



PRIVATE SECTOR HEALTH ALLIANCE OF NIGERIA

Africa Resource Center

“Procurement and Storage for Hospitals”

François Olsthoorn

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François Olsthoorn (46)

Married to Karolien (45)

Daan (15), Marieke (13), Paulien (11)

Proud father & husband



1988 – 1994

1995 – 2000

2001 – 2011

2011 – 2016

JFM 2017

April 2017

Mr. Engineering & Management Science

P&G Customer Service & Logistics

P&G Supply Chain Management

P&G Supply Chain Director

Sabbatical Bill & Melinda Gates Foundation

Back to P&G ...

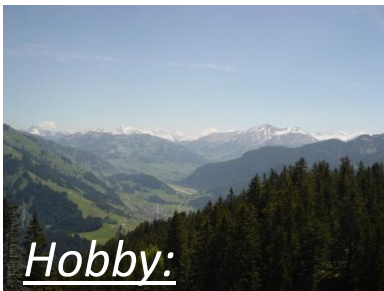
Eindhoven University of Technology

Rotterdam/Brussels

Geneva/Eastern Europe/Africa

R'dam/Brussels/Paris/Stockholm

Lagos/Abuja/Dakar



Hobby:

*family time in mountains
(hiking, camping)*



Unforgettable experience
Team P&G at Alp d'HuZes



Passion:
Squash

How do you 'score' logistics performance in Hospitals?



Objectives



Teach key elements of Supply Chain Management for Hospitals



Interactive discussion on key logistics challenges in hospitals



Discuss key elements of Procurement and Storage

Some history ...

The birth of Logistics can be traced back to ancient war times of Greek and Roman empires when military officers titled as '**Logistikas**' were assigned the duties of providing services related to supply and distribution of resources.



Definition of Supply Chain Management?

“Supply chain management (SCM), the management of the flow of goods and services, involves the movement and storage of raw materials, of work-in-process inventory, and of finished goods from point of origin to point of consumption.”

(Wikipedia)

François' definition of Supply Chain Management

Getting the

Right *Product* with the

Right *Quality* at the

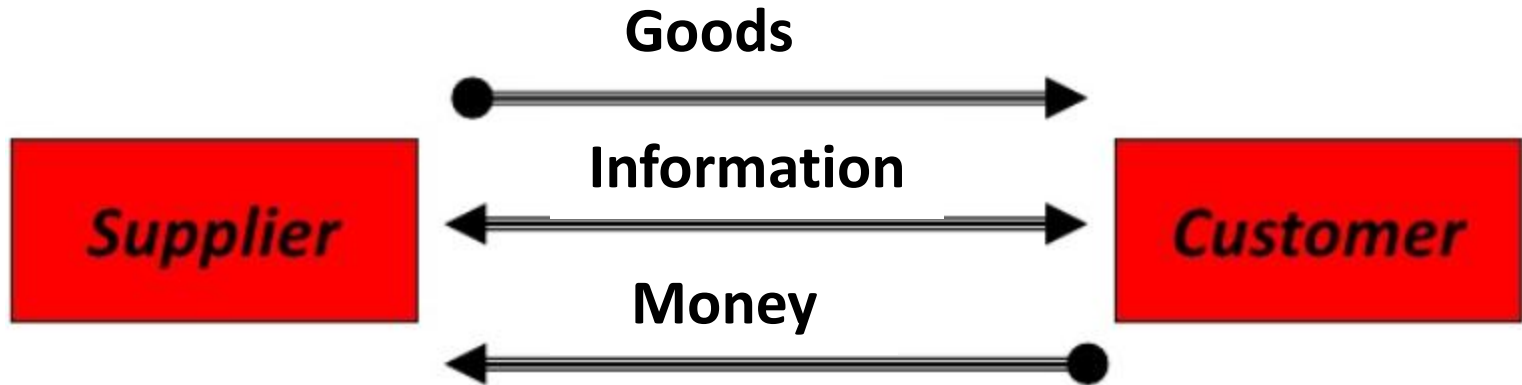
Right *Place* at the

Right *Time* at the

Right *Cost* with the

Right *Inventory*

Simple visual of a Supply Chain



Supply Chain Management in Hospitals

1

Physical



PHYSICAL FLOW

2

Financial



FINANCIAL FLOW

3

Information



INFORMATION FLOW

Supply Chain Management in Hospitals

1

Physical



PHYSICAL FLOW

Managing an effective and efficient flow of medicins / commodities.

2

Financial



FINANCIAL FLOW

Getting the right and efficient money flow to receive and store medicins / commodities

3

Information



INFORMATION FLOW

Managing efficient and accurate information flow internally and externally to support Physical and Financial Flows.

How do we measure performance of Supply Chain in Private Sector?

Element	Impact	Generic KPI
Right Product	Quality	# Quality Incidents
Right Quality		
Right Place	Service	% Product availability
Right Time		% on-time delivery
Right Cost	Cost	SC Cost per product
Right Inventory	Cash	# Days coverage

How do we measure performance of Supply Chain in Private Sector?

Element	Impact	Generic KPI
Right Product	Quality	# Quality Incidents
Right Quality		
Right Place	Service	% Product availability
Right Time		% on-time delivery
Right Cost	Cost	SC Cost per product
Right Inventory	Cost	# Days coverage

EFFECTIVENESS

EFFICIENCY

How do we measure performance of Supply Chain in Hospitals?

Element	Impact	Generic KPI
Right Product	Quality	?
Right Quality		
Right Place	Service	?
Right Time		
Right Cost	Cost	?
Right Inventory	Cash	?

Generic SCM issues

Private Sector

- Quality issues
- Product unavailability
- Transport delays
- Production breakdown
- Capacity constraints
- Planning issues
- Inaccurate data
- External issues/crises (politics, regulation)

Generic SCM issues

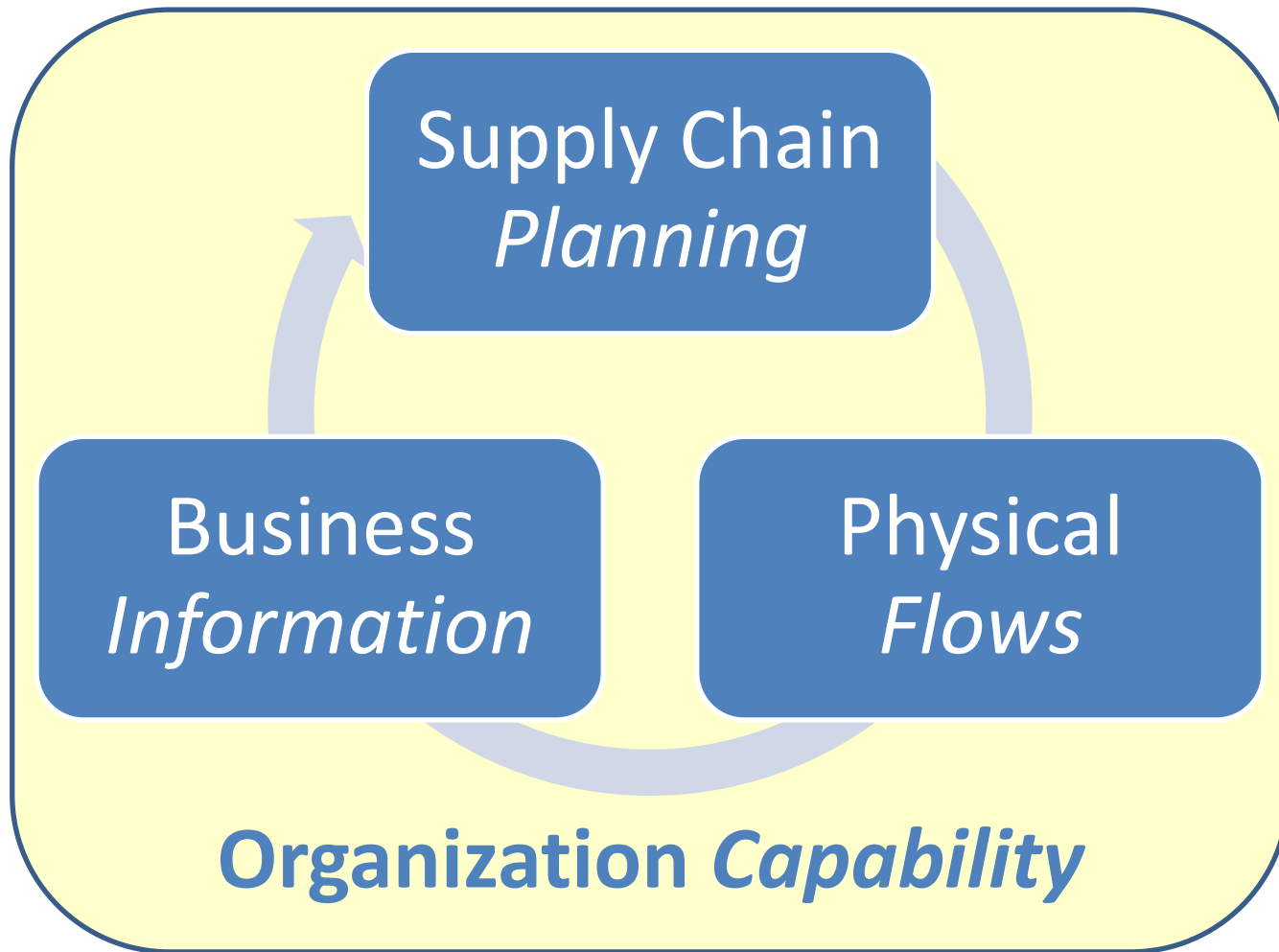
Hospitals?

- ...
- ...

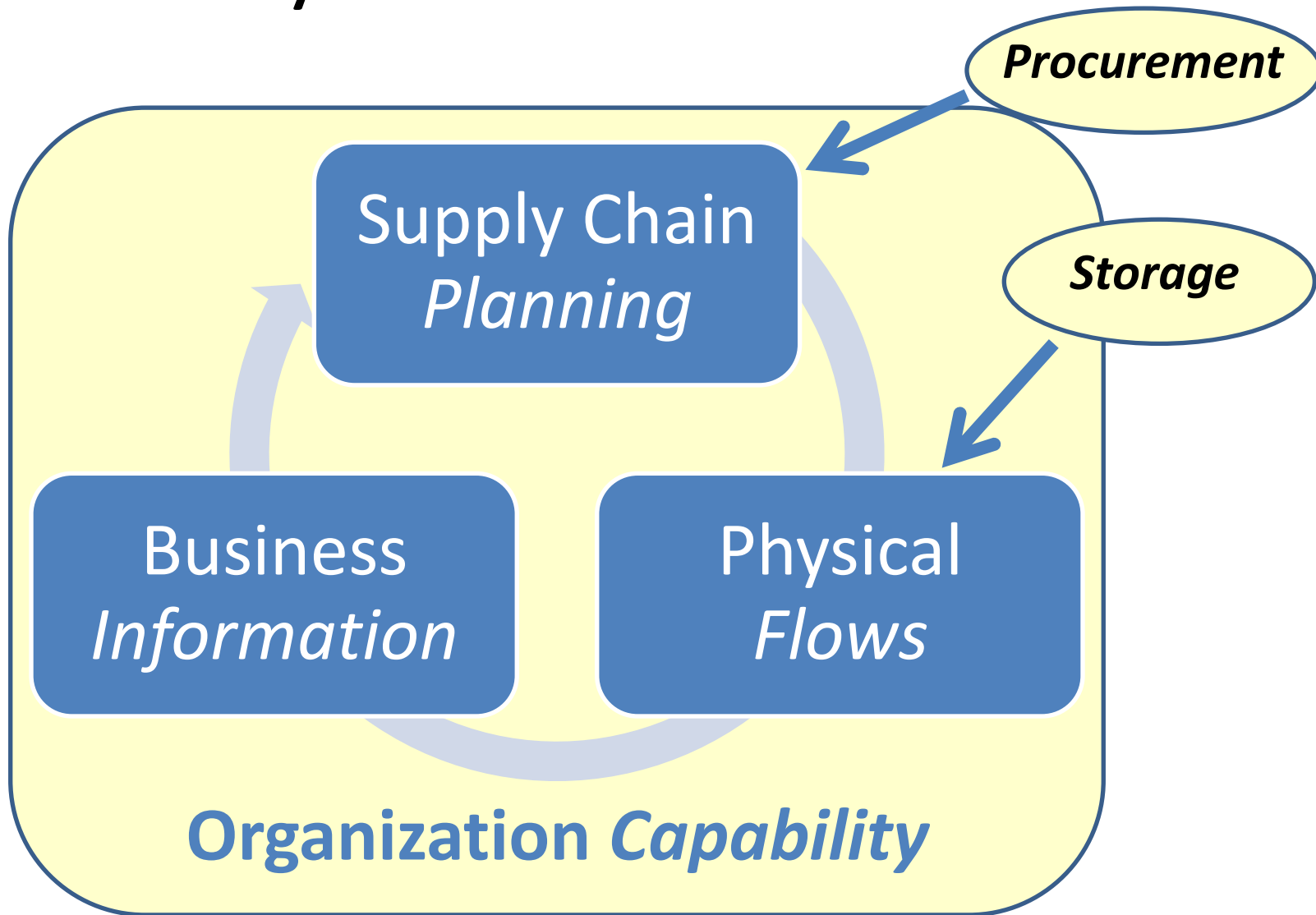


SUPPLY CHAIN BALANCE

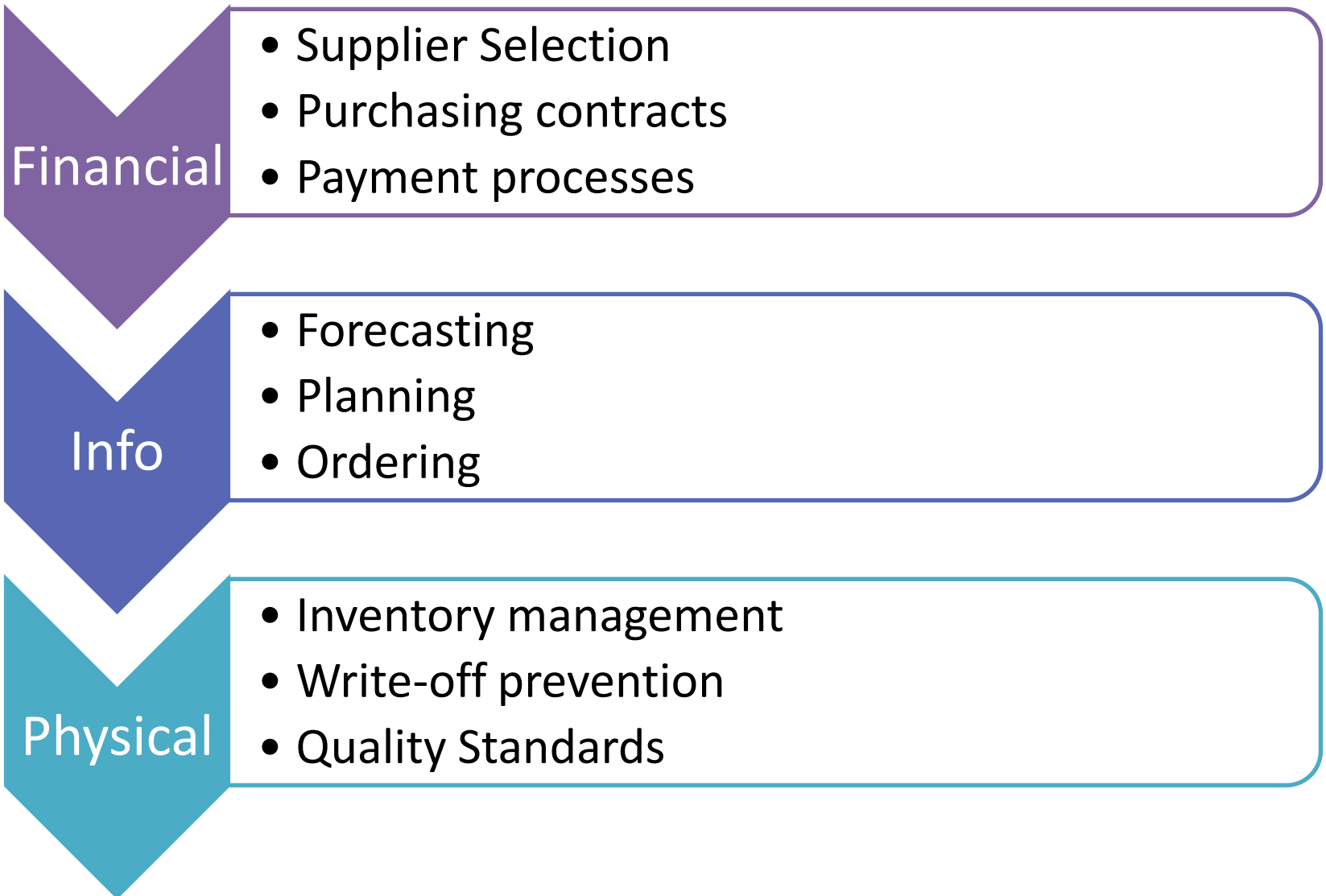
Key SCM Processes



Key SCM Processes



Procurement & Storage elements





Financial

- Supplier Selection
- Purchasing contracts
- Payment processes

- Balanced cost - service – responsiveness
- Contingency suppliers
- Smart contracts (currency, quality, targets)
- Payment lead-times
- Efficient payment processes



Info

- Forecasting
- Planning
- Ordering

- Statistical forecasting, seasonal effects
- Understand planning parameters:
 - Lead-time
 - Delivery reliability
 - Product availability constraints
- Ordering frequency
- Efficient ordering process

Physical

- Inventory management
- Write-off prevention
- Quality standards

- Proper Safety stocks
- FIFO (First In First Out)
- Safety, quality and hygiene

Wrap-up and Q&A

