexpected trends. Since the Spring of 2020 we have seen a significant increase in vacancies coming out via Fixed Term Contracts (FTC) and year to date have seen an increase of 14% versus 2019 in the UK and a 24% increase in FTC roles in Europe. In fact, from July this year until September we saw a Q3 jump of 35% increase of FTC roles in the UK and 42% in Europe.

During times of global change, we generally see a significant shift to temporary labour models of employment versus permanent. As businesses navigate the immediate crisis, in this case the global pandemic, life sciences firstly focus on safeguarding employees and patients and as a result we can currently see a move to charting a recovery pathway. Whilst there is still a huge risk with Covid-19 and infection we are seeing adaptations to the product development process.

On the backdrop of the current disruption there is limited appetite in high volume permanent recruitment and therefore the shift to FTC is not unusual, but even so the volume increase is still significant. We have seen particular surges in open vacancies within Regulatory Affairs with new regulatory guidance and parameters released on an ongoing basis as a rapid response to the challenges and industry. Worthy of a mention in terms of upward trend in hiring is also connected to Clinical Development with an increase of vacancies by 16% since 2018 with a growing trend in 2020. With additional feedback and evidence of the crisis diverting executive attention from normal business, R&D leaders say they are spending an average of 40 to 50% of their time on crisis management. As attention diverts to the crisis, critical hires are still required and the lower risk and faster timelines for starting are a key influence on taking on FTC candidates.

So, what is the next part of the journey? With the potential of a vaccine coming through from Pfizer, this allows the stock market to get excited and starts to build confidence in industry to start looking at the “new normal”. Rather like a hangover from a crazy night out, there is a requirement to get ourselves in recovery and plan to never fall victim to the unexpected behaviours exhibited whilst “under the influence”. In real terms shaping the new world will involve reimagination. Building on the innovations that have been rapidly introduced during the Covid-19 crisis in order to create a more sustainable, patient-centric development paradigm. Whatever a new and more sustainable world looks like, none of us have time to pander to our hangover and take a day out. New working practices and technology has been knocking at the door of life sciences for a long time, Covid-19 will definitely be the trigger for a faster drive forward for the majority of businesses and as Executives revert from crisis management to business change, it will be interesting to see the emerging change accelerated by necessity, who we all know to be the Mother of all invention.

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Overview

03

As the COVID-19 crisis rages, so businesses are changing the way they hire to enable them to deliver. While remote working has been the topic of much debate, especially as across Europe, Governments advise people to work from home where possible, just as interesting is the way businesses have been shifting to hiring on a fixed term basis. Indeed since the pandemic started, we have seen the following trends emerge:

- Already before 2020, there had been a trend to increasing numbers of FTC roles, however since spring this has accelerated. In the UK FTC roles are up 14% on last year, where across the EU this is even greater, at 24%.

- Similarly, across both the UK and the EU, Q3 2020 has proven to be a record quarter, with volumes in the UK up 35% compared to 2019, while in the EU, the increase has been 42%.

- Similarly, the percentage of vacancies that are FTC has also risen. In 2018, within the UK, 5.85% of the vacancies were FTC, while in this year so far this rose to 7.92%. In the EU, 7.18% of the vacancies were FTC, whereas in 2020 this has been 9.63%.

Insofar that normally businesses move to recruiting through fixed term contracts during times of economic uncertainty, for the pharmaceuticals sector, the big question will be whether this is a short term blip or part of a longer term trend. Given the fact the sector has been impacted significantly less than others during the COVID crisis could this just be caution or does it signal a longer change in how businesses want to hire?

FTC vacancies 2018 - 2020

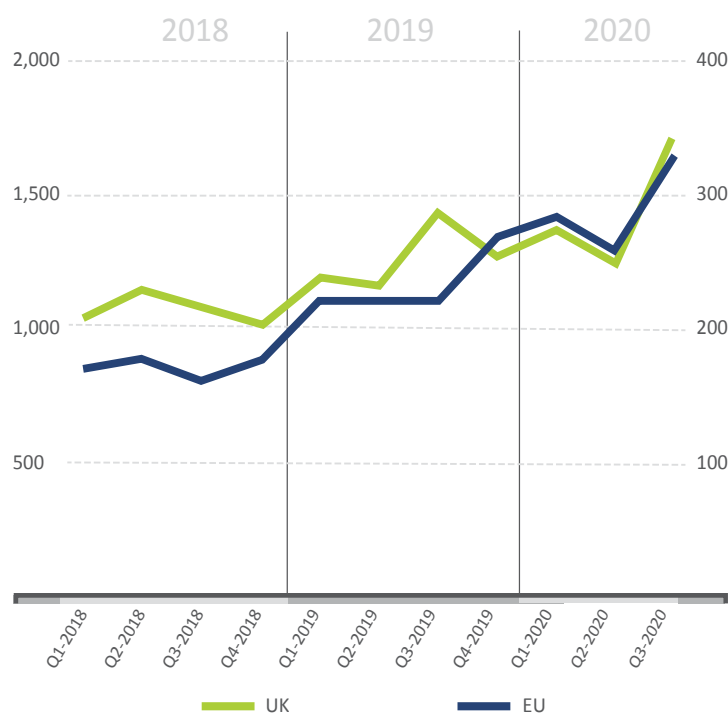


Fig. 01

Percentage of Vacancies that are FTC - All Professionals

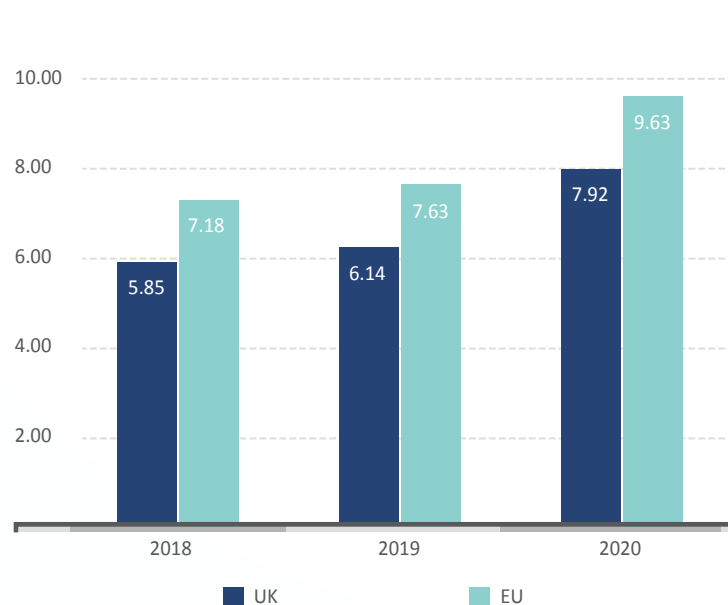


Fig. 02

Analysis by Sector

04

While across all sectors, there has been an increase in FTC roles of 36% since 2018 within the UK, there has been a marked change in Biotechnology specifically. Indeed within the sector we can see volumes are up 81.8% since 2018 in the UK, compared to 20.8% within Big Pharma. The Clinical Research Organisations have also had an uplift, with FTC vacancies up 54%. This has meant that overall, the average monthly increase in 2018 is 35%.

What this has meant is that while in 2018, the Biotechnology sector accounted for 14.2% of the new FTC vacancies, by 2020 this had risen to 19%. Similarly, the share of FTC vacancies within CROs has increased from 19.5% to 22.1%. In contrast, the share of FTC roles within the Big Pharma companies has dropped from 66% to 59%.

We see a similar trend when analysing activity in the EU, equally there are a few distinct differences. First of all, there has been an explosive increase in the number of FTC vacancies within the Clinical Research Organisations (13x increase since 2018.) Similarly, within the Big Pharma companies, vacancies are up 94%, while the Biotechnology companies have had an increase of 142% since 2018.

As a result of this, the Clinical Research Organisations have increased from 9.1% of the total FTC vacancies to 41.6%. In contrast, the Big Pharmaceuticals companies have seen a drop from 87% in 2018 to 55% this year so far. The other point worth drawing attention to is the Biotechnology companies have a much smaller share relative to the UK.

UK - (FTC) - All Professionals by Sector

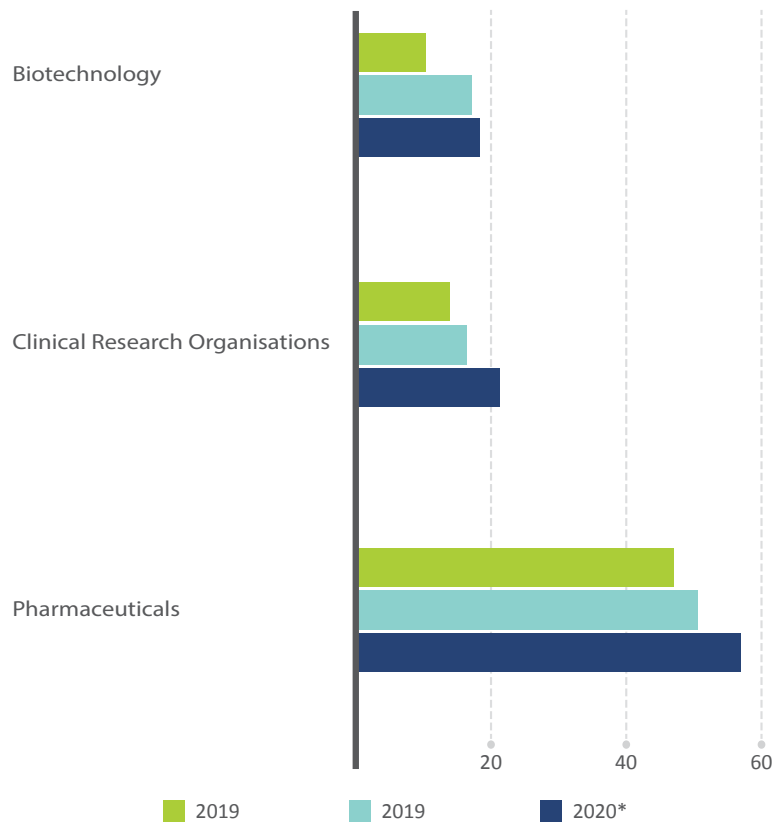


Fig. 03

EU - (FTC) - All Professionals by Sector

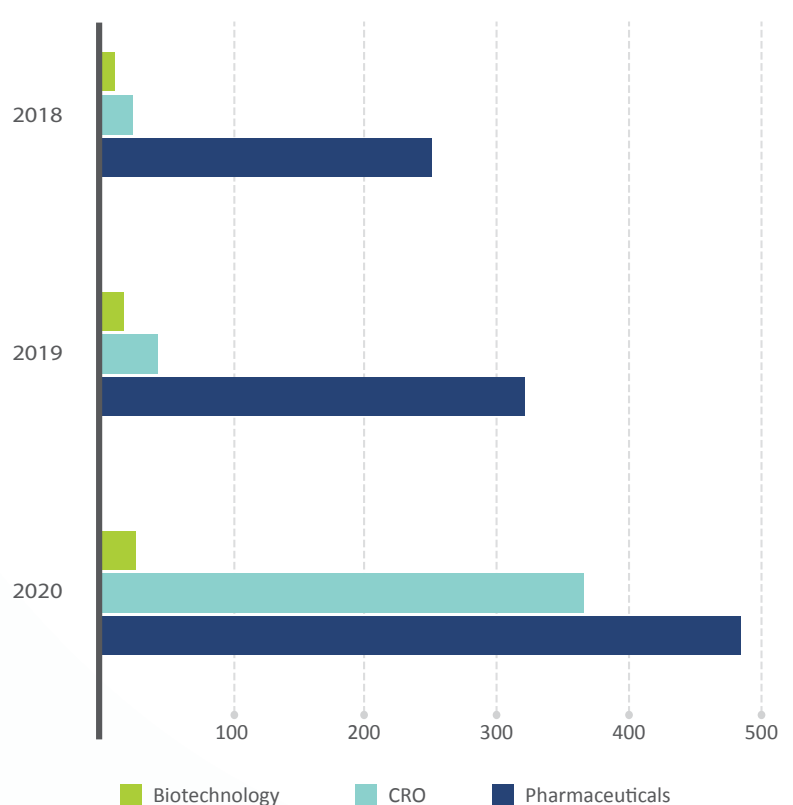


Fig. 04

Hotspots by Scientific Role

05

Given the fact we are in a period of a pandemic, it is no surprise that by far the fastest growing scientific area for FTC roles this year in the UK has been for R&D. Indeed such has been the surge in demand, that when analysing the monthly average, we see vacancies are up 80% compared to 2019, making this the leading hotspot of growth in the UK. As a result of this surge, R&D roles have gone from being 5.7% of all roles in 2018 to 11.2% this year.

The other area of growth worth drawing attention to within the UK is Clinical Development. While the year on year change has not been as explosive, the monthly volumes are still up 16% on 2018 levels.

Across the EU the biggest similarity is in regards to R&D, where like with the UK there has been a significant surge in activity compared to last year. What this has meant is that as a share of all the vacancies, it has increased from 11.6% in 2018 to 18% this year. This shift is due to an overall increase in volume of over 70%. Across other scientific roles, the biggest hotspot worth mentioning would be Quality Assurance, where the share of vacancies has increased from under 11% to 13%.

None the less, it is safe to say the impact of the pandemic is clear in regards to how it is changing hiring, where the big question is what happens as the situation stabilises. Do businesses shift away from FTC or is this the beginning of a new way of working, with more flexibility both in contract and in location?

% FTC in UK by Scientific Function

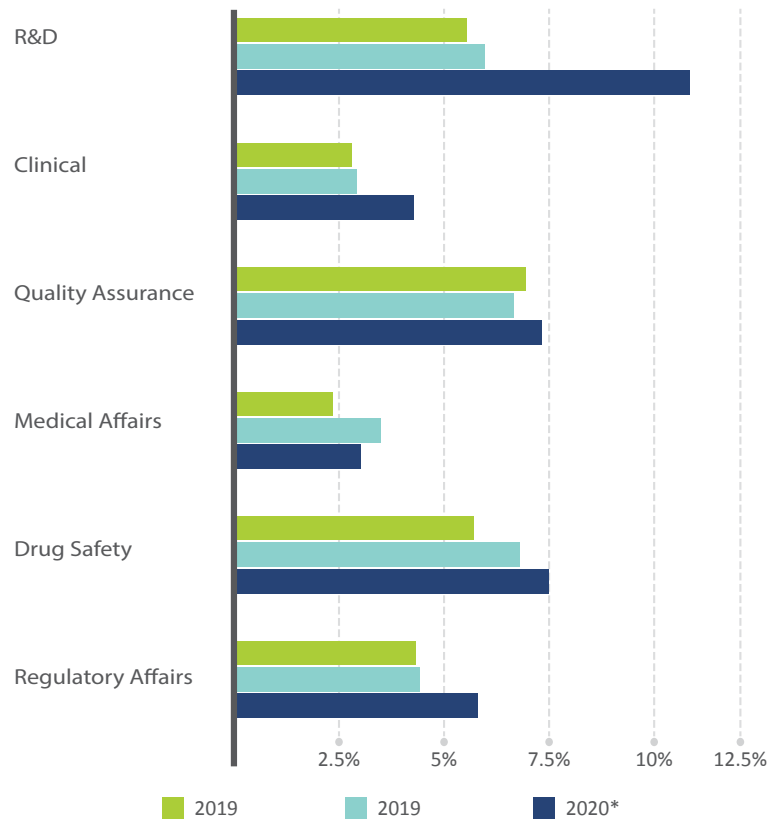


Fig. 05

% FTC in EU by Scientific Function

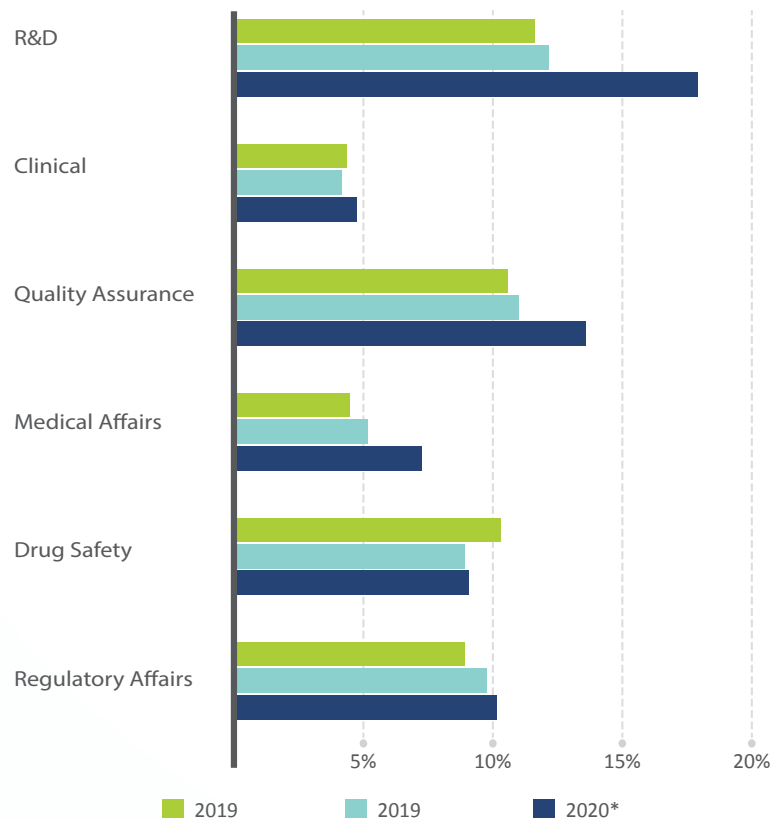


Fig. 06

Analysis by Company

06

Within the UK, it is perhaps unsurprising that the leading two companies in terms of overall recruitment for FTC positions are AstraZeneca and GSK. With AstraZeneca, there has been an increase in FTC vacancies of 62% year on year, while with GSK, the surge has been even greater, up 68%, in terms of the monthly average. This has meant that within AstraZeneca, the share of FTC vacancies has increased from 8% in 2019 to 11.3% this year. Similarly in GSK, the share has also increased up from 5% in 2019 to 8.5% this year. However the biggest surge has been at Boehringer, where FTC vacancies are 277% year on year, where the share of FTC vacancies has risen to over 38% of the total, compared to 21% last year.

Across the EU we see a similar story. Within the block, the biggest company in terms of FTC recruitment has been the CRO, Eurofins, where this year there has been a surge of 265% in vacancies. This has meant the share of vacancies that are FTC have doubled, from 7.5% to 15.8%.

In contrast, both Merck and Novartis have had FTC vacancies fall this year compared to last, down 14% and 17% respectively. While with Merck this has been mirrored in the share of FTC vacancies against the total coming down also, from 10.1% to 8.9%, with Novartis, the share has also increased (from 6.5% to 7.2%) suggesting activity in their EU operations has been muted this year.

Other companies worth drawing attention to include Bayer, GSK and J&J, who have all had 40%+ increases in FTC vacancies this year, along with Roche, who have had the most FTC vacancies of all the big pharmaceuticals companies.

UK Top 10 FTC ONLY

Company	2019	% FTC / PERM	2020
AstraZeneca	97	8.04%	118
GSK	50	5.08%	63
Abcam	63	33.33%	44
Eurofins	35	8.82%	70
Roche	40	10.28%	28
Covance	22	2.90%	39
IQVIA	27	2.23%	34
Boehringer Ingelheim	12	21.43%	34
Merck	14	2.87%	30
LGC	24	10.91%	19

Table 07

EU TOP 10 FTC ONLY

Company	2019	% FTC / PERM	2020
Eurofins	213	7.49%	583
Roche	374	10.97%	362
Merck	394	10.15%	253
Bayer	234	14.11%	247
GSK	209	13.23%	221
Pfizer	223	16.49%	177
Novartis	225	6.53%	140
Sanofi	153	11.28%	136
Novo Nordisk	122	9.68%	115
Johnson & Johnson	100	6.55%	109

Table 08



Clinical Professionals is Europe's leading life science staffing business offering outsourced solutions via Functional Service Provision (FSP) and traditional, high quality staffing solutions. 95% of hiring managers rate Clinical Professionals as consistently superior in quality, speed of response, staff retention and communication. In addition to this, nine out of ten customers rate the company as their most trusted partner. Clinical Professionals have developed a highly comprehensive understanding of a broad range of specialist functional disciplines within the pharmaceutical industry. Our knowledge-base has its foundations in an unrivalled blend of industry experience combined with a commitment to investing in training and development. We have specialist teams dedicated to recruiting within the various pharmaceutical sectors for permanent, contract, interim, FSP and freelance vacancies. Clinical Professionals offer a variety of services for both candidates and clients, including our CP FSP model, offering clients the opportunity to outsource the recruitment of a whole team whilst retaining control of the monitoring function in-house.

What we do:

Our Service Capabilities across all European Countries include:

- Contingency permanent recruitment
- Contract recruitment – freelance and PAYE via Clinical Professionals/Only Medics
- Search and selection permanent recruitment
- Specialist 'project-based' interims via Clinical Professionals/Only Medics
- FSP outsourced teams across Europe
- 2018 European Salary Survey to determine the salary and benefits for each sector of the UK Life Science industry.

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