

How Scientist.com is Saving Lives with Early Payment Options

KYRIBA SUCCESS STORY

Scientist.com is the world's leading enterprise gateway marketplace for outsourced research and development. The marketplace simplifies R&D sourcing, saving time and money, reducing risk and providing access to the latest innovative tools and technologies.

The Need for Accessible Supply Chain Finance

Funding has historically been an issue for small and medium-sized suppliers of research services in the preclinical outsourcing sector. These companies are often forced to accept 120-day payment terms, which are set by large pharmaceutical organizations. As a result, suppliers struggle to access the necessary funding that would allow them to bid for projects in competition with larger rivals.



scientist.com

Founded: 2007

Headquarters: California, USA

Industry: Biotech

Revenue: \$97.4 million

Number of Employees: 65

QUANTITATIVE RESULTS



\$4M Early Payments

to suppliers in the first six months of the program



50% Reduction

of the procurement process lifecycle



95% of Payments

made on time



\$45.5K Revenue

earned in three months



130% Increase

in suppliers' gross merchandise value



24.3% Increase

in volume of purchase orders (PO) issued to suppliers 60-day reduction in payment terms



75.5% GMV

average supplier gross merchandise volume (GMV) growth rate



Unifying International Operations



Finance is the heart of an organization. If there are limitations or constraints, you cut off the oxygen, or energy, to fuel the operational functionality of the organization – new innovation, R&D and day-to-day operations.”

— Kris Kagan,
Senior Vice President of Finance/HR, Scientist.com

While major pharmaceutical companies do utilize supply chain finance (SCF) programs, they are often not accessible to smaller suppliers. For example, a program may only onboard suppliers that complete millions of dollars in spend. And even if suppliers meet this criterion, the onboarding process can then take months to complete and prove expensive for the program provider since large suppliers tend to have high operational costs.

SciPay™: Scientist.com’s Life-saving Early Payment Program

Scientist.com recognized that if an early payment option was made available to suppliers of all sizes through an SCF program, more companies would be able to focus on innovation, rather than on solely covering their operational costs. Ultimately this would drive drug discovery. Scientist.com also identified the potential for its own business to gain a new, fast-growing revenue stream by providing finance to suppliers.

Scientist.com launched SciPay™, a working capital solution by Kyriba that features early payment options, rapid onboarding, invoice management and dynamic discounting to help fund research for any organization regardless of size. In doing so, research suppliers have access to the funding they need to bid on projects that were previously blocked due to a lack of resources.

Putting SciPay into Play – Reducing Risk and Creating Opportunity

To find the best candidates for SciPay, Scientist.com leveraged its long-established relationships with clients from large pharmaceutical and biotech companies, as well as its portfolio of more than 3,100 suppliers. Within just a few months, 45 self-designated small business suppliers signed up for the program.

By joining the program, risk is reduced for both suppliers and buyers. For buyers, SciPay keeps business consistent, ensuring work is completed before an invoice is paid and allowing for extended payment terms that won’t disrupt supply chains since Scientist.com takes on the burden of the payment. For suppliers, early payments translate to growth, allowing them to bid on projects they were previously unable to now that they have the working capital to cover operational costs.

Scientist.com believes that SciPay’s success is the result both of its strong internal commitment to the initiative and its strategic partnership with Kyriba. Working together, internal finance and development teams integrated Kyriba’s SCF platform with Scientist.com’s existing operating systems, as well as its bank, to ensure that SciPay payments and data flowed securely and smoothly.

Scientific innovation is now happening faster than ever thanks to SciPay. Overall, the entire lifecycle of the procurement process has been reduced by 50 percent, and the source-to-settle process has been sped up by 80 percent.

"We chose Kyriba for two main reasons," said Kris Kagan, Senior Vice President of Finance/HR, Scientist.com. "It provided us with an opportunity for an early payment program and we were able to utilize the early payment program and join it up with the TMS modules that Kyriba has. The second reason is that we were looking for partners in the industry that could scale with our business, and Kyriba has been an amazing partner."

Speeding Up the Innovation Process

Scientific innovation is now happening faster than ever thanks to SciPay. Overall, the entire lifecycle of the procurement process has been reduced by 50 percent, and the source-to-settle process has been sped up by 80 percent. As a result, researchers can run projects and expand their product lines more quickly. The innovation process has also become more cost-effective for buyers of research services. When there are more suppliers with working capital to bid on projects, the price of the project can be driven down.

SciPay has brought some significant commercial benefits to Scientist.com as well. Firstly, it is a competitive advantage when it comes to attracting research suppliers to its marketplace. The fact that suppliers only need to sign up for one SCF program, rather than multiple programs, with no barriers to entry, is a major draw. In addition, buyers of research services are able to easily reach more than 3,100 registered suppliers across the globe in a one-stop-shop manner. Finally, since Scientist.com uses its own working capital to finance the suppliers, it has boosted revenue through the implementation of SciPay.

Ultimately, SciPay serves a greater purpose beyond being a finance platform. By fostering greater competition in the research marketplace and enabling suppliers to more rapidly discover life-saving medications, SciPay is supporting Scientist.com's ambitious mission of helping to cure all human disease by 2050.

Benefits of Dynamic Discounting:

- Increased Window of Discount to take or offer discount
- Discount varies with time – there is no single point limitation
- Simple and hassle-free process supported by web-based platform
- Provides flexibility to suppliers
- Provides visibility and certainty

Benefits of Invoice Management:

- Prioritized invoice tracking and payment
- Cash visibility
- Auto approval of orders of up to \$25K

Benefits of Early Payment:

- Additional working capital
- Flexibility in their liquidity
- Enables focus on growth and innovation
- Lowers financial barriers facing small businesses