

# Financial Planning & Analysis for Life Science Companies



Given the risk and uncertainty inherent in life sciences, it's imperative for management teams to approach strategic decisions with a clear understanding of all possible financial implications for the company. This is the role of financial planning & analysis (FP&A) – applying sophisticated tools and models to reveal the outcomes of wide-ranging scenarios based on dynamic inputs and assumptions.

Danforth Advisors provides the value of FP&A in a flexible, project-based way for clients at all stages of corporate and clinical development – whether to formulate a long-range plan and budget, prepare for a capital raise, or understand the potential implications of delays and other variables. Our FP&A specialists bring many decades of experience in life sciences to design and customize error-proof tools that answer critical questions, including:

- How many research programs can you support?  
What are the financial implications if one should fail?
- How much capital do you need to reach your next inflection point? What if you can only secure X% of that amount?
- How will potential delays in clinical studies impact your budget?
- Which are the right places to cut costs to extend your cash runway?

## How We Help

### ✔ Budget and forecasting

Unlike standard templates, our budget and forecasting models are highly customized. The budget is built around your project plan and activities. It is clear where spending is going and what the major cost drivers are across the organization.

### ✔ Long range planning

Multi-year forecasts are critical to understand cash runways, future cash needs, and key decision points. Do not settle for a one-year budget when you are managing a multi-year enterprise.

### ✔ Financial modeling

Our tools are purpose-built to answer specific questions and accommodate a wide range of assumptions. Importantly, they are designed to be dynamic, with the ability to toggle individual inputs and see how the entire model changes as a result.

### ✔ Dynamic pro-forma cap table

Whether seed stage or Series C, stakeholders must understand in advance how their post-raise ownership might change based on wide-ranging assumptions, including the amount of their investment and the company's current valuation. Our dynamic, customized pro-forma cap tables reveal all possible outcomes, in real time, with the assuredness required by company founders and leaders, directors, shareholders and prospective investors.

### ✔ Financial packages and board materials

We create highly-detailed reports and slides for management teams and boards of directors to support decision-making rationale and proof of diligence. We tie the program plans to the financial plans to show the full picture in an easy to understand format.