



South Africa National Department of Health
Control Tower Organisational Design
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Context & Background

- What is a Direct Delivery Control Tower?
 - **Leveraging existing** private sector
 - Infrastructure
 - Capacity
 - Resources
 - **Bypassing** depot model
- Why a Direct Delivery Control Tower?
 - **Insufficient scale** in warehousing and distribution
 - Multiple-tiered supply solution
 - **Lack of visibility** and information
 - Financial & administrative **inefficiencies**



Context & Background

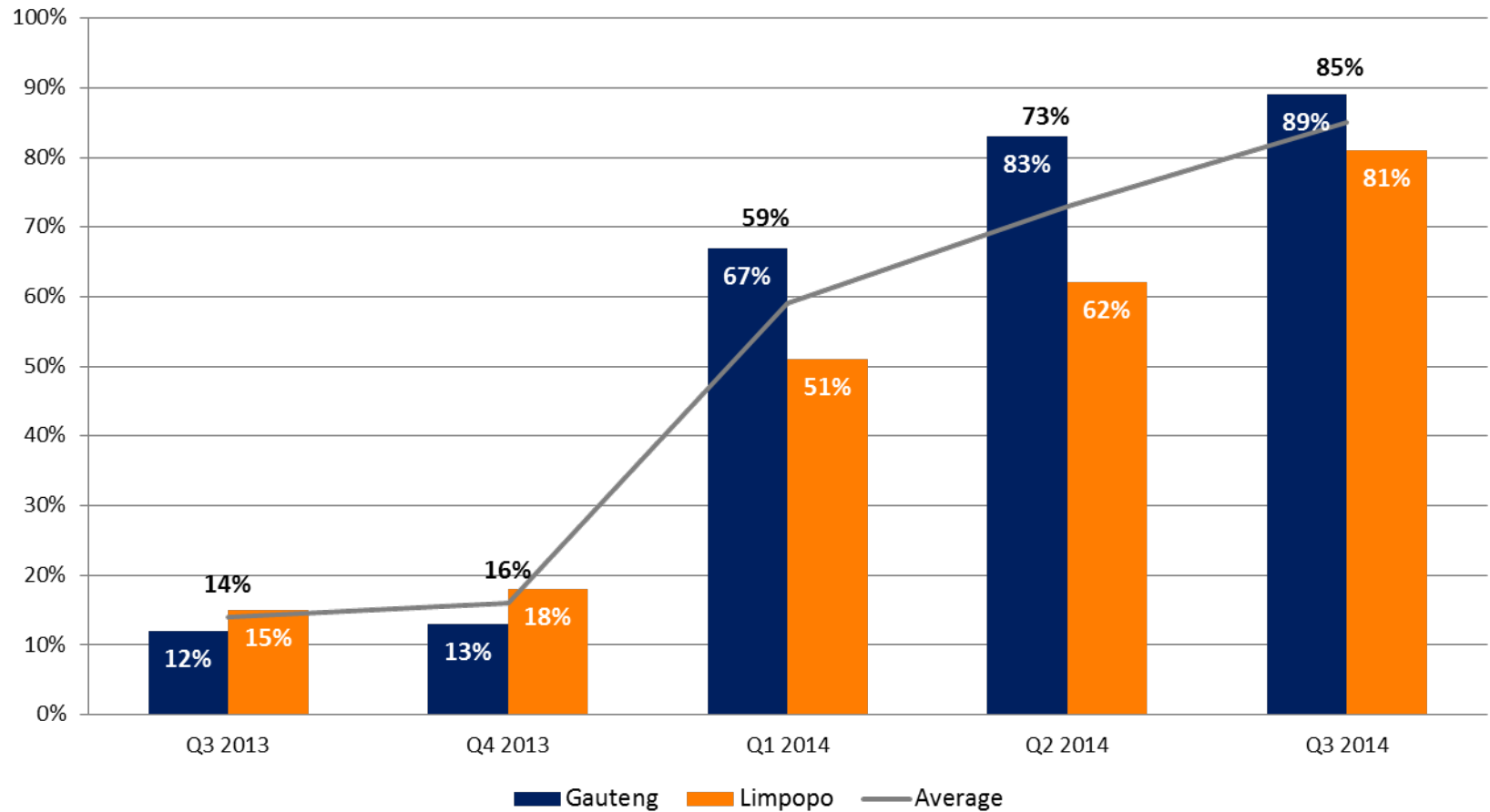
- Results of Gauteng pilot project (USAID-funded SCMS)
 - Supplier on-time delivery – improved from 18% to 85%
 - Order fulfilment – improved from 79% to 97%
 - Orders cancelled due to supplier stock-outs – improved from 18% to >1%
- Challenges
 - Documentation from facilities
 - Manual re-entry of data
 - Connectivity and IT infrastructure
 - Staff turnover and competence
- No defined organizational development framework



**GLOBAL
HEALTH**
SUPPLY CHAIN SUMMIT

Context & Background

Supplier On Time Delivery



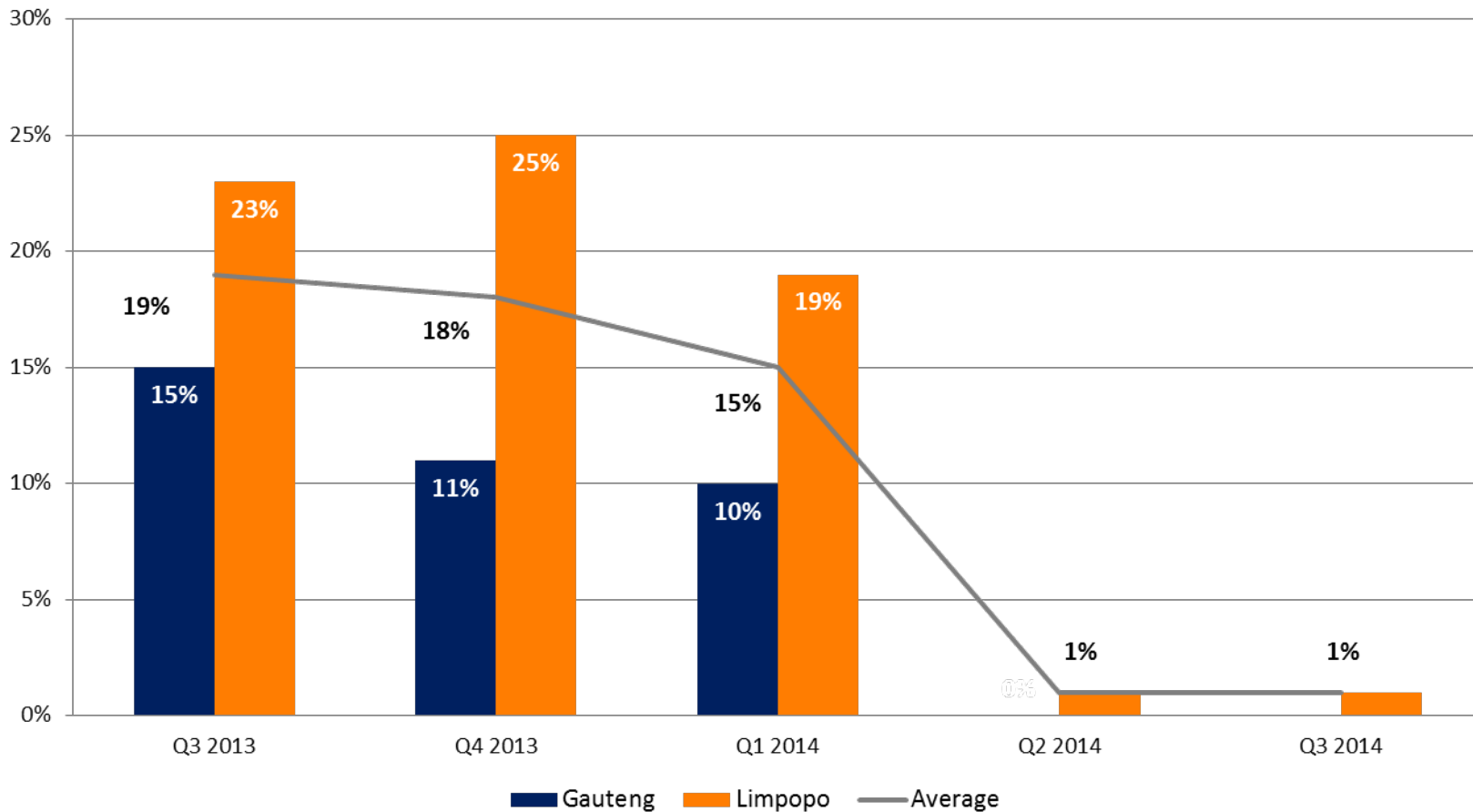
Global health Supply Chains. Dakar
Senegal 2015



**GLOBAL
HEALTH**
SUPPLY CHAIN SUMMIT

Context & Background

Supplier Stock-Out Rate



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Justification

- The benefits of an organizational development framework
 - All employees are near 100% utilized
 - Employees understand their roles and responsibility
 - Employee performance can be (and should be) measured
 - Employee development areas can be identified



Methodology

- **Mapping all functions** & activities within the Control Tower
 - **SOP's** available and reviewed
 - Ideal **number of staff** required for each function
 - **Scale of commodity volume** per activity identified
- Time and motion study
- Competency framework was developed
 - **Job descriptions**
 - Training activities required for each job
 - Performance review documents



Mapping of the activities of the CT

- Teams workload reviewed
- Orders (time required to perform task)
- Reports
- Finance - Payment authorization
- Complete review of all existing SOPs
- Designed Job Descriptions



Time and motion study Process

- The T&M study specifically reviewed the following:
 - Understood the key **drivers of the volume** of activity i.e. number of orders or number of invoices
 - Detailed the **steps** of each activity
 - Determined the **average time taken** to perform the activity
 - Gained a detailed understanding of process & system **bottlenecks**



Development Requirements

- The training needs identified for staff members include:
 - RX system training
 - Supply Chain training
 - Microsoft Outlook, Excel and Word training
 - Staff orientation training



Outcome

- The required outcomes of the OD study was to understand the:
 - **Enabling environmental** factors
 - **Activity drivers** to determine number of support staff required to deploy & successfully manage a CT
 - Predict and **propose** similar **CT roll-outs** in the other Provinces in South Africa
 - Specific **staff requirements** with a documented, **replicable** process



Next steps

- CT model to be rolled out to the various Provinces
- Onboarding program to be developed for staff
- Outstanding SOP' s to be developed
- Staff member to be appointed to handle supplier penalties





ANNEXURES



Mapping of Activities in the Control Tower

- Teams workload reviewed:
 - Procurement = 3 team members
 - Finance = 4 team members
 - Order Administration = 2 members
- Queries support (processes that time is spent on)
 - Support between Facilities and Supplier
 - Query time resolution – between 10 min to 1 hour
 - Time start from time the query was logged to closed



Mapping of Activities in the Control Tower

- Orders (processes that time is spent on)
 - Number of purchase orders for the day was captured
 - Orders was broken down into number of requisitions
 - Requisitions are captured manually or via a EDI file into the system
 - Orders are allocated to contracted suppliers
 - Orders are followed up on



Mapping of Activities in the Control Tower

- Reports (processes that time is spent on)
 - Reporting is done weekly
 - Open orders report
 - Tracer and KPI reports
 - Orders placed by Province
 - Weekly feedback report
- Authorisations (processes that time is spent on)
 - Authorisations takes place outside of the control tower
 - After authorisation purchase orders are scanned and send to facilities



Mapping of Activities in the Control Tower

- Finance (processes that time is spent on)
 - Pricing Queries
 - Payment packs
 - Issuing of payment vouchers



Standard Operating Procedure 's review

- SOP's that was reviewed:
 - Cancellation of RX purchase orders
 - Purchase Order Cancellation Request Form
 - Supplier Purchase Order Cancellation instruction Form
 - PMPU Re-directing orders to MSD 2
 - PMPU Following up on outstanding purchase orders
 - PMPU Open purchase order management process
 - PMPU Backorder management
 - PMPU Reporting feedback NDoH



Standard Operating Procedure 's review

- SOP's that was reviewed:
 - PMPU Reporting feedback facility
 - PMPU Reporting feedback supplier
 - PMPU Master data management facility
 - PMPU Master data management supplier
 - PMPU Master data management contracts
- SOP's outstanding
 - Supplier penalties



Job Descriptions

- Designed Job Descriptions:
 - PMPU Unit Manager
 - Procurement Supervisor
 - Procurement Consultant
 - Admin Clerk
 - Admin Consultant
 - Finance Supervisor
 - Admin Consultant (Finance)



Time and motion study

- What was measured?
 - Filing of orders
 - Printing, scanning and dividing of orders
 - E-mail orders to facility
 - E-mail orders to suppliers
 - Update of Rx
 - Order allocation
 - Order approval
 - Order processing
 - Order cancellation
 - Feedback report
 - Query handling
- What was measured?
 - POD receipt, retrieval from order file and cover sheet printing
 - Order Capturing for payment
 - Weekly Disbursement report
 - Penalty processing



Time and motion study

- Bottle necks identified
 - Approval of orders
 - Feedback from Suppliers on outstanding orders
 - Incomplete paperwork from facilities
 - Portal reaction time is very slow
 - Misplacing of orders at Suppliers
 - Staff turn over at facilities
 - Capturing of data
- Bottle necks identified
 - Pricing queries
 - Manual input of requisitions