



Case Study

Improved Warehouse Management Supports Expanding Health Programs in Ethiopia



By training warehouse managers from zonal warehouses across Ethiopia to use their storage space more efficiently, the USAID | DELIVER PROJECT helped make room for additional products to support the country's expanding health programs.

The dejunking effort has already created additional storage space in most of the country's zonal warehouses, limiting the need for expensive new construction.

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In Ethiopia, much-needed health programs for family planning, HIV and AIDS, malaria, tuberculosis, and other critical drugs and supplies are expanding to reach more of the population. This increase in services is bringing larger quantities of drugs and contraceptives to the country each year—a trend that is expected to continue and even increase.

More products means more storage space. As supplies are shipped to regional and zonal warehouses, finding sufficient storage space is becoming increasingly difficult. To increase space in existing warehouses, the Ethiopian Ministry of Health partnered with the USAID | DELIVER PROJECT to begin a major overhaul of its storage facilities, a process known as *dejunking*.

Dejunking means removing all damaged and expired products, as well as other items that are cluttering the warehouse or storage room—sometimes for many years—to free up space and use best practices to organize the warehouse. The dejunking effort has already created additional storage space in most of the country's zonal warehouses, limiting the need for expensive new construction.

From December 2009–July 2010, the USAID | DELIVER PROJECT trained almost 100 warehouse managers from across the country in how to dejunk. Using a curriculum developed specifically for dejunking and stock reorganization training in Ethiopia, the participants learned how to systematically redesign their space, correctly dispose of damaged and expired products and other inappropriate items, rationalize product storage, and mobilize local resources.

Warehouse managers from 56 of Ethiopia's 68 zones attended the training. Highly motivated and with new skills, the trainees made a major impact when they returned home. Most have dejunked their facilities, and some even helped colleagues at lower levels of the

supply chain dejunk smaller warehouses and storerooms.

Around the country, many thousands of units of damaged and expired products have been destroyed; in most cases, the newly available space is the equivalent of half their warehouse space. On average, each warehouse has gained an estimated 15 square meters of space—enough room to park a couple of minibuses. In some locations, space was taken up by broken furniture, truck parts, old file cabinets, and fuel barrels, in addition to expired products.

The dejunking process also included rationalizing the use of floor space and shelf space. Best practices for storage were applied to group products in logical order to ensure that a product was located in only one place, and to rotate products so the ones closest to expiry would be used first (first-to-expire, first-out). As a result, turnaround time is much shorter and shipments coming in can be unloaded and stocked quickly. Orders going out can be assembled and loaded faster and more efficiently. Recordkeeping is easier and more accurate, and it is easy to tell the quantity of each product in the warehouse or storeroom.

Warehouse managers used their local resource mobilization (REMO) training to gain support from their communities while they dejunked the storage facilities. They contacted nongovernmental organizations (NGOs) and other local organizations to help with major cleaning, improving air circulation and temperature control, locating ladders and hand carts, installing shelving, and fixing roofs, among other things.

REMO empowered the warehouse managers to find creative ways to get things done; it resulted in a wide and unexpected range of improvements. At some sites, the USAID | DELIVER PROJECT provided shelving, but, thanks to REMO, warehouse managers found new ways to obtain storage equipment, including locally produced pallets made from eucalyptus wood. REMO training encourages local leadership and initiative to find solutions, offering a way to sustain improvements for years to come.

Dejunking helps improve the supply chain on multiple levels. It minimizes waste from expired products and, with more organized storage space, it improves the accuracy of logistics data, which informs critical procurement decisions. Better organization also helps warehouse staff complete their jobs more efficiently and helps boost employee morale.

The increased storage space and improved management of warehouses are crucial elements in meeting the demands of Ethiopia's expanding public health programs. With larger quantities of drugs and contraceptives coming from the central warehouses, the *new* storage space is already being put to good use.

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