

Expanding The Scope of Your Contract Research Business

Jim Steffel
LABServices, Hamburg, PA

Presentation Outline

- Introduce LABServices, its Management, Staff and history.
- Discuss how LABServices business model grew from a GLP/Efficacy CRO to a more diversified agricultural R&D consulting organization.
- Consideration of the objective and data needs of GLP vs. Efficacy studies.
- Identification and incorporation of options to expand the scope of a CRO.
- Understanding the client and the value of networking.
- Making expansion choices from short and long-term value perspectives.
- Questions and discussion.

Jim Steffel

- Born and raised on a small dairy farm in northeastern Wisconsin
- Master's degree in Entomology at the University of Wisconsin
- 18-years - Product Development Nor-Am Agr. Products (Schering AG, Berlin)
 - Territory – 16 Northeastern US states and 6 Canadian provinces
- 1991 to present VP & Director of Research - LABServices

Ann Steffel

- Master's degree in Entomology at the University of Wyoming
- 6 years with Monsanto
 - 4 years in product development - North and South Carolina
 - 2 years in sales - south central Pennsylvania
- Founded LABServices in 1985

Company Overview

Three primary segments to LABServices business

- Field research trials, primarily efficacy (CRO)
- Test substance procurement, storage, & distribution
- Field trial and specialty project management
- Approximately 8 to 9 full-time and 2-3 seasonal employees
- Located on two farms in southeastern Pennsylvania



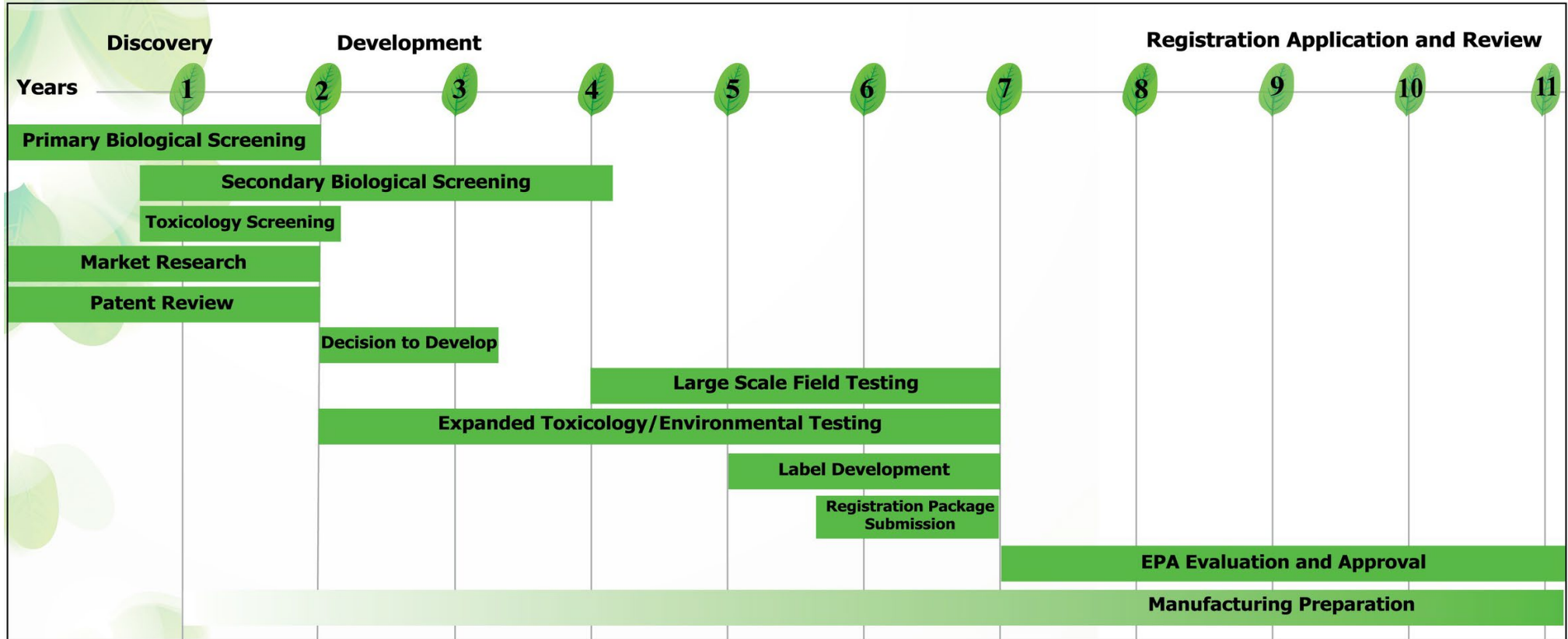
Hamburg, Pennsylvania

Efficacy vs GLP Studies

- Efficacy focus is on the crop and/or target pests
- GLP focus is on the residue of parent molecule remaining at harvest
- Efficacy application(s) referenced to occurrence of target pest
- GLP application(s) referenced to harvest date or a specific crop stage
- Efficacy identifies and defines & quantifies desirable or undesirable results
- GLP confirms and documents an expected result

Pesticide Development and Registration Timeline

Did you know it can take 11 years or longer to develop and register a new pesticide? Our handy timeline shows the many steps involved in developing and registering safe and effective products.



Considerations in Choosing an Expansion Option

- Resources currently available within your organization.
 - Staff – background and experience in desirable options
 - Cost to expand into a new crop or technology
 - Reliability to generate the target pest or crop response.
- Interest within your current client base or ability to attract new clients.
- Suitable and sufficient land to work in-house or need to go off-site.
- Cost to add a new focus to your portfolio vs. long- & short-term ROI.

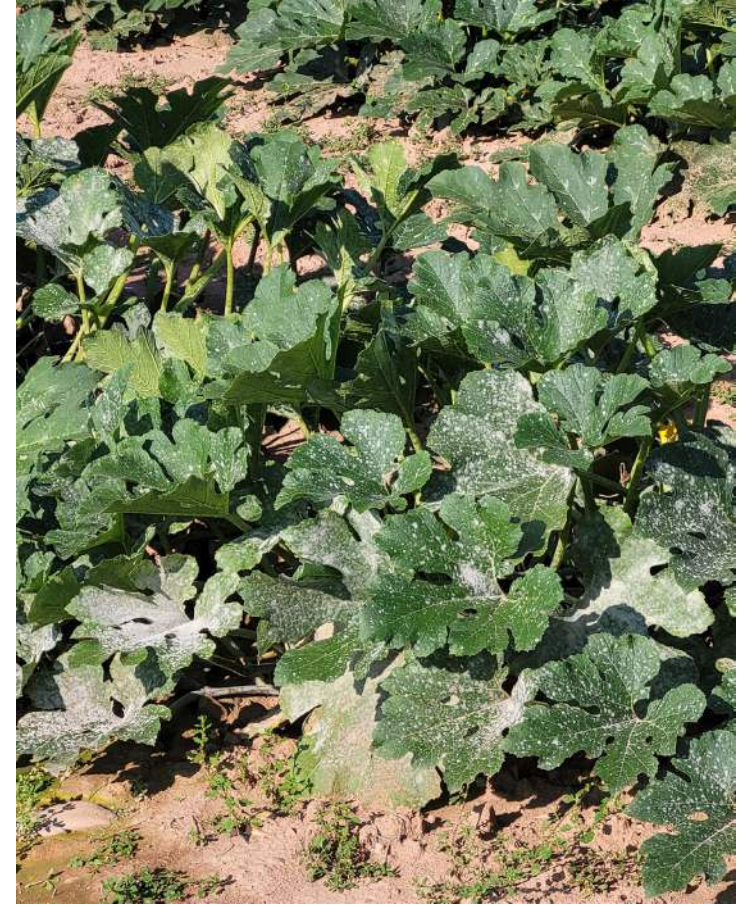
Common Crops and Pests



Disease and yield in corn



Colorado potato beetle



Powdery mildew in pumpkins

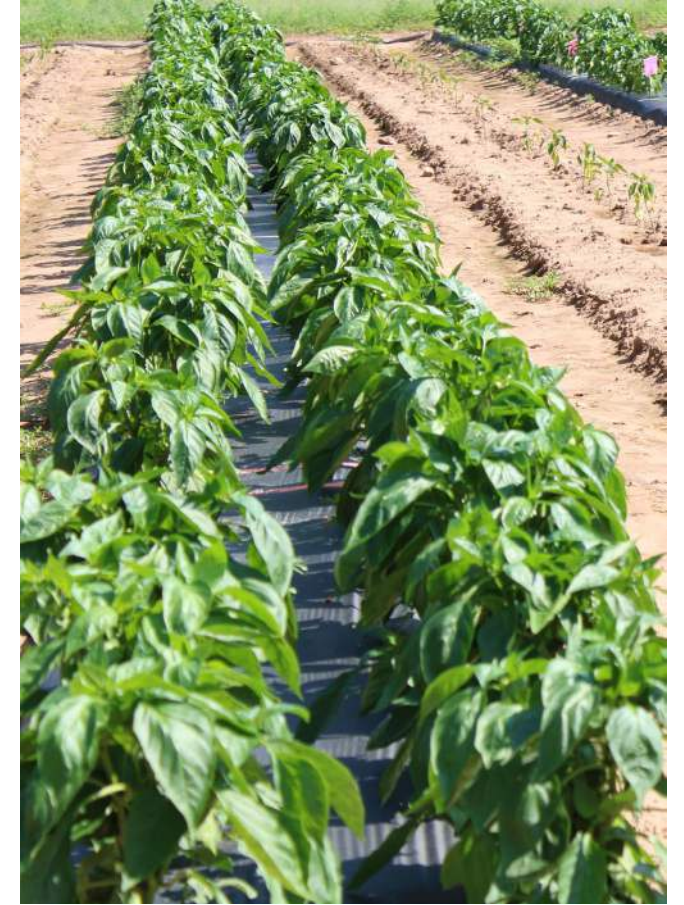
Common crops and pests



Staked tomatoes



Processing tomatoes



Bell peppers

Ornamentals



Non-crop or Nuisance Weed Control



Weedy turf



Japanese Knotweed - hardwoods

Control of invasive species



Spotted Lanternfly on Trees of Heaven

Mushrooms



GLP residue in mushrooms

NAICC Annual Meeting, Orlando, FL
January 26, 2026

Perennial Fruit and Ornamental Crops



Raspberry



Crabapple



Peaches



Apple

Challenging Crops and Pests



Late blight on potato or tomato



San Jose scale on apple

Test substance storage, sample prep and shipping

- Started in the mid-1990s with a client request for safe and legal pesticide storage & sample handling. This grew to include:
 - Repack, label and distribute pesticides samples (requires an EPA Establishment Number)
 - Shipping non-hazardous & dangerous materials (requires DOT and IATA certification)
 - Receive, store and ship regulated live microbes (requires USDA APHIS PPQ certification)
 - Ship live microbes to field release trial locations (requires PPQ-526 permits)



NAICC Annual Meeting, Orlando, FL
January 26, 2026

Where to start:

- Network to meet & know your clients and colleagues
- Attend and participate in professional meetings and events
 - National, regional or state society or commodity groups
 - Webinars and local Extension Service grower events
- Make effort to meet crop consultants and company reps
- Connect with County Agents, University Researchers

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Cost to add a new focus to your portfolio vs. long- & short-term ROI

- Client acceptance of a new service will likely be limited at beginning
- Cost needs to be reasonable with respect to value of service
- Maintaining a strong cash flow supports pursuing expansion opportunities
- Prompt payment on invoices is critical to a strong cash flow
 - Recent moves by Sponsors to extend payment to 60- & 90-days problematic
 - Extended payment terms increase cost of your operating line of credit
 - Any added overhead costs need to go into pricing

Solutions:

- Best to pursue expansion options that can share existing resources.
- Carefully assess cost to implement vs. demand and ROI.
- Limiting impact on cash flow.
 - Promptly invoice upon trial placement.
 - Sponsor specific fee in quote based on Service agreement terms.

There are many ways to make money as a CRO.

One of those ways is to LOSE LESS!

Thank you and best wishes for 2026!

QUESTIONS OR COMMENTS