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KEMSA Support Program Quarterly Report

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KEMSA Support Program Quarterly Report

January to March 2012

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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
MOMS	Ministry of Medical Services
MOPHS	Ministry of Public Health and Sanitation
PMP	Performance Monitoring Plan
POD	Proof Of Delivery
QA	Quality Assurance
RHF	Regional Health Facility
SLA	Service Level Agreement
SOP	Standard Operating Procedure
STTA	Short Term Technical Assistance
TCWG	Transport Contract Working Group
USG	United States Government
WMS	Warehouse Management System

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 January 1, 2012 through March 31, 2012. Major accomplishments during this quarter include meeting with parliament legal counsels to finalize drafting and harmonization of the KEMSA bill with the constitution; finalization of the validation of distribution metrics and subsequent data capture for analysis of distribution performance; and conducting warehouse analysis to identify improvement opportunities, metrics and required infrastructural changes.

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 project 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 the project's accomplishments, successes and challenges faced during the period of January 1 through March 31, 2012. Major accomplishments during this quarter include meeting with parliament legal counsels to finalize drafting and harmonization of the KEMSA bill with the constitution; finalization of the validation of distribution metrics and subsequent data capture for analysis of distribution performance; and conducting warehouse analysis to identify improvement opportunities, metrics and required infrastructural changes.

2. PROJECT HIGHLIGHTS

2.1. Meetings and Workshops

This quarter the project team led and participated in several critical meetings and workshops summarized in Table 2 with more details provided in the narratives that follow.

We continued to participate during regular supply chain partner meetings on areas including commodity security and forecasting and quantification. The meetings provide a forum for pipeline planning for program commodities and discussion on pertinent information and issues affecting both the demand and supply forces. The forums have provided a platform for the program to identify the supply chain gaps affecting KEMSA. These meetings have also provided a mechanism for strategic solutions to strengthen sustainable commodities supply. We also used the opportunities provided by the meetings to assess the KEMSA Customer Service staff's interaction with stakeholders and identify skills gaps where applicable for staff.

Internally, the supply chain planning forum meetings, established last quarter have continued to serve the purpose of aligning procurement, customer service and operations departments to allow for better visibility and coordination between the departments in KEMSA. The stock status and stock covers are reviewed during meetings and actions are taken to maintain the promised service to the customer. The meetings have led to fast-tracked procurement for out of stock items and alerts regarding excess stock to prevent obsolescence.

We also continued to participate in the Logistics Management Information System (LMIS) Process Committee that signed-off on the proposed LMIS design in February 2012. A demo (pilot) system was demonstrated to the Process Committee who provided feedback regarding system functionality and general implementation of the proposed design. The feedback will be built into the pilot system and preliminary testing of the LMIS will be performed by the KEMSA Customer Service function during the next quarter.

Critical meetings and workshops conducted through the program this quarter are indicated in Table 1.

Table 1. Meetings and Workshops

Meeting/Workshop	Dates	No. of Participants	Outcomes
KEMSA Board Training and Planning	January 16-19, 2012	19	<ul style="list-style-type: none"> Improved the knowledge of KEMSA's Board of Directors on key financial principles through a training of financial management for non-accountants Completed the organizational development assessment baseline Familiarized the Board with the principles of change management Developed the advocacy plan for passage of the KEMSA Act
Finance Processes Consensus-Building Meeting	February 22, 2012	7	<ul style="list-style-type: none"> Reviewed and validated with the KEMSA Finance Team the current state of the financial processes mapped within KEMSA and the desired future state of the processes
Good Warehouse Practices Capacity Building Training	March 2012	96	<ul style="list-style-type: none"> Increased the understanding of KEMSA staff in safety, health, and the their working environment; warehouse management systems; warehouse design; process flows and standard operating procedures Introduced KEMSA staff to international leading practices in warehousing in the private sector
Parliamentary Select Committee Workshop	March 9-10, 2012	10	<ul style="list-style-type: none"> Reviewed and updated the draft KEMSA bill format and content to ensure that the bill is in line with Kenyan laws as well applicable to proposed bills currently under review

2.2. Legal Status and Operational Mandate

During this quarter, several meetings were held with the office of the National Assembly Clerk. Arising from these consultative meetings, a team of four legal counsels from the office of the National Assembly Clerk was assigned to review the KEMSA bill and align the bill with the constitution. To facilitate this process, the program organized and supported a two-day meeting to review the draft KEMSA bill and ensure that the bill is in line with Kenyan laws as well as the proposed health law currently under discussion. The two-day meeting was held in Naivasha on March 9-11, 2012 and in attendance were 10 participants that included four legal counsels from the National Assembly Clerk office, one representative from the Ministry of Medical Services (representing the Permanent Secretary of the Ministry of Medical Services), KEMSA's Chief Executive Officer (CEO) and his Director for Legal Services, the project's Chief of Party and a corporate legal expert.

In addition, the format of the draft KEMSA bill was reviewed to ensure that it is in an acceptable state for submission to the Parliament Health Committee for review and approval as a Committee bill. Currently the bill is undergoing necessary parliament processes before being presented for discussion in the Parliament.

2.3. Governance Architecture and Practice

The governance architecture and practice work stream includes activities focused on organizational development, change management and finance operations.

Organizational Development and Change Management

During this quarter, from January 16-19, 2012, we conducted an organizational development and change management board training for the KEMSA Board of Directors and Departmental Directors in Aberdare Hotel, Nyeri. The training was attended by 19 participants who included nine of the twelve KEMSA Board of Directors including the Chairman, Vice Chairman and KEMSA CEO as well as three KEMSA Department Directors from Finance and Administration, Procurement, and Operations. During the workshop, concepts were worked through with Board Members including characteristics of high performing boards, setting clear divisions of roles and responsibilities, approvals, supervision, performance reviews and management functions. The importance of having appropriate checks and balances, organized trainings, risks identification and management and need to provide financial oversight for the organization were discussed with the Board.

During the training, an internal KEMSA organizational development baseline assessment was conducted. The assessment format was a combination of a Likert scale and open response questions to measure KEMSA's organizational performance targets and challenges as well as individual knowledge and skills. Key areas evaluated included governance and leadership, management practices, human resource management, financial management, service delivery, sustainability and monitoring and evaluation. In each of these areas, the current and desired states were evaluated followed by identification of gaps that need to be addressed in order to achieve the desired status.

A Board development plan was also created which included an induction plan for new Board Members, performance-based evaluation for Board Members, annual review of KEMSA's risks and planning for meetings and reporting.

Finance Operations

As part of strengthening governance architecture and practice, improving KEMSA's financial management and accounting practices through strengthening accounting and financial management systems, tools and processes to meet international standards is an important aspect of this key result area. During this quarter we conducted a two-day financial management training for KEMSA's Board of Directors and KEMSA Departmental Directors, reviewed and validated the desired future state of financial processes within KEMSA, and drafted a finance management and accounting manual and standard operating procedures (SOPs).

As part of strengthening the capacity of KEMSA Board Members to provide appropriate financial oversight and to improve KEMSA's governance, we conducted 1.5-day training in finance for non-accountants for the Board Members and Departmental Directors. This training was conducted during the organizational development and change management board training held in Aberdare Hotel, Nyeri, on January 16-19, 2012. The training covered financial management governance, asset management, operational efficiency, working capital management, risk management and financial reporting.

Before and after the training a pre-evaluation and post-evaluation assessment was conducted to assess changes in the level of knowledge. Results of the knowledge assessments revealed that KEMSA Directors had varying levels of proficiency in financial management. Only two Directors had professional financial backgrounds. The largest improvements after pre- and post-course assessment results were in the areas of concepts of working capital, the role of the Board of Directors and the role of external auditors. Based on the post-course assessment, discussions with Board members and observations from the training, additional areas that require strengthening include KEMSA's risk management framework (and how this ties into financial management) and the financial management responsibilities under the new governance

framework. The latter area will be addressed once the revised KEMSA Act and the necessary institutional frameworks are in place.

On February 22, 2012, a working session was held with the KEMSA Finance Team to review the gaps identified during the mapping of the finance processes. During the meeting, discussions and consensus on the proposed recommendations and mechanisms to address the gaps were agreed upon. The KEMSA Finance Team validated the findings of the finance process review and consensus was reached on the desired end state processes. Once implemented, the updated processes will increase efficiency in the Finance Department by eliminating redundancies and duplication of efforts. A plan to address the identified gaps and make progress towards achieving the agreed upon future state processes has been developed.

In collaboration with the KEMSA Finance Team, a draft finance management and accounting manual has been developed based on the improved future state processes that were mapped and validated. The manual includes critical information including mapping specific business process to staff positions and detailing the frequency and authorization levels required to complete each task. The manual also articulates the improved accounting policies recently adopted by KEMSA. The manual is divided into sections corresponding to the structure and division of duties in the Finance Department. In each section, the policy statement is articulated and the necessary work procedures are clearly stated. The manual is currently being reviewed for submission to the KEMSA Board of Directors. After Board of Directors approval, the manual will be the main reference document for finance and accounting policies and will serve as a guide for Financial Management and Accounting within KEMSA.

To support the operationalization of the finance manual, we also updated KEMSA's finance SOPs based on the mapped future state processes. The last revision for the finance SOPs was in 2009 and since then several changes have occurred in KEMSA for example the creation of the position of Finance and Administration Director. The revisions are in line with the proposed policies and procedure manual previously mentioned. The updated SOPs adhere to the same structure as the Finance and Accounting Manual. The SOPs describe in detail the systematic work activities necessary to implement the procedures outlined in the Finance and Accounting Manual. The SOPs also include work flow diagrams designed and developed using Deloitte's IndustryPrint™ Tool. This is the tool used during the benchmarking stage of the business processes analysis and review. When implemented, the SOPs will help to standardize how different activities are carried out in KEMSA's Finance Department.

2.4. 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. Activities this quarter included an in-depth analysis of the Customer Service function, refining of cross-functional planning meetings within KEMSA, continued work on the design of the LMIS and ERP gap analysis resolution.

Analysis of the Customer Service Function

During this quarter, we conducted a comprehensive analysis of the Customer Service functions and current state, particularly in the area of customer complaints processing, customer order processing, goods returns processing, and LMIS processes. The analysis included reviewing the KEMSA Customer Service existing processes, employees' roles and responsibilities, departmental organization and related technology. Each of the existing processes was analyzed, initial observations documented and recommendations identified. The preliminary findings and results from the initial analysis were presented to the Operations Director and Customer Service Department representatives.

To gather the information, multiple interviews were conducted with the Customer Service staff at all levels, key meetings were attended, metrics were gathered from the ERP system, shadowing sessions were carried out at Embakasi and Commercial Street, and additional interviews conducted with other stakeholders outside of Customer Service (e.g., Warehousing Department). The findings were documented and compared with industry leading practices to identify opportunities for improvement.

Customer complaints processing weaknesses identified included lack of logging of all the complaints raised directly to the customer Service Department or through the Field Customer Service Officers and lack of clarity on where the complaints should be directed. On occasion, complaints are directed to the Distribution Unit and are rarely communicated to the Customer Service Department. To address these weaknesses short-term and long-term recommendations have been made. Short-term recommendations include establishing processes aligned with other departments and the Field Customer Service Officers to improve the complaint-reporting rate (e.g. institutionalizing regular check-ins for complaints, communicating expectations to other departments, standardizing processes for monitoring and addressing complaints received on the KEMSA website and communicating to all customer service staff and stakeholders). In the near future, all customer complaints processing will be centralized as part of the proposal to form a single Complaints Management Unit. Calls or complaints will be directed to the Customer Service Associates that comprise the Complaints Management Team. In addition, the complaints capturing will be integrated with the ERP so that complaints are captured online and data can be easily and accurately accessed and analyzed.

Weaknesses found in the customer complaints processing included lack of a tracking tool for logging customer complaints and lack of deployment of the customer relationship management (CRM) in the ERP. Due to this, forms are completed in the computer or are handwritten and archived in a file for review during the monthly Customer Service Department Meeting. To improve on customer complaints processing, procedures will be developed, standardized, and institutionalized to track complaints and record them electronically. Data elements to be tracked will be defined and integrated with the ERP. This will ensure that the customer forms are continuously being updated, feedback provided and complaints followed to the completion within the prescribed timeframe.

In addition, other weaknesses identified included order submission not being completed within the order submission cutoff dates, and often submitted after the deadline of scheduled distribution or not submitted at all. Program orders are often received in bulk at the Logistics Management Unit (LMU), causing delays in order processing and downstream delays in the warehouse and distribution. In the future, cutoff dates for order submission will be reinforced with the facilities, and program order submission timings will be determined and communicated to the respective programs.

As it relates to commodity returns processing, redistribution procedures of commodities to another facility will need to be agreed upon, as well as how to inform KEMSA to update the drawing rights. In addition, recalled products are currently not processed through the Warehouse Management System (WMS) and drawing rights are not updated in the ERP.

Overall, a detailed assessment will be conducted to document the activities of the LMU and Customer Service staff support on a regular basis to determine the optimum breakdown of roles and responsibilities, to ensure maximum utilization of resources and document for inclusion in the SOPs. A one-time training on Customer Service leading practices has been proposed to support customer service management and leadership. We are determining the need for ongoing trainings and their frequency with KEMSA to improve the skills of the Customer Service staff.

In order to enable tracking of KEMSA customer complaints and associated metrics, we have initiated development of a customer complaints tracking tool and associated metrics to be used in the Customer Service Department. The tool, which is expected to be an interim solution until ERM/WMS improvements are completed, utilizes Microsoft Excel Macros to map information to the current customer complaint form at KEMSA. It gives users the option to print hard copies of the customer complaint form if they so desire. The metrics identified for customer service are summarized in the Table 2 and their capture and analysis will begin next quarter.

Table 2. Customer Service Draft Indicators

Category	Metric Name	Description
Order Processing	Order cycle turn-around time	Time taken from order receipt at KEMSA through warehouse to shipment to the facility. This metric applies to special programme distribution cycles.
	Order cycle turn-around time	Time taken from order receipt at KEMSA through warehouse to shipment to the facility. This metric applies to standard KEMSA distribution cycles.
	Order lines captured per day	Number of planned order lines against targeted lines including zero quantity lines
	Order lines released to WMS to be picked per day	Number of planned order lines against targeted lines
	Invoice accuracy	Review Invoice for correct quantities and pricing
	Order accuracy	Measures the accuracy of order lines picked and delivered as per confirmation received by PODs and complaints
Complaints Management	Complaint feedback cycle time	Time taken to initially respond (provide feedback) to customer complaint from time complaint is received
	Complaint resolution cycle time	Time taken to resolve customer complaint from time complaint is received
Facility Reporting	Facility consumption reporting	% of facilities reporting consumption data per cycle
	On time reporting	% of facilities reporting consumption data on time per cycle
Field Activities	Late orders per field officer	On time order submission against deadline
	Field coverage	Number of facilities visited per quarter by a field officer
External Reporting	Customer satisfaction index	As per annual survey

2.5. Warehousing and Distribution

The warehousing and distribution work stream covers the areas of warehousing and distribution operations, including transportation planning. Activities undertaken during this quarter mainly focused on carrying out an in-depth analysis of KEMSA's warehouse operations, finalization of the distribution analysis, process optimization for warehouse and distribution, development of master routes via an electronic route optimization, and following resolutions of ERP issues identified during ERP gap analysis.

Warehouse

During this quarter, an in-depth warehouse operation analysis was conducted with detailed examination into processes and procedures, gaps in execution, system functionality, and warehouse layout and infrastructure dimensions. The analysis revealed operational inefficiencies, suboptimal processes, lack of appropriate infrastructure, and lack of oversight and management of the warehouse functions. Although the ERP has been installed in KEMSA, a number of activities are still relying on manual intervention. Weaknesses were found in the WMS of the current ERP especially its reliance on manual interventions and the system being a transactional-based system. The WMS/ERP module may therefore require

enhancement to move the system from a transaction-recording system to a WMS with the emphasis on managing the warehouse processes.

The current leased facility design has several operational challenges such the floor being pitted which hampers forklift movements, cleanliness, and presence of apertures under the eaves that allows dust entry to the warehouse. Moving forward, a concrete floor covered with an epoxy finish to promote cleaning will need to be considered and blocking of all apertures under the eaves to prevent dust entry will also need to be addressed. In addition, use of different types of pallets has created overhangs on the racks. To address the pallet overhangs, appropriate pallets and software to guide different types of pallet allocation to the racking will need to be procured. In general, the current warehouse is not compliant with Good Warehousing Practices.

An analysis of the type of picking employed in KEMSA revealed that the picking processes are skewed towards single-item picks and that the division between single-item and full carton picks can change the way in which the picking operation can be carried out. By introducing a fast-pick gravity-fed environment of the 172 SKUs that comprise 95% of all the picking activity, 180 products can be placed into one area measuring 16m x 12m and if a conveyor system is adopted, the picking efficiency can be increased four-fold from the current 14 lines per hour. There will be a need to plan where most of products with the highest picking frequency are located in the warehouse in order to consider a fast-pick gravity-fed environment using conveyor system.

In addition, most of the warehouse staff were found not to been trained on SOPs used in the warehouse operations. As processes are being strengthened, sufficient numbers of staff will need to be trained on warehouse operations SOPs and motivated to be able to conduct warehouse operations efficiently and professionally. This will require creating and undertaking practical training program for all levels of personnel employed in the warehouse.

Finally, the need for infrastructure improvement was highlighted such as the need to acquire mechanical cleaning equipment in order to maintain a better level of cleanliness in the warehouse and an adjustable boom self-propelling crane to undertake maintenance and stock counting at the high levels as well as additional narrow-aisle reach trucks.

In order to enable tracking of KEMSA warehouse operations performance associated metrics have been developed as indicated in the Table 3. In addition to the metrics in the table, the ABC analysis technique for reviewing which percentage of commodities belongs to the fast moving, medium and slow moving categories was initiated.

The ABC analysis is aimed at optimizing inventory. Through this process, efficiencies can be increased by optimizing allocation of products into various storage locations within the warehouse. This will further enhance the picking speeds through faster access and will impact stock accuracy.

ABC analysis is based on demand (order frequency), quantity (picking size), and location of inventory. There will be a regular review of the medical commodities' ABC categorization.

Table 3. Warehousing Indicators

Category	Metric	Description
Inventory	Inventory turns	Inventory demand quantity per year divide by average inventory quantity
	Stock in months cover	Number of months the available stock would last compared to demand
	Cycle counts	Number of cycle counts performed per commodity per month
	Stock accuracy	Percentage accuracy (as calculated by the quantity per commodity batch) per stock count
Warehousing	Losses due to damage, pilferage and theft	The quantity and value of stocks lost due to damage, pilferage and theft
	Expired items in stock	Expired items in stock as a percentages of total stock
	Short dated commodity batches	Short dated commodity batches as a percentage of total stock (short dated is defined as 6 months shelve life)
	Picking rate	Average order lines picked per picker per hour
	Pick to shipment readiness cycle time (hours)	The average time between when the picking task was released for picking to when delivery note printed
	Dock to stock time	The amount of time a commodity batch spent in quarantine
	Space utilization	Amount of pallets with stock as a percentage of warehouse pallet space
	Pallets per product	Pallet occupancy per commodity

Distribution and Transportation

Based on findings of the distribution analysis conducted last quarter, during this quarter we continued to improve and enhance KEMSA's planning, dispatch and transport functions through: implementing formal tracking mechanisms for cycle and weekly planning activities, and established working groups to assist with parallel distribution and commodity movement from warehouse to distribution; seeking appointment of additional KEMSA distribution staff; and establishing new processes for delivery note creation and transfer. A layout analysis and space planning of dispatch and surrounding warehouse areas to optimize commodity and material handling equipment movement and flow was also performed.

During this quarter, we continued to provide technical assistance to the Transport Contract Working Group's (TCWG) weekly meetings. The aim of the TCWG is identifying and correcting weaknesses in the current contracts, and strengthening future tender and distribution contracts. Participants for the TCWG included KEMSA Support Program representatives and KEMSA's Director for Legal Services, Operations Director, Procurement Director/Manager, Distribution Manager and the CEO when required. On March 22, 2012, the TCWG presented the proposed updated transport contract design to the CEO along with representatives from Procurement, Operations and Finance. The proposal was accepted and endorsed by the CEO and representatives from the TCWG were nominated and tasked with developing a Risk and Mitigation Structure and making final refinements to the evaluation criteria for the transport tender document. Both the Risk and Mitigation Structure and the updated evaluation criteria were

submitted on March 27, 2012 to the Board and will be reviewed for approval in April 2012 by the Board Technical Committee. This will enhance the services provided by new distribution service providers for the period of July 2012 to June 2014, which are expected to be in place from July 2012.

During this quarter the facility mapping exercise was completed after the cleaning of the data and alignment of the Global Positioning System (GPS) coordinates provided by MOPHS/MOMS (DHIS) which were mapped to the public health facilities. The health facility data points were used for distribution route optimization and to develop Distribution Master Routes. The exercise involved working closely with the KEMSA distribution staff in understanding the routing challenges currently encountered during their day-to-day activities and translating their knowledge into a conceptual data set for lists of distribution routes.

Various simulations were conducted based on optimal load sizes (i.e. maximum number of cartons, pallets per shipment), truck sizes, projected travelling speed and business criteria such as turn-around times, with the objectives of maximising vehicle utilization, minimizing number of trips and kilometres travelled. Facilities were grouped into various zones and routes. Hospitals formed a total of six zones, with one route having three facilities except Provincial General Hospitals whose orders are very large. Rural Health Facilities (RHF's) had a total of 10 zones and 158 routes.

Once all routes were established, an in-depth validation process was undertaken to assess the viability of the software generated routes and the accuracy of the geocode data of the facilities. This process was critical to the overall success of the activity, and included strong KEMSA support and interaction, as well as county rationalization where zones were aligned to county borders. Manual adjustments were completed where routes were regenerated based on additional intelligence such as bad road conditions in certain areas. Geocode changes were shared with relevant stakeholders (MOPHS/MOMS) for the continuous improvement of data. This exercise has provided useful information for transport contracting and will form part of negotiations with third party distribution and transport service providers and also a framework for optimization of KEMSA's operations.

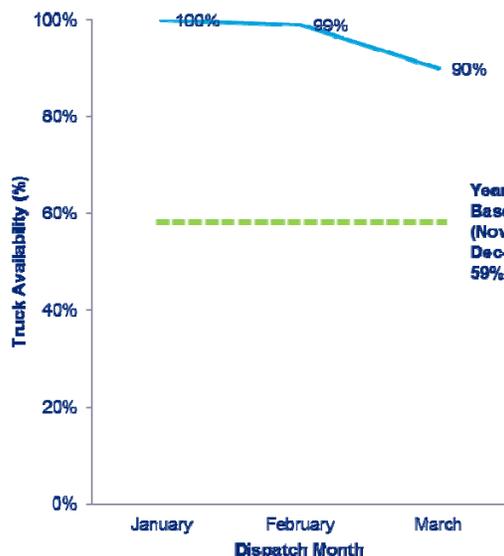
Following the last quarter consensus on distribution indicators we initiated metrics capture, management, and reporting of the selected distribution metrics as illustrated in Table 4. The project team presented a preliminary report to the CEO and Operations Director to familiarize them with the distribution metrics that they will receive on a monthly basis.

Table 4: Distribution Indicators

Category	Metric	Description
Planning	Cycle Plan Accuracy	Accuracy of cycle/quarter plan to shipment date window of one week
	Weekly Plan Accuracy	Accuracy of weekly plan to actual shipment date
	Reason for Shipment Accuracy Variance	Reason for shipment accuracy variance (i.e. delivery note)
Dispatch	Avg. Number of Days Facility Shipments in Dispatch	Average number of days facility shipments in dispatch department
	Truck Availability	Percentage of trucks delivered vs. requested
	Percent of Trucks Arriving Prior to Required Appointment Time	Percent of trucks arriving before requested appointment time
	Average Loading Time	Amount of time (hours) taken to load vehicles for shipment
	Missing/Late Delivery Notes	Number of late/missing delivery notes per day
Transport	Transporter On-time Delivery	Delivery of commodities to destination equal or less than 2 days for hospitals and 5 days for RHF's
	Transit Time	Number of days in transit from shipment to facility receipt
	Number of Facilities per Truck	Number of facility shipments per truck
	Truck Capacity Utilization	Approx. percentage of truck filled per outbound shipment
	Weight per Truck	Weight per shipment
	Number of Complaints	Number of complaints pertaining to distribution
	Damage	Number of instances of damage
	Proof of Delivery (POD) Turnaround	Number of days duration from delivery to receipt of PoD back at KEMSA
	Freight Cost	Total freight cost by carrier
	Freight Payment Turnaround	Duration (days) from carrier invoice to payment by KEMSA

A number of selected distribution metrics have shown significant operational improvement. For example, the truck availability improved from a baseline of 59% to 97.9%. In addition, the following areas showed improvement over last quarter: POD turnaround for hospitals and RHF's, number of facilities per truck for hospitals, and transit time for hospitals and RHF's.

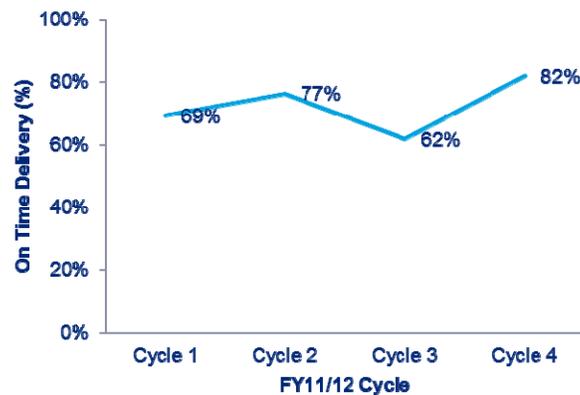
Truck Availability



Notes

- **Average truck availability, January – March 2012: 98.8%**
- This data is taken from distribution's metrics tracking spreadsheet, which was introduced January 23, 2012
- March data based on only five data points
- Note that when multiple trucks arrive, truck availability may not always be captured separately for each truck. This may introduce a chance for skewed metrics.

Transporter On Time Delivery: Hospitals



• **Average transporter on time delivery (hospitals), Cycle 4, January – February 2012: 82.27%**

2.6. Performance Monitoring Plan (PMP)

We continued to collaborate with KEMSA staff to select and confirm key performance indicators (KPIs) for KEMSA’s PMP. We worked with the Warehousing, Distribution and Customer Service teams to confirm that the selected metrics were comprehensive and accurate and to validate baselines. The Customer Service Team is in the process of finalizing the selection of KPIs. The Distribution and Warehousing Teams have finalized the list of metrics and KPIs (see the tables of metrics in each section). The project team initiated distribution data collection in November 2011 and presented a preliminary report to the Operations Director this quarter. The Warehousing Team will initiate data collection/WMS data extraction next quarter.

The project identified challenges in capturing of some of metrics including days in dispatch, which is not currently being captured since consolidation data is not regularly received by the Dispatch Department from Warehousing. Efforts to reinitiate the tracking of this critical metric and maintain the collection of others are underway. We also continued the assessment of current data collection tools and processes at KEMSA.

Based on observation of distribution metrics tracking, a “stop-gap” Distribution Metrics Tracker was implemented in January 2012. Given the limited time and resources available for the task in January 2012, the team will revise the tracker further in terms of formatting, content and processes. The updated tracker will be more comprehensive and will be more useful for data analysis.

In order to enable tracking of KEMSA customer complaints (and associated metrics), we developed a customer complaints tracking tool this quarter. The tool, expected to be an interim solution until ERM/WMS improvements are completed, utilizes Microsoft Excel Macros to map information to the current customer complaint form at KEMSA. It gives users the option to print hard copies of the customer complaint form if they so desire.

2.7. Overarching Issues

Good Warehouse Practices Capacity Building

We trained 96 KEMSA warehouse, quality assurance (QA) and distribution staff on Good Warehousing Practices for KEMSA. Four one-day sessions were held over a two-week period in March 2012. Approximately 24 participants from KEMSA attended each session. This training created awareness and introduced KEMSA staff to international leading practices in warehousing in the private sector. Key areas covered included safety, health, and their environment; warehouse management systems; warehouse design; process flows and SOPs.

Supply Chain ERP Issue Resolution

We facilitated consensus on a supply chain issue resolution framework between Alliance Technologies and KEMSA. The issue resolution framework will inform the management and escalation of key issues, risks and change requests. Through this framework, Alliance has been able to resolve 49% of the issues identified. Alliance is currently resolving 19% of the issues, and is yet to start on the remaining 28%. The framework categorized the issues into system logic/error issues, mismatched business process issues, omitted functionality, poor system response issues and reports. The following notable achievements were made this quarter:

- Stabilization of the Information and Communications Technology (ICT) network at the warehouse to improve WMS availability and reduce incidences stemming from poor/incomplete system synchronization between the WMS and ERP systems
- Completion of the Distribution Module in the WMS system at the Embakasi warehouse – the module is still undergoing end user testing
- Initiation of the Depot Automation Module to enable the use of the WMS system at KEMSA depots
- Optimization of the handheld devices algorithms to improve the system response time during product picks and consolidation within the warehouse
- Improved quarantine stocks visibility for identified warehouse personnel in customer care and the warehouse departments (this was only visible to QA staff)
- Ability to edit drawing rights for all facilities by uploading a file to amend drawing rights whenever the drawing rights change
- Design of a reverse logistics business process to inform the development of the reverse logistics functionality within the ERP/WMS which was previously lacking

3. PLANS FOR NEXT QUARTER

3.1. Mandate Legal Status and Operational Mandate

- 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 passage of the Draft

- Organize key stakeholder forums (policy makers and Parliamentarians) to advocate for passage

3.2. Governance Architecture and Practice

- Increase operationalization of the ERP Finance Module – check 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
- Conduct Enterprise-wide risk review and assessment
- Obtain a copy of the new KEMSA Procurement manual and benchmark it against the provisions of the Public Procurement Act and other relevant donor requirements
- Review and harmonize processes flow between Procurement and Finance departments
- Draft the funding procedure for the KEMSA Act to allow direct funding allocation

3.3. 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 QA
- Conduct supply chain planning working sessions for commodity flow with KEMSA departments and stakeholders
- Perform quality reviews of the 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 and customer order management
- Conduct customer order management working sessions
- Strengthen business and ERP processes and tools for customer order management and complaints management

3.4. Warehousing and Distribution Systems

- Finalize As-is Validation Report for Warehouse
- Following the anticipated Skills Assessment to be conducted by the USAID Capacity Project, define training needs for warehouse and distribution staff
- 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
- Finalize transportation contract costing framework
- Submission of finalized tender documentation

- Conduct distribution planning working sessions with KEMSA departments and stakeholders
- Strengthen business and ERP (SMS) processes for distribution operations
- Review and refine distribution policies, SOPs, roles and responsibilities and report specifications
- Initiate consolidation of main warehouse and distribution activities to reduce unnecessary complexity and optimize fleet management

3.5. Performance Monitoring Plan

- Identify M&E champions within each KEMSA department (Distribution, Warehousing and Customer Service) and create/implement a PMP/M&E Working Group to build KEMSA capacity and engagement for improved data collection, analysis and use in decision-making
- Based on observed and self-identified gaps in M&E, design and initiate bi-monthly M&E/PMP workshops. The curriculum will include introduction to and training for new and improved M&E processes, as well as M&E/PMP leading practices. The first workshop will target a select audience and will focus on Microsoft Excel skills related to KEMSA's data collection.
- Finalize and conduct a financial internal controls survey in order to finalize financial management KPIs
- Finalize KPIs for Warehousing and Customer Service Departments and initiate collection of these metrics
- Continue monthly data collection, analysis and reporting of distribution metrics to the KEMSA Operations Director
- Continue overall monthly data collection, analysis and reporting as appropriate
- Finalize and implement an improved Distribution Metrics Tracking tool. Consider the incorporation of other functions' data into this tool. If not appropriate, evaluate tracking tools of other departments and design improvements to their respective tools.
- Finalize documentation of current state processes and tools for M&E/PMP
- Initiate design of M&E/PMP process improvement activities and improved tools and initiate these activities as appropriate
- Initiate assessment and mapping of current efforts by KEMSA in terms of a M&E/PMP strategy and framework (including those discussed in the KEMSA Strategic Plan). Initiate development of associated PMP strategy (or revisions to the strategic plan) as necessary.

4. CONCLUSIONS

This quarter's major accomplishments include: completion of the facility mapping, development of master routes, completion of the warehouse analysis and the distribution analysis, development of improved financial management documentation (manual and standard operating procedures), and ERP gap resolution. The program will continue to collaborate closely with KEMSA counterparts to work towards institutionalizing improved processes and tools to strengthen supply chain planning in line with international leading practices.

ANNEX 1: PROGRESS TO DATE

Activity	Expected Deliverable(s)	Progress to date
Objective 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 Advocacy Plan completed
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"> completed
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
Objective 2: Strengthen KEMSA's governance architecture and practice, especially to improve financial and procurement transparency and accountability		
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
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"> Completed

Activity	Expected Deliverable(s)	Progress to date
Conduct initial change management training	Training report	<ul style="list-style-type: none"> Completed
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
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 Draft of revised SOPs and manual submitted for review
Align ERP with the updated business processes SOPs	Report of the alignment of ERP with SOPs	<ul style="list-style-type: none"> Ongoing
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 Ongoing updates are underway
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 Draft of revised SOPs and manual submitted for review
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

Activity	Expected Deliverable(s)	Progress to date
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
Implement PR plan	PR implementation reports; A public relations and communication strategy developed	<ul style="list-style-type: none"> Planned
Objective 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"> ERP gap analysis report submitted Business Process flows ongoing
Develop As-Is Validation Report	As-Is Validation report	<ul style="list-style-type: none"> Ongoing Reviewed existing metrics, defined new metrics and agreed inventory KPIs and draft Customer service KPI's, capturing of metrics to be initiated for inventory management
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"> Weekly Supply Chain Planning forum meetings in place

Activity	Expected Deliverable(s)	Progress to date
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"> • Business process strengthening is in progress • ERP action plan to be defined
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
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 • Training in Leadership and Management skills planned
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 on procurement processes	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

Activity	Expected Deliverable(s)	Progress to date
Develop a receipt and acceptance policy	Receipt and acceptance policy	<ul style="list-style-type: none"> Planned
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. KPI's to be finalized. Capturing of a few selected metrics in progress
Conduct customer order management working sessions	Copies of working session minutes/notes	<ul style="list-style-type: none"> Ongoing
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"> Customer order management analysis in progress 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"> In progress
Re-design the 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
Document business process flows in customer complaint management	A copy of KEMSA signed off business process flows	<ul style="list-style-type: none"> Conducted As-is mapping of business processes
Identify relevant customer complaint management software	A copy of identified relevant customer complaint management options	<ul style="list-style-type: none"> In Progress
Implement a new customer complaint management solution	A copy of KEMSA signed off customer complaint management solution document	<ul style="list-style-type: none"> Designed and developed interim customer complaints tracking tool Training and implementation planned Long term solution - Planned
Document business processes in 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

Activity	Expected Deliverable(s)	Progress to date
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
Objective 4: Strengthen KEMSA's warehousing and distribution systems to address its own identified needs, including infrastructure improvements, skills development of core staff, and operational budget support.		
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
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 report finalized for distribution area Completed warehouse analysis As-is report being finalized for warehouse area Reviewed existing metrics, defined new metrics and agreed KPIs, capturing of metrics in progress
Conduct warehouse management design sessions with KEMSA departments and stakeholders	Working session minutes/notes	<ul style="list-style-type: none"> Ongoing
Strengthen business and ERP processes for warehouse operations	Action plan report and progress status reports	<ul style="list-style-type: none"> Business process strengthening is in progress ERP action plan to be defined
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-the-job training)	Coaching sessions notes	<ul style="list-style-type: none"> Ongoing Training in Leadership and Management planned
Create skills building curriculum for strengthening warehouse management (formal training)	Skills building curriculum	<ul style="list-style-type: none"> Planned

Activity	Expected Deliverable(s)	Progress to date
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
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 harmonization of KEMSA facility lists and Ministry Master Facility Lists and obtained GPS coordinates for facilities Completed health facility mapping Completed route optimization exercise with new master routes defined
Develop Network analysis 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 Development of work plans are ongoing
Develop an action/implementation plan	Action report	<ul style="list-style-type: none"> Ongoing
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

Activity	Expected Deliverable(s)	Progress to date
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 area • 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, capturing of metrics in progress
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"> • Business process strengthening - ongoing • ERP - planned
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-the-job training)	Coaching sessions notes	<ul style="list-style-type: none"> • Ongoing • Training in Leadership and Management 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"> • New master routes developed • Route validation ongoing

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 • New contract framework defined
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 and the definition of the new contracting framework
Implement new transportation contract approach	Implementation plans	<ul style="list-style-type: none"> • KEMSA technical board committee approved the proposed new contract framework • Next step is presentation to full board • Ongoing
Objective 5: Support for KEMSA to develop, implement and monitor a performance management plan		
Assessment of M&E/PMP components of KEMSA's Strategic Plan	Assessment findings	<ul style="list-style-type: none"> • Planned
Develop an integrated PMP Strategy	PMP Strategy/Framework and associated updates to KEMSA Strategic Plan	<ul style="list-style-type: none"> • Ongoing
Develop an integrated PMP framework	PMP Strategy/Framework and associated updates to KEMSA Strategic Plan	<ul style="list-style-type: none"> • Planned
M&E/PMP capacity assessment	Capacity Assessment Report(s)	<ul style="list-style-type: none"> • Planned
M&E/PMP Workshop curriculum development	M&E/PMP workshop materials	<ul style="list-style-type: none"> • Ongoing
M&E/PMP Workshop execution	M&E/PMP workshop reports	<ul style="list-style-type: none"> • Planned
Identification of M&E/PMP "mentors" and transition	Transition plan and materials	<ul style="list-style-type: none"> • Planned
Current state mapping, risk identification and process improvement design	Current State Process Map	<ul style="list-style-type: none"> • Ongoing
Process improvement implementation	Process Risk/Mitigation Report	<ul style="list-style-type: none"> • Planned
Current tool assessment	Current State Process Map	<ul style="list-style-type: none"> • Ongoing
Risk identification	Process Risk/Mitigation Report	<ul style="list-style-type: none"> • Ongoing

Activity	Expected Deliverable(s)	Progress to date
Tool design and implementation	Revised tools, tool implementation reports (may be presented through quarterly reporting)	<ul style="list-style-type: none"> • Ongoing: Tool design ongoing, tool implementation not started
Identification of M&E/PMP Champions (overall and for each department)	KEMSA M&E/PMP working groups minutes/action plans	<ul style="list-style-type: none"> • Planned
KEMSA M&E/PMP Working Group formation	KEMSA M&E/PMP working groups minutes/action plans	<ul style="list-style-type: none"> • Planned
KEMSA M&E/PMP Working Group execution	KEMSA M&E/PMP working groups minutes/action plans	<ul style="list-style-type: none"> • Planned
Development and dissemination of materials to raise awareness on importance of M&E (newsletter articles, flyers, etc.)	Awareness materials	<ul style="list-style-type: none"> • Planned
Data collection, collation and analysis	Monthly functional reports presented to Operations Director and other key stakeholders	<ul style="list-style-type: none"> • Ongoing
Report preparation and presentation	Monthly functional reports presented to Operations Director and other key stakeholders	<ul style="list-style-type: none"> • Ongoing

