

### *How the Healthcare Supply Chain Empowers Innovative and Diverse Suppliers*

Healthcare group purchasing organizations (GPOs) are the sourcing and purchasing partners to virtually all of America's 5,000+ hospitals. To reduce costs, increase competition in the marketplace, and help ensure that healthcare providers have access to the best products and services, GPOs focus on identifying diverse suppliers with innovative products and then help bring those products to market.

To ensure robust competition and to help identify innovative products and services from a broad range of diverse suppliers, GPOs have taken a number of specific steps, including:

- ❖ All GPOs have created **supplier diversity programs**, councils or task forces to ensure vendors have the opportunity to contract with a GPO and to promote competitiveness in the healthcare supply chain.
- ❖ All major GPOs **track contract portfolio information** on the diversity of suppliers to ensure they are working with as many different types of suppliers as possible. This includes calculating how many agreements involve a **Minority Business Enterprise (MBE)**, **Women-Owned Business Enterprise (WBE)**, **Veteran (VET)**, and **Small Business (SBE) Suppliers**.
- ❖ Top GPOs have **senior-level positions** in their companies dedicated to **promoting and increasing Tier 1 and Tier 2 supplier diversity** in their contracting practices and in the healthcare supply chain.
- ❖ Some GPOs have established **annual goals** that encourage hospitals to spend certain percentages of their business operations with MBEs and WBEs.
- ❖ National GPOs have provided their hospital partners **information and toolkits** on how to best connect with small and diverse suppliers.
- ❖ Many GPOs have established **educational programs** intended to provide small, diverse and regional suppliers with feedback such as product evaluation, best-practices and educational forums or webinars.
- ❖ GPOs offer awards to provider members and contracted suppliers whose efforts to support **minority, woman, veteran and small business suppliers** have strengthened local businesses and community development.
- ❖ HSCA members created the **Small Supplier Portal**—an opportunity for small, local and regional healthcare suppliers not yet contracting with a GPO to reach out and share information about their products.

#### ***Spotlight: Healthcare Supplier Diversity Alliance***

GPO supplier diversity professionals came together in partnership with representatives from the minority business and distribution community to establish the Healthcare Supplier Diversity Alliance (HSDA), a network of healthcare organizations working together to grow market share for diverse companies in healthcare. HSDA builds and facilitates programs that raise awareness of supplier diversity in healthcare by promoting supplier diversity to the industry, providing a platform to represent healthcare support of diverse businesses, and educating diverse businesses on the complexities of healthcare's supply chain.



#### ***Spotlight: Supplier Innovative Technology Summits***

Leading GPOs convene annual supplier meetings or summits to help identify new vendors with innovative products with whom they had not previously contracted. These summits facilitate mutually beneficial relationships by helping suppliers gain access to GPO member providers and enable GPOs to fulfill their core mission of sourcing the best products at the best value.