

SCMS

IN BRIEF



SCMS Freight and Logistics Update

In developing countries where public health programs are vulnerable to stock theft, counterfeit and hazards on the road, SCMS makes safety a priority. Our freight and logistics (F&L) experts uphold robust security systems to ensure HIV/AIDS product deliveries arrive on time and intact. When shipping goods through the most dangerous and difficult to reach regions, SCMS relies on local security teams to provide vigilant escort, checkpoints and backup assistance, should hazards arise.

Smart investments avert hazards in transit

Life-saving drugs and commodities are vulnerable assets, valuable not just to patients on treatment, but to those who would steal them to sell on the black market. On average, for most ARV shipments, the cost of product per SCMS truckload is between \$1 million and \$4 million. Our security management team has a three-pronged focus – to prevent and avoid product theft, eliminate product diversion, and to ensure the continuity of service and treatment, even during catastrophic events.

Why invest in security?

There are countless dangers within the health supply chain. Given the market for counterfeit medicine, ARV and other pharmaceutical products are highly susceptible to theft. According to the World Health Organization, in 2010, 30

percent of medicines sold in developing countries were counterfeit. In addition, high numbers of drugs intended for state use are reportedly stolen and assumed to be sold for profit on the black market. SCMS's strict security prevents such attacks in transit. Out of more than 10,000 deliveries worth over \$1 billion, SCMS has experienced a marginal 0.01 percent loss product theft. Also, using robust testing regimes, we have prevented counterfeit products from entering our supply chain.

Beyond theft, accidents on the road jeopardize vehicles and commodities. SCMS assesses environmental conditions and responds to warnings on a daily basis. Our teams respond to and re-route around hazardous roads. Though re-routing may add time and cost to the immediate delivery, the returns are realized through successful and safe delivery.

Safety in transit – case study 1: from Nairobi to Kampala

On March 10, 2011 two SCMS shipments left our regional distribution center (RDC) in Nairobi, Kenya for delivery to the Joint Medical Store (JMS) in Kampala, Uganda.



En route from Nairobi to Kampala, guarded escorts protect ARV shipments when troubles arise

An armed escort accompanied the delivery, worth over \$1.5 million.

After crossing the Kenya-Uganda border, the drivers proceeded with caution over roads recently damaged by rain. However, even in well controlled systems accidents happen. On the third day one of the vehicles lost control and veered off the road, crashing on its side. The truck's 40-foot cargo contained 1,313 boxes of anti-retroviral medicines (ARVs), worth over \$700,000.

The security team acted swiftly to protect the vulnerable cargo from looting and prevent delays to the time-sensitive shipment. They deployed two officers to guard the truck and sent a team to escort the second truck to Kampala. A backup team arrived to safely remove the damaged vehicle and transfer the cargo to another truck. Four days after the accident, the life-saving medicines arrived, undamaged, in Kampala.

Securing smart partnerships

SCMS uses local partnerships to manage risk and maintain security. RTT, a South African logistics company and one of the SCMS team member organizations, has provided world-class security for over 30 years with a formally trained staff of retired police, army and safety officers. Managed by SCMS's global security coordinator, our RTT team offers secure freight forwarding solutions from port to warehouse to service delivery points.

A trans-African security leader, RTT's reputation for swift response to security threats discourages potential theft. All RTT warehouses, including those holding stock for SCMS, feature:

- Perimeter barriers with regulated fences (restricted height, construction material and gates)
- Site lighting to include both continuous lighting and standby lighting
- Secure entryways and doors; must be steel or wood, with regulated hinges and windows
- "Clear zone" inside and outside of perimeter barrier for effective lighting and TV monitoring; must be free of trash, vegetation and debris
- An Electronic Entry Control System (EECS) controls access to the site and critical areas within; EECS is badge-operated, creating a record of entry at all access points

- Employee access limited to and based on job requirements
- Closed circuit televisions in the cargo handling, storage areas, perimeter and entry points



Security teams keep vigilant watch of goods from central situation rooms

From warehouse to distribution – how to secure freight & logistics?

All SCMS warehousing and shipments share high standards of management, maintained by a coordinator who supervises and assesses policies in practice. RTT monitors SCMS's regional distribution centers (RDCs) in Kenya, Ghana and South Africa from a central situation room located in the South Africa headquarters. These facilities are restricted to staff and approved visitors. RDC security managers implement security awareness programs with local security providers and develop relationships with local law enforcement to improve responsiveness and information exchange.

All RDC dispatch areas are monitored via camera, serving as a deterrent to theft. There is a strict division of duty between warehousing staff and transportation loading staff for SCMS shipments. RTT's third-party security staff provide handover between the warehousing staff and transportation staff. Regulated records are signed and dated upon delivery and receipt, so that if stock goes missing or is tampered, responsibility can be tracked to the time period in question to identify the cause and solution. All SCMS truck shipments are sealed by the third-party security, using an impenetrable lock-and-bolt, which is attached to a disposable lock that breaks to give indication of any tampering in transit.

Depending on the value of shipment, third-party security partners also provide armed-guard escort during delivery.

Security officials make hourly calls to RTT's central security situation area in South Africa to give status updates on the shipment. The monitor in South Africa will call the guard to check in if they do not receive a call as scheduled. If the guard doesn't answer, RTT immediately suspects trouble and alerts their armed response units.

When our vehicles arrive at their destination, staff first check the locks on the cargo. If they find any sign of tampering, the shipment is declared compromised and sent back to our security team for investigation.

Through coordination and partnerships, SCMS provides state-of-the-art security for a fraction of what it would cost to replace compromised products. Taking into account the potential risks to staff safety, program integrity and treatment interruption for patients, security is a smart investment.

Safety in transit: case study 2: from Johannesburg to Lusaka

February 28, 2011 an SCMS shipment left the South Africa RDC for the Zambian Central Medical Store in Lusaka. An armed escort accompanied three SCMS trucks, carrying 4,600 boxes of ARVs worth \$3.5 million.

On the first leg of the trip, our drivers stopped at a roadside checkpoint, where the SCMS security team advised them to stay for the night due to rioting on the road ahead. Our drivers took heed of the warning, but others at the checkpoint did not. One non-SCMS truck proceeded on and was ambushed down the road by twelve armed men who stole diesel, money and cellphones.



In over six years, SCMS has minimized incidents of theft on the road with constant supervision, checkpoints and trusted security partners

SCMS remained at the checkpoint until police informed our escort that the road was safe. The three trucks of ARVs proceeded, and SCMS's shipments arrived without incident at the Central Medical Stores in Lusaka.

The safe road ahead

Thanks to security investments, our RDCs in Kenya, Ghana and South Africa have had zero stock losses through theft or pilferage since the project's start in 2005. On the road, SCMS has made more than 10,000 deliveries in over six years and experienced only three incidents of theft, equating to \$50,000 –0.01 percent the total value of all deliveries. By securing the safety of commodities, SCMS secures treatment for HIV/AIDS patients worldwide.

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.

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

Clinton de Souza
Freight and Logistics Unit Lead
SCMS 1616 Fort Myer Drive
12th Floor Arlington, VA 22209
Email: cdesouza@pfscm.org
Phone: 571.327.8748
Fax: 571.227.8601

Find us on Facebook

