

How Diversity Strengthens the CVS Caremark Supply Chain and Community Ties

CVS Caremark is the largest pharmacy health care provider in the United States, with more than 200,000 employees and over 7,400 retail locations.

Monette Knapik is the Director of Strategic Procurement for CVS Caremark. Mrs. Knapik is responsible for directing her team of Supplier Diversity professionals to proactively ensure inclusion of diverse suppliers in all products and services supporting retail and prescription benefit management operations. Her team also manages the inclusion of diverse-owned independent retail pharmacies in support of adding value in the delivery of expert care and innovation solutions in pharmacy and health care. In addition, Mrs. Knapik has responsibilities for Enterprise Wireless, Fleet Management, Travel & Corporate Credit Card Management, Technology Purchasing and management of all tools and technologies used to support the Strategic Procurement business.

Q: What does it take for a company to be successful in achieving supplier diversity?

Based on our experience at CVS Caremark, there are three areas that I believe are particularly important. First, you need commitment, support and ongoing involvement from senior leadership. Our CEO, Larry Merlo, has been a huge champion by making supplier diversity an important part of our overall corporate strategy. Next, you need to build a strong diverse supplier recruitment brand both internally and externally. Here at CVS Caremark we consistently remind everyone with purchase authority that supplier diversity is part of his or her job. Finally, you need to have the business processes, technologies and reporting systems in place to monitor and manage success.

Q: How does supplier diversity fit into the corporate strategy?

CVS Caremark is a pharmacy innovation company dedicated to helping people on their path to better health. As the number one provider of prescriptions in the U.S., it is important that our supplier base reflect the diversity of the communities we serve. Our customers and universe of potential suppliers are growing increasingly diverse. Minorities will represent nearly 90 percent of the total U.S. population growth between now and 2050, and minority businesses have grown at twice the rate of all other businesses over the past decade. Keeping pace with these dynamic demographic trends is part of what makes my job exciting.

Q: Speaking of keeping pace, how do you manage to stay on top of it all?

That's where two of my other roles as Director of Strategic Procurement come into play. In addition to supplier diversity, I am responsible for Contracts Management and Strategic Procurement tools and applications. Like any other procurement business objective, diversity needs to be holistically integrated into daily operations and managed throughout the procurement lifecycle. We rely on our Ariba analytics, sourcing, contracts management and supplier management modules to help us integrate supplier diversity programs into our daily processes. Making it easy for internal stakeholders to find diverse suppliers, include approved clauses into contracts and then manage and track performance is essential to program success.



*Monette Knapik
Director of Strategic
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“Increasing diversity within your supplier ecosystem increases opportunity for innovation and competitive advantage.”



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Q: What are some of the opportunities and challenges you face in improving and evolving your program?

One minority supplier outreach program that has worked very well for us is our Construction Business Building event, which we held in Atlanta last year. This worked so well that we are planning three similar events in Philadelphia, Chicago and LA this year. On the challenge front, I'd say that for a company as large as ours, it can sometimes be difficult to find suppliers with the depth and breadth of experience for certain large scale opportunities. Also, some minorities may be under represented in certain categories. We rely heavily on our partnerships with the National Minority Supplier Development Council, Women's Business Enterprise National Council, United States Hispanic Chamber of Commerce, National Gay and Lesbian Chamber of Commerce and affiliated councils for each of these organizations to connect with diverse suppliers through local, regional and national trade shows.

Q: What are your goals for the year ahead?

We plan on continuing to expand our communications and outreach programs to help us make the most of limited resources and get the whole company involved. For example, our IT Procurement folks are interested in modeling a minority supplier outreach program based on our Construction Business Building event. Focusing on Tier 2 suppliers is another important initiative for this year. And either late this year or next, we will begin implementing a tracking program for monitoring percentage of spend with Tier 1 suppliers.

Q: Do you have any other advice for procurement executives who seek to optimize their supplier diversity programs?

Just this. Don't think of diversity as a social responsibility. Think of it as an enabler for competitive advantage. A more diverse supplier base is a more resilient supply chain. Minority-owned, women-owned and veteran-owned businesses aren't looking for a free pass, they are looking for an opportunity to deliver and demonstrate value. Increasing diversity within your supplier ecosystem, when matched with effective supply chain management practices, increases opportunity for innovation and competitive advantage.

The CVS Caremark Supplier Diversity Mission: CVS Caremark proactively includes and manages the purchase of products and services from diverse businesses and diverse-owned independent retail pharmacies while adding value in the delivery of expert care and innovative solutions in pharmacy and health care that are effective and easy for our customers and communities.



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