



Insights Hub

Closing the Vacancy Gap

*The Case for Using a Contract
Sales Organization To Manage
Field-Force Vacancies in Large
Pharmaceutical Organizations*



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Executive Summary

Every sales leader in this industry knows the feeling of watching a good territory go quiet. A rep resigns, gets promoted or goes out on leave, and for the next several months, that stretch of the country runs on fumes. Calls taper off. Samples stop moving. The relationships a strong rep spent years building start to cool, and a competitor is happy to fill the silence. By the time a replacement is hired and gets up to speed, the better part of a year has gone by, and a chunk of the brand's momentum has quietly leaked away.

No one puts that number on a slide. It is real all the same, and it repeats every time someone leaves.

A contract sales organization (CSO) closes that gap. Instead of leaving a territory open while recruiting grinds through its cycle, you can bring in trained, deployment-ready field talent who call on prescribers within weeks and work for the CSO rather than for you. That last part is the whole point, and it is where most of the legal and human resources questions get answered.

This paper makes the case for running vacancy coverage through a CSO and takes on the two objections that usually surface first: the co-employment question and the worry that contract reps will not perform. Both are answerable. The co-employment risk is manageable through a disciplined contractual and operating structure. Though the applicable standards vary by statute and jurisdiction and remain subject to change, as of this year, they sit under a friendlier federal standard than they have in a long time. Performance, when run properly, is more accountable under a CSO contract than it ever is when a vacancy is simply absorbed by the reps next door.

The short version is this: A CSO takes an open headcount problem, with all the cost, liability and lost revenue that comes with it, and turns it into a service you can scale up or down, measured against real numbers and governed by a contract.

The Cost of an Empty Territory

Turnover in a field force is not an exception you can plan away. Reps leave for better offers, move up into management, take parental or medical leave, or get shuffled in a realignment. Some of it you see coming; a lot of it you do not. The only real variables are how long the seat stays open and what the business loses while it does.

The losses stack up faster than most forecasts admit. Prescriber access goes first, the kind of access that takes years to earn and only a few unanswered months to lose. Sample cadence slips. Speaker programs and managed care pull-through stall. Then, when you finally do hire someone, they need three to six months to get productive, which means one open territory can drag on results for the better part of a year. As a rough gauge, a territory loses somewhere around 6% of its sales for every month it sits uncovered. A two-month gap, which is easy to hit when a rep is out on leave, runs to about 12%, and a longer hiring cycle costs more still.

The usual workaround—splitting the vacant territory among the neighboring reps—rarely holds up. Those reps thin out their own coverage under the added workload, and all you have really done is spread the gap around instead of closing it.

Set that against the cost of a traditional backfill, and the arithmetic gets uncomfortable. Between the requisition, sourcing, interviews, offer, background check and onboarding, 90 to 150 days can pass before a new hire makes a first call. Published hiring benchmarks put the time to fill a pharmaceutical sales opening at roughly 36 to 42 days on its own, with a new rep then needing about 12 weeks to reach full productivity. Every hire carries recruiting spend, a benefits load and training cost, and on the way out, it carries severance and unemployment exposure. Headcount also does not flex. You cannot scale it up for a launch and back down after a patent cliff without putting people through a reduction in force.

So the honest comparison is not the CSO against nothing. It is the CSO against the fully loaded cost of the vacancy itself: the lost scripts, the eroded access, the drag on the reps you pulled in to cover, and the recruiting and liability bill for the permanent hire you will eventually make. Run that comparison honestly, and the empty seat is usually the more expensive choice.



PUTTING A NUMBER ON THE COST

It helps to attach real dollars to the problem. Talent-acquisition benchmarking by the Society for Human Resource Management (SHRM) estimates that an unfilled position costs an organization roughly \$4,000 to \$9,000 a month in lost productivity and delayed output. Applied to a quota-carrying sales role, a territory left open for two months against a \$500,000 annual quota represents about \$80,000 in lost pipeline before a replacement even starts¹.

In specialty pharma, the number climbs because each patient carries more revenue. Specialty therapies average roughly \$84,000 per patient per year², or about \$7,000 a month for each patient on treatment. Consider one specialty territory that keeps 35 patients on therapy at full strength: That is close to \$245,000 a month, or nearly \$3 million a year, in product revenue tied to a single representative. If that territory runs at about 40% of normal while the seat is open and then climbs back over a three-month ramp, a six-month vacancy-and-ramp cycle costs about \$700,000 in lost revenue before the new rep is fully productive³.

Multiply that by even a handful of simultaneous vacancies across a national field force, and the annual drag runs well into the millions. The figures here are illustrative and should be validated against a sponsor's own territory values and ramp curves, but the order of magnitude is hard to dismiss.

What a CSO Program Actually Is

Strip away the acronyms, and it is straightforward. You contract a CSO to recruit, hire, train, deploy, manage and report on the reps who cover your open territories. Those reps are W-2 employees hired and employed by the CSO; they are not yours. You are buying a service and a set of results, not directly employing the individual representatives.

The paperwork usually runs through a master services agreement (MSA) that governs the overall relationship, with individual statements of work spelling out the specifics: territories, headcount, duration, deliverables, compliance obligations and the service levels you will hold the CSO to. Inside that structure, the CSO brings its own management, district managers and program leads who are CSO employees, so the day-to-day supervision, coaching and performance conversations run through the CSO rather than through your organization.

That separation is not a technicality. It is the one design feature that makes the whole model work, and the legal section explains why.

The cleanest way to think about it is the division of labor: You own the **what**, and the CSO owns the **how**. You set the strategy, approve the messaging, define the targets and tell the CSO what results you are after. The CSO handles the recruiting, pay, benefits, supervision and discipline—all the machinery of employing people. Maintaining that allocation helps preserve the relationship as a managed service and materially reduces the likelihood that the sponsor will be treated as a joint employer. The table below is how I usually lay it out for a customer.

	You (the sponsor)	The CSO
Strategy and messaging	Own it	Execute within label
Recruiting and hiring	—	Own it
Pay and benefits	—	Own it
Supervision and coaching	—	Own it
Discipline and termination	—	Own it
Performance targets	Set the KPIs*	Run the process
Payroll and HR admin	—	Own it
Compliance training	Approve content	Deliver and document

*KPIs: key performance indicators

The allocation reflected in the table should be documented in the governing agreements and followed in practice. Sponsor personnel may communicate business requirements and provide factual feedback, but employment decisions concerning individual representatives should remain with the CSO.

The Legal Side

Any time you put someone else's employees in the field under your brand, a familiar set of legal questions comes up. The advantage of working with an established CSO is that each of those questions already has a built-in answer. Here is how the main ones shake out.

CO-EMPLOYMENT AND THE JOINT-EMPLOYER QUESTION

This is often the first concern raised by companies considering outsourcing sales reps. Although it can be effectively managed, it should be addressed through both the contractual structure and the companies' operating practices. The worry is that a court or agency may decide you are a joint employer of the CSO's reps, which could pull you into liability for wages, benefits, discrimination claims or collective bargaining for people you never meant to employ.

Although joint or co-employer standards vary by statute and jurisdiction, the federal test under the National Labor Relations Act (NLRA) is illustrative. The NLRA test has recently been a moving target—it has changed hands twice in three years—but the current direction favors the sponsor. As of February 27, 2026, the National Labor Relations Board went back to the 2020 standard, throwing out the broader 2023 rule that had already been struck down in court and never actually took effect. Under the standard now in force, you are only a joint employer if you actually exercise substantial, direct and immediate control over something core to the employment relationship, such as pay, hours, hiring, discipline or supervision. Occasional, indirect or merely reserved control generally does not get you there, unless it reinforces direct-control evidence. The Department of Labor has been moving the same way on worker classification. On balance, the exposure is lower than it has been in years.

Two things keep me from calling it settled. First, the standard is political, and it has swung back and forth with every administration; there is legislation pending that would widen it right back out. Second, federal labor law is only one piece. Wage and hour rules, anti-discrimination law and certain state tests each bring their own definitions. So the smart move is not to lean on whichever standard happens to be friendly this year. It is to build the relationship so that you are not a co-employer under any of them, which is exactly what the CSO structure, a disciplined split of responsibilities and a clean contract are for.

THE MICROSOFT LESSON ON BENEFITS

Outsourcing arrangements are often measured against *Vizcaino v. Microsoft*. That hotly contested lawsuit, litigated almost 30 years ago, involved an analysis of the distinction between employees and independent contractors, so it is slightly different from the CSO-outsourcing model but remains illustrative. Microsoft's long-term temps were folded so completely into the workforce and managed so much like regular employees that a court decided they were common-law employees after all and were owed the benefits they had been denied. The takeaway is not that outsourcing is dangerous. It is that calling someone a temp while treating them as a permanent part of your team is dangerous. A real CSO relationship where the CSO genuinely employs the reps, provides their benefits, manages its own people and uses defined statements of work is the opposite of that setup and materially reduces the risk of co-employment.

WAGE AND HOUR EXPOSURE AND CLASSIFICATION

Getting exempt-versus-nonexempt right, paying overtime and avoiding off-the-clock claims all sit with the CSO as the direct employer. A good CSO already runs mature payroll, timekeeping and classification systems because this is its core business rather than a side function. You are concentrating that compliance work in one specialist instead of spreading it across every rep you would otherwise have to hire. You should nevertheless avoid directing off-the-clock work, controlling individual schedules or overtime, or otherwise engaging in practices that could create direct or joint wage and hour exposure.

DISCRIMINATION, HARASSMENT AND TERMINATION

Title VII, the Americans with Disabilities Act, the Age Discrimination in Employment Act, the Family and Medical Leave Act, and their state equivalents govern how you hire, accommodate, discipline and let people go. Because the CSO does all of that for its reps, the claims and the cost of defending them primarily land on the CSO. Your company remains responsible for its own discriminatory or retaliatory conduct (e.g., harassment by its personnel, discriminatory requests concerning the selection or removal of representatives, and failure to address workplace issues within its control). The contractual allocation to the CSO of recruiting, accommodation administration, leave management, performance management, discipline and termination materially reduces your company's direct employment burden and exposure for related claims. This is one of the quieter benefits of the model and one of the most valuable: a material reduction in wrongful termination and discrimination exposure that ordinarily rides along with constant field turnover.

INDUSTRY-SPECIFIC COMPLIANCE

Pharma field work carries obligations that go well beyond ordinary employment law: sample accountability under the Prescription Drug Marketing Act (PDMA), aggregate-spend and transfer-of-value reporting under the Sunshine Act, Pharmaceutical Research and Manufacturers of America (PhRMA) Code adherence, and your own promotional guardrails. A specialized CSO runs documented processes for each and certifies its reps against them. In practice, you are getting a compliance operation you would otherwise have to build and audit yourself.

The Human Resources Side

Away from the legal questions, a CSO program changes the HR workload in ways that are almost all to your benefit, provided you respect the operating boundaries.

Start with what your HR team stops carrying. Full-cycle recruiting and onboarding for the covered territories (i.e., requisitions, sourcing, interviews, offers, I-9s and background checks) move to the CSO. So do payroll, benefits administration, leave management and the recordkeeping behind it. Employee relations casework—documentation, coaching, corrective action and offboarding—runs through the CSO's field managers. And the whole administrative tail of separations, including severance exposure and unemployment claims, goes with it.

None of that comes free of one condition: The HR benefits only hold if you resist the very natural urge to manage the CSO's people as if they were your own. Your people should direct results and approved content. They should not be handing out discipline, changing anyone's pay, controlling individual schedules or making hire-and-fire calls on CSO reps. Getting that message to your own field managers is part of the work; it is the reason sponsors circulate co-employment guidance internally in the first place. Done right, it is invisible. Done carelessly, it is the single most common way to manufacture the exact co-employment finding the whole structure is meant to prevent.

The rule I give managers is short. Tell the CSO what result you need and what messaging is approved. Do not tell a CSO rep when to clock in, how they will be disciplined or whether they keep their job.

The other objection I hear is cultural: that contract reps will feel like outsiders and perform like them. In my experience, that is a management problem, not a structural one. Embed the CSO's district managers, build onboarding together so the brand voice and therapeutic knowledge come through, share the recognition programs, and keep the communication steady, and the reps will carry your message credibly while the CSO continues to administer and control the employment relationship. Integration and separation are not really at odds. You just have to run both on purpose.



What You Get

The case for a CSO comes down to things a traditional backfill cannot match. Speed is the obvious one. Deployment-ready reps put someone back in front of prescribers in weeks instead of the three to five months a permanent hire takes, which stops the bleeding before it compounds.

Then there is flexibility. You can scale coverage up for a launch or a seasonal push and back down after a patent cliff or a realignment, without headcount commitments or the pain of a layoff. The cost follows the same logic: A fixed, benefits-loaded, severance-exposed salary line becomes a variable service expense that tracks actual need.

The risk reduction and contractual allocation can have meaningful value, which translates into real money even when it never shows up as a line item. The CSO primarily assumes responsibility for employment administration and related compliance, while the governing agreements can allocate defense, indemnification and insurance obligations between the parties. The CSO also manages the continuity that matters most commercially, since prescriber access, sample cadence and share of voice stay intact instead of getting handed to a competitor during the gap.

And you get the operational pieces that are genuinely hard to stand up on your own: a bench of experienced, compliance-certified reps who need almost no spin-up; built-in PDMA and Sunshine Act processes; and program-level reporting that gives you a clear read on coverage and activity that a scattered internal backfill never does. Not least, it frees your own commercial leaders from the grind of perpetual backfill so they can spend their time on strategy.

Try Before You Buy: A Potential Talent Pipeline for Permanent Hiring

One of the most useful benefits of a CSO rarely comes up in the original pitch: It doubles as a hiring pipeline. When you bring a CSO rep into an open territory, you are not only buying coverage. You are gathering meaningful information about whether that individual could be a strong candidate for future direct employment. You see how the rep handles your accounts, whether they carry the message, how they show up with your district team, and what their numbers actually look like in your market, all before you ever put them on your payroll.

If you like what you see, you can convert them. The rep you have already trained, who already knows the territory and the customers, becomes your own full-time employee, and you have skipped the cost and the gamble of hiring a stranger off a resume. If you do not, the assignment simply ends, and the CSO redeploys them. Either way, you have taken the riskiest part of field hiring—betting on someone you met for an hour in a conference room—and replaced it with months of real evidence.

These terms should be written into the MSA and the individual statements of work up front, not negotiated in a panic once you have decided you want to keep someone. In practice, that means agreeing in advance on how conversion works: any conversion fee, how it steps down the longer the rep has been on assignment (it is common for the fee to fall over time and to waive entirely after a rep has covered the territory for a set period), the notice each side owes, and how the handoff to your payroll and benefits gets handled. Settle that in the MSAs, and conversion becomes a clean, pre-priced option you exercise on your own timeline rather than a fight you have later.

It is worth being clear about why this matters beyond convenience. A traditional hire is a commitment you make on limited information and then live with. A CSO-to-permanent conversion turns that around: You make the commitment last, after most of the risk is already gone. For a lot of clients, that is reason enough to run coverage through a CSO, even in territories they fully intend to staff permanently. The program becomes the tryout, and the permanent offer becomes the reward for a rep who has already proven they can do the job.

The Risks and What To Do About Them

A fair case names its downside. Every real risk in this model has a mitigation, and in each case, what is left over is smaller than the risk you are already running with an unmanaged vacancy.

We have covered the co-employment risk: Maintain the CSO as the direct employer, keep its own management layer between you and the reps, and document the whole thing in a clean MSA and statement of work. Contract language is important but not dispositive; the parties' actual practices must remain consistent with the contractual allocation.

On brand and quality (i.e., the fear that contract reps dilute the message), the answers are co-developed onboarding and brand certification, service levels with real quality thresholds, and your sign-off on all promotional content. On data and compliance, you want documented PDMA and Sunshine Act processes, contractual confidentiality and data protection terms, and audit rights with regular reporting. The cultural risk is handled the way I described earlier: embedded CSO management, shared recognition, shared goals. And the transition risk, the gap when the engagement ends or a rep converts to your payroll, is something you plan for in the statement of work, with knowledge transfer provisions and the conversion terms laid out in Section 6.

It is worth saying plainly: Each of these risks is one you already carry when a territory just sits open or gets backfilled in a hurry; only then is it undocumented and unmitigated. The CSO model does not invent these risks. It puts a name and a price on them and then contains them.



Holding It to a Standard

Here is the part that actually separates a CSO engagement from an absorbed vacancy: accountability. An empty territory has no service level. No one is measured on it, no one owns the decline, and the split-it-among-the-neighbors fix quietly buries the loss. A CSO engagement is the opposite. Performance is defined up front, measured continuously, reported openly and, where it matters, tied to the commercial terms.

What you measure depends on the program, but a mature one usually watches a handful of things:

- How fast vacancies get filled and how many territory-days you cover versus leave open
- Field activity such as calls, reach and frequency against target, sample distribution and reconciliation, and target-list attainment
- Productivity measured as total prescriptions and new prescriptions against the pre-vacancy baseline, share recovery, and managed-care pull-through where it applies
- Quality and compliance, from message-fidelity and ride-along scores to PDMA sample accountability and Sunshine Act timeliness
- Engagement, meaning rep retention in the program and the time it takes a new rep to become productive.

Around those numbers, you want a rhythm. Program-level dashboards so you have visibility without managing individuals. A regular business-review cadence, monthly on operations and quarterly on strategy. Service levels with agreed thresholds and, where you have negotiated them, service credits. And clear escalation contacts on both sides, so problems get solved before they reach the field.

The difference is simple. When you split a vacant territory among neighbors, no one is accountable for the gap. Under a CSO statement of work, coverage is a contractual obligation with names, numbers and a review calendar attached. That is the line between hoping for continuity and actually buying it.



Getting the Structure Right

None of the benefits in this paper happen automatically. They come from getting the structure right, and a handful of principles do most of the work.

The CSO has to be the real and only direct employer, hiring, paying, benefiting, supervising, disciplining and terminating its own people. Put a clean MSA and territory-level statements of work around the relationship that spell out deliverables, service levels and responsibilities. Make sure the CSO brings a genuine management layer so direction of the reps runs through its district managers and not through your staff. Keep the split disciplined: You own the strategy, the approved messaging and the key performance indicators (KPIs); the CSO owns the employment relationship and how the work gets done. Scope statements of work to defined coverage needs and durations, with conversion or transition planned, rather than letting things drift into indefinite, permatemp-style embedding. Brief your own field managers on where the co-employment line is so good intentions do not create the very risk you are trying to avoid. And build the compliance in from the start—PDMA, Sunshine Act and PhRMA Code—with audit rights and regular reporting.

Every one of these principles points in the same direction: Keep the CSO as a provider of a service you govern, not a supplier of workers you manage as your own. Hold that line, and the model delivers what it promises.

Closing Thought

The choice in front of a large pharma organization is not really whether to take on the risks of a CSO. It is whether to keep absorbing the bigger, quieter risks of the empty territory: the access you lose, the scripts that slip, the neighboring reps you stretch thin, and the liability that comes with hiring and firing your way through constant turnover. Line the two up, and the CSO is the more conservative call, not the riskier one.

The legal picture only reinforces that. The co-employment worry that used to dominate these conversations is both structurally manageable and, in 2026, operating under a federal standard friendlier to sponsors than it has been in years. The CSO model materially reduces your risk of employment liability. And unlike the vacancy it replaces, a CSO engagement comes with service levels, real KPIs and a standing review.

For an organization willing to hold the operating discipline the model asks for, a CSO turns one of commercial pharma's most persistent quiet losses into a controlled, flexible, accountable service. That is the business our Deployment Solutions practice at Syneos Health was built to run: the talent, the compliance infrastructure, the management layer and the governance to keep territories covered, momentum intact and liability where it belongs.

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SOURCES AND NOTES

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A note on the legal references. This paper reflects the regulatory landscape as of 2026, including the NLRB's February 2026 return to the 2020 joint-employer standard. Employment and healthcare compliance laws vary by state and change often. Nothing here is legal advice, and you should run your specific situation past qualified employment and healthcare compliance counsel. The designation of the CSO as the representatives' employer and the allocation of responsibilities in the parties' agreements do not, by themselves, determine joint-employer status or prevent claims against either party. The analysis depends on the applicable law and the parties' actual practices.

A note on the industry figures. The time-to-fill and time-to-productivity benchmarks reflect published pharmaceutical hiring data; the per-month revenue loss figure reflects estimates commonly reported across the contract sales and staffing industry. Both are directional and vary widely by territory, therapeutic area, and market and should be validated against a sponsor's own experience, where possible.

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