

The Shakedown On Sodium

Using Group Purchasing to Provide Lower-Sodium Foods



WHY REDUCE SODIUM?

It's better for our health.

We all need to consume some salt to survive. But Americans eat far too much sodium on a daily basis. The *Dietary Guidelines for Americans* recommend adults eat less than 2,300 milligrams (mg) per day,¹ yet Americans aged two years and older eat an average of 3,400 mg per day.²

Reduce the Risk of Chronic Disease

Excess sodium intake can lead to high blood pressure, a leading risk factor for heart disease and stroke. Reducing sodium intake helps lower blood pressure and improve overall health.³

It's better for business.

Employers can save money and potentially increase revenue by helping their employees eat less sodium.

Reduce Health Care Costs

Obesity and related chronic diseases cost employers up to \$93 billion per year in health insurance claims.⁴ By helping employees reduce their sodium intake by 1,200 mg per day, employers could save \$10 billion to \$24 billion in health care costs annually.⁵

Improve Productivity

National productivity could increase by \$2.5 billion annually if individuals with uncontrolled hypertension consumed 400 mg less sodium each day. More significant reductions in sodium consumption (1,100 mg) could result in productivity gains as high as \$5.8 billion.⁶ Sodium reduction in the workplace can also positively affect employees' diets at home, enhancing the quality of life for both employees and their families. This can lead to fewer sick days and productivity benefits in the workplace.

Reduce Absenteeism

One study found that for every dollar spent on workplace wellness, absenteeism costs fell by \$2.73.⁷ Better nutrition leads to better health, which leads to fewer sick days.

Create a Positive Public Image

A positive reputation helps drive profit. Sodium reduction efforts are consistent with the organizational mission of businesses and employers in the health sector. Businesses outside the health sector — restaurants, supermarkets, and private companies that provide meals, for instance — can also benefit by avoiding the negative publicity associated with providing unhealthy products.



HOW CAN BUSINESSES PROVIDE MORE LOWER-SODIUM PRODUCTS WITHOUT INCREASING COSTS?

Group Purchasing Opportunities



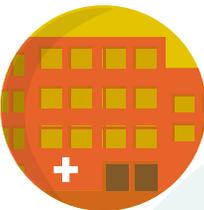
SCHOOLS



RESTAURANTS



GOVERNMENT AGENCIES



HOSPITALS



WORKSITES



COMMUNITY ORGANIZATIONS

Instead of buying healthy food and beverage items for itself, an organization can leverage its purchasing power by buying products and services with other organizations. Many hospitals, government agencies, independent restaurants, schools, worksites, and community organizations use group purchasing – also called collective purchasing – to do the following:

- Increase purchasing power
- Obtain lower prices on services and products, including lower-sodium items
- Save time and money on contract development and the bidding process
- Network with other member organizations that can share knowledge, expertise, and best practices.

GROUP PURCHASING & HOSPITALS

Group purchasing is especially common in hospital settings. In 2010, 82 percent of hospitals reported using a Group Purchasing Organization (GPO) for at least some food service purchases.⁸

SUCCESS STORY: In 2013, Morrison Healthcare – a division of Compass Group – introduced a new menu that offered more lower-sodium options at an affordable price. Through FoodBuy, the group's GPO, Morrison was able to source lower-sodium ingredients without negatively affecting its bottom line. In addition to demonstrating that sodium reduction is feasible, Morrison's efforts helped increase the accessibility and affordability of lower-sodium products for all Compass accounts, including many small purchasers.⁹

HOW CAN YOU BUY FOOD THROUGH A GROUP PURCHASING ORGANIZATION OR COLLECTIVE PURCHASING AGREEMENT?

Group purchasing is an effective mechanism for buying healthy foods at low prices, but it may not be right for every situation. If your organization decides to pool its purchasing power with other entities, it's important to pick the type of group purchasing that will best meet your organization's needs, goals, and price point. Use these steps to evaluate your organization's current procurement process and identify food service priorities.

KEY RESOURCES

Pass (on) the Salt

A webinar on the Business Case for Sodium Reduction provides more information on how sodium-reduction efforts can be a good return on investment.

A Strategy Worth Its Salt

A webinar on Group Purchasing to Supply Lower-Sodium Foods and Reduce Food Costs outlines how group purchasing can supply lower-sodium foods and reduce food costs.

1 Assess your organization's needs

- Review existing procurement processes and policies, and identify strengths and weaknesses.
- Create a list of the products the organization purchases often in order to compare product pricing among different GPOs.

2 Set goals

- Based on your organization's needs, establish strong, clear goals that are attainable and appropriate.
- Prioritize goals that are most urgent, and develop a timeline for achieving each goal by establishing specific objectives and measurable benchmarks.
- Communicate these goals to prospective GPOs or the entities in your cooperative purchasing agreement.

SUCCESS STORY: In 2010, the New York City Department of Youth and Community Development (the City) began a competitive selection process to find one or more GPOs to represent the more than 40,000 nonprofits in the city. The City started this process by issuing a Notice of Intent to Negotiate, which provided a scope of services and outlined the application and contract award procedures.¹⁰ In 2014, the Urban Institute issued a brief reporting the results of the initiative. One nonprofit reported saving \$36,000 in this program; another organization reported cost savings of \$10,000.¹¹

3 Find the right GPO

There are several ways to start this process:

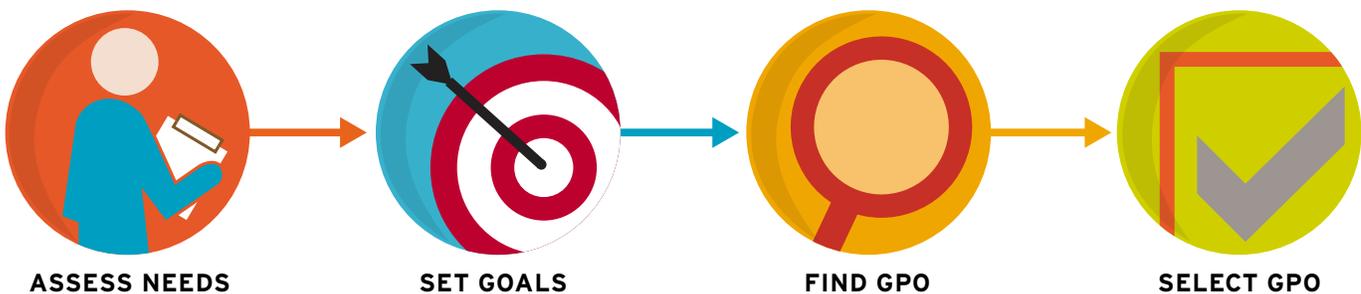
- Do your research. Identify well-regarded GPOs in your industry. Trade associations and industry trade groups are also helpful resources for accessing information and materials related to GPOs.
- Reach out to partners and similar organizations that might be using group purchasing. Learn firsthand from other organizations about their experiences.
- Solicit a request for proposal (RFP) or bid. This is a particularly viable option for larger entities or government agencies.

When choosing a GPO, consider the following questions:

- Who are the GPO's participating vendors? Where do the vendors get their food?
- Does the GPO have an annual membership fee?
- How will participation in the GPO affect product prices?
- What are the additional benefits, if any, of becoming a member?
- What member support services does the GPO offer?
- Does the GPO's mission align with your organization's vision and priorities?

4 Select a GPO

- Once your organization has picked a GPO, identify other entities with which your organization can combine purchasing requirements and collectively issue a bid package for products or services.



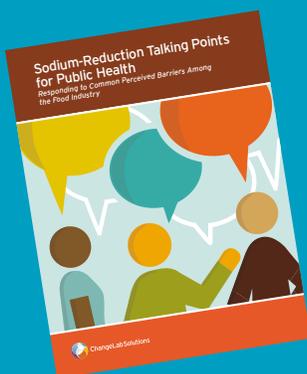
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To learn more about responding to common perceived barriers among the food industry, see *Sodium-Reduction Talking Points for Public Health*.



Endnotes

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