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# DELIVER PROJECT

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## Supply Chain Management Newsletter



A staff person at a warehouse in Ethiopia.

An effective supply chain engages the right people, in the right quantities, with the right skills and knowledge, in the right place, at the right time; they should receive the right salaries and incentives to implement procedures that direct supply chain operations and ensure a full supply of health commodities.

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### **Developing Capacity for the Supply Chain: Building People Resources**

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### **LAPTOP: Your Go-To Supply Chain Course Finder**

We are excited to announce the launch of Learning and Professional Training Opportunities (LAPTOP), which offers, for the first time, a comprehensive and easily searchable database that you can use to find the right course-at the right time, at the right place, and at the right price. Developed by John Snow, Inc., with financial support from the Innovation Fund of the Reproductive Health Supplies Coalition (RHSC), LAPTOP is co-sponsored by People that Deliver. See the full article below.

### **New on the Web**

New resources are available now on the web. Three new sessions of the USAID | DELIVER PROJECT's flagship distance learning course, Lessons in Logistics Management for Health Commodities, can be accessed at JSI's e-Learning site. Plus, the

project has launched a photo blog, *The Last Mile*, that offers visitors a close look at the project's in-country work. See the full article below.

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## Developing Capacity for the Supply Chain: Building People Resources

Warehouse managers, pickers and packers, truck drivers, procurement agents, data analysts—these are only a few of the many jobs filled by thousands of individuals, who keep supply chains going. Each person, each job, plays an essential role to ensure that every health consumer can obtain and use quality health products. Supply chain workers have a unique opportunity to improve the health status of the individuals, benefiting their communities and improving the quality of health care.

*No people,  
No product,  
No program!*

Supply chains are complex systems comprised of various operational components that work together to deliver products. Commodities are selected and quantities identified; vendors then manufacture and deliver the commodities. Trucks move commodities to locations where they are safely stored in warehouses until they are distributed. Information systems keep a data record when the commodities are moved. But, people complete all these activities; a supply chain is the sum of the workers. At the end, without people to drive the trucks, maintain the warehouses, fill out the reports, and manufacture and dispense commodities, a supply chain cannot function. Too often, the *people side* of the supply chain is overlooked.

### The *Right* Human Resources

An effective supply chain engages the *right people*, in the *right quantities*, with the *right skills and knowledge*, in the *right place*, at the *right time*; they should receive the *rightsalaries and incentives* to implement procedures that direct supply chain operations and ensure a full supply of health commodities. Personnel must also have access to the *right resources, tools, and information* to do their jobs. To ensure that these *rights* are met, human resources must be developed and managed.

Traditionally, human resource development and management has focused on training. However, these activities address only one of the rights—the right skills and knowledge. Just as supply chains are best managed as a whole, human resources should be managed the same way. A management professor at the University of Pennsylvania's Wharton School, Peter Cappelli, says that a lack of human resource management, “is the equivalent of failing to manage your supply chain.”<sup>1</sup> A well-functioning supply chain must have a strong system design and a well-established logistics management information system (LMIS) in place.

Appropriate product selection and quantification should guide the procurement of quality products. Commodities must be manufactured, stored, and transported safely and efficiently to service delivery points. *Each supply chain component has an equivalent component in human resource management.*



## Building Powerful Integrated Constituencies

A strong health system cannot function without a well-designed, well-operated, and well-maintained supply chain management system—one that ensures an adequate supply of essential health commodities to the clients who need them. An ideal way to design a supply chain is to integrate health commodities into one supply chain. Integrating stakeholders and actions into one cohesive supply chain management

organization increases the visibility of information up and down the chain. With an integrated supply chain, the partners, functions, and logistics personnel are better able to coordinate activities and link information to strengthen the supply chain; and yields lower stockout rates, reduced costs, and improved order fulfillment rates. The same principles hold for effectively managing supply chain human resources. Human resource management constituencies include many diverse champions; if they are not integrated, they will probably duplicate work or work at cross-purposes. Commodity security advocacy groups should include all stakeholders, work toward a common purpose, use the same tools, and coordinate policies and actions for managing human resources. This will facilitate agreed-upon action at all levels of the supply chain and will increase efficiency and support supply chain human resource development.

*People that Deliver is a good example of a community of many organizations, donors, and implementing partners in the public and private sector coming together to promote supply chain human resource management. These constituencies collaborate regularly to build the capacity of supply chain personnel.*

## Using Workforce Development to Manufacture Talent

Health logistics systems work with suppliers to ensure the commodities they need are manufactured according to pre-determined design and performance requirements, using a variety of processes, in diverse locations. Similarly, supply chains must manufacture (i.e., develop) the workforce required to fulfill supply chain requirements and to keep commodities flowing to customers. A workforce develops based on identified requirements, or competencies, that are needed to ensure continuous operation. The skills are the same in every development activity or context. Like suppliers, workforce development solutions have identified competencies, but these competencies can take many forms. While conducting in-service training is one strategy to build the skills and knowledge of the workforce, other methods—on-the-job training and pre-service training—are excellent ways to build and improve the employees' abilities. In addition, some proactive institutions implement supportive supervision guidelines, as well as coaching or mentoring programs to expand workforce skills.

*The University of Zimbabwe School of Pharmacy program includes attachment assignments, which give pharmacy students time to gain experience in the field; in turn, developing a skilled pharmacy workforce. Part of their assignment is to work in a pharmacy and complete specific supply chain management tasks that they learned during the previous semester, under the guidance of an experienced pharmacist.*

## Using Workforce and Succession Planning to Quantify Personnel

The process of quantification, a critical supply chain management activity, estimates the quantities and costs of the commodities required for a health program. Commodities are quantified for procurement when information on services and commodities from the facility level is linked to program policies and plans at the national level. Similarly, good human resource management practices quantify the number and type of personnel needed to

*When designing a new supply chain in Zambia, it was determined that dedicated data managers were needed. During the implementation process, data managers were hired and trained at the same time that health staff were learning how to implement the system. Because of this, the data managers were in place just before the data collected by the health workers started arriving.*

keep a supply chain functioning. This quantification is called workforce planning—or the process of analyzing the current workforce, determining future workforce needs, and identifying and responding to gaps.

According to Cappelli, “talent management is trying to forecast what we are going to need, and then planning to meet that need ...” We think demand for our products next year is going to be 'X'. How do we organize internally to meet that demand?”<sup>2</sup> During workforce planning, supply chains identify the type and kind of skills needed to prevent the loss of staff talent, which could lead to a staff *stockout*. Succession planning, a companion management tool for workforce planning, is used to identify and develop personnel who have the potential to fill key leadership positions, thus increasing the availability of experienced and capable employees who are prepared to assume critical roles. Developing the next-generation talent keeps essential institutional knowledge and skills that will ensure continuous, uninterrupted service. But, this requires detailed analysis and planning, or quantification, of what knowledge and skills are most important; that is, the skills that must be identified and developed.

### Using Recruitment to Select and Procure Talent

To select and procure the appropriate commodities, a supply chain manager must know the exact health needs of the population and the specifications of various health product options. When procurement agents understand and follow the proper procedures and regulations, and adhere to a plan, they can successfully procure health commodities. This

*Public sector supply chain management standard operating procedure manuals typically include a section on roles and responsibilities related to supply chain management. The roles and responsibilities define the competencies that are needed to fulfill supply chain management duties at each level and they help identify the appropriate people to do the work.*

dynamic is the same for the supply chain. Selection, or recruitment, ensures that a process is in place to identify and hire candidates based on system requirements and the candidate’s competency. Just as selecting and procuring the right health commodities can ensure an improved health status, an organization’s ability to successfully select and hire human resources, who can address role competency requirements, directly impacts the organizational effectiveness of the supply chain—at all levels.

### Using Assessment and Rewards to Store Talent

One of the most important principles of proper storage is that *a commodity in storage is a commodity at risk*. Any product in storage can be damaged, stolen, or expire if it is not stored according to established guidelines and if it is not regularly assessed. The same concept applies to human resource management. Just as health commodities need to be kept dry, sealed, and properly stacked, personnel need to be assessed, supported, and motivated.



Like products, pre-established guidelines are used to assess workforce quality. A formal, regular assessment identifies growth opportunities and potential skill deficits. Responding to data from assessments is one way to improve performance and, therefore, capacity. Also, to keep and improve the critical skills of high-performing supply chain personnel may require incentives. Like storage guidelines, incentives vary, depending on the personnel’s role; they can be both financial and non-financial. Workers can also be supported and motivated by adequate access to the tools, resources, and information necessary to do their job. Finally, just as good storage practices create a protective environment, supply chain organizations must create an environment that offers job, organization, and workplace conditions needed for critical talent to thrive.

Warehouse, Hawassa Hub, March 2011  
Credit: USAID | DELIVER PROJECT 2011

## Using Performance Management to Transport Talent

Even if the storage conditions are ideal, all health commodities will expire in the storeroom if they are not regularly distributed. Products must be continuously moved through the pipeline to ensure that they are dispensed appropriately to clients. People, too, must have access to distribution channels, or promotion opportunities, along an established, transparent career path. If talented people are kept in the same position without opportunities for promotion or access to growth opportunities, the institution risks losing them. Therefore, developing a distribution network, or career path, creates positive working conditions to reassure employees that they will have given opportunities to grow—this career path is essential to retaining the skills and institutional knowledge needed to sustain a strong supply chain.

*Cappelli notes, "The best way to have a piece of talent walk away is to tell it to sit on the shelf and wait for opportunity. Anyone who is ambitious will leave, and then you will lose the big upfront investment you made in that person."<sup>6</sup>*

## Using Human Resources to Transform Supply Chains

The goal of a logistics system is to improve care by ensuring the quality and availability of health commodities. By making medicines and medical supplies available, customers can obtain and use the health products they need. Product selection, quantification, procurement, storage, and distribution are connected in a systems-focused approach, ensuring that all the moving parts of the supply chain are synchronized. Ultimately, this builds system capacity—improving lives by providing greater coverage, better use of resources, and improved quality of care. Likewise, human resource management is made up of various operational components—recruitment, development, performance management, and workforce and succession planning. When these are coordinated and aligned with one another, human resource management functions will build human capital and the capacity to support a larger organizational goal to provide continuity in business operations or, in the case of a supply chain, product delivery to the end user. An engaged, motivated, and rewarded workforce is an essential component. The human element is one of the most important parts of a supply chain. The management and delivery of health products ultimately depends on the knowledge, skills, and abilities of the individuals who deliver health services.

<sup>1</sup>“Talent on Demand”: Applying Supply Chain Management to People,” Knowledge@Wharton, 20 Feb. 2008, <http://knowledge.wharton.upenn.edu/article.cfm?articleid=1899> (accessed 15 Feb. 2012).

<sup>2</sup> Ibid.

<sup>3</sup> Ibid.

# Supply Chain Management Knowledge Makes New Pharmacy Graduates a Sought-After Commodity in Rwanda

The National University of Rwanda (NUR) graduated 98 pharmacy students in the class of 2010–2011; this completed their training on supply chain management of health commodities. The training directly addressed the shortage of qualified supply chain managers working in Rwanda’s health facilities.

To support the Rwandan Ministry of Health, the USAID | DELIVER PROJECT introduced supply chain management of health commodities into the university’s pharmacy department curriculum. The training helps health workers manage their supplies and avoid stockouts of medicines and related commodities.



Students from the USAID | DELIVER PROJECT supported supply chain management course at the National University of Rwanda.

Before the training was introduced, the pharmaceutical sector faced a shortage of qualified personnel. Stock managers reported that they were not trained in the logistics management of drugs in health facilities; health workers asked for training in supply chain management.

The demand for personnel qualified in supply chain management remains high. Already, the 35 students graduated in 2010 are employed and using the skills they learned at the university. “The newly integrated course in the pharmacy curriculum fits in the Rwandan context,” said Charles Karangwa, one of the senior lecturers in the pharmacy department. The *Supply Chain Management of Health Commodities* course was taught for the first time on August 18, 2010, at the NUR. The students now recognize that the new curriculum is essential to their work as pharmacists.

Claver Kayumba, the senior lecturer at the NUR’s pharmacy department, said, “The new course has a huge impact even for the university lecturers. The lecturer’s guide and the student syllabus designed by USAID | DELIVER PROJECT were adapted to the Rwandan context by the members of the Pharmacy Task Force (PTF) and lecturers from the NUR department of pharmacy,” he added.

Adding the supply chain course to the curriculum of NUR is a major step forward for pre-service training (PST). Last year, the 2010–2011 graduating students spent one week learning how to work with the supply chain management of health commodities. Now, they are posted all over the country and are applying that knowledge every day.



Charles Karangwa, lecturer at the National University of Rwanda's pharmacy department, with students from the 2011 supply chain management course.

and I can apply the procurement principles at our pharmacy,” he said.

He talks about his daily experiences with confidence. “We make an evaluation of the daily consumption, we assess all the drugs available in our stocks, we contact our suppliers in Belgium to ask them for the quantities of drugs we need; after we receive the drugs ordered, we keep the drugs in our stock, and we deliver them to the customers. And, I do the procurement plan every three months,” added the new pharmacist.

Janvier Nsanzabera, another new pharmacist, evaluated the quantity of drugs available in the SCORE pharmacy stocks. He reflected on the training he received, “I have practiced physical inventory during one week at Ngororero district in December 2010. This is very fruitful for my job.”

Aline Uwineza, a new pharmacist at *Pharmacie Conseil*, said that the training program helped her to get hired easily. “We are thankful to the USAID | DELIVER PROJECT,” she said, “because with the supply chain management knowledge many nongovernmental organizations and private pharmacies are now interested in recruiting us.”

Implementing PST has shown an improved quality of service that the new pharmacists can provide. Because of this, the Ministry of Health (MOH) plans to develop a national health services plan to identify service provisions, requirements, and staff qualifications for each level of care.

- The project, with PTF and NUR, has achieved key milestones in capacity building for supply chain management, including the eight lecturers of the NUR Pharmacy department who were trained during a logistics training-of-trainers.
- Developed and incorporated *Curriculum for Supply Chain Commodity Management* into the NUR pharmacy course. Training materials, including the lecturer’s guide and the student syllabus, were developed and are now available in the NUR pharmacy department library.
- Teaching support materials (laptop, printer, video projector, and books) are now available to support the pharmacy department.

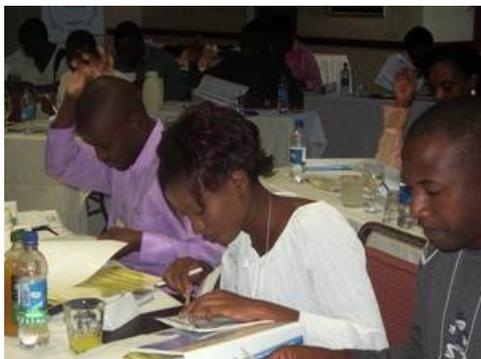
Thirteen graduates made their way to private retail pharmacies; five are working at the warehouse in private wholesale pharmacies. Four new pharmacists are working part-time with Management Sciences for Health where they are conducting a survey on drug registration in public health facilities in the Kicukiro and Nyarugenge districts.

Emmanuel Rwabukumba, a 2010 graduate, started working at the Biopharmacia Warehouse in March 2011. “I learned about procurement plans in the course

- All pharmacists working in the public sector have been trained.

PST in supply chain management of health commodities also helps the Ministry of Health achieve the Health Sector Strategic Plan strategic objectives of making qualified human resources available.

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Developed by [John Snow, Inc.](#), with financial support from the Innovation Fund of the [Reproductive Health Supplies Coalition](#) (RHSC), LAPTOP is co-sponsored by [People that Deliver](#).

The new website offers supply chain

training opportunities that feature classroom-based courses and workshops, self-directed distance learning programs, and degree programs. Using LAPTOP, you can find courses that will help you improve your supply chain skills and advance your career. The courses focus on developing practical skills that can help professionalize the way public sector supply chains are managed and, at the same time, improve product availability.

Use LAPTOP to search for courses, obtain lists of courses that fit your criteria, find course details, and export course information to MS Excel and to a PDF. Course providers continually add and update course information on the site, which means it is always up-to-date.

You can access LAPTOP at [www.rhsupplies.org/resources-tools/LAPTOP](http://www.rhsupplies.org/resources-tools/LAPTOP).

Please take the [survey](#) on the LAPTOP homepage; your feedback is invaluable.

### Course Information Available in LAPTOP:

- ✓ course name
- ✓ institution offering the course
- ✓ website address and contact information
- ✓ language used in the course
- ✓ focus commodity and list of commodities covered
- ✓ course objectives
- ✓ general and specific course topics
- ✓ target audience
- ✓ target sector
- ✓ course fee and fee description
- ✓ discounts
- ✓ mode of course attendance
- ✓ total time commitment expected
- ✓ percentage of course spent on logistics topics
- ✓ prerequisites
- ✓ accreditation
- ✓ certificate or degree offered
- ✓ incentives
- ✓ additional comments.



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## Welcome to LAPTOP

Welcome to LAPTOP, your go-to course finder that offers you a world of training opportunities in supply chain management.

This joint initiative by the Reproductive Health Supplies Coalition and People that Deliver is designed to help you improve your skills, advance your career, and find the right course – at the right time, the right place and the right price.

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## New on the Web

### New Online Course Sessions for Managing Health Commodity Logistics

The USAID | DELIVER PROJECT's flagship distance learning course, Lessons in Logistics Management for Health Commodities, has three new sessions: *Storage of Health Commodities*, *Assessing Logistics Systems*, and *Quantification of Health*

*Commodities*. Free of charge and available online or on a CD, this interactive series teaches the basics of logistics management. You can access the logistics course online on JSI's e-Learning site at <http://elearning.jsi.com/>, or email a request for a CD to [askdeliver@jsi.com](mailto:askdeliver@jsi.com).



### USAID | DELIVER PROJECT Launches Photo Blog

A single photo can be the most effective way to show the importance of public health supply chains and the impact they have on successful health programs. The USAID | DELIVER PROJECT's new photo blog, *The Last Mile*, offers visitors a window into the supply chain work in the countries where the project works. You can find the blog at <http://thelastmile.tumblr.com/>.



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