



SUPPLIER SUMMIT

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

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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



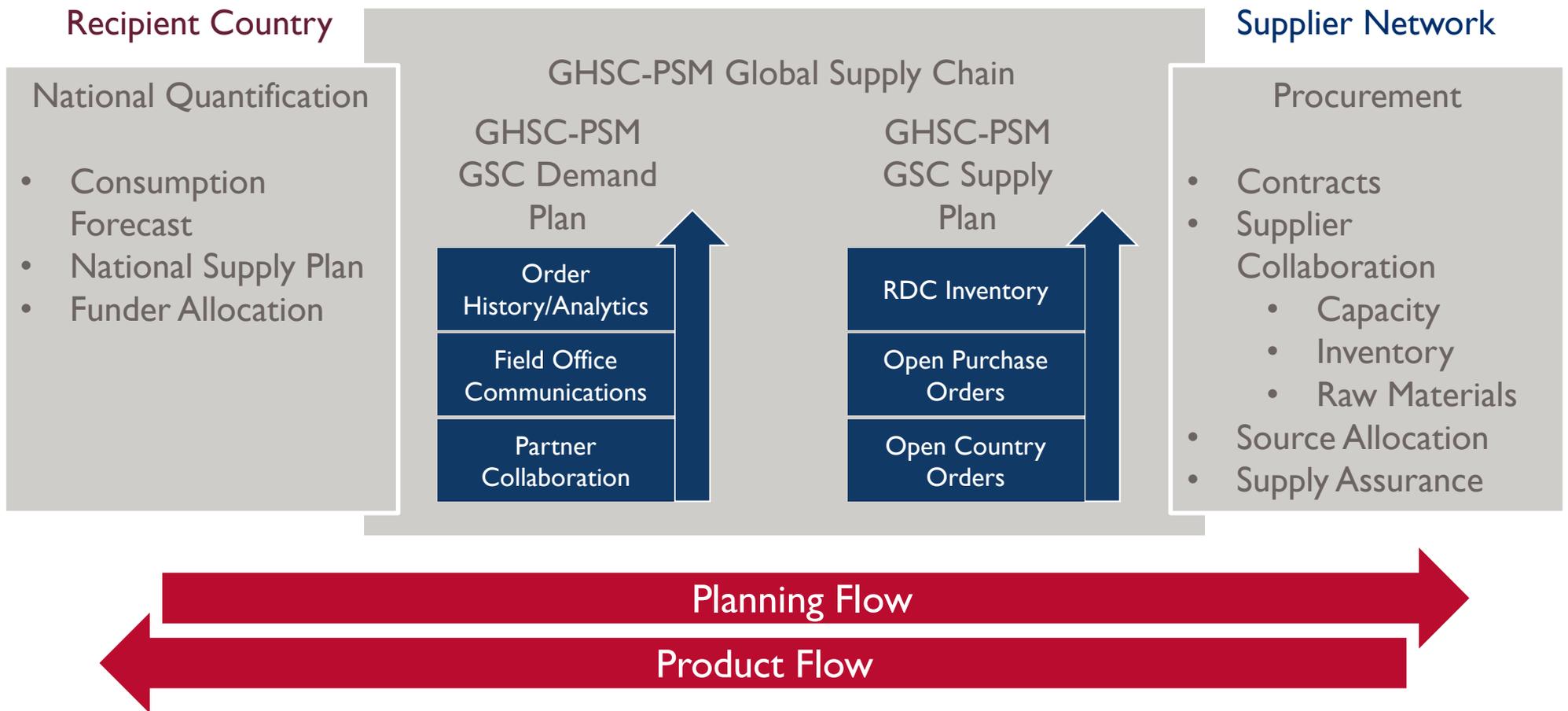
USAID
FROM THE AMERICAN PEOPLE



U.S. President's Malaria Initiative

GHSC-PSM PLANNING OVERVIEW

Supply chain linked by planning flow



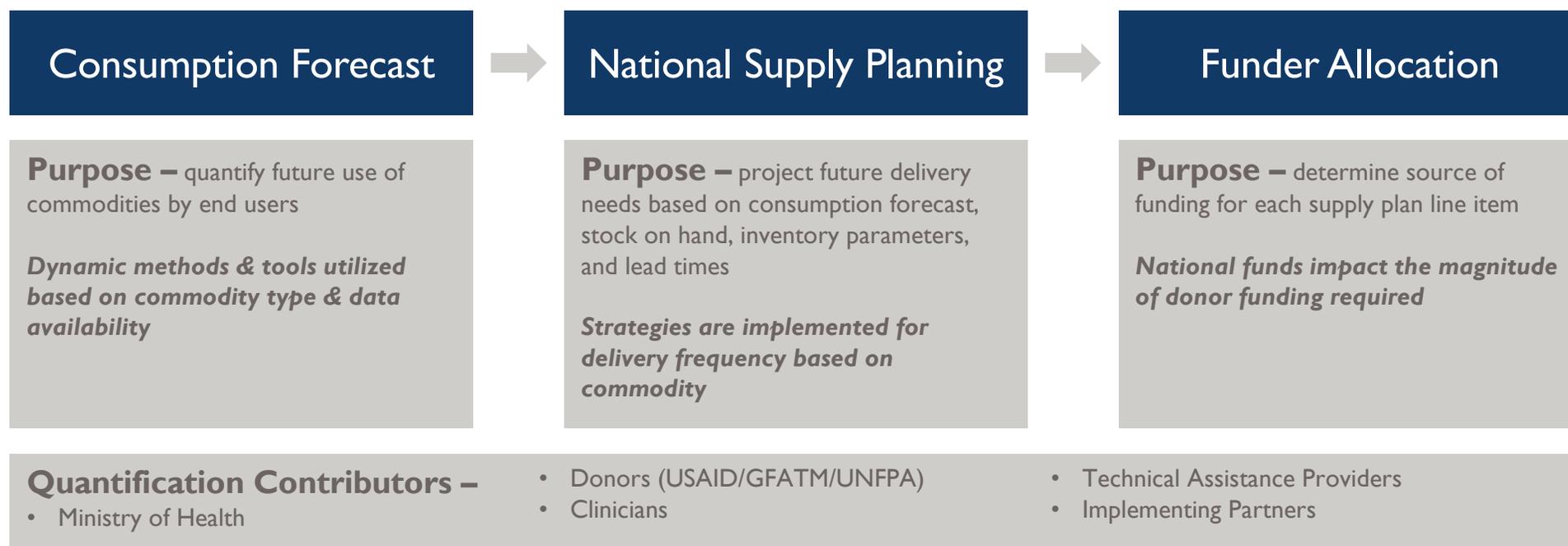
Quantification

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

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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...

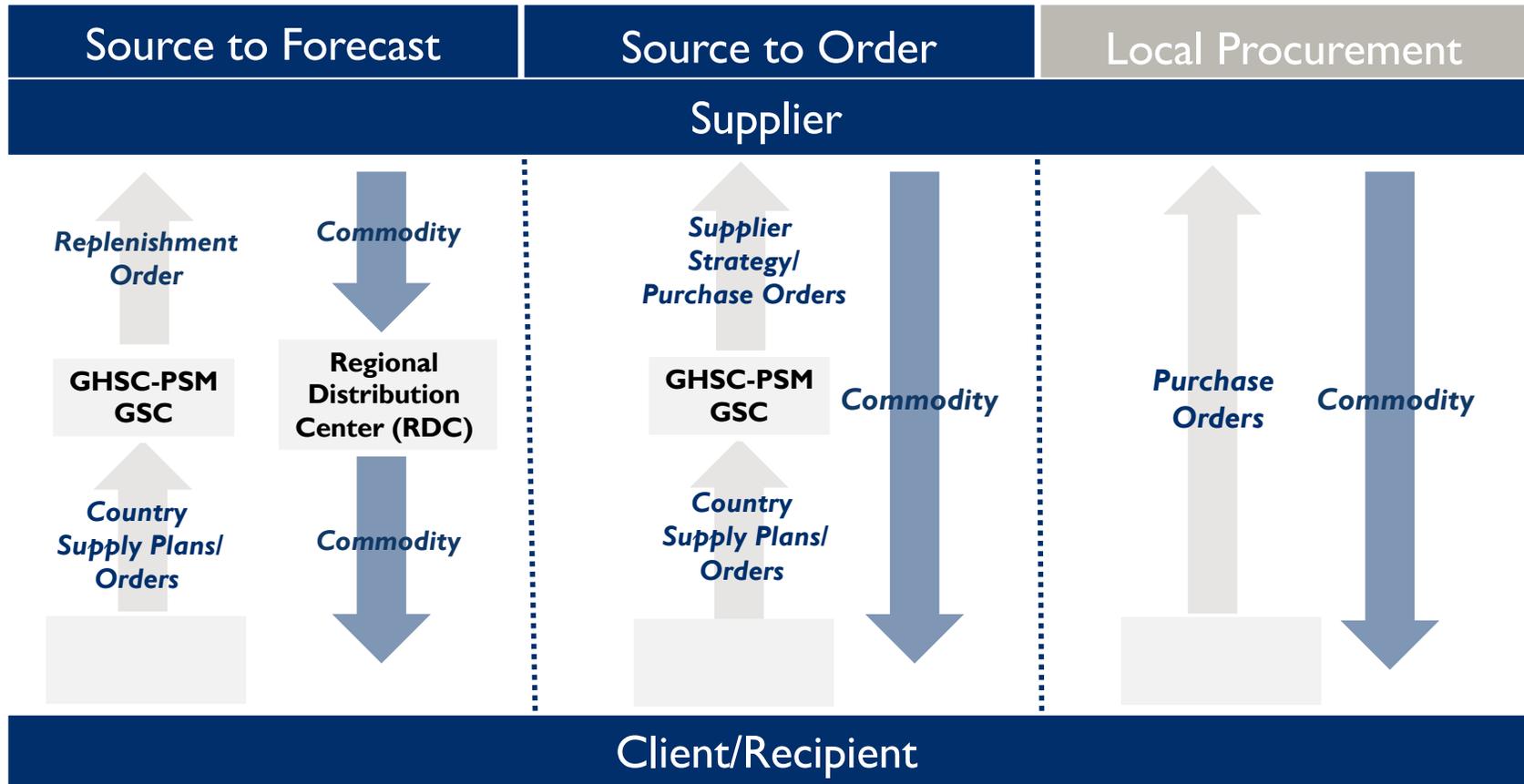
National Supply Plans are collected and reviewed prior to proceeding

- 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

- Quantification
- GSC Planning
- Procurement



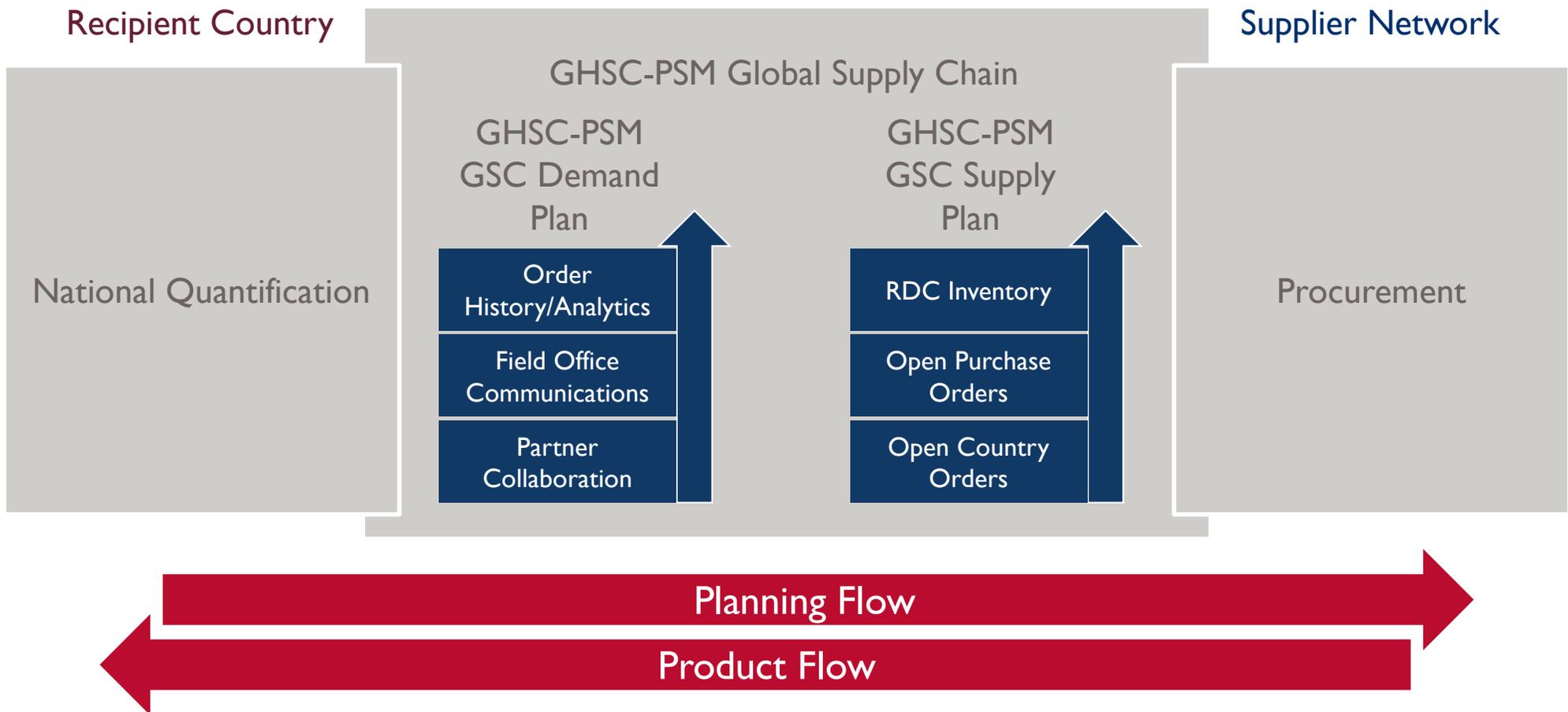
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GHSC-PSM PLANNING OVERVIEW

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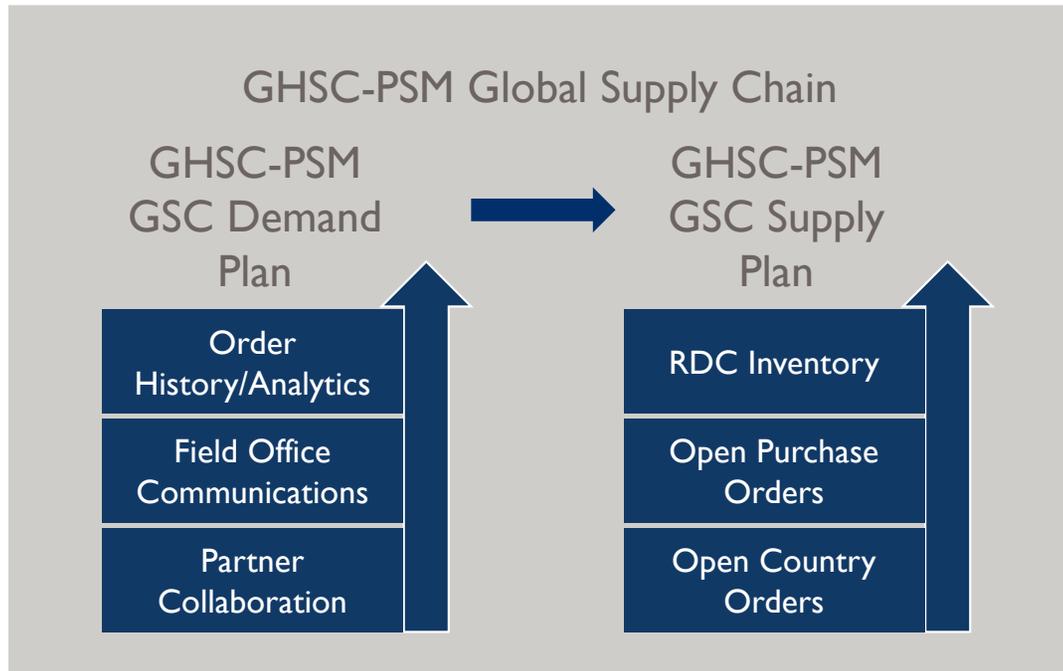
Quantification

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

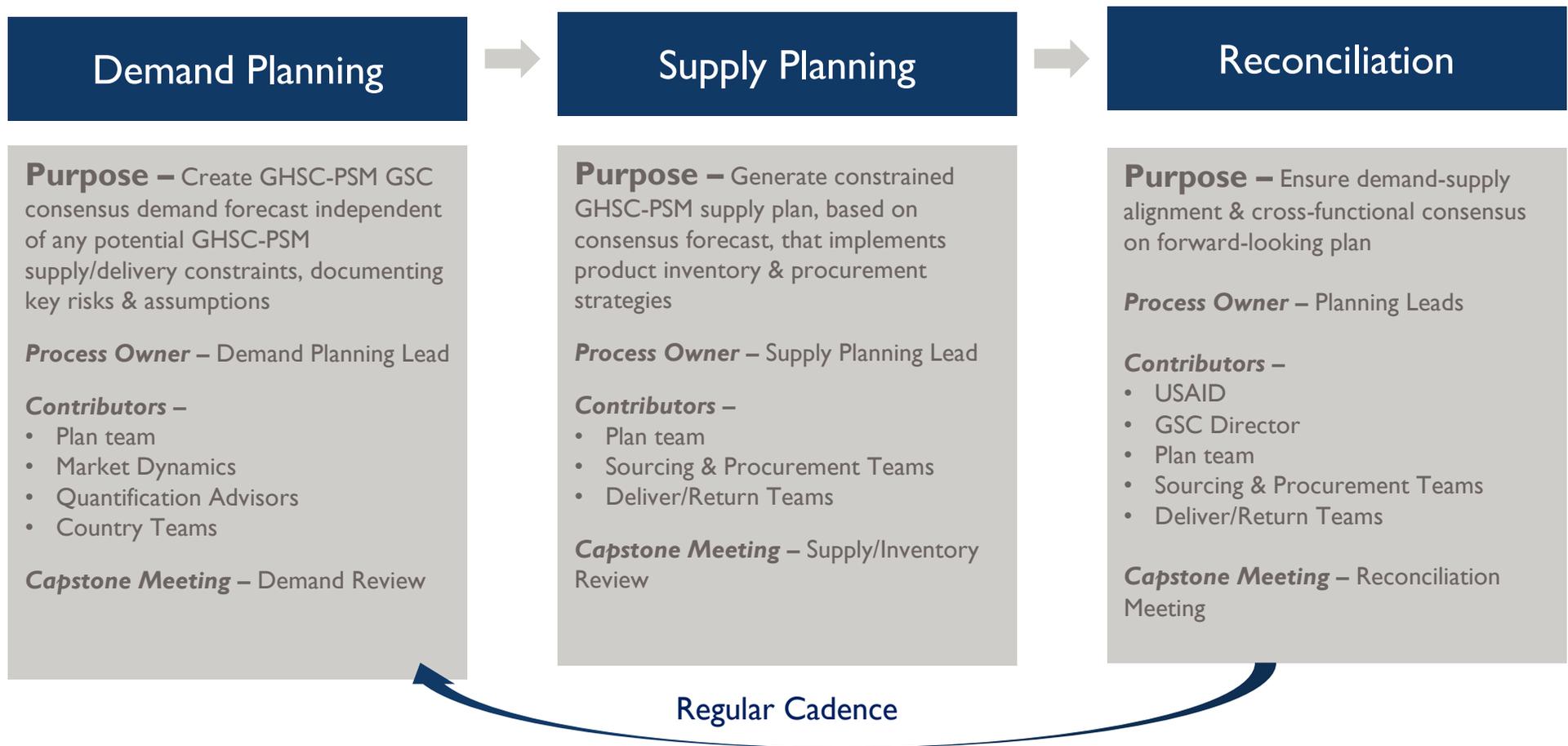
Quantification

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GHSC-PSM GLOBAL SUPPLY CHAIN PLANNING PROCESS

Standard process framework builds functional consensus by commodity group



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GHSC-PSM GLOBAL SUPPLY CHAIN DEMAND PLANNING

Standard process framework builds functional consensus by commodity group

Quantification

GSC Planning

Procurement

Collect Core Data

Analyze

Cross-functional Review

Consensus

Country Supply Plan

Historic/Open Orders

Commodity Budgets

Planned orders vs. historic
Country by product
Total GHSC-PSM by product
Planned orders vs. budget
Product category trends
country by category,
product vs. product
New Product Introduction

Draft Forecast

Consensus Demand Forecast

Additional Inputs

WHO Guidelines
Field Office Communications
Macro Trends
Shared Data Sources
Statistical Models

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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

Quantification

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Procurement

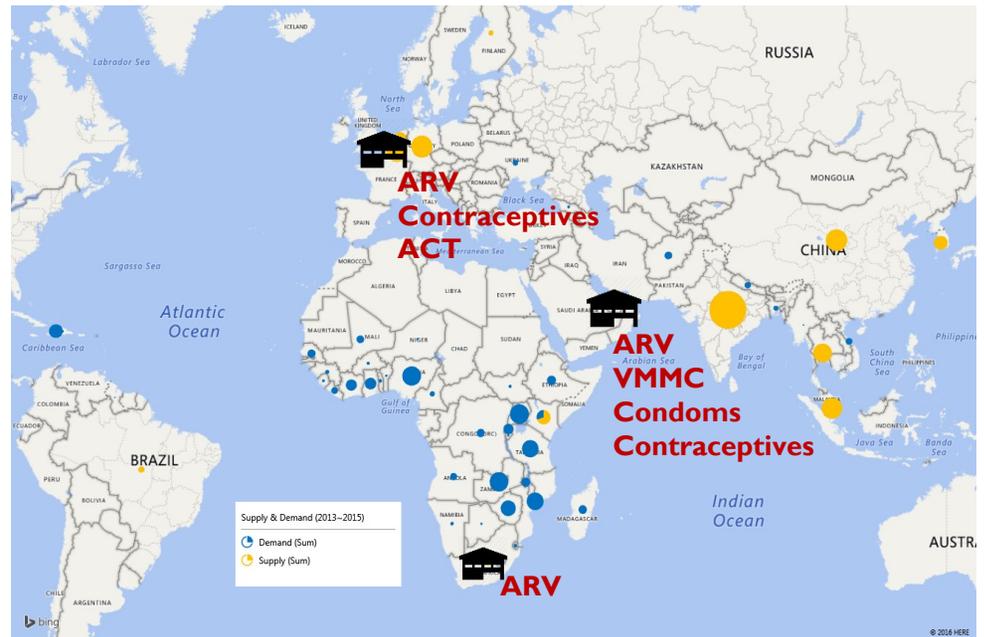
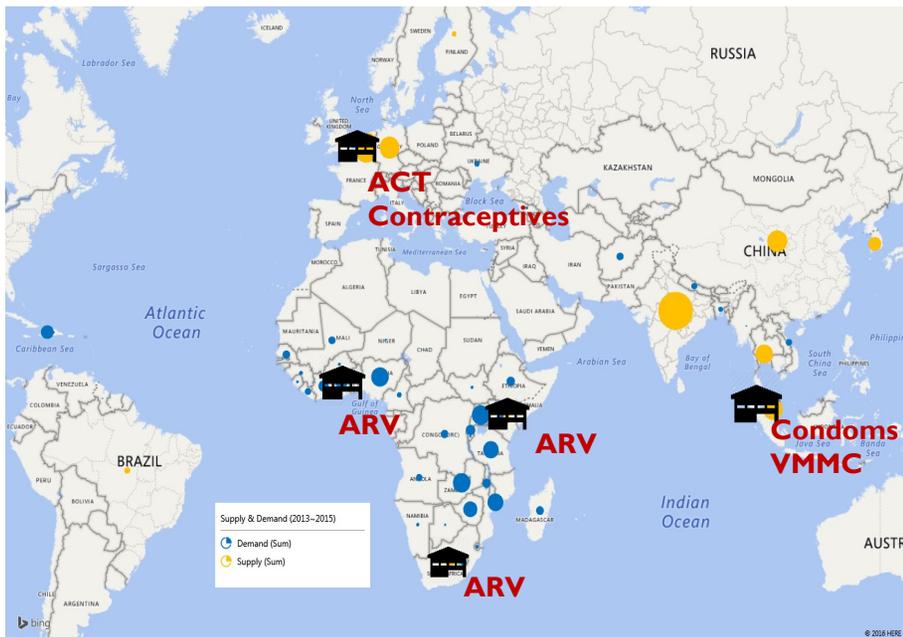
GHSC-PSM GLOBAL SUPPLY CHAIN SUPPLY PLANNING

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

New Network = 3 RDCs
Dubai, Belgium, South Africa



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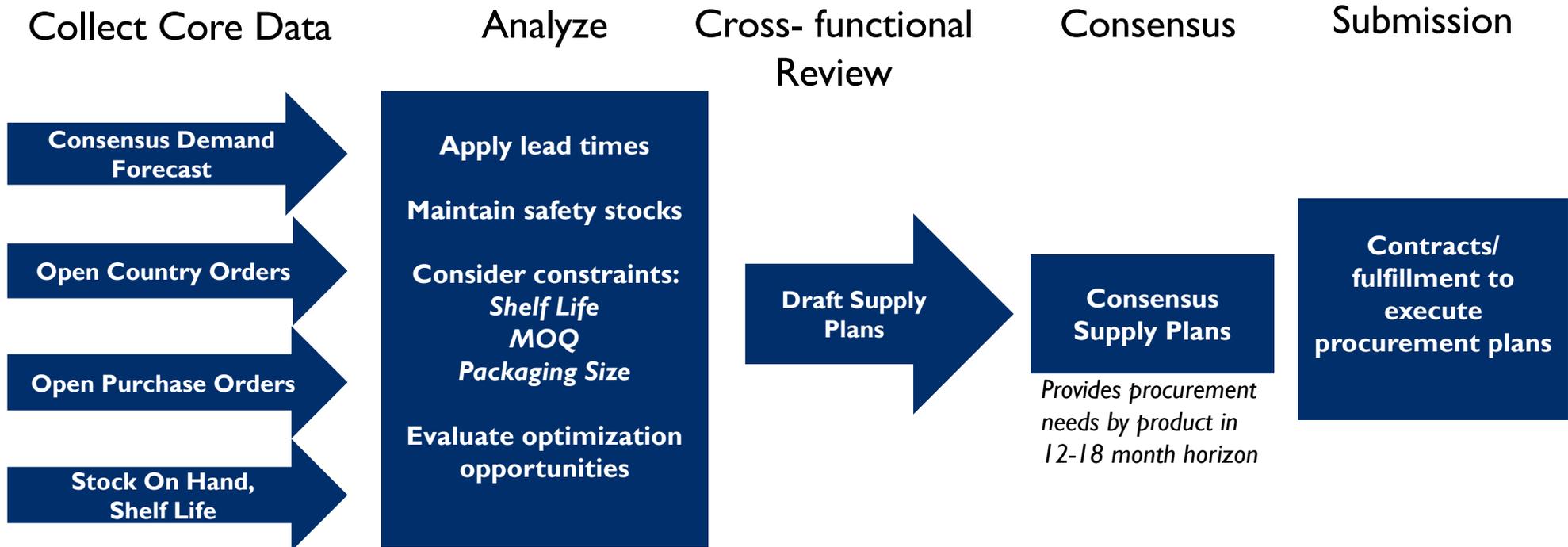
GHSC-PSM GLOBAL SUPPLY CHAIN SUPPLY PLANNING

Standard process framework builds functional consensus by commodity group

Quantification

GSC Planning

Procurement



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

Quantification

GSC Planning

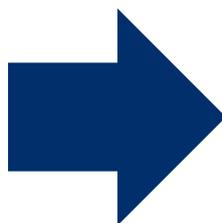
Procurement

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.

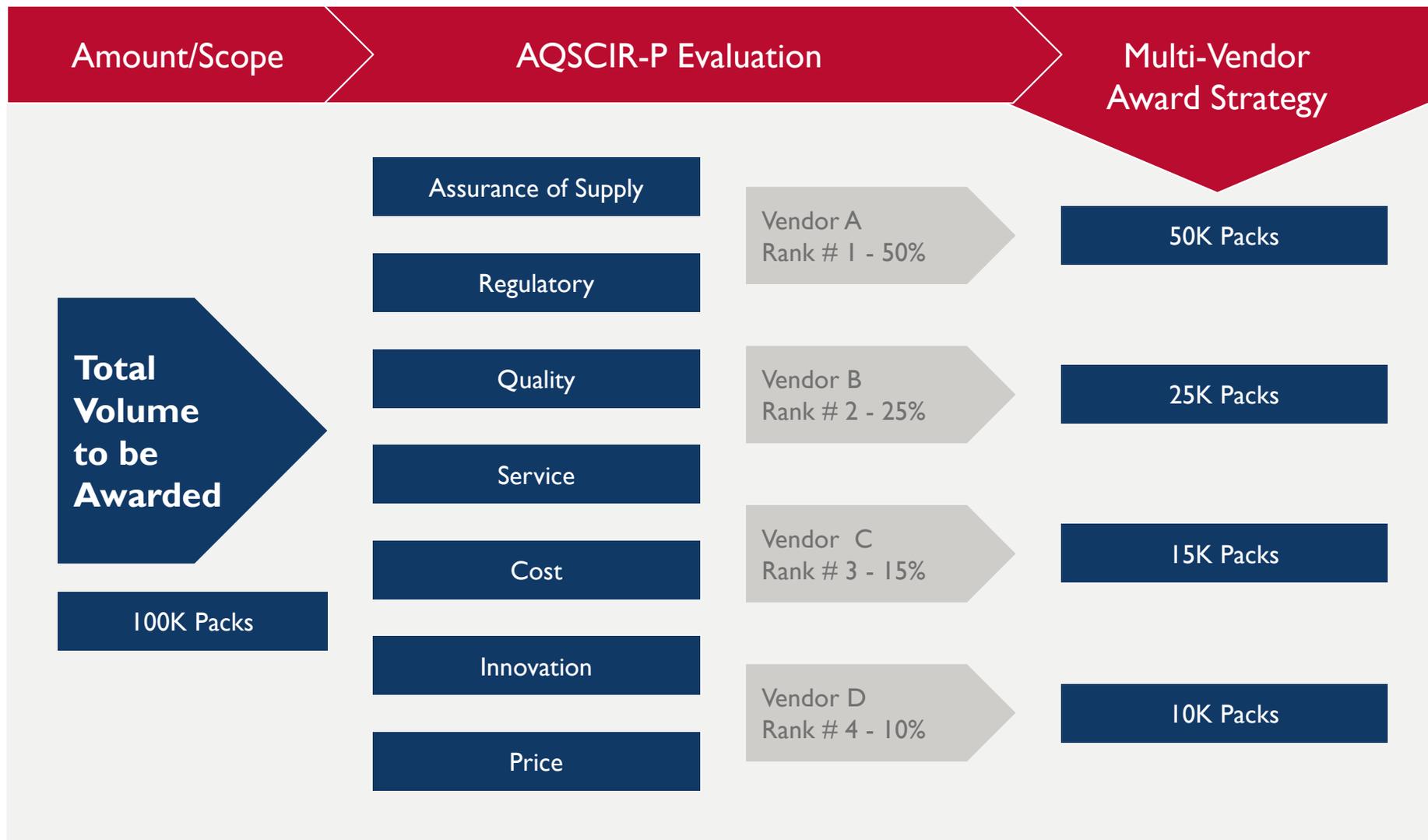
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GHSC-PSM APPROACH FOR MULTI-VENDORS AWARD

Procurement plans driving sourcing action

- Quantification
- GSC Planning
- Procurement



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