

2023 VIZIENT CONNECTIONS SUMMIT

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SEPT. 18–21, 2023
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Starting a Supplier Diversity Program: Foundation to Fundamentals

Robert Fogarty
Supplier Diversity Coordinator

Children's Mercy, Kansas City, MO

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Learning Objectives

- Outline the key components needed to implement a supplier diversity program.
- Discuss useful techniques to prioritize initiatives for supplier diversity programs.

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WHY Supplier Diversity?

Benefits your business:

Drives Competition

Promotes Innovation

Often improves supplier serviceability and responsiveness

Supports a supply base that mirrors the surrounding population

Benefits your communities:

Builds opportunity and wealth in under-served and underrepresented areas

Develops local/regional capacity to meet supply chain needs

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Starting a Supplier Diversity Program: Foundation to Fundamentals

- Commitment from Executive Leadership
- Policy
- Ownership
- Source of Truth
- Goals
- Process
- Network
- Timing
- Q & A

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Commitment from Executive Leadership...



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Supplier Diversity Policy

- Legal Team
- HR Involvement
- Senior Leadership

TITLE: Diverse Supplier Policy
EFFECTIVE: 01/2011
REVISION DATE: 06/2016, 04/2021
REVIEWED WITH NO CHANGES:
RETIRED:

PURPOSE:

The Children's Mercy Hospital (the "Hospital") is committed to developing mutually beneficial relationships with certified enterprises owned by minorities, women, veterans, disabled veterans, members of the LGBTQ community, disabled persons, historically underutilized business (HUB) zones, and local small businesses. This policy reflects the Hospital's desire to create opportunities for [Diverse Suppliers](#) to compete and win contracts for their goods and services. The Hospital benefits from the expertise, innovation and flexibility of diverse businesses who compete in an open, competitive bidding process. We are continually seeking viable diverse and/or small businesses to contribute to our goals of providing ever-increasing value to our patients, their families and our clinicians, while stimulating the economic viability of the community.

Note: This document replaces the *Vendor Diversity Program Policy*.

LOCATION/SCOPE:

The Children's Mercy Hospital, Children's Mercy Hospital Kansas and all other locations.

DEPARTMENT(S) RESPONSIBLE FOR POLICY MANAGEMENT AND EXECUTION:

Supply Chain Services

POLICY STATEMENT:

The Hospital will proactively identify, build relationships, and endeavor to purchase goods and services from Diverse Suppliers. The Hospital will also encourage [First-Tier Suppliers](#) to procure from Diverse Suppliers.

Our objectives include:

- Actively seeking certified Diverse Suppliers that can provide cost-competitive, high-quality goods and services.
- Ensuring the inclusion of Diverse Suppliers as a part of our strategic sourcing and procurement process.

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Division Ownership: who is responsible for what?

- Supply Chain
- Procurement
- DEI



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Source of Truth

- Vendor Certification
- Spend data

Supplier Gateway (Vizient)

National Minority Supplier Development Council

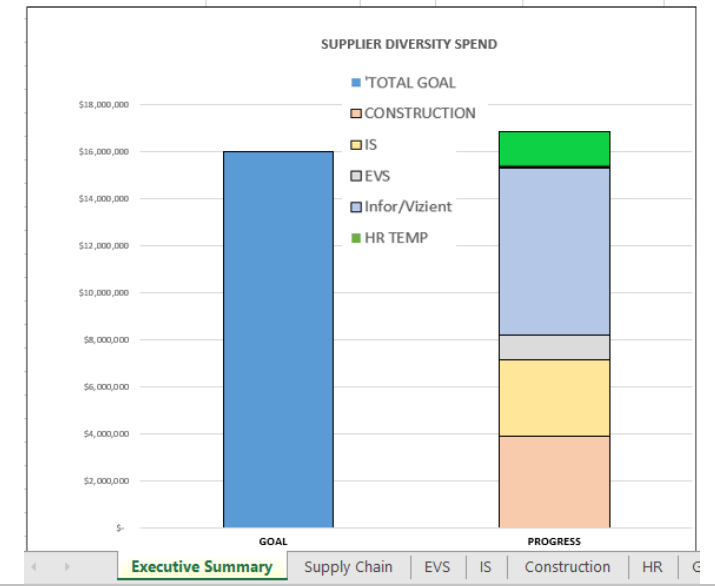
U.S. Government

Small business Administration

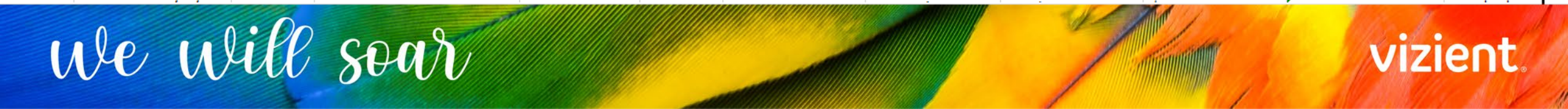
Women's Business Enterprise National Council

Diversity Code	DerivedVendorName	InvoiceAmount
SBE	ACCUVEIN LLC	\$ 5,680
SBE	AMBU INC	\$ 4,896
SBE	AMD AMS ADVANCED MEDICAL DESIGNS II	\$ 138
VOE	ARCROYAL SYSTEMS LLC	\$ 10,460
WBE	B POSITIVELY PROMOTING U INC	\$ 1,097
WBE	BCT PARTNERS LLC	\$ 193,952
SBE	BIONIX LLC	\$ 4,773
VOE	BMX-RAY INC	\$ 3,700
WBE	CARSTENS INC CARSTENS HEALTH INDUSTR	\$ 69
WBE	CICI BOILER ROOMS INC	\$ 568
SBE	CME CLAFLIN SERVICE COMPANY	\$ 39,297
WBE	CS HUMPHREY AND COMPANY LLC	\$ 13,115
MBE	CURA SURGICAL ARGENTUM MEDICAL	\$ 2,804
MBE	EMED TECHNOLOGIES CORPORATION	\$ 20,084
WBE	GUS GEAR INC	\$ 14,307
SBE	HARD MANUFACTURING COMPANY INC	\$ 179,985
SBE	HEALTHMARK INDUSTRIES CO INC	\$ 32,223
SBE	HELMER SCIENTIFIC LLC	\$ 450,900
SBE	HOVERTECH INTERNATIONAL D T DAVIS EN	\$ 21,037
VOE	INM MARKETING IDEAS N MOTION	\$ 54,801
SBE	IRON BOW TECHNOLOGIES HOLDINGS	\$ 42,947

FY2023	YTD:	GOAL		
		PROGRESS	ANNUAL	MONTHLY
Supply Chain	\$ 7,106,963	71.07%	\$10M	\$ 833,333
EVS	\$ 1,059,127	132.39%	\$800K	\$ 66,667
IS	\$ 3,274,421	112.91%	\$2.9M	\$ 241,667
CONSTRUCTION	\$ 3,882,619	258.84%	\$1.5M	\$ 125,000
HR - Temp Staffing	\$ 1,448,437	181.05%	\$800K	\$ 66,667
COMBINED:	\$ 16,771,566	104.82%	\$16M	\$ 1,333,333
	YTD meets target			
	YTD below target			



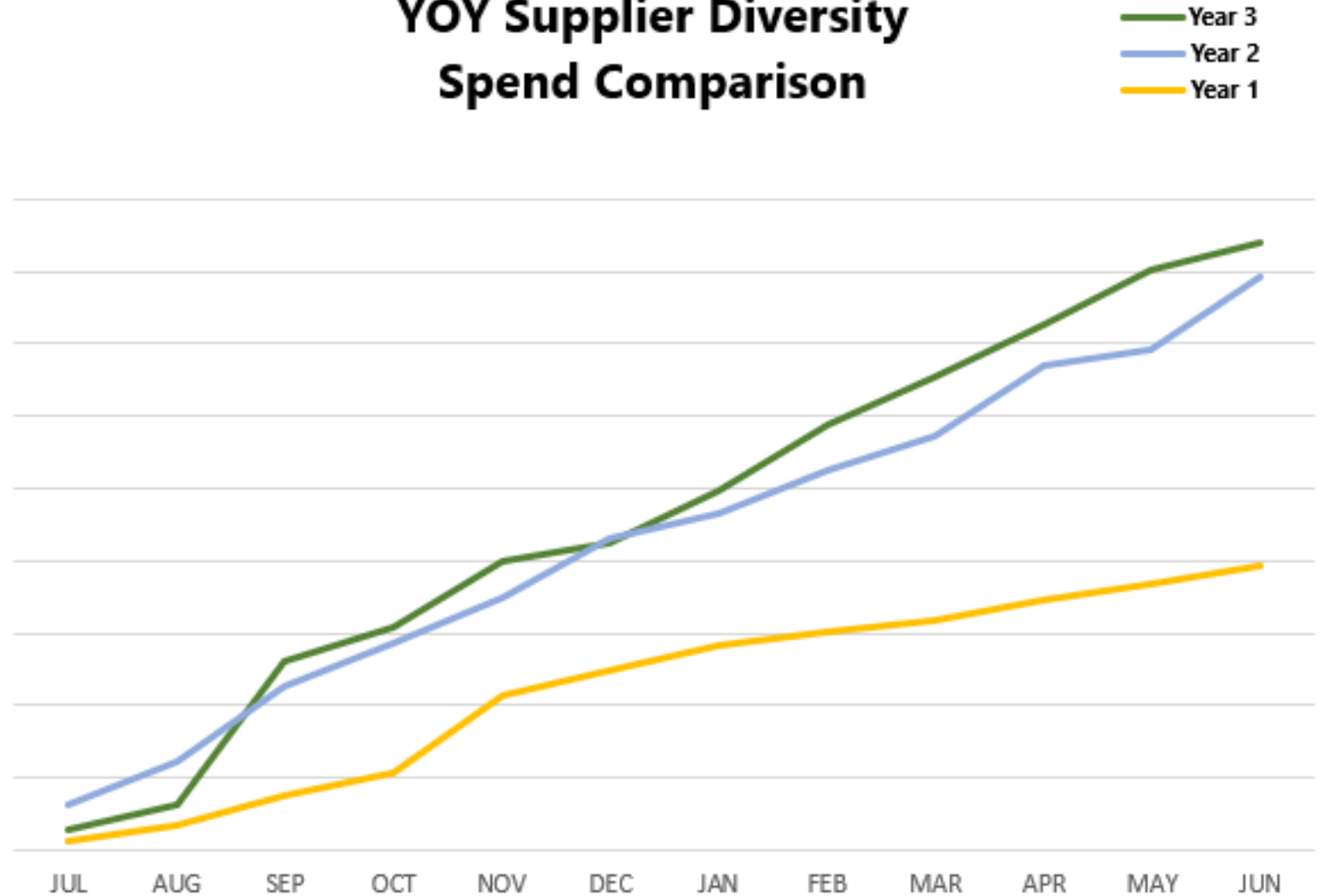
Diversity Code	DistributionDate	Vendor	Vendor.VendorName	Invoice	Suffix	CancelSequence	DerivedStatus	DistributionType	nt.CurrencyAmount	AccountingEntity	Dis
	07/01/2022	30461	QUALIVIS LLC	1961327	0	0	Historical	Distribution	\$ 91,313.77	10	CORE 20 622
	08/26/2022	15896	CATCH INTELLIGENCE PEOPLE SI	14913	0	0	Historical	Distribution	\$ 75,000.00	10	CORE 10 802
	07/01/2022	11643	CDW GOVERNMENT LLC USE 3	BASBS0031272	0	0	Historical	Distribution	\$ 69,004.33	10	CORE 10 804
	01/05/2023	31082	TRI-MURPHY HEALTH LLC	808	0	0	Historical	Distribution	\$ 64,800.00	10	CORE 10 803
	06/19/2023	29723	ACTALENT INC FKA AREOTEK AL	LB03538682	0	0	Historical	Distribution	\$ 54,564.36	10	CORE 11 800



Goals: Setting...

- Year 1: Baseline
- Year 2: Goal Setting
- Year 3 and Beyond: Goal Stretching

YOY Supplier Diversity Spend Comparison



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Goals: Tracking...

- **SPEND:**

- WHICH divisions are spending?
- HOW MUCH spend per division?
- WHERE: Diverse Categories?
- WHO are eligible diverse vendors?

- **TYPES of diverse vendors**

- MBE WBE VOE LGBTQ SBA HUBZone etc.

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The Supplier Diversity Process

- **Goal:** To set up an operational supplier diversity process and program
- **What does an operational program look like?**
 - Identified Need
 - Procurement Involvement
 - Registration Process
 - Identifying Diverse Vendors
 - Tracking Spend
 - Reporting cadence

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Networking...

- Colleagues
- Peers
- Associations
- Coalitions
- Vendors
 - Attend events
 - Host events



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Lessons Learned

It doesn't happen accidentally

- Leadership Commitment
- Policy
- Ownership
- Source of Truth
- Goals
- Process
- Network
- Timing

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Key Takeaways

- No program? Start
- Program? Evaluate
- Tighten up process



- Plan the Work • Work the Plan • Adjust the Plan

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Questions?



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This educational session is enabled through the generous support of the Vizient Member Networks program.

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Q&A

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