

## Improving systems, building capacity and increasing satisfaction: The SAGE 50 project

In 2011-12, Ethiopia's Pharmaceutical Fund and Supply Agency (PFSA) distributed products and equipment worth approximately USD 336 million. However, the accounting processes caused significant delays, due to inefficient practices and a lack of appropriate software. As a result, activities such as recording transactions, reconciling records and generating reports were backlogged.

Financial records from PFSA's ten branches are consolidated at the PFSA central office, and the account closing process, which is largely manual, takes months. A high rate of error, due to detailed manual data-entry, adds processing time. As PFSA's Director of Fund Management Araya Gebegzibher explains, the manual data recording also challenges compilation efforts with the sheer amount of records produced and the potential illegibility of hand written ledgers. For staff, this process is slow and frustrating.

In order to address these challenges, PFSA collaborated with the Supply Chain Management System (SCMS) on a proposal to acquire new software and ensure adequate training be offered for PFSA staff. Our technical experts determined SAGE 50 software could be adopted and modified to suit the needs of PFSA, as it transitions into a more robust accounting system in the coming years.

In August of 2012, SCMS facilitated the training of thirteen PFSA staff. The trainer, a consultant contracted by SCMS, reviewed PFSA processes and developed a training manual specific to PFSA's operations and training needs. According to a post-training survey, 54 percent of participants viewed the training as "excellent," 46 percent as "very good."

As requested by PFSA, SCMS purchased 30 user licences for multiple PFSA staff to engage with the software simultaneously. Newly trained PFSA accountants customized the software for their specific needs, as these change and develop over time. Using the training-of-trainer approach, this training covered software customization, to ensure PFSA continues to lead future updates.



SAGE 50 training

“SAGE 50 is a very useful solution,” Araya Gebegzibher says. Evidence shows dramatically improved efficiencies. The time frame for reconciling accounts was reduced from two to three months, to one week. Bank reconciliation time was reduced from one month, to three to five days. Book-keeping was reduced from 80 percent of staff time to 10 percent. Reporting was reduced from nine months to one month, and errors in reporting were reduced by 75 percent. What’s more, these achievements were accomplished with a fifty percent reduction of payment processing staff and inventory management staff, and with the elimination of staff overtime. At present, a backlog of three years (2009-2012) is being cleared and is expected to be complete by July 2013. According to Araya Gebegzibher, job satisfaction has also improved overall.

The SAGE 50 software supported these significant improvements as an excellent interim solution. However, SAGE 50 only supports single warehouse functions, while PFSA has 16 warehouses, which is why this software and data will be replaced by the Enterprise Resource Planning (ERP) system. The ERP system will be supported by SCMS and is expected to launch in COP14. This system promises to continue to build on the work started by SAGE 50 to improve Ethiopia’s national capacity to provide a sustainable supply of pharmaceutical products to patients in need.

## ABOUT SCMS

The Supply Chain Management System (SCMS) was established to collaborate within country and global partners to ensure a reliable, cost-effective and secure supply of high quality medicines and health products for HIV/AIDS prevention, care and treatment. SCMS is funded as part of the President’s Emergency Plan for AIDS Relief. Visit us at [www.scms.pfscm.org](http://www.scms.pfscm.org).

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