



Key Findings

 **The global CRO industry valued \$18bn in 2008, an increase of 14% over 2007.** The CRO market will grow at an annual rate of 14% over the 2009–13 period.

 **Quintiles leads the global CRO market having accrued a market share of 16.9% in 2007,** equivalent to sales of \$2.7bn. There are over 1,100 players in the industry, and the top 10 players only accounted for 56.1% of the global market in 2007.

 **The fragmented structure of the CRO industry has led to an increase in strategic alliances, acquisitions, joint-ventures and other partnership deals** as companies attempt to expand their service offerings and geographical presence.

 **Covance is the second largest global CRO, having registered revenues of \$1.5bn 2007,** representing a market share of 9.7%. Covance is building global capabilities, with many clinical trials now being conducted in emerging markets.

 **Biomarkers have the potential to become an integral part of clinical research,** after the FDA recommended their usage throughout clinical trials to demonstrate desired clinical activity and safety.

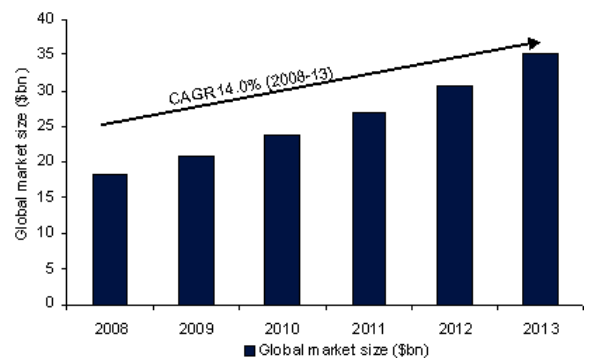


Figure 2.1: Global CRO market size (\$bn), 2008–13

“Business Insights estimates the global CRO market to be worth \$18bn in 2008, and further growth is forecast at an annual rate of 14.0% to reach approximately \$35bn in 2013. This growth is expected to be largely driven by cost containment pressures in the global pharmaceutical industry that have encouraged R&D outsourcing...”

Use this report to...

- **Compare the performances of the top 10 CRO companies** across key business segments with this report’s analysis of **Quintiles, Covance, Pharmed Development, Charles River Labs, ICON, Parexel, MDS, Kendle, PharmaNet Development and PRA International.**
- **Identify the market dynamics of the global CRO industry over the 2007-08 period,** discover which emerging markets are becoming the CRO destinations of the future and understand the latest industrial trends across **the UK, Japan, France, Germany, Italy, Spain and the US.**
- **Assess the future prospects of the top 10 CRO companies** with this report’s analysis of each firm’s strengths, weaknesses, opportunities and threats, in addition to an examination of growth strategies via **acquisitions and divestments.**
- **Measure the progress of other leading CRO companies** by evaluating the financial performances of Aptuit, Life Sciences Research, Omnicare, SGS, CMIC, WuXi Pharmatech, Galapagos (Biofocus), LAB Research, United BioSource and Bio-Imaging.

Explore issues including...



Industrial consolidation. Globalization and the need to provide a wider breadth of services to meet customer needs across the drug development process is driving consolidation.



Budget pressures for biopharma. The economic slowdown has limited the availability of funds for 'risky' businesses such as biotechnology. This has led to many projects being suspended.



Consolidation in client industry. Consolidation in the pharma industry has led to the creation of larger entities with better bargaining power. This is beginning to impact upon contract payment terms.



Demand for CRO services. Regulatory pressures are creating a need for larger trials and increasing development timelines. Regulatory delays and phase IV monitoring requirements are also fuelling demand for CRO services.



Influx of private equity players. A number of factors are driving the participation of private equity players, including the nature of the service-based business model and recent shifts in the CRO industry led by globalization and the demand for full-service offerings.

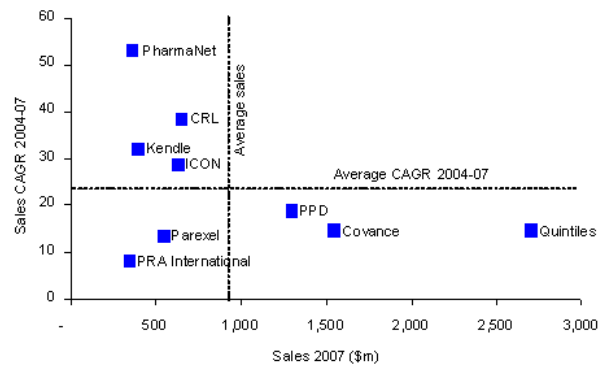


Figure 2.3: Market position of the global top 10 CROs

"Among the top 10 players Quintiles, Covance, ICON and PRA international are the only full-service CRO providers. Covance has the largest exposure to therapeutic areas among the top 10 global players. However, ICON has a competitive advantage over the full-service providers mentioned above owing to its diversified geographic presence..."

Discover...

- Which countries are attracting offshore investment?
- What are the trends in the global CRO industry?
- Who are the top 20 players in the industry?
- What is the market share of each of the global leaders by company?
- What are the drivers and resistors of growth in the CRO industry ?
- How is consolidation expected to change the dynamics of the industry?
- What are the key strategies of the leading CRO companies?
- What are the strengths and weaknesses of the industry's top players?
- Which phases of clinical research are driving the industry?

Sample Information

Chapter 8: Parexel

Company overview

Parexel is engaged in clinical research, medical communications, consulting and informatics services. Its clinical research services (CRS) offerings constitute clinical trials and data management, biostatistics, clinical pharmacology and investigator site services. Parexel's contract research services primarily focus on cardiology, oncology, infectious diseases and, CNS therapeutic areas. Parexel operates in 69 locations in 52 countries globally.

Recent financial performance

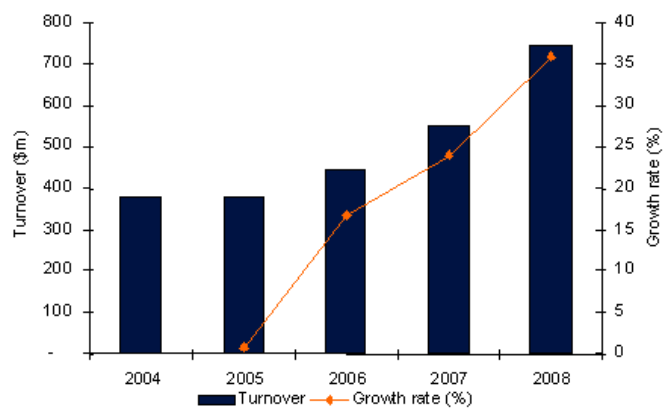
Parexel generated \$1,163m in consolidated revenues for fiscal year ended June 2008, achieving a 26.7% growth over 2007. The contract research services (CRS) segment generated revenues worth \$746m in 2008, up 35.9% over 2007. The growth in CRS revenue is attributable to the positive impact of acquisitions and increased demand for services across all phases of CRO business. Parexel's CSR business registered a CAGR of 18.6% during 2004-08.

Performance by business segments

Parexel operates through three business segments: CRS, Parexel consulting and medical communications services (PCMS) and Perceptive. It generated 77.3% of its total service revenues from the CRS segment in 2008, up 74% on 2007. Parexel's PCMS and Perceptive business segments contributed 13.5% and 9.2% respectively to the company's total revenue.

Parexel is focusing on strengthening its presence in the emerging markets of the Asia-Pacific to tap into regional demand for contract research services and to take advantage of cost savings for its Western clients. In June 2007, it opened a new office in Hyderabad, India to provide clinical research and data management services. This office will help Parexel target Indian pharmaceutical and biotechnology firms. It also entered in a joint venture with Synchron Research Services and acquired a majority holding in Synchron's Bangalore business in 2006. (Continued...)

Figure 8.14: Parexel financial performance (\$m), 2004-08



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Table 8.20: Parexel business segment performance, 2008

Business segment	Revenues (\$m)	% share
CRS	746	77.3
PCMS	130	13.5
Perceptive	89	9.2
Sub total	964	100
Others*	199	
Total	1,163	

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