Supplier Diversity

New programs benefit community and motivate providers to drive quality of care.

Growing up on the West Side of Chicago, Lamont Robinson learned early on the potential value that diverse companies have to offer. Today, he has taken that perspective to the next level, working to promote opportunity and positive relations between Novation members, and local women-, veteran- and minority-owned businesses. “We are looking for ways to level the playing field,” says Robinson, senior director of supplier diversity, Novation. The recent winner of DiversityPlus magazine’s Champion of Diversity Award works with member hospitals to balance their needs with services provided by businesses that are at least 51 percent owned, operated and controlled by women, veterans and/or minorities, or that are located in HUB zones (historically underutilized business zones) or are associated with sheltered workshops (not-for-profits that employ individuals with disabilities). The goal is not only to draw on under-tapped local resources, but to develop stronger community ties and, ultimately, better healthcare.

“We work with our VHA, UHC and Provista members, suppliers (both large and small) and Novation employees,” says Robinson. “I am working with our members to assess their needs and [act as] a consultant on best practices.” The IDNs, in turn, help create and enhance their individual supplier diversity programs, he adds. He and his team have developed tool kits designed to “communicate new elements of supplier diversity to members. We can also receive member feedback [via] the tool kits, enabling us to continually update this platform.

“We are developing a separate supplier tool kit to help them understand diversity, Novation and healthcare in general, and maximize their presence [in the market],” he continues. The tool kit will contain a checklist of best practices. “Diverse companies are knowledgeable and persistent about finding ways to work with the hospitals and the GPO,” he says. “The GPO acts as an incubator to help these businesses become national. But, even without a national presence, diverse companies can find regional opportunities by working with the GPO. We also work to educate Novation employees on the needs of the members and suppliers.”

The building blocks

A successful IDN supplier diversity program depends on several elements, according to Robinson:

• A strong, passionate leader.
• Senior-level support.
• An innovative and strategic imperative (rather than moving forward because “it is the right thing to do”).
• A brand or identity.

“If you only look at a supplier diversity program from a compliance perspective, it won’t succeed,” he says. “You need a brand or identity, and then you must engage everyone, from [hospital employees] to suppliers.”

In order to move forward in a productive manner, leaders must:

• Define the scope of supplier diversity, with a clear mission statement (what the program is, why it’s important and how it will impact the organization).
• Link supplier diversity with organizational goals.
• Reach out to and connect with underrepresented suppliers.
• Coordinate the efforts of all involved supply chain and executive leaders.
• Cultivate relationships with diverse suppliers through mentoring, consulting services, favorable financial terms, educational seminars, technical and managerial services, etc.
Once an organization appoints a diversity leader, it must follow up by establishing an operating budget and determining diversity spend, advises Robinson. All future RFPs and bids should include diversity language. Finally, the organization must have a clear plan for reaching out to potential suppliers and resources. Diversity advocates, such as the Women’s Business Enterprise National Council and the National Minority Supplier Development Council, are available to support hospitals and IDNs in their efforts, he notes.

“[The health system] must develop its goals and determine best practices and what level it will bring its program to,” he says. “Hospitals must look at their policies, as well as their strategies. Once they build the groundwork they must determine how to bring in [diverse companies] from the community. Unless they put the right person in place with a passion to grow the program, it will be almost impossible to [do so].”

Supplier diversity in healthcare is still in its infancy, notes Robinson. There are no benchmark studies at this point to guide hospitals in their diversity spend, he points out. “But, we are seeing two to five percent of member spend coming from businesses owned by women, minorities and veterans,” he says. “When we add in small businesses, we move closer to a 10 percent spend, which is where we want to be. We don’t see a lot of diverse businesses in healthcare. The challenge is to bring new [ones] in from other industries.” As more baby boomers get ready to retire, this may present opportunities to health systems, he adds. “Many are retiring and then opening up their own businesses and organizations,” he says. “If they are diverse businesses or operate in a HUB zone, this opens up new diversity opportunities for hospitals.”

If there’s anything good to come out of the recession, it’s that suppliers understand better than ever before the importance of adding value to the community, including hospitals, notes Robinson. “So, today, suppliers are offering more aggressive solutions and contracts,” he says.

As supplier diversity programs evolve in healthcare, Robinson looks forward to watching them continue to drive the quality of care in hospitals. “Supplier diversity is a conduit for job creation,” he says. “It helps increase the level of competition in healthcare, which in turn facilitates better patient care. As part of a GPO, I am excited to be part of this.”

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**The hardest part**

The most difficult part for health systems implementing a supplier diversity program is beginning from scratch, says Robinson. “It’s always a good idea to bring in individuals who have an understanding of what supplier diversity is all about and how to develop a website (around supplier diversity),” he explains. “The toolkit enables hospitals to go online and follow a checklist for building their supplier diversity program.”