

How NetSuite Empowers Flexible Growth for Life Sciences Companies

NetSuite and Moss Adams Help Growing Companies Streamline Processes



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INTRODUCTION

The dynamic life sciences market is experiencing growth thanks to a range of contributions including an aging population, increased prevalence of chronic diseases, more government investment in health care, and more.

On track to reach \$376.1 billion by 2027—up from a current \$162.5 billion—the global life sciences sector currently enjoys a 15% compound annual growth rate (CAGR).

The machines behind this growth are the life sciences companies producing new pharmaceuticals, medical devices, diagnostics, vaccines, and other products that help to improve human health and well-being. They're also finding new ways to increase the yields of farmers' crops, developing animal medications, and addressing environmental issues like pollution, waste reduction, and carbon capture.

Life sciences companies face a range of obstacles including the need to manage regulatory requirements, pricing pressures, supply chain challenges, and resource constraints as they progress through the stages of R&D, clinical trials, manufacturing, sales, and distribution. Many rely on a combination of spreadsheets, basic accounting systems, and point software solutions to run their operations, which can take off quickly once a new product hits the clinical trial stage.

SCALABLE HELP

By some industry estimates, the typical life sciences company isn't prepared to manage that growth in a scalable, sustainable manner. Though digital technologies present considerable opportunities for life sciences companies, most have yet to fully embrace and integrate these innovations in an ongoing, committed way that capitalizes on their transformative potential.

It's never too late for life sciences companies to turn things around and leverage the power of cloud-based business management platforms. Once in place, the technology delivers a range of benefits for growing life sciences companies that want to make their mark on the world.

This guide explores the value that cloud-based business management delivers for life sciences companies—and how it can help to streamline processes, manage reporting requirements, create stronger financial controls, and unlock insights for smarter business strategies.

FROM PETRI DISHES TO TRANSFORMATIVE MEDICINES

The life sciences sector is no longer confined to dusty textbooks, sterile labs, and scientists in lab coats.

Since the 2000s, the marketplace has become an ecosystem positively impacting health care, food production, and the environment. The pharmaceutical, biotechnology, medical device, academic, and other entities under the life sciences umbrella collectively work to develop novel solutions to some of the world's most pressing challenges.

For example, gene editing and artificial intelligence (AI) accelerate drug discovery and development, and personalized medicine helps tailor therapies for individual patients.

Making this magic happen isn't easy. As life sciences companies advance from the preclinical stage to clinical trials and commercialization, they need robust technology platforms to support them across all three stages, and beyond.

Unfortunately, start-ups typically rely on basic solutions like QuickBooks, which can quickly turn into a liability once a company starts to hire employees, take on investors, start clinical trials, establish distribution networks, or file for an IPO.

The three stages of a typical company's lifecycle—preclinical, clinical development, and commercialization—require various capabilities at each stage.

	LAB RESEARCH	CLINICAL TRIALS			COMMERCIALIZATION
FDA TRIAL PHASES	Preclinical	Phase I	Phase II (A/B)	Phase III	Postmarketing
	Start-up stage aimed at a successful discovery	Clinical expansion	Pivotal clinical trials	Clinical trials, positive results, and advancement to commercialization	Redefined business models and building out core commercial processes

OPPORTUNITIES & CHALLENGES

SCIENCE	<ul style="list-style-type: none"> Research Preclinical testing 	Safety	Dosing and efficacy	Controlled safety and efficacy	Pharmacovigilance
FINANCING	<ul style="list-style-type: none"> Bootstrapping Early stage capital 	Venture capital financing	Initial public offering (IPO)	Secondary offering	International expansion
STAFFING	<ul style="list-style-type: none"> Limited back office Shared services/incubator model 	<ul style="list-style-type: none"> Expanding back office functions Developing corporate team 	Public company staffing	Preparing for commercialization	Staffing for commercialization
PARTNERING	<ul style="list-style-type: none"> Incubators Research institutions 	Clinical trial administrators	Collaboration agreements	<ul style="list-style-type: none"> Joint ventures with large pharmaceutical companies Licensing agreements Intellectual property retention 	<ul style="list-style-type: none"> Contract manufacturing Facilities development
REGULATORY	Investigational new drug submission (IND)	Documentation and record keeping	European Medicines Agency	New drug application submission (NDA)	<ul style="list-style-type: none"> Labeling Sales Distribution
AUDIT & REPORTING	Reporting to investors	<ul style="list-style-type: none"> Financial statement audits Valuations 	<ul style="list-style-type: none"> SEC financial statement audits Collaboration reporting Sarbanes-Oxley Act (SOX) compliance 	Joint venture reporting	<ul style="list-style-type: none"> Statutory reporting International reporting Internal audit
TAXATION	<ul style="list-style-type: none"> Tax compliance Full valuation allowance 	<ul style="list-style-type: none"> Section 382 change of ownership R&D tax credits 	<ul style="list-style-type: none"> Uncertain tax positions State tax Local tax 	<ul style="list-style-type: none"> Intellectual property offshoring International tax 	<ul style="list-style-type: none"> Consuming net operating losses Reversing valuation allowance



PRECLINICAL

A life sciences organization in the preclinical, non-revenue-generating phase will be heavily involved in R&D studies. This is the spending phase, and companies need to be able to accurately budget, allocate costs, and automate the procurement process.

Companies in the preclinical phase also need core financial and reporting capabilities; planning and budgeting solutions; and an efficient way to manage operational costs by project—from R&D all the way through to the commercialization stage.

CLINICAL DEVELOPMENT

Next, life sciences companies need enterprise software for managing both early- and late-stage clinical development activities. At this point, for example, an organization might need multicompany management features that consolidate reports, particularly if it's setting up global entities to feed its R&D and contract manufacturing processes.

The same company is probably in hiring mode and in need of an automated HR management platform to handle onboarding, compensation management, performance tracking, and other functions.

This is also the time to think about manufacturing and distribution. Some life sciences companies set up their manufacturing and supply chain operations early, during the R&D phase. Others might outsource for years until they have the resources and strategic capabilities needed to establish their own facilities.

Regardless of where a life sciences company lands on this curve, it will at some point need robust supply chain, inventory management, and quality control capabilities.

NetSuite provides a powerful solution that growing life sciences organizations can use to effectively manage complex operations.

COMMERCIALIZATION

Then, as they move toward commercialization, companies need a customer relationship management (CRM) platform for managing leads, quoting, and tracking customer activity and sales performance.

When navigating different business cycles, life sciences companies need to automate various business processes.

This is where enterprise resource planning (ERP) platforms like NetSuite prove their value. NetSuite provides a powerful solution that growing life sciences organizations can use to effectively manage complex operations.



BEYOND THE LAB: UNPACKING LIFE SCIENCES' MOST URGENT ISSUES

The global life sciences industry has been on a growth trajectory over the past decade and with continued escalation expected. The COVID-19 pandemic further underscored the industry's strength and put a spotlight on the important work that life sciences organizations perform daily.

Life sciences companies face numerous financial and reporting challenges as they navigate their business cycles, including:

- Project accounting from R&D through commercialization
- Procurement automation and contract management
- Consolidated reporting, dashboards, and key performance indicators (KPIs)
- Ease of integration and data exchange with outsourced partners
- Lot traceability to support product tracking and potential recalls
- Quality management
- Regulatory compliance
- Security and controls

Life sciences companies with long R&D stages that don't generate revenue can find themselves on the fast track to commercialization once clinical trials are complete.

At that point, companies still working with legacy, on-premises systems and using Excel spreadsheets to manually transfer data between these solutions might struggle to keep up with the changes. Sharing data across these disparate, legacy systems requires a lot

of spreadsheets. The systems are rarely configurable enough to meet the needs of a growing life sciences organization, which might find itself throttled by limited functionality, poor financial controls, and a complete lack of consolidated financial and operational reports.

The closer life sciences companies get to commercializing their products or services, the more cumbersome their existing technology systems become.

As the life sciences sector has expanded, it's transitioned from being technologically averse to working in an agile, collaborative manner.

As demand for life sciences products increases, the companies that invent and deliver life-altering therapies and drugs in this subsector need robust technology systems that help them advance from pre-revenue to commercialization to public entities.

ERP SYSTEMS HELP LIFE SCIENCES BREAK THROUGH TECH ROADBLOCKS

By automating and integrating business processes, ERP systems help life sciences companies solve business challenges.

The platforms also support information flow, enable management decision-making, and provide detailed reporting. The latter is especially relevant for life sciences companies, which typically work with many outside entities such as contract manufacturers and distributors to get products made and delivered to the market.

There are three different ERP deployment models—on-premises, hosted, and cloud—with the latter being the option of choice for most companies operating in the modern business environment.

Most enterprises use some type of cloud software to run operations, and cloud ERP deployment is rapidly replacing on-premises options as companies either invest in new systems or upgrade their existing software.

According to IDC, about two-thirds of life sciences companies are adopting business-critical applications that are deployed in the cloud. That proportion is expected to reach 90%, effectively illustrating just how important the cloud has become for life sciences organizations.

CLOUD ERP

Cloud ERP deployments come in two different varieties: single-tenant or multi-tenant. Following are the main differences between the two.

Single Tenant

With single-tenant cloud, companies get exclusive access to the entire hardware and software infrastructure. No other users share those resources so the company has complete control over the environment.

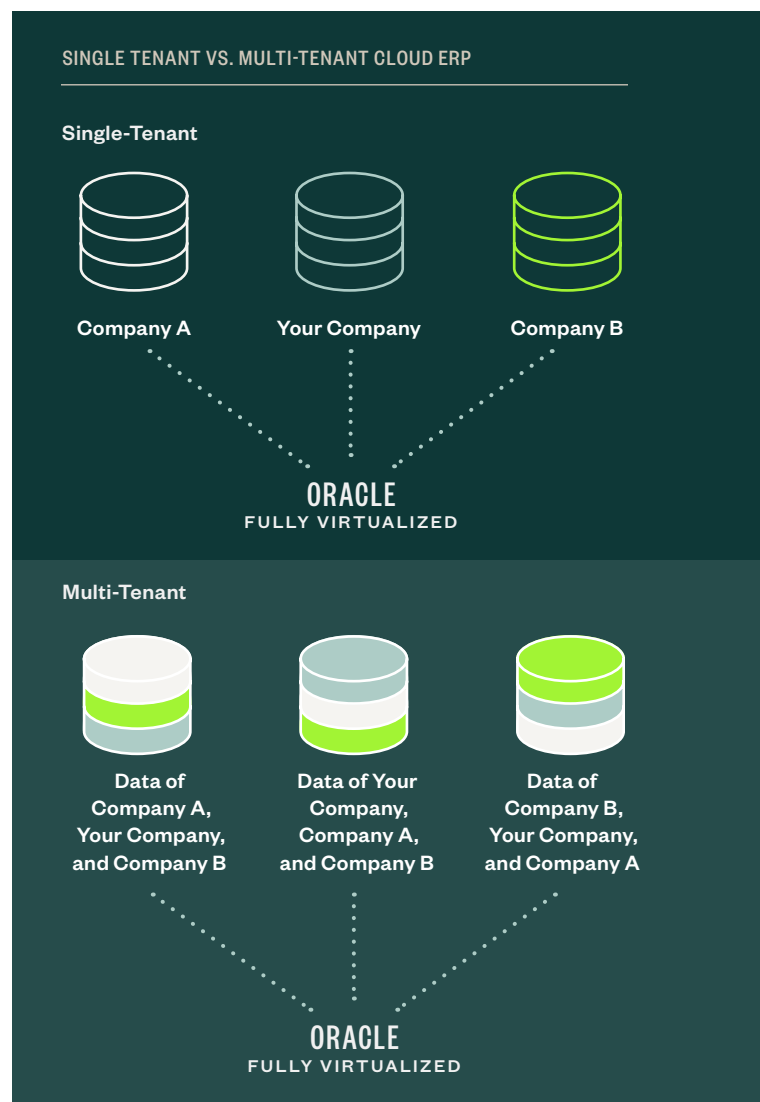
This exclusivity generally comes at a premium and scaling up or down might require additional investment in infrastructure.

Multi-Tenant

Multi-tenant cloud finds numerous users sharing the same physical infrastructure, with resources allocated dynamically based on user needs. This is generally the most affordable option and allows life sciences companies to scale up quickly as their business requirements change.

As a multi-tenant cloud application, NetSuite leverages this popular deployment method while also offering the data security that life sciences companies require.

All the ERP's customers use the same version of the application, which is automatically updated twice a year in the background—no IT team intervention required. With its unified data model and native real-time business intelligence capabilities, NetSuite is the powerful, flexible ERP platform that helps life sciences companies to effectively harness growth across their various lifecycles.



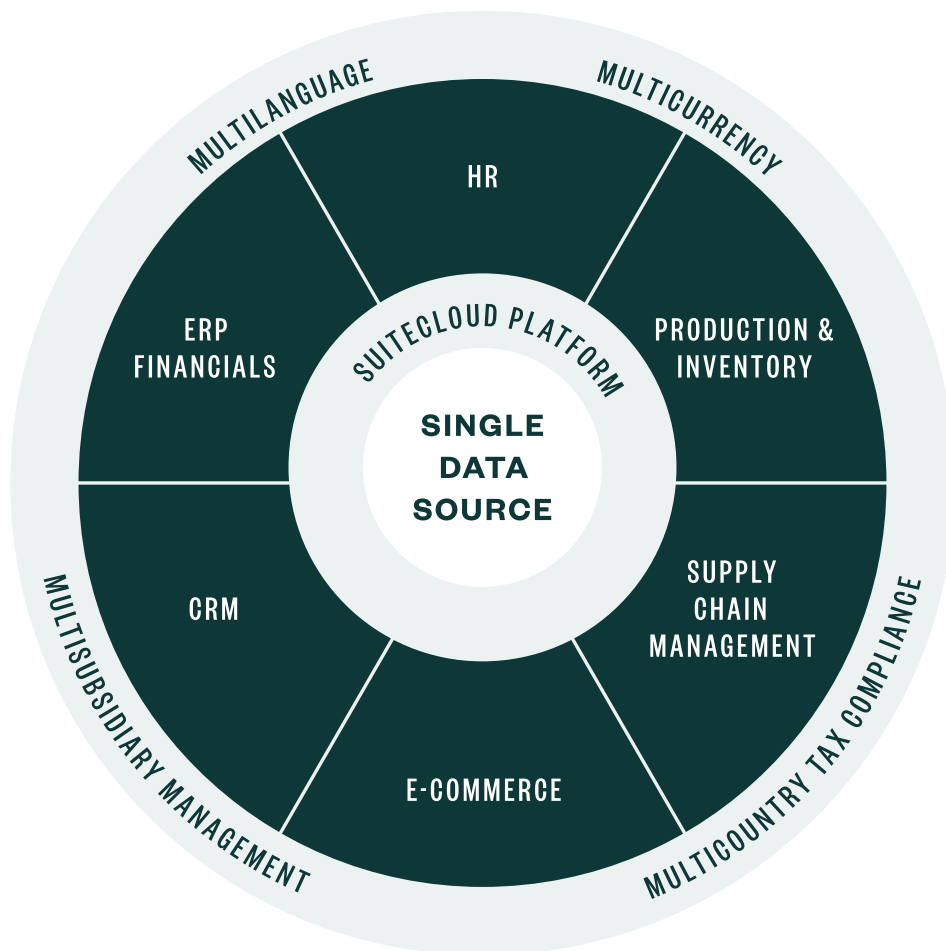
HOW NETSUITE STREAMLINES GROWTH FOR LIFE SCIENCES START-UPS

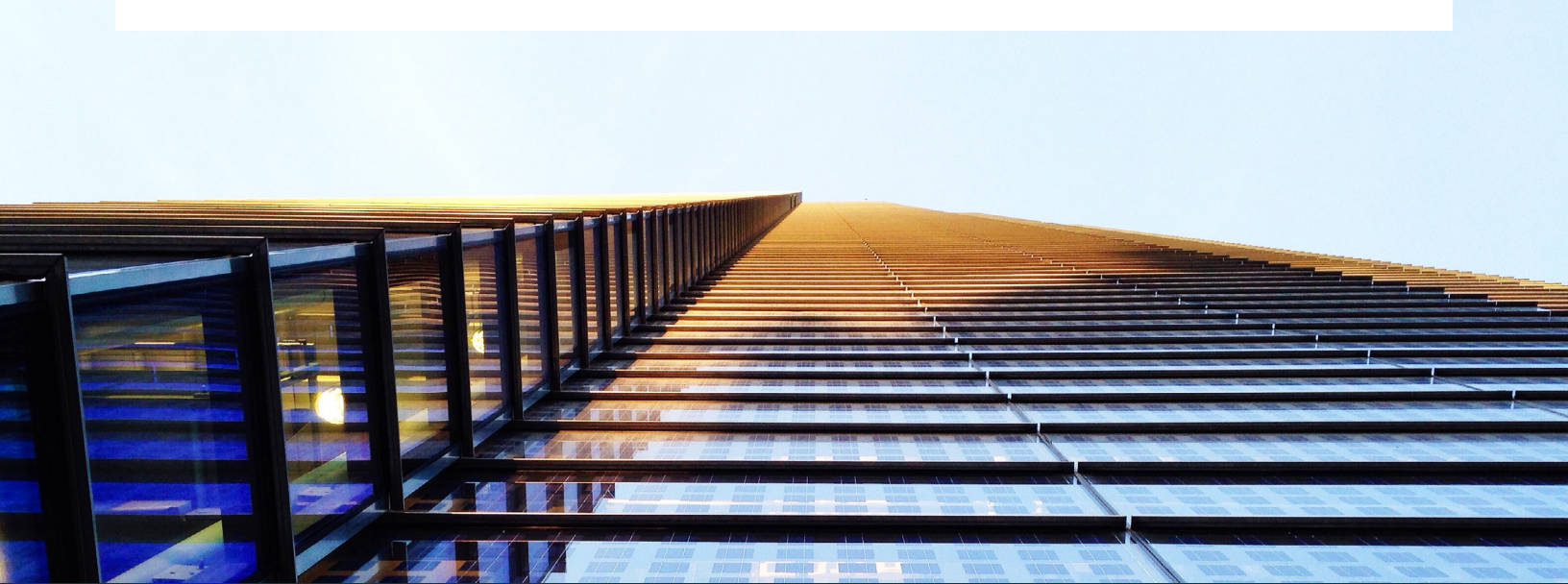
By automating and integrating business processes, ERP systems help solve business challenges, supporting information flow, management decision-making, and reporting.

NetSuite core modules include:

- **Financial management.** Advanced financials, invoicing and billing, revenue management, accounts payable automation, bill capture, and planning and budgeting. NetSuite also automates account reconciliation, multi-book accounting, dunning letters, electronic bank payments, and fixed assets management.
- **Supply chain.** Procurement, warehouse management system (WMS), ship central, demand planning, and quality management.

- **Customer relationship management (CRM).** Contract renewals, incentive compensation, and configure-price-quote.
- **Business intelligence.** Data storage and analytics that simplify data management.
- **Inventory and order management.** Manage complex inventory requirements, maintain accurate inventory counts, automated order orchestration, and grid order management.
- **Commerce.** SuiteCommerce and SuiteCommerce Advanced for ecommerce sales management.
- **Human resources.** NetSuite Payroll and SuitePeople HR help centralize and simplify the process of onboarding and managing employees.





As a fully integrated ERP system, NetSuite provides all the functionality required to run a life sciences business out of the box in a single environment, including:

- KPIs
- Dashboards
- Roles
- Workflows
- Forms
- Thousands of hours of pre-configuration, all based on leading practices (by industry)
- Ability to customize without the need for IT integrations (industry-standard)



ONEWORLD

Along with its core modules, NetSuite also offers OneWorld, a fully integrated multilingual, multicurrency, multi-subsidiary management platform. OneWorld eliminates the need for costly hardware upgrades and allows smooth scaling as companies expand, and features a modular design that can be easily adapted as a company's needs change.



APPLICATION PROGRAMMING INTERFACE (API)

Because NetSuite was built with open application programming interfaces (API), companies can customize the ERP without the need for costly customizations. You decide what you need to add—or, what's missing—and then work with an implementation partner like Moss Adams to integrate that new capability into NetSuite. It's that easy.

NetSuite's analysis framework also lets life sciences companies build their own dashboards and KPIs via a user-friendly point-and-click interface.



MOBILE APP

NetSuite's mobile capabilities directly address many of the typical life sciences company's needs when it comes to remote work and 24/7 access in the cloud.

The ERP's mobile app is available on both iOS and Android devices and provides access to a wide range of NetSuite's core modules. It's ideal for offsite employees, executives, and anyone else who needs access to data, tasks, approvals, and other information.



THIRD-PARTY APPLICATIONS

NetSuite also offers a development and deployment platform that's flexible enough to allow companies to connect with third-party applications; SuiteScript for building customizations from within the ERP platform; and SuiteWorks for integrating with other systems in the cloud space or even on-premises.




REIMAGINE NETSUITE FOR LIFE SCIENCES WITH THE RIGHT PROVIDER

Moss Adams has been working with companies to implement and get the most out of their NetSuite investments since 2007. We became a NetSuite partner after realizing that most companies were inquiring about it, and it was the most suitable cloud ERP for companies ranging from start-up enterprises to large corporations, and all stages in between.

Moss Adams is a NetSuite Solution Provider, and Software Development Network (SDN) Partner providing standard and custom solutions on the Oracle NetSuite platform. Moss Adams also provides NetSuite Business Process Outsourcing (BPO) services for customers that want to leverage NetSuite for bookkeeping, and advice managing that aspect of their business.

For life sciences companies, Moss Adams has developed numerous pre-built solutions that help growing organizations get the highest value from their NetSuite investments. The key components of these pre-built solutions have been developed and fine-tuned over a decade of implementing NetSuite for life sciences companies.



For life sciences companies, Moss Adams has developed numerous pre-built solutions that help growing organizations get the highest value from their NetSuite investments.

They include:

- Pre-built segregated roles and permissions for life sciences companies
- Readily deployed approval workflow bundles
- Pre-built accrual reports, sample consolidated OPEX and Flux reports
- Change log and audit trail reports for compliance with SOX and Section 21 of the Code of Federal Regulations Part 11
- Support for NetSuite validation working with third parties
- Comprehensive SOX readiness assessment and ongoing support for public companies in conjunction with the Moss Adams SOX 404 Compliance Services

Using a consultative approach, Moss Adams also provides integration services to support data interchange between NetSuite and third-party or homegrown applications. The integrations also include contract manufacturers for real-time visibility into the exact stage of production for items that are going through the outsourced manufacturing process.

Once in place, NetSuite also fulfills some undiscovered needs that many life sciences companies didn't even realize they had.

For example, many NetSuite users leverage the power of business process automation to decrease transaction costs and reduce error rates. Executives gain real-time financial reporting and a single view of the business on one platform, versus having to sift through spreadsheets to find what they're looking for. This, in turn, leads to a better, faster, and more educated decision-making process.

Life sciences companies might also be unaware of the key control features in NetSuite that can be easily configured to meet their needs. That means that the first step in an ERP implementation doesn't have to be integrating an add-on application.

Instead, life sciences organizations can leverage NetSuite's native functionalities plus Moss Adams pre-built solutions to take full advantage of the ERP and get the highest possible return on investment.



NETSUITE PUTS LIFE SCIENCES COMPANIES ON THE SUCCESS TRACK

The pharmaceutical, biotechnology, medical device, and other companies that make up the life sciences sector all work hard to help improve human health and wellbeing. As an aging global population demands more health care services and products—and as AI, gene editing, and personalized medicine continue to revolutionize health care—the need for breakthrough life sciences innovations will continue.

The companies behind those innovations will need robust digital platforms that help them work better, smarter, and faster across all phases of their lifecycles. From early-stage companies not yet generating revenues to larger public firms, NetSuite and Moss Adams have the tech bases covered. Life sciences firms can focus on research, development, and products and services that improve health.

WE'RE HERE TO HELP

To learn more about how NetSuite can help support your business, [contact your Moss Adams professional.](#)

To look forward and rise to the challenges ahead requires welcoming change with optimism. It's how Moss Adams uplifts more than 840 life sciences companies nationwide to strategically plan for, and go, where they want to be next. As the largest accounting and consulting firm headquartered in the West, our professionals—with more than 150 serving the life sciences industry—are deeply immersed in locations where many life sciences companies innovate, operate, and thrive.

Discover how our NetSuite and other advisory solutions can help elevate your performance.

ABOUT MOSS ADAMS

At Moss Adams, we believe in the power of possible. A business and personal advisory firm with more than 100 years of experience and 4,750 professionals across 30 markets, we work with clients to rise above challenges and seize emerging opportunities. Discover how we can help you go where you want to be next. Upward.

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