Objective for the day: create a high level solution for a private sector intervention in (one of) your supply chain(s)

Step 1: identify important supply chain (SC) bottlenecks / constraints. Be very clear about defining which supply chain you will focus on

Step 2: determine if private sector intervention is appropriate for your most critical bottlenecks / constraints

Step 3: create a high level solution based on the MM4H tool from Mark’s session on Tuesday
Step 1 – Using the Supply Chain (SC) maturity model to identify critical constraints

1. Each component is evaluated for capability maturity, based on specific yes/no criteria.
2. The least mature areas determine overall maturity level and resulting performance. In this case, bronze/“very basic.”
3. Investing where a component is already strong is unlikely to result in better performance.
4. The supply chain market maturity impacts the capability, and therefore performance, potential of the supply chains functioning within it.
Step 1 (cont.) – Using the SC maturity model to identify critical constraints

<table>
<thead>
<tr>
<th>Features/Looks like...</th>
<th>Canvas</th>
<th>Bronze</th>
<th>Silver</th>
<th>Gold</th>
<th>Graduated</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Non-functional</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Accredited</td>
</tr>
<tr>
<td>• Basics don't exist</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Level 2 in industry maturity</td>
</tr>
<tr>
<td>Performance Indicators</td>
<td>Focus on product availability at service delivery points</td>
<td>60-85% product availability</td>
<td>85-95% product availability</td>
<td>&gt;95% availability</td>
<td>Very lean, low process variability</td>
</tr>
<tr>
<td>• &lt; 60% product availability</td>
<td></td>
<td>Limited visibility</td>
<td>Full visibility</td>
<td>Efficiency – e.g., fewer touches, higher turns</td>
<td></td>
</tr>
<tr>
<td>Key Priorities</td>
<td>Absolute basic capabilities</td>
<td>Access to cash, Basic visibility, Execute functions more regularly</td>
<td>Designing smart means to deliver product to last mile vs. collection systems, Visibility to product, information, financials</td>
<td>Efficiency, Reducing waste in product, time, and money</td>
<td>Continuous improvement</td>
</tr>
<tr>
<td>Investor Implications</td>
<td>Difficult to measure, Focus on progress towards capabilities</td>
<td>Limited data, “Soft skills” and performance management likely a focus</td>
<td>Data is available; sharing based on data use agreements</td>
<td>Governance, accountability, ownership and leadership given data</td>
<td>Graduation</td>
</tr>
</tbody>
</table>
Step 2 – Determine if private sector intervention is appropriate for your SC constraint

**Objective**
- Effectiveness? (on time delivery, frequency of delivery, providing better access to data, etc.)
- Efficiency? (cost of service, reduced losses, reduced operating costs, etc.)
- Quality? (maintaining cold chain in delivery)

**Measurement**
- What can you realistically measure for performance management of this contract?
- Is it going to be enough to help you to get the outcomes you want?

**Market**
- Does a market exist for this service(s)?
- How mature and competitive is the market for this service(s)?
Step 3 – Create a high-level solution

**Voucher**
- Ability to pay for the services of skilled SME providers is enhanced among recipients
  - Incidence of out-of-pocket
  - More consumers switch from ‘quacks’ to qualified SME providers

**License**
- Consumers become more aware of the value offered by qualified providers
  - Reduction in number of ‘quacks’
  - Loans issued to qualified providers, enabling investment in capacity
  - Change in number of licensed facilities
  - Change in utilisation among poor / non-poor

**Guarantee**
- Lenders are able to create new loan products for SME providers
  - Change in number of loan instruments
  - Supply and utilisation of formal care is sustainably enhanced

**KEY**
- Policy tool
- Anticipated actions
- Evaluation tasks