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# ADDRESSING THE CHALLENGES OF A GROWING BIOTECH COMPANY

Where a biotech company starts and where it ends up can be a very difficult path to predict. Will your product make it to commercialization? Will your company be public or private? Will you license your product, or manufacture and commercialize it? Or will your road lead to being acquired?

Although there is much unknown in the journey ahead, there are many common challenges that confront growing biotech companies.

## Key Benefits

- Faster financial statement close.
- Real-time management of spend.
- Streamlined financial consolidation.
- Robust internal controls and SOX compliance.
- Support for growth.

You're likely confronting issues around: **Partnerships**. Perhaps you're contemplating or have already embarked upon a collaboration agreement. These agreements are an effective tool to enable growth, but can introduce additional complexities in terms of accounting and the need for more robust reporting capabilities.

**Project Reporting**. As you research and develop new products, drugs and devices, tracking and assigning costs among multiple R&D projects can be unclear, complex and necessitate additional time-consuming and error-prone manual processes.

**Cost Management**. Cost management is an important fiduciary responsibility of the accounting team. Managing, approving and monitoring spend, while balancing the needs of different key stakeholders, is a difficult task that requires real-time visibility into costs.

**Closing and Financial Reporting**. Whether you are public or private, a startup or a mature organization, closing the books in a timely fashion and providing real-time access to robust financial data, reports and analytics is a challenge for every accounting team.

**Managing Commercialization**. Moving from R&D into commercialization is a significant inflection point in your company's life cycle and introduces the need for a broad range of new capabilities to ease and ensure regulatory compliance.

While your mix of challenges are as unique as your products, as you've grown you're probably finding that tools like QuickBooks and Excel spreadsheets simply can't provide reliable and

timely financial reporting or the operational capabilities critical to managing daily operations, making key business decisions, and providing comfort around internal processes and controls.

Even if you have already implemented a legacy ERP, it's probably not agile or scalable enough to keep up with the fast pace of your business.

### **Leveraging technology to empower growth**

Technology is one of the primary assets in which biotech companies invest to help solve these challenges.

It's a big part of why Gartner predicts that IT spending in the biotech industry will continue to surge, reaching \$54 billion by 2019 and growing at a rate of 5 percent per year. As startups move along their growth paths, whether it be to IPO, life as a private company or to engage in a merger or acquisition, more and more are turning to a unified, cloud-based platform to provide the stability that springboards these opportunities. Selecting the right systems and partner are crucial to ensuring these investments move at the speed needed and achieve the objectives leadership has defined.

Some benefits others in the space are realizing include:

- **Faster financial statement close**. Cloud solutions like NetSuite provide flexibility and a breadth of capabilities that eliminate manual work around financial statement close, enabling an accelerated close and near real-time reporting.
- **Real-time management of spend**. Robust purchasing, flexible workflows, mobile access and multiple reporting dimensions allow accounting to effectively enable spend in

a controlled, real-time manner along with transparency to see where your valuable dollars are being spent.

- **Streamlined financial consolidation.** Real-time consolidation capabilities eliminate the need for Excel files and provide access to corporate consolidated results at any time.
- **Robust internal controls and SOX compliance.** Biotech companies preparing for an IPO quickly find that QuickBooks doesn't have the robust access and IT controls needed to meet SOX and COSO 2013 requirements. Documented processes, policies and controls, as well as a thorough assessment of entity and control risks, will ease compliance.
- **Support for growth.** As your business changes or you near commercialization, solutions like NetSuite easily scale to provide additional capabilities when needed—whether managing customer orders, inventory costing, complex production or revenue recognition.

## **Why Connor Group and NetSuite?**

Recently selected as the NetSuite Regional Alliance Partner of the Year, Connor Group brings a deep understanding of the culture, business models and operational challenges facing the biotech industry to provide tailored solutions to companies that operate in this dynamic, fast-paced growth environment.

Connor Group specializes in optimizing the financial statement close process, business process reengineering, internal controls and SOX compliance, systems and IT, financial reporting and analytics. We're not just a systems company or an accounting firm. We bring both a depth of knowledge of your industry and the accounting domain, coupled with a deep understanding of how NetSuite can be leveraged to improve process efficiencies and controls, while providing a platform that scales effortlessly with your company's growth journey. With Finance and Operations (FinOps) experts working side-by-side with you as an extension of your team, you can transform your finance and accounting organization into a world-class partner to the business.

### **About NetSuite**

In 1998, NetSuite pioneered the Cloud Computing revolution, establishing the world's first company dedicated to delivering business applications over the Internet. Today, NetSuite provides a suite of cloud-based financials / Enterprise Resource Planning (ERP) and omnichannel commerce software that runs the business of more than 30,000 companies, organizations, and subsidiaries in more than 100 countries.