



'I'm not so much tied to a large number,' says Kenneth Grant.

Hopkins diversity push makes inroads with minority vendors

ELIZABETH NEUBECK | CONTRIBUTOR

Selling trash can liners may not be glamorous, but for Purnell Williams it's becoming an increasingly lucrative business.

In the past two years, sales at his Baltimore-based business, District Healthcare, have soared from \$500,000 to \$2 million annually. He credits the boom largely to a supplier diversity program at Johns Hopkins Health System seeking to make inroads with minority-owned firms like Williams' company.

Hopkins' supplier diversity program has been around for 16 years, and for most of that duration, the program's overseer, Kenneth Grant, describes its progress as "quiet but steady." A 2003 initiative of the **Greater Baltimore Committee** (GBC), however, breathed new life into it.

This past fiscal year, Grant estimates that of the \$455 million in business Hopkins did with vendors, about \$61.5 million came from vendors of small busi-



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nesses and those headed by women and minorities. Currently, sales from minority contractors comprise about 18 percent of Hopkins' total vendor business, Grant said.

Minorities own 13 percent of businesses nationwide, but they collect only 4 percent of business receipts, according to the National Minority Supplier Development Council. Looking to test its "Bridge the Gap" initiative in a local industry that carries a lot of weight in Baltimore — health care — the GBC launched a pilot program among three of Baltimore's largest medical systems: Johns Hopkins, the University of Maryland Medical System and MedStar Health.

"By using that industry, we could show the impact the program could have," GBC CEO Donald C. Fry said.

Meeting with success has required the medical systems, in some instances, to embrace a new model of purchasing supplies. Typically, hospital systems work with group purchasing organizations to buy hospital supplies in bulk. The thinking is that little room is left to contract with smaller businesses, and that's why the medical industry has been slow to get involved with diversity supplier programs, some industry analysts say.

But Kenneth Clark, CEO of the Maryland/D.C. Minority Supplier Development Council, doesn't believe it has to be that way.

"We're finding that as they push their [group purchasing organizations], hospitals will begin to identify areas where they don't need to purchase that way," Clark said.

Results show the three medical systems piloting the GBC initiative have found a way to bring small minority businesses into the supply chain fold. Cumulatively, their procurement with minority businesses has jumped from \$26.5 million in 2005 to more than \$54 million in 2008.

Hopkins' primary medical supply distributor, Owens and Minor — which does roughly \$50 million in business with the health system annually — has helped boost minority vendor participation with Hopkins by acting as the majority contractor in a partnership with District Health Care. For the past three years, Owens and Minor, actively involved in a diversity supplier program of its own, has partnered with District Healthcare to supply trash can liners for the hospital.

Grant's future goals for the supplier diversity program focus on promoting the area's economic stability, not necessarily on dollar signs.

"I'm not so much tied to a large number. I'm looking at how much of our volume we can channel to a number of select firms that have the wherewithal and capacity to support Hopkins' initiative of promoting employment in the area that surrounds Hopkins," Grant said.

District Healthcare's Williams hopes one day to do just that. The Hopkins work drives up to 30 percent of District Healthcare's business, and Williams — who recently moved his company here from Prince George's County — is planning to hire new employees from the neighborhood to help fuel expansion.

