Supporting FP2020 Goals through Innovation in Supply Chain Optimization

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ONE OF SIX PROJECTS

THE USAID GLOBAL HEALTH SUPPLY CHAIN PROGRAM

The USAID Global Health Supply Chain includes six projects to strengthen health supply chain systems. The Procurement and Supply Management project specifically provides commodity procurement and logistics services, strengthens supply chain systems, and promotes global collaboration.

**Procurement and Supply Management**
To improve the procurement and shipping of health commodities and build sustainable country systems.

**Rapid Test Kits**
To improve the procurement and shipping of HIV rapid test kits.

**Technical assistance**
Provides technical assistance on supply chains to strengthen country systems.

**Innovations and Research**
Conducts research and development for health supply chains and related commodity and security issues.

**Quality Assurance**
Provides quality assurance for procured commodities as well as technical assistance to strengthen country systems to do the same.

**Business Intelligence and Analytics**
Collects and integrates data across programs to support the program’s management and coordination.
USAID GLOBAL HEALTH SUPPLY CHAIN PROGRAM
PROCUREMENT AND SUPPLY MANAGEMENT (GHSC-PSM)

SUPPORTING USAID’S FP/RH AND MCH GLOBAL COMMITMENTS

Sustainable Development Goal 2030
• In USAID priority countries, at least 75 percent of demand for family planning is met by modern contraception

FP2020 Goal
• Assist countries in meeting FP2020 commitments

MCH Goal
• End Preventable Child and Maternal Deaths (EPCMD) and to address new and emerging issues related to child survival and maternal health such as Zika

Immediate
• Accelerate progress toward FP2020, 2030 and EPCMD goals
INNOVATIVE PARTNERSHIP
PROJECT OBJECTIVES

Objective 1: Global Supply Chain
- Health Commodity Procurement
- Logistics
- Health Commodity Quality Assurance
- Data Visibility

Objective 2: Supply Chain Systems Strengthening
- Strategic Planning
- In-country Warehousing and Logistics
- Capacity Building
- Enabling Environments

Objective 3: Strategic Engagement
- Global Collaboration
- Market Dynamics
- Knowledge Management and Communication
- Advocacy
Global Supply Chain
KEY NEW FEATURES

- Consolidated HIV/AIDS, malaria and population, reproductive health and essential medicines supply chains
- Commodity Councils
- Highly integrated MIS solution
- New forecasting and supply planning tools with advanced analytics
- End-to-end supply chain visibility
- 4PL control tower
- Lean Six Sigma/continuous improvement

GHSC-PSM Global Supply Chain Command Center
WHAT IS A COMMODITY COUNCIL?

**Definition**
A cross-functional group, charged with formulating commodity-centric supplier strategies, executed locally

**Key Principles**
- Robust governance
- Enterprise-wide commodity expertise
- From item-based to commodity (class of items)-based sourcing strategies
- Commodity expertise, augmented by process expertise
- Holistic view of the market & supplier base
- Persistent structure
CONTRACEPTIVE COMMODITY COUNCIL 2016 PRIORITIES

Product-Specific

• Expand combined oral contraceptive, DMPA IM, and 2-rod implant supply base
• Enable healthy market for IUDs
• Enable healthy market for male condoms; leverage VMI services for male condoms
• Expand the personal lubricants supply base

Cross-Cutting

• Registration management
• Harmonize with UNFPA
• Harmonize procurement strategies with global stakeholders (per FP2020 recommendations)
END-TO-END VISIBILITY

- Unified architecture with seamless integration of systems and tools
- Robust e-catalogue that is customizable for individual countries
- Demand forecasting and supply planning with built-in sourcing and optimization features closes loop between planning and execution
4PL CONTROL TOWER APPROACH

- Real-time logistics and procurement data visibility
- Automated inventory management
Supply Chain System Strengthening
BUILDING ON PAST SUCCESS

*Leverage innovative, world class approaches to achieve transformational supply chain operations and build sustainable capacity*

- Build on and move from traditional models to participatory approaches
- Empower stakeholders to lead and to
- Utilize methodologies and tools that enable them to evolve their systems
### GUIDING PRINCIPLES

<table>
<thead>
<tr>
<th></th>
<th>Strategic Planning</th>
<th>Fostering country ownership through <strong>systematic government-led strategic planning</strong> using proven tools [e.g. SC360 by McKinsey]</th>
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<tbody>
<tr>
<td>2</td>
<td>In-Country Logistics</td>
<td><strong>Systematically designing, optimizing supply chains</strong> with the engagement of the private sector and the application of private sector best practices [e.g. HealthCheck by IBM]</td>
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<td>Data Visibility and Info. Systems</td>
<td><strong>Customizing information systems to the country context</strong> with advanced analytics and creative, visual reporting capabilities for optimal decision-making</td>
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<td>Capacity Building</td>
<td><strong>Capacity building beyond training:</strong> organizational and workforce development [e.g. Continuous Quality Improvement by URC]</td>
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<td>Enabling Environments</td>
<td>Support stakeholders to adapt and institute quality management systems and processes and empower <strong>governance and leadership</strong></td>
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#RHSUPPLIES2016
EXCELLENCE IN EXECUTION

The ‘How’

Focus on both the institutional and the individual

• Lean thinking
  – Change how we approach our work

• Governance / Leadership
  – Key to sustainable change at the country level

• Capacity Building
  – Organization and people development

• Emphasis
  – Roles and responsibilities
  – Accountability
  – Behavioral changes
  – Transparent and clear communications
  – Technology
ADVANCED ANALYTICS AND DIAGNOSTICS

• Quality Data is the key to driving change and improvement in all areas of the business

• Use advanced analytics and diagnostic tools to optimize supply chain operations, improve customer service and lower costs

• Researching new tools and technologies for forecasting and quantification, inventory management and capturing data nationwide from the Central Medical Store to the last mile
## CURRENT COUNTRY PROGRAM PRESENCE

<table>
<thead>
<tr>
<th>USAID PRH Priority Countries</th>
<th>Non-Reproductive Health</th>
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<td>Angola</td>
<td>Botswana</td>
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<td>South Sudan</td>
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<td>Zambia*</td>
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* Denotes operational as of October 5, 2016
Strategic Engagement
STRATEGIC ENGAGEMENT AT ALL LEVELS

• **Health Areas:** High-level focal point for global collaboration in HIV/AIDS, malaria, and population and reproductive health

• **Market Dynamics:** Insightful global and country-level data analysis and policy review

• **Communities:** High-quality KM/Communications tools and strategies to extend audience reach, disseminate data and information, engage communities and build networks to drive change

• **Local, global agendas:** Strategic advocacy based on key data and learning to shape thought leadership and foster strategic partnerships
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THANK YOU