Cloud ERP Fine-Tuned for Pre-Revenue Pharma & Biotech Companies

Welcome to the future of biotech and pharmaceutical enterprise resource planning.

ADLX | **ORACLE** **NETSUITE** Solution Provider

Pre-revenue pharmaceutical organizations play a high-stakes game with little room for error and no second chances given to companies that don't hit the mark on their first time out. Once a promising new drug or therapy is ready for clinical trials, these organizations must quickly shift from research and development (R&D) over to testing and commercialization—a pivot that's difficult to make using basic software systems and spreadsheets.

Having the right business process in place from the start is crucial for pharma, bioscience, gene, and cell therapy developers, and that includes an enterprise resource planning (ERP) solution that's been fine-tuned for the industry and battle-tested by dozens of pre-revenue pharma companies.

In this white paper, we explore the typical issues that pre-revenue pharma, biotech, gene therapy, and cell therapy companies face when implementing ERP and show the value a solution that's pre-built for the industry—and an implementation partner that knows that industry inside and out—provides fast-growing companies.

A Laser-Focus on Pre-Revenue Pharma

Startup companies generally take on any new customer that crosses their threshold, knowing that over time they'll be able to hone their market approaches and work only with clients who truly need their products or services (and who are willing to pay for those offerings). The founders of AdaptaLogix took a different tack, instead putting a laser-like focus on the unique technology needs of pre-revenue pharmaceutical, biotech, gene therapy, and cell therapy organizations.

Responsible for the research, development, production, and distribution of medications, the pharmaceutical industry has experienced significant growth over the past two decades, with pharma revenues worldwide totaling $1.25 trillion in 2019. Much of this growth can be attributed to small, enterprising startup companies that discover and develop new therapies and drugs. The emergence of the pandemic, and the quick work on the part of pharmaceutical companies to develop a vaccine for COVID-19, will likely lift those revenues higher in 2021 (and beyond).

Focusing all its efforts on the pre-revenue pharma space—those companies that are receiving R&D funding but not yet generating revenues for their products—AdaptaLogix assembled a bundle of software that specifically addresses the unique needs of those target customers. Knowing that traditional ERPs implementations leave behind critical gaps for these types of clients, it optimized NetSuite Cloud ERP in a way that provides specialized financial and data solutions for pre-revenue pharma organizations' unmet needs.

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Offering Extreme Business Value

When AdaptaLogix launched in 2016, the company not only wanted to do a great job of serving pre-revenue and pharma and bioscience companies, but also wanted to select a specific bundle of software products for that sector. After exploring their options, AdaptaLogix's founders selected NetSuite Cloud ERP and began using it as a centralized, enterprise system for its early customers. It also built a team with deep vertical industry knowledge, knowing that it would serve as a strong foundation for both existing and prospective customers.

So rather than trying to be "all things to all people," AdaptaLogix funneled 100% of its efforts into the pre-revenue life sciences sector. Over the years, it's gotten to know that sector very well, so much so that its team members can often spot gaps and fulfill needs even before the customers ask about them. It can also guarantee a smooth ERP implementation, having previously encountered and addressed virtually any issue that may arise during this process.

"We knew that if we could focus on a very narrow target market, we'd be able to serve it exceptionally well and ensure the most successful ERP implementation possible," said James Neal, AdaptaLogix's President and Managing Partner. "The strategy worked, and our successful track record attests to the extreme business value that we provide before, during, and after implementation."

Replacing Basic, Manual Systems

Starting out as small organizations of 10-20 employees operating primarily on alliance partnerships or royalties, pre-revenue companies focus on developing drugs for clinical trials and potential commercialization. They outsource most of their business operations and are usually public companies, which means they have to comply with Sarbanes-Oxley (SOX) audit controls and other regulations.

Once clinical trials start, and roughly one year before drug commercialization, these pre-revenue organizations start hiring salespeople, building out their supply chains, and signing contracts with 3PLs—all in the name of getting the groundwork in place for FDA approval and subsequent commercialization.

At this point, basic systems (e.g., QuickBooks, Xero, and Excel spreadsheets) put in place during startup no longer work. Sharing data across these highly-manual systems is cumbersome (or in some cases, impossible), and these solutions can't handle the reporting, audit controls, and other regulatory requirements of a growing pharmaceutical firm.

Meeting 100% of our Client's Needs

Taking their decades of experience in pharma & system development, AdaptaLogix's partners sought out an ERP that met roughly 90% of those customers' needs out of the box, and then fine-tune that enterprise system to meet 100% of their needs. The company then developed software modules and enhancements customized specifically for pre-revenue pharma companies. As a result, AdaptaLogix can now deliver an ERP that consistently meets 100% of its clients' needs, while continually honing that offering to accommodate those customers' changing requirements.

Cloud-based

Scalable

Auditable

Robust Compliance Capabilities

Industry Specific IP Layering

Financial & Supply Chain Data Integration

Automation of Manual Processes

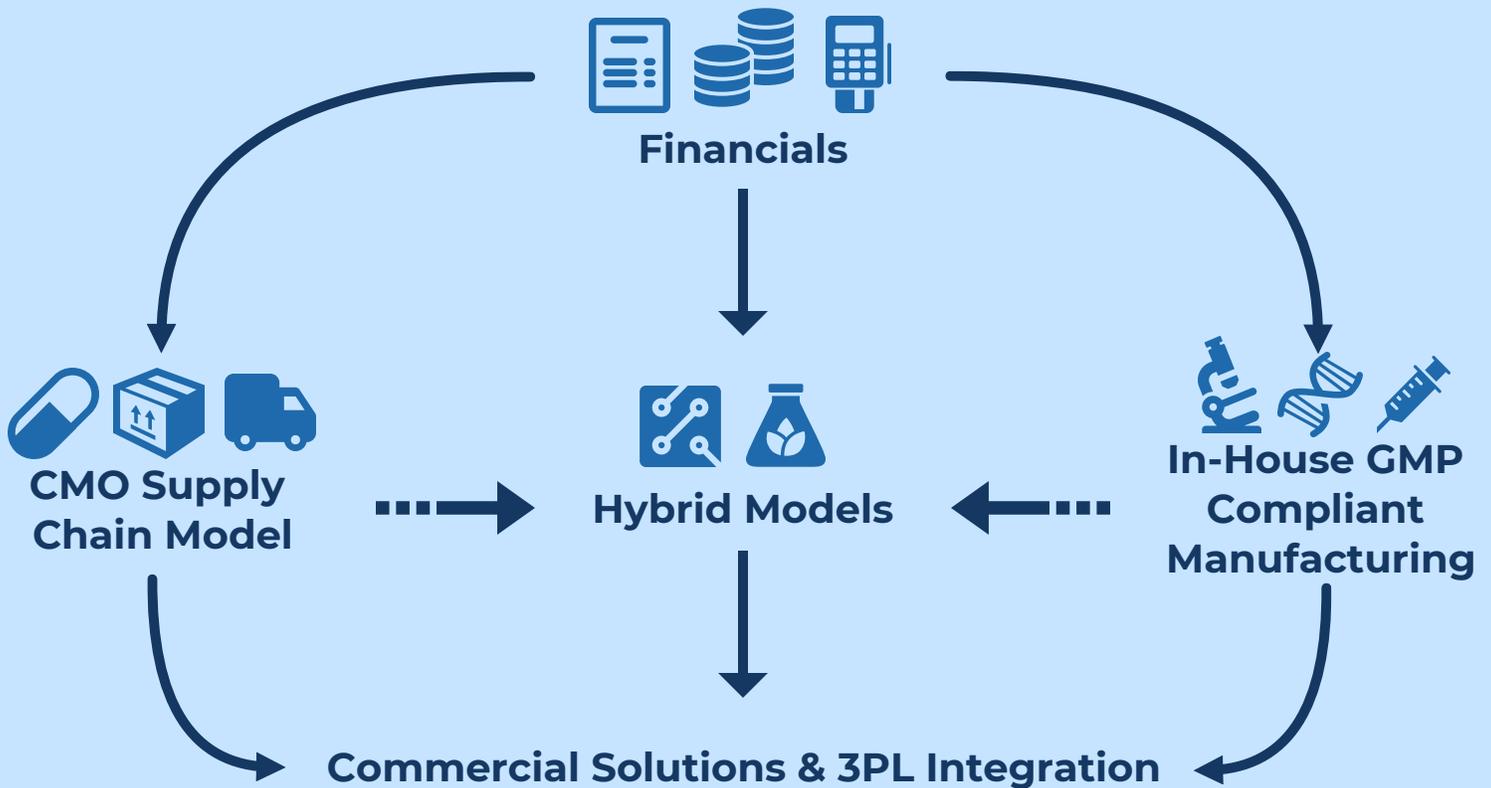Refined Authority Matrix & Approvals

Straightforward UX

By developing a platform that was designed with pre-revenue companies in mind, AdaptaLogix removes the complexities and guesswork from the ERP selection and implementation processes. For example, where another integration partner may need a primer on contract accruals before being able to help a company address this issue—often by developing a solution from scratch or just using Excel spreadsheets to manage them—AdaptaLogix is well versed in contract accruals and their related requirements. "We fill the gaps because we know exactly where those gaps exist," said Neal.

AdaptaLogix also offers a standardized deployment model that saves pre-revenue companies significant time, money, and hassle during the implementation process. Where another partner may request one or more "getting to know you" meetings on the front end, and then have to figure out its new clients' operational model (e.g., how does it collect revenue? Who are its vendors? How does it pay those vendors?), AdaptaLogix comes to the table equipped to answer these and other relevant questions.

Armed with this insider intelligence, the AdaptaLogix team presents a pre-built, predefined system that meets all of its pre-revenue pharma, biotech, gene therapy, and cell therapy customers' needs right out of the gate. "Where other partners start from ground zero," Neal said, "we start from 'nearly complete' and then tweak to accommodate every company's individual differences."

Templatized Implementations that Anticipate Pharma's Growth

Financials

CMO Supply Chain Model → **Hybrid Models** ← **In-House GMP Compliant Manufacturing**

Commercial Solutions & 3PL Integration

"We know that our customers don't collect revenue, who their vendors are, and who handles their sales function (in most cases, it's third-party logistics companies [3PLs]," Neal explained. "We also know their business models are heavily contract-oriented (versus purchase order), at least until they reach commercial status. So, in essence, we aren't so much collecting your system requirements as we are confirming them."

With firsthand knowledge of the struggles that these companies are enduring during this stage, AdaptaLogix serves as a true business partner before, during, and after ERP implementation. Companies get a system that's fully verified, Good Manufacturing Practice (GMP) compliant, and provides all of the documentation for SOX audit controls. Pre-revenue pharma, biotech, gene therapy, and cell therapy companies also get:

- A contract accrual module that automates the contract and invoice management process and a paperless approval module that provides an authentic audit trail and the ability to quickly retrieve and review vendor bills (and, view the complete approval flow for those bills).
- Mobile capabilities that allow employees to approve orders and release payments via laptop, tablet, or another mobile device via the web.
- High levels of traceability and auditability. For example, a GMP lot inspection records and maintains all data captured via receipts and on specific movements of product within the system. "If the FDA comes in and says, 'Show me this batch, how did you release this, and where is documentation for it?'" Neal explained, "it's all documented right in the system."
- Proof of system dependability. AdaptaLogix provides a complete audit trail for pharma companies that need to know how the ERP was installed, how it was tested, any changes that were made (and who made them), and the related change controls.
- Automated sample management. Tracking samples is a big job for pharma companies, which must maintain all of their product samples (or, "retains") for access at a later date. AdaptaLogix replaces paper records and automates the process of capturing, inventorying, and tracking those samples.

Perpetual Refinements & Enhancements

Developed and honed over time, these and other capabilities ensure the best compatibility with the modern, pre-revenue pharma company. Because it works closely with every one of its customers, AdaptaLogix continues to build out its offering in a way that complements the best features of NetSuite Cloud ERP. In many cases, those customers get to test out the platform's latest capabilities and functionalities before AdaptaLogix introduces them to its broader client base.

"Our modules have been battle-tested across many implementations, which means that they're not only made bulletproof over time," Neal said, "but we're also continually adding new capabilities and offering them to our existing customers." For example, with its latest release, AdaptaLogix included the ability to add approval comments to contracts, invoices, and other documents. This is just one example of how AdaptaLogix continues to add value for its pre-revenue clients through the process of repetition, and because it focuses on a single industry.

Knowing that the typical pre-revenue pharma organization operates with a handful of accounting employees, a basic financial system, and a lot of spreadsheets, Neal said the best time for that company to make the move to a cloud-based ERP is "as early as possible, and as late as practical."

A company that's in Phase 1 clinical trials, for example, may want to wait to implement an enterprise system. However, the one that's in Phase 2 and still working with a small accounting department and no commercial salespeople, should make the move before its operations move into a hyper-growth phase.

"Companies that implement ERP before they hit the complexity that will require it usually find that the process is cheaper and also easier on their staff," said Neal, "versus trying to change the whole structure of a company that's working at 100% steam during commercialization."

Regardless of which stage a pre-revenue pharma, biotech, gene therapy, or cell therapy company is at when that decision is made, Neal said AdaptaLogix greatly reduces the risk associated with major technology implementations.

"The customers we work with don't have a chance to 'get it wrong,'" he added. "If they pick another implementation partner who doesn't work out, they'll be grappling with that system for years until they get a chance to fix or replace it. At AdaptaLogix, our team has perfected the roadmap for successfully launching a drug or product, for whatever phase our customer is in."