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# **Preclinical CRO Services Demand Outlook, Customer Purchasing Behavior and Competitor Benchmarking Syndicated Research Report**

October 2025

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# About the Authors



## **Jon Meyer, MSc, MBA**

Mr. Meyer is a Founder and Managing Member with the Life Science Strategy Group, LLC (LSSG). Mr. Meyer leads LSSG's biopharmaceutical services consulting division which serves the leading global contract research organizations (CROs), contract drug manufacturing organizations (CDMOs), drug discovery and diagnostics companies globally across all phases of the biopharmaceutical discovery, development and commercialization lifecycle.

Prior to LSSG, Mr. Meyer was a Director in the Life Sciences Division at Navigant Consulting, Inc. and conducted preclinical drug development in the department of inflammatory disease at Roche Bioscience. Mr. Meyer holds Masters Degrees in Biomedical Science and Business Administration.



## **Tom Graham**

Mr. Graham is a Senior Consultant with Life Science Strategy Group (LSSG), where he provides operational support and delivers strategic insights to the firm's consulting teams. He has extensive experience leading and collaborating on engagements across the biopharmaceutical value chain from discovery and preclinical development through commercialization. His core expertise spans data analysis, project management, and strategic execution within the life sciences sector. Mr. Graham holds dual Bachelor's degrees in Biological Sciences and Economics from the University of California, Davis.

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## Methodology

*The primary research for this report was fielded via an internet survey in September 2025 and draws from N=150 biopharmaceutical industry professionals from the United States and Europe responsible for preclinical development and services outsourcing across a variety of activities. Respondent position titles include Director/Senior Director, Vice President and C-Suite with functional responsibilities in preclinical development. All study participants were prescreened by LSSG to ensure a high level of involvement, knowledge, and decision-making influence or authority for preclinical services outsourcing to CROs. This included confirming consistency of answers for related questions, validation of companies, and knowledge-based quality control questions.*

*LSSG also included its experience and knowledge about the global biopharmaceutical and CRO industries, preferences and outsourcing practices.*

*All data analysis and reporting was performed by LSSG consultants with significant experience in the industry. Segment data (geographic and company size) noted in the report. All segment data is for internal use only and is not for public purchase.*

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### III. Demographics

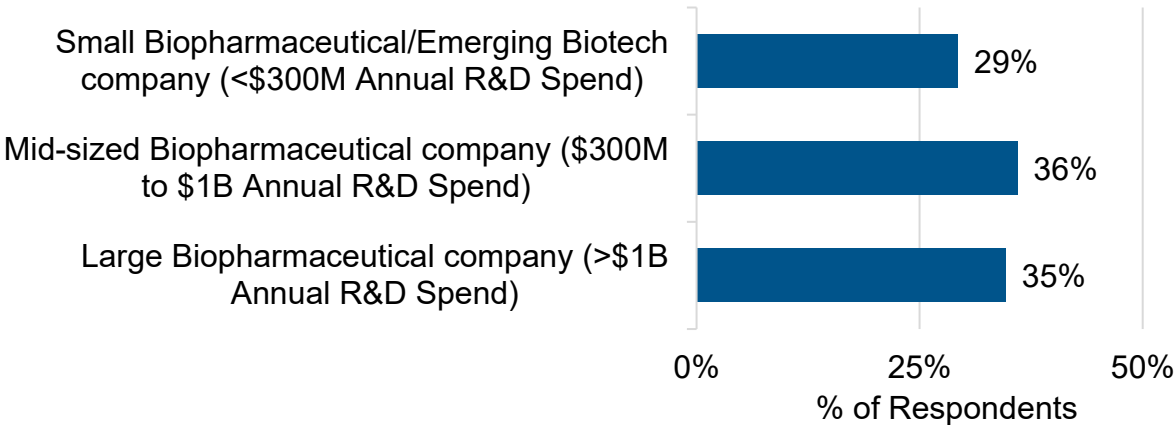
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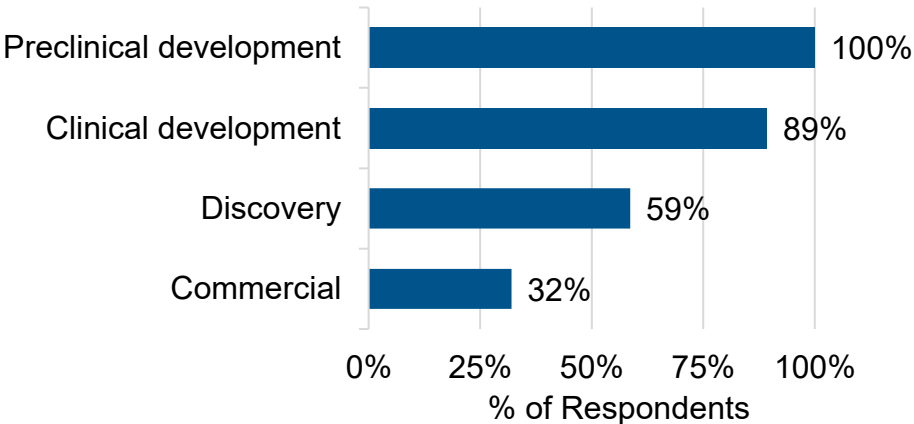
# Respondent Demographics

- All respondents work in Biopharmaceutical or Biotech companies in North America (58%) or Europe (42%) and visibility into external spend with preclinical CROs in 2025.

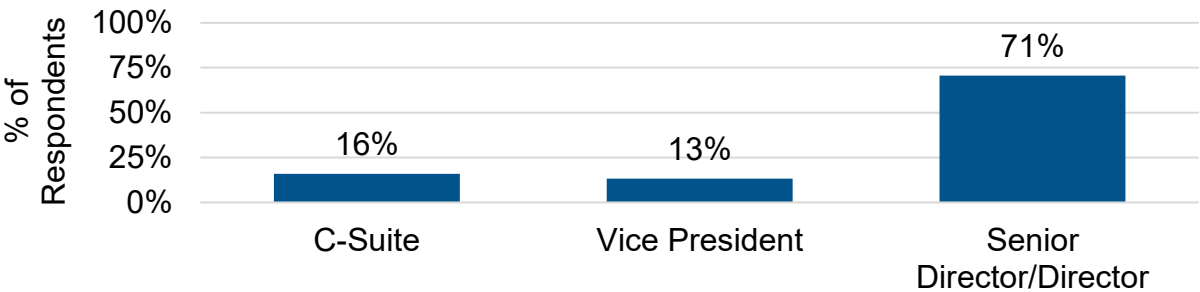
**Company Size**



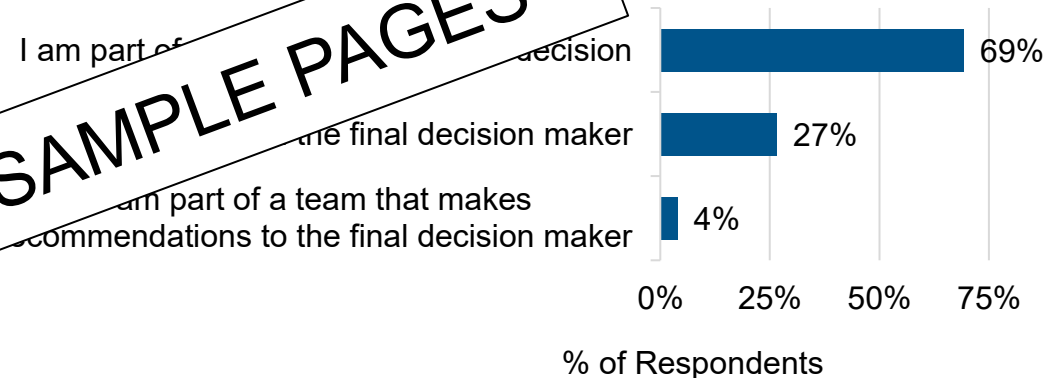
**Drug Development Areas of Involvement**



**Position Level**



**Role in Preclinical Decision**



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S1. Where are you located?  
S2. Which best describes the company you work for?  
S3: Which best describes your position level or equivalent?  
S4. Which of the following drug development areas are you involved in? Please select all that apply.  
S8. Which of the following BEST describes your role in the identification, evaluation, and selection of contract research organizations (CROs) to support your company's preclinical development needs?  
S7. Does your budget responsibility include visibility into external spend with preclinical CROs in 2025?

## IV. Detailed Findings

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# Preclinical Outsourcing Demand and Expected Growth

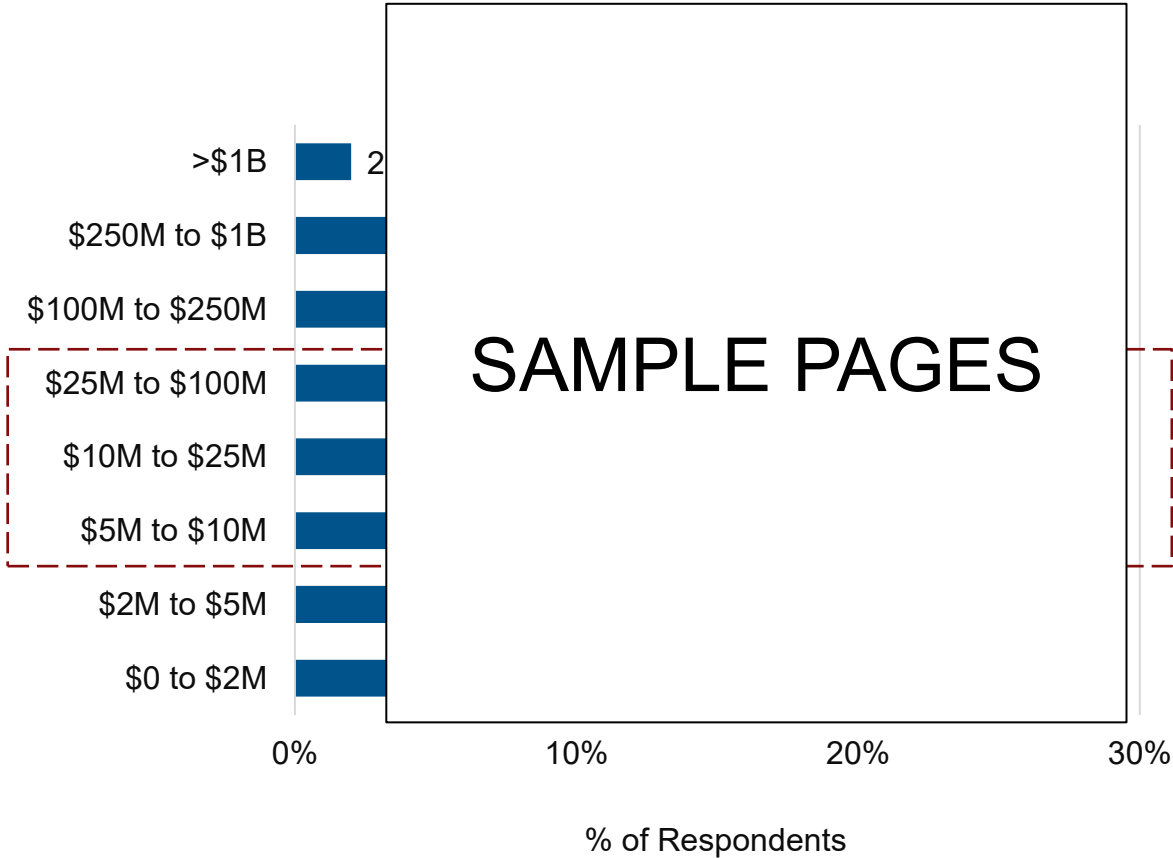
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Estimated preclinical budgets for 2025 primarily fall between \$X Million to \$Y Million with ZZ biopharma more likely to have budgets above \$XXM than YY biopharma.

Estimated Preclinical Budget for 2025



Segmentation Callouts

- **Geography** – No significant diff
- **Company Size** – More respondents have budgets above \$100M than S/E biopharma
- **Market** – More respondents have a budget above \$10M than large biopharma

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N=150

Q1. Please estimate your company/department's total preclinical budget for 2025 (internal plus external spend). Please provide your best estimate.

From 2025 to 2026, more XX biopharma respondents expect increases in preclinical budgets than YY and ZZ biopharma respondents.

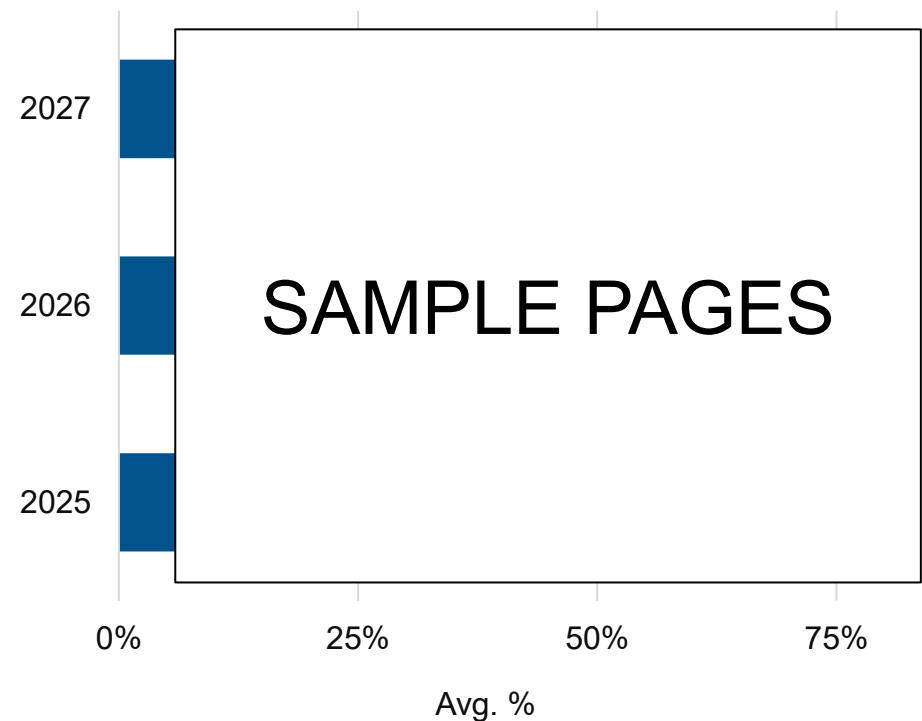
Expected Change in Preclinical Budgets Over Time – By Company Size



N=150

Respondents currently allocate XX of their preclinical budgets to CROs/vendors with this percentage expected to remain YY in the next two years.

% of Preclinical Budget Outsourced to CROs/Vendors Over Time



Segmentation Callouts

- **Geography** – No significant
- **Company Size** – C expects to u get for outse arma from vs. 52%

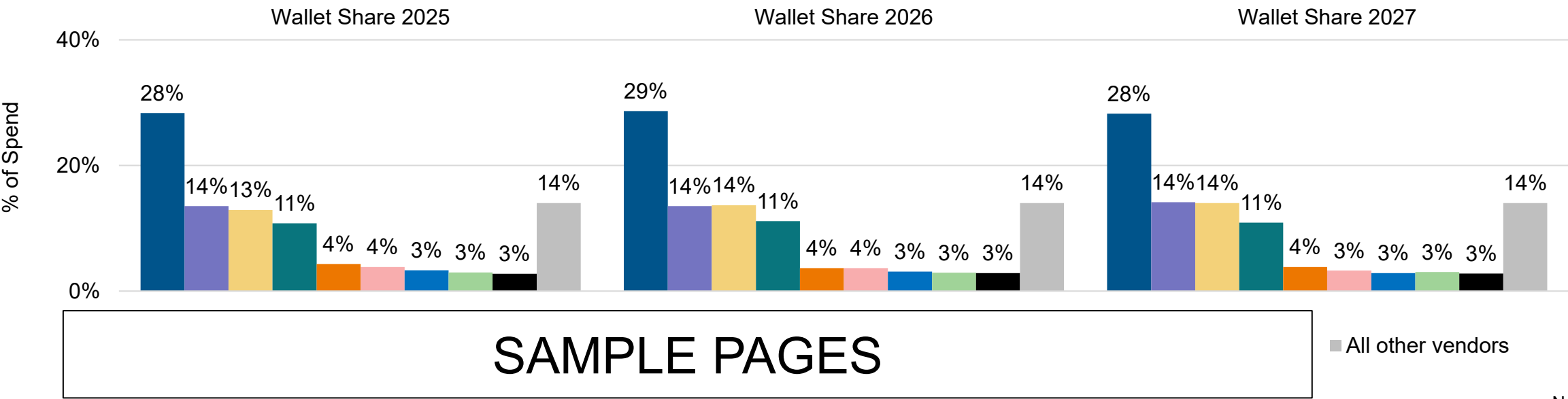
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Q3. What percent of your company/department's 2025 preclinical budget will be outsourced to CROs/vendors? What percent do you expect to be outsourced in 2026 and 2027?

Preclinical outsourcing spend across CROs/vendors is expected to remain XX over the next two years, with YY accounting for roughly ZZ of the wallet share, followed by AA, BB, and CC.

Preclinical Outsourcing Wallet Share Over Time



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All other vendors

N=150

Segmentation Callouts

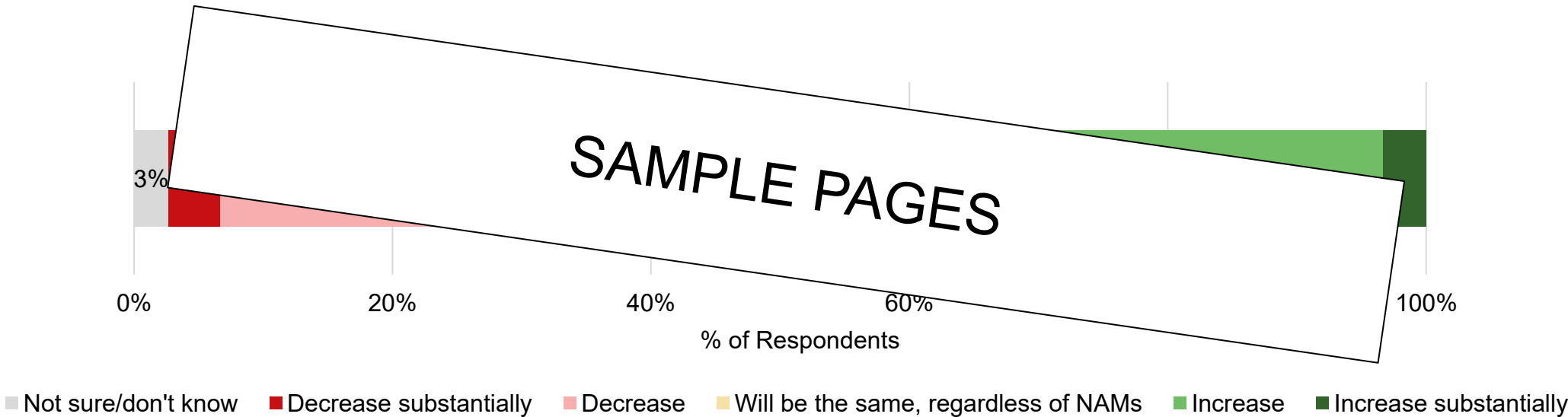
- Geography
- Company

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Q4. What percent of your total preclinical outsourcing spend will be allocated to each of the following CROs/vendors in 2026 and 2027?

Respondents are XXed on how NAMs will impact spend on traditional animal-based models, with YY expecting spend to decrease, ZZ predicting no change, and about AA anticipating an increase.

Impact of NAMs on Spend for Traditional Animal Model-Based Preclinical Work



- Geography – M
- Company Size

...in spend on traditional animal model-based work

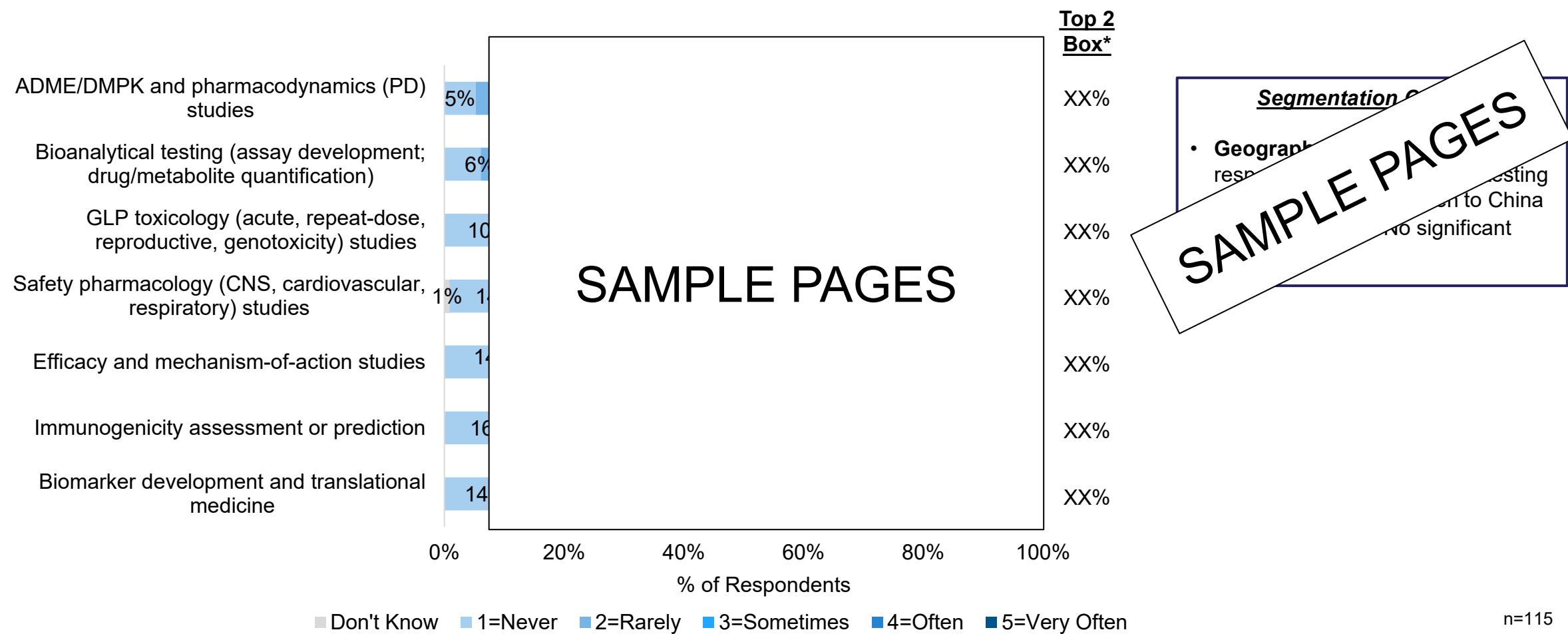
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N=150

Q8. How has and will your expectation for incorporating NAMs into your preclinical studies impact your spend on traditional animal model-based preclinical work?

Preclinical services are XX outsourced to China in general, with AA and BB being outsourced to China more frequently than other preclinical services.

Frequency of Preclinical Services Outsourced to China



\*Top-2 Box = Sum of options 4 & 5.

Q10. For each of the following preclinical service areas, please indicate how often your department/company's outsources to CROs/vendors conducting work in China. Please rate on a scale from 1 to 5 where 1=Never, 2=Rarely, 3=Sometimes, 4=Often, 5=Very Often, Don't know.

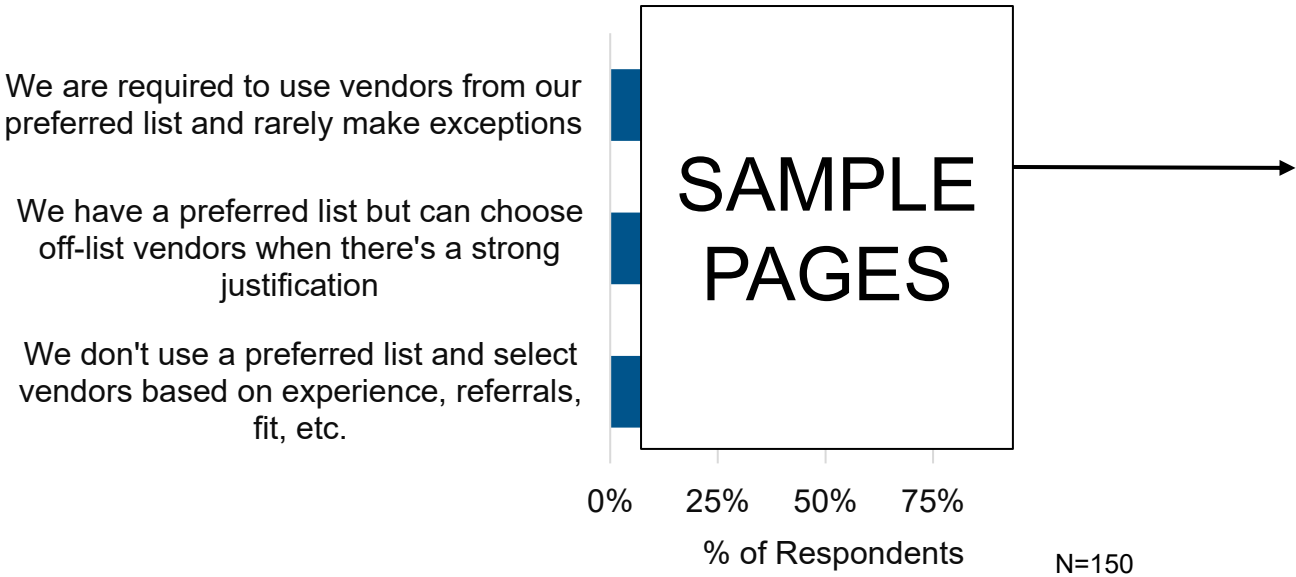
# Customer Purchasing Behavior and Vendor Selection

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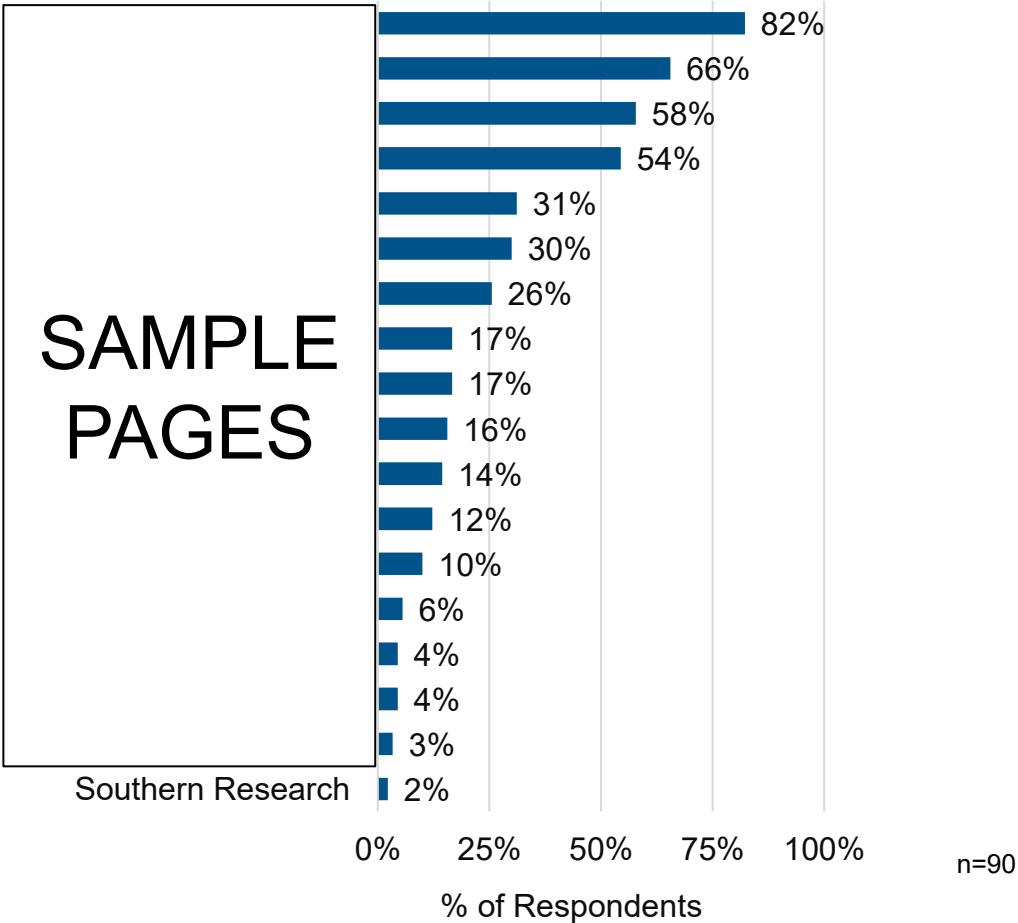
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More than XX of respondents report their company maintains a preferred vendor list, while YY% are required to select vendors “On-List”. Among those with preferred vendor lists, AA is cited most often, followed by BB, CC, and DD.

**Use of Preferred Vendors Lists**



**Vendors on Preferred Lists**



**Segmentation Callouts**

- **Geography**
- **Company Size**

rely on experience (77% vs. ~25%)

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# Preclinical Vendor Performance and Brand Benchmarking

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XX is the most important preclinical vendor selection criteria, followed by YY, ZZ, and AA.

Importance of Preclinical Vendor Selection Criteria

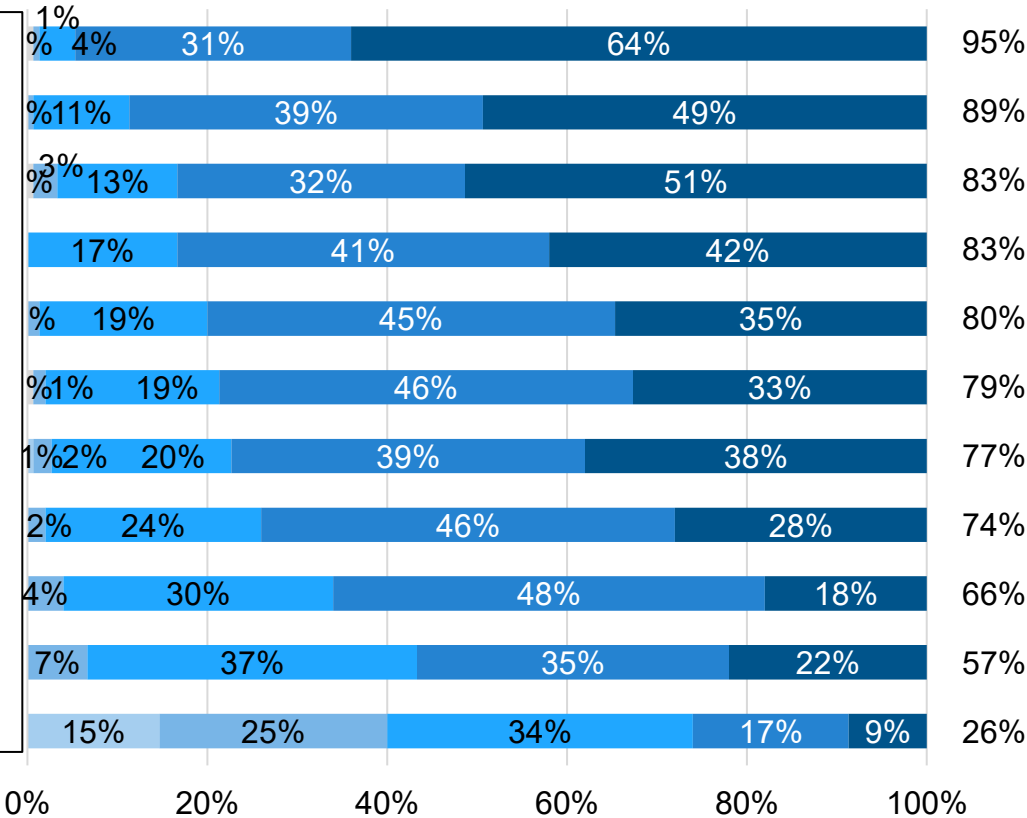
Top 2  
Box\*

Segmentation Callouts

- **Geography** – No significant differences
- **Company Size** – Large pharma find in-house more often vs. Mid-size pharma find service more often

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■ Don't Know ■ 1=Not at all important ■ 2=Somewhat important ■ 3=Important ■ 4=Very important ■ 5=Extremely important

N=150

\*Top-2 Box = Sum of options 4 & 5.

XX has the highest perceived performance across the most important selection criteria (AA, BB, and CC), while YY scores highest for less important attributes.

Preclinical Vendor Performance^

Attributes decreasing in importance

| Top-2 %<br>% of Respondents Rating 4 or 5 | AA | BB | CC | DD | EE | FF  |
|-------------------------------------------|----|----|----|----|----|-----|
| Charles River Labs (n=126)                |    |    |    |    |    | XX% |
| Labcorp (n=96)                            |    |    |    |    |    | XX% |
| WuXi (n=88)                               |    |    |    |    |    | XX% |
| Eurofins (n=87)                           |    |    |    |    |    | XX% |
| Evotec (n=41)                             |    |    |    |    |    | XX% |
| Crown Bioscience (n=37)                   |    |    |    |    |    | XX% |
| Pharmaron (n=36)                          |    |    |    |    |    | XX% |
| BioAgilytix (n=32)                        |    |    |    |    |    | XX% |
| SGS (n=27)                                |    |    |    |    |    | XX% |
| Altasciences (n=24)                       |    |    |    |    |    | XX% |
| Inotiv (n=18)                             |    |    |    |    |    | XX% |
| Champions Oncology (n=16)                 |    |    |    |    |    | XX% |

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\*\*See segment differences in data file

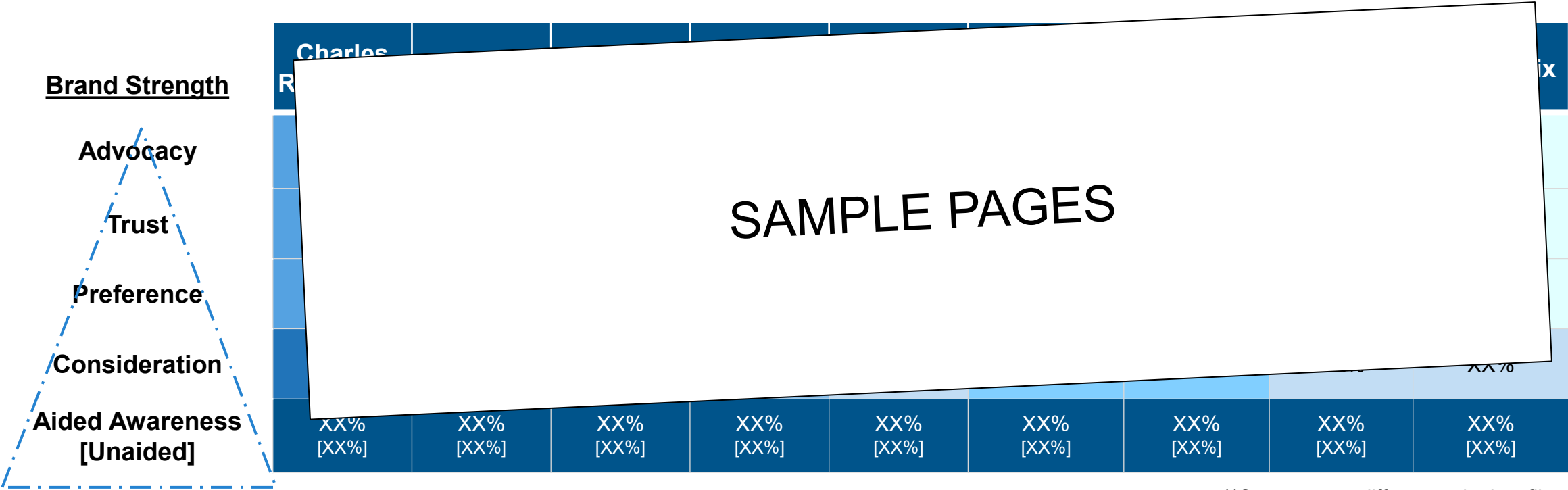
Q18. For each preclinical vendor below, please rate their performance for the following criteria.

^=See directional vendor data in excel file

=High scores per attribute

AA has the strongest overall brand strength across consideration, preference, trust, and advocacy, followed by BB, CC, and DD.

Brand Strength – Preclinical Vendors



\*\*See segment differences in data file

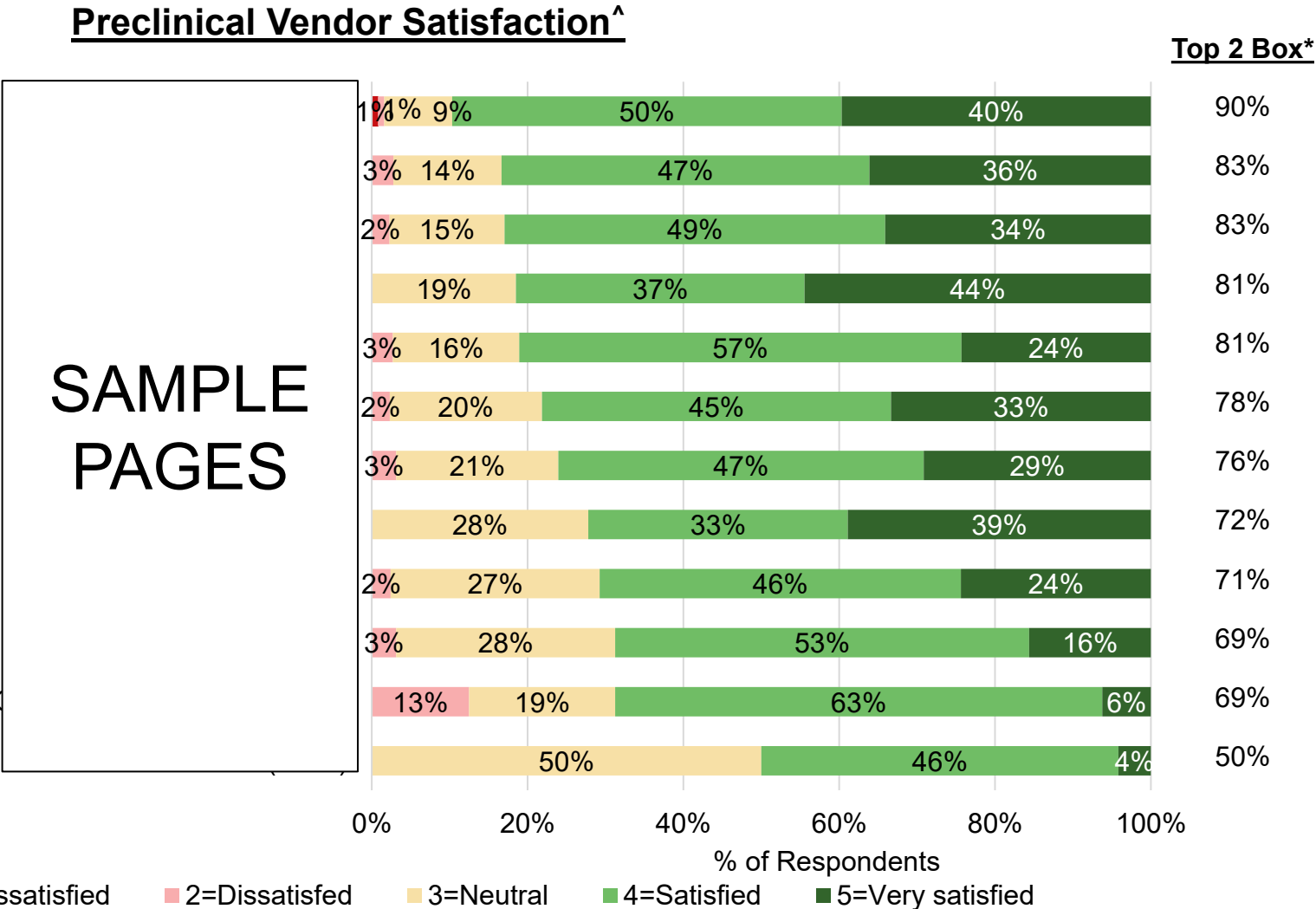
N=150

S10. What best describes your experience/familiarity with each of the following external providers offering pharmacovigilance solutions? Please complete for all vendors.  
Q19-22. Based on your past experience or anything you may have read, heard or impressions you have formed, if you, personally had the freedom to choose and there were no barriers or conditions, which of the following companies would you Q19) consider, Q20) prefer, Q21) trust, Q22) recommend? Please select all that apply.  
Proprietary & Confidential | Source: Life Science Strategy Group, LLC

AA scores highest for vendor satisfaction, followed by BB, CC, DD, and EE.

- Eurofins
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- r
- abs
- very
- es River Labs,
- vendors.

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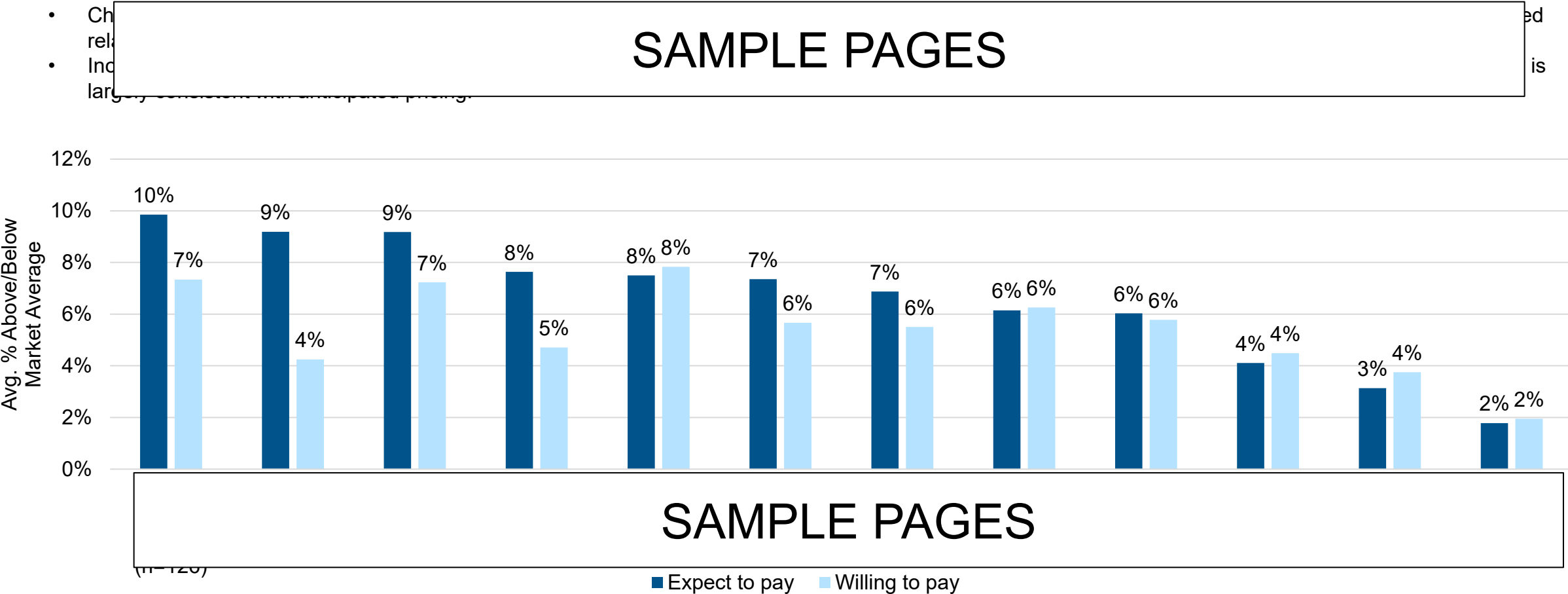
\*\*See segment differences in data file

Q25. How would you rate your overall satisfaction (e.g., based on your experience, quality etc.) with each of the following preclinical services vendors? Please rate on a scale from 1 to 5 where 1=Very dissatisfied, 2=Dissatisfied, 3=Neutral, 4=Satisfied and 5=Very satisfied.

\*Top 2 Box = "Satisfied" + "Extremely Satisfied"  
<sup>^</sup>See Directional Vendors in data file

AA and BB are relatively premium-priced vendors, with sponsors expecting to pay nearly 10% above the market average. CC captures only a modest premium, while DD sits at the bottom of the spectrum with the lowest perceived pricing relative to competitors.

**Preclinical Vendor Pricing/Value**  
*(Expect to Pay and Willing to Pay vs. Market Average)*

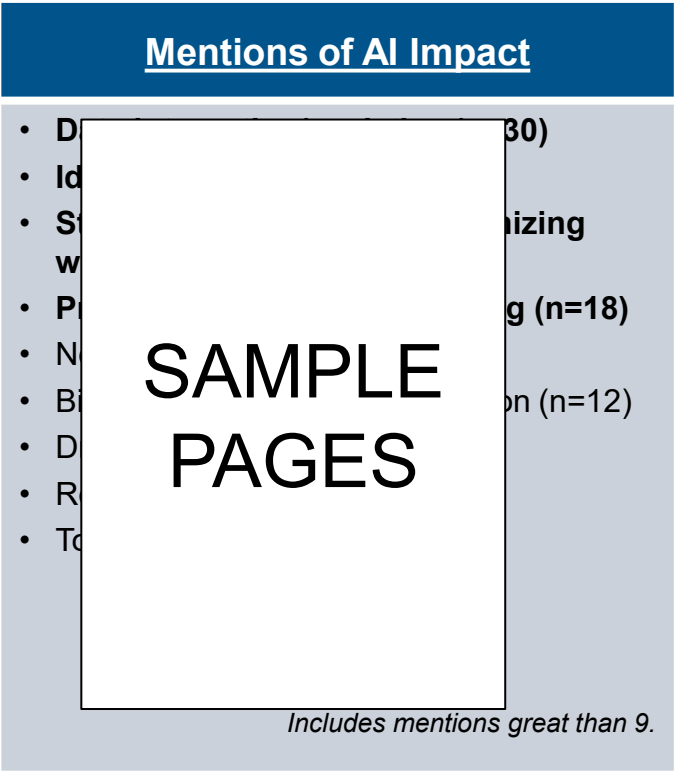


\*\*See segment differences in data file

^Vendors with n<15 excluded from analysis due to directionality

AI is having the greatest impact on preclinical programs through AA and BB, followed by CC, DD, and EE.

Greatest Impacts of AI on Preclinical Development Programs



“Faster data handling, predictive modelling, data integration, model selection”  
- Sr Director/Director, Biopharma-Large EU

“Data flow and vendor data analysis, and comparisons with previous studies”  
- Sr Director/Director, Biopharma-Mid EU

“The greatest impact today is in predictive toxicology/ADME, AI-assisted PK/PD modeling, and biomarker data analysis- areas that cut study time, reduce animal use.”  
- Sr Director/Director, Biopharma-Mid EU

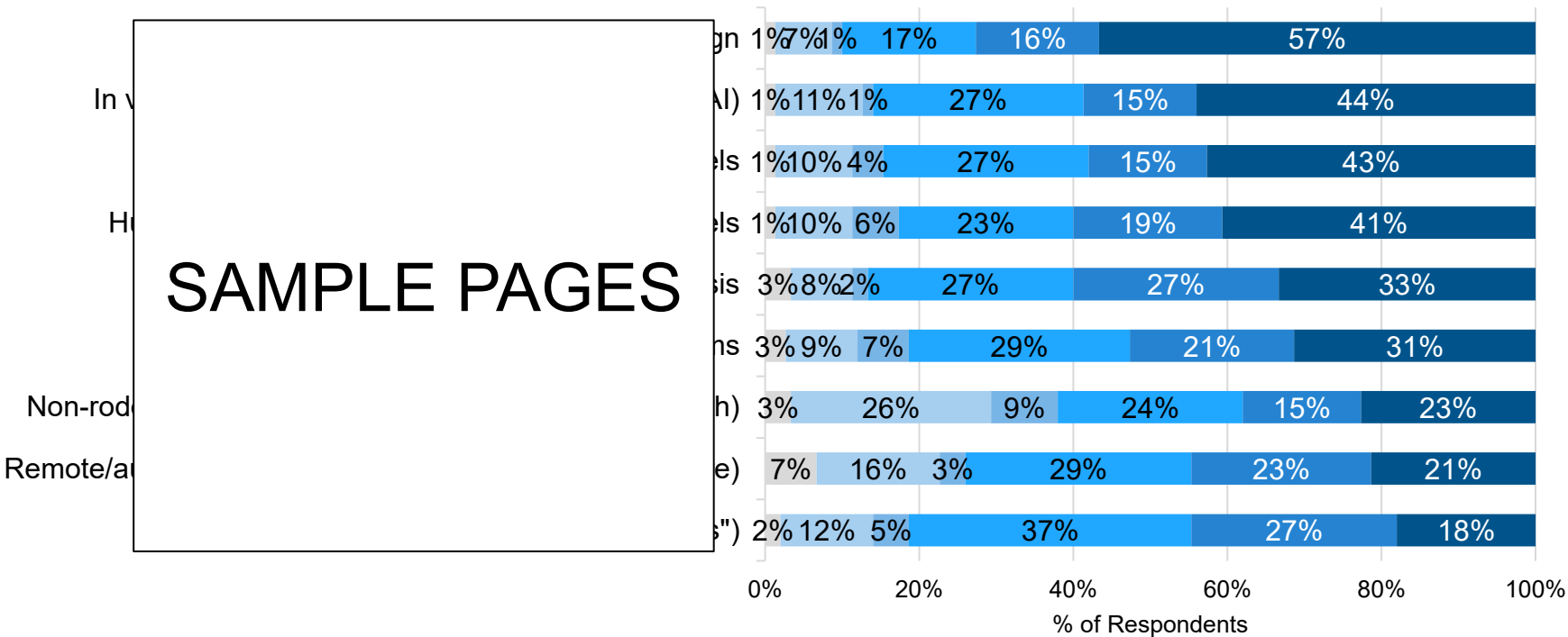
“Predict outcomes with greater accuracy, and accelerate the identification and optimization of drug candidates”  
- Sr Director/Director, Biopharma-Mid NA

“Target identification and validation, preclinical safety and toxicology prediction”  
- Vice President, Biopharma-Mid EU

“Organization of work flow, predictions based on in silico modeling/data integration to refine study designs and focus on specific risk mitigation elements”  
- C-suite, Biopharma-Small NA

Outside of NAMs, AA is the novel preclinical method most used or in process of being implemented, followed by BB, CC, and DD.

Use of Novel Preclinical Methods



**Segmentation Callouts**

- **Geography** – No significant differences
- **Company Size** – more Mid-size (S/E) biopharma using novel
- **Company Size** – more Mid-size and using 3D cell culture and in silico and computational toxicology platforms.

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■ Don't know ■ Not used/not planning to use ■ Used in the past but no longer using ■ Considering for future use ■ In process of implementing within the next 12 months ■ Currently using

N=150

Q29. For each of the following novel preclinical methods, please select the option that best describes your organization's current level of use?



## VI. About Life Science Strategy Group, LLC

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# About Life Science Strategy Group, LLC

**Life Science Strategy Group, LLC (LSSG)** is a life science consultancy specializing in strategic consulting and market research engagements across a variety of service, therapeutic and technology markets. Our core leadership team brings more than 30 years of combined experience conducting strategic consulting engagements in the following areas:

- Biopharmaceutical
- Contract Research
- Contract Drug Manufacturing
- Biotechnology
- Diagnostics
- Drug Discovery

LSSG brings extensive breadth and depth of life science knowledge combined with seasoned consultants specializing in the biopharmaceutical services industry market research and strategy. They provide actionable and insightful strategic consulting results backed by data-driven market research.

***“Solid, responsive, and dependable. That’s why we work with them.”***  
*VP Business Intelligence, Global Top-5 CRO*

For more information on the Life Science Strategy Group’s consulting and market research services, please contact us at [info@lifesciencestrategy.com](mailto:info@lifesciencestrategy.com).

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