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Assessment of the Warehousing & Logistics System for the Directorate General of Family Planning of Bangladesh – August 6-20, 2010



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Disclaimer

This overview material is provided for educational purposes and not in conjunction with current USAID/MSH/LMI directed missions



Presentation Outline

- Purpose of Visit
- LMI Background
- Study Method
- Summary Observations
- Preliminary Recommendations
- Questions



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Purpose of Visit

- Initial orientation to the DGFP Central, Regional & Upazila warehouse operations & logistics
- Identify areas of strengths & weaknesses & opportunities
- Identify potentials for capacity building, risks & draft recommendations for enterprise level strengthening

LMI Background

- Logistics Management Institute (LMI) is a partner to SPS and Management Sciences for Health with a mandate to focus on health/medical commodity supply chain management
- As a not-for-profit consulting firm, we exist solely to help managers of public organizations & institutions obtain the most benefit from the resources available to them
- Our Health Systems Group within LMI possesses a wealth of expertise in all phases of medical supply chain management, from operational logistics, information management systems to warehousing, distribution & procurement



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Facts – People's Republic of Bangladesh

- Government – Secular, Democratic Republic in South Asia
- Ethno-Linguistic Region of Bengal – Bengali Language
- Bangladesh means: Country of Bengal
- 1947 – Bengal partitioned from India as Eastern Pakistan
- 1971 – Bangladesh Liberation War – Sheikh Mujibur Rahman
- 1975 to 1990 – Various Bangladesh Military Rulers
- 1991 to 2001 – Various Democracies – BNP/Awami League
- 2007-2008 – Unrest – General Elections
- 2009 – Awami League's Sheikh Hasina – New Prime Minister
- Member Nation of D8; 7th Most Populous Country
- GDP > 2 times since 1975 / High Poverty Rate

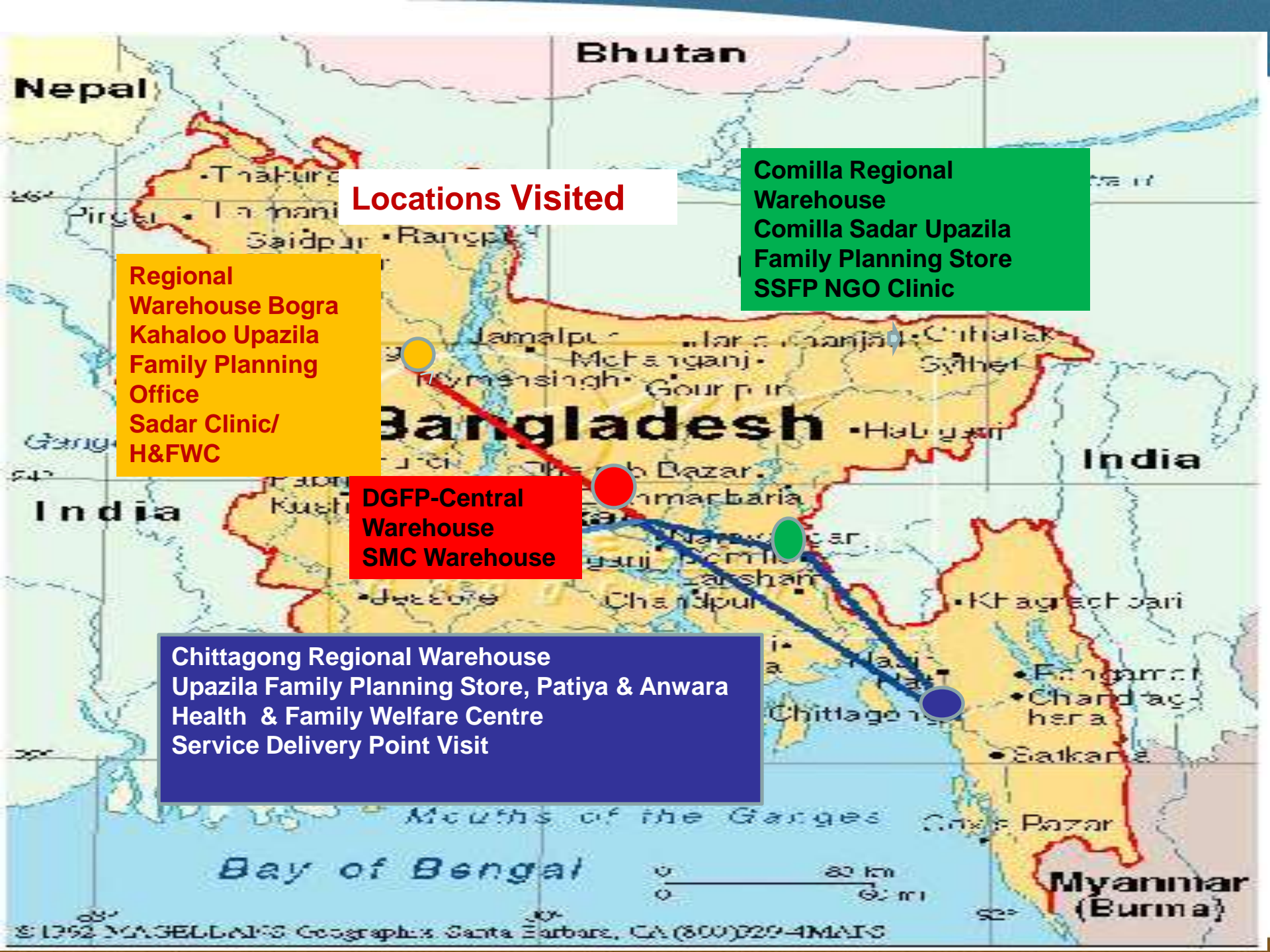


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Locations Visited

Regional Warehouse Bogra
Kahaloo Upazila Family Planning Office
Sadar Clinic/ H&FWC

Comilla Regional Warehouse
Comilla Sadar Upazila Family Planning Store
SSFP NGO Clinic

DGFP-Central Warehouse
SMC Warehouse

Chittagong Regional Warehouse
Upazila Family Planning Store, Patiya & Anwara
Health & Family Welfare Centre
Service Delivery Point Visit

Study Method

- Eight Days of Field Visits at 13 Different Facilities (Warehouse, Upazila & Service Delivery Level)
- Review of Supply Documentation Samples
- Qualitative Data Through Key Informant Interviews
- Operational Level Reviews – Warehouse Walk Throughs
- Analysis of Field Visit Findings/Observations
- Strengths, Weaknesses, Opportunities & Threats (SWOT) Analysis
- Develop Recommendations



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Summary Observations

- Family Planning Program & Infrastructure is Tried & Tested
- Newer Staff Possess High Automation & Technology Skills
- New Upazila Store Construction – Provides > 4 Times Storage Room
- WIMS/UIMS /Web LMIS– Good start-up Functionality – Needs Strategic Direction to Maximize Capability
- Consistent Shortages of IUDs, Implants & Injectables
- Retiring Staff without Active Replacement & Training Initiatives for Key Positions
- Observed Systemic Key Personnel Vacancies & Realignment (No Supply Officers in any of the RWHs)



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Summary Observations (cont'd)

- Lack of Recruitment Plan for New Service Level Workers (SDP Level Staff)
- Central Warehouse Staff & Facility Overwhelmed w/ Single Receiving Function/Not Organized & Equipped for the Task
- Excluding Chittagong RWH, Capacity Exceeded & No Use of Master Storage Locations
- Daily Maintenance of Stock Impossible at Dhaka & Bogra Locations
- Significant Aged/Salvaged/Excess Equipment & Supplies in All Facilities Visited
- No Evidence of Active Condemnation Review or Decision Outcomes
- Chittagong Capability Significantly Underutilized



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Summary Observations (cont'd)

- Aging Internal Fleet Cannot Meet Current or Future Work Load
- 24-31 Year Old Facilities Require Significant Repairs & Renovations
- Material Handling Equipment is either in Disrepair or not Available
- Partial Signs of Implementation of Policies & Procedures
- Incomplete Linkage Between **Procurement – Warehousing – Distribution**
- Social Marketing Company Warehouse – **Local Best Practice Example**



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Preliminary Recommendations

Near Term – 1 to 2 Years

- Warehousing (Housekeeping) – Implement revised DGFP **condemnation review processes & procedures** to dispose of salvageable equipment or re-utilize excess materials within the enterprise.
- Governance & Management (Staff Training) - According to the DGFP competency framework, develop a **training program** for Central & Regional warehouse staffs & Upazila store keepers.
- Warehousing (Layout) – Using comprehensive assessment results, **develop warehouse design, master locations & installation of storage equipment** to maximize material flow & use of vertical space.
- Information, Communication & Technology (Communication) – Establish a **technical working group and knowledge transfer** forum between DGFP, SMC & other stakeholders at the operational level to promote the exchange of best practices.



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Aged and Excess Materials

New Editions
Received at
Central
Warehouse



Large Quantities of Aged
& Old Editions at
Regional Warehouse



Aged & New
Editions Excess at
SDP Storeroom



Large Quantities of Aged &
Forms & Account Records
at Regional Warehouse



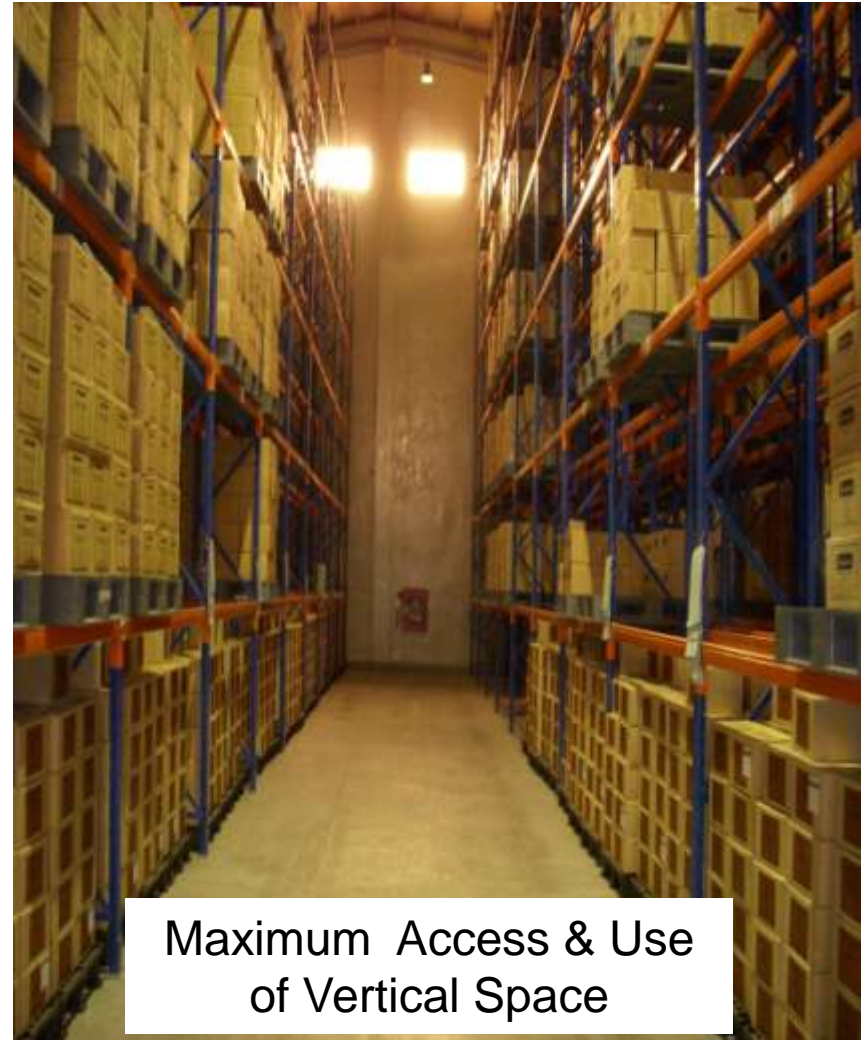
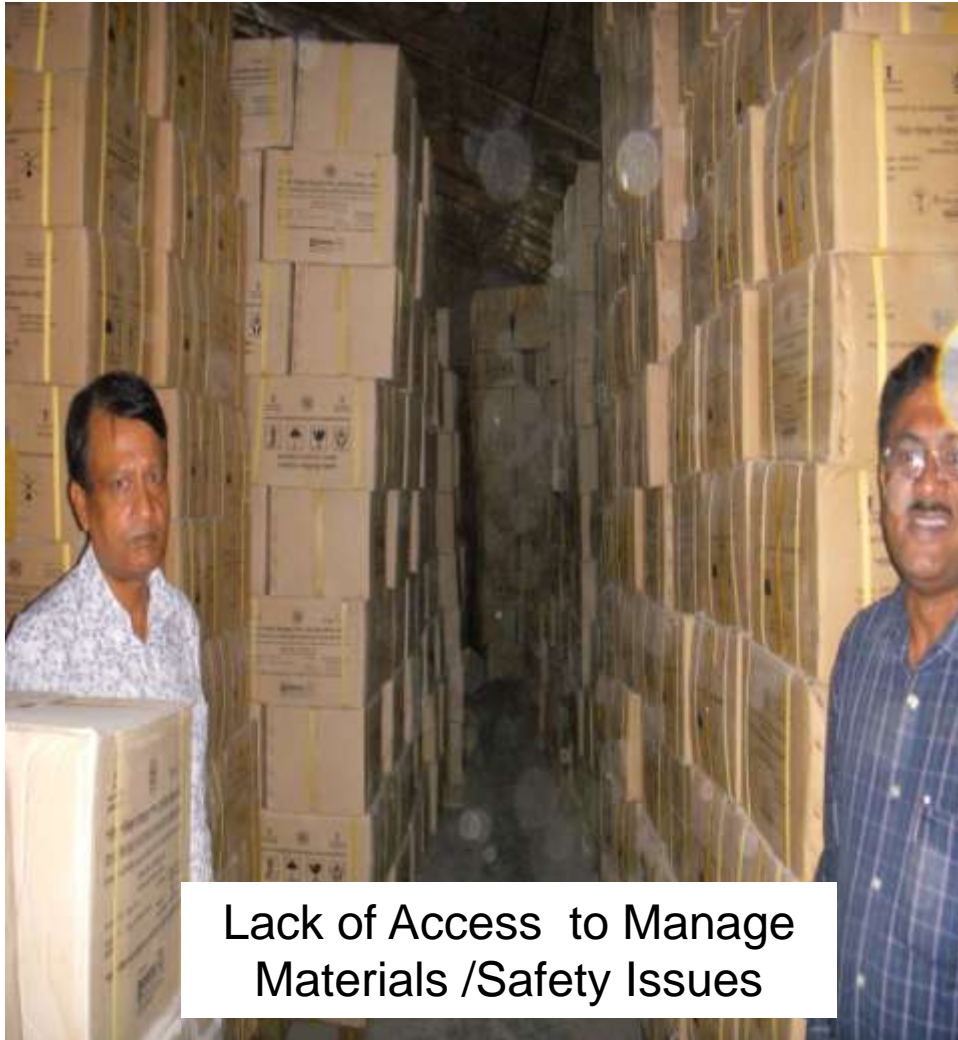
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Central vs. SMC Warehouse



Preliminary Recommendations

Near Term – 1 to 2 Years (cont'd)

- Warehousing (Material Handling Equipment) – Using comprehensive assessment results, **begin implementation of the repair or lease/buy option** to provide essential pallet jacks, fork lifts, trolleys & ladders necessary for the movement of warehouse stocks.
- Information, Communication & Technology (Management Information Systems) - Resume UIMS/Web LMIS **fielding of equipment, software & training and also ensure reporting** by the Upazila staff.

Aged vs. Modern MHE



CWH Forklift



SMC Stock Forklift



SMC Vertical Reach



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Draft Recommendations

Mid Term – 3 to 5 Years

- Warehousing (Infrastructure) – Using comprehensive assessment results, develop a **strategic plan for capital investments & improvements** for the Central & Regional Warehouses.
- Information, Communication & Technology (Reporting) – Develop an integrated report generation **functionality in WIMS/UIMS for the transmission of shared** procurement tracking & supply chain information.
- Information, Communication & Technology (Communication) – With analysis, **implement an integrated communications & data transfer framework using WIMS/UIMS, the internet & personal devices** to facilitate supply chain coordination & pipeline reporting.



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Need for Capital Investment & Improvements



CWH Limited Receiving & Shipping Access

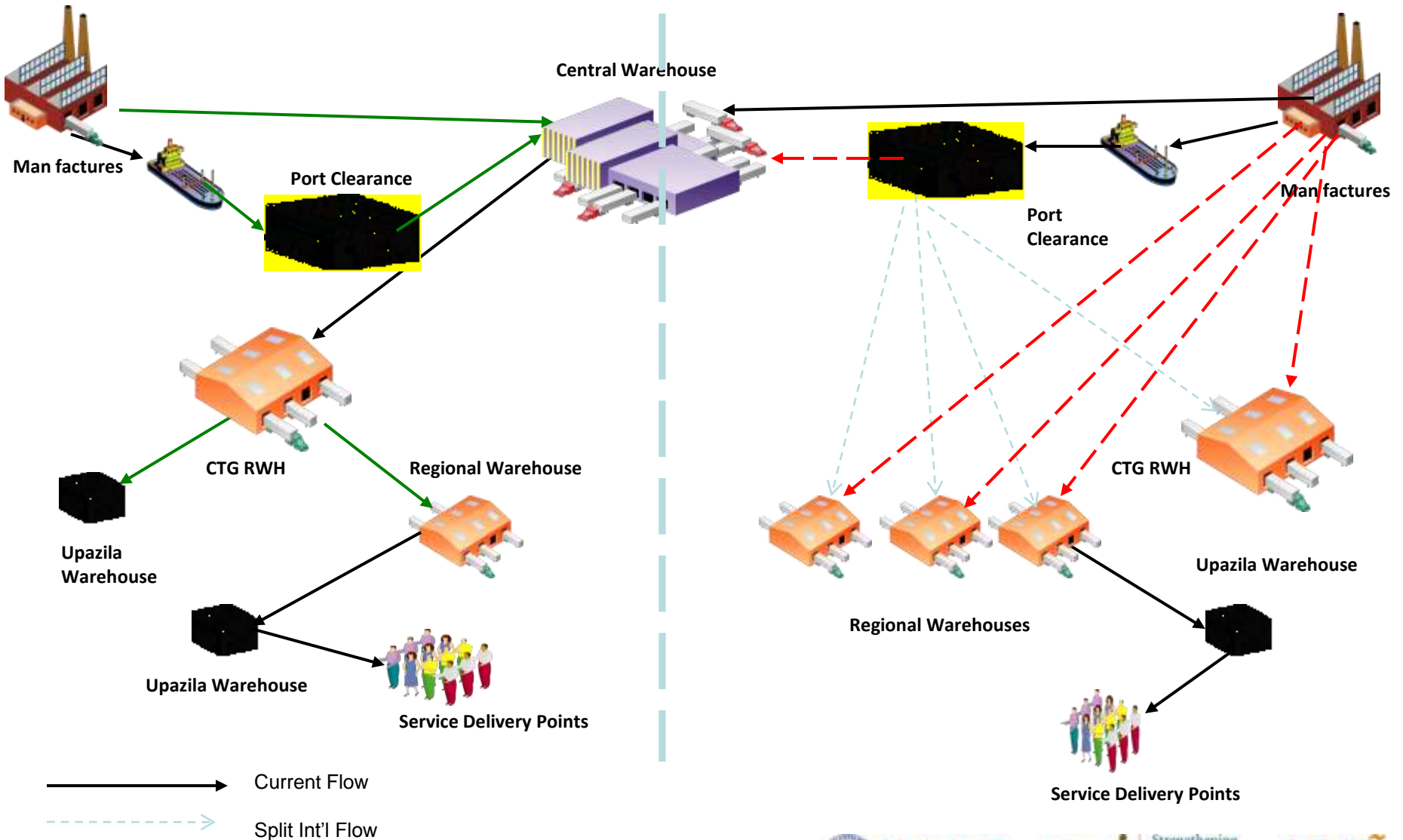


Draft Recommendations

Mid Term – 3 to 5 Years (cont'd)

- Governance & Management (Procurement Forecasting) – implement a **test pilot program** to examine the impacts of **geographic forecasting, split consignments & phased deliveries**.
- Logistics (Distribution) - Using comprehensive assessment results, implement a **strategic transportation plan** to optimize service level through enhanced delivery frequency (incorporation of commercial transportation).

Single vs Split Commodity Flow



Draft Recommendations

Long Term – 5 to 7 Years

- Warehousing (Infrastructure) – Secure **annual funding** for a **long term GOB Upazila FP Store Construction/Renovation Program** to replace existing structures & creates capacity for the future.
- Warehousing (Infrastructure) – **Secure funding** for construction of new **central warehouse and some regional warehouses** to meet **expected future demand**.
- Governance & Management (Strategic Planning) – Incorporating assessment & DGFP capacity initiatives, develop & gain approval for a **Supply Chain Management Annex & an ICT Management Annex** to the DGFP Strategic Plan.



1993 Storeroom vs. 2010 UFPO & Storeroom



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Questions?





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