



health

Department:  
Health  
REPUBLIC OF SOUTH AFRICA



# IMPROVING CONTRACT MANAGEMENT TO IMPROVE MEDICINE AVAILABILITY

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Global Health Supply Chain – Technical Assistance

# Problem Statement

***As part of the Global Health Supply Chain Technical Assistance (GHSC-TA) Program, Improve the performance of the Contract Management Unit (CMU) within the Affordable Medicines Directorate (AMD) at the SA National Department of Health.***

The Contract Management Unit (CMU) is central to the ongoing **provision of medicine along the supply chain continuum**. Future interventions and initiatives related to ARV replacements and enhanced cost effective HIV treatment will require a CMU department that is **functionally fit for purpose, focused on outcomes** and able to measure performance credibly and accurately. All of this will require a departmental strengthening exercise that aligns the following:

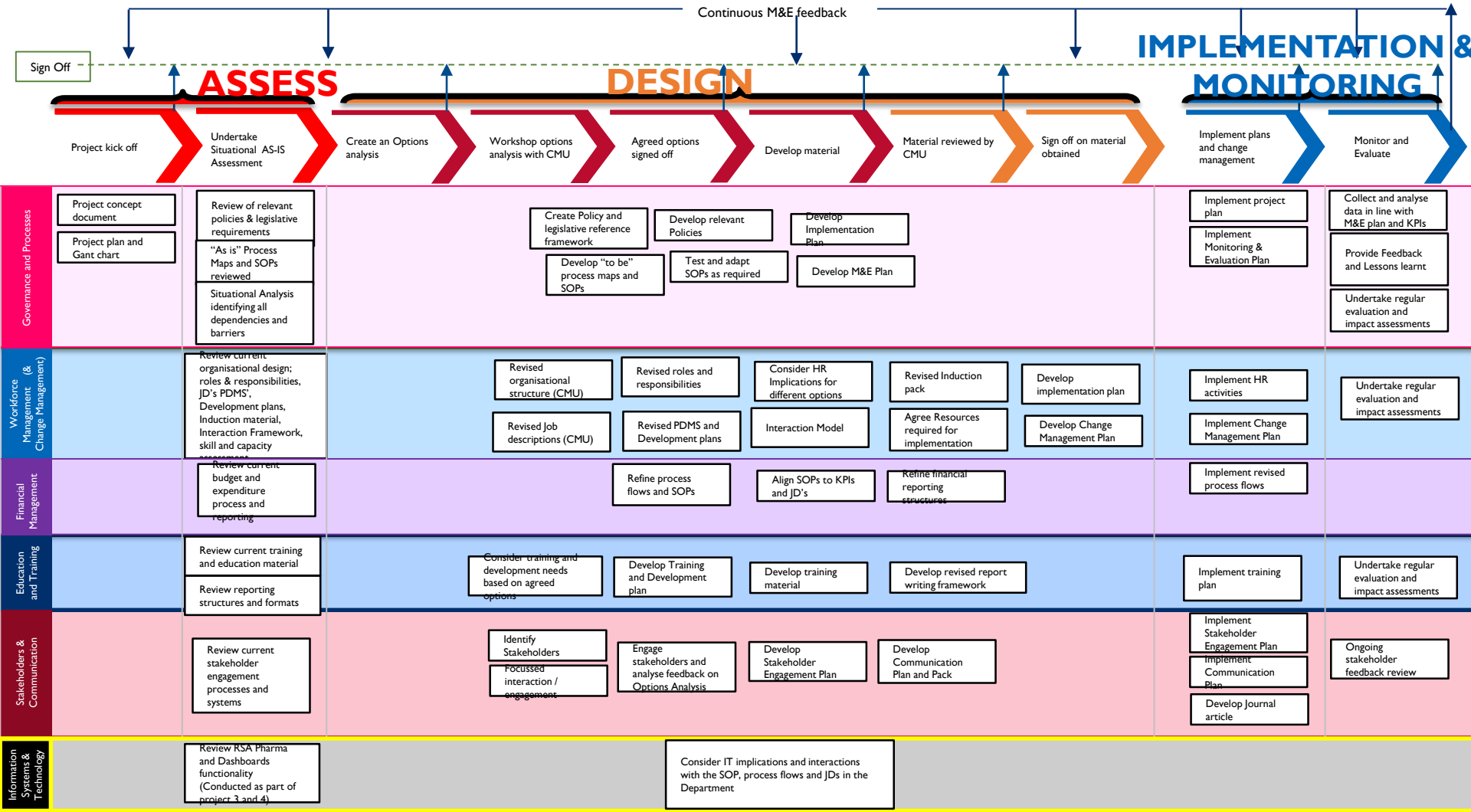
- **Processes** : Efficient processes with no duplication aligned to clear agreed to SOP's;
- **Technology**: Tools available to the CMU must be appropriate, functional and aligned with the requirements of the CMU and the strategy of the Department;
- **People**: Clear job descriptions, performance measures, structures, development plans and capacity planning is entrenched.

## Key Principles:

- SCTA must ensure that the strengthening intervention at CMU are **sustainable** beyond the lifespan of the SCTA project;
- The technical functions of the department must **align with the structure, the KPI's, staffing mix** and required outcomes; and
- The intervention at CMU level must ensure consideration in terms of the **interaction with Provincial Departments** and contract management functions.

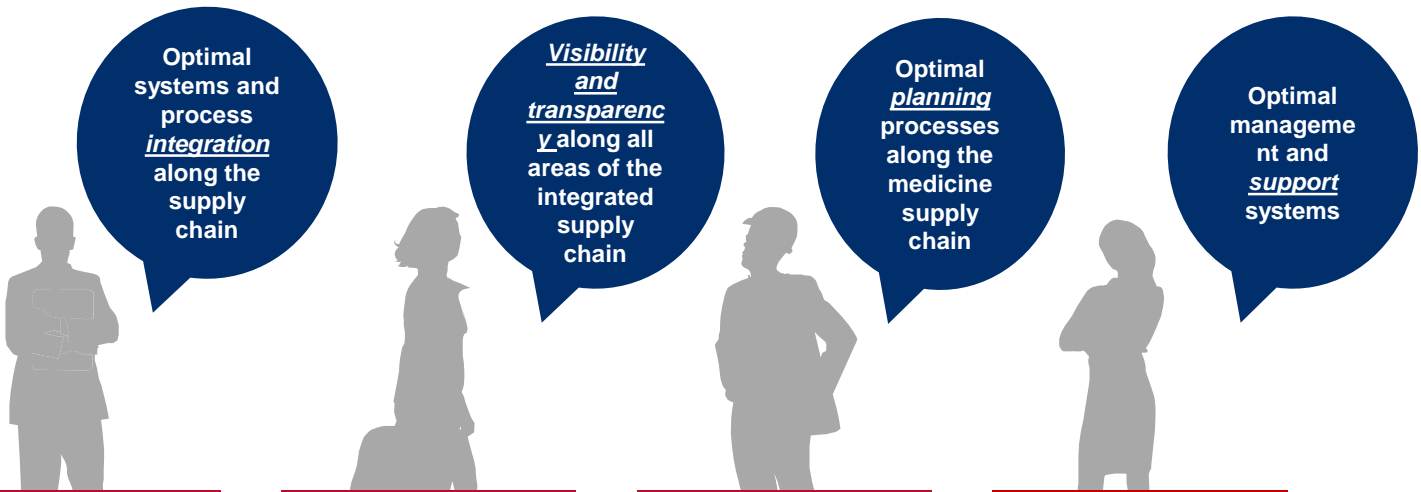


# The Approach used



# Voice of the Staff:

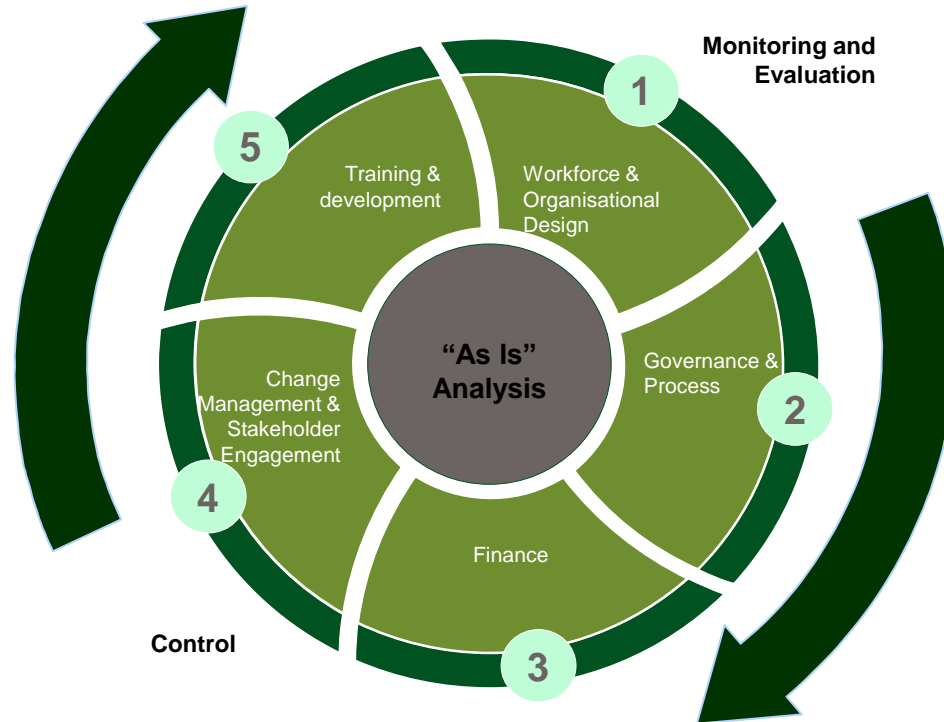
## Visions



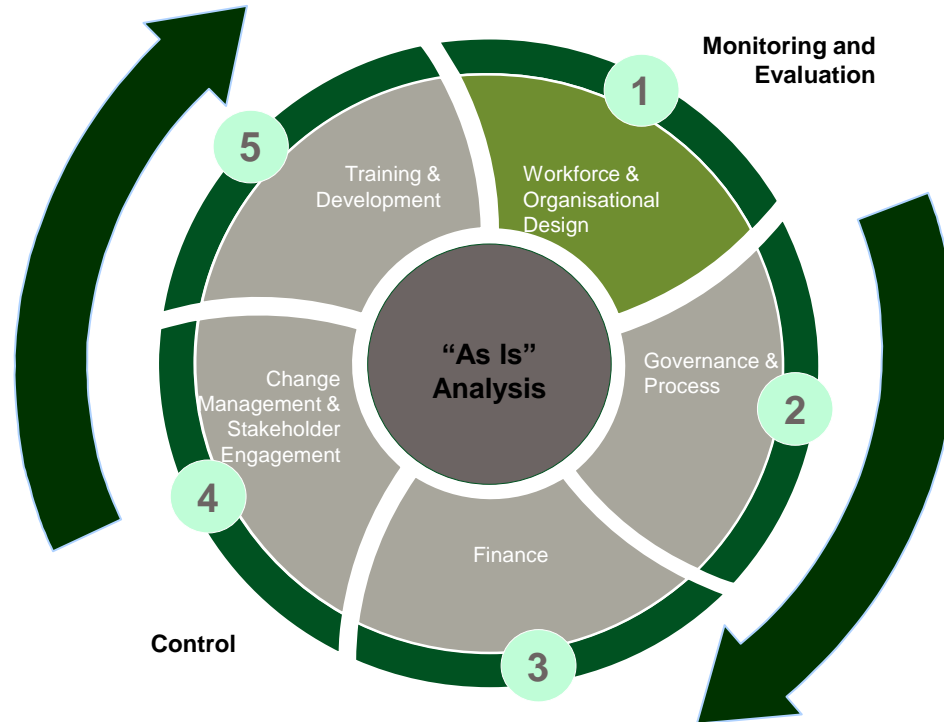
## Challenges

- Orders are not in line with processes
- Tender awards processes
- Supplier non-compliance
- Dependence on reports from stakeholders
- Lack of visibility of supply chain processes
- Poor adherence to deadlines by provinces for deadlines and reports
- Poor planning and stock management by provinces
- Lack of recourse at departmental level
- Poor administration and support processes

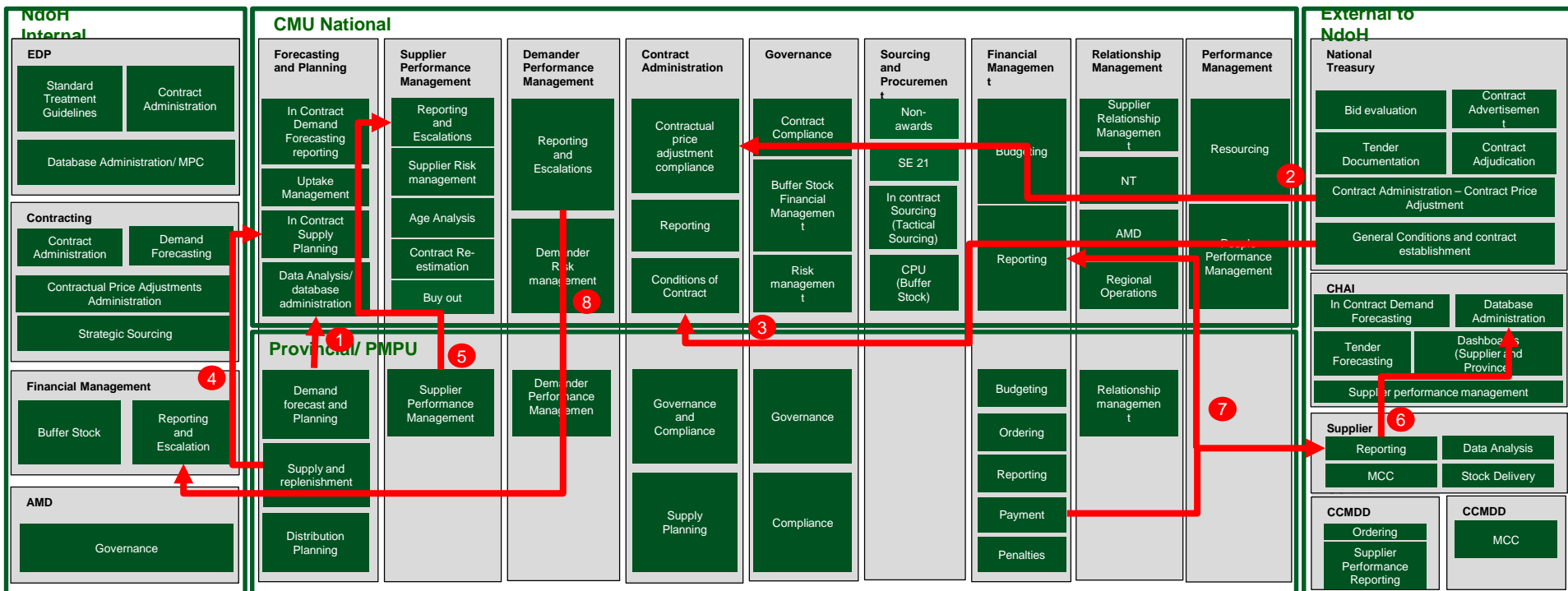
# Our 6 Focus Areas



# Workforce Management

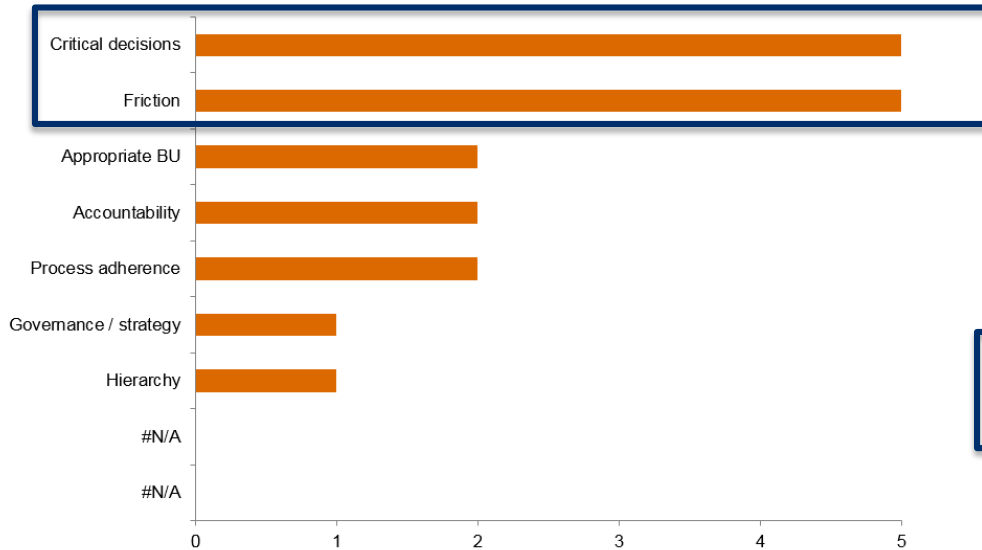


# Roles and responsibilities

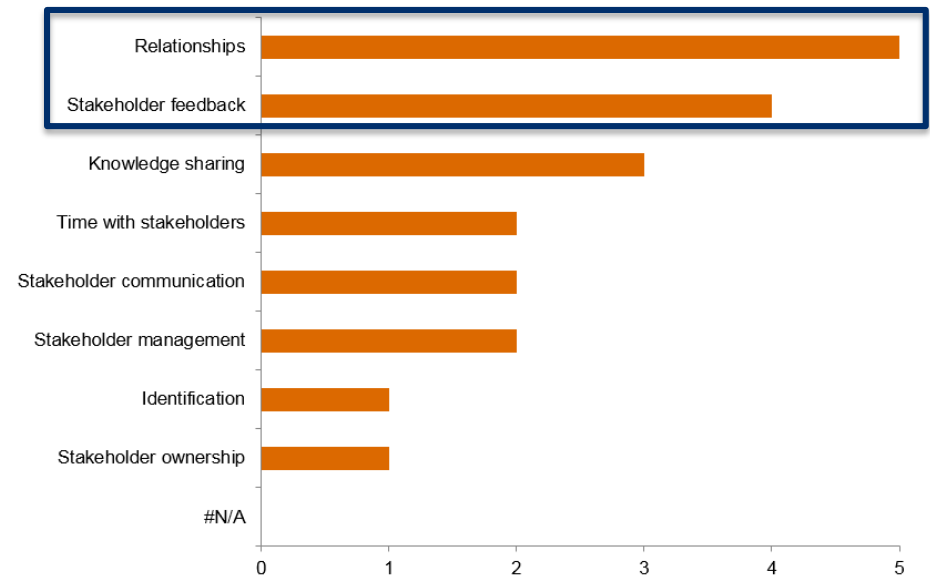


# Priority areas identified by staff

## Governance - Priority for Change



## Networks & Stakeholders - Priority for Change





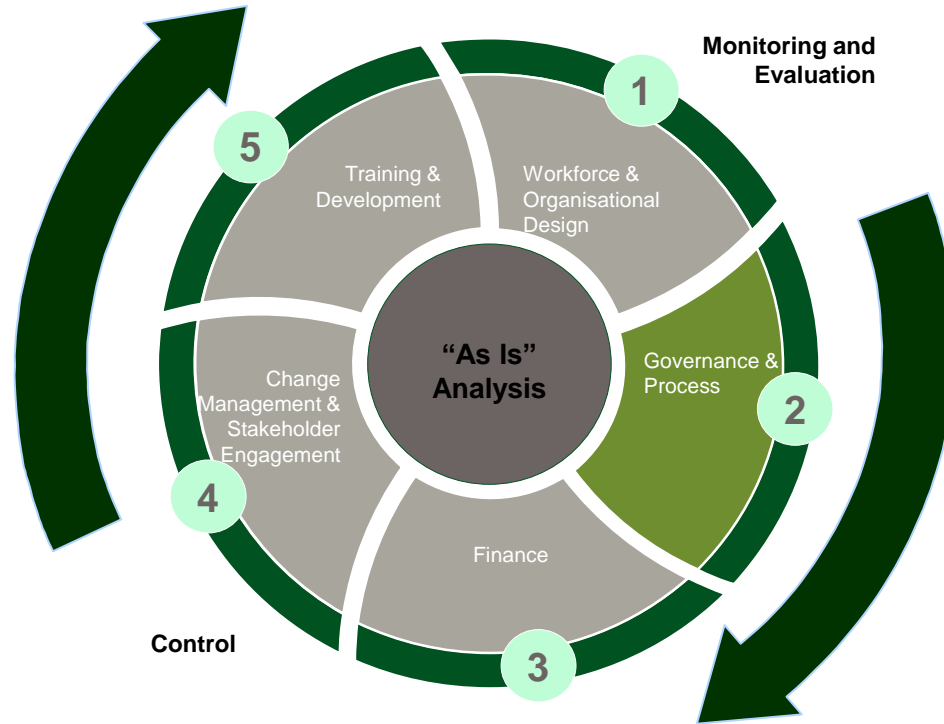
# Progress made

	Description of Impact	Baseline	Current	Target
Enabling strategy	The organisation structure is designed with strategic priorities in mind and is focused on allowing strategic objectives to be met. The strategic contribution of each part of the structure can be explained.	2	4	4
Hierarchy	It is clear what each level of hierarchy adds to the organisation, and unique tasks they perform.	3	4	4
Constraints on structure	The CMU understands the constraints they face and have mitigating strategies in place to overcome them - these constraints are in terms of capacity, especially in demand. The effectiveness of these mitigating strategies should be reviewed on a regular basis.	2	3	4
Management attention	Whilst the CMU structure is confirmed, management can make changes to allocate knowledge and resources to strategic priorities as needed during each performance cycle.	2	3	4
Performance measures	The performance of each function is measured through suitable KPIs and functional accountability. Their contribution to the overall organisation strategy can start to be measured.	2	3	4
Flexible	The CMU optimised structure allows for flexible, independent functions that can adapt to change.	3	4	4

# Progress made

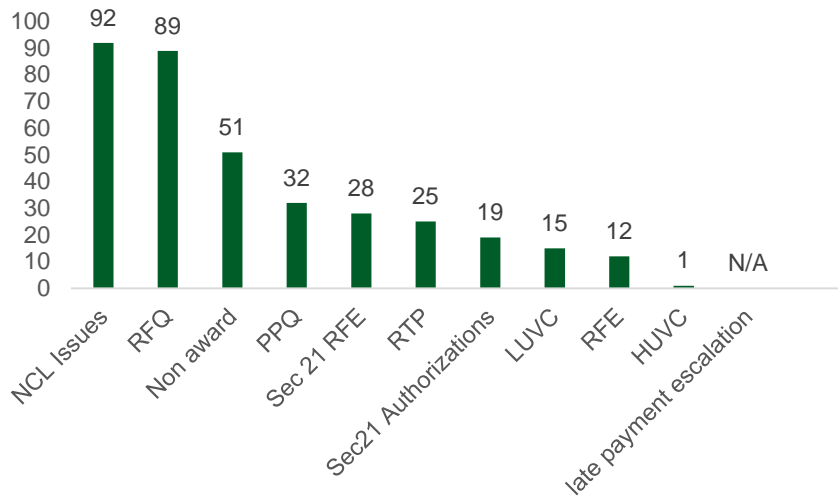
	Description of Impact	Baseline	Current	Target
Governance / strategy	The governance framework recognises that in order to have effective governance and decision making, strategic objectives must be led from the top of the organisation. The right governance structures and decision making forums are designed to ensure the strategic objectives are on track and not diluted.	2	4	4
Transparency	Business process decisions are shared with the workforce.	1	3	4
Critical decisions	The organisation is able to clarify decision rights to promote decision making at the most appropriate level and from the most appropriate person in the CMU team.	2	4	4
Hierarchy	The CMU has the structure in place to ensure that clear accountabilities and decision making processes within each function and governance body are critical for the achievement of the strategic objectives.	2	4	3
Appropriate BU	Decisions are made at appropriate levels to ensure that the right people are included and accountable.	2	3	3
Accountability	Decision making is monitored and supported. People have access to the right information to allow them to make an informed decision and support is available where needed.	2	4	4
Process adherence	Processes are in place and should be implemented and monitored.	2	2	4
Managing conflicts	The organisation understands that conflicts may occur. Defined processes should inform corrective actions.	1	3	3
Friction	There is somewhat 'burden of governance'. It is there to support, provide direction and make decisions effectively, but not get in the way of people's day to day roles.	2	3	5

# Governance and Processes

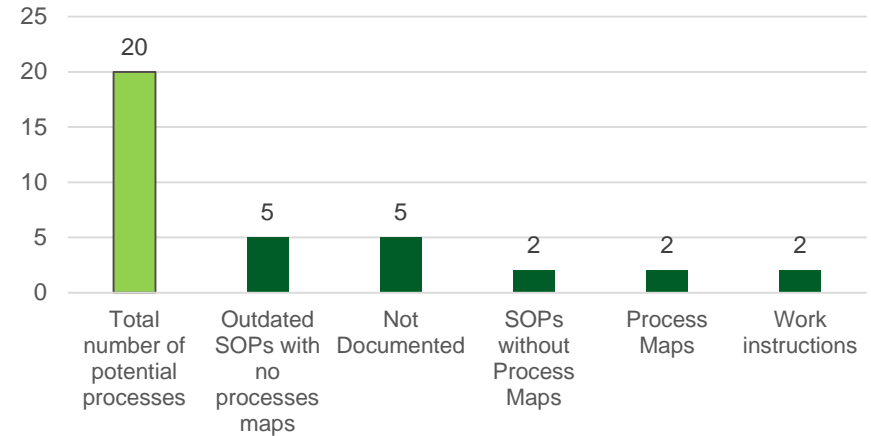


# Governance and Processes

Number of times each process was carried out to date



Processes within CMU\*

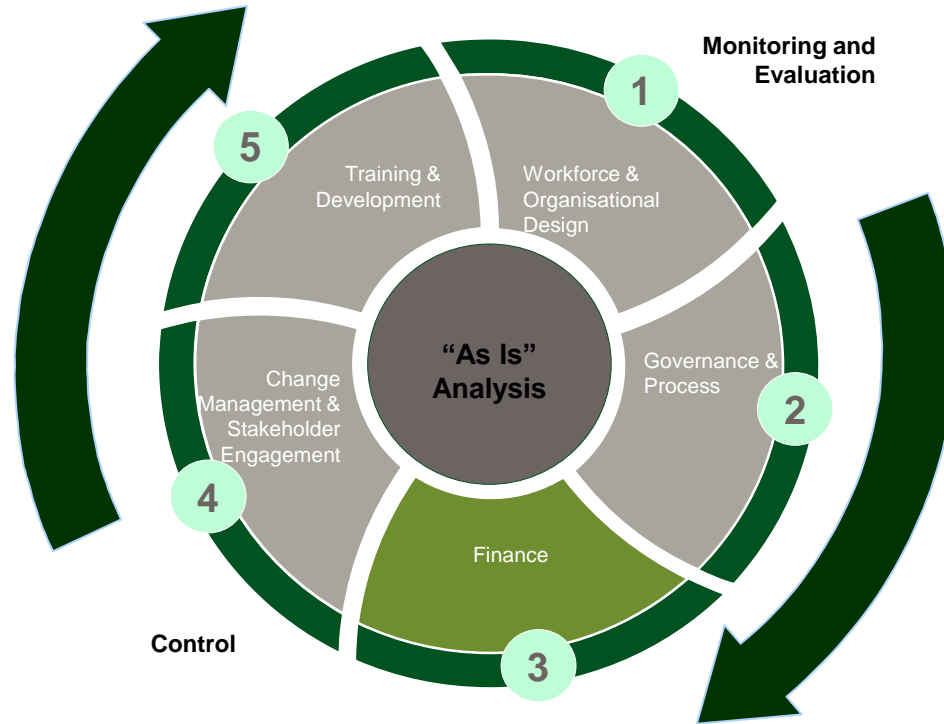


# Progress made

	Baseline	Current	Target	Description of impact
Define Quality Processes	2.75	3.75	4.00	New processes include guidelines of how long each step in the process should take. The outcomes of the processes are measured by the changes in KPIs
Measure Process Quality	2.25	3.00	4.00	Process quality is not yet measured in a useable manner. The outputs of interventions can be measured using the NSC. There is however a method in which processes can be measured in the form of entries into the communication register in between steps of a process.
Analyse Process Quality	1.00	1.63	4.00	Process quality is still not being analysed as it is not measured as yet. There is a platform for improvements in processes to be discussed in the form of the huddles.
Implement Process Quality	1.88	2.43	4.00	Processes have been developed for most of the core processes but have not yet been fully implemented due to delays in review and sign-off. The impact of the new processes are still to be measured.
Control Process Quality	1.97	2.54	4.00	The new way in which the staff are structured will institutionalize the new processes as they are synchronized. Further control of process quality will only be able to be observed after full implementation

	Baseline	Current	Target	Description of Impact
Manage Suppliers	3.50	3.75	4.00	Tracking of suppliers remains mostly the same but will improve when staff begin taking advantage of the NSC and the data it provides.
Monitor Performance	3.00	3.83	4.00	The availability to monitor the performance of suppliers is currently available in the form of the NSC dashboards, value will be better unlocked with further use of the NSC and less reliance on RSA Pharma for supplier related data.
Place Requests for Service	3.17	3.67	4.00	Processes for requests on CMU are standardized through processes that have been developed but not yet implemented. The CMU is also centralized to handle supplier related issues effectively
Improve	2.50	3.00	4.00	Staff have the platform to discuss issues with supplier and to brainstorm solutions in the form of the huddles. Changes in performance will be reflected on the NSC and the data is available to be used in meetings with suppliers to improve supplier performance. This will increase in effectiveness when the use of NSC information is used to a greater degree

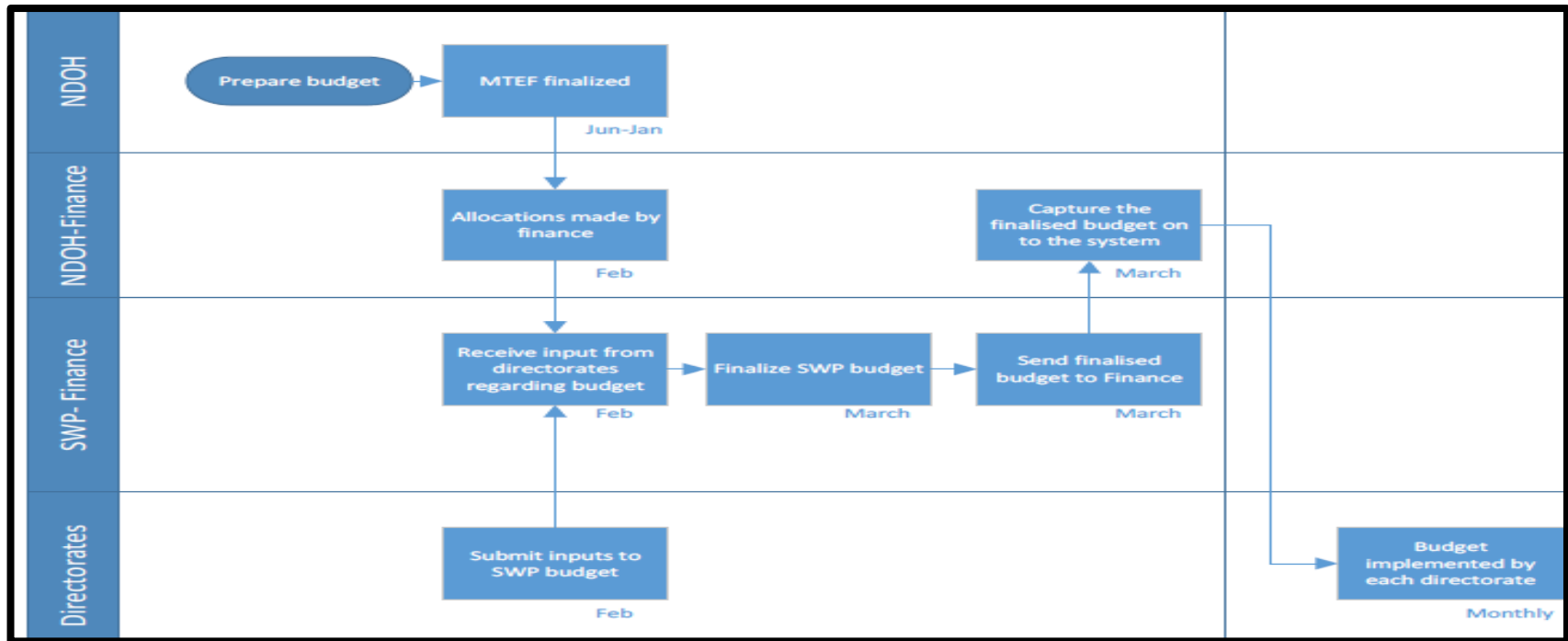
# Budgeting Process



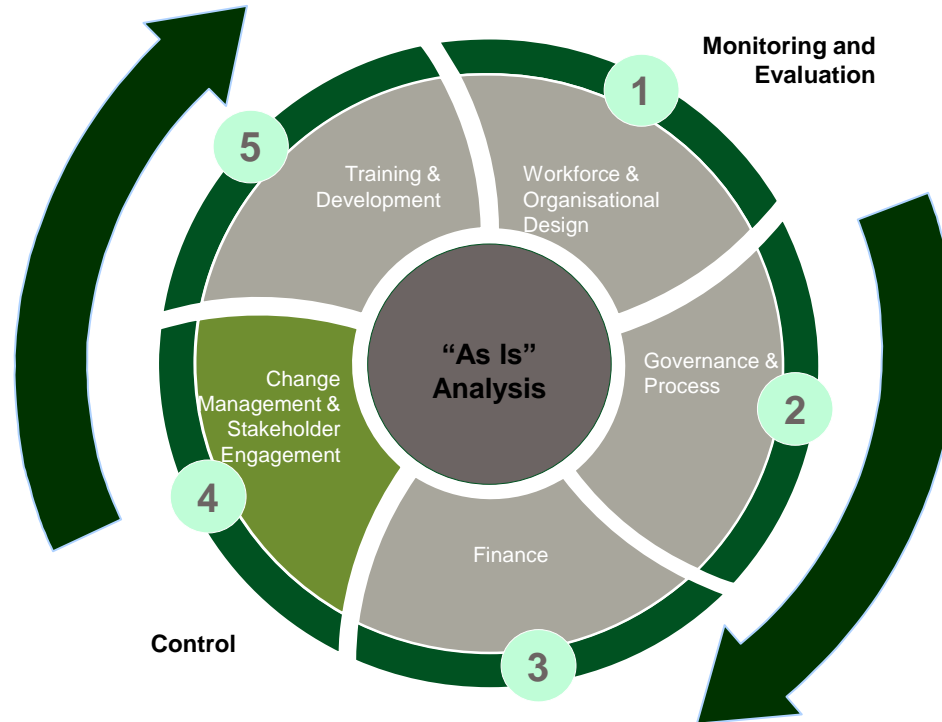
# Budgeting Process

Implement a consultative budget process during budget consolidation and prior to submitting to Finance.

Within the Cluster, in-year monitoring to be done on a Directorate level.



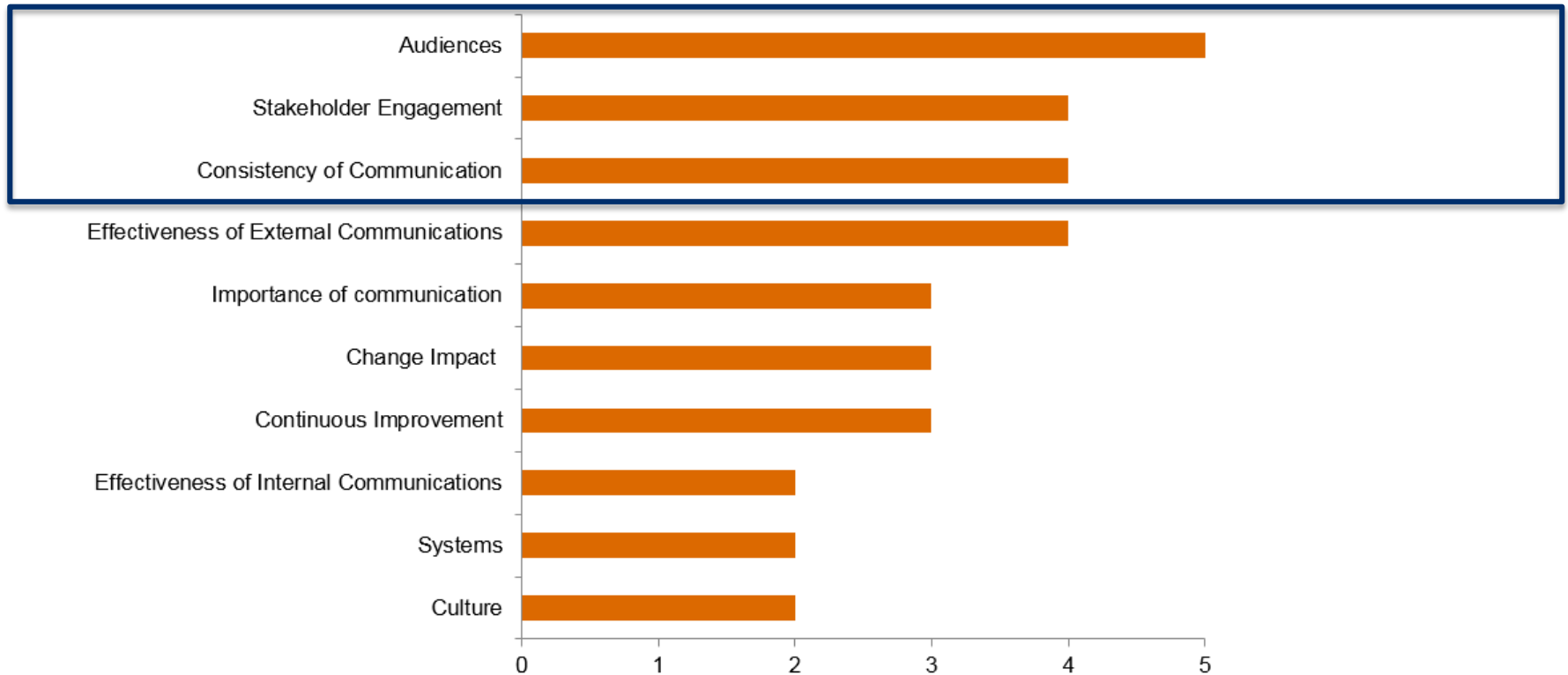
# Change and Stakeholder management





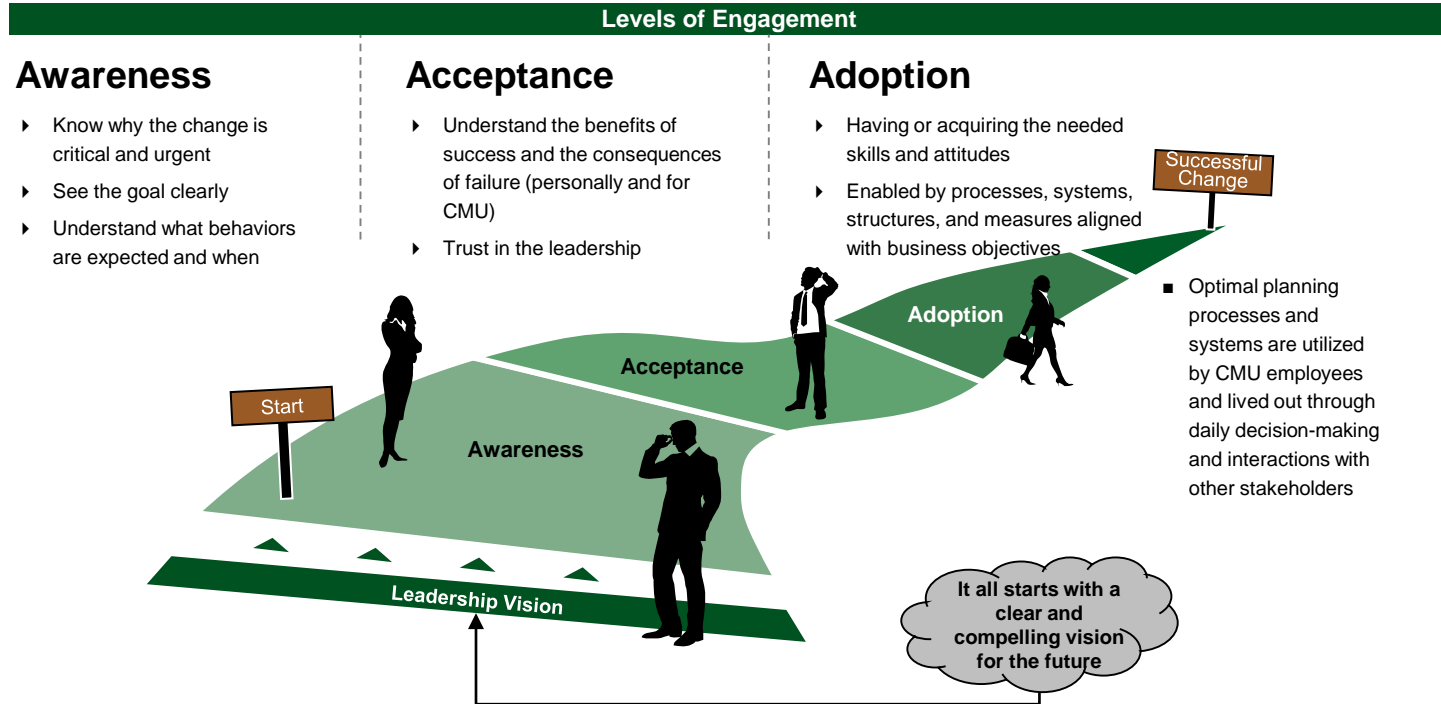
# Change and Stakeholder management

## *Communications - Priority for Change*



# Embedding the change

*Our change management and stakeholder engagement approach is designed to move people down the transition path to become ready, willing and able to change.*

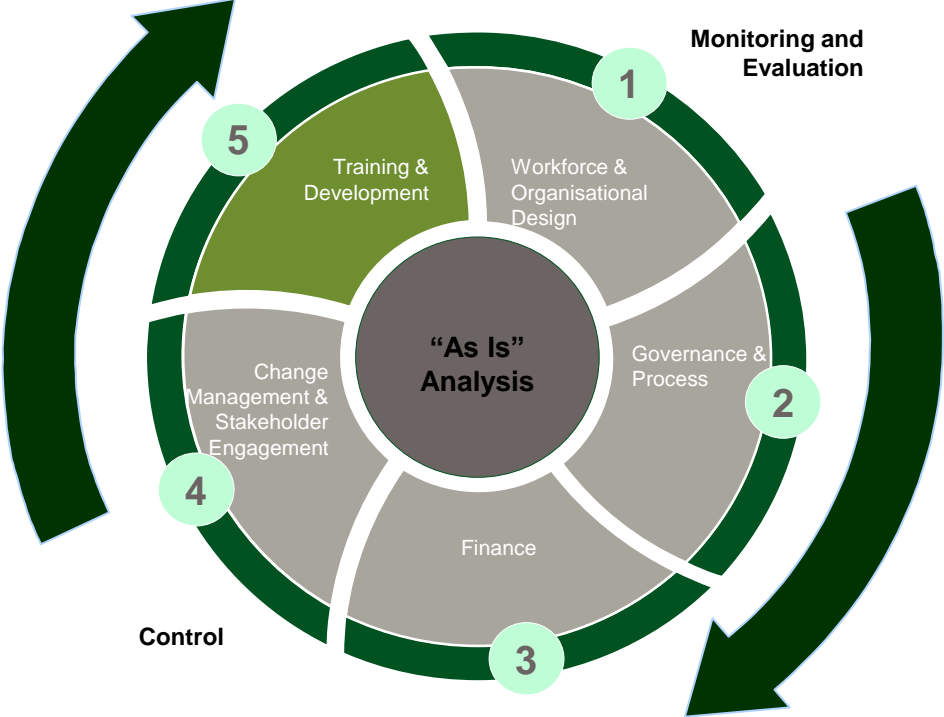




## Progress made

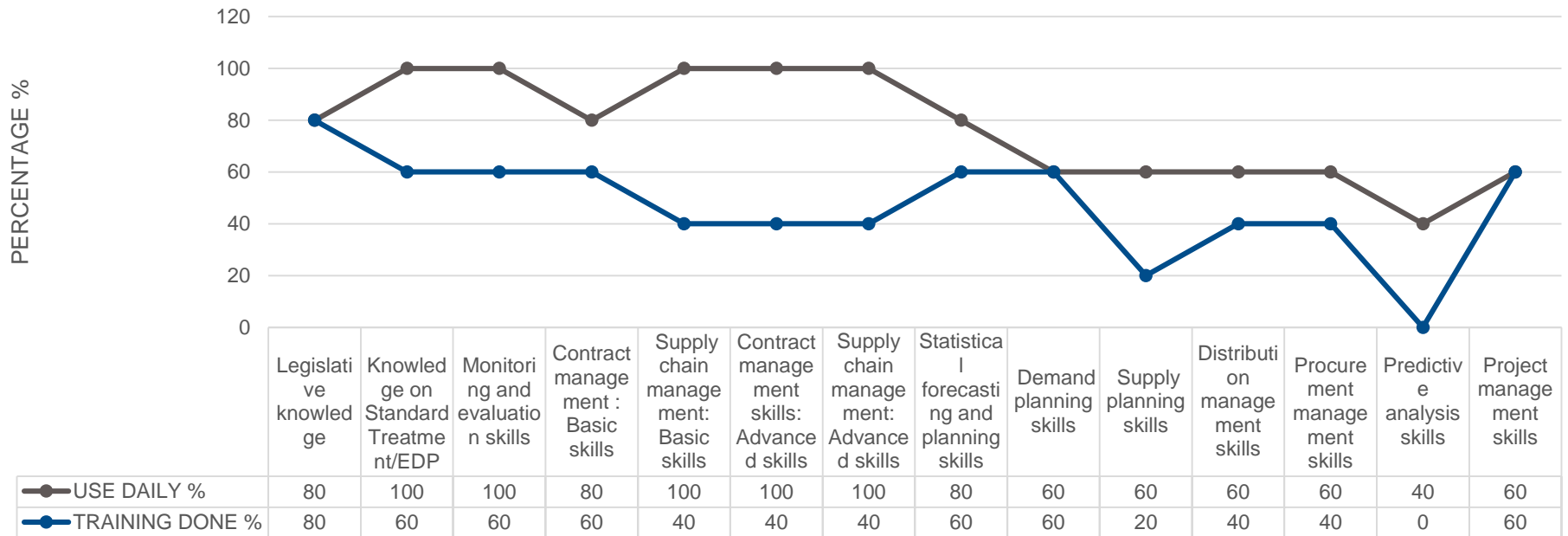
Area	Baseline	Current	Target	Description of Impact
Importance of communication	2	2	4	Communication model developed and introduced to the CMU team Introduction of huddle sessions
Change impact	2	2	4	Change and communication strategy developed and implemented and aligned to the CMU department strategy. CMU team understands the priorities in terms of stakeholders, messages and channels and top leaders have a clear understanding of their role and operational plan.
Audiences	3	2	4	Communication model developed and introduced however it is not yet implemented for effective stakeholder management system for both internal and external stakeholders.
Stakeholder engagement	3	3	4	Communication model developed and introduced however it is not yet implemented for effective stakeholder management system for both internal and external stakeholders.
Consistency of communication	2	2	4	Communication not effectively roll out consistently across the department and provinces
Effectiveness of internal communications	4	4	4	Key messages are linked to the strategy and developed by the communication function. Other levels of management see it as part of their role to reinforce and apply messages in their own areas.
Effectiveness of external communications	3	2	4	Communication not effectively roll out consistently across the provinces and with external stakeholders
Systems	2	2	4	There are numerous channels to address opinions and channel feelings and thoughts. People are open and honest about constructive feedback. The huddle sessions and engagement sessions have also opened up new channels for engagement.
Culture	2	3	4	Communication is seen as strategic and essential to business operations. Channels are well used and people are generally satisfied about the communication they receive and their ability to participate.
Continuous Improvement	2	2	4	Evaluation is built into the huddle sessions however the metrics are still unclear. A combination of methods are used including surveys, engagement tools, focus groups and huddle sessions. All communications still need to go through a feedback opportunity.

# Training and Development



# Identifying training needs

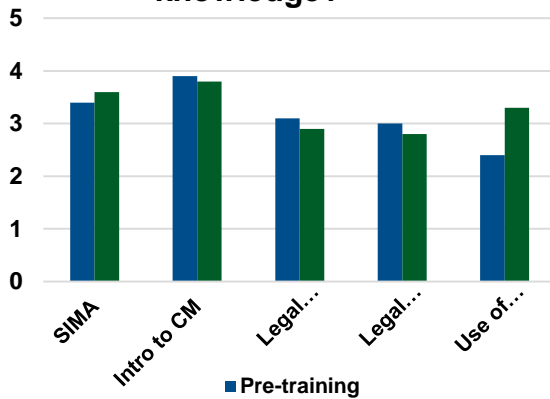
## SPECIALIST SKILLS USAGE VS TRAINING COMPLETED



# Pre and post training assessment

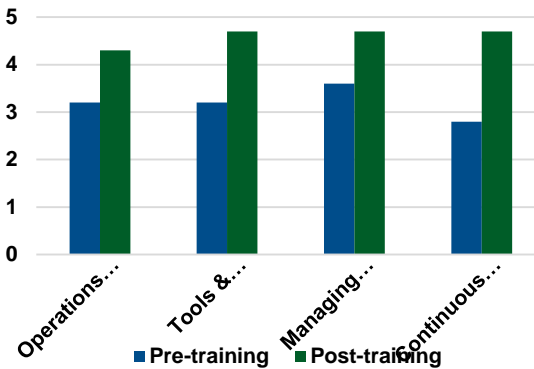
## Orientation and legal framework

How do you rate your knowledge?



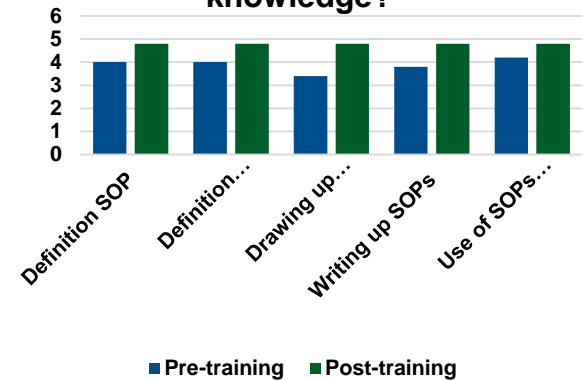
## Introduction to SCM

How do you rate your knowledge?



## SOPs and Processes

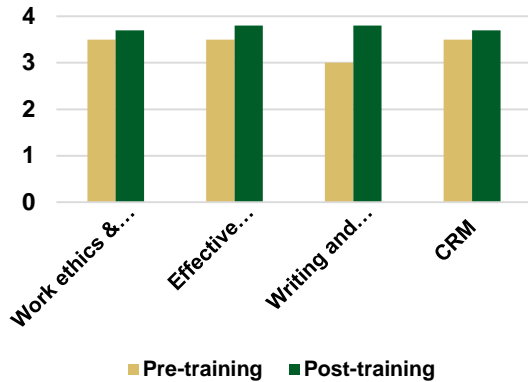
How do you rate your knowledge?



# Pre and post training assessment

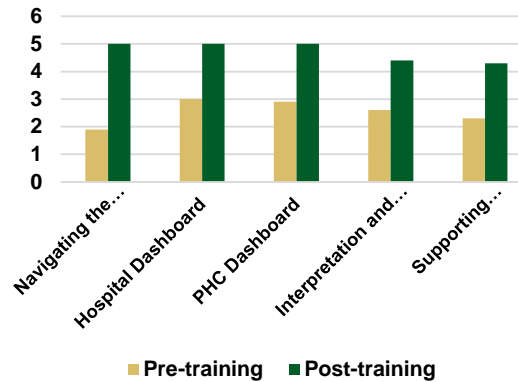
## Management skills

How do you rate your knowledge?



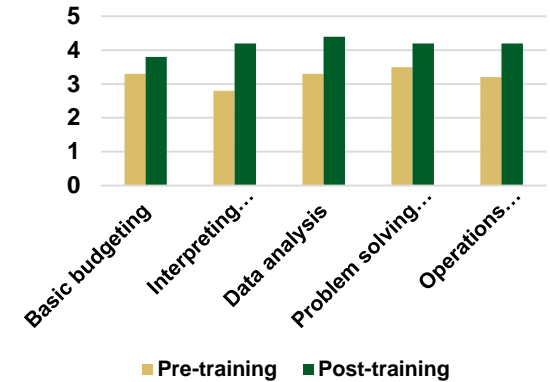
## PHC and Hospital Dashboard

How do you rate your knowledge?



## Finance, analytics and problem solving

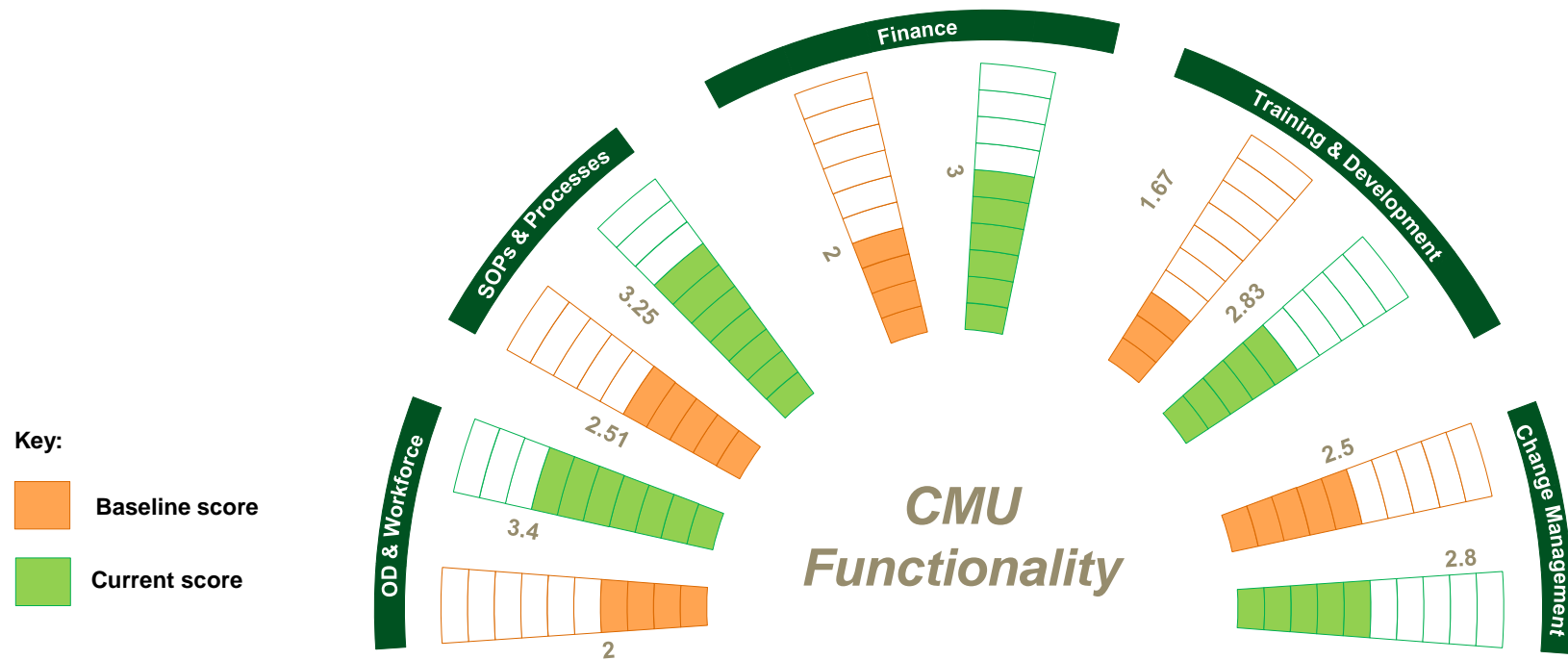
How do you rate your knowledge?





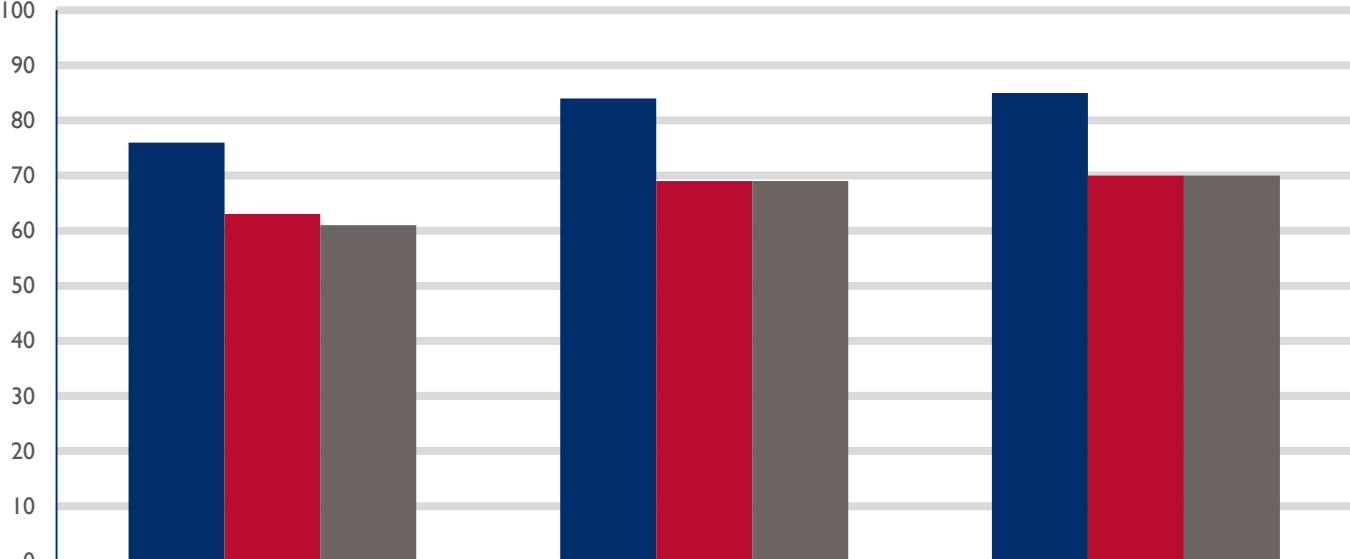
# Overall impact:

2.13 to a 3.05 average on a maturity matrix



# What were the tangible outcomes?

PAT Supplier Reporting

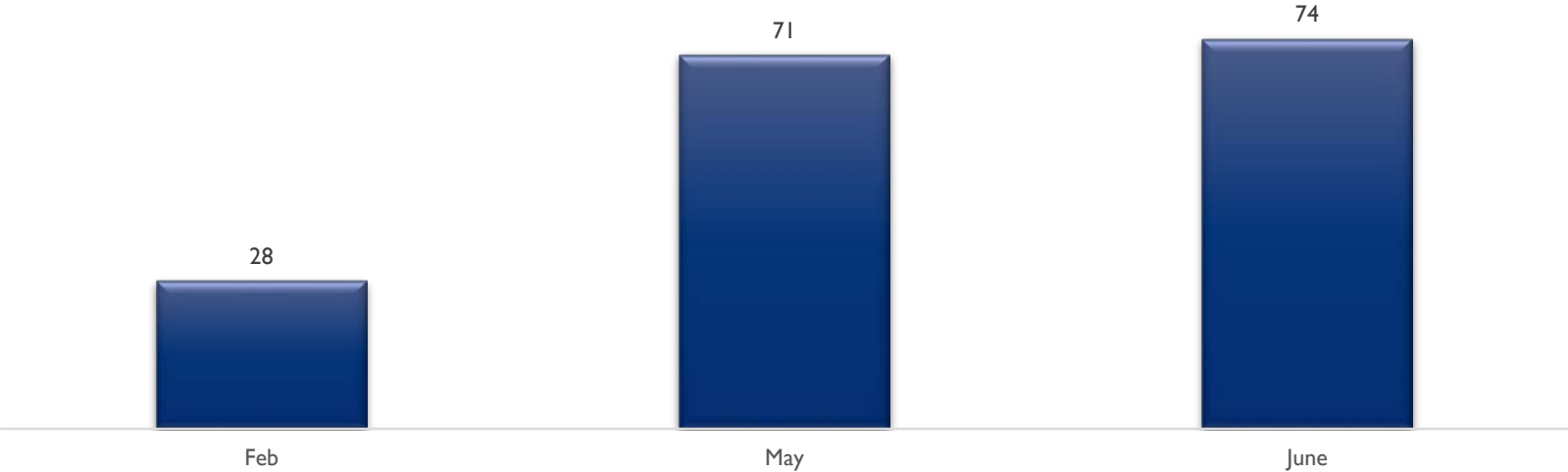


	Feb	May	June
■ PAT REPORTING AVE %	76	84	85
■ TYPE A #	63	69	70
■ TYPE B #	61	69	70

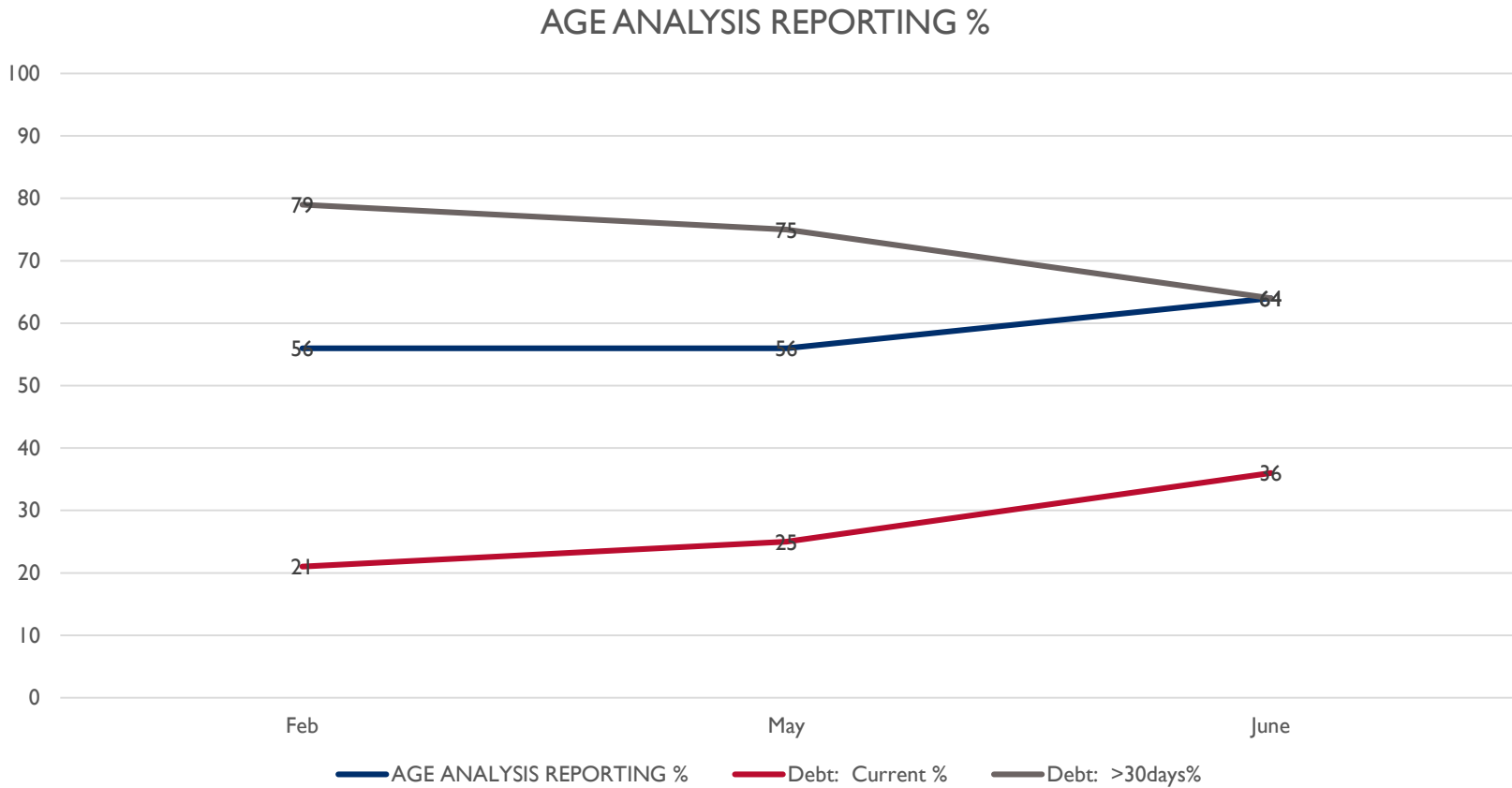
# What were the tangible outcomes?

## Deliveries Reporting %

■ DELIVERIES REPORTING %



# What were the tangible outcomes?



## Keys to success

Clear direction and vision from the NDoH

Co-creation with team members

Collective responsibility for KPI's and team success

On going re-inforcement and correction

**Ongoing Contract Management improvement and sustainable implementation of processes, governance, training curriculum, decision making structures and an interactive stakeholder engagement matrix.**

# THANK YOU!



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