

# How to Solve the Top Four Reporting Challenges in Life Sciences






# Why is reporting so challenging for life sciences companies?

Stringent and sometimes shifting healthcare and FDA regulations. Constant pressure for meaningful innovation. Uncertain clinical trial outcomes. Increasingly intricate supply chains and distribution models.

Welcome to the complex and fast-moving life sciences industry where, in a recent survey conducted by Adaptive Insights, **50% of healthcare and pharmaceutical financial professionals said they were struggling with their current reporting processes.**

This eBook examines the top four reporting challenges FP&A practitioners face across all life sciences industries. Read on to learn what you can do to solve them.



## The risk of doing nothing

# The Stakes

Most life sciences companies know that their financial, management, and operational reporting could be improved. Yet many are slow to take action, in large part because of other priorities.

**But when you put quality reporting on the back burner, you put your business at risk.**

A modern reporting solution puts life sciences companies in a far better position to innovate strategically, diversify product portfolio, manage cash flow, expand into new markets, and deliver more consistent revenue and margins.

At the same time, it helps you up-level your finance game, transforming you into the value-adding intelligence provider that you always wanted to be—the person the board and business units can depend on to make timely, informed decisions.

## Reporting Challenge

# #1

### Slow, manual process

Excel is a great tool. But the static nature of spreadsheets makes it difficult to quickly and consistently produce updated financial and operational reports. In a market in which regulatory changes and global competition require speed and agility, the last thing you want is a finance tool that slows you down.

Single-user spreadsheets can also create version-control issues when they're passed around for review, compromising efficiency and security. What's more, the lack of a centralized reporting system introduces more inconsistencies in metrics, data, and calculations—forcing finance teams to spend valuable time verifying and validating data.

And lastly, spreadsheets make it difficult to evaluate opex based on research projects or conduct variance analysis and comparative reporting—steps that can help you course-correct and keep pace with change.



## Reporting Challenge

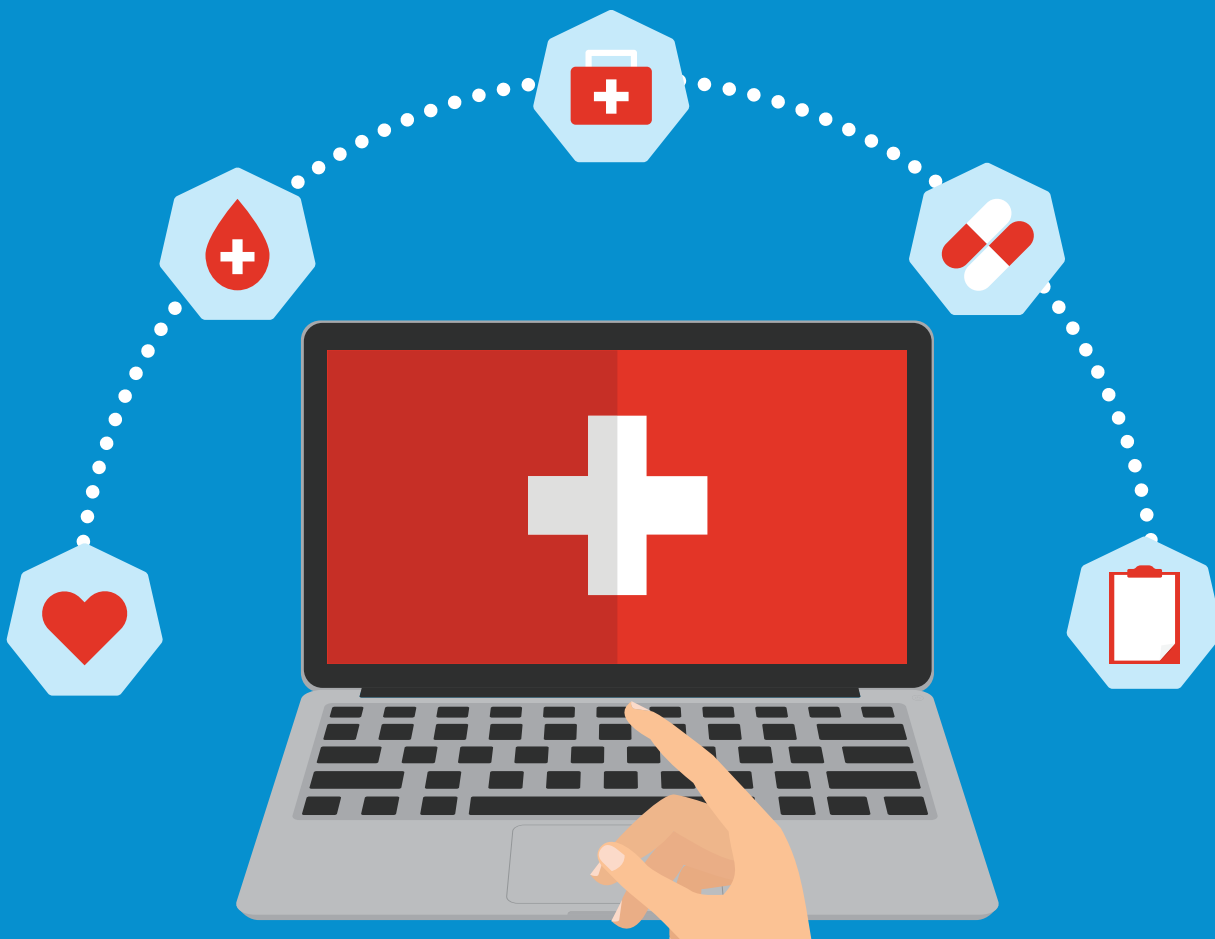
# #2

### Multiple systems

To understand the health of your life sciences business now and into the future, you need to analyze data from a diverse set of business sources, from enterprise resource planning (ERP) solutions to clinical data systems. Without a single source of truth, you can spend hours or days hunting down information. Once you have it, the siloed nature of the data makes it impossible to slice and dice it to add depth and generate the insights your stakeholders need.

If you can unify operational and financial data into a single centralized repository, you vastly increase your analytic prowess while decreasing reporting time. And because the data will be rich with context and dimensions, you'll be able to provide even deeper analysis.

In our report on the evolving role of the CFO, 77% of healthcare and pharmaceutical CFOs saw the lack of integrated operational and financial data as the single biggest technology hurdle standing in the way of getting actionable information for reporting.



## Reporting Challenge

# #3

### Lack of collaboration

Single-user reporting tools—such as Excel—prevent stakeholder collaboration, so your department stakeholders will struggle to have meaningful input, reducing their sense of ownership of financial planning and reporting.

Communication and collaboration are keys to insightful conversation regarding risks and opportunities—not to mention staying on top of any forecast or budget variances. But in traditional systems, nonfinancial managers often find the usability so poor that they can't correct data or change reports as needed. That can open you up to eleventh-hour updates that wreak havoc, setting off a wave of rechecks and verifications.

No surprise, then, that nearly three-quarters of CFOs identified collaboration as a top initiative.



3 weeks

## Reporting Challenge

# #4

### Data interpretation

You've gathered the clinical trial results and market data; now you need to analyze and interpret it so you can clearly articulate a go-to-market strategy. The more your company understands the story behind the numbers, the greater the chance it has to operate as a data-driven organization—using facts and not gut instinct to make important business decisions.

Intuitive dashboards and data visualization are great ways to build a narrative that clearly shows current performance, future trends, and possible scenarios. For example, a dashboard allows users, including those beyond finance, to easily review the performance of a clinical trial, including patient enrollment, outcomes, and expenses.

**Bonus tip: A dashboard solution that delivers data in a range of formats ensures nonfinance users can easily understand the consequences of their actions on the bottom line.**

# What's the remedy?

Solving these four reporting challenges requires a solution that's more sophisticated than a spreadsheet, but not one so overly engineered that it takes six months to deploy and requires in-depth training to use.

A modern planning solution shifts you into a guiding role, instead of being mired in the drudgery of static, transactional back-office tasks, allowing you to:

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Provide a single source of truth

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Automate data collection

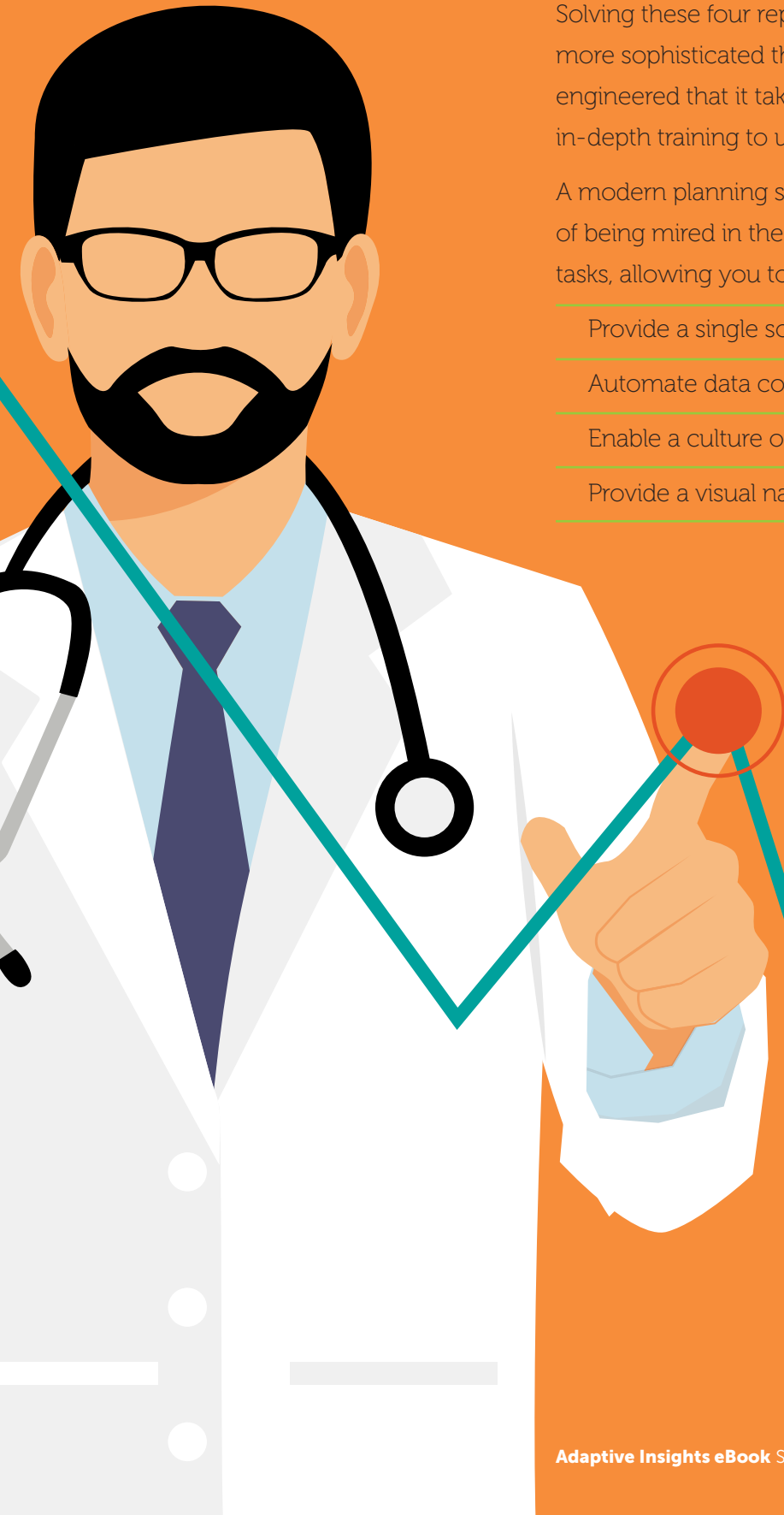
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Enable a culture of collaboration


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Provide a visual narrative

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## Solution #1: A single source of truth

A single source of truth improves accuracy while eliminating disparate systems and spreadsheets. With a core set of operational and financial data that's common across the company, you increase visibility and facilitate consistent performance communication. It allows finance to quickly gather data, eliminate spreadsheet proliferation, accelerate decision-making, and focus on data insights.

In addition, a single source of truth can help life sciences companies focus on the meaningful innovations they need to be profitable, answering tough questions like *Should we invest in internal R&D or pursue external innovations through licensing, M&A, or joint ventures?*

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**Note: A single source of reporting and analysis truth can not only show past performance, but reveal the best investments going forward.**

## Solution #2: Automated data collection

By automating report generation and working from a single source of truth, you can deliver more timely, higher-quality reports that actually drive improved performance. In fact, research shows that highly automated groups were six times more likely to have revenue growth of 15% per year or more. Why? Automation drives consistency and reduces validation time, so you free up time to analyze the data, rather than just collect it.

For example, with automation, a board reporting pack that once took La Jolla Pharmaceutical Company days to build—including all related financials, personnel plans, and a 24-month forecast—now can be automatically refreshed with the latest data at a moment's notice.

In the end, automation helps you see the big picture, along with possible problems and opportunities, more quickly and clearly.



### Case Study

Quidel Corporation, a San Diego-based medical devices company, found it difficult to consolidate data from a newly acquired business entity with a separate ERP system and chart of accounts. With the help of Adaptive Insights, Quidel not only gained better visibility into a consolidated, multiple-entity business, but saved more than \$40,000 per year while speeding planning and reporting processes.

## Solution #3: Collaborative culture

True collaboration requires a reporting solution that boosts accountability through audit trails for every data and formula update, actively engages managers, and delivers what they need—fast, relevant information.

To achieve this goal, you don't need to invest in complex IT systems that consume time and money without providing reasonable value. Instead, implement a dedicated system that uses cloud-based technology to enable unlimited numbers of managers to work together on driver-based forecasts, which are automatically aggregated at every level. And when you empower business users with self-service, they can get the reports they need themselves, freeing your team from producing manual monthly reports.



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### Case Study

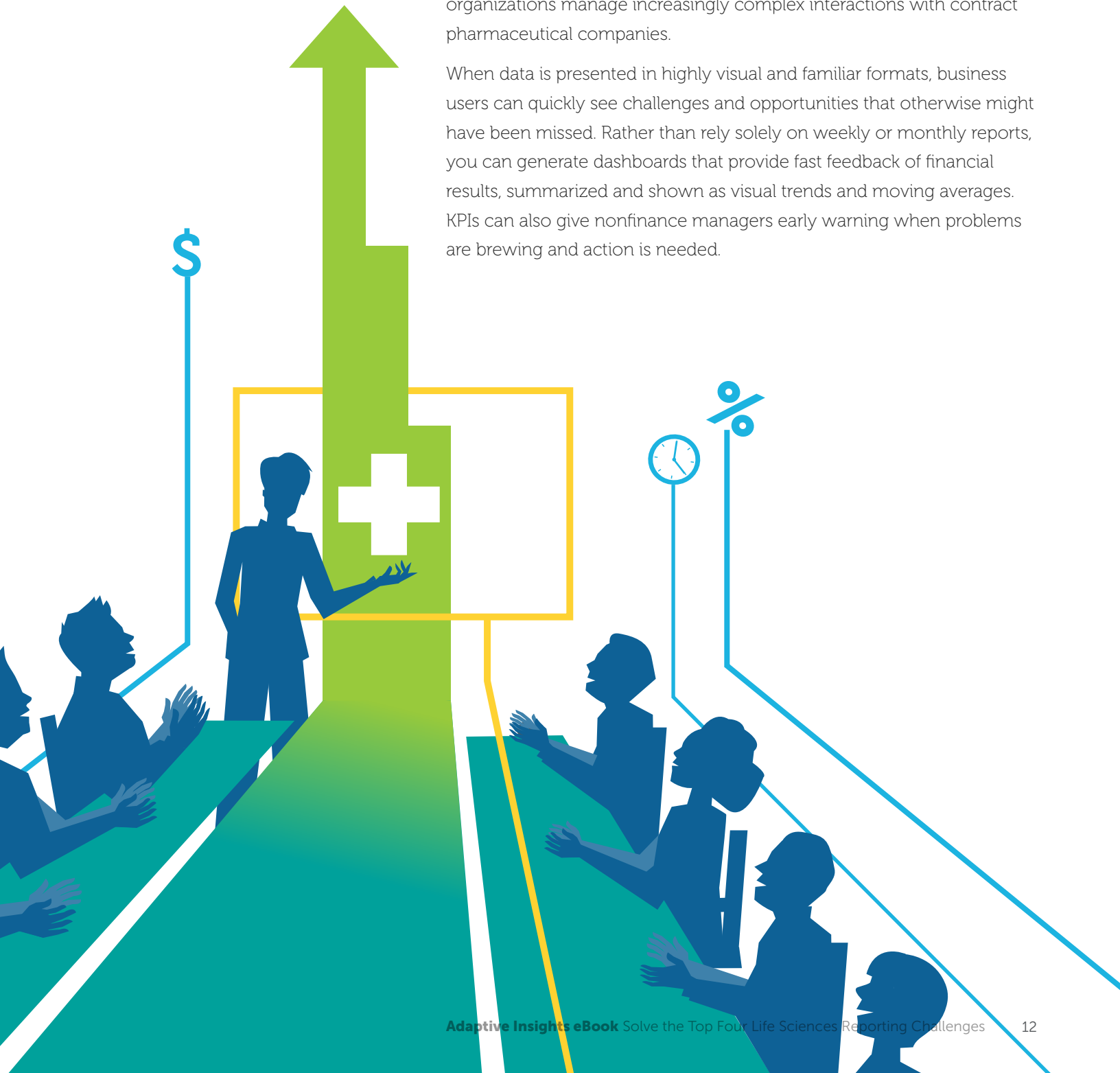
La Jolla Pharmaceutical Company puts Adaptive Insights at the center of its financial performance information, enabling the organization's scientists and clinicians to gain a deeper understanding of how their work and plans relate to financial performance—and driving culture change around performance metrics and cost savings.

## Solution #4: Visual narrative

Visually compelling dashboards give you the power to tell your business's full story, adding value and color to the financial reporting process.

A robust visual narrative can help life sciences companies better understand the complex outsourcing landscape. For example, dashboards that highlight vendor performance metrics could help organizations manage increasingly complex interactions with contract pharmaceutical companies.

When data is presented in highly visual and familiar formats, business users can quickly see challenges and opportunities that otherwise might have been missed. Rather than rely solely on weekly or monthly reports, you can generate dashboards that provide fast feedback of financial results, summarized and shown as visual trends and moving averages. KPIs can also give nonfinance managers early warning when problems are brewing and action is needed.





# Financial reporting made easy

## Your path to better reporting

Modern cloud finance solutions like those from Adaptive Insights allow you to take reporting to new heights.

Forward-thinking FP&A teams are using Adaptive Insights to:

### **Eliminate manual data gathering**

In centralizing data, you eliminate the need to hunt for and manually aggregate data. This frees you to focus on analysis, elevating the reporting function and providing top management with the analysis needed to enable better decision-making.

### **Improve accuracy**

Provide a single source of truth, combining financial reporting, planning, and operational metrics in a modern cloud finance software solution. This makes it easy for everyone in the organization to slice and dice data, for example, expenses based on drugs, research projects, and departments.

### **Increase collaboration**

Combine metrics and reporting with relevant commentary, making it easy to compare actual and expected performance and explain variances. When you can engage your business partners, everyone wins.

### **Interpret the data**

Create and easily share customized reports and dashboards across your organization to provide an up-to-date, visually compelling story.

**Ready to take action? We can help you and your team diagnose and treat your reporting challenges.**

Watch the webcast “FP&A Best Practices for Biotechnology & Pharmaceutical Organizations.”



// *Because of OfficeConnect automation, we're in position to streamline our monthly variance reporting. It's allowing everyone to be so much more aware and engaged in managing performance on a timely basis and to understand how their plans are performing financially.* //

—Bryan Williams  
Associate Director  
Strategic Planning and Analysis  
La Jolla Pharmaceutical Company



# About Adaptive Insights

Adaptive Insights is the global leader in cloud-based software for modern business planning. Our Business Planning Cloud platform enables organizations of all sizes to respond to changing business conditions with confidence and agility. We transform the planning process into a strategic advantage for more than 3,700 organizations around the world with powerful modeling that's easy for everybody who plans. Adaptive Insights is headquartered in Palo Alto, CA.

To learn more, visit [adaptiveinsights.com](https://adaptiveinsights.com).