

Vital signs

Disruptive challenges facing CDMOs and strategies to overcome them

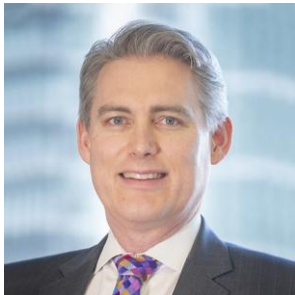
Session summary | June 2025

Insights from

AlixPartners
**Disruption
Index**

When it really matters.

Vital signs of disruptive forces



From our Healthcare &
Life Sciences practice,
Chris Taber

Like the rest of the life sciences industry, contract development and manufacturing organizations (CDMOs) [face a host of challenges](#)—from evolving market dynamics to shifting regulatory demands to organizational complexities—that industry executives must navigate.

However, CDMOs are also in a unique position, benefiting from the rapid expansion in complex therapies, as well as a need for more diversified and resilient supply chains among global life sciences manufacturers. Furthermore, a fragmented market, with opportunities for operational improvements and the promise of strong recurring revenue and cash flows, has attracted significant interest (and investment) from private equity.

Consolidation is clearly a major trend reshaping the CDMO industry. The recent Novo Holdings acquisition of Catalent demonstrates the power of M&A to rapidly expand capabilities, scale operations, and offer integrated, end-to-end solutions, not to mention scramble the competitive landscape for scarce production capacity for products in high demand. Rather than building new infrastructure from scratch, larger players are considering acquiring established firms to quickly access specialist technologies, advanced manufacturing capacity, and broader service portfolios. In an industry in which the top 5 CDMOs control only 15% of the market, further consolidation seems likely.

Technological advancements are another engine of growth and transformation in the CDMO industry, enabling them to deliver greater value, efficiency and innovation for their pharma and biotech partners. AI and machine learning are optimizing processes in real time and are showing real promise in modeling drug efficacy and safety, potentially resulting in shortened development timetables, reduced demand for expensive pre-clinical processes and resource models, and accelerated time-to-market for new therapies. Automated compliance tools help CDMOs stay current with evolving global regulations, reducing compliance risk and administrative burdens. New technologies are also building stronger client partnerships and greater transparency, offering new opportunities for consultative support and product co-development.

As we have seen in the results of the [6th annual AlixPartners Disruption Index](#), life sciences are one of the most disrupted industries in recent years, but at the same time, it offers so much promise for our future wellbeing. In the fast-moving pharmaceutical and biotech industries, CDMOs are increasingly essential, innovation-led, and agile partners for larger manufacturers. Keeping up with this pace of change, in an increasingly unstable regulatory and legislative environment, is the essential task of every executive and investor in this industry.



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Thomas
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Vice President, Head of Commercial
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Lonza

87%

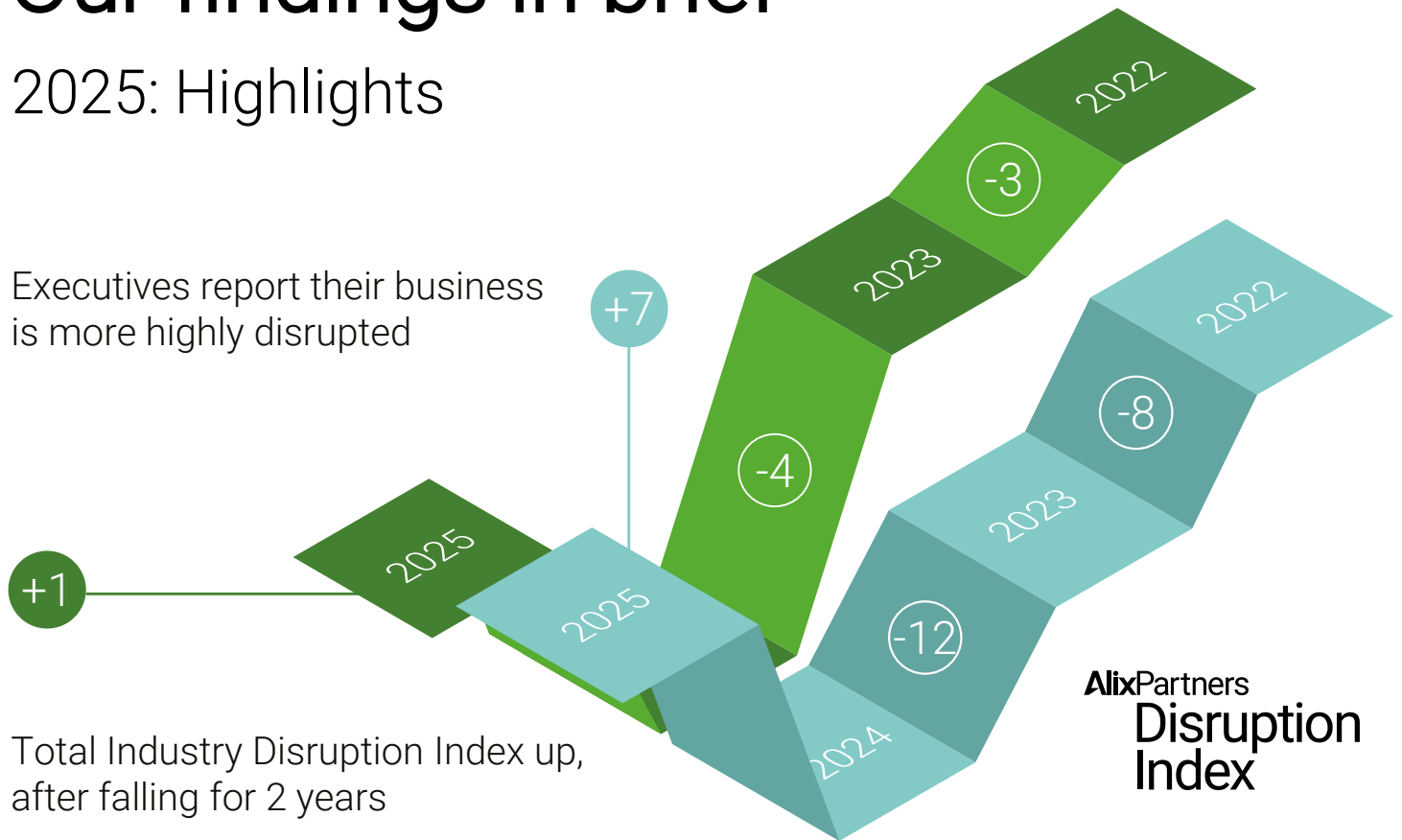
of healthcare & life sciences
executives expect meaningful
change to their business model in
the next 12 months.

AlixPartners' 2025 Disruption Index

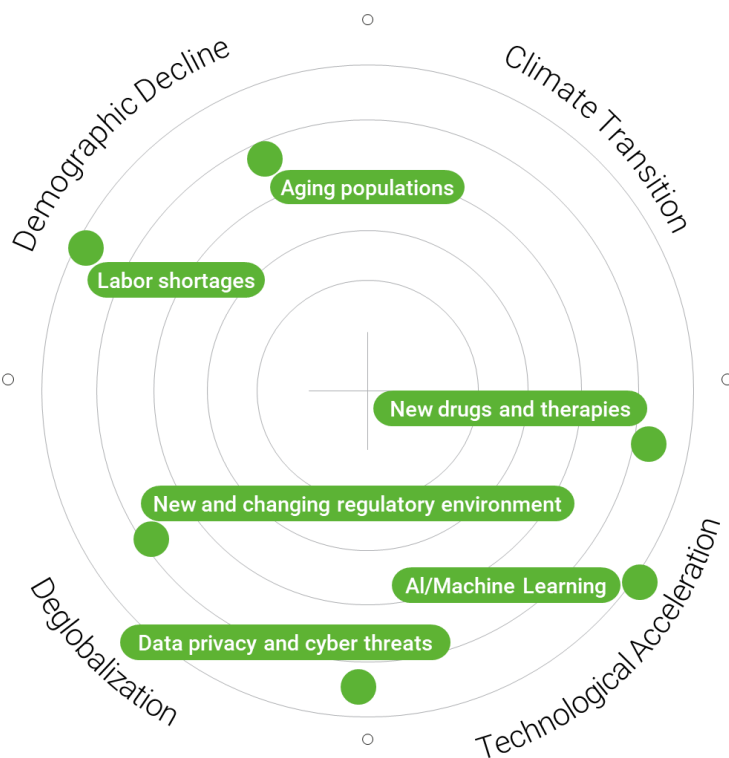
Our findings in brief

2025: Highlights

Executives report their business is more highly disrupted



Total Industry Disruption Index up, after falling for 2 years



Disruptive forces in life sciences

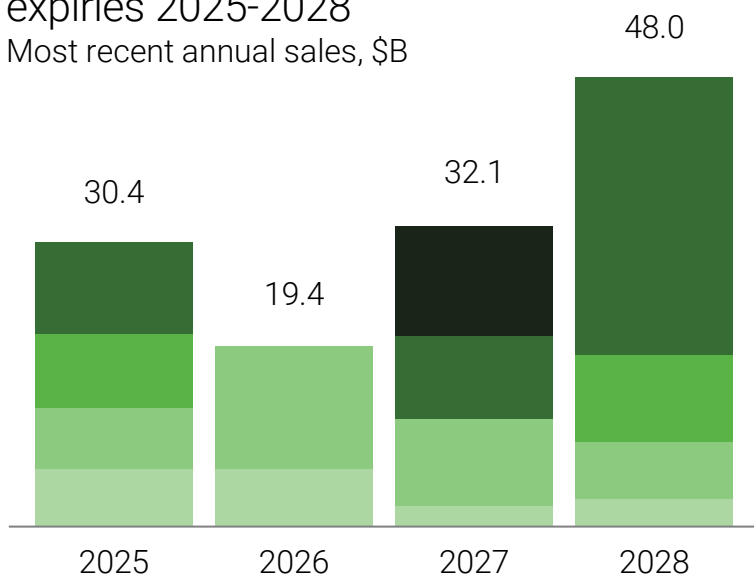
2025 Disruption Score

70

01 Growth and business strategy

Significant upcoming patent expiries 2025-2028

Most recent annual sales, \$B



Disruption readiness



31%

of companies report a low level of disruption



43%

of executives say they are highly disrupted

02 Technology

AI adoption

Where is your organization on its AI adoption journey?



Neutral or pessimistic about the impact of AI

24%

76%



Optimistic about the impact of AI



AI will primarily enable cost reduction

47%

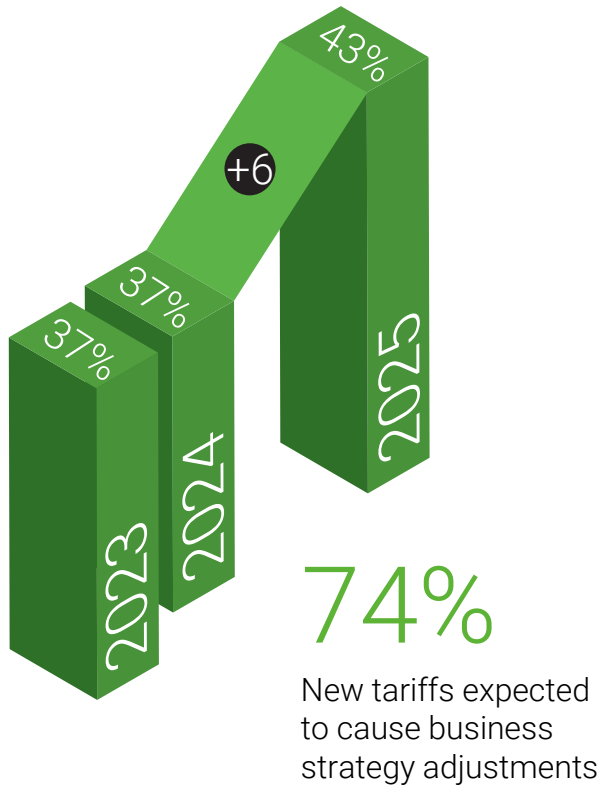
53%



AI will primarily drive revenue growth

03 Supply chain/trade

Expect supply chain issues to be more of a challenge 12 months from now



04 Regulation

Largest threats: Showing percentage selected



05 Workforce

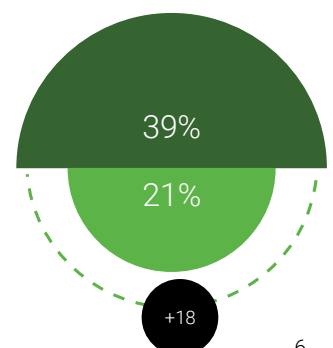
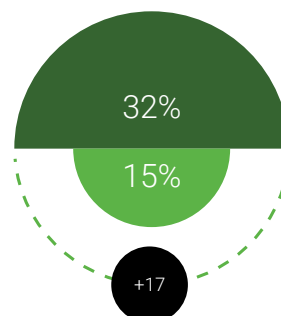
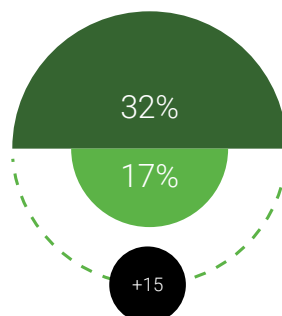
Need for training or upskilling

Investment in AI and automation alternatives

Employee productivity

Top internal workforce issues over past 12 months

- Last year
- This year
- Difference



What's next?

Be agile

when deploying and scaling AI for ROI & adopting new modalities

Be responsive

scenario plan for regulatory changes and supply chain risk

Place strategic bets

accelerate growth, develop new modalities
& become employer of choice for top talent

Contact our experts



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AlixPartners Disruption Index

The AlixPartners Disruption Index measures the state of disruption across major industries and regions. We asked senior executives across 10 industries and 11 countries questions on the degree to which their business is being disrupted, the various disruptive forces impacting them, the pace at which these disruptive forces are accelerating, and the strategies they are employing to confront them. Using these responses, the Disruption Index provides a measure of the magnitude and complexity of disruption that organizations are facing, accounting for overall disruption levels as well as the number of disruptive forces impacting an organization. You can read the full report at alixpartners.com/disruption-index/

3,200

Executives surveyed

320

Per industry

11

Countries

10

Industries

About AlixPartners

For more than forty years, AlixPartners has helped businesses around the world respond quickly and decisively to their most critical challenges—circumstances as diverse as urgent performance improvement, accelerated transformation, complex restructuring and risk mitigation. These are the moments when everything is on the line—a sudden shift in the market, an unexpected performance decline, a time-sensitive deal, a fork-in-the-road decision. But it's not what we do that makes a difference, it's how we do it. Tackling situations when time is of the essence is part of our DNA—so we adopt an action-oriented approach at all times. We work in small, highly qualified teams with specific industry and functional expertise, and we operate at pace, moving quickly from analysis to implementation. We stand shoulder to shoulder with our clients until the job is done, and only measure our success in terms of the results we deliver. Our approach enables us to help our clients confront and overcome truly future-defining challenges. We partner with you to make the right decisions and take the right actions. And we are right by your side. When it really matters.