

# DEVELOPING A CENTRAL MEDICAL STORE STRATEGIC PLAN

## 10 STEPS FOR GLOBAL HEALTH PROFESSIONALS

In most developing countries, a Central Medical Store (CMS) is used to organize the public medicine supply. Through procurement, receipt, and storage, a CMS ensures that appropriate quantities of safe, efficacious, and affordable health commodities are consistently available and distributed to public health facilities cost effectively and on time.

### WHY HAVE A STRATEGIC PLAN?

Developing a CMS strategic plan can help align pharmaceutical supply chain objectives with overall public-sector health supply chain strategies. It can help ensure that health commodities are readily available to health facilities through an uninterrupted supply chain; minimize waste and losses; improve business and financial growth; and respond to changes in the supply chain, such as new technologies and emerging markets. In addition, advocating for and encouraging stakeholders to assess the medicine supply chain system can increase interest in generating additional technical, financial, and material resources for health care. Supply chain interventions can also contribute to improving rational medicine use and strengthening pharmaceutical regulation.

### STRENGTHENING A COUNTRY CMS: A 10-STEP CHECKLIST

Here is a suggested step-by-step guideline to developing a CMS strategic plan. This approach can be adapted and customized to suit the local context and individual needs.

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#### Issue a call to action and consult with stakeholders

To promote ownership and sustainability, strategic plan development should be a collaborative, consensus-based process involving key stakeholders and partners, including the donor community. Have the CMS and its stakeholders expressed the need for a plan? Do the government, CMS, and stakeholders share full commitment and readiness for the planning process? There should be a balanced mix of representatives to help ensure a well-informed process that will identify existing gaps and areas for improvement. What are the challenges affecting the ability of a CMS to meet expectations? In consultations with key stakeholders, planners also need to identify or refine the CMS's key objectives, commitments, and values before proceeding.

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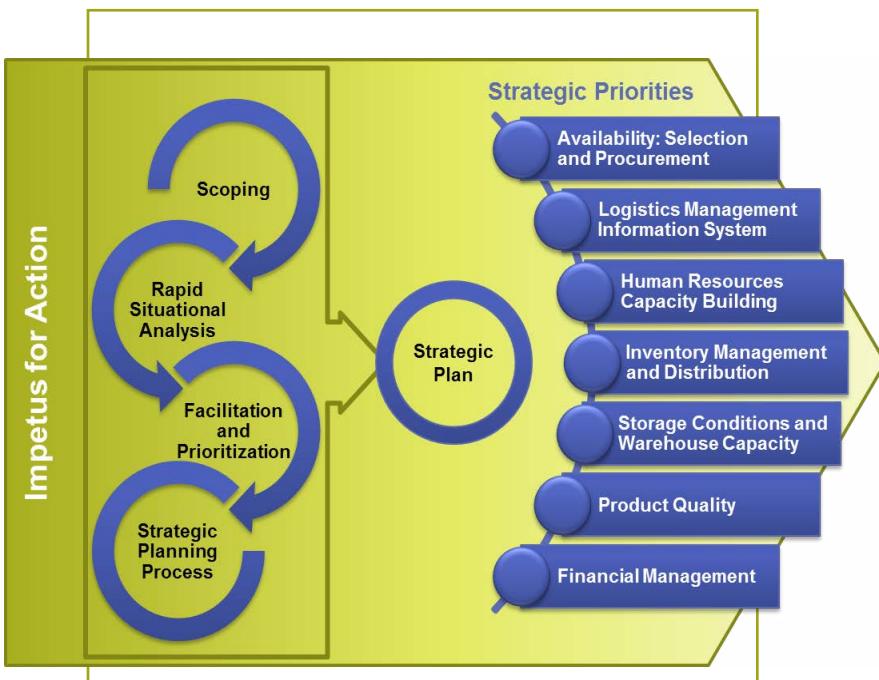
#### Ensure that planning resources are available

Developing a strategic plan requires input from people with expertise in supply chain management, pharmaceutical services, laboratory and biomedical sciences, public health, finance and accounting, and organizational development. Have these resources in place before beginning. The process is time consuming, and sufficient funds are needed to compensate planners.



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## PROCESS FLOW

A good strategic plan requires a comprehensive understanding of the challenges facing a CMS, including their root causes and contributing factors; an analysis and selection of viable interventions to address the gaps; and an implementation plan that spells out these gaps and proposed solutions.

## 3 Set the planning team's organizational structure

Firm leadership is critical. When implementing a strategic plan, core tasks should be assigned to current and future CMS leaders, with technical and financial support provided by designated partners and funders.

## 4 Define the scope of the project

A good supply chain strategy should have a clear, documented mission and measurable outcomes and should identify a concrete path to improvement. A solid planning framework will focus on improving key public health supply chain functions, such as warehousing, storage, and distribution; meeting client needs; promoting internal growth and resilience; and reducing waste.

## 5 Conduct a situational analysis

After determining the scope of the strategic planning process, including its focus areas and the types of information needed, the next step is to evaluate the current CMS's financial, operational, and service performance; mission and vision; and expectations of staff and stakeholders. This analysis should cover:

- The operating environment: Stakeholders, strengths/weaknesses/opportunities/threats, and the country's pharmaceutical market
- Supply chain operations: An inventory, storage, and space analysis; transportation; quantification and procurement processes and management; and management information systems
- Finances and assets: Cash flow, financial ratios, profit and spending, and the asset management system

## **6 Identify challenges**

An effective strategic plan will solve identified challenges, so planners must also identify factors that might hinder a CMS's ability to meet expectations. These may include financial constraints, structural issues, human resource and organizational capacity, legislative limitations, and unrealistic client expectations.

## **7 Prioritize strategic objectives**

Next, the plan should refine key objectives, commitments, and values. Planners can define these through consultations, structured focused group discussions, one-on-one interviews, or brainstorming sessions. Priority areas may include:

- Improving commodity availability by strengthening product selection, quantification, and procurement
- Improving a health facility's access to pharmaceuticals
- Improving storage capacity and conditions
- Strengthening the logistics management information system to improve the availability of supply chain data
- Strengthening human resource capacity to handle supply chain duties
- Improving the capacity to ensure good-quality products
- Strengthening the financial system and business performance

## **8 Set guidelines for evaluating results**

CMS leadership and key stakeholders should define a process for monitoring the progress and outcomes of strategic plan implementation. Sample indicators include:

- Business performance: Service levels, inventory turnover, profit margins, compliance, and asset management
- Management: Procurement performance, stock management, distribution performance, and forecasting accuracy
- Operations: Ordering accuracy, customer service, temperature and stock monitoring, cleanliness, dispatch timeliness, and inventory accuracy

## **9 Create an action plan and set a budget**

Based on the plan's strategic objectives, make a detailed schedule of activities accompanied by an itemized budget, including timelines and required technical resources. Identified stakeholders should explore the feasibility of these proposed activities.

## 10 Finalize the plan and develop consensus

Disseminate the plan to all stakeholders and partners for review, and seek formal government approval, if applicable.

### FOR MORE INFORMATION

SIAPS. Technical Approach to Developing a Strategic Plan to Strengthen the Central Medical Store: The Case of Pharmacie Populaire du Mali. 2016. Submitted to the US Agency for International Development by the Systems for Improved Access to Pharmaceuticals and Services (SIAPS) Program. Arlington, VA: Management Sciences for Health.

SIAPS. 2015–2019 Strategic Plan for the People's Pharmacy of Mali. 2014 (translated 2015). Submitted to the US Agency for International Development by the Systems for Improved Access to Pharmaceuticals and Services (SIAPS) Program. Arlington, VA: Management Sciences for Health.

### CASE STUDY

## MALI'S CENTRAL MEDICAL STORE

Mali has struggled to respond to the demands that high rates of malaria and HIV/AIDS and high birth rates have placed on its health system. In 2011, the US Agency for International Development (USAID) Mission in Mali asked the Systems for Improved Access to Pharmaceuticals and Services (SIAPS) Program, implemented by Management Sciences for Health, to provide technical assistance for strengthening Mali's pharmaceutical sector. SIAPS applied the principles and processes outlined in this checklist to help Mali's Ministry of Health develop a strategic plan for its CMS, Pharmacie Populaire du Mali (PPM). In Mali, PPM is the strategic entity that handles the procurement, storage, and distribution of pharmaceuticals to the regional and district levels. PPM is also responsible for handling the pharmaceuticals that are procured by donors and other development partners, such as the Global Fund, USAID, and United Nations agencies.

SIAPS Mali conducted a situational analysis of PPM's operating procedures and practices; business and financial situation; and overall supply chain environment (suppliers, clients, and governance). This led to PPM's first five-year strategic plan to (2015–2019), which defines a clear vision and strategic orientation for PPM to improve its business processes, infrastructure, and storage capacity. The plan includes objectives to increase product availability, minimize waste of resources, and increase customer satisfaction. A number of partners, including the Global Fund and the Dutch Embassy, have committed to supporting the plan's implementation.

### SOURCES

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**ABOUT SIAPS** | The Systems for Improved Access to Pharmaceuticals and Services (SIAPS) program works to assure access to quality pharmaceutical products and effective pharmaceutical services through systems-strengthening approaches to achieve positive and lasting health outcomes. SIAPS is funded by the US Agency for International Development (USAID) and is implemented by Management Sciences for Health.

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