

FROST & SULLIVAN

ZAGENO

**2022**  
**CUSTOMER**  
**VALUE**  
**LEADER**

*GLOBAL*  
*LIFE SCIENCES ECOMMERCE INDUSTRY*

## 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 eCommerce 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

### **ZAGENO: Consistent, Agile Leadership**

Founded in 2015 and headquartered in Cambridge, Massachusetts, ZAGENO provides a life science research e-commerce platform that handles purchasing transactions for suppliers and buyers, including world-renowned academic and government research facilities and global pharmaceutical (pharma) and biotech companies. Its online marketplace offers a simple, flexible, and reliable mechanism to simplify the supply chain for life science research. Hence, the company allows researchers to make the best purchasing decisions for their experiments, expedite procurement processes, and advance research.

In 2019 and 2020, Frost & Sullivan recognized ZAGENO's customer-centricity and ability to fulfill unmet market needs and remains impressed with the company's continuing innovation and sustained leadership.

### **Customer-centric Approach: Unmatched Client Experiences**

ZAGENO's online marketplace goes beyond its extensive expertise and best-in-class capabilities, with customer value as a strategic imperative. Through the years, the company has earned a sterling reputation supporting scientists' path toward accelerated research and reduced administrative burden, ensuring they spend less time managing their supplies and more time at the lab bench. Unlike competitors, ZAGENO builds its technology, collaborating closely with a range of stakeholders and partners to evolve alongside market needs and trends.

The supplier-agnostic company does not maintain a warehouse, still offers the most comprehensive catalog in the industry, comprising close to 40 million product SKUs (on a single interface) from more than 3,500 suppliers and growing.<sup>1</sup>

From a user experience perspective, the feature-rich marketplace offers industry-leading and user-friendly search capabilities. The platform displays complete product-related information on a single

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*- Supriya Lala,  
Best Practices Analyst*

page, driving end-users convenience and effortless understandability. A one-stop shop for all lab supplies, the company streamlines entire purchasing orders, product selection, comparison, delivery, invoicing, and payments. Thus, by eliminating manual time-taking ordering procedures involving researching, purchasing, and tracking lab supplies, ZAGENO helps raise scientific productivity.

Furthermore, the company equips researchers with unbiased product ratings and makes accurate purchasing decisions aided by market-differentiating Scientific Score, a comprehensive and objective

product rating tool. The tool allows its customers to select the most suitable life science products for their experiments based on various aggregated metrics provided by peer scientists, suppliers, and the ZAGENO marketplace. Its machine learning (ML)-driven engine examines peer-to-peer reviewed papers and counts within the method how often the study cites the particular product leading to its high rating. Additionally, the platform also allows scientists to order out-of-catalog novel products. It enables adding new suppliers within two to four hours. It helps with price quotes quickly, unlike the lengthy conventional procedures that take at least a month to add a new supplier in big pharma companies.

Effectively handling the supply chain issues is vital to ensure rapid and timely product delivery to research customers. Placing a product order from a new supplier for a scientific experiment

typically takes two to four weeks plus several days for shipping when using state-of-the-art procure-to-pay systems that are standard in a pharma organization. However, the company helps scientists shorten the time to place the order to a few hours. Thus, ZAGENO resolves the supply chain bottleneck as a technology company. Simultaneously, the company enables its suppliers to sell greater volume at a lower operational cost than directly selling to diverse research customers spread across geographies and locations, which involves high operating costs. Additionally, the Scientific Score helps suppliers position their products toward users and improve brand recognition.

ZAGENO is currently working on the Supplier Portal, targeting the 2022 fourth quarter to make it available to its supplier customers. The solution allows suppliers to upload their catalogs and alter pricing according to market needs, unlike the traditional mechanism where pricing changes occur annually. At the same time, it hastens product delivery by cutting the time required by the suppliers to train their salesforce around new product portfolios and decide the best pricing.

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<sup>1</sup> ZAGENO Interview

Thus, the company maintains its marketplace equilibrium by aiding scientists with the Scientific Score to make informed purchasing decisions and simultaneously supporting the suppliers with an expedited go-to-market strategy. ZAGENO's transparent and frictionless approach and close relationships with its customers position it as a partner of choice.

### ***Customer-tailored Digital Solutions Suite: Maximum Economic and Industry Impact***

With its customer-focused strategy, ZAGENO consistently brings to market best-in-class solutions. The company evolved from serving its initial academic customers to the pharmaceutical supply chain to the fast-growing biotechnology market. It equips customers with enterprise resource planning and peer-to-peer integration solutions enabling their agile start-up and adapting to new needs as the organization grows. ZAGENO enables its enterprise customers to evaluate lab supplies (by product and supplier categories). Its industry-first Spend Analytics dashboard enables viewing expense details for all labs within the organization and provides insights that allow accurate budget forecasts to optimize costs. The

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Best Practices Analyst**

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ZAGENO has a very high share-of-wallet working with its customers as it vertically integrates its purchasing software with an entire business-to-business marketplace. Notably, the company sees up to 90% of spending in some cases; the insights enable top procurement and finance executives to analyze their lab's spending trends and allocate a budget.<sup>2</sup>

Furthermore, ZAGENO's variable pricing model (starter, pro, and custom) ensures a cost-optimized

plan based on biotech lab needs. Similarly, for their big pharma customers, it receives a specific percentage from the price of the products they acquire through the marketplace. On the suppliers' side, revenues accrue to the company through discounts on listed products and transaction fees. ZAGENO's customer-centric strategies render measurable time and cost savings leading to retaining and acquiring new customers.<sup>3</sup>

At the same time, the company incorporates customer feedback into its strategic decisions and implementation plans to maximize short-term growth opportunities while providing a path to future revenues. For example, the Supplier Portal allows suppliers to navigate the portal, access analytics, and understand customer needs better. Hence, ZAGENO is investing in ML; while bolstering the Scientific Score, ML acts as an enabler to navigate product stock-keeping units and add new catalogs to its product portfolio. Furthermore, the company aims to use ML to interpret customer data and make it available to suppliers. The data can support new products and partnership development based on customer needs, with potential revenue opportunities for ZAGENO.

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<sup>2</sup> ZAGENO Interview

<sup>3</sup> Ibid.

Furthermore, the company supports customers' ongoing research operations, resulting in long-term client relationships and sustainable long-term growth. For instance, increased backorders during the COVID-19 pandemic led to customers slowing and shutting down their research facilities. In a notable case, a global biopharmaceutical company suffered a three-month backorder delay leading to the probable close of operations. A supplier-agnostic technology company, ZAGENO expedited product delivery within four days and maintained this biopharma's facility operations, unlike direct suppliers (with warehouses) restrained due to financial non-viability for timely delivery.

With the focus on the procure-to-pay process and digitization, ZAGENO is well-positioned to offer long-tail solutions to its pharma clients' global internal scientist and procurement teams. Moreover, price analysis support to big pharma clients helps analyze their historical spending to evaluate price markups and ensure they pay optimally (based on the best price offering of similar products).

Additionally, ZAGENO supports its biotech customers beginning their growth to the maturity phase. It built a unique database that allows tracking their funding and scientific milestones, helping target and deploy biotech customer acquisition strategies.<sup>4</sup> The company's chat function has a rapid-response time. Quick customer support, in turn, streamlines customer interactions and accelerates purchasing and searching. ZAGENO's ongoing learning experience, customer proximity, and thought leadership (for its biotech customers) are testament to customer trust in its expertise.

### ***Positioned for Growth***

Since its inception, ZAGENO's sterling reputation and customer-centric framework led to its coveted preferred partner status. Over the years, it added diverse new customers to its established base. Driven by its commitment to its suppliers and customers regarding data security and privacy, the company is the first life science marketplace to achieve Service Organization Control (SOC) 2 Type 1 certification standards. The SOC Type 1 compliance testifies to ZAGENO's focus on managing customer databases concerning security, availability, processing, integrity, and confidentiality.<sup>5</sup>

The company has a solid current pipeline, with the signing of one top twenty and two top-ten pharma players in January. Leveraging digital marketing and software-as-a-service-enabled sales processes, ZAGENO concentrates on increasing its share-of-wallet with every new customer on board, supported by a dedicated onboarding team that conducts training, manages new accounts, and handles operations. The company incorporates customer feedback to upgrade its platform with new feature implementation uniformly available to all customers.

As part of its growth strategy, ZAGENO aims to increase marketing initiatives. It seeks to redesign the current website to conduct an agile marketing campaign and partially open its marketplace for search engine optimization (of its displayed catalog), leading to organic growth. Going ahead, the company strives to scale its platform, automate internal processes, strengthen its engineering team, and position itself as a thought leader in the market, advising life sciences companies on the best product fitment.

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<sup>4</sup> Zageno Interview

<sup>5</sup> <https://www.globenewswire.com/news-release/2021/06/15/2247209/0/en/ZAGENO-Completes-SOC-2-Type-1-Certification-Standards.html>

ZAGENO bolstered its permanent and contractor employee base and intends to invest in product engineering to improve cost-per-order. Furthermore, it seeks to expand its geographic presence to Switzerland and France, with the current focus on the United States, Germany, United Kingdom, and Belgium.

The company is at the forefront of the fiercely competitive life science eCommerce market. With a deep-rooted history of purpose-fit innovation, ZAGENO shapes the industry's trends, impacting its role in life sciences eCommerce. The company recorded a more than double top-line growth and improved its revenue four times, primarily driven by increased supplier sign-in in 2021. Aspiring to be the life science one-stop-shop, it aims to quadruple its top-line growth in the next two years.<sup>6</sup> With its most recent \$60 million financing round in 2021, ZAGENO strives to propel automation of the life sciences supply chain, accelerating research.<sup>7</sup>

Frost & Sullivan believes the company is well-positioned to drive the life sciences eCommerce space into its next growth phase, capturing market share and sustaining its leadership in the coming years.

## Conclusion

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Customer-centric strategies help companies safeguard leading market positions, but only if the approach is authentic and the implementation seamless. ZAGENO incorporates customer-focused strategies and exemplifies best practice implementation. The company's feature-rich eCommerce platform, including millions of industry-leading life sciences products from multiple suppliers, streamlines a lab's buying process through automation-driven online purchasing. ZAGENO's marketplace provides customers with matchless search capabilities for product comparisons, checking availability, conducting price analysis, and making intuitive purchasing decisions, aided by its machine-learning-enabled product rating tool. Besides, the one-of-its-kind Spend Analytics dashboard allows accurate budget forecasts to optimize costs.

The market-leading ZAGENO platform helps scientists with convenient and reliable purchases and lessens the administrative burden, thus raising productivity. It simultaneously enables its supplier partners to sell greater volume at a lower operational cost and improve brand recognition. The company is committed to automating the life sciences supply chain to meet researchers' dynamic needs and accelerate scientific discoveries while serving as an optimal sales channel for suppliers and partners. This overall customer-first approach offers immense value to existing and new customers and solidifies ZAGENO's reputation in the market.

With its strong overall performance, ZAGENO earns Frost & Sullivan's 2022 Global Customer Value Leadership Award in the life sciences eCommerce industry.

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<sup>6</sup> Zageno Interview

<sup>7</sup> <https://www.globenewswire.com/news-release/2021/11/16/2335174/0/en/ZAGENO-Will-Champion-Researchers-Through-60-Million-in-New-Financing-Led-by-General-Catalyst-and-a-Large-Vertically-Integrated-Nonprofit-Healthcare-Organization.html>

## What You Need to Know about the Customer Value Leadership Recognition

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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

