

SESSION 13

PRIVATE SECTOR

INTERVENTIONS IN

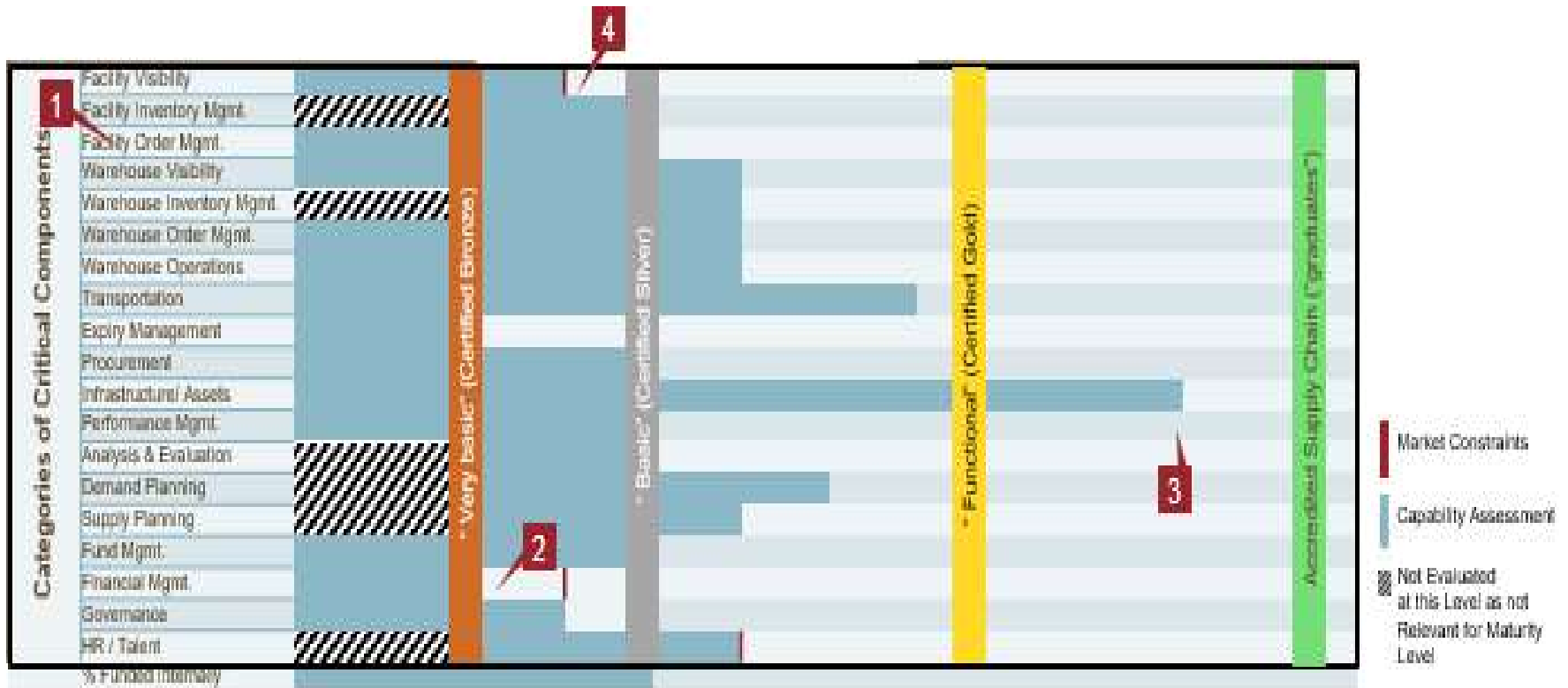
SUPPLY CHAINS



Structure of today's sessions

- 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

	Canvas	Bronze	Silver	Gold	Graduated
Features/Looks like...	<ul style="list-style-type: none"> • Non-functional • Basics don't exist 	<ul style="list-style-type: none"> • Very basic • Manual and people-dependent • No process "controls" 	<ul style="list-style-type: none"> • Basic processes working • Visibility available 	<ul style="list-style-type: none"> • Consistently Functional supply chain • Accountability structures 	<ul style="list-style-type: none"> • Accredited • Level 2 in industry maturity • Capabilities are consistency displayed • Independent from technical and financial assistance from external donors
Performance Indicators	<ul style="list-style-type: none"> • Focus on product availability at service delivery points • < 60% product availability 	<ul style="list-style-type: none"> • 60-85% product availability • Limited visibility 	<ul style="list-style-type: none"> • 85-95% product availability • Full visibility • Some efficiency – e.g., less inventory needed 	<ul style="list-style-type: none"> • >95% availability • Efficiency – e.g., fewer touches, higher turns 	<ul style="list-style-type: none"> • Very lean; low process variability
Key Priorities	<ul style="list-style-type: none"> • Absolute basic capabilities 	<ul style="list-style-type: none"> • Access to cash • Basic visibility • Execute functions more regularly 	<ul style="list-style-type: none"> • Designing smart means to deliver product to last mile vs. collection systems • Visibility to product, information, financials 	<ul style="list-style-type: none"> • Efficiency • Reducing waste in product, time, and money 	<ul style="list-style-type: none"> • Continuous improvement
Investor Implications	<ul style="list-style-type: none"> • Difficult to measure • Focus on progress towards capabilities 	<ul style="list-style-type: none"> • Limited data • "Soft skills" and performance management likely a focus 	<ul style="list-style-type: none"> • Data is available; sharing based on data use agreements 	<ul style="list-style-type: none"> • Governance, accountability, ownership and leadership given data 	<ul style="list-style-type: none"> • Graduation

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

