SUPPLIER SUMMIT

USAID Global Health Supply Chain Program Supplier Summit February 21-23, 2017

USAID Global Health Supply Chain Program

CONSUMPTION TO PROCUREMENT

Linking plans on the commodity supply chain

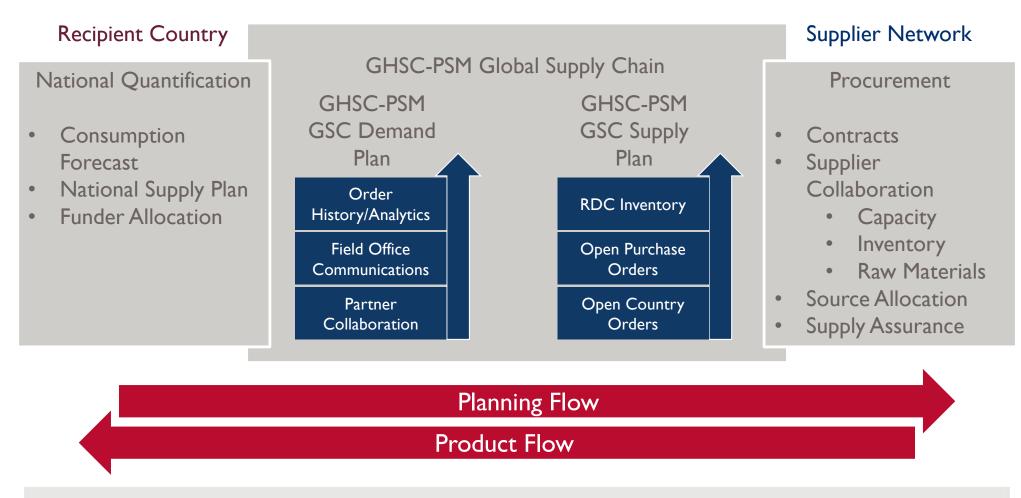


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GHSC-PSM PLANNING OVERVIEW Supply chain linked by planning flow





NATIONAL QUANTIFICATION

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Projected end-user consumption initiates the signal in the supply chain

| Consumption Forecast | | ational Supply Planning | Funder Allocation |
|--|---------------------------------------|---|---|
| Purpose – quantify future use of commodities by end users Dynamic methods & tools utilized based on commodity type & data availability | nee stoo and Stro deli | rpose – project future delivery ds based on consumption forecast, ck on hand, inventory parameters, lead times ategies are implemented for avery frequency based on amodity | Purpose – determine source of funding for each supply plan line item National funds impact the magnitude of donor funding required |
| Quantification Contributors – • Ministry of Health | DoneClinie | ors (USAID/GFATM/UNFPA) cians | chnical Assistance Providers Dementing Partners |

National quantifications are typically held annually with regular supply planning updates occurring for some commodities



NATIONAL QUANTIFICATION Programmatic initiatives considered at country level

Programmatic goals & initiatives are incorporated during quantification

- Seasonal Consumption
- 90-90-90
- PMI Strategy
- FP 2020
- Test and Treat
- Seasonal Malaria Chemoprevention
- Implant Access Initiative
- Many more...

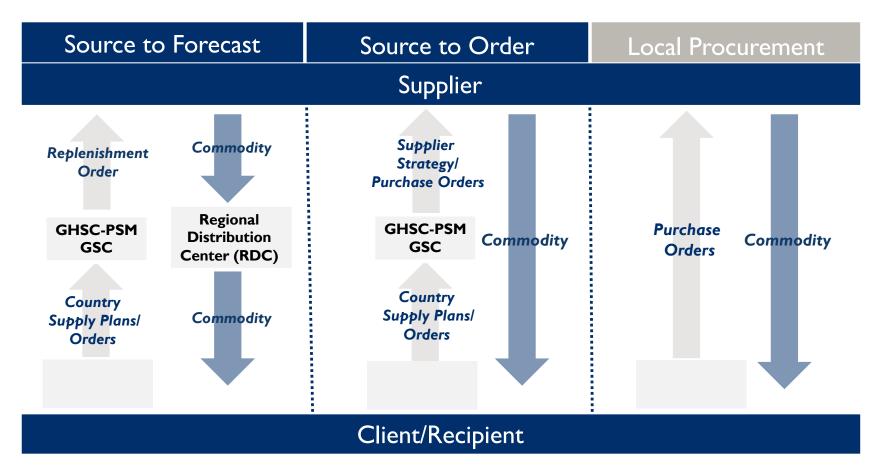
National Supply Plans are collected and reviewed prior to proceeding

- Submission Tracking by Country
- Data integrity
 - Cost
 - Shipment Status
 - Lead Times
 - Available Stock
- Planning Process
- Monitor unfunded requirements



GHSC-PSM GLOBAL SUPPLY CHAIN PLANNING

Supply chain approach aligned to overall product needs



Ouantification

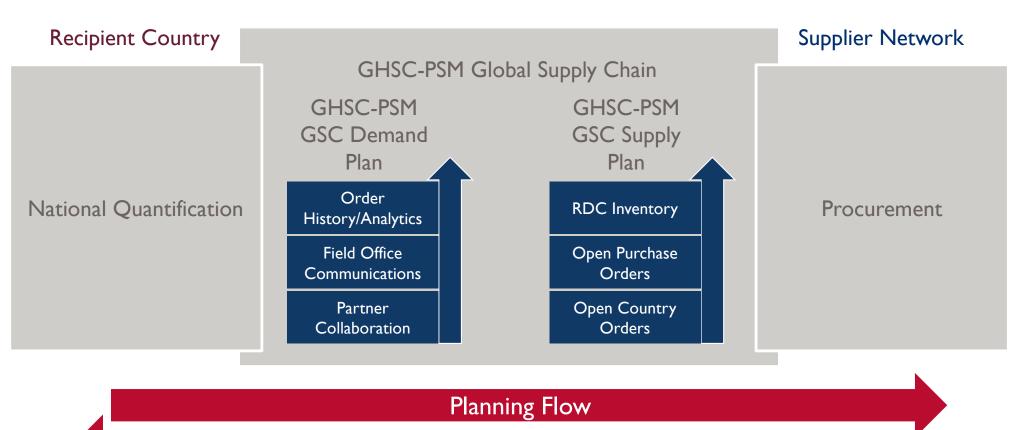
GSC Planning

Procurement





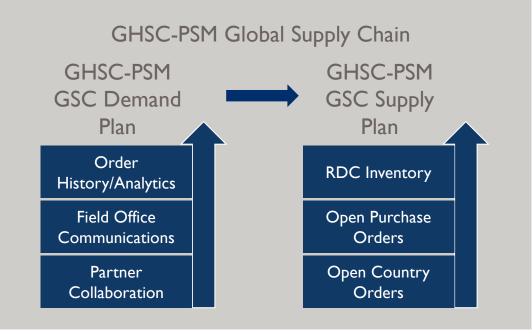
GHSC-PSM PLANNING OVERVIEW Supply chain linked by planning flow



Product Flow



GHSC-PSM Central GSC Planning Overview Supply chain linked by planning flow





Ouantification

GSC Planning

Procurement

Standard process framework applied with commodity relevant details

Plans are PRODUCT-based with country breakdown as necessary

12-18 month time horizon



Procurement

GHSC-PSM GLOBAL SUPPLY CHAIN PLANNING PROCESS

Standard process framework builds functional consensus by commodity group

Reconciliation Supply Planning **Demand Planning Purpose –** Create GHSC-PSM GSC **Purpose –** Generate constrained **Purpose** – Ensure demand-supply GHSC-PSM supply plan, based on consensus demand forecast independent alignment & cross-functional consensus consensus forecast, that implements of any potential GHSC-PSM on forward-looking plan product inventory & procurement supply/delivery constraints, documenting key risks & assumptions strategies **Process Owner** – Planning Leads **Process Owner – Supply Planning Lead Process Owner –** Demand Planning Lead Contributors – USAID Contributors -Contributors -**GSC** Director • Plan team • Plan team Plan team Sourcing & Procurement Teams Market Dynamics • Sourcing & Procurement Teams Quantification Advisors Deliver/Return Teams Deliver/Return Teams Country Teams **Capstone Meeting –** Supply/Inventory Capstone Meeting – Reconciliation Capstone Meeting - Demand Review Review Meeting

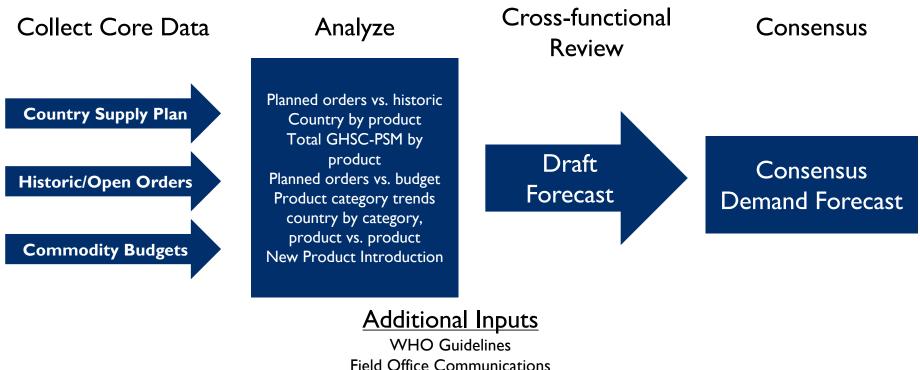
Regular Cadence



GHSC-PSM GLOBAL SUPPLY CHAIN DEMAND PLANNING

Quantification
GSC Planning
Procurement

Standard process framework builds functional consensus by commodity group



ld Office Communicatior Macro Trends Shared Data Sources Statistical Models





GHSC-PSM GLOBAL SUPPLY CHAIN SUPPLY PLANNING

Starts with inventory strategy implementation ...

| What Products? | Product/Sourcing Strategy Product Growth Phase Demand vs. Supply | Benefits: - Meet unplanned/emergency demand in the country - Demand consolidation upstream (Supplier/Manufacturer) - Achieve better service level |
|-------------------------------------|--|--|
| Where Which RDC, VMI? | •Cost •Transit Times •Storage Requirements | Challenges: Cost of transportation/storage Aging inventory/product wastage Periodic evaluation of an optimized solution that balances benefits and cost |
| How Much Safety stock/Buffer? | •Lead Times/Shelf Life •Service Level •Forecast Accuracy | Product registration and shelf life key constraints: Flexibility to respond to country-country demand variation Available shelf life at time of consumption |



GHSC-PSM GLOBAL SUPPLY CHAIN SUPPLY PLANNING

Network optimization – lower costs and better service levels

Currently GHSC-PSM project sources 2,000+ health commodities; ~40 source-to-forecast ARVs,VMMC, Condoms, Contraceptives, ACTs

Existing network = 5 RDCs Singapore, Netherlands, South Africa, Ghana, Kenya

SLIPPL IFR

New Network = 3 RDCs Dubai, Belgium, South Africa Ouantification

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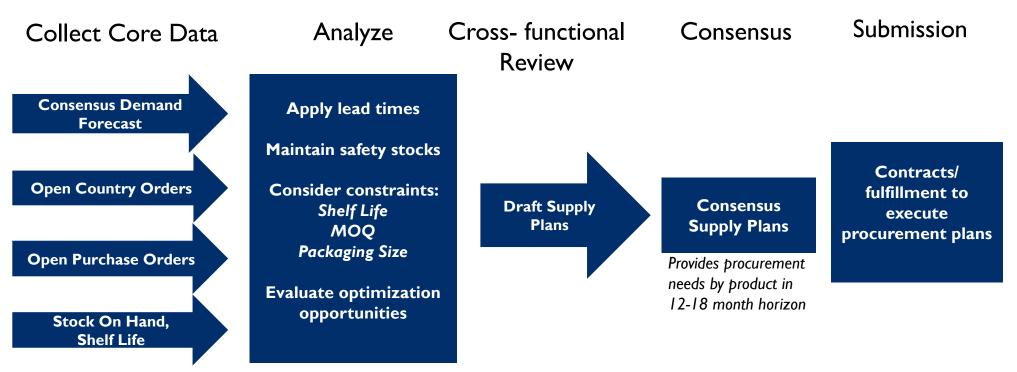
RUSSIA RUSSIA ARV ACT Contraceptives Contraceptives ACT CHIN CHIN Atlantic Atlantic ARV VMMC Condoms Condoms ARV **Contraceptives** VMMC BRAZIL BRAZIL Indian Supply & Demand (2013~2015) Supply & Demand (2013~2015 Ocean Demand (Sum) AUSTR C Demand (Sum AUSTR Supply (Sum) Supply (Sum)



GHSC-PSM GLOBAL SUPPLY CHAIN SUPPLY PLANNING

Quantification GSC Planning Procurement

Standard process framework builds functional consensus by commodity group



- Framework that allows standardization across commodity groups
- Data/frequency of review tailored to the commodity needs

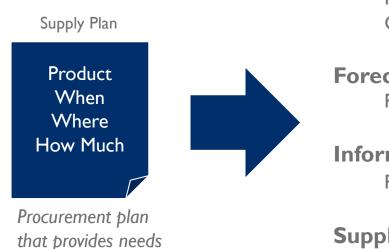
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• Periodic assessment that allows demand-supply synchronization

Procurement

GHSC-PSM Global Supply Chain Supply Planning Supply plans driving sourcing action



Replenishment:

Release purchase orders for plan within lead time Country detail informs registration evaluation

Forecasts:

Provide 12-18 month procurement projections

Informs contract quantities:

Procurement projection sets ceiling

Supply allocation:

Volume projections with clear needs to evaluate supplier awards

Other Sourcing Strategy:

Evaluate supplier addition/VMI/supplier warehousing etc.

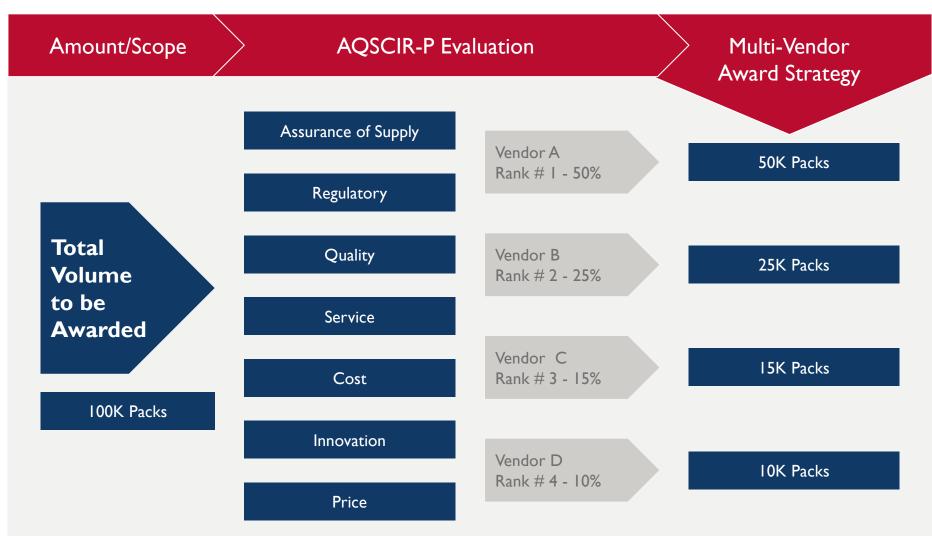


by product in 12-

18 month horizon

GHSC-PSM APPROACH FOR MULTI -VENDORS AWARD

Procurement plans driving sourcing action



GSC Planning

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Ambika Raghavan Supply Planning Team Lead GHSC-PSM araghavan@ghsc-psm.org Dan Kiesa Demand Planning Team Lead GHSC-PSM dkiesa@ghsc-psm.org

