



Automating Logistics Information to Improve Commodity Management

The USAID | DELIVER PROJECT is pleased to introduce the Health Commodity Management Information System (HCMIS)—a new automated tool that can significantly enhance the pharmacy department’s ability to manage health commodities in the stores of hospitals and health centers.

Developed in Ethiopia by Ethiopian logisticians and programmers, in partnership with phase one sites, this user-friendly tool helps manage all essential drugs (special and budget pharmacies), as well as medical supplies, laboratory supplies, and medical equipment. The HCMIS automatically receives and issues reports and orders, manages inventory, and produces a variety of commodity reports for pharmacists, program and woreda staff, and facility managers.

HCMIS also—

- uses color-coded stock status screens and reports to ensure accurate commodity management and tracking
- dynamically calculates average monthly consumption (AMC) trends
- presents pick lists based on first-to-expire, first-out (FEFO)

- provides early alerts for near-expiry commodities and reports on expired and overstock items
- uses months of stock and quantities to signal near emergency order alerts
- auto-generates reorder amount reports
- provides standardized and special reports, graphs, and charts.

With built-in adaptability, the HCMIS will be ready to easily integrate and interface with future health commodity management tools used by the Pharmaceutical Fund and Supply Agency (PFSA), its hub warehouses, regional health bureaus (RHBs), and health facilities in their dispensing units (clinics, wards, and dispensaries). This new automated tool will also help the Ministry of Health (MOH) meet key objectives for the new health commodity supply system, particularly after the state-of-the-art commodity management functionality is introduced.

For more information, please contact Ayalkebet Shiferaw at shiferaw@gmail.com.



USAID | DELIVER PROJECT staff member (left) conducts training for a Health Center Store Manager (right) at the Adigrat Health Center, Tigray Region (Northern Ethiopia).

What is Commodity Security?

When all citizens can—

- choose
- obtain
- receive
- effectively use

quality drugs and health commodities

—whenever they need them.

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Warehouse Improvement Training for Storekeepers



MOH Zonal staff and supervisors attend the project's new Warehousing Dejunking and Reorganization Training.

The USAID | DELIVER PROJECT is offering a new program, Warehouse Dejunking and Reorganization Training, for the MOH Zonal warehouse staff and their supervisors.

This training guides storekeepers through a series of self-help steps, which will ultimately lead to a physically and operationally new and improved warehouse.

Key steps include—

- dejunking
- inventory reorganization using shelves and pallets
- enhanced inventory management
- resource mobilization to support needed upgrades.

Similar initiatives have produced dramatic increases in warehouse storage space for health commodities and have also made significant improvements in day-to-day commodity management.

In October, trainers met in Adama to study the new curriculum and to prepare for teaching it in their area. In November, they had a three-day training in Hawassa; in December, they repeated the training in Jimma.

Representatives from 28 warehouses in the Southern Nations, Nationalities and Peoples Region (SNNP), Oromia, Addis Ababa, Gambella, and Beneshangul Gumuz participated in these trainings. The warehouses represented included several levels: three RHBs, 17 Zones, seven Special Woredas, and one Woreda.

Following the initiation of new trainers in mid May, warehouse trainings will be held in June & July 2009 in two additional locations.

For more information, please contact Tirsit Abay, Warehouse Specialist, at tirsitabay@yahoo.com.

Focus: Increasing Warehouse Capacity and Effective Storage Management

Like many areas, officials from Dessie Zonal Referral Hospital in Amhara found it difficult to locate the right space to properly house needed drugs and health supplies. The hospital had only two small health commodity warehouses to meet the needs of its catchment area of seven million people.

A new warehouse was recently built; however, it was quickly overfilled with a variety of items—expired drugs, various medical supplies and equipment, old furniture, and other items. Small and large piles of commodities and furniture sat on the floor because the facility lacked warehouse equipment, including shelving, ladders, and trolleys.



Newly built warehouse overfilled with medical supplies.

The hospital officials asked the USAID | DELIVER PROJECT to assist with needed improvements. The project's warehouse team, with the Zonal and warehouse staff, assessed the situation; together they developed and implemented an improvement plan.

Today, storage conditions are much improved, with capacity increasing more than 100 percent. Ample free space for staff movement and easy access ensures that the warehouse staff can properly handle and monitor all the inventory. Industrial shelves, ladders, pallets, and ventilators (fans) are now in place. Both receiving and issuing processes were simplified, which improved the effectiveness of the staff and use of their time.

Throughout the country, the USAID | DELIVER PROJECT continues to work with the RHBs, Zones, and health facilities to improve their warehouses and upgrade their stores.



The project's warehouse team, with Zonal and warehouse staff, dramatically increase storage capacity.

Tigray Reproductive Health Network



In early October, after the ministry's annual review meeting in Mekelle, the Tigray Population Office and the RHB began revitalizing their reproductive health (RH) network. Their goal is to ensure that key issues related to women's and children's health, including family planning, are regularly discussed and action plans made. The USAID | DELIVER PROJECT and DKT International, by jointly supporting this first meeting, showed how important they consider commodity security within the overall RH agenda, especially for contraceptives.

The October meeting was an opportunity for the RHB and its RH and family planning partners to meet formally, discuss achievements and challenges, determine lessons learned, and develop a plan of action for addressing key issues. Attendees included BOFED, BOLSA, HAPCO, OSSA, the USAID | DELIVER PROJECT, DKT International, IntraHealth, IPAS, MSIE, Pathfinder International, World Vision, FGAE, REST, Mekelle University, African Services, Mums for Mums, Adventist Clinic, Mahber Weledo Midhan, and Mekane Yesus.

Major family planning challenges discussed at the meeting included (1) a lack of coordination that can lead to challenges, such as the same health facility receiving contraceptive supplies from different partners; (2) poor reporting rates that result in a lack of data at the RHB on contraceptive stock status and consumption; and (3) the continuing problem of high MOH staff turnover.

During the two-day meeting, the group agreed that improved sharing of logistics data is vital for the RHB. Other RH issues, including family planning, were also discussed: increasing the percentage of skilled attendant deliveries, increasing the supply and use of long-acting methods, solving gender issues, and improving services for the prevention of mother-to-child transmission of HIV.

For more information, please contact Sr. Ruth Gebreselassie at Tigray RHB or Azeb Fisseha (USAID | DELIVER PROJECT Regional Manager) at azebfa@yahoo.com.

Facility Spotlight



Awie Zonal Health Department in Amhara benefits from the contraceptive logistics system implementation.

W/t Hule Ayinaw is the warehouse manager in the Awie Zone, which is located in the western part of Amhara Region; with a population of 1,159,386, Awie Zone covers 8,588 sq. km. The Zonal warehouse is the central warehouse for seven rural and three town administrative woredas, plus 54 health centers and 171 health posts.

In November 2007, Hule participated in the Ethiopia Contraceptive Logistics System (ECLS) training, which she describes as one of the most important and practical trainings she has ever attended. "Before I took the training, the warehouse space was not utilized to its optimal capacity, drugs were not arranged properly, and the store was not equipped with enough shelves and pallets. Previously, drugs, medical equipment, supplies, office furniture, and motorcycles were all stored in the same warehouse and the arrangements were not suitable for the application of FEFO."

By using logistics data for ordering and resupply, Hule was able to reduce her reliance on quota methods and to resupply the woredas based on their actual need.

Training helped her understand how to—

- arrange health commodities
- apply guidelines for proper health commodity storage
- use stockkeeping records to monitor inventory
- use the contraceptive logistics report and order form (LR) to determine how much she needs for the Zone
- determine how much to give the woredas within the Zone, based on their reports on consumption and available stock.

Proper organization and management of the Zonal health commodity warehouse can help ensure that clients receive essential drugs and other health commodities. In developing countries like Ethiopia, effective warehouse management is also one of the important elements of commodity security in health, ensuring that every man and woman who wants and needs essential health commodities can easily obtain and use them.

"Due to the contraceptive logistics system and improving our warehouse management practices, our stockout rates have decreased, and our clients are more satisfied than at any time before."

Key Concepts in Commodity Security and Logistics

logistics system—The structure through which a quantity of supplies are moved to different levels, according to a schedule. Information about the quantities issued (or dispensed to clients) at each level is analyzed to determine the quantity and schedule of future deliveries and purchases.

integrated health commodity logistics system—A logistics system or supply chain that supplies and manages products for more than one health program.

lead time—The time between when new stock is ordered and when it is received and available for use. Lead time varies, depending on the system, speed of deliveries, availability and reliability of transport, and, sometimes, the weather. Note that lead times between each level in a logistics system may vary.

pull system—Distribution system in which each lower-level facility “pulls” commodities through the supply chain by ordering (requesting) the required quantities at the time the commodities are needed (allowing for the lead time from the next level).

push system—Distribution system in which the higher-level facility determines who or what will receive commodities, which commodities will be supplied, and the quantity to be supplied to the next lower level. This is called a quota or allocation system, especially when the higher level uses formulas to calculate the quantities to be sent to each facility.

Pharmaceutical Logistics Master Plan (PLMP) Update

By April 2009, the Federal Ministry of Health (FMOH) had completed most of its work under Business Process Reengineering (BPR). The way forward is clearly defined, and the new organizational structure has been shared internally and with partners. All FMOH employees have had BPR training, and the final step has been the challenging task of assigning staff position-by-position within the new structure.

Within the Pharmaceutical Fund and Supply Agency (PFSA, formerly PHARMID), BPR has made a number of changes related to the PLMP. Previously, PFSA’s key logistics roles included procurement (on behalf of all public sector facilities), and distribution (warehousing and direct transport to hospitals and health centers). They were also responsible for the national revolving (health commodity) fund. As a result of BPR, PFSA will also take responsibility for logistics capacity building at hospitals and health centers, coordinating commodity forecasting, and improving rational use by the providers in the MOH health facilities.

While many challenges are ahead for the PLMP and PFSA, the USAID | DELIVER PROJECT and other support partners are ready to assist them, when needed, to meet these challenges. The bottom line is commodity security for the people of Ethiopia.

Starting in 2003, under its predecessor project, DELIVER, the USAID | DELIVER PROJECT has worked with the MOH and the RHBs to implement a logistics information system for managing contraceptives. The project also had a central role in developing the PLMP, and partnering with UNICEF, which was accepted and approved by the FMOH in October 2006.

Like its predecessor, the USAID | DELIVER PROJECT (2007–2011) is a logistics technical assistance and support project with strengths that include logistics management information systems (LMIS) and inventory management, both manual and automated; commodity forecasting; commodity distribution (warehousing and transport); capacity building; and competency-based training.

In 2009 and beyond, the project will focus their assistance at the health-facility level in LMIS and inventory management, support to woredas and RHBs with their LMISs, and site-level capacity building for information systems and inventory management. The project also continues to support the physical and organizational upgrading of the stores in hospitals and health centers, and contraceptive/commodity security. The project will fully coordinate these activities with the Pharmaceutical Fund and Supply Agency (PFSA) at the central level and with the RHBs.

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