

## A Clinical Approach to Finance for Criterium

Criterium Inc. (Criterium), a contract research organization that provides support to the pharmaceutical, biotechnology, and medical device industries in the form of research services, struggled to effectively manage clients' contract information using Excel as their primary accounting software application. After implementing Prophix, Criterium's finance team can conduct flexible reporting that allows them to meet all their clients' needs.

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### Business Challenges

Criterium had difficulty generating clients' contract invoices using Excel. Spreadsheets limited their ability to compare budget to actuals for each of their contracts, as well as generate an accurate cash flow analysis.

### Why Prophix?

Before researching potential finance solutions, Criterium's finance team knew they wanted to have real-time reporting of budget to actuals for individual contracts, a more reliable and streamlined means to generate cash flow analysis, and a centralized location for all their data.

Before selecting Prophix, Criterium also considered Results.com & NetSuite. However, after seeing a demo of Prophix in Boston, Criterium's finance team was impressed with the software's capabilities and chose Prophix's Corporate Performance Management (CPM) solution for their organization.

### Results

Criterium's main sources of revenue are service contracts with pharmaceutical companies and investigator-initiated trials. Conversely, their largest expense is payroll. Criterium pulls data from their instance of QuickBooks and their homegrown time-tracking system into Prophix.

Criterium Inc. is a global, full-service, technology-driven contract research organization that offers a unique mix of high-quality, innovative clinical research solutions for the biopharmaceutical, pharmaceutical, medical device, and CRO industries.

**Operating:** Since 1991

**Website:** [www.criteriuminc.com](http://www.criteriuminc.com)

**Annual Revenue:** 5 million USD

**Employees:** 22

**ERP:** QuickBooks



# Prophix Customer Story

Prophix's ability to compare budget to actuals has allowed Criterium to compare hours by task by employee to budget line items for each contract. Their finance team is now also able to generate, review and distribute contract reports in just under an hour each month.

Using Prophix, Criterium can analyze their budget in two ways. Using their "sales rate," which is the rate the owner & sales managers use to quote proposals to clients (i.e. a project manager's time is billed at \$250 an hour for 1000 hours to make a line item of \$250,000). Using this information, the finance team generates a report that shows the actual hours worked multiplied by the sales rate to better understand the revenue to date on an individual contract.

Using the same report given to the owner & sales managers, the Office of Finance is then able to add an additional column containing the hours worked multiplied by the "loaded rate," which is the actual hourly rate paid to employees. This allows their Human Resources department to understand the cost of labor, in addition to the sales rate comparison method mentioned above.

With these advanced reporting capabilities, Criterium can adjust their activities on individual contracts based on their reports. Since a change in scope is common in the medical research field (i.e. it could take longer for a study to get adequate enrollment), these reports allow Criterium to evaluate the viability of their contracts on an ongoing basis.

In addition, Criterium can easily generate reports for clients in several different formats using the same data (i.e. hours by task by employee by contract vs. employee by task by contract).

With effective & up-to-date reporting, Criterium can now plan for the future for the first time ever. They are also more efficient in their everyday work. The finance team no longer has to double-check formulas in multi-page Excel workbooks. Their team can do more strategic analysis because they no longer need to spend days collecting data from various sources.



## Future Plans

Criterium's Office of Finance aspires to collaborate with more staff using Prophix Dashboards and make use of the solution's personnel planning capabilities. They would also like to be able to compare the benefits of paying a full-time employee to paying a sub-contractor.

## About Prophix

Your business is evolving. And the way you plan and report on your business should evolve too. Prophix helps mid-market companies achieve their goals more successfully with innovative, cloud-based Corporate Performance Management (CPM) software. With Prophix, finance leaders improve profitability and minimize risk by automating budgeting, forecasting and reporting and puts the focus back on what matters most – uncovering business opportunities. Prophix supports your future with AI innovation that flexes to meet your strategic realities, today and tomorrow. Over 1,500 global companies rely on Prophix to transform the way they work.



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