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KEMSA Support Program Quarterly Report

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KEMSA Support Program Quarterly Report

October to December 2011

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Kenya Medical Supplies Agency (KEMSA) Support Program

Contract Number: AID-623-C-11-00010

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ACRONYMS

CEO	Chief Executive Officer
ERP	Enterprise Resource Planning
GPS	Global Positioning System
ICT	Information and Communications Technology
KEMSA	Kenya Medical Supplies Agency
KPI	Key Performance Indicator
LMIS	Logistics Management Information System
LMU	Logistics Management Unit
MFS	Master Facility List
MOMS	Ministry of Medical Services
MOPHS	Ministry of Public Health and Sanitation
PMP	Performance Monitoring Plan
QA	Quality Assurance
RTK	Rapid Test Kit
SLA	Service Level Agreement
SOP	Standard Operating Procedure
STTA	Short Term Technical Assistance
USG	United States Government

SUMMARY

The Kenya Medical Supplies Agency (KEMSA) Support Program, led by Deloitte Consulting LLP, aims to strengthen KEMSA's commodity management system for effective service provision to client health facilities throughout the country. This report covers the progress made from October 1, 2011 through December 31, 2011. Major accomplishments during this quarter include completing the Enterprise Resource Planning (ERP) Gap Analysis, redesign of the customer service function within KEMSA, finalizing the Board Charter, conducting the Push to Pull Change Impact Assessment, as well as benchmarking the internal audit manual with the International Standards on Auditing. Substantial progress was also made in institutionalizing regular, ongoing mechanisms to strengthen planning processes within KEMSA through establishment of the Supply Chain Planning and the Integrated Business Planning Forums.

1. BACKGROUND

The Kenya Medical Supplies Agency (KEMSA) Support Program is a two-year USAID project awarded to Deloitte Consulting, LLP in May 2011. The goal of the project is to support KEMSA to strengthen its ability to provide client sites throughout the country with the right quantity of quality commodities, and in a timely manner, for effective service provision.

The key result areas for the KEMSA Support Program include strengthening KEMSA's operational mandate; governance architecture and practice; inventory management and tracking systems; warehousing and distribution systems; and internal performance monitoring. It is expected that the successful implementation of this project will allow KEMSA to deliver more effective, efficient and sustainable commodity procurement, warehousing and distribution services to client health facilities throughout the country and create a more unified, integrated and responsive national supply chain system in Kenya.

This report describes in detail the project's accomplishments, successes and challenges faced during the period of October 1 through December 31, 2011. Major accomplishments during this quarter include completing the Enterprise Resource Planning (ERP) Gap Analysis and the Financial Management Process Gap Analysis, redesign of the customer service function within KEMSA, finalizing the Board Charter, conducting the Push to Pull Change Impact Assessment, and benchmarking the internal audit manual with the International Standards on Auditing.

2. HIGHLIGHTS

2.1. EVENTS

This quarter the project team led and participated in several critical meetings and workshops summarized in the table below with more details provided in the narratives that follow.

Meeting/Workshop	Dates	Outcomes
Medical Products and Technologies Subcommittee Meeting for the Implementation of the Constitution	October 26-28, 2011	<ul style="list-style-type: none"> Strengthened KEMSA's position within the National Legal Framework
Logistics Management Information System (LMIS) Design Meetings	October and November, 2011	<ul style="list-style-type: none"> Reviewed reporting requirements across stakeholders Finalized a priority data elements framework Continued progress towards the development and implementation of an effective national LMIS

Meeting/Workshop	Dates	Outcomes
Push to Pull Impact Assessment Meetings	October 24 and November 14, 2011	<ul style="list-style-type: none"> Completed the Push to Pull Impact Assessment meetings Identified priority areas for improvement by each department to strengthen readiness Finalized department-specific work plans for departments for push to pull readiness to track progress Assessment is ongoing
Supply Chain Planning Forums	Weekly from December 2011 onwards	<ul style="list-style-type: none"> Harmonization of inventory plans, enhancing collaboration across KEMSA departments Facilitate a proactive approach to identify and resolve potential stock out situations
Transport Contract Working Group Sessions	Weekly from October 2011 onwards	<ul style="list-style-type: none"> Improved transport contracts with tighter pickup/delivery contractual language, refinement of existing Service Level Agreements and the addition of strict penalties for non-conformance
Customer Service Review Workshops	December 7-9, and December 16, 2011	<ul style="list-style-type: none"> Reviewed and analyzed the existing customer service structure Developed a redesigned organogram, a description of customer service functions, and job descriptions for the customer service function
ERP Analysis Review Meeting	November 24-25, 2011	<ul style="list-style-type: none"> Provided a framework to guide ERP issues between KEMSA and the ERP developer

Medical Products and Technologies Subcommittee Meeting

The project team participated in a three-day meeting from October 26-28, 2011 held by the Medical Products and Technologies Subcommittee of the Health Ministries related to the implementation of the constitution. Participation in these meetings enhances KEMSA's position within the National Legal Framework. The objectives of the meeting were to: define a framework for carrying out a comprehensive inventory of infrastructure, personnel, equipment, supplies and commodities in the 47 counties by June 2012; develop criteria for the transfer of assets and liabilities to the counties; redefine KEMSA functions as required; and develop guidelines and standards on the quality of medical products and content of the essential health package.

LMIS Design Meetings

The project team coordinated four LMIS process design meetings during October and November 2011 to review reporting requirements and to finalize a priority data elements framework. These process design meetings were the follow on to the LMIS workshop held last quarter (September 2011) which formed the initial foundation to develop a coordinated approach across KEMSA and its partners to build a robust, efficient and effective national LMIS system. Participants in the ongoing LMIS process design include representatives from the Ministry of Medical Services (MOMS), the Ministry of Public Health and Sanitation (MOPHS), their key health programs and other key donors and implementing agencies. The project team provided oversight and technical assistance during these meetings. Guest participants were invited to address the LMIS Process Design Committee as required; this included a presentation and

demonstration of an SMS-based Commodity Tracking System by the TUPANGE project team of the Kenya Urban Reproductive Health Initiative. These meetings serve to bring all key stakeholders together to guide the development and implementation of an effective national LMIS.

Push to Pull Impact Assessment Meetings

The project team facilitated two one-day meetings with KEMSA to conduct a Push to Pull Impact Assessment. The meetings were held on October 24, 2011 and November 14, 2011. These meetings were organized to assist KEMSA to prepare to transition from a push to pull system following the MOPHS official direction on September 13, 2011 for KEMSA to change distribution from a push system to a pull system for the entire Upper Eastern Province and the Central Province (with the exception of Nyeri district). The MOPHS provided a deadline of January 2012 to complete the transition to a pull system for these provinces.

During each meeting, proposed activities and the expected impacts of the push to pull transition were analyzed. Major impacts identified include: an increase in the effort required to capture facility orders; a substantial increase in fine picking - which is much more labor intensive than bulk picking of kits; and de-kitting of existing kits to enable stock to be picked as separate commodities. In addition to the Push to Pull Impact Assessment, the opportunity was leveraged to discuss preparations required for the proposed distribution of rapid test kit (RTK) distribution through KEMSA.

As an outcome of the meetings further reviews were recommended for each department (i.e. Warehouse, Distribution and Customer Service), in the areas of: processes improvements, verification of human resources and equipment/infrastructure requirements, definition of performance indicators, ERP issue resolution and other requirements specific to each department. Since these meetings, decisions for push to pull readiness have been finalized and work plans are being followed for each department to track progress. Additional working sessions to prepare KEMSA for readiness for subsequent push to pull changes and RTK distribution transition from the Supply Chain Management System project to KEMSA are currently ongoing. Priority areas include removing bottlenecks from the picking process to ensure that the warehouse can cope with the additional workload, which results from the push to pull transition.

Supply Chain Planning Forums

The project team initiated Integrated Business and Supply Chain Planning Forums. These commercial leading practices were introduced to KEMSA Operations, Procurement and Business Development staff as part of the ongoing supply chain strengthening in KEMSA geared towards enabling harmonization of inventory plans, enhancing collaboration across KEMSA departments, and to facilitate a proactive approach to identify and resolve potential stock out situations. Prior to introduction of the planning forums buy-in had been obtained from KEMSA stakeholders, where agreement was reached to implement formal planning forums based on the presented leading practices. Participants in these weekly Supply Chain Planning Forums include representation across KEMSA departments including customer service, distribution, warehousing, planning, procurement, information and communications technology (ICT) and quality assurance (QA). External stakeholders such as the procurement planners from both the MOMS and the MOPHS will also be invited to participate as required. Complementary to the Supply Chain Planning Forum, the Integrated Business Planning Forum will be held on a monthly basis and representatives will include KEMSA Department Directors, Business Advisors and the KEMSA Chief Executive Officer (CEO).

The initial sessions of the weekly Supply Chain Planning Forum were focused on refining templates and data gathering to provide a factual platform for informed decision-making. During the sessions inputs required for effective supply chain planning are discussed which include the demand plan and supply plan, which are compared, and action plans that serve to close identified gaps. The Integrated Business

Planning Forum will begin next quarter. The outcome of these forums is the mitigation of the risk of stock outs.

Transport Contract Working Group Sessions

The project team assisted KEMSA in establishing a Transport Contract Working Group. The Transport Contract Working Group is comprised of KEMSA's Legal, Procurement and Operations Directors, USAID Capacity Business Advisors, KEMSA Distribution Department representatives and the project's supply chain team with the involvement of the KEMSA CEO where critical decisions are required. The aim of this working group is to review transporter contracts.

In March 2012, KEMSA will be advertising for bids for provision of distribution and transportation services through a competitive tender process. New distribution service providers for the period of July 2012 to June 2014 are expected to be in place from July 2012. The contract review process is aimed at identifying and correcting weaknesses in the current contracts, and is working towards the creation of updated and strengthened transport contracts that will be used in the tender process. Some of the planned strengthening activities include tighter pickup/delivery contractual language, refinement of existing Service Level Agreements (SLAs) and the addition of strict penalties for non-conformance. This cross-functional Transport Contract Working Group will ensure that all preparatory actions and activities are executed accurately, on time, and will leverage knowledge and insights from each of the critical stakeholders' functional areas. The outcome of this review process will be strict, tightly written, and legally binding transport contracts, which will be in place prior to the current contractual expiry date of June 30, 2012.

Customer Service Review Workshops

The project team facilitated a two-day workshop with KEMSA from December 7 to 9, 2011 to review KEMSA's Customer Service Department. Thirty-two (32) participants from KEMSA including the CEO, Operations Director, and staff from all levels of the Customer Service Department attended the workshop in Elementaita. The workshop laid the foundation to redesign the customer service function in a more rational way. Discussions during the workshop included: key customer service issues from the perspective of the customer; events and trends that will need to shape the customer service function in the future; current activities performed by staff and how much time they spend on each activity; overlap within the current customer service function; and gaps within the current customer service function.

A follow on half-day formal design workshop with participation by the CEO, the Operations Director, the Capacity Advisors for Business Development and Warehouse and Distribution, the project's supply chain team and the Chief of Party was held in the project office on December 16, 2011. Discussions held included detailed analysis of the new customer service functions. The output of this half-day workshop included: a redesigned organogram, a description of customer service functions, and job descriptions for the customer service function to be presented to the Board for ratification during the January 2012 Board meeting.

ERP Analysis Review Meeting

The project team participated in a two-day meeting from November 24 to 25, 2011 with KEMSA staff and the ERP developers to review and discuss potential solutions to the ERP issues experienced by the KEMSA Operations Department. The issues identified and next steps agreed upon during these sessions included: end user training to aid the end users to carry out the expected system operations devoid of system errors/incidences; activating the distribution module; web enabling of depot automation functionality; and the need for a log of identified issues. Identified issues were crosschecked against the ERP Gap Analysis that was conducted by the project team this quarter. Consensus was reached on the following issues: KEMSA and the ERP developers will jointly develop an issue resolution work plan; the

ERP developers will resolve logged incidences within an agreed timeframe and will provide status feedback to KEMSA's ICT Manager; KEMSA's ICT Manager will be the focal point to report incidences to the ERP developers; and KEMSA will test and approve all resolved incidences prior to being deployed in the production system. This meeting provided a framework for resolving ERP issues between KEMSA and the ERP developer.

3. KEY PRIORITY AREAS

3.1. LEGAL STATUS AND OPERATIONAL MANDATE

The implementation of the National Healthcare Legal Framework continues with the engagement of the stakeholders this quarter. On behalf of the project, the Chief of Party attended numerous meetings in order to advocate on behalf of KEMSA and KEMSA's role within the National Legal Framework. Part of this advocacy included participation during a three-day meeting from October 26-28, 2011 on medical products and technologies described in Section 2.2 of this report, where role of KEMSA was redefined to be in line with the proposed policy position. During this quarter planning occurred for a KEMSA Board Retreat at which the Board's Advocacy Plan for the KEMSA Act will be developed. The Board Retreat was rescheduled for January 2012 in order to accommodate Board Member's schedules.

3.2. GOVERNANCE ARCHITECTURE AND PRACTICE

The governance architecture and practice work stream includes activities focused on organizational development, change management and finance operations. A major achievement this quarter was the redesign of the customer service function within KEMSA. The customer service review workshops were described in Section 2.2 of this report and a separate workshop report is available to provide further details. The KEMSA CEO and senior management team had identified the customer service function as a key priority for redesign. The customer service function had long suffered from a lack of leadership and the removal of the customer service head resulted in the opportunity for customer service redesign. Challenges within the customer service function included: lack of clarity regarding job descriptions and reporting lines resulting in a great deal of overlap in job performance as well as gaps within the customer service function.

In addition to the customer service redesign, the project team worked with KEMSA to adopt a revised Board Charter; a major milestone for KEMSA. The KEMSA Board Charter is critical to ensuring long-term governance sustainability. A Change Management Team was also established and began to draft the key performance indicators (KPIs) that the change management initiative will address. The team worked toward defining a message for internal consumption that could help catalyze staff, since communication efforts are a critical component to change management. The initiative will be introduced and discussed during the Board Retreat in January 2012.

Finance Operations

During the period from October 23 to November 15, 2011, the project team initiated a financial management process review to determine areas of improvement and how the finance processes in KEMSA can be strengthened. The two-pronged process involved review and mapping of existing 'as-is' finance process flows and identification of gaps against best practices and development and implementation of recommended 'to be' finance processes.

The key gaps identified regarding "People and Organization Culture" are that staffing levels and structures are aligned to current inefficient processes and that ERP skill levels vary among the staff. The

processes are lengthy (e.g., there is duplication of the processes for approval of payments, both manual and automated are in use). In addition, input for some processes must be collated from various sources resulting in delays of the turnaround time. Of note is that although ERP is fully developed, it is not being fully utilized and some information is lacking, causing the system to generate incomplete reports. There remains outstanding design issues for some reports, which must be completed by the vendor. The reporting system availability/stability is not yet assured.

The project team is in the process of developing redesigned processes and facilitating consensus on an implementation plan to guide the implementation of the redesigned processes. Subsequently the team will update finance standard operating procedures (SOPs) with the redesigned processes, train staff on redesigned processes and evaluate the implemented processes. The mapping of the As-is finance processes and gap analysis of the finance processes will help in informing the improvement of the gaps noted and the documentation of the end state processes. This is a key milestone in getting KEMSA's Finance Department closer to full automation of the finance operations.

In addition, the project team completed benchmarking of the internal audit manual to the International Standards on Auditing. This will assist making the internal audit functions more effective.

3.3. INVENTORY MANAGEMENT AND TRACKING SYSTEMS

The inventory management and tracking work stream includes activities focused on customer service, demand forecasting, supply quantification and procurement planning processes. In support of developing a coordinated approach across KEMSA and its partners to build a robust, efficient and effective national LMIS system, the project team provided technical assistance to analyze the priority data elements to be submitted by health facilities in order to address prioritized stakeholder reporting needs. The 15 priority data elements were selected and agreed to by the LMIS Committee for Pharmaceutical and Non-Pharmaceutical Commodities. These priority data elements include: 1) Health product code (need to harmonize all commodity codes); 2) Order unit size (need to agree on a harmonized unit); 3) Order unit cost (in Kenyan Shillings); 4) Beginning/opening balance; 5) Quantity used; 6) Quantity received; 7) Positive adjustments (received from sources other than the central site); 8) Negative adjustments (issued to other facilities); 9) Losses (i.e. damages, expiries, missing); 10) Quantity to expire in six months; 11) Earliest expiry date; 12) Closing balance (i.e. physical count); 13) Quantity requested; 14) Number of patients (i.e. cumulative, revisits, new); and 15) Number of tests performed. These 15 priority data elements will be built into the web-based feedback solution for facilities to use in their monthly reporting using computers, laptops and mobile phones. The LMIS Process Committee sign-off is planned for February 2012. The ICT Capacity Advisor will submit a blueprint of the LMIS design to the process Committee. Following submission, the Systems Committee will start with the technical design of the new LMIS solution based on the directives from the Process Committee.

To strengthen KEMSA's ongoing supply chain management processes the team identified the need for formal internal KEMSA commodity planning meetings to improve the early identification of potential stock out situations and to allow for timely updating and escalation of required actions for supply plans. Integrated Business Planning has been adopted to provide a forum where senior management can make decisions and plan interventions with the approval of the appropriate Director. The Supply Chain Planning Forum will be at the tactical level where the various departments can contribute and provide visibility towards the demand plan, warehouse stock on hand, procurement plans and call offs, quality issues and distribution plans. The Supply Chain Planning Forum is a formal collaborative planning mechanism that will provide a forward view of potential pipeline issues. Integrated Business and Supply Chain Planning are commercial leading practices.

3.4. WAREHOUSING AND DISTRIBUTION SYSTEMS

The warehousing and distribution work stream covers the areas of warehousing, dispatch, and distribution operations, including transportation planning. A comprehensive analysis was completed this quarter by the project team of KEMSA's Distribution Department with detailed examination into processes, transport carriers, transporter contract reviews and contracting mechanisms as well as policies, employees' roles and responsibilities, and related technology. The goal of the analysis was to identify priority areas to strengthen within the Distribution Department and detail action to resolve key issues. A Push to Pull Impact Assessment was also performed, as described in Section 2.2 of this report, to enable KEMSA to implement initiatives required for the readiness for additional facilities, which will be transitioned to the pull mechanism in January 2012 as well as additional workload pertaining to the distribution of the USAID-funded commodities after transitioning of distribution of RTKs to KEMSA.

As an outcome of these analyses, process improvements were identified including a phasing out of the manual shopkeeper (stock controller) systems that utilizes manual bin cards. This is due to lack of confidence in the ERP system as well as a need to allocate stock responsibility to specific individuals resulting from weaknesses in warehouse security and infrastructure. The phasing out of the manual stock keeper system gives an opportunity to strengthen the skills of staff as inventory controllers. KEMSA is waiting for USAID's Capacity project team to complete KEMSA-wide human resources skills assessment, which will be used to select suitable warehouse staff for skills building in new and/or different positions.

Infrastructure and human resource improvements were also identified and include the need for additional handheld devices and staff to assist with the increased fine picking requirements. The picking and consolidation processes rely on handheld scanners and the number of handheld devices is currently inadequate to allow for simultaneous picking, consolidation and distribution dispatching. The result is that the consolidation process is performed during the night shift with only emergency consolidation completed during day shifts and the dispatch area has been run on manual systems. Addressing infrastructure requirements is essential for KEMSA to be ready to support the additional workload resulting from the planned transitions in January 2012 and continued through the remainder of the year. In December 2011, the project submitted a procurement request for approval by USAID for 26 additional handheld scanners. Pending approval, the project will procure the handheld scanners for KEMSA.

The project team also identified and refined distribution/transportation improvement opportunities. These improvement opportunities were categorized in terms of duration to complete, and difficulty of completion. Examples of improvement opportunities include initiation of driver/vehicle checklists to be conducted upon transport carrier arrival at KEMSA, and initiation of quarterly performance audits with transporter carrier management. The driver/vehicle checklists will drive compliance of drivers and vehicles to contract requirements (e.g. valid driver licenses, clean vehicles that match the required vehicle specification such as ten-ton trucks etc.). During the quarterly performance audits, KEMSA will discuss the previous quarter's distribution performance, challenges, and how to address challenges in subsequent cycles/quarters with the transporter carrier management.

The project team has initiated a working group to review and strengthen existing KEMSA transport carrier contracts with seven separate transport carriers, as well as revised the contractual framework for future tenders. Working closely in conjunction with the KEMSA head legal counsel, the project team facilitated weekly contract working group meetings with the objectives of identifying and correcting weaknesses in the current contracts, and creating updated and strengthened transport contracts, which will be used in the next tender process. These efforts are ongoing and will continue with the project team ensuring that the new, improved contracts will be in place by the current contractual termination date of June 30, 2012.

Critical to strengthening distribution planning is KEMSA's Master route development. This quarter the facility mapping data cleaning exercise was undertaken to prepare for an electronic facility mapping and route scheduling exercise with the objective of Master route development of KEMSA distribution routes (planned for next quarter). The data cleaning exercise involved the comparison and harmonization of KEMSA ERP facility lists with the MOPHS/MOMS Master Facility List (MFL). The MOPHS/MOMS MFL contains approximately 8,000 private and public facilities and the KEMSA facility list contains approximately 4,000 facilities. Global Positioning System (GPS) coordinates provided by MOPHS/MOMS were mapped to the KEMSA facilities. Where gaps existed on the MFL GPS coordinates completeness, Google Earth functionality was used to provide missing data. This functionality was required for approximately 600 facilities. The development of Master routes for KEMSA will be undertaken during the next quarter. These Master routes will form the basis of a pricing structure model, which will be utilized in transporter contract negotiations.

3.5. ERP GAP ANALYSIS

During this period, the Supply Chain Team conducted an ERP Gap Analysis to evaluate KEMSA's key ERP supply chain processes against the needs and requirements of KEMSA. The objective of this analysis was to identify the implemented ERP modules and best practice functionality gaps which if resolved would enhance the value derived from its usage by KEMSA. The ERP Gap Analysis includes both user identified issues and best practice functionality gaps.

The team recommended to KEMSA that ICT leading practices be adopted including: enforcement of the efficient use of KEMSA e-mail, enforcement of the use of KEMSA Outlook Calendar to manage organization meetings, and improvement of the business continuity aspects with respect to the Database Synchronization and equipment of the ICT team with a network operations center to enable KEMSA to proactively monitor and diagnose incidences on the network. A number of observations were made during the ERP Gap Analysis including:

- Weak ERP report development with multiple report sources being combined to compile the required report.
- Some key reports are not a part of the current ERP and should be incorporated e.g. ABC analysis reports, Analysis of dead stock, Inventory turns, Analysis of slow moving items; and current KEMSA commodity price lists.
- Need to review Customer (facility) and item (commodity) categorization e.g. to include the county data field in the customer and facilities master files.
- Inadequate Unit of Measure setup with the unit of measure not relating to the standard stock keeping principles of stocking where smallest unit of measure and multiple units of measures are taken into account. Restriction exists on order processing and warehouse picking to the stock receipt unit of measure.
- Distribution module functionality is not enabled. The distribution processes (e.g. planning, dispatch and proof of delivery receipt tracking) are all manual processes.
- Transporters master file records are not maintained including the transporter's fleet available for KEMSA's use and applicable terms related to use of the available fleet.
- Currently the system does not have the ability to build and solve routes for shortest routes, lowest distribution cost, customer service, and capacity utilization.
- Currently the system does not have the ability to design optimal fulfillment network for each customer based on specific customer criteria, service levels, and distribution costs.

- Scanning of pallets into receipts area is not automated. This results in a partial manual exercise with a delay in real time updating of stacks arriving at the warehouse. The bar-coding solution needs to be reviewed.
- Warehouse bin slotting is not fully utilized. Currently pallets that are overflowing one bin into multiple bins are only visible within the system in the first bin.
- Users should have access to an automated bin card inquiry to improve confidence in the ERP system. Currently a manual bin card system is in place in addition to the ERP solution.

In addition to the above highlighted issues, ERP transactions are frequently interrupted at the Embakasi warehouse due to power outages and network issues. This has an adverse effect on business operations as the picking processes rely on handheld scanners that are linked to the ERP system. The business continuity issue has been highlighted in the ERP Gap Analysis Report. The project team continues to engage with the KEMSA ICT manager and the ERP developers to ensure that all the identified issues and best practice functionality gaps are resolved to enhance the value derived from ERP usage by KEMSA.

3.6 PERFORMANCE MONITORING PLAN (PMP)

This quarter the project's contract was modified to include six performance indicators to track and measure the progress of the project and incentivize the project team. The six indicators selected will track the project's progress towards strengthening the foundation of KEMSA's operations. Associated with the six performance indicators is a tracer list of critical health commodities. Multiple discussions and working sessions were held with USAID and KEMSA in order to determine and reach consensus regarding the tracer list.

The project team collaborated with KEMSA's operations departments to develop, collect and validate standardized supply chain metrics and the associated baseline measurements. Many of the selected metrics are currently not being measured and reported on within KEMSA, and hence more time and effort is required to collect and validate the baseline measurements. The project team worked closely with KEMSA counterparts to reach consensus on the sources of data, as well as the definitions and frequency of measurement for the metrics.

In order to institutionalize standard metrics, KEMSA must first have accurate and reliable data, and standardized supply chain processes from which these indicator values can be ascertained. Once the project team strengthens ERP alignment and business processes within KEMSA, these metrics can then be identified, collected, managed, and tracked by KEMSA. The project team is working closely with KEMSA to develop this KEMSA PMP capability.

4. PROGRESS TO DATE

Objective	Activity	Expected Deliverable(s)	Progress to date
1. Review KEMSA's legal status (KEMSA Act) and make recommendations to strengthen its operational mandate	Revise KEMSA Draft Act as needed	KEMSA Draft Act	<ul style="list-style-type: none"> Completed
	Develop Roadmap/Advocacy Plan to build support and consensus for passage of KEMSA Act	Roadmap and Advocacy Plan	<ul style="list-style-type: none"> Roadmap Completed Board to develop Board specific Advocacy Plan during the January 2012 retreat
	Implement advocacy plan	Number of activities implemented	<ul style="list-style-type: none"> Ongoing
	Organize key stakeholders forums (policy makers and Parliamentarians) to advocate for passage	Minutes/reports	<ul style="list-style-type: none"> Ongoing
	Develop educational, informational and communication materials	IEC materials	<ul style="list-style-type: none"> Planned
	Support KEMSA to finalize Draft Act for passage by Parliament	KEMSA Act	<ul style="list-style-type: none"> Planned
	Support KEMSA to facilitate publication of enacted Act in Kenya Gazette	Kenya Gazette with the KEMSA Act notice	<ul style="list-style-type: none"> Planned
	Support KEMSA to draft required regulations	KEMSA Act regulations	<ul style="list-style-type: none"> Planned
	Support KEMSA to acquire ownership documents for its land and buildings	All title deeds under KEMSA name	<ul style="list-style-type: none"> Ongoing
	Support KEMSA to carry out valuation of its land and buildings	Valuation report of KEMSA land and buildings	<ul style="list-style-type: none"> Ongoing
2. Strengthen KEMSA's governance architecture and practice, especially to improve financial and procurement	Conduct corporate governance training	Corporate Governance Training Report	<ul style="list-style-type: none"> Completed
	Facilitate evaluation of board members	Board Members Evaluation Report	<ul style="list-style-type: none"> Completed

Objective	Activity	Expected Deliverable(s)	Progress to date
transparency and accountability	Develop Corporate Social Responsibility policy	Corporate Social Responsibility Policy	<ul style="list-style-type: none"> Planned
	Develop Risk Management policy	Board Risk Management policy	<ul style="list-style-type: none"> Ongoing
	Develop governance roadmap with and for the board	Governance roadmap	<ul style="list-style-type: none"> Completed
	Conduct board work plan development workshop	Board work plan	<ul style="list-style-type: none"> Completed
	Develop Board members induction training manual	Training report and manual	<ul style="list-style-type: none"> Planned
	Conduct financial management (for non-financial managers)	Training report	<ul style="list-style-type: none"> Scheduled during the January 2012 Board Retreat
	Conduct change management training	Training report	<ul style="list-style-type: none"> Scheduled during the January 2012 Board Retreat
	Prepare for launch of strategic plan	Produce Change Management Plan and Communication Plan to facilitate and communicate KEMSA improvements	<ul style="list-style-type: none"> Scheduled during the January 2012 Board Retreat
	Weekly follow up on change management strategy implementation	Reports on execution of change management strategy	<ul style="list-style-type: none"> Ongoing
	Update board and committee charters in line with the KEMSA Act	Revised and amended copy of board charters	<ul style="list-style-type: none"> Completed
	Draft funding procedure to allow direct funding allocation	Revised financial funding procedure	<ul style="list-style-type: none"> Planned

Objective	Activity	Expected Deliverable(s)	Progress to date
	Develop/review facilities drawing rights and procedures in line with new Government policy.	Revised drawing rights and procedures	<ul style="list-style-type: none"> Planned
	Review and update existing KEMSA SOPs, Conduct department wide Business processes (including SOPs) documentation	Revised and updated SOPs, Business Processes Report, Department-wide ERP Evaluation Report	<ul style="list-style-type: none"> Ongoing
	Align ERP with updated with the updated business processes SOPs	Report of the alignment of ERP with SOPs	<ul style="list-style-type: none"> Once the final business processes are adopted by KEMSA, the SOPs will be updated accordingly (anticipated next quarter)
	Review and update internal audit charter.	Revised and updated internal audit charter	<ul style="list-style-type: none"> Revised charter under review by the Board and Senior Management.
	Review and update internal audit manual and tools	Revised and updated internal audit manual and implementation report; Effective Internal Audit and Monitoring & Evaluation function established	<ul style="list-style-type: none"> Benchmarking completed. Audit manuals and tools will be updated accordingly next quarter.
	Implement 3-phased operationalization process for internal audit team using training, coaching and advising.	Phase 1, 2 and 3 training reports	<ul style="list-style-type: none"> Planned
	Review and update financial control systems (SOPs)	Revised SOPs	<ul style="list-style-type: none"> Developed "to be" finance business processes, benchmarking to best practices in the industry Review of current SOPs is ongoing and SOPs will be revised as necessary Development of new SOP's aligned to industry best practice is ongoing

Objective	Activity	Expected Deliverable(s)	Progress to date
	Document department-wide financial business processes	Finalized business process flows, to contribute to revised ERP system	<ul style="list-style-type: none"> Finalized documentation of finance processes. ERP Gap Analysis Report completed.
	Align the ERP finance module with the business processes and the SOPs	Full automation of the Finance Department's operations in the ERP	<ul style="list-style-type: none"> Working sessions held to analyze gaps and develop solutions. ERP Gap Analysis Report completed.
	Develop internal financial policies and procedures manuals and tools.	Manuals and tools; Effective and efficient financial control systems established	<ul style="list-style-type: none"> Ongoing
	Implement 3-phased operationalization process for finance, procurement and internal audit using training, coaching and advising.	Phase 1, 2 and 3 training reports	<ul style="list-style-type: none"> Planned
	Review procurement manual for conformance with international best practices.	Procurement manual	<ul style="list-style-type: none"> Ongoing
	Conduct feasibility assessment of e-procurement	Feasibility study report; Effective and efficient procurement processes established; E-Procurement feasibility report developed.	<ul style="list-style-type: none"> Planned
	Develop implementation plan on E-Procurement.	Drafted implementation plan	<ul style="list-style-type: none"> Planned
	Engage stakeholders for implementation on E-Procurement.	Minutes/notes, E-procurement implementation plan	<ul style="list-style-type: none"> Planned
	Review and update existing PR and communications strategy.	Updated PR and communications strategy	<ul style="list-style-type: none"> Ongoing
	Develop PR plan	Public Relations/Advocacy Plan	<ul style="list-style-type: none"> Ongoing

Objective	Activity	Expected Deliverable(s)	Progress to date
	Implement PR plan	PR implementation reports; A public relations and communication strategy developed	<ul style="list-style-type: none"> Planned
3: Strengthen KEMSA's inventory management and tracking systems to ensure full transparency and accountability for all stock it receives and distributes throughout the country	Document business process flows and ERP gap analysis in demand forecasting, supply quantification and procurement planning.	KEMSA signed off business process and ERP gap analysis report	<ul style="list-style-type: none"> Ongoing
	Develop As-Is Validation Report	As-Is Validation report	<ul style="list-style-type: none"> Ongoing
	Conduct supply chain planning working sessions for commodity flow with KEMSA departments and stakeholders	A functional integrated, collaborative planning process that includes review of demand forecasting, supply quantification, development of procurement and distribution plans	<ul style="list-style-type: none"> Initiated a Supply Chain Planning forum in KEMSA to ensure improved pipeline visibility through collaborative reviews of the Demand and Supply plans and timely recommendations to alleviate potential stock-out situations.
	Conduct supply chain planning working sessions and workshop for information flow with KEMSA departments and stakeholders	Functional, integrated, and collaborative planning processes that encourage information flow between departments	<ul style="list-style-type: none"> Conducted LMIS workshop for stakeholders to ensure ownership and buy in from key KEMSA stakeholders Oversight on LMIS process committee meetings to develop framework for national LMIS.
	Strengthen business and ERP processes and tools for LMU and planning division.	A copy of action plan report and progress status reports	<ul style="list-style-type: none"> Ongoing
	Develop supply chain planning policies, SOPs, roles and responsibilities and tool/reports specifications	A copy of KEMSA signed off supply chain planning documentation	<ul style="list-style-type: none"> Planned
	Establish a supply chain planning unit	Established Planning Unit	<ul style="list-style-type: none"> Planned

Objective	Activity	Expected Deliverable(s)	Progress to date
	Develop tools, reports, and ERP system optimization	A copy of action plan report and progress status reports.	<ul style="list-style-type: none"> Planned
	Define training needs and action plan.	A copy of the training needs report	<ul style="list-style-type: none"> Planned
	Facilitate knowledge sharing/transfer and coaching sessions based on business requirements and priorities (On the job training)	Copies of coaching sessions notes	<ul style="list-style-type: none"> Ongoing
	Create skills building curriculum for strengthening inventory management through supply chain planning (formal training)	A copy of the skills building curriculum	<ul style="list-style-type: none"> Planned
	Roll out and hand over the train the trainer curriculum for training and coaching of Inventory Management and planning for relevant stakeholders (including other KEMSA departments and partners)	Copy of training report	<ul style="list-style-type: none"> Planned
	Review current procurement processes and guidelines	Updated Copy of procurement guidelines and procedures	<ul style="list-style-type: none"> Planned
	Consensus building meetings with stakeholders	Stakeholders report	<ul style="list-style-type: none"> Planned
	Develop harmonized procurement process guidelines	Copy of standardized guideline and policy documentation	<ul style="list-style-type: none"> Planned
	Develop a sample management policy	Sample management policy	<ul style="list-style-type: none"> Planned
	Develop a receipt and acceptance policy	Receipt and acceptance policy	<ul style="list-style-type: none"> Planned

Objective	Activity	Expected Deliverable(s)	Progress to date
	Identify hardware specifications	Copy of hardware specifications	<ul style="list-style-type: none"> Planned
	Develop procure hardware plans	Hardware Procurement plans	<ul style="list-style-type: none"> Planned
	Document business process flows and ERP gap analysis in customer order management	Finalized customer order business process flows, to contribute to revised ERP system	<ul style="list-style-type: none"> Conducted As-is mapping of business processes Reviewed current ERP issues with users Completed ERP gap analysis Reviewed existing metrics and defined new metrics
	Conduct customer order management working sessions	Copies of working session minutes/notes	<ul style="list-style-type: none"> Planned
	Strengthen business and ERP processes and tools for customer order management	A copy of action plan report and progress status reports.	<ul style="list-style-type: none"> Planned
	Develop customer order management policies, SOPs, roles and responsibilities and E-ordering requirements	A copy of KEMSA signed off customer order management documentation	<ul style="list-style-type: none"> Planned
	Develop tools, reports, and ERP system optimization	A copy of action plan report and progress status reports.	<ul style="list-style-type: none"> Planned
	Review skills analysis for LMU	Activity minutes/notes	<ul style="list-style-type: none"> Planned
	Re-design the logistics management unit (LMU)	Design document for new customer Service structure with job descriptions	<ul style="list-style-type: none"> Proposed integration of LMU into KEMSA customer service department
	Implement a new LMU unit	Functional LMU	<ul style="list-style-type: none"> Planned

Objective	Activity	Expected Deliverable(s)	Progress to date
	Document business process flows in customer complaint management	A copy of KEMSA signed off business process flows.	<ul style="list-style-type: none"> Planned
	Identify relevant customer complaint management software	A copy of identified relevant customer complaint management options	<ul style="list-style-type: none"> Planned
	Implement a new customer complaint management solution	A copy of KEMSA signed off customer complaint management solution document	<ul style="list-style-type: none"> Planned
	Document business processes in quality assurance (QA)	Finalized QA business process flows, to contribute to revised ERP system	<ul style="list-style-type: none"> Reviewed current business process flows in QA laboratory functions
	Develop mini QA lab hiring plan of skilled staff	Copy of QA lab hiring plan	<ul style="list-style-type: none"> Planned
	Develop procurement plan for laboratory equipment	A copy of procurement plan	<ul style="list-style-type: none"> Planned
	Train existing staff	Training materials, training attendance sheets and pre/post tests	<ul style="list-style-type: none"> Planned
4: Strengthen KEMSA's warehousing and distribution systems to address its own identified needs, including infrastructure improvements, skills	Document business process flows and ERP gap analysis in warehouse management	Finalized warehouse management business process flows, to contribute to revised ERP system	<ul style="list-style-type: none"> Mapped business process flows in the warehouse Reviewed current ERP issues with users Completed ERP gap analysis indicating gap between current ERP and best practice

Objective	Activity	Expected Deliverable(s)	Progress to date
development of core staff, and operational budget support.	Develop As-Is Validation Report	Optimized operations/processes (best practices, pick/pack/ship, warehouse layout, product placement, etc.)	<ul style="list-style-type: none"> • Completed distribution analysis • As- is draft report being finalized for distribution area • Reviewed existing metrics and defined new metrics
	Conduct warehouse management design sessions with KEMSA departments and stakeholders	Working session minutes/notes	<ul style="list-style-type: none"> • Planned
	Strengthen business and ERP processes for warehouse operations	Action plan report and progress status reports.	<ul style="list-style-type: none"> • Planned
	Review warehouse policies, SOPs, roles and responsibilities and report specifications.	KEMSA signed off warehouse documentation	<ul style="list-style-type: none"> • Planned
	Develop tools, reports, and ERP system optimization.	Action plan report and progress status reports.	<ul style="list-style-type: none"> • Planned
	Define training needs and action plan.	Training needs report	<ul style="list-style-type: none"> • Planned
	Facilitate knowledge sharing/transfer and coaching sessions based on business requirements and priorities (On job training)	Coaching sessions notes	<ul style="list-style-type: none"> • Planned
	Create skills building curriculum for strengthening warehouse management (formal training)	Skills building curriculum	<ul style="list-style-type: none"> • Planned
	Roll out and hand over the train the trainer curriculum for training and coaching of warehouse Management (including other KEMSA departments)	Training report	<ul style="list-style-type: none"> • Planned

Objective	Activity	Expected Deliverable(s)	Progress to date
	Complete facility mapping (of all current health facilities)	Rationalized warehouse/depot locations (based on facility mapping, cost, location, demand)	<ul style="list-style-type: none"> • Conducted working sessions with KEMSA and partners to explore and discuss different options for the health facility mapping • Conducted harmonization of KEMSA facility lists and ministry master facility lists to obtain GPS co-ordinates for facilities. Held meeting with DHIS to coordinate this harmonization.
	Develop design criteria (cost, location, demand etc.)	Design criteria document	<ul style="list-style-type: none"> • Planned
	Gather appropriate data	KEMSA signed off data spreadsheet	<ul style="list-style-type: none"> • Planned
	Conduct network analysis	Network analysis presentation	<ul style="list-style-type: none"> • Planned
	Develop business case for new warehouse and distribution centers.	Business case document	<ul style="list-style-type: none"> • Planned
	Conduct impact assessment	Supply chain preparedness for move from push to pull assessment conducted	<ul style="list-style-type: none"> • Completed workshops and working sessions with KEMSA to assess readiness for Push to Pull transition • Assessment report being finalized • Development of work plans are on going
	Develop an action/implementation plan	Action report	<ul style="list-style-type: none"> • Ongoing

Objective	Activity	Expected Deliverable(s)	Progress to date
	Develop specifications and procure infrastructure items: Lighting, Caging, Hand Pallet Trucks, Pallets, Temperature Control, Fire-Fighting Equip, Occupational Safety and Health items; Reach trucks, Forklifts, Handhelds Scanners, CCTV, Cold Rooms, Renovation of warehouses	Specifications report	<ul style="list-style-type: none"> • Ongoing
	Design a new warehouse	Design documents	<ul style="list-style-type: none"> • Planned
	Develop implementation plan for a new warehouse	Implementation plans	<ul style="list-style-type: none"> • Planned
	Develop procurement plan for enhanced network connectivity between ERP and warehouse	Procurement plans for enhance network connectivity	<ul style="list-style-type: none"> • Ongoing
	Develop procurement plan for enhanced computer hardware for warehouse operations (e.g., synchronization server is running on a desktop)	Procurement plan for enhanced computer hardware for warehouse operations	<ul style="list-style-type: none"> • Ongoing
	Document business process flows and ERP gap analysis in distribution/transportation planning and operations including dispatch layout areas	KEMSA signed off business process and ERP gap analysis report; Optimized distribution and transportation planning	<ul style="list-style-type: none"> • Mapped business process flows in the distribution • Reviewed current ERP issues with users • Conducted ERP gap analysis indicating gap between current ERP and best practice • Reviewed existing metrics, defined new metrics and agreed KPIs
	Conduct distribution planning working sessions with KEMSA departments and stakeholders (including parallel systems)	Working session minutes/notes	<ul style="list-style-type: none"> • Planned
	Strengthen business and ERP (SMS) processes for distribution operations	Action plan report and progress status reports	<ul style="list-style-type: none"> • Planned

Objective	Activity	Expected Deliverable(s)	Progress to date
	Review distribution policies, SOPs, roles and responsibilities and report specifications.	KEMSA signed off distribution documentation	<ul style="list-style-type: none"> • Planned
	Develop tools, reports, and ERP system optimization.	Action plan report and progress status reports	<ul style="list-style-type: none"> • Planned
	Define training needs and action plan.	Training needs report	<ul style="list-style-type: none"> • Planned
	Facilitate knowledge sharing/transfer and coaching sessions based on business requirements and priorities (On job training).	Coaching sessions notes	<ul style="list-style-type: none"> • Planned
	Create skills building curriculum for strengthening distribution planning (formal training).	Skills building curriculum	<ul style="list-style-type: none"> • Planned
	Roll out and hand over the train the trainer curriculum for training and coaching of distribution planning (including other KEMSA departments)	Training report	<ul style="list-style-type: none"> • Planned
	Develop specifications for weighing equipment	Weighing equipment specification	<ul style="list-style-type: none"> • Ongoing
	Develop procure plan for weighing equipment	Procurement plan for weighing equipment	<ul style="list-style-type: none"> • Ongoing
	Define and develop a planning capability for truck loading	A KEMSA signed-off document	<ul style="list-style-type: none"> • Planned
	Review existing routes and develop new master routes	Revised routes and new master routes	<ul style="list-style-type: none"> • Ongoing

Objective	Activity	Expected Deliverable(s)	Progress to date
	Review existing transportation contracts, contract mechanisms and policies.	Contract policy; Optimized distribution and transportation planning	<ul style="list-style-type: none"> Completed working sessions with KEMSA legal, procurement and distribution to review transporter contracts, contract mechanisms and policies
	Develop an action plan for transportation contracts	Action plan; Optimized distribution and transportation planning	<ul style="list-style-type: none"> Defined an action plan, which lead to establishment of weekly Transport Contract working group meetings.
	Implement new transportation contract approach	Implementation plans	<ul style="list-style-type: none"> Ongoing
5: Support for KEMSA to develop, implement and monitor a performance management plan	Develop list of core indicators across KEMSA's departments	KEMSA's Performance Monitoring Plan to track progress against Strategic Plan objectives	<ul style="list-style-type: none"> Draft Supply Chain metrics reviewed with KEMSA operations departments, will be discussed and finalized with KEMSA key stakeholders in the upcoming quarter Six performance indicators selected for the project Consensus reached on tracer list of health commodities to track
	Develop draft indicators for Finance and human resources	Draft KPIs	<ul style="list-style-type: none"> Ongoing
	Develop a KPI dictionary	Final KPI report	<ul style="list-style-type: none"> Planned
	Finalize project indicators	Baseline report	<ul style="list-style-type: none"> Ongoing

Objective	Activity	Expected Deliverable(s)	Progress to date
	Develop KEMSA balanced score card	Balanced score card	<ul style="list-style-type: none"> Planned
	Form PMP task force	PMP Task force report	<ul style="list-style-type: none"> Planned
	Conduct a One day training session on the roles and responsibilities of the PMP task force	Training report	<ul style="list-style-type: none"> Planned
	Develop integrated performance management and strategy road map	Monitoring and evaluation strategy	<ul style="list-style-type: none"> Planned
	Develop data base and working sheets for storage of information related to the indicators	PMP tools	<ul style="list-style-type: none"> Ongoing
	Design monitoring and evaluation framework	Monitoring and evaluation design report	<ul style="list-style-type: none"> Ongoing
	Design indicator tracking table	Indicator tracking table	<ul style="list-style-type: none"> Ongoing
	Orientation of staff on the indicators and methods of data collection	Orientation plan	<ul style="list-style-type: none"> Planned
	Develop data collection instruments to track indicator status and implementation actions	Data collection tools and instruments	<ul style="list-style-type: none"> Ongoing, recently initiated
	Design of performance data tables	Quarterly, semi-annual and annual performance reports	<ul style="list-style-type: none"> Planned
	Conduct mentorship visits to assist in the development of systems and strengthen data collection for KEMSA	Data collection reports	<ul style="list-style-type: none"> Ongoing

Objective	Activity	Expected Deliverable(s)	Progress to date
	Train KEMSA staff on report writing	Training report	• Planned
	Write trend analysis report, balanced score card performance reports, semiannual performance reports	Report	• Planned
	Conduct M&E site visits (Embakasi, Commercial street and KEMSA depots)	Site visit reports	• Planned
	Midterm evaluation	Data collection reports	• Planned
	Data collection and reporting	Dissemination reports	• Planned

5. PLANS FOR NEXT QUARTER

5.1 LEGAL STATUS AND OPERATIONAL MANDATE

- Continue to attend consultation meetings related to the National Healthcare Legal Framework to advocate for KEMSA and their role within the Framework
- Continue refining the Draft KEMSA Act for presentation to the KEMSA Board for submission to the Cabinet, Attorney General's Office, and Parliament
- Continue implementation of the KEMSA Act Advocacy Plan/Roadmap
 - Meet with key members of Parliament, Cabinet officials, Attorney General's Office, Constitutional Implementation Commission and other stakeholders to advocate and gain support for the Draft
 - Organize key stakeholder forums (policy makers and Parliamentarians) to advocate for passage
 - Develop educational and informational communication materials regarding the Act

5.2 GOVERNANCE ARCHITECTURE AND PRACTICE

- Conduct Board Retreat in January 2012 to include: change management training for the Board and senior management, board statutory evaluation, board organizational development evaluation, and training in financial management

- Increase operationalization of the ERP Finance Module. Follow up on the resolution of the issues raised in the working session held in November 2011.
- Verify the completeness of the data in the ERP to ensure that all reports generated from the system are complete and accurate.
- Finalize the review and alignment of financial policies and procedures with the targeted state.
- Follow up with KEMSA Board in order to obtain approval and adoption of the revised and updated Internal Audit Charter.
- Update the existing Internal Audit Manual and develop internal audit tools.
- Review the recently updated KEMSA Procurement manual and benchmark it against the provisions of the Public Procurement Act and other relevant donor requirements.
- Draft the funding procedure for the KEMSA Act to allow direct funding allocation.

5.3 INVENTORY MANAGEMENT AND TRACKING SYSTEMS

- Finalize documentation of current-state business process flows spanning the areas of demand forecasting, supply quantification, customer order management, procurement planning, and quality assurance
- Conduct supply chain planning working sessions and workshop for information flow with KEMSA departments and stakeholders
- Conduct supply chain planning working sessions for commodity flow with KEMSA departments and stakeholders
- Perform quality reviews of the Logistics Management Unit (LMU) structure and commodity planning processes
- Review skills analysis for LMU, in support of broader redesign of the LMU
- Strengthen business and ERP processes and tools for LMU and planning division.
- Facilitate knowledge sharing/transfer and coaching sessions related to inventory management and tracking systems, based on business requirements and priorities (on the job training)
- Finalize documentation of business process flows in customer order management
- Conduct customer order management working sessions
- Strengthen business and ERP processes and tools for customer order management
- Document business process flows in customer complaint management

5.4 WAREHOUSING AND DISTRIBUTION SYSTEMS

- Conduct warehouse management analysis as input to As-is Validation Report
- Compile As-is Validation Report for distribution
- Following the Skills assessment undertaken by USAID capacity, a definition of training needs will be defined for warehouse and distribution
- Conduct warehouse management design sessions with KEMSA departments and stakeholders
- Facilitate knowledge sharing, coaching sessions, and on-the-job-training as necessary

- Strengthen business and ERP processes for warehouse operations
- Complete review of existing routes and development of master route and map the main warehouses
- Strengthen transportation contracts by incorporating leading practices and international standards
- Finalize KEMSA distribution planning and action plan for increased pull distribution and rapid test kit readiness, as planned for period starting January 2012 through July 2012
- Finalize Push Pull Assessment and action plan
- Conduct distribution planning working sessions with KEMSA departments and stakeholders (including parallel systems)
- Strengthen business and ERP (SMS) processes for distribution operations
- Review and refine distribution policies, SOPs, roles and responsibilities and report specifications

5.5 PERFORMANCE MONITORING PLAN

- Establish a regular schedule and system for conducting data quality assessments and data audits within KEMSA
- Develop PMP tools for use by KEMSA
- Institutionalize regular reviews of standardized metrics within KEMSA
- Establish a structured and standardized data collection methodology across KEMSA departments

6. CONCLUSIONS

This quarter's major accomplishments, including the ERP Gap Analysis, the redesign of the customer service function, the final Board Charter, the Push to Pull Impact Assessment, and a benchmarked internal audit manual, contribute to continued progress against the project's Implementation Plan and lead seamlessly to the next quarter of project output. The progress this quarter made toward institutionalizing regular mechanisms to strengthen supply chain planning processes demonstrates the project's and KEMSA's commitment to international best practices.

