

5 Things to Consider When Developing Your Scientific Contracting Strategy

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1 What are you buying?

Most universities have a sense for their top scientific suppliers. These suppliers are usually dominated by a few distributors and a handful of life science companies. From there, the tail spend is long and can be overwhelming. Taking the time to categorize your scientific spend is the most important step in developing a strategic plan and vision for contracting. At E&I, we have the ability to analyze our members' spend to help create a road map for our contracting strategies. We've developed four sub-categories within our Scientific Category to classify spend: Healthcare Products and Supplies, Lab Scientific Equipment, Lab Scientific Supplies, and Scientific Research Services. We then develop multiple commodities within each sub-category to develop a contracting plan. This first step of understanding and defining your spend will help quickly identify where to begin.

2 Create an End User Community.

Much of what is purchased in scientific research is determined at the end user level, so it's important to effectively communicate with these individuals. Utilizing your spend analytics will help you identify the key suppliers and end users on your campus. Typically, spend is concentrated in storerooms, core facilities, and large labs. Finding ways to solicit feedback and developing internal champions within your institution will have an enormous impact on your ability to implement a contracting strategy. These champions will help you identify key suppliers, form effective supplier relationships, stay abreast of supplier trends, and help implement your strategy.

3 Distribution vs Direct.

In the Scientific Category there are several major distributors that service most of the sub-categories. It's important to understand the distribution model by sub-category and determine how best to move forward. Some categories within scientific are well established and have robust distributors, while others are very fragmented. In the case of lab supplies, there are a few well established distributors that offer great breadth and depth of products and services. In other sub-categories the distribution model into the higher education research market is not as defined. Once the larger distributors are identified, you can develop a path to buying through distribution and leveraging volume, versus buying on a direct basis.

4 Get to know your suppliers AND their competitors.

It's important to spend time with your current suppliers as well as their competitors. Take the time to meet with suppliers and schedule routine business reviews. Allow them to provide a status update and in return, look for meaningful ways to help grow their business. Suppliers that feel appreciated and supported tend to go the extra mile for their customers. At the same time, it's important to understand their competition and changes in the supplier community. Attending conferences with trade shows is an excellent way to stay current and make new contacts. Knowing the landscape of the market will keep your contracting strategy up-to-date and meaningful. Some great trade shows to consider are: the Association of Independent Research Institutes (AIRI), the Laboratory Products Association (LPA), and the National Association of Scientific Materials Managers (NAOSMM).

5 Embrace change.

Often a contracting strategy will result in a change in suppliers, so be prepared for change! Many people will find ways to resist it, but change can be a good thing. The time you spend on building a strategy, developing end user relationships, understanding the market business model, and knowing your suppliers is key to a successful transition to a new supplier. Developing a clear strategy and staying focused will help build and implement a sustainable long-term strategy.