

F R O S T & S U L L I V A N

2024 CUSTOMER VALUE LEADER

*IN THE GLOBAL LIFE
SCIENCES E-COMMERCE
INDUSTRY*

ZAGENNO

F R O S T & S U L L I V A N

BEST
2024 PRACTICES
AWARD

Best Practices Criteria for World-Class Performance

Frost & Sullivan applies a rigorous analytical process to evaluate multiple nominees for each award category before determining the final award recipient. The process involves a detailed evaluation of best practices criteria across two dimensions for each nominated company. ZAGENO excels in many of the criteria in the life sciences e-commerce space.

AWARD CRITERIA	
<i>Business Impact</i>	<i>Customer Impact</i>
Financial Performance	Price/Performance Value
Customer Acquisition	Customer Purchase Experience
Operational Efficiency	Customer Ownership Experience
Growth Potential	Customer Service Experience
Human Capital	Brand Equity

The Challenging Life Sciences E-Commerce Landscape

The global life sciences e-commerce market faces numerous challenges, including technological disruptions, geopolitical instability, and rapidly evolving industry standards. The global pandemic's impact has severely disrupted supply chains, prompting life sciences companies to develop robust strategies to ensure the availability of essential products. Furthermore, the convergence of life sciences with information technology necessitates advanced and sophisticated e-commerce solutions capable of handling complex data analytics to enhance research, development, and patient care.

In the United States (US), the life sciences e-commerce space is experiencing fluctuations in investment trends and market valuations, accounting for a dramatic shift in capital flow. This volatility affects companies' financial health and operational stability, influencing hiring trends and strategic planning. In contrast, characterized by more conservative investment practices, European companies are experiencing steady growth, even in challenging economic conditions.

Procuring lab supplies in the life sciences research industry faces two main challenges: identifying and ordering the correct product for experiments and managing the supply chain. Within this framework, ZAGENO addresses these challenges using AI applications, providing detailed product pages that predict ship dates across multiple suppliers and featuring a recommendation engine based on user needs and behavior. This innovative approach enables researchers to quickly find the right products and efficiently manage their supply chain.

The company combines digital tools and a strong online presence, which allows it to maintain lower

operational costs and offer more competitive pricing than traditional models. Its adaptability to the differing needs of the US and European markets, coupled with a strategic focus on transparency and customer-oriented service, enables ZAGENO to set new standards for accessibility and efficiency in biotechnology procurement and research support.

ZAGENO: A Customer-centric Solution

Founded in 2015 and headquartered in Cambridge, US, ZAGENO is a leading life sciences marketplace. The company streamlines the lab supply ordering process, enabling research scientists to devote more time and focus to their experiments and less to administrative tasks. This emphasis on simplifying procurement creates an optimal scientific discovery and innovation environment. Established on the belief that digital aggregation is crucial for advancing life sciences, ZAGENO significantly reduces the administrative burden for scientists. As the exclusive provider of extensive life science solutions and a driver of innovation, the company is vital in promoting health through scientific discovery.

The One-Stop Shop: “Accelerate Research. Order with Ease”

ZAGENO distinguishes itself in the marketplace with innovative strategies that enhance procurement efficiency and reduce the administrative load on scientists. The company ensures a broad selection and competitive pricing by providing access to approximately 3,000 suppliers and 5,300 brands. At the same time, its unique price comparison tools guarantee that users consistently receive the best value for their purchases.¹

“For instance, scientists using the platform save about eight hours per week, while procurement teams see a 30% reduction in time spent managing their processes. Moreover, lab managers reclaim three days per week for more productive tasks. At the same time, finance teams achieved 15% in time savings, highlighting ZAGENO’s extensive optimization capabilities from streamlining operations and reducing the administrative burden associated with lab supply procurement.”

- Manuel Albornoz
Best Practices Research Analyst

Enhancing efficiency across various roles within scientific research organizations, ZAGENO demonstrates substantial time savings that allow professionals to focus more on their core activities. For instance, scientists using the platform save about eight hours per week, while procurement teams see a 30% reduction in time spent managing their processes.² Moreover, lab managers reclaim three days per week for more productive tasks. At the same time, finance teams achieved 15% in time savings, highlighting ZAGENO’s extensive optimization capabilities from streamlining operations and reducing the administrative burden associated with lab supply

procurement.³

The **One-Stop Shop** Shop simplifies the lab supply purchasing process, enabling researchers to find, compare, and select from over 40 million products using AI-driven search engines, comprehensive product pages, and transparent pricing.⁴ The platform integrates self-service order tracking, automated backorder, and delivery notifications and streamlines financial management with custom approval flows, purchase

¹ “About ZAGENO” (ZAGENO website: <https://go.zageno.com/about-us>)

² “One Place to Shop, Track, and Control Lab Supplies” (ZAGENO website: <https://go.zageno.com/lab-supply-marketplace>)

³ Ibid.

⁴ Ibid.

limits, consolidated billing, and a real-time spend dashboard.

Supplier Management and Spend Analytics

Supplier Management consolidates multiple facets of the procurement process into a single platform where users can manage orders, track shipments, and control spending efficiently. This unified system supports informed purchasing decisions with features like custom approval flows and a real-time spend dashboard. The Single Creditor Model facilitates flexible invoicing options such as consolidated or order-based billing, which integrate with existing accounting, enterprise resource planning (ERP), and procure-to-pay (P2P) systems.⁵ By reducing the number of manual touchpoints, ZAGENO saves time and money and simplifies accounting, reporting, and auditing.

Spend Analytics gives laboratories critical insights into spending patterns, enabling strategic, budget-informed decisions. Labs gain comprehensive visibility into their financial operations with real-time spending reporting to enhance transparency and collaboration across departments. The platform's detailed cost analysis tools and flexible budget features allow real-time monitoring and spending adjustment, helping maintain economic stability and prevent overspending.

Extensive Integration Capabilities

ZAGENO embeds itself deeply within the user's existing P2P, ERP, and accounting frameworks to enable process automation. Its robust integration with platforms like Coupa, SAP Ariba, and Jaggaer allows for seamless procurement operations.⁶ The automated features extend to month-end financial closings and integrate lab inventory software with electronic notebooks, enabling labs to keep pace with the demands of modern scientific research without compromising efficiency or accuracy in data management.

The company also offers extensive integration capabilities over and above competitors. Its solutions integrate with major P2P platforms, accounting systems like Intuit QuickBooks, Xero, and Oracle NetSuite, and ERP systems including Microsoft Dynamics 365 and SAP ERP.⁷ ZAGENO also connects with electronic lab notebooks and laboratory information management systems, enhancing inventory management through predictive stock analytics and auto-reordering features.

End-to-end Customer Service Excellence

Exceptional customer support distinguishes ZAGENO in the life sciences sector. The company's service team excels in providing comprehensive expert assistance throughout the procurement process, from onboarding new suppliers to managing order changes and tracking deliveries. The team's responsiveness ensures clients receive timely help with backorders, quote confirmations, and order details. Furthermore, ZAGENO offers multiple communication channels, including chat, email, and phone, allowing researchers to easily connect with a dedicated customer success manager or access the support center.⁸

Delivering speed and quality in customer interactions, the company boasts an impressive average 5-star

⁵ "Cut Down on Administrative Tasks With A Single Lab Supplier of Record" (ZAGENO website: <https://go.zageno.com/single-creditor-model>)

⁶ "Automate and Simplify Your Existing Workflows with ZAGENO" (ZAGENO website: <https://go.zageno.com/en-us/workflow-automation>)

⁷ "Integrations that Bring the Lab of the Future to Life" (ZAGENO website: <https://go.zageno.com/lab-erp-p2p-integrations>)

⁸ "5-Star End-to-End Customer Service That Functions as an Extension of Your Team" (ZAGENO website: <https://go.zageno.com/customer-support>)

satisfaction rating, underscoring its commitment to excellence in customer service.⁹ ZAGENO takes a rigorous approach to customer feedback, utilizing Net Promoter Score (NPS) surveys to identify specific strengths and areas for improvement. For example, insights from the NPS feedback are critical in guiding strategic decisions, particularly in enhancing the platform's functionality and ensuring responsiveness to the evolving needs of its users.

"ZAGENO has been key in our transition to self-service purchasing with Coupa. By consolidating all non-catalog spending within ZAGENO, we've automated a previously manual process, leading to time and operational savings. Notably, we've eliminated supplier onboarding (for lab consumables), reduced invoice processing, and can access the best price for each item."

- Director of Procurement - Alexion¹⁰

Time-Saving Solutions for Scientists at Sanofi¹¹

Achraf Bannai, Global Head of Scientific Procurement at Sanofi, identified that scientists were spending an excessive 30% of their time ordering low-value items, detracting from valuable research efforts. In response, Sanofi implemented a lab supply marketplace featuring millions of SKUs, specifically tailored to streamline these non-standard purchases. This strategic move dramatically reduced the time scientists spent on procurement to just 10%, significantly increasing the time available for essential research activities.

The "Holy Grail" of Procurement at Bayer¹²

Steffen Schweizer, VP Global Head of Procurement Lab Supply at Bayer, faced the challenge of managing the complex procurement needs of lab supplies. He advocated for a shift from traditional top-down bureaucratic processes to a more agile "dynamic shared ownership" model. By adopting a centralized marketplace as the single-entry point for procurement, Bayer could offer researchers the freedom to choose supplies while guiding them toward cost-effective options. This innovative approach aimed to maximize budget efficiency, decrease procurement turnaround times, and enable researchers to devote more energy to scientific discovery.

Strategic Growth and Market Presence

ZAGENO's customer acquisition strategy centers on building strong partnerships throughout the scientist's journey, from pre- to post-lab supply purchasing. The company integrates seamlessly with systems commonly used in laboratories, making its platform a compelling choice for those seeking streamlined procurement solutions. Additionally, ZAGENO strengthens its industry presence through collaborations with infrastructure providers, consultants, and advisors closely aligned with biotech companies. By eliminating the typical challenges of new system integrations, ZAGENO attracts new customers and retains existing ones, boosting customer loyalty and driving organic growth through positive word-of-mouth and high satisfaction scores.

⁹ Ibid.

¹⁰ "What Our Customers Have To Say" (ZAGENO website: <https://go.zageno.com/>)

¹¹ Provided by Zageno (Zageno LinkedIn:

<https://www.linkedin.com/feed/update/urn:li:ugcPost:7201237008394899457/?actorCompanyId=10123538>)

¹² Ibid.

Over the coming years, the company plans to double its biotech accounts, highlighting its commitment to

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- Amartya Bose
Senior Industry Analyst

expanding its customer base and enhancing service delivery and user experience across existing markets. A prime example of this growth strategy is ZAGENO’s partnership with Sanofi, which is already operational in Germany and the US and will extend into France in 2024, a critical market for Sanofi.¹³ Ultimately, ZAGENO aims to establish a solid presence in the global biotech and pharmaceutical industries by focusing

on strategic partnerships and selectively targeting markets.

Financial Resilience and Investor Confidence

Showing impressive financial resilience and growth, ZAGENO reported a 52% increase in revenues in 2023, marking significant progress given the broader industry context.¹⁴ Frost & Sullivan finds that the company’s ability to achieve these figures in a challenging market environment speaks to the strength of its customer relationships and the effectiveness of its business model. Strategic management, including significant restructuring measures and establishing a new engineering office in India, has put ZAGENO on a clear path toward profitability.¹⁵

The company has maintained strong investor confidence as evidenced by a successful \$33 million funding round in May 2023, co-led by General Catalyst, the largest public pension fund in the United States, Grazia Equity, OakRidge Management Group, and a German investment house, joined by existing investors Capnamic Ventures and HighSage Ventures.¹⁶ This investment accelerates ZAGENO’s expansion in the US and Europe, significantly improving the accessibility and affordability of life science research products. With a total of USD 130 million raised, the company can revolutionize scientific workflows, delivering substantial time and cost savings for scientists and setting the stage for rapid growth and innovation in the scientific research industry.

¹³ Frost & Sullivan Interview with ZAGENO (Frost & Sullivan, May 2024)

¹⁴ Ibid.

¹⁵ Ibid.

¹⁶ “ZAGENO Secures \$33M Funding to Revolutionize Life Science Research Procurement” (ZAGENO press release, May 2024)

Conclusion

Customer centricity is crucial for companies aiming to maintain market leadership, but success depends on authentic approaches and flawless execution. ZAGENO exemplifies this through its artificial intelligence-driven marketplace, significantly enhancing scientific researchers' procurement process. By offering access to approximately 3,000 suppliers and 5,300 brands, the company provides a wide selection and competitive pricing, complemented by unique price comparison tools that ensure users consistently receive optimal value. Moreover, ZAGENO's commitment to improving operational efficiency is evident in the substantial time savings it offers across various organizational roles.

This overall customer-first approach greatly benefits new and existing customers and reinforces ZAGENO's market reputation. With features like streamlined financial management, simplified order tracking, and seamless integration with major accounting, ERP, and P2P systems, ZAGENO not only meets but also anticipates the needs of modern laboratories. The platform's robust support system and responsive customer service further enhance the user experience, ensuring that ZAGENO continues to lead in the life sciences e-commerce industry.

With its strong overall performance, ZAGENO earns Frost & Sullivan's 2024 Global Customer Value Leadership Award in the life sciences e-commerce industry.

What You Need to Know about the Customer Value Leadership Recognition

Frost & Sullivan's Customer Value Leadership Award recognizes the company that offers products or services customers find superior for the overall price, performance, and quality.

Best Practices Award Analysis

For the Customer Value Leadership Award, Frost & Sullivan analysts independently evaluated the criteria listed below.

Business Impact

Financial Performance: Strong overall financial performance is achieved in terms of revenues, revenue growth, operating margin, and other key financial metrics

Customer Acquisition: Customer-facing processes support efficient and consistent new customer acquisition while enhancing customer retention

Operational Efficiency: Company staff performs assigned tasks productively, quickly, and to a high-quality standard

Growth Potential: Growth is fostered by a strong customer focus that strengthens the brand and reinforces customer loyalty

Human Capital: Commitment to quality and to customers characterize the company culture, which in turn enhances employee morale and retention

Customer Impact

Price/Performance Value: Products or services provide the best value for the price compared to similar market offerings

Customer Purchase Experience: Quality of the purchase experience assures customers that they are buying the optimal solution for addressing their unique needs and constraints

Customer Ownership Experience: Customers proudly own the company's product or service and have a positive experience throughout the life of the product or service

Customer Service Experience: Customer service is accessible, fast, stress-free, and high quality

Brand Equity: Customers perceive the brand positively and exhibit high brand loyalty

