Cloud Financial Management for the Biotech Industry: Stabilizing Growth



ARTICLE 10.05.21 DEAN DORTON

The biotech industry is booming. Projections suggest it will reach a $2.44 trillion market valuation by 2028 after growing at a CAGR of 15.83% for the next seven years straight. Forces driving the rapid expansion of biotech include supportive government policies, excited investors, new products, and rising demand – and they show no signs of changing in the near future.

Growth looks all but assured for any biotech company with a viable product or service and a competent business plan. But growth can be positive and negative. Companies that expand quickly and easily often leave themselves unprepared for running a bigger company with broader regulatory requirements, a larger product line, additional revenue streams, and a diverse market footprint. Biotech companies are often victims of their own success – phenomenal startups that grow into unsustainable enterprises – because they don't scale their accounting and financial capabilities along with the rest of the company.

Running a robust accounting department depends on people and processes, of course, but it ultimately comes down to technology. Relying on under-powered or outdated software (often the product in place since day one of the company) puts a hard limit on what accountants can accomplish – and how much companies can grow. For fast-growing biotech companies, upgrading accounting software should happen sooner rather than later, and cloud financial management should be the only option.

Benefits of Cloud Financial Management in Biotech

There's a reason why 75% of the life sciences companies studied by Gartner adopted cloud-first strategies in recent years: They see clear and compelling benefits to the cloud. Those include:

- IT maintenance and security handled by cloud providers
- Remote access to data and tools from anywhere.
- Endless data storage and computing power available on demand
- Redundancy and backups in the event of disaster

That list goes on. However, it's more important to understand the overarching benefit of cloud financial management for biotech: stabilizing growth. Companies on an upward trajectory often encounter unexpected obstacles, especially in a heavily-regulated industry like biotech. As such, they don't need accounting software to meet their needs; they need software that *exceeds* their needs and rises to occasions they don't anticipate. To put it differently, they need software for today as well as tomorrow. Cloud financial management uniquely fits the bill.

The right product can handle the most complicated and consequential accounting challenges facing promising biotech companies. Everything from complying with revenue recognition standards to evaluating M&A opportunities becomes more streamlined. Likewise, critical processes involved in research and development or budgeting and planning run

more efficiently and cost effectively thanks to the right cloud-based product.

Sage Intacct is a cloud-native financial management platform that offers the extensive accounting capabilities required of mature (or maturing) biotech companies. Beyond that, Sage Intacct delivers a superior cloud experience designed to enhance speed, accessibility, resilience, communication, collaboration, and so much more. Calling Sage Intacct accounting software doesn't do it justice because it functions more like a complete business tool for biotech companies, facilitating growth at any speed or scale.

To demo Sage Intacct, contact a team at the intersection of accounting, technology, and biotech industry growth, contact us.