

DIVERSITY SUPPLIER PBE MAKES BIG STRIDES WITH NOVATION CONTRACT

How does a historically underutilized business increase its credibility, gain access to more than 35 percent of not-for-profit health facilities and grow its brand into one that is associated with quality, safety and innovation?

Dunbridge, Ohio-based Principle Business Enterprises found the answer by becoming a Novation-contracted supplier and marketing its patient footwear products under NOVAPLUS[®], the private label for VHA, UHC and Provista members. Introduced in 1985, NOVAPLUS provides members with a unique competitive advantage in the marketplace. Novation, the industry's leading contracting services company, works with manufacturers of all sizes to offer high-volume, non-clinical preference items under the NOVAPLUS label.

"NOVAPLUS' and 'value' have become synonymous in the health care industry, not simply for members, but for vendors as well," says Houston Legg, director of sales at PBE. "Novation's depth and breadth has provided our company with unparalleled market access to more than 35 percent of the contracted hospital beds in the United States. The willingness of the NOVAPLUS staff to work cooperatively with PBE is unmatched in the group purchasing arena."

NOVAPLUS[®] LABEL OFFERS AN ADVANTAGE

As PBE discovered, NOVAPLUS offers Novation suppliers an avenue to quickly gain market share for the most frequently used medical-surgical, pharmaceutical, radiology and laboratory products — regardless of their size. Larger suppliers value the ability to market their products at a lower price under the NOVAPLUS label, while NOVAPLUS allows smaller manufacturers to gain market recognition and compete effectively with manufacturers many times their size.

"Our relationship with Novation and the NOVAPLUS team has been wonderful," says Legg. "They are extremely attentive. We receive equal opportunity and access to their people, tools and facilities just as their largest suppliers do. They've been an excellent partner in helping us build our business."

PBE began its journey with Novation with "virtually zero percent of the Novation marketplace" in 2003. Today PBE accounts for nearly 50 percent of Novation-contracted revenue for total patient footwear purchases, and its market share continues to grow. "I credit a lot of that to Novation and its people," says Legg. "They have really worked with us to make this happen."



SUPPLIER PROFILE Principle Business Enterprises

Headquarters:
Dunbridge, Ohio

Year Established:
1964

Novation Supplier Since:
2003

Program Participation:
NOVAPLUS[®] and
Supplier Diversity

Houston Legg of PBE comments on the collaborative relationship with Novation.

"Novation's people make the company in my mind. Their tools and systems support suppliers well, and the culture of Novation is one that says, 'We want people to succeed.' As a supplier, I appreciate that. I've worked with other GPOs, and nobody does it like Novation does. It's the way all GPOs should be."

THE BENEFITS OF BEING A NOVATION SUPPLIER

Being a NOVAPLUS supplier offers far more than just increased market share, including solid brand recognition and member loyalty. "NOVAPLUS brand recognition is great," says Legg. "Members truly do associate the NOVAPLUS brand with quality and value. The NOVAPLUS team has done an excellent job. They have built confidence among their members that they will receive nothing less than the vendor's standard premium quality product."

In addition to the support services available to all Novation-awarded suppliers, NOVAPLUS suppliers benefit from additional support and tools to further increase members' use of their products, including:

- a dedicated NOVAPLUS team
- additional recognition at trade shows
- a pocket-sized product guide listing all NOVAPLUS products that is updated and distributed to members and suppliers twice annually, in addition to being available online
- a comprehensive NOVAPLUS product catalog that is produced and mailed to members and suppliers annually, in addition to being available online
- optimization reports, a cross-reference tool and a savings calculator
- member standardization programs

Legg says his organization also values the Marketplace Web site and other Novation tools, such as its *Hot Info* newsletter, distributed twice monthly.

As a historically underutilized business, PBE also has benefited greatly from participation in Novation's Supplier Diversity program. "UHC members must have a certain percentage of their purchases go through HUBs in order to secure their grants," says Legg. "Novation's Supplier Diversity Program has really helped us from that perspective."

And while the Supplier Diversity Program undoubtedly contributed to PBE's market share gains initially, Legg says that with Novation's support, his company is now growing its business based on merit. "The marketplace has seen that even though our product appears innocuous, there is more to it than initially meets the eye. We do strive to innovate and provide the highest quality product out there. Over the years, we've really come into our own with members."

Legg notes that the true test of a relationship with a group purchasing organization comes when things aren't going so smoothly. "If there are issues or problems — which are inevitable — Novation is very good at bringing those problems to us in a constructive way, allowing us the opportunity to address them in a like manner," he says.