

Jackson Health System

A model for achievement in supplier diversity

Jackson Health System promises a high standard of care to any person who walks through its doors—regardless of their ability to pay. The nonprofit academic medical system serving Miami, Florida, is a diversity-sensitive care provider with a long-standing commitment to the economic inclusion of Miami-Dade County's certified small local businesses.

In 2015, Jackson set out to increase the diversity of vendors within the supply chain with a focus on historically underutilized businesses, including women-, minority-, veteran-, and disabled-owned organizations. The initiative also aimed to make Jackson's operations consistent with the community it serves.

Jackson's diversity goals included:

- Engaging local small businesses as much as possible
- Realizing a measurable, long-term impact
- Embodying a mindset that recognizes the economic impact in communities where Jackson operates

The leadership team realized that achieving these goals would require help from an experienced partner connected to a broad portfolio of trusted suppliers. Jackson turned to Owens & Minor in an effort to leverage their strengths in supplier diversity—and the partnership quickly produced results.



RESULTS AT A GLANCE

Jackson
HEALTH SYSTEM

✓ **30%**
diversity spend growth

✓ **\$18.8 M**
total supply chain savings

✓ **\$6.9 M**
total diversity spend in 2018

✓ **\$4.6 M**
local diversity spend in 2018
(Miami-Dade County)

“ Our patient population is overwhelmingly diverse. We want to ensure they come to our facilities and see people who look like them. Our strategy was to approach diversity from the top down, and that included supply chain. ”

Amber Lawhorn
Director of Small Business Enterprise,
Jackson Health System



Combining Strengths, Maximizing Potential

Owens & Minor is a champion for supplier diversity and a leader in building strong, collaborative relationships with the nations' leading suppliers—working with over 1,400 third-party branded manufacturers that sell over 360,000 active SKUs through Owens & Minor's channel.

By teaming with Owens & Minor for supply chain diversification, providers like Jackson realize measurable advantages, including cost efficiencies derived from healthy competition and innovative delivery methods, as well as simplified access to government and grant funding. Local communities also benefit from job creation and new business opportunities.

Jackson Health System and Owens & Minor strategically selected suppliers that aligned with Jackson's goals and budgetary expectations while adhering to strict guidelines.

“ *As a government agency, we're required to be race- and gender-neutral. We cannot put any contract in place to benefit or provide a competitive advantage to diverse suppliers, so we leverage our relationship with Owens & Minor to ensure diverse suppliers are actively engaged and providing valuable services.* **”**

Amber Lawhorn
Director of Small Business Enterprise,
Jackson Health System

With Quality Partners Come Outstanding Results

Together they chose suppliers based on such factors as quality, assurance of supply, and cost competitiveness. Among them was District Healthcare, a small, minority-owned firm with a local presence that provides disposable medical-surgical items, durable medical equipment, and environmental service items. District Healthcare represented \$3.9 million of Jackson's diversity spend in 2018—the largest portion for a local partner.

“ We've proven ourselves as a reliable source capable of bringing value and savings to the supply chain. We're always excited to team up with Owens & Minor and introduce healthcare providers to new opportunities. ”

Pernell Williams
President and CEO, District Healthcare

ACHIEVING SIGNIFICANT SAVINGS AND ECONOMIC IMPACT

In addition to having familiarity with hospitals' purchasing constraints, Owens & Minor understands that supplier diversity is a major driver in Jackson's decision-making. The Owens & Minor team remains transparent about the costs to deliver products and services, offering guidance around the potential savings with respect to Jackson's numbers.

In just four years, Jackson Health realized a 30% increase in its diversity spend.

Jackson reported the following results:

- \$6.9 million total diversity spend in 2018
- \$4.6 million local diversity spend in 2018 (Miami-Dade County)
- \$18.8 million total supply chain savings

IMPROVING PATIENT OUTCOMES THROUGH LOCAL SUPPORT

But financial gains tell only one part of the story. Local suppliers provided Jackson with the personalized customer service and flexibility required to meet its unique daily needs.

“ There's a tremendous benefit to having our diverse vendors right here in Miami-Dade. In case of an emergency, products can arrive at our facilities from the distribution center in less than two hours. ”

Rosa Costanzo
Chief Procurement Officer, Jackson Health System

Items from diverse suppliers are some of Jackson's best overall value products. For example, Jackson identified an opportunity to reduce the rate of infections in patients with a supplier's nasal product.

“ We've had a very strong infection control initiative here at Jackson. This is one of many really nice wins we've had for the county. ”

Rosa Costanzo
Chief Procurement Officer, Jackson Health System

Overall, Owens & Minor and Jackson facilitated a true partnership: exploring opportunities together, with Jackson making the final decision to move forward.



Jackson Health System's relationship with Owens & Minor extends beyond supplier diversification. Jackson is the largest customer of Owens & Minor's SurgiTrack—a streamlined unitized delivery system that saved Jackson **\$1 million in 2018 and \$7.7 million in total** since starting the program six years ago.

Jackson Health System also purchases MediChoice® private-label products, representing about 9.3% of their total medical-surgical product spend through Owens & Minor. They also participated in the PANDAC program, Owens & Minor's wound closure inventory management solution, where they **saved \$1.2 million**.



Setting a New Standard for Supplier Diversity

Dedication to supplier diversity has had ripple effects throughout Jackson Health System. Lawhorn said the partnership with Owens & Minor opened doors to relationships with other healthcare systems with similar programs. "Having the opportunity to speak with them has been extremely valuable. I've been able to bring best practices back to the organization and share our practices with others as well," she said. "Ultimately, we're benefiting the diverse community throughout the United States."

Jackson Health System made such outstanding progress in supplier diversity that Owens & Minor honored their efforts with the Better Together Diversity Award. The award recognizes a provider-customer that has demonstrated a high level of commitment to supplier diversity and collaboration with Owens & Minor.

Jackson Health System stands as a blueprint for creating a successful supplier diversity program. Working with Owens & Minor, they increased their diversity spend while reducing costs across their supply chain and made a positive impact in the communities where they live.

BUILDING UP SMALL BUSINESSES

Jackson Health System's overarching commitment to supporting small and diverse businesses includes the Mentor-Protégé Development Program.

Through this program, healthcare and construction industry leaders mentor highly qualified Miami-Dade County small business enterprise-construction firms in healthcare construction management services, including scheduling, management, field operations, planning, and delivery functions. Each protégé works with a construction management firm contracted with Jackson to build signature projects.

DRIVING GROWTH FOR DISTRICT HEALTHCARE

Working with Owens & Minor for over two decades, District Healthcare has enjoyed significant growth—both on the balance sheet and in its core capabilities.

"Owens & Minor has introduced us to many opportunities we would not have had otherwise," said Pernell Williams, president and CEO. "On top of that, they are always willing to share their best practices and help us become more efficient in our own work, especially when it comes to moving products."

Owens & Minor also includes several District products in its MediChoice private-label catalog and has helped District establish strong relationships with other manufacturers.

“When we look back at where we came from, Owens & Minor has been there the whole way, you don't find that every day.**”**

Pernell Williams
President and CEO, District Healthcare



At Owens & Minor, we understand that being a great partner means you never stop thinking of ways to improve your customer's business. We continue to look for opportunities to help Jackson get the quality products and services it needs to reduce costs and deliver better patient care. Let us do the same for your hospital.

To learn more about Owens & Minor's supplier diversity initiatives, [click here](#).

To learn how Owens & Minor can partner with you to solve your unique challenges and take your supply chain to new levels of efficiency, contact us at omlearnmore@owens-minor.com or 1-866-935-0798.



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