

Addressing barriers to access for quality-assured injectable contraception

Market Entry of New Suppliers, Forecasting and Modeling

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Supplier Diversity and Competition as a Means to Enhance Access 1

Understanding the Strategic Objective

Clarity and Consensus Amongst Purchasers, Financiers and Programs on Strategic Objectives of Supplier Diversity

- Reducing cost/price
- Meet supply shortage
- Establishing alternative sources of supply – reduced risk
- Access to new expertise in manufacturing process efficiency
- Other?

Supplier Diversity and Competition as a Means to Enhance Access 2

Deeper Understanding of Supply-Side Market Dynamics

- Pre-requisite for making sourcing strategy and tactics more robust
- Develop insight on how production economics, market structure, competition dynamics and economies-of-scale are impacting the market*
- Understanding scale economy benefits vs competition benefits*
- Procurement tactics for optimal volume splitting between suppliers*

* Requires robust projections of future demand

Supplier Diversity and Competition as a Means to Enhance Access 3

Aligning business processes of new suppliers and creating readiness for the international donor funded market

- Different suppliers have varying levels of expertise working with the international institutional purchasing environment found in RH/FP commodities
- There is a LOT of tacit knowledge in this business. Clearly defining roles, responsibilities and expectations.
- New (and existing) suppliers need information on demand drivers, financing, payer mix, system bottlenecks*
- New suppliers to this market may have to modify their internal processes e.g. sales and operations planning (S&OP) processes

* Requires robust projections of future demand and system bottleneck identification

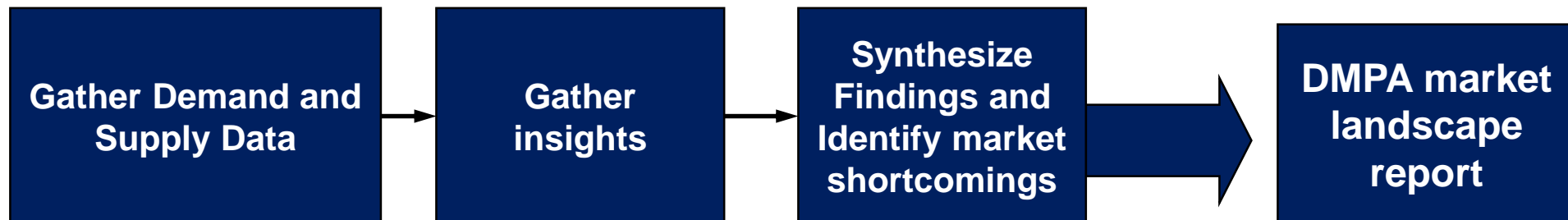
Supplier Diversity and Competition as a Means to Enhance Access 4

Ensuring Sustainability..Moving Beyond Costs

- Ensure new and existing suppliers will last in the market over time
- Help new suppliers to grow with the market*
- A trusting relationship and not just transactional benefits
- Ensuring scale by not “over-fragmenting” the market*
- Increase visibility of sourcing data

* Requires robust projections of future demand

1. Market Landscape Analysis for DMPA



Main Activities

- Collate data from multiple sources
- Formulate and communicate data needs to different stakeholders

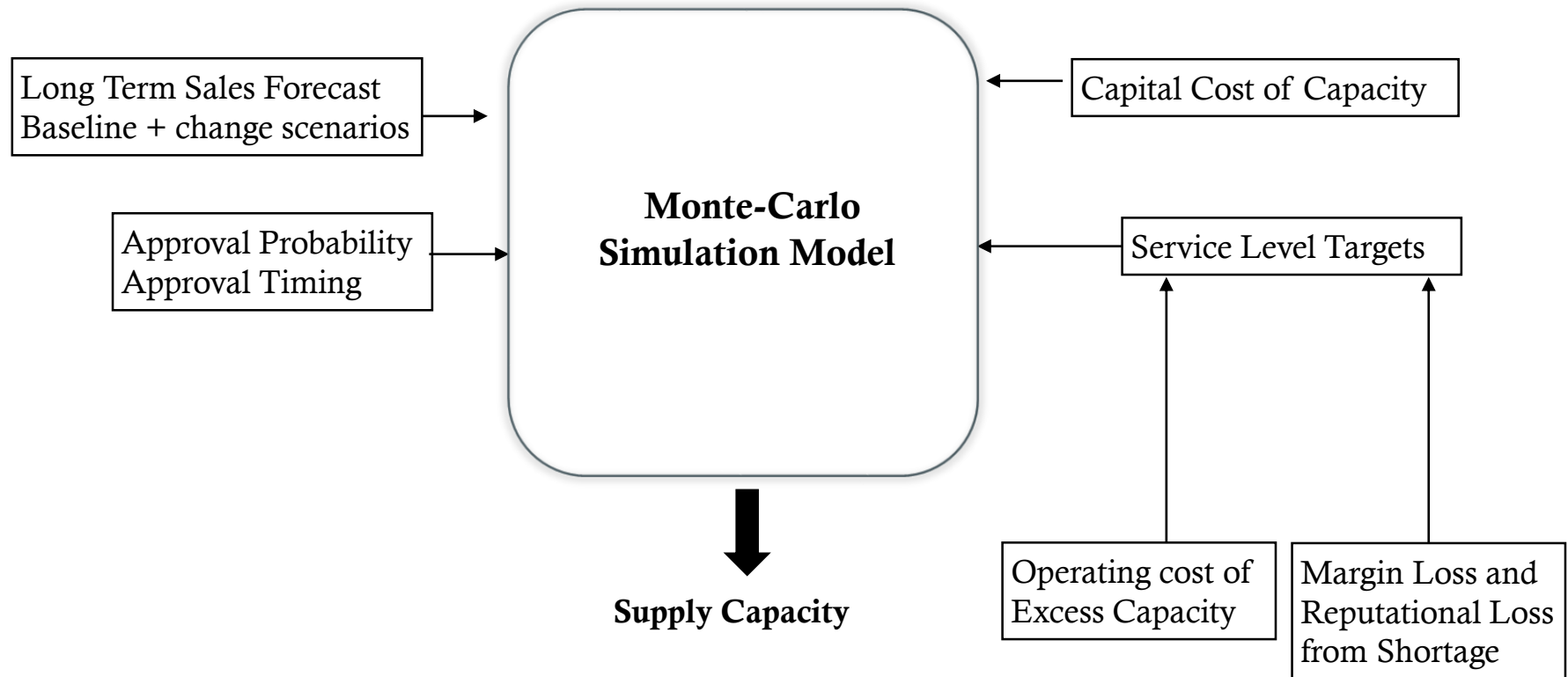
- Develop key questions for interviews where data gaps do not allow quantitative understanding
- Supplement data with qualitative insights from market experts through interviews
- Analyze demand and supply side issues

- Analyze market structure
- Develop view of overall market
- Identify market shortcomings
- Identify worrisome trends
- Summarize insights

- **A clear, concise and objective at-a-glance view of the market for all stakeholders**

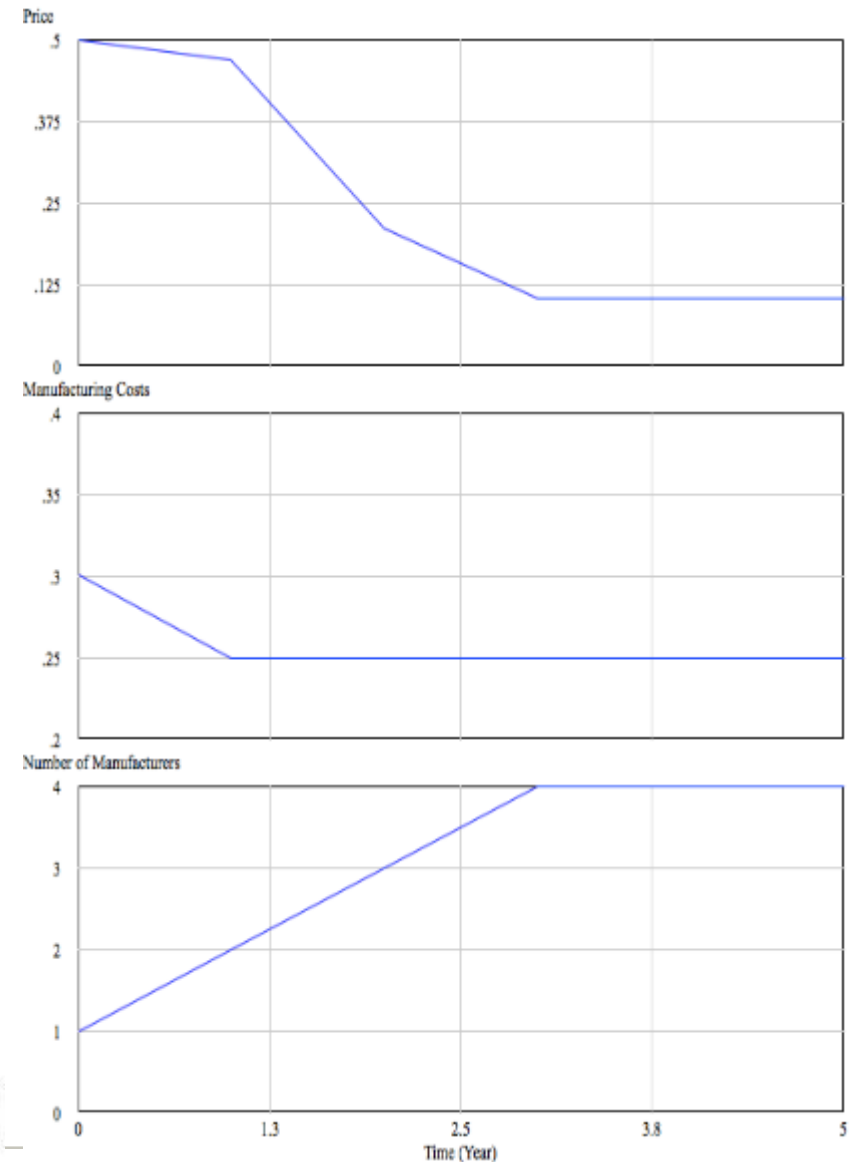
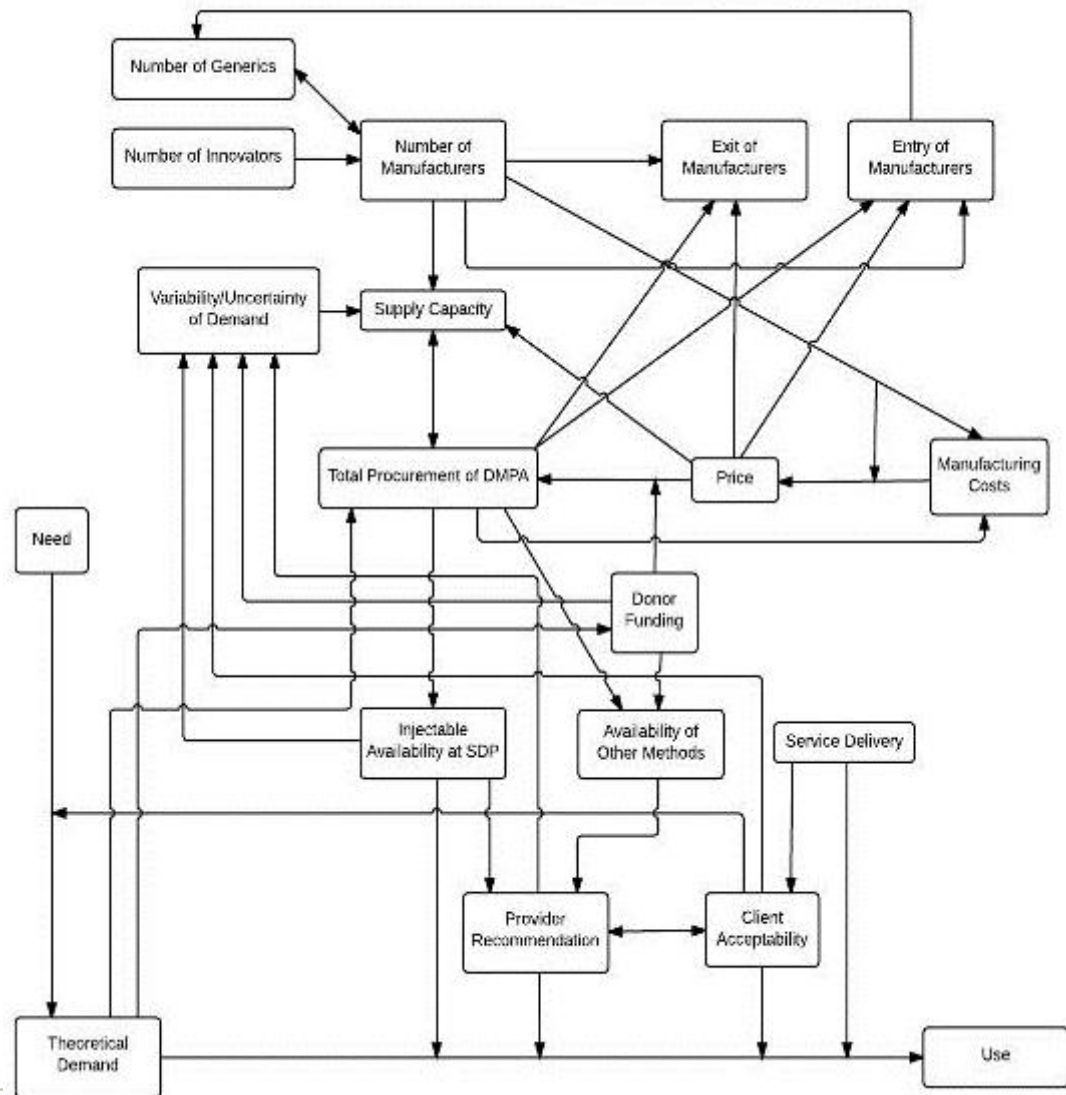
2. Understanding supply scenarios

Emulating a manufacturer's capacity investment decision



3. Understanding complex interlinkages in the market system

Public Sector Injectables System Dynamics Model



4. Developing robust demand forecasts for DMPA

- Forecasts that start with overall need and then step by step identify each constraining factor and its impact on realized demand
 - Overall financing \$\$
 - National Regulatory Review and Registration
 - Provider recommendations
 - Substitution between different injectable and newer delivery mechanisms
- Forecasts based on supplier data sets (deidentified) in addition to purchasing and financing data
- In collaboration with



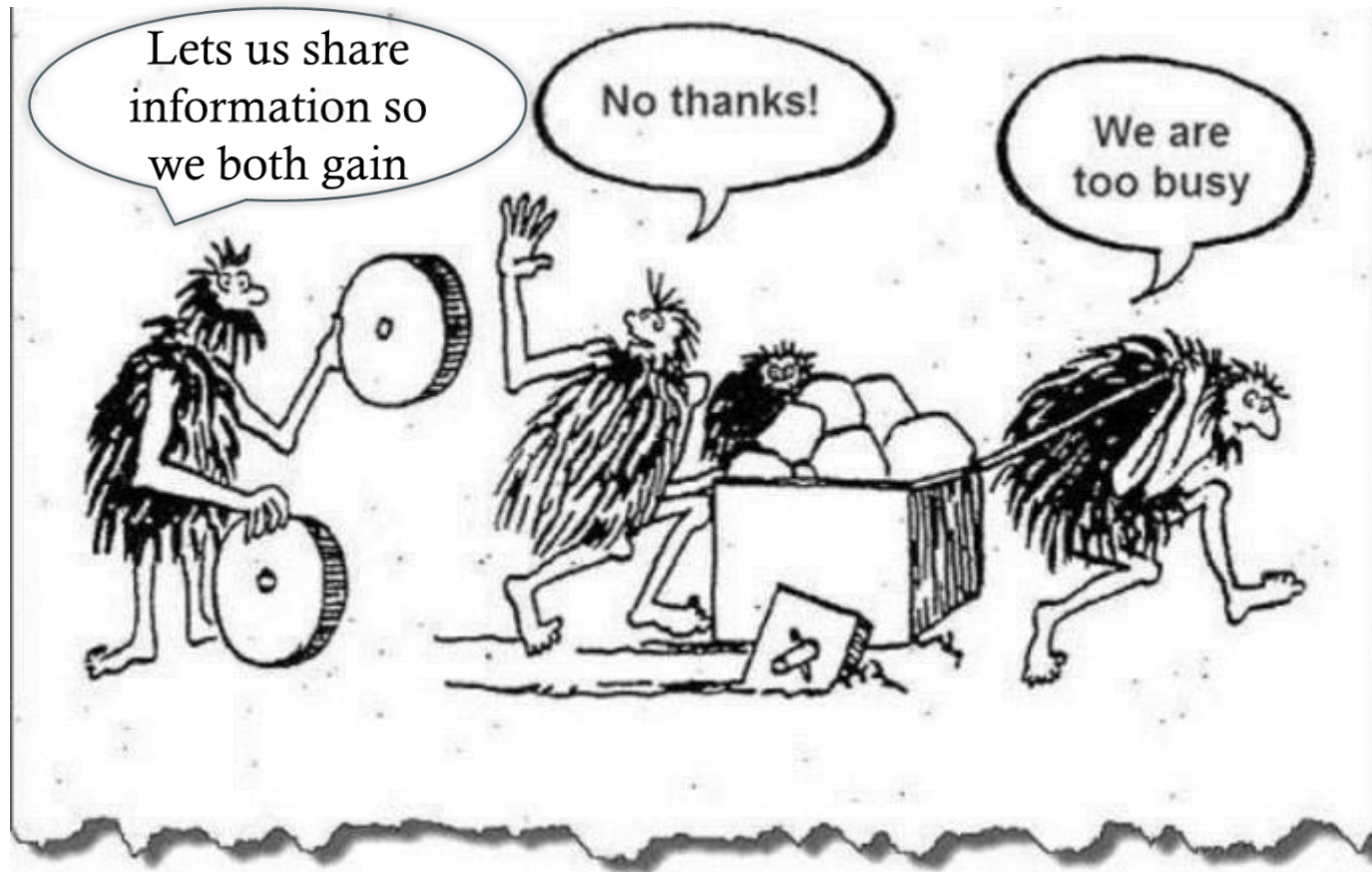
5. Mathematical model of optimal order splitting

- How to split DMPA volumes between multiple suppliers to ensure long term market health
- Minimize total costs and risk of supplier exit
- In collaboration with

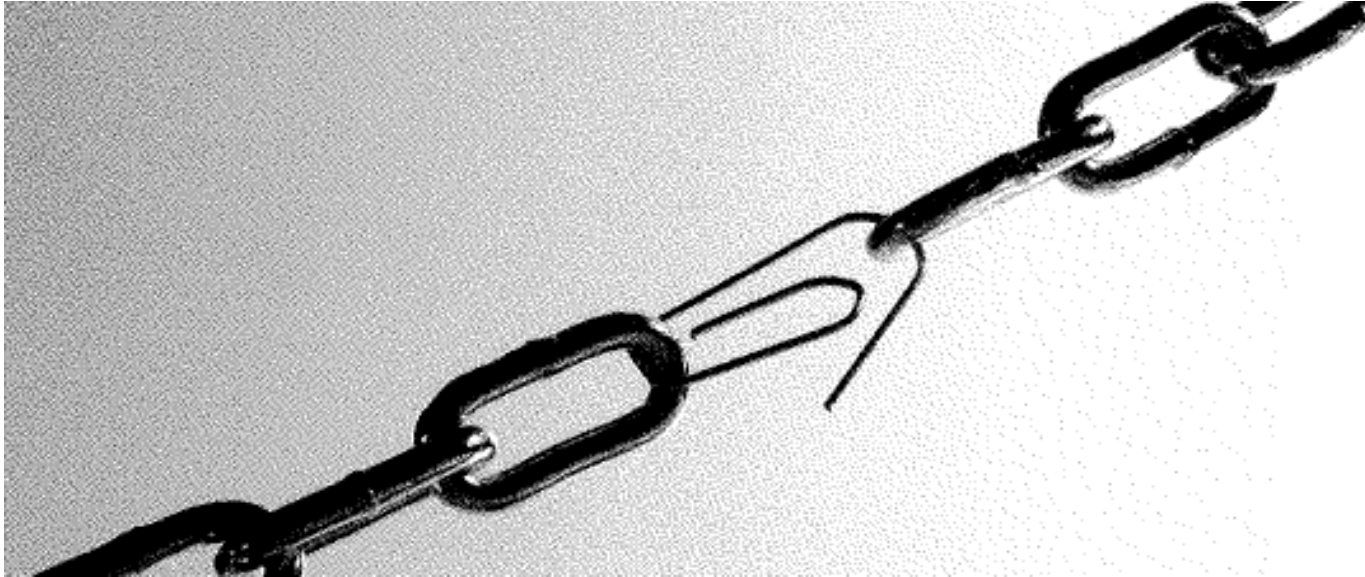


Main challenge

Information sharing



Frail Forecasts and Feeble Information are the weakest link



In a healthy market all players have access to information about past and future demand, supply, price

This is more important in markets with multiple suppliers and markets with new supplier entry on the horizon