# 6

# Key Lab Supply Ordering Pains and How to Solve Them

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# Introduction

## The reality of lab supply ordering

**Scientists spend too much time ordering and managing lab supplies.** This very manual process delays time-to-milestone achievements, hikes up labor costs, and stifles innovation. These impacts contribute to increased health care costs, which, ultimately, get passed onto the consumer.

R&D labs can't run without the proper tools to support scientific innovation. Experiments can't be completed without the right supplies. **But the reality is that the lab supply ordering process is a major source of dissatisfaction for scientists and procurement**, contributing to cost overruns, delays in experiments, and headaches for all involved.

Throughout 2021 and 2022, ZAGENO, the leading lab supply marketplace, surveyed hundreds of research scientists, lab operations, and procurement professionals across various biotech and pharmaceutical R&D labs about their lab supply purchasing processes.

Common themes and issues quickly emerged, regardless of respondent role, company stage, or organization size. While respondents frankly shared the pain points of their current processes, it was also apparent how to alleviate these issues. This e-book details the sometimes surprising survey findings straight from the mouths of end-users and offers **easy-to-implement solutions to turn the challenge of lab supply ordering into a competitive advantage**.

## What kind of data did ZAGENO collect?

- Overall lab supply ordering process **satisfaction**
- **Time spent** searching, comparing, and ordering lab supplies
- Time to add and onboard a **new supplier** to the procurement system and resultant impact to experiment timelines
- Time spent communicating about order and delivery **status** and tracking
- Time spent finding and procuring **backorder** alternatives
- Experiment **delay impacts** due to backorders
- **Ideal** lab supply ordering process characteristics





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# Key Insights and Pain Points

Findings paint a vivid picture of the inefficiency of today's lab supply procurement process and also the complexities of P2P/S2P implementation due to the uniqueness of the R&D space. Despite digitization efforts, purchasing is still manual, fragmented, and redundant, often serving to fetter experiment timelines rather than aid them. There is a stark contrast between overall end-user satisfaction of personal versus professional buying processes and also between pre- and post-P2P/S2P implementation expectations versus reality.

- As biopharma organizations scale, time spent sourcing R&D products increases dramatically, while end-user satisfaction declines. This is particularly apparent when searching for products and tracking orders and deliveries.
- Delays due to adding new suppliers and addressing backorders are prevalent.
- Scientists are especially affected by lab supply sourcing issues, forcing the lab to divert time and effort away from research to get the products they need.
- P2P/S2P platforms offer enterprise-wide strategic benefits, but do not improve the overall lab supply ordering process end-user experience and, at times, make it worse.

## Lab Supply Ordering Pain Points For Scientists And Procurement

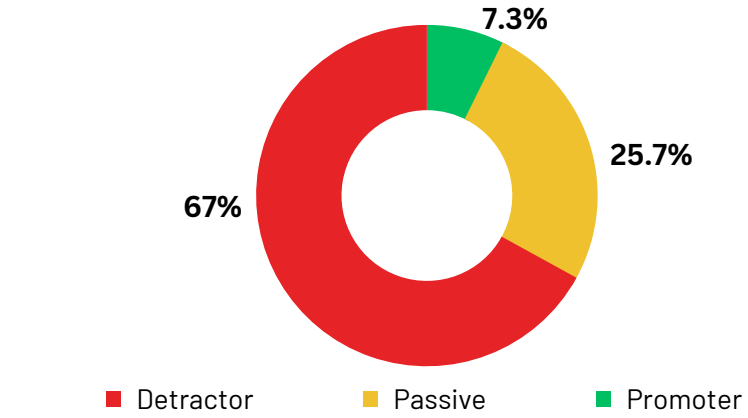
- Problematic pricing
- Outdated information
- Redundancy, re-work, and errors
- Fragmented receiving process
- Inefficient approval workflows
- Lack/correct fit of personnel
- Protracted supplier addition process
- Scientific product choice obstacles
- Non-centralized inventory management/order history
- Inefficient ordering process
- Manual order/delivery tracking
- System technical issues
- Supplier usage complexities

# Just How Dissatisfied are Scientists and Procurement with the Lab Supply Ordering Process?

**"How likely is it that you would recommend your lab supply ordering process to a friend or colleague?"**

When queried, the answer was, essentially, "**not at all likely**." 67% were detractors (meaning they would not recommend), 25.7% were passive, and *only 7.3% would actively recommend their current lab supply ordering process*.

**How likely is it that you would recommend your lab supply ordering process to a friend or colleague?**




**Detractors**

(score 0-6) are unhappy customers who can damage your brand and impede growth through negative word-of-mouth.

**Passive**

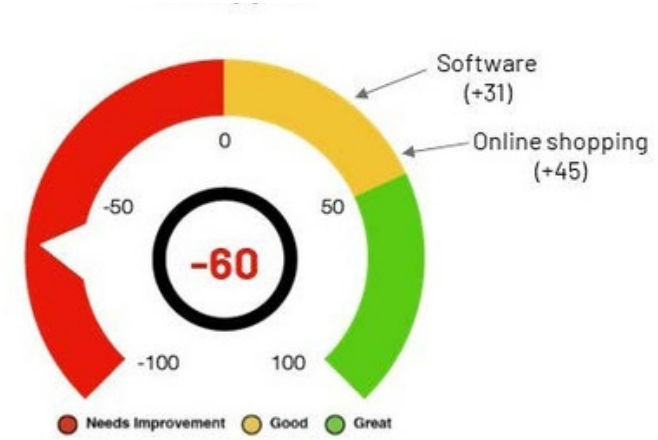
(score 7-8) are satisfied but unenthusiastic customers who are vulnerable to competitive offerings.

**Promoters**

(score 9-10) are loyal enthusiasts who will keep buying and fuel growth by referring others.

A further measure of end-user satisfaction is the Net Promoter Score (NPS), a well-established method in the business-to-consumer (B2C) world to assess overall customer experience quality based on customers' likelihood to recommend a product, service, or organization.
ZAGENO calculated the lab supply ordering process NPS by subtracting the percentage of detractors from the percentage of promoters. To put these figures into perspective, Comcast's NPS is -54, the software industry's NPS is +31 and that of online shopping is +45. This shines a light on the vast gap between the B2B and B2C experiences.

**NPS of lab supply ordering process versus other industries**




**ZAGENO believes that the B2B experience can and should offer the same convenience to its customers as that of B2C.**





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# How Scale Impacts Lab Supply Ordering Process Satisfaction

**As organizations scale, the overall lab supply ordering user experience worsens**, with early-stage biotech NPS at -49, late-stage biotech NPS at -61, and pharma NPS at -68.

Early-Stage Biotech


Late-Stage Biotech


Pharma




**Procurement teams implement P2P/S2P systems hoping to improve organizational efficiency in the following ways:**

- Reduction of manual processes
- Improved end-user experience
- Easier order tracking
- Integration with ERP systems
- Increased cost savings
- Enhanced spend oversight
- Increased scientific supplier choice via expanded use of PunchOut and hosted catalogs

**However, the R&D space presents unique challenges because of the importance of innovation, which impacts process automation goals.**

- Substantial and growing tail-spend
- Niche product specificity

The ideal ordering process balances supplier proliferation, in which scientists can discover and leverage new, small, and rare suppliers, with supplier consolidation. This conflict results in a confusing set of buying channels. Procurement often sees more direct post-implementation benefits, while scientists are surprised to find that their daily process is more complicated. As such, NPS does not improve post-P2P implementation, with biotech at -50 and pharma remaining at -68. Scientist' NPS actually declines from -59 to -64, with lab operations decreasing from -67 to -80. Only the NPS of procurement teams "improve," going from -100 to -55.



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# Overview: 6 Key Challenges of the Lab Supply Ordering Process

It is no surprise that end-user dissatisfaction is so high due to the myriad challenges present. Six major key pain points emerged from ZAGENO's research, as follows.

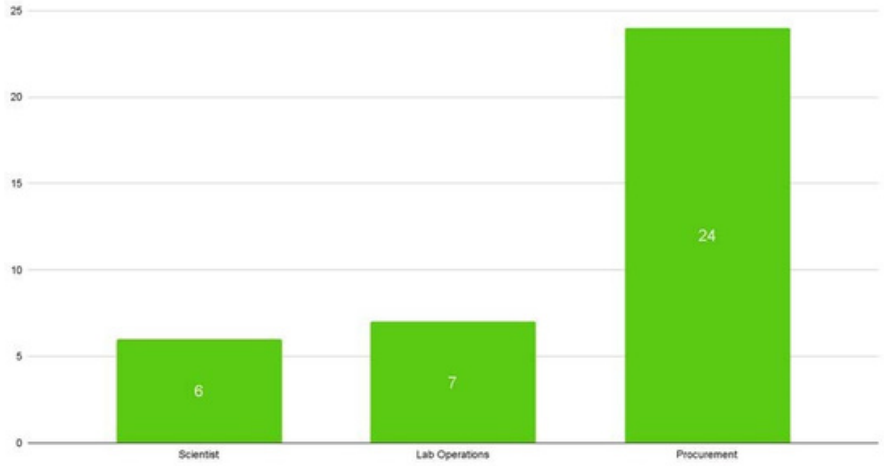
| KEY CHALLENGE | IMPACT |
|---|---|
| #1: Too much time is spent searching supplier sites for lab supplies. | Scientists and lab operations staff spend one full day a week searching, comparing, and purchasing lab supplies. Procurement and/or purchasing spend three days a week on this task.This worsens as organizations scale and /or implement P2P. |
| #2: Scientists and procurement waste hours each week tracking order statuses. | Procurement spends an average of 22 hours per week tracking orders. Scientists spend an average of six hours per week. Scientists' time spent tracking orders increases dramatically as organizations scale and/or implement P2P. |
| #3: Backorders cause experiment delays. | 9 out of 10 scientists have experienced backorder-related experiment delays, requiring an average of 3 hours per week to find suitable alternative solutions to keep experiments going. Delays increase as organizations scale and/or implement P2P. |
| #4: Adding new suppliers is an inefficient, lengthy process that causes experiment delays. | 61% of respondents reported experiment delays due to waiting for a new supplier to get up and running. It takes an average of 16 days to add a supplier. Labs with P2P take significantly longer to add a supplier, increasing from 9 days to 26 days. |
| #5: Procure-to-pay/source-to-pay platforms do not improve the overall lab supply ordering end-user experience. | The complexities of the R&D space combined with the limitations of P2P platforms actually serve to hinder the goals of procurement automation and end-user process satisfaction Findings show that end user satisfaction further declines post-P2P implementation. |
| #6: The uniqueness of the R&D lab supply ordering space complicates P2P/S2P implementation. | Complexities such as substantial and growing tail-spend, niche product specificity, communication issues, catalog management, and preferred supplier usage issues serve to limit process automation and negatively impacts user experience. |

# Deeper Dive: Supplier Site Searching

## #1: Too much time is spent searching supplier sites for lab supplies.

Respondents were asked, **"How many hours per week do you spend searching supplier sites to find the right lab supply product for your experiment?"** ZAGENO found that, on average, scientists and lab operations staff are forced to spend **one full day a week** searching, comparing, and purchasing lab supplies. Procurement and/or purchasing teams spend **three days a week** doing the same.

**Hours Spent Per Week Searching Supplier Sites For The Right Lab Supplies**

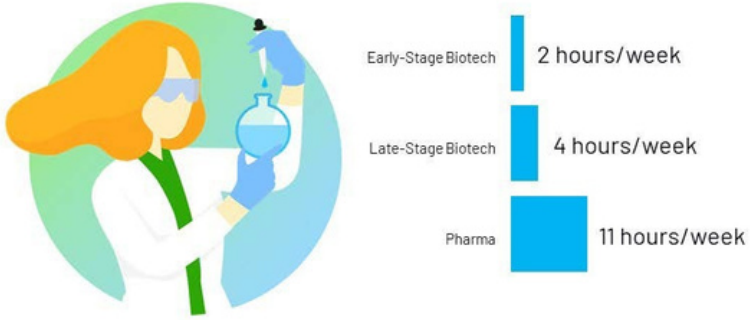



Research scientists report wanting "fewer clicks back and forth across multiple sites" and "a search function that will actually give relevant examples... with pictures associated."



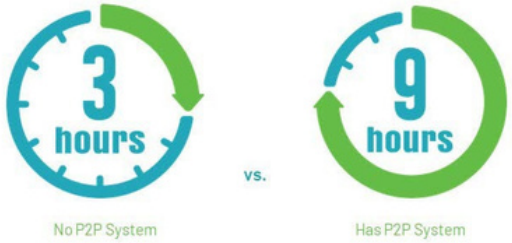
Scientists waste even more time searching for the right products for their experiments as an organization scales. This very manual endeavor takes scientists away from the bench, negatively impacts time-to-milestone achievements, ramps up costs, and stifles innovation.

**Hours spent per week searching supplier sites for the right supplies, by org size**




Use of a P2P/S2P system does not reduce the amount of time spent searching for products. **In fact, scientists spend thrice as much time searching for lab supplies post platform implementation.**

**Scientist hours spent per week searching supplier sites for the right supplies, with and without P2P**



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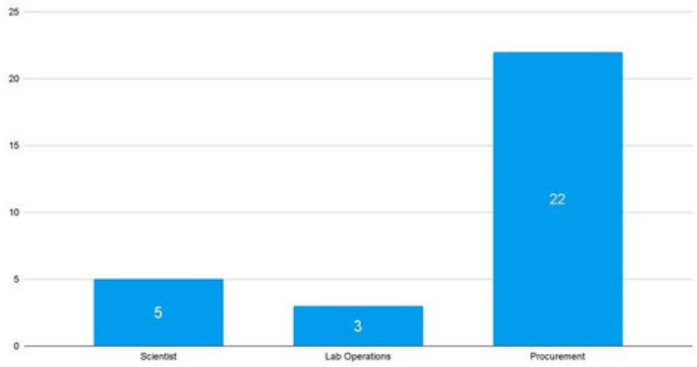
# Deeper Dive: Order Status Tracking

## #2: Scientists and procurement waste hours each week tracking order statuses.

Respondents were asked, **"How many hours do you spend each week communicating with your lab manager and suppliers to track order status?"**

For those without a centralized, consolidated ordering hub, order tracking remains very manual, usually happening via email and phone calls to the tune of an average of **6 hours per week.**

**Hours Spent Per Week Tracking Order Status**




While the burden mostly falls on **procurement (who spend a whopping average of 22 hours per week tracking orders)**, research scientists also must divert critical time away from the bench for these tasks. **As organizations scale, scientists' time spent tracking orders increases dramatically.**

- **Emerging biotechs**: 1.5 hours per week tracking orders
- **Mature biotechs**: 2 hours per week tracking orders
- **Large pharmaceuticals**: 9 hours per week tracking orders



While P2P systems play a strategic role in helping biotechs scale, they do not reduce the amount of time spent **tracking orders**, which **jumps from 2.4 hours per week for biotechs to 10 hours for pharma. Further, scientists spend double the time tracking orders post-P2P implementation.** Accessing a self-service lab supply marketplace such as ZAGENO during or after P2P implementation directly connects scientists with purchasing, receiving, and suppliers and significantly automates order tracking, removing many unnecessary touchpoints.

**Scientist Hours Spent Per Week on Order Tracking, With and Without P2P**


A lab can place hundreds of orders per week, each requiring separate follow-up. A scientist shares, *"You have to check each item to see if it is dispatched since if there is a delay you don`t get a notification. You think, 'oh that should have arrived by now let me check what happened' and it is not even dispatched yet because there is a delay for 4 weeks suddenly. Then you need to cancel because you can`t wait that long, start looking for alternatives and go back to the beginning. With how often that happens, ordering is quite often a nightmare."*



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# Deeper Dive: Backorder-related Delays

## #3: Backorders cause experiment delays.

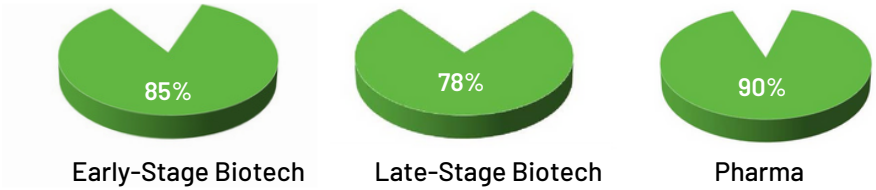
Respondents were asked, **"Have you experienced experiment delays due to lab supply backorders?"**

Many required R&D lab supplies are niche and can be difficult to procure, with scientists reporting significant backorder related experiment delays.

**9 out of 10**

Research scientists have experienced experiment delays as a result from product backorders.

**Percentage Of Scientists Who Have Experienced Backorder-Related Experiment Delays**




*Backorder-related delays can occur at any time during the lab supply ordering process.*

- PunchOut catalogs may not be current, with products incorrectly listed as currently available
- Suppliers often don't proactively notify purchasers about backorders and shipping delays
- During a slow approval process, item(s) in the order may have gone on backorder



Respondents were then asked, **"How many hours do you spend per week finding alternatives for backorders?"**

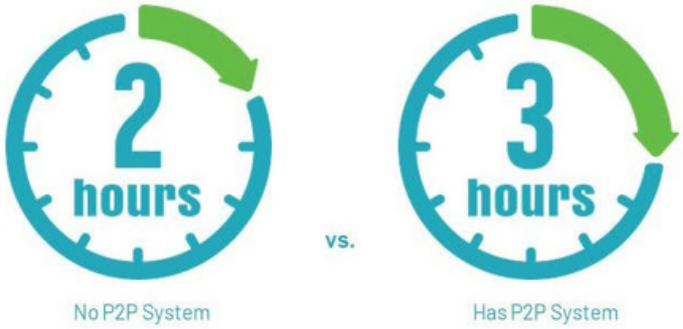
When faced with an unexpected backorder, the lab must decide whether to wait for the product to become available or search for an in-stock alternative, often from a long tail supplier which can take days or weeks to be added to the system.

**These delays add an average of 3 hours per week to find suitable alternative solutions to keep experiments going.**

As organizations scale, so does the amount of time spent on finding alternatives. On average, scientists in more established R&D labs spend 26% more time each week on such tasks than their counterparts in early-stage biotechs.

Again, P2P/S2P platforms make it more complicated for scientists to find product alternatives.

**Scientist Hours Spent Per Week Finding Product Alternatives Due To Backorders**



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# Deeper Dive: Supplier Addition Issues

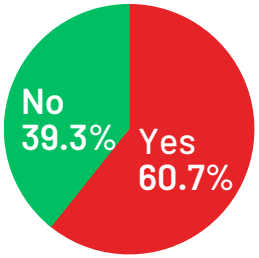
## #4: Adding new suppliers to the procurement system is an inefficient, protracted process that causes experiment delays.

Respondents were asked, **"Have you experienced experiment delays due to using a new lab supply vendor?"**

**Biopharma R&D teams added up to 50% new suppliers in 2021, some adding hundreds per year.** The supplier addition process encompasses the actions needed to purchase from a supplier that is new to the organization or, in some cases, is non-preferred. The process entails due diligence by finance, addition to the accounting and/or P2P platform if applicable, and onboarding. It not only prolongs the ordering process, but also costs money in the form of the labor required.

*61% of respondents reported experiment delays due to waiting for a new supplier to get up and running.*

**Have You Experienced Experiment Delays Due To Using A New Lab Supply Vendor?**

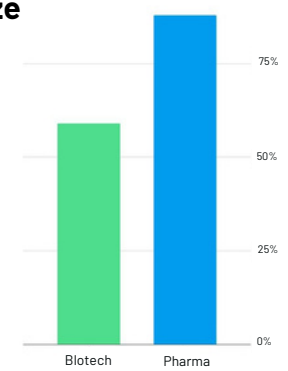



A senior research associate shared, "There is a multiple day lag between when I request orders and when they are actually placed. This lag causes many delays in our workflow and causes us to stop experiments."



**Percentage Of Respondents Who Have Experienced Experiment Delays Due To Using A New Lab Supply Vendor, by Org Size**

As organizations scale, adding new suppliers becomes more protracted, with a higher incidence of related experiment delays.




Respondents were then asked, **"When you need a supplier, how long does it take to add them as a vendor and place an order?"**

- It takes an average of **16 days to add a supplier**.
- Labs with P2P take significantly longer to add a supplier, increasing from **9 days to 26 days.**

During these delays, products might go out of stock or become affected by shipping issues. Sometimes the scientist must start the process all over again and find an alternative product.

Scientists often need very specific products, within a specific timeframe. If the organization's PunchOut catalogs don't have the necessary items available, the lab is forced to make free-text, maverick purchases from new suppliers, resulting in a hard-to-manage long tail. The key is to increase scientific choice while also focusing on supplier consolidation, which becomes possible with a lab supply marketplace, such as ZAGENO.



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# Deeper Dive: Complexities Limiting P2P Benefits

## #5: Procure-to-pay/source-to-pay platforms do not improve the overall lab supply ordering end-user experience.

P2P platforms integrate the purchasing and accounts payable systems, resulting in an end-to-end process from product selection through payment. P2P automates and digitalizes portions of the procurement process, such as purchase order workflow, spend oversight, and integration with ERP systems. These functions increase back-end efficiency and improve the bottom line.

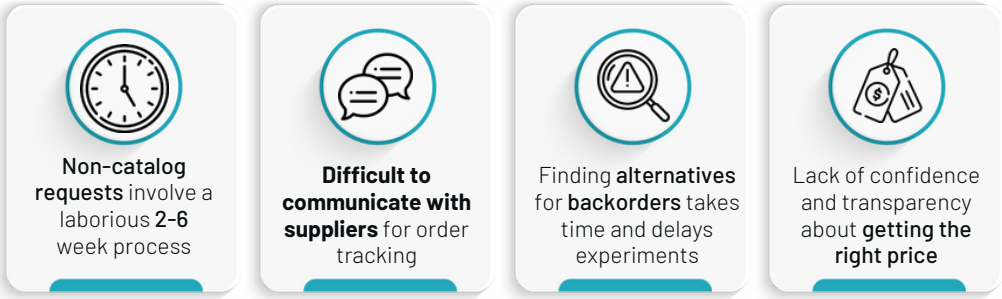
Despite these enterprise-wide benefits, **the complexities of the R&D space combined with the limitations of P2P/S2P platforms actually serve to hinder the goals of procurement automation and end-user process satisfaction** Revisiting NPS ratings, findings show that end user satisfaction further declines post-P2P implementation.

**End-user satisfaction decreases post-P2P/S2P implementation**




## #6: The uniqueness of the R&D lab supply ordering space complicates P2P/S2P implementation.

**Complexity 1:** Holistic lab supply catalog management proves difficult in the face of the need for scientific choice. PunchOut catalog navigation does not improve, still requiring upwards of hundreds of clicks, while hosted catalogs place an undue burden on procurement to maintain.




Many platforms allow for integration of PunchOut or hosted catalogs. Larger companies might have thousands of PunchOut catalogs from which scientists can order. While there's no work to maintain PunchOuts, it is difficult to navigate between catalogs while searching for supplies. Hosted catalogs have a better user interface, albeit with limited inventory. Post-implementation, procurement teams are dismayed to discover that it is their responsibility to upload and maintain all catalogs. When prices change, new products are offered, and new deals are negotiated, catalogs become outdated and must be re-uploaded by procurement, a time-intensive process rife with potential errors and delays.



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# Deeper Dive: Complexities Limiting P2P Benefits

> We thought [P2P platform name withheld] would completely change the user experience so they could search and find everything in one place. **I would say they sold an illusion to our users.** Everything would need to be in a hosted catalog for this which we absolutely cannot do."
>
> -Global Category Manager, Top 10 Global Pharma

Hosted catalogs are hard for even large, well-resourced pharma organizations to maintain, requiring ongoing product and price updates. Pharma companies report that **maintenance of each hosted catalog requires one week per year** from procurement.

**Complexity 2:** Purchasing through preferred suppliers does not necessarily save time/money.

> Some suppliers are missing from the system that we don't use often but need to and the **process of having them added takes weeks and weeks**."
>
> -Lab/Procurement Coordinator, Pharma

Many P2P platforms utilize a tile system in which a finite number of supplier catalogs are selected to be accessible from the P2P home screen. These slots are usually occupied by the major global distributors. If a scientist can't find what they need after looking through each of the highlighted catalogs separately, they must sort through the other catalogs, often having to navigate between hundreds of separate tabs to locate the necessary item.



**Sample P2P home screen utilizing a tile format**


If a product is not found in an existing catalog, the scientist must often complete a special, ad hoc request form in order to make the purchase, which then must be approved by procurement, resulting in delays and inefficiency.

These limitations do nothing to manage longtail spend and almost serve to increase maverick spend. Free text orders abound since there is no real time advantage to using one of the non-primary suppliers. A rampant longtail results in missed opportunity to leverage volume, with the overall workflow still the same as before.

**Complexity 3:** Free text/non-catalog orders for tail spend break automation and cause delays.

- Loss of automation
- **32 mins** per non-catalog request
- **4 weeks to add a new vendor**
- Increased need for communication between scientists and procurement



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# Deeper Dive: Complexities Limiting P2P Benefits

When a backorder occurs or a unique component is needed, scientists often turn to vendors outside of the system, submitting orders via the free text feature in their P2P/S2P platform. **Each non-catalog/free text request requires about 32 minutes of scientist time.** Procurement is usually responsible for manually setting up each new supplier account,, on average taking four weeks. This process is sometimes outsourced to a third-party service which only eliminates the actual product sourcing. Scientists are still spending hours first finding the product, and adding a third-party to procure the item limits visibility into pricing, ordering, and delivery.

**Complexity 4:** The ordering experience does not improve in the eyes of the scientists, lab managers, and lab operations end users.

> "[The P2P system] is **not very user friendly and too 'clunky' for an occasional scientist user**. There are seemingly hundreds of order tabs to negotiate and it takes time to find the correct ones to order from."
>
> -Scientist, Pharma

> "**Items are very hard to find**... Is it on Fisher or on VWR or should I be looking for a quote and ordering directly? It is **very confusing** and **very time consuming**."
>
> -Scientist, Pharma

P2P automates many back-end functions, resulting in time savings such as reducing purchase order cycle time or providing better spend visibility. However, these kinds of improvements do not translate into time advantages for scientists searching for the right, in-stock item at the right price.



**Scientists report that they spend 3.6 hours per week searching supplier sites to find products, even after P2P/S2P implementation.** Rather than being able to search for a specific product across all vendors, the scientist must comb through each individual supplier website/catalog.

Conversely, suppliers don't realize how onerous it is for scientists to purchase from them. They also don't understand why their "preferred" status is not resulting in additional sales or an enhanced partnership.

**Complexity 5:** Communication overhead issues remain unsolved.

Without a consolidated ordering hub, order tracking remains very manual, usually happening via email and phone calls. **Even post-P2P implementation, scientists spend 2.4 hours per week communicating** with operations teams and/or suppliers to track order confirmation, shipment updates, delivery status, and backorder issues.

> "[Would like to be] capable of seeing if things were actually received in the building without having to ask someone else to search for that info."
>
> -Scientist, Early-stage Biopharma



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# Lab Supply Ordering Pain Points for Scientists and Procurement, in Their Own Words

As with most studies, numbers only tell part of the story. All respondents were also asked this open-ended question, **"What would you like to see improved in the current lab supply ordering process?"**

A staff scientist at an early-stage biotech simply responded with, **"Everything."** She was among the 95% of participants who provided qualitative feedback, from which common themes and issues emerged, regardless of respondent role, company stage, or digital procurement stage.

» **Problematic pricing**. Pricing outdated, inconsistent, or incorrect. Lack of price transparency.

"[We need] accurate pricing to avoid invoice discrepancy and improved competitive pricing, often the **price we pay is higher than list price**."

- Scientist, Pharma

"We have been asked to order everything through [distributor name withheld] rather than dealing with the supplier directly which can make stuff much **more expensive, takes longer to arrive and you can't specify types of kits** or lot number or check they have everything for a complicated assay before ordering."

- Scientist, Pharma



» **Impact of outdated information**. Real-time availability status and/or pricing not available

"At the point of order, the **price is out of date**, and we have to **wait days** for the price to be updated before order."

- Scientist, Pharma

"Have often ordered something which looked available to be told it is **now on backorder**."

- Scientist, Pharma

» **Redundancy, re-work, and errors.** Many steps of the ordering process are duplicated by different team members.

"My biggest complaint is that the **work is being duplicated**. I have to find all the information then move it into our system and then the purchaser has to take the information back to the supplier site and input the product information again."

- Scientist, Late-Stage Biotech

"It is not the overall time spent that causes delays for [us], it's the **random extra steps that slow us down**."

- Scientist, Early-Stage Biotech

# Lab Supply Ordering Pain Points for Scientists and Procurement, in Their Own Words

» **Fragmented receiving process.** Scientists must manually check to determine if and where their item has been received. The purchase order reconciliation and invoicing processes are also problematic.

> Processes to receive an item, tracking receipt verification with invoice approval, and final invoice approval could be improved. Currently, in the lab we confirm receipt via packing list and enter that info in G-sheet file, then **I manually cross check** invoiced items against this file."
>
> - Scientist, Early-Stage Biotech

> [We don't have] a daily email of received packages to the group or an email to the person who ordered the product to let them know it was received and where it is."
>
> - Scientist, Late-Stage Biotech

> I am often asked for good receipt orders, months after the order has arrived. **The process often fails and takes hours and days to correct or approve."**
>
> - Scientist, Pharma

» **Inefficient approval workflows.** Approval chains are often bloated, consisting of too many checkpoints. At times, they are incorrect, with approvals routing to the wrong person or department. Delays in approvals increase the likelihood of backorders in the interim.

> Any order that requires higher approvals **often gets delayed for days or weeks** sitting in someone's inbox."
>
> - Scientist, Pharma

> **It's frustrating to have to approve every order** in [P2P platform name withheld] before it gets placed, even with approved vendors. It's also frustrating to require management approval before orders are placed."
>
> - Scientist, Pharma

> I have received several order invoices **which are not related to me."**
>
> - Scientist, Pharma

> **Unpaid invoices and bounced back PO's come to us to sort, we do not work in procurement** or know how to find the right codes, contacts etc."
>
> - Scientist, Pharma

» **Lack/correct fit of personnel.** The lab is often expected to handle accounting issues not aligned with their duties. Procurement/finance is often understaffed, resulting in delays to add suppliers, respond to inquiries, and help track down orders.

> We are given very little control and expected to be the go between for the supplier and AP for invoicing **issues that we often cannot fix."**
>
> - End User, Pharma

# Lab Supply Ordering Pain Points for Scientists and Procurement, in Their Own Words

> **[We need] more people in this department that can help** with supplier issues. I think the materials management team needs more working hours than is possible given the crashing supply chains and shortages."
>
> - End User, Early-Stage Biotech

» **Protracted supplier addition process.** Often worsening as an organization scales, adding a new supplier to the procurement system is a major bottleneck. Suppliers must be added before orders can be placed, which prolongs the cycle time.

> **To wait weeks only to find out the request has been canceled due to a lack of response from the vendor** [re: onboarding] can be **frustrating** and adds to a longer delay in getting the order placed."
>
> - Procurement, Pharma

> **New vendors should not take 6 weeks to add.** It should be the next day if it is even necessary at all."
>
> - Scientist, Pharma

» **Scientific product choice obstacles.** As demonstrated by NPS, the lab scientist's user experience when ordering supplies is subpar. The process to simply search for and compare products across multiple vendors is prohibitive and time-consuming. This results in inferior product selection, lack of price transparency, and hours of wasted time each week.

> **Make ordering from non-[distributor name withheld] supplies easier.** Biologists need to be able to order highly specific reagents, any old enzyme will not do."
>
> - Scientist, Pharma



> **[We need] more supplies added, like on Amazon."**
>
> - Procurement, Pharma

> **The catalogs are appallingly difficult to search.** When spending hundreds or thousands of dollars on an item, the supplier needs to supply much more information, pictures, sizes, etc. to avoid ordering the wrong item."
>
> - Scientist, Pharma

» **Non-centralized inventory management/order history.** Scientists report an inability to view not only their own order history, but that of colleagues as well. They are also unable to access current stock levels.

> **I can't go back and look at previous orders** past a certain time frame. Sometimes there are odds and ends parts or supplies... that only get ordered maybe once a year or less, and it would be nice to be able to go back and find the order information to make sure we re-order the right parts or materials."
>
> - End User, Late-Stage Biotech

> I spend a lot of time upkeeping the purchase log in case something gets lost. This is SO helpful when we need it but **incredibly inefficient and unnecessary with most purchases.** We don't, of course, know ahead of time which is going to 'save us' so we have to be meticulous with every entry."
>
> - Lab Operations, Early-Stage Biotech



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# Lab Supply Ordering Pain Points for Scientists and Procurement, in Their Own Words

» **Inefficient ordering process.** Due to a variety of factors, the ordering process is rife with slow areas, contributing to experiment delays and end-user dissatisfaction.

“ The current experience is acceptable when things work smoothly and a **Kafka-like nightmare when anything goes wrong.”**

- Lab Operations, Pharma

“ **It would be better if I didn’t have to duplicate my lab team’s work during our ordering process.** I’d like them to put exactly what they need in the cart and then to be able to just review and approve the purchase with a click of a button.”

- Lab Operations, Early-Stage Biotech

» **Manual order/delivery/backorder tracking.** Locating an order’s whereabouts can be extremely manual, requiring repeated phone calls and emails to the supplier, receiving dock, and others. Purchasers are often not proactively notified about backorders.

“ Our major issue is backorders with consumables and needing to search a lot of vendors to find something and it is **still delaying work due to availability.”**

- Scientist, Early-Stage Biotech



“ **It can be very difficult to track the status of orders since we do not have access to the actual ordering account online.** You can call with a PO number, but that can take a long time, and oftentimes you get different answers depending on who you are talking to.”

- Lab Operations, Pharma

» **System technical issues.** PunchOuts, P2P/S2P platforms, and other third-party systems can be slow and undependable, resulting in re-work and lost orders.

“ **PunchOut has some bugs**, resulting in duplication of me needing to re-enter the catalog multiple times, and sometimes losing a list of orders.”

- Scientist, Early-Stage Biotech

“ **PunchOut is super glitchy** so the majority of the time, it will sign me out and empty my cart when I try to PunchOut. It takes ~4 PunchOuts for it to go through.”

- Scientist, Early-Stage Biotech

» **Supplier usage complexities.** Purchasers often discover that the pricing from their preferred suppliers is not competitive or that they are not receiving the pre-negotiated discount. By funneling spend through the major distributors, smaller organizations often find themselves at the bottom of the priority list in times of limited supply.

“ There are many suppliers that are very hard to access for molecular biology work... **so I just use other suppliers who are not as good.”**

- Scientist, Pharma



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# Ideal Lab Supply Ordering Process Characteristics

The pain points already discussed are but a small sample of the overall frustrations expressed with the lab supply ordering process. The same open-ended question of **"What would you like to see improved in the current lab supply ordering process?"** also yielded very specific improvement opportunities.

## SEARCH CAPABILITIES

- One consolidated hub for trunk and tail spend, but also to find new providers and products.
- Simplified catalog searches.
- More Amazon-like search experience for items.
- Search capability for an item's availability and price across multiple suppliers.

## SUPPLIER MANAGEMENT

- Clear direction on how/when to use preferred suppliers, with the flexibility to order from the most appropriate vendor when needed.
- Quick, efficient supplier addition and onboarding.

## WORKFLOWS

- Streamlined PO reconciliation and invoice processes.
- Streamlined approval flows. Consolidated approvals on a per order basis.
- Direct integration with P2P, S2P, and ERP systems.

## BACKORDER MANAGEMENT

- Agent that suggests alternatives for backordered products.
- Automated backorder notifications.

## COMMUNICATION

- Accessible customer service for escalation and resolution of order issues, both internally and externally.
- Self-service order, delivery, and receipt tracking.
- Customizable order confirmation, order status, shipment status, backorder status, delivery tracking, and receipt notifications.

## ORDERING

- All suppliers on the same platform for easy ordering and reordering.
- Quick turnaround time from order submission to purchase order.
- Option to order multiple items from the same vendor at once.
- Consolidated order history and reporting.

# Ideal Lab Supply Ordering Process Characteristics

| PRICING AND SPEND MANAGEMENT |
| --- |
| • Accurate, transparent, competitive pricing reflective of negotiated discounts, if applicable.<br>• Spend oversight dashboard.<br>• Self-service platform to track purchases across all trunk and tail suppliers. |
| **END USER EXPERIENCE** |
| • Less clicks, open tabs, and emails to navigate throughout the ordering process.<br>• Quick access for new users.<br>• Fast load time/consistent reliability for third party tools.<br>• Clear, intuitive interface with sufficient training, if needed.<br>• Direct connection between scientists, procurement, and suppliers. |
| **INVENTORY** |
| • Real-time inventory management and low stock notification.<br>• AI to help predict future needs based on past orders/usage. |
| **REAL-TIME INFORMATION** |
| • Real-time product availability/delivery dates/pricing from suppliers.<br>• Ability to see product availability before placing order. |



The ideal lab supply ordering process strives for **100% automation** and **minimizes maverick spend**. The process also **recoups time, saves costs, and reduces experiment delays**. It provides a seamless, streamlined end-user experience, **simplifying buying channels** for easy navigation through trunk and tail aggregation. In short, it enables scientists to spend less time on the process of ordering lab supplies and more time on the bench.

In the quest for a better process, many organizations are involving a lab supply marketplace, such as **ZAGENO**, in their lab supply ordering processes to make the B2B purchasing process as B2C, or Amazon-like, as possible.

By subscribing to ZAGENO either as a stand-alone or adding it as an option to the P2P/S2P home screen, scientists can easily build a cart from over 40 million product SKUS from over 5,300 vendors via one marketplace. ZAGENO serves as the sole vendor of record, meaning that there is only one consolidated invoice each month.



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# How a Lab Supply Marketplace Addresses Pain Points

| PAIN POINT | SOLUTION | BENEFITS |
|---|---|---|
| #1: Too much time is spent searching supplier sites for lab supplies. | Build one cart from millions of products from thousands of vetted suppliers. Receive one consolidated monthly invoice. | Price transparency and comparison via an Amazon-like experience. Significant cost and time savings. |
| #2: Scientists and procurement waste hours each week tracking order statuses. | Self-service order tracking. Automated order, shipping, backorder, and receipt notifications. Centralized inventory management and order history. | Less time spent chasing orders, freeing up scientists, procurement, and receiving to reinvest effort in more value-added activities. |
| #3: Backorders cause experiment delays. | Feature-rich marketplace enables easy identification of qualified, in-stock alternatives. ZAGENO customer service team on hand to help source hard-to-find alternatives. | Empowers scientists to become active end-users. Reduces time-to-milestone achievement by ensuring supplies are available when needed. |



| PAIN POINT | SOLUTION | BENEFITS |
|---|---|---|
| #4: Adding new suppliers is an inefficient, lengthy process that causes experiment delays. | Thousands of vetted, onboarded suppliers available through the ZAGENO marketplace. Non-catalog vendors added by the ZAGENO team within 24 hours. | Eliminates vendor addition delays, free text requests and maverick spend. Improves SLAs and bargaining power. Reduces longtail spend. |
| #5: Procure-to-pay/source-to-pay platforms do not improve the overall lab supply ordering end-user experience. | Supplement with a lab supply marketplace to make possible both scientists' goal of supplier choice and procurement's goal of vendor consolidation. | End-user process satisfaction improves drastically for scientists, procurement, and suppliers. |
| #6: The uniqueness of the R&D lab supply ordering space complicates P2P/S2P implementation. | Build a multi-supplier cart from trunk and tail suppliers. ZAGENO customer service team quickly resolves supplier addition and product alternative identification issues. | Resolution of bottlenecks kickstarts stalled automation and enables optimization of all platforms. |

# Improving Lab Supply Ordering Process Satisfaction and Efficiency Through Use of a Self-Service Marketplace

By adding ZAGENO to the roster of primary suppliers, lab supply spend can be almost fully consolidated, eliminating the need for free text or maverick spend. Experiments stay on track with access to qualified, in-stock alternatives in the face of backorders. Self-service order and delivery tracking and returns are accessible with a single log-in.

With a lab supply marketplace, new suppliers are all under the umbrella of the marketplace itself as the vendor of record. The same supplier addition process that took weeks is reduced to days or hours. Scientists can place orders from multiple vendors in the same order, and the invoice comes through as if it was one established supplier. Order and delivery tracking are also automated. Other features include automated RFPs, PO generation, and custom approval flows, all documented for audit.

Procurement data becomes easily organized through vendor consolidation, allowing for increased spend visibility and enhanced bargaining power. There is better supplier relationship management, due to accessible data on supplier quality, delivery, and pricing. Most importantly, the user experience for scientists significantly improves, the benefits of which are seen downstream via increased innovation, reduced labor costs, and shortened time-to-milestone achievement.

No matter the size of the organization, role, or phase of P2P/S2P implementation, it behooves procurement and the lab to investigate the benefits of supplementing their digital procurement strategy with a lab supply marketplace, such as ZAGENO.

By achieving full automation, R&D can focus on what matters—scientific innovation.

## About ZAGENO

ZAGENO exists so research scientists can spend more time on science and achieve their time to milestones. To do this, we've designed a feature-rich lab supply marketplace to make smart, streamlined purchasing decisions.

With approximately 40 million product SKUs from nearly 5,300 unique suppliers, ZAGENO offers the **largest life sciences lab supply marketplace**. In addition, our platform provides tools to help increase scientific productivity by removing the manual and tedious steps labs are forced to deal with when researching, purchasing, and tracking lab supplies. **Discover the simplest way to order lab supplies at www.ZAGENO.com**.

## Ready to see our marketplace in action?


ZAGENO

Interested in accessing our marketplace? Contact **sales@zageno.com**