

# SCMS

## IN BRIEF



## “Now we see things differently” — Warehouse Operations Management Training

The public health supply chain that ensures clients across Ethiopia have the medical products they need is supported by a series of regional hubs, which receive products from a central store and distribute them to thousands of health facilities.

The management of these warehouses will determine if products arrive in a timely manner, and if resources are effectively utilized through optimal distribution, storage and sorting. To help the Pharmaceutical Fund and Supply Agency (PFSA) of Ethiopia achieve this, SCMS offered Warehouse Operations Management (WOM) training.

The WOM training can be a life changing experience for participants. That was the case in South Africa, when Imperial Health Sciences (IHS) – partner organization to



Graduates of the warehousing operations management training

### Training Topics Covered

- Supply chain management
- Demand forecasting
- Procurement
- Receiving
- Warehousing
- Stock holding which dealt with inventory control, bar coding, quality control and cold chain among others
- Distribution planning
- Customer service
- Strategic planning
- Information technology

the Supply Chain Management System (SCMS) – held four trainings between January 2011 and February 2012. The highly interactive, hands-on trainings included presentations, discussions, study tours and simulation exercises. Twenty-eight professionals from warehouse sites across Ethiopia attended, half from the PFSA and half from SCMS.

The WOM training covered important theory and provided hands-on practical experience at a world-class facility. Trainees left aspiring to bring similar operations and equipment back to their home facilities. The Ethiopian delegation at the 2012 WOM training followed through on their lessons by creating an Action Plan summarizing many lessons for home implementation.

Specifics of the Action Plan outline good warehousing practices: assign individuals to manage separate shelves/racks and to clean warehouse regularly; ensure proper storage; put security checks at different spots and install smoke detectors and fire extinguishers at warehouses. The plan recommends conducting physical count of supplies every morning and using a bar code for inventory control; it also recommends introducing cold chain validation and monitoring temperature in cold rooms. The Action Plan shares

comprehensive guidelines on improving warehouse design for space management; improving distribution systems from center to hubs to health facilities to end-users; standardizing procedure for procurement and receiving of goods, disposing of expired items and recalling of defective ones.

The WOM training enabled participants to identify gaps beyond warehousing best practices. Thus, the Action Plan also addresses development strategy and trains staff to develop and revise Standard Operating Procedures (SOPs) – including a checklist and conduct internal audit for problem identification and solution. They also planned to develop Key Performance Indicators (KPIs) to closely monitor each task.

The Action Plan has raised warehousing staff in Ethiopia to a higher level. A few trainees shared their testimonials:

“I have learnt a lot about how to develop and revise SOPs. Based on the knowledge and skill I acquired from WOM training and the materials I obtained ... I am able to revise 26 PFSA storage and distribution SOPs. The revised SOPs are now reviewed by PFSA management and approved for printing and implementation.”

“My understanding about warehouse layout design has improved since the WOM training. Owing to the skill and knowledge I got from the training, I am contributing a lot during the development and revision of modern layout design for the 10 PFSA primary warehouses which are under construction.”

“Once the new warehouses are completed, it will be easy to introduce some of the changes such as implementing security measures, allocating separate areas for special commodities and implementing modern fleet management and scheduling tools.”

Of the 58 warehouse improvement indicators outlined in the Action Plan, warehouses in eight sites have already recorded improvements in as many as 32 items. Many actions are still in process at the sites, and others are not yet feasible due the existing poor warehouse conditions and the constraints of human resources, finances and logistics. However, once the ten new USAID-supported PFSA warehouses are completed and the constraints addressed, trainees will be able to implement all lessons learned.

The WOM training in South Africa expanded staff skills, knowledge, aspirations and perspective with regard to warehousing. PFSA and SCMS staff actively put their training



Warehouse Operations Management training helps ensure products are stored and sorted effectively, so they reach facilities in a timely manner.

into action, making significant improvements at all hubs, and planning continued improvement as the warehouses shift from the temporary locations to permanent modern warehouses, which SCMS will equip with materials handling equipment and vertical racking. All ten warehouses are expected to be completed in 2013.

## 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).

The author's views expressed in this publication do not necessarily reflect the views of the US Agency for International Development or the United States government.

## CONTACT

Daniel Tadesse  
Deputy Director for Technical  
Operations  
Bole Sub City, K.02,H no 708  
P.O. Box 1157, Code 1250  
Addis Ababa, Ethiopia  
Email: [dtadesse@et.pfscm.org](mailto:dtadesse@et.pfscm.org)  
Phone: 251.116.17.5000  
Fax: 251.116.18.3089

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