



SUPPLIER SUMMIT

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

SUPPLIER SUMMIT

USAID Global Health Supply Chain Program

CONSUMPTION TO PROCUREMENT

Linking plans on the commodity supply chain



USAID
FROM THE AMERICAN PEOPLE



PEPFAR
U.S. President's Emergency Plan for AIDS Relief



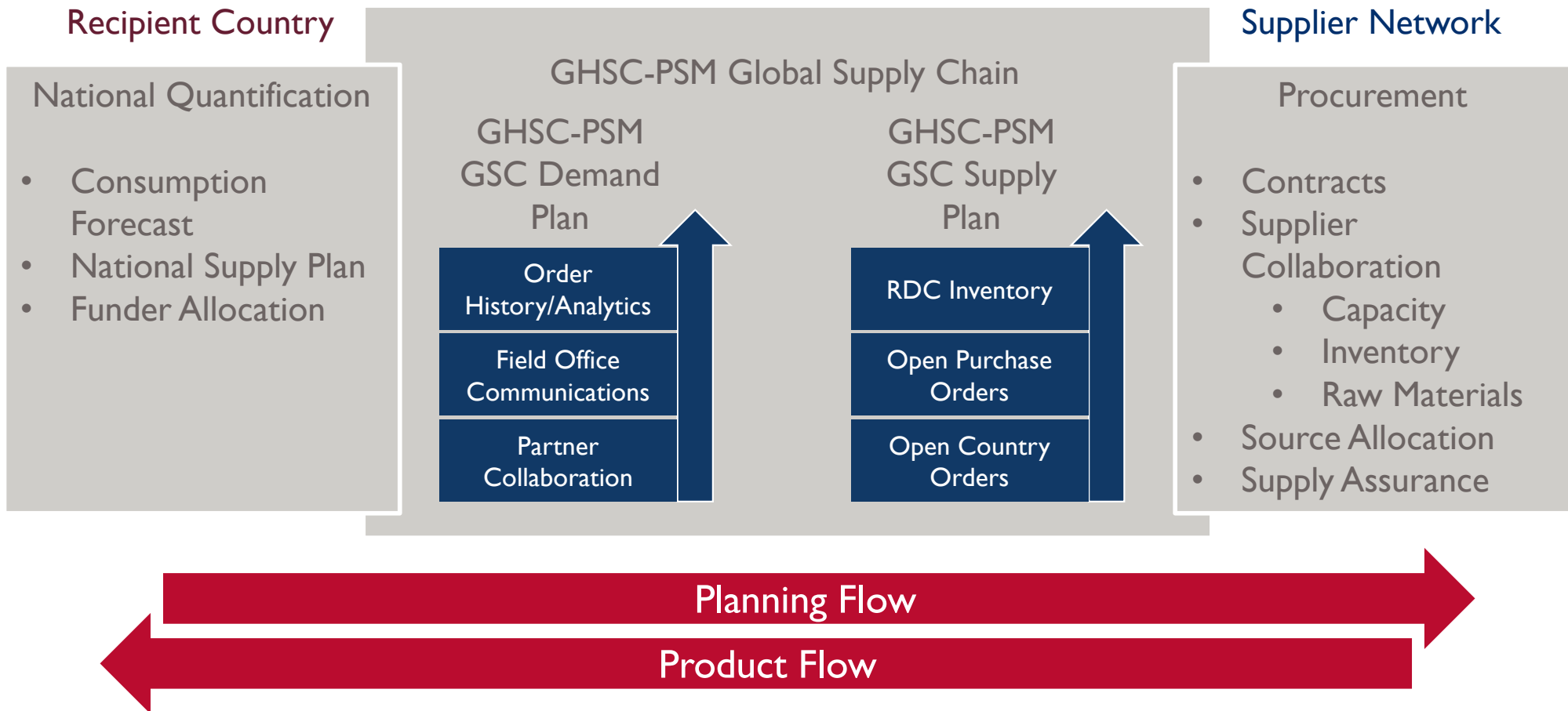
USAID
FROM THE AMERICAN PEOPLE



U.S. President's Malaria Initiative

GHSC-PSM PLANNING OVERVIEW

Supply chain linked by planning flow



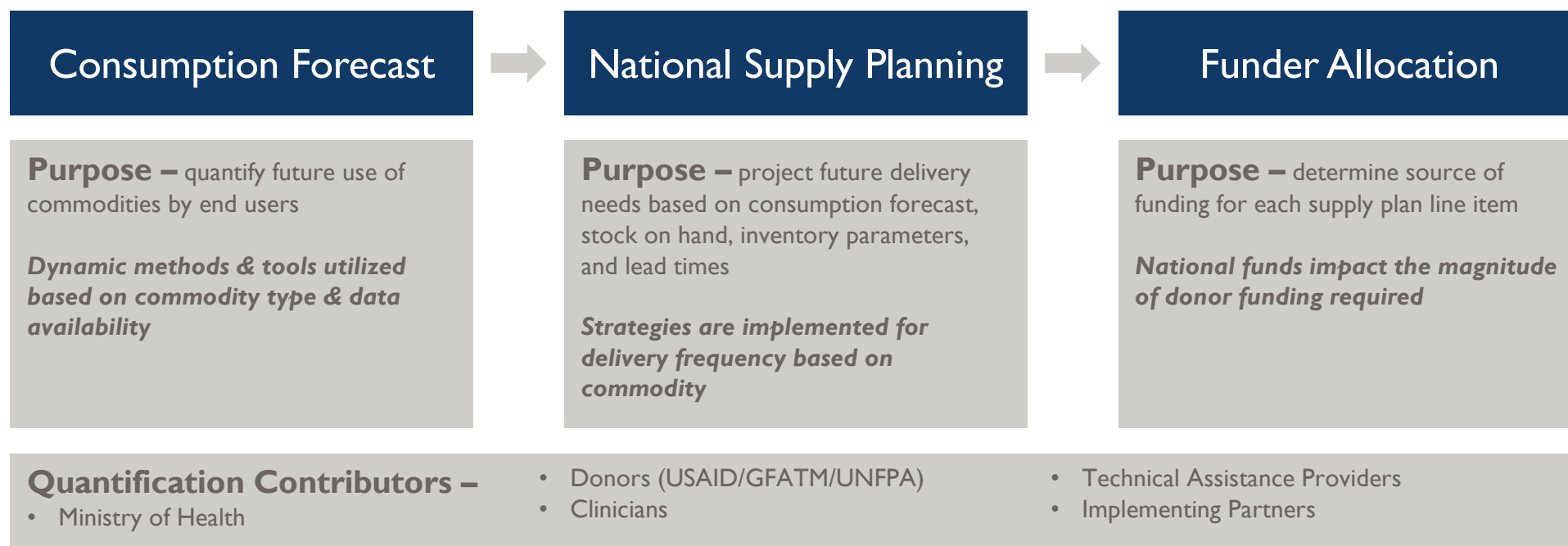
Quantification

GSC Planning

Procurement

NATIONAL QUANTIFICATION

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



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

SUPPLIER
SUMMIT

USAID Global Health Supply Chain Program Supplier Summit

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

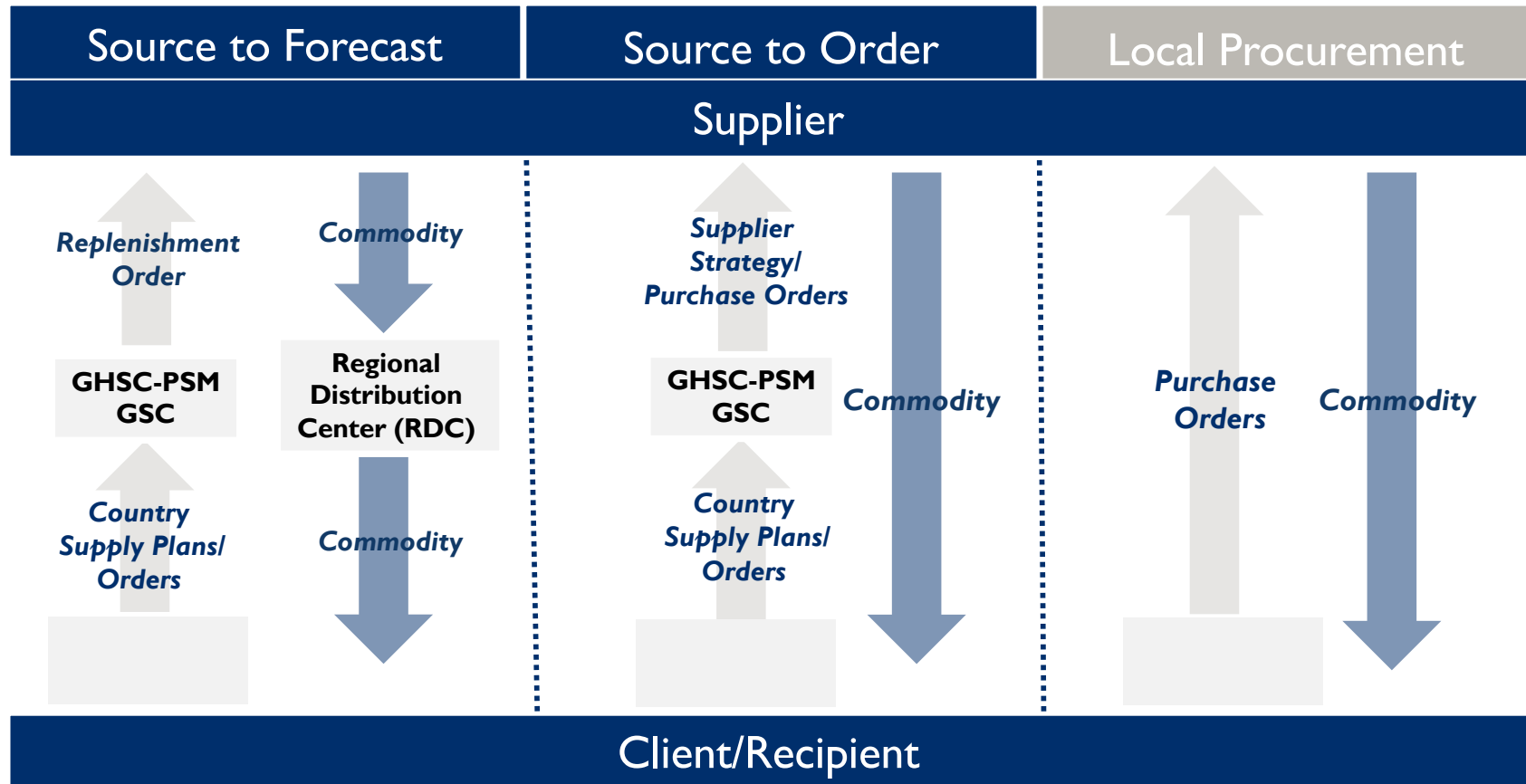
GHSC-PSM GLOBAL SUPPLY CHAIN PLANNING

Quantification

GSC Planning

Procurement

Supply chain approach aligned to overall product needs



SUPPLIER
SUMMIT

USAID Global Health Supply Chain Program Supplier Summit

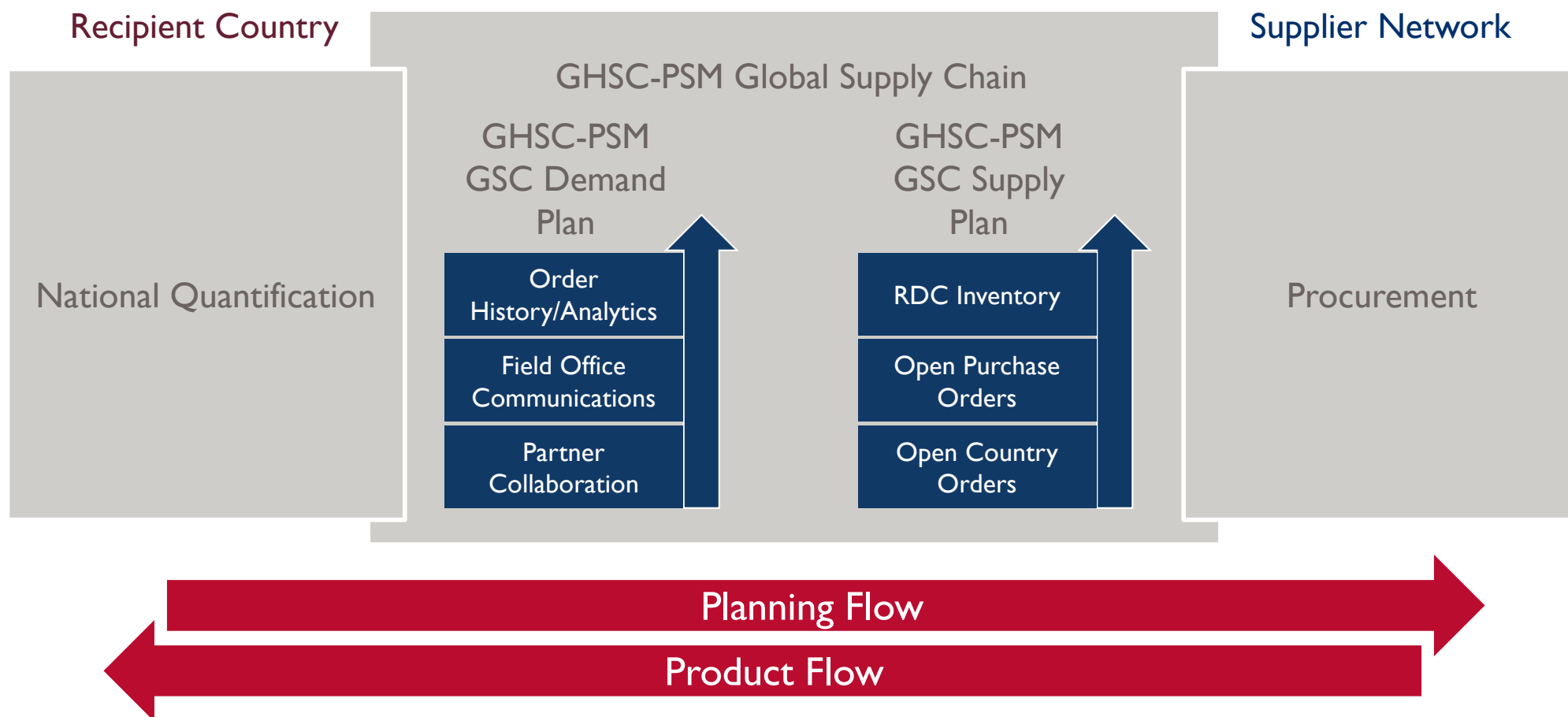
Quantification

GSC Planning

Procurement

GHSC-PSM PLANNING OVERVIEW

Supply chain linked by planning flow



SUPPLIER
SUMMIT

USAID Global Health Supply Chain Program Supplier Summit

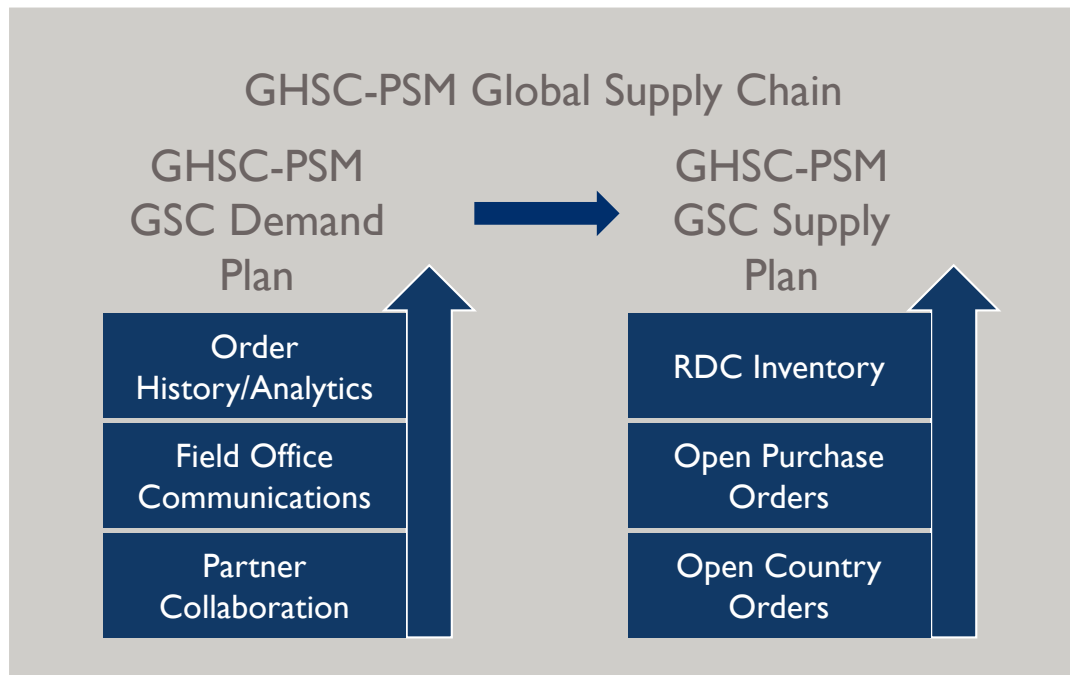
Quantification

GSC Planning

Procurement

GHSC-PSM Central GSC Planning Overview

Supply chain linked by planning flow



Scope = GHSC-PSM Global Supply Chain

Standard process framework applied with commodity relevant details

Plans are PRODUCT-based with country breakdown as necessary

12-18 month time horizon

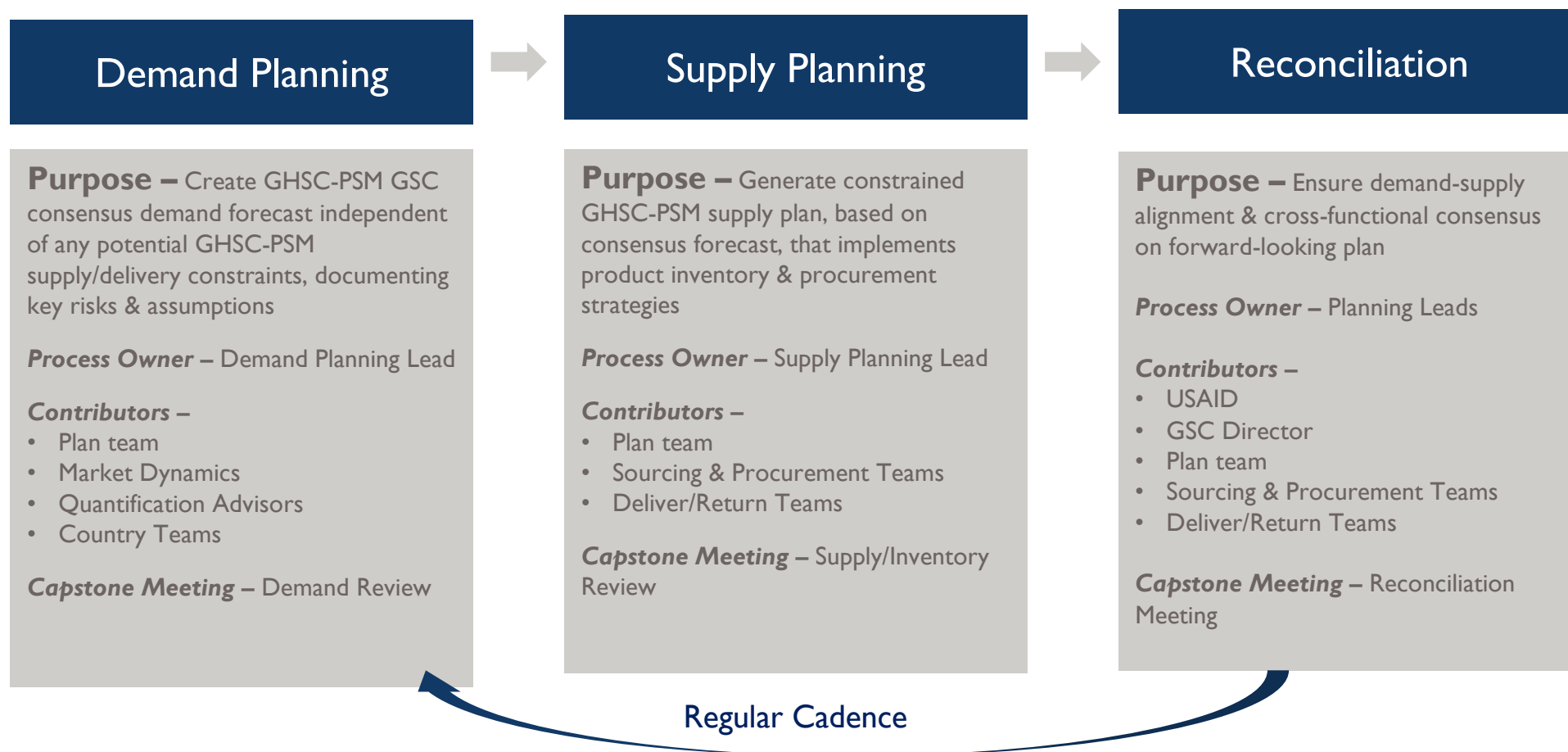
Quantification

GSC Planning

Procurement

GHSC-PSM GLOBAL SUPPLY CHAIN PLANNING PROCESS

Standard process framework builds functional consensus by commodity group



SUPPLIER
SUMMIT

USAID Global Health Supply Chain Program Supplier Summit

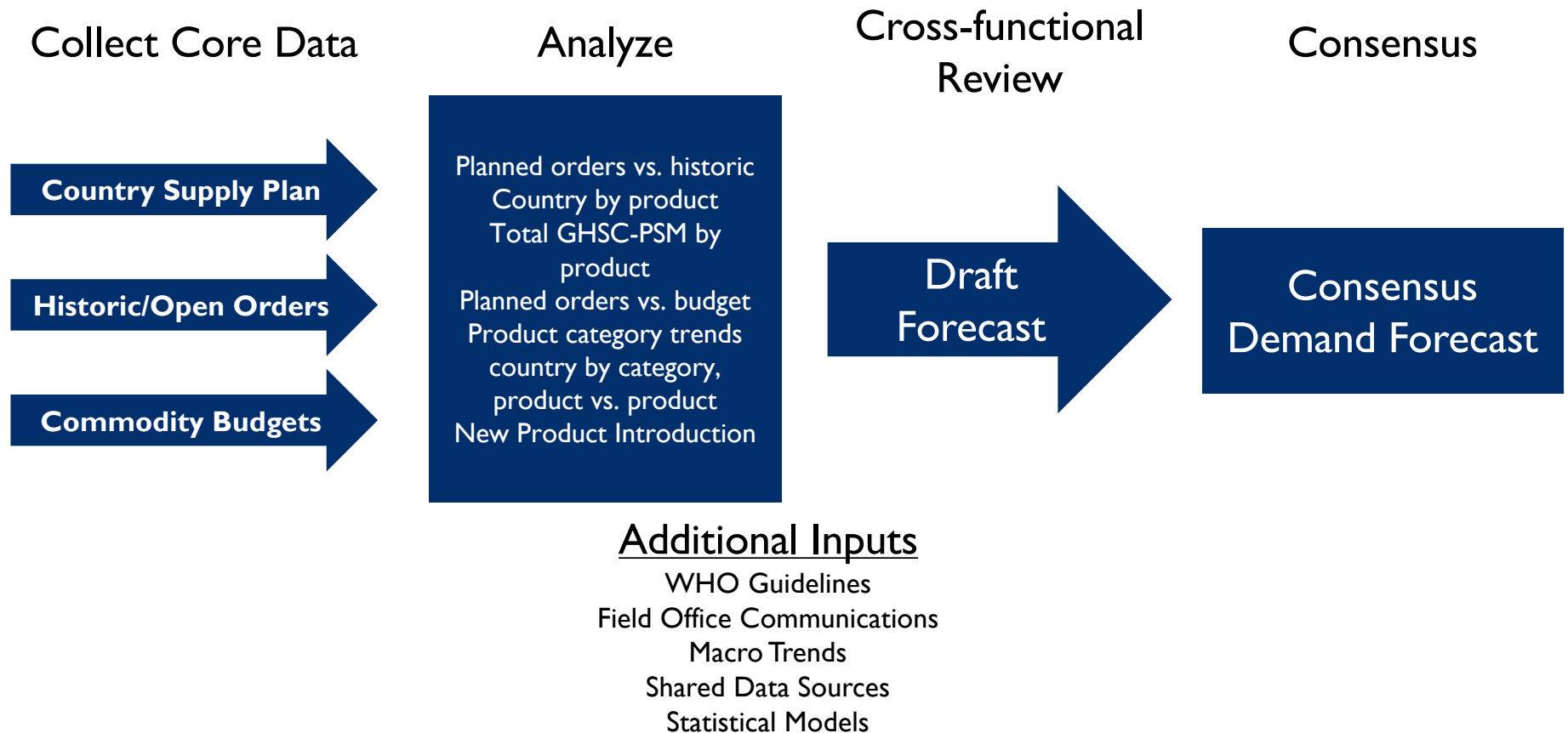
GHSC-PSM GLOBAL SUPPLY CHAIN DEMAND PLANNING

Quantification

GSC Planning

Procurement

Standard process framework builds functional consensus by commodity group



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

Quantification

GSC Planning

Procurement

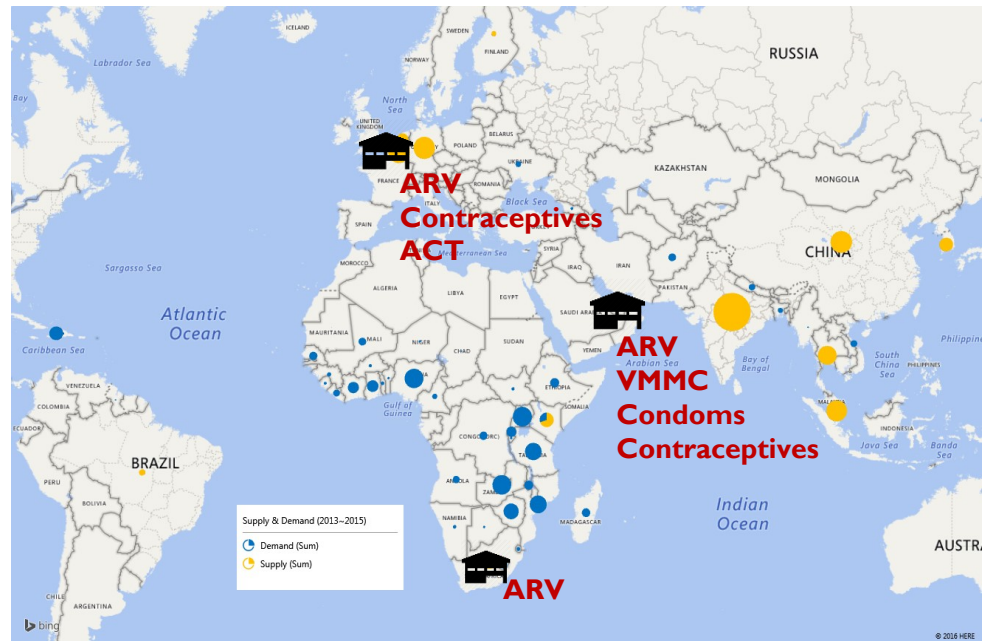
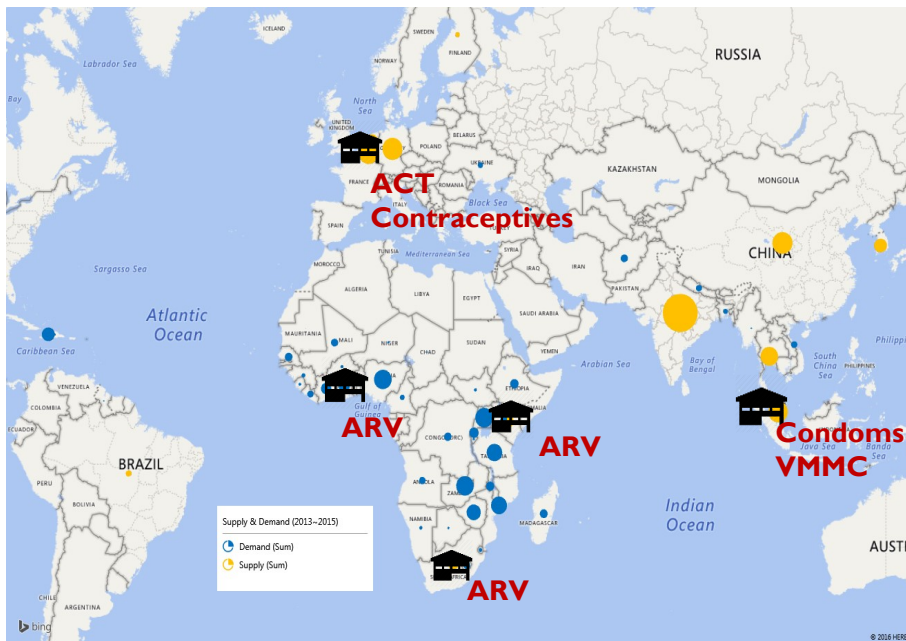
Currently GHSC-PSM project sources 2,000+ health commodities; ~40 source-to-forecast ARVs, VMMC, Condoms, Contraceptives, ACTs

Existing network = 5 RDCs

Singapore, Netherlands, South Africa, Ghana, Kenya

New Network = 3 RDCs

Dubai, Belgium, South Africa



SUPPLIER
SUMMIT

USAID Global Health Supply Chain Program Supplier Summit

GHSC-PSM GLOBAL SUPPLY CHAIN SUPPLY PLANNING

Standard process framework builds functional consensus by commodity group

Quantification

GSC Planning

Procurement

Collect Core Data

Analyze

Cross- functional
Review

Consensus

Submission

Consensus Demand
Forecast

Open Country Orders

Open Purchase Orders

Stock On Hand,
Shelf Life

Apply lead times

Maintain safety stocks

Consider constraints:
Shelf Life
MOQ
Packaging Size

Evaluate optimization
opportunities

Draft Supply
Plans

Consensus
Supply Plans

*Provides procurement
needs by product in
12-18 month horizon*

Contracts/
fulfillment to
execute
procurement plans

- Framework that allows standardization across commodity groups
- Data/frequency of review tailored to the commodity needs
- Periodic assessment that allows demand–supply synchronization

SUPPLIER
SUMMIT

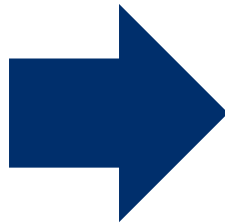
USAID Global Health Supply Chain Program Supplier Summit

GHSC-PSM Global Supply Chain Supply Planning

Supply plans driving sourcing action

Supply Plan

Product
When
Where
How Much



*Procurement plan
that provides needs
by product in 12-
18 month horizon*

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.

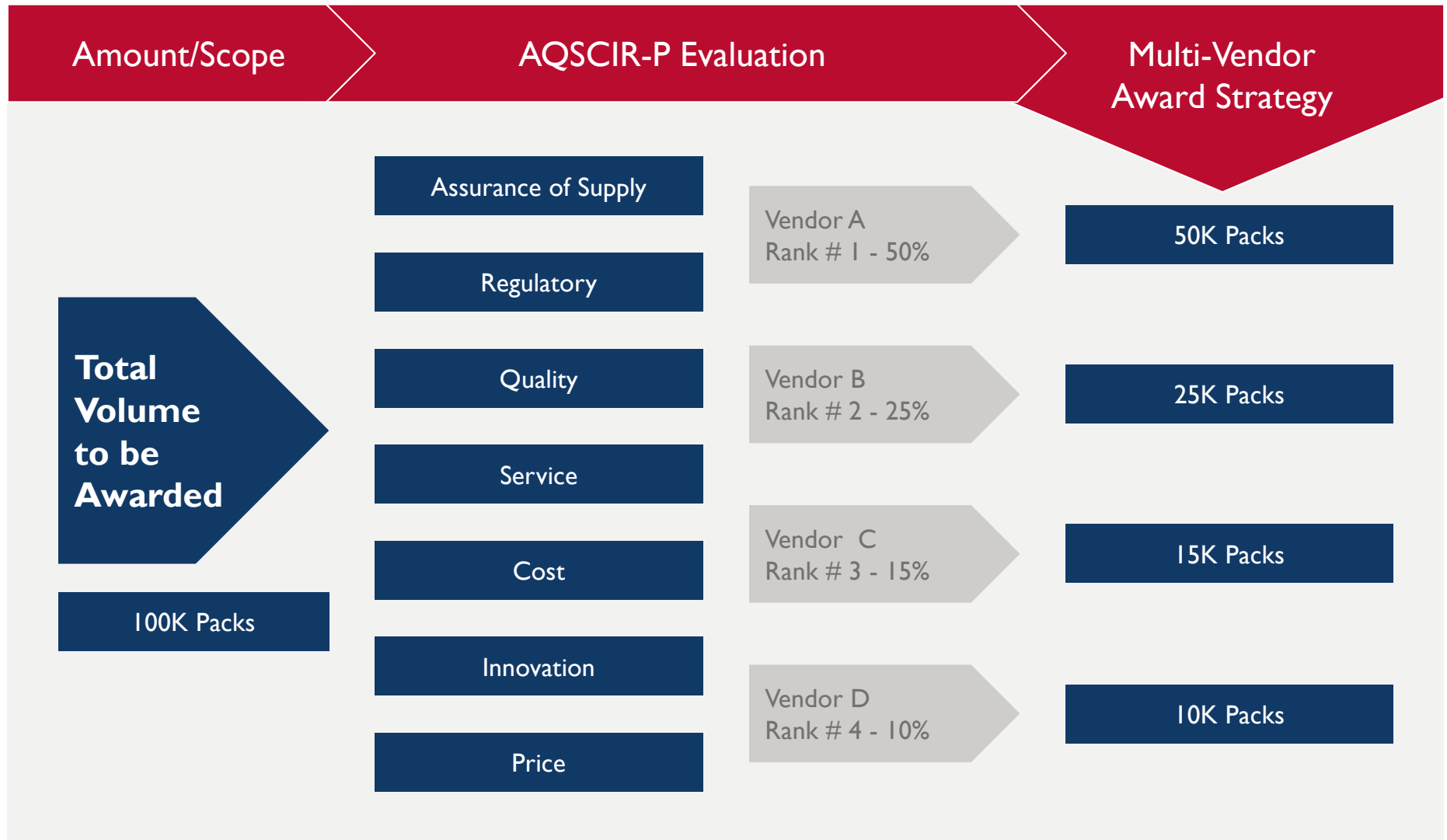
GHSC-PSM APPROACH FOR MULTI -VENDORS AWARD

Procurement plans driving sourcing action

Quantification

GSC Planning

Procurement



Ambika Raghavan

Supply Planning Team Lead

GHSC-PSM

araghavan@ghsc-psm.org

Dan Kiesa

Demand Planning Team Lead

GHSC-PSM

dkiesa@ghsc-psm.org