

# SUPPLIER VALUE

## OVERVIEW

Novation is the health care industry's leading contracting services company, delivering unmatched savings and value to the members it serves.

An agreement with Novation positions your company as an awarded supplier serving the contracting needs of nearly 23,000 VHA Inc. and University HealthSystem Consortium (UHC) member organizations and more than 15,000 Provista customers nationwide. These relationships represent access to more health care providers than any other group purchasing organization – and nearly \$35 billion in annual purchasing volume in 2008.

## VISION FOR SUPPLIERS

Novation's vision is to offer a unique supplier experience through increased supply chain efficiency, visibility and credibility.

Led by a dedicated team of portfolio executives, Novation provides an array of support services designed to maximize awarded suppliers' success. Novation's goal is to create supplier relationships built on the shared objective of providing the right products at the right price.

## INCREASED EFFICIENCY

Awarded suppliers gain supply chain efficiency through:

- ▶ Contract compliance practices and programs — Although member participation in its contracts is voluntary, Novation is able to drive more volume than any other GPO through committed purchasing offerings like the NOVAPLUS® private label and Standardization Programs, field team support, and improved sales targeting through its data and analytics capabilities.
- ▶ Reduced contracting expense — Novation's national agreements assist suppliers with resource constraints by minimizing administrative tasks like terms and conditions management.
- ▶ Reduced selling costs — Novation provides extensive support to help awarded suppliers reduce sales and marketing costs, including a dedicated portfolio marketing staff utilizing a broad range of communications vehicles designed to increase awareness and utilization of awarded contracts.
- ▶ Predictable sales and purchasing patterns — With three-year contract terms, awarded suppliers are able to plan effectively – forecasting sales, linking resources to contract needs and participating in Novation's programmatic opportunities.

## INCREASED VISIBILITY

Awarded suppliers gain increased visibility and customer awareness through:

- ▶ Diverse contracting portfolios — Serving a broad health care market and the education market, Novation offers suppliers exposure to more sites of care and sales opportunities than any other GPO. With the industry's broadest, most comprehensive portfolio, Novation contracts represent more than 85 percent of members' health care purchasing needs.
- ▶ Subject-matter experts — Novation's contracting experts bring a wealth of knowledge and experience. Many come from hospitals and supplier organizations and know how to deliver contracts and tools that work by linking member needs with supplier solutions.



## SUPPLIER VALUE

- ▶ Member-focused organizational structure — Suppliers not only benefit from Novation's contract management, field teams and marketing support, but they also receive national and local support from VHA, UHC and Provista. This support includes local member relationships and national exposure for suppliers through conferences and educational opportunities.
- ▶ Member thought-leaders — The members Novation serves represent the most prominent, well-respected organizations in the country. Purchasing decision makers from these institutions provide integral input on Novation contract awards.
- ▶ Flexible sourcing strategies and contracting programs — In response to a heightened interest by members to aggregate their purchase volume and commitment to achieve greater value, Novation has developed flexible sourcing strategies that support regional standardization, supply chain networks, purchasing coalitions and consolidated service centers. These opportunities reward members for their commitment while delivering incremental volume to suppliers.
- ▶ Technology and Web accessibility — Novation provides advanced contract management tools that connect suppliers, distributors and members to help them manage the contract life cycle. Novation's electronic tools include contracting workflow technology, member- and supplier-only Web sites and an online purchasing platform.

### INCREASED CREDIBILITY

Awarded suppliers gain credibility through:

- ▶ Member-driven, high-integrity contract process — Novation's competitive contract process follows the principles of the American Bar Association (ABA) Model Procurement Code and integrates qualitative (non-financial) and financial evaluation factors to identify the proposals offering the overall best value. Novation publicly posts all bid/proposal categories on its public Web site — [www.novationco.com](http://www.novationco.com) — where interested suppliers can register to receive a bid/proposal.
- ▶ Contracted relationship with the proven market leader — As a respected industry leader and the largest GPO with \$33.1 billion in annual purchasing volume, Novation helps suppliers access more member touch points than any other organization.
- ▶ History of documented success — For 11 years, Novation has provided suppliers of all sizes the opportunity to achieve business success while providing the right products at the right price to the members of VHA, UHC and Provista.

To learn more about becoming a Novation-awarded supplier, please visit [novationco.com](http://novationco.com). For information on how to maximize your existing relationship with Novation, please contact your Novation portfolio executive.