



SHORT VERSION

CAPITALISATION OF OCB SUPPLY UNIT “CUSTOMERS” PERSPECTIVES ON THE E2E REFORM

OCTOBER 2016

This publication was produced at the request of Médecins Sans Frontières OCB.

It was prepared independently by *Kaat Boon*.

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ACRONYMS

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|--------|---|
| Cap | Capital level |
| Co | Coordinator (multiple: 'Cos') |
| E2E | End-to-End |
| E-Cell | Cell dealing with emergencies, also called 'pool urgency' |
| ESC | European Supply Centre |
| FP | Focal Point |
| HoM | Head of Mission (multiple: 'HoMs') |
| HQ | MSF OCB Brussels Office |
| IC | Internal Customers |
| KSU | Kenya Supply Unit |
| Log | Logistics |
| MEAL | Monitoring, evaluation, accountability and learning |
| Med | Medical |
| MoH | Ministry of Health |
| MSF | Médecins Sans Frontières |
| OC | Operational Centre |
| OCB | Operational Centre Brussels |
| Ops | Operations |
| SCO | Supply Chain Officer |
| SEU | Stockholm Evaluation Unit |

EXECUTIVE SUMMARY

Project background

In 2012 MSF OCB started the implementation of an 'End-2-End Supply Chain Reform' with the objective to optimize the supply of OCB operations, in terms of cost, services and quality of products.

In late 2015, MSF decided to conduct three evaluations: an internal evaluation, a benchmarking study and an evaluation of the Internal Customer point of view. This is the final report on this last evaluation, with the following specific objectives:

1. Understand the current level of understanding, satisfaction and expectations of key stakeholders and customers of the Supply Chain function;
2. By capitalizing on the collective experiences (positive and negative) of the Supply Unit's key stakeholders, create knowledge necessary for setting up a system of continued monitoring of success of the Supply Chain function.

Evaluation methods & limitations

The Stockholm Evaluation Unit, under which this evaluation was undertaken, composed an Evaluation Management Team (led by Project Manager Greta Facile and with Supply Front Office Coordinator Montserrat Pairo and SEU Evaluation Referent Tim McCann), and engaged Kaat Boon as independent consultant.

The consultant assignment started with an inception phase to establish a mutual understanding of what MSF seeks to achieve through this assignment, and to finalize methods and timing. Activities undertaken were study of documentation; briefings at HQ level and participation in the HoM and Med Coordination Week and the Supply Week.

Subsequently, two surveys were sent out to the Capital and Field level: to the Internal Customers of the Ops, Med and Log Departments; and to Supply Cos and Supply FPs (Supply Focal Point: responsible for supply at project level). The response to the survey was rather limited (approximately at 20% each), which can be attributed to a combination of timing (over the summer holiday), survey fatigue, limited interest in the subject, and less than optimal targeting of survey takers. As such, outcomes of the survey are to be interpreted as tendencies rather than quantitatively representative outcomes.

In addition, in-depth interviews were held with 12 Internal Customers at HQ and Director level (Departments Ops, Med and Log) and the 5 Supply Chain Officers.

The greatest limitation to the assignment overall was a lack of clarity on the E2E Reform, the services provided by the Supply Unit and the concept 'customer'. The assignment resulted in a consultation process as much as a measurement exercise, and findings are best understood as taking stock of 'bottom-up' perspectives.

Conclusions

A consistent understanding of the E2E Reform could not be obtained from the document review. Discrepancies exist between documents and perspectives on its objectives, materialization and end-game. This can be attributed to the fact that the E2E Reform is still being implemented, and that it is primarily implemented top-down so far.

➤ *Understanding and satisfaction of Internal Customers:*

During the HoM and Med Co Coordination Week and interviews with Internal Customers, it was clear that Internal Customers have experienced benefits from the End-2-End Reform and are positive in regards to its further implementation.

Internal Customers at HQ level were found to have a limited common – shared by all – understanding of the E2E Reform in its entirety, and the current functioning of the Supply Unit. The link between challenges faced in supply and the objectives of the Reform, how materializations of the Reform reflect its objectives, and what the end-game of the E2E Reform is, isn't expressed consistently and clearly. Though understanding wasn't directly investigated at Capital and Field levels, the survey responses suggest that a similar limited understanding exists at these levels.

Still, Internal Customers at HQ level are aware of specific projects that were implemented as part of the E2E Reform, such as for example the improvement of GDP (cold chain), rationalisation of supply in certain contexts (through improved coordination with partners or after intensified market assessments) – as they were confronted with these projects in their specific roles. Overall, the appreciation for these projects was positive.

Specific confusion at HQ level that remains is around the differences between emergency and regular operations under the E2E Reform - related to that how urgency is dealt with; the balance between problem solving and procedures and maintaining utmost reactivity; and the roles of the SCO and MSF Supply under the Reform.

Internal Customers at HQ level are on average quite satisfied (7.5 on 10) with how the objectives of supply are currently being met. The level of satisfaction is slightly lower on the Capital level and Field level (6.5 and 6.2 on 10 respectively). The Log Department is most satisfied, followed by the Med Department and the Ops Department. (respectively 7, 6.2 and 5.8 on 10). Timely receipt of supplies scores lowest, closely followed by the acceptability of the cost of supplies and customer services.

Particular aspects (ordering, procurement, transport, warehousing and MEAL (monitoring, evaluation, accountability and learning)) and sub-aspects of supply (such as stock management or ordering non-standard items) were scored overall at similar or lower levels. However, what was apparent is that this level of detail is difficult to study 'on average', and would require a closer look into specific operations or categories thereof. In addition, not all aspects of supply are understood as falling clearly under the responsibility and action-radius of the Supply Unit.

➤ *Self-estimation of performance by Supply Unit Staff:*

Supply Unit staff are well in-tune with their immediate Internal Customers (on the same level), as exemplified in their estimation of satisfaction with how the objectives of supply are currently being met (Supply Chain Officers), and which objectives are most challenging to meet (Supply Cos): top three for both is timeliness, cost and customer services.

➤ *Expectations and priorities for improvement of Internal Customers and Supply Unit staff:*

Looking at specific expectations in regards to supply, many of them are shared across the Supply Unit and its Internal Customers. Though there are differences between levels and Departments, there is quite a significant consensus.

The prime expectation shared by Internal Customers and Supply Unit staff is that supply is to be at the service of operations, and that materializations of the E2E Reform need to maintain the greatest simplicity feasible. In addition, all recognize that supply is specific to operations and that such specificity needs to be taken more into account.

Capital and Field levels clearly prioritize 'involved' improvement priorities in supply (improve collaboration, clarify roles etc.), whereas the HQ level prioritizes a combination of the same with options that maintain a certain 'managerial distance' from operations (more stress on procedures for example).

In terms of specific issues, the ones that recurred most are: improve ordering and validation, improve local sourcing, include after sales service and in-use implications in selection of supplies, improve procurement of non-standard items, pay more attention to value for money, increase capacity of Supply Unit staff, simplify IT tools and integrate them better, improve warehouse management, improve communication and establish a system for performance monitoring.

➤ *Looking forward to continued monitoring of satisfaction to improve supply:*

The results of the survey and interviews pointed out that clarification of objectives, materialization and end-game (and the link between these) of the E2E Reform, and the current functioning of the Supply Unit, would allow for a more accurate measurement of understanding and satisfaction. In addition, how these elements are clarified impacts on which tools and methods would be most appropriate to inform the E2E Reform bottom-up going forward.

Recommendations

1. Consider to drop the terminology ‘customer’ as it cannot be conceptually sustained

The term ‘customer’ isn’t necessarily very helpful. Service delivery to operations is a quite well understood concept in the organization, as also the Department of Finance is for example regarded as delivering services to operations. It is moreover not clear what will be lost if this term is dropped. A clear mission and working method understood by all supply staff, and communicated to ‘customers’ as such, may be more helpful to position the Supply Unit as an identifiable entity.

2. Consider consultative approaches to capitalize on experiences in the field rather than or alongside monitoring

Rather than real time customer satisfaction monitoring it is worth considering adopting continuous consultation approaches to ensure that experiences in the field are translated into improvements of the supply function. Real time monitoring maintains a certain distance from reality, which has its benefit at times, but perhaps a more involved approach, or a combination, fits better with how MSF works and what it stands for. Moreover this assignment points out that a lot of perspectives on the improvement of supply are shared across the organization, but can only be fully understood by looking sufficiently closely.

3. Increase commitment to operations, and take a more explicit standpoint towards it

Customers and Supply Unit staff alike would appreciate a more clear and consistent commitment to operations. Though maturing the supply chain is equally necessary to serve specific operations better, putting the objective of serving operations in front, explicitly, could impact on the dynamics of the further E2E Reform implementation, for both ‘ends’ of the supply chain in particular: MSF Supply and the operations at Field level. In relation to that, it should be considered carefully how to position the people that realize the middle part.

4. Consider feasibility of the practical improvement suggested by both the customers and Supply Unit’s staff

Consider the practical improvements of the supply chain suggested by both Internal Customers and the Supply Unit staff well. Some are perhaps easily matched with supply technical solutions and may prove to be great improvements, whereas others might be more challenging. Keeping solutions at the simplest level possible is crucial in this. This is closely related to how well the organization succeeds in dealing with scale at the same time as specificity.

5. Clarify how to deal with the ‘urgency’ of supplies under the E2E Reform

Address how to deal better with urgent supply needs - or the urgency of supplies, to make a start in clarifying approaches towards emergency and regular operations, but also as an element in resolving issues with ordering and validation, timely delivery of supplies and maintaining reactivity in the organization.

6. Clarify the objectives, materializations and end-game of the E2E Reform

Determine what the objectives, materializations and end-game are for the improvement of the supply function to meet challenges of increasing complexity and volume. Mid-way into it, the E2E Reform has proven its value in many respects, thus there is the opportunity to open it up more to those that reap the benefits of it. That means communicating more and better about it, as well as welcoming input and feed-back.

7. Look into options to offer the Capital and Field levels a wider pallet of options to ensure supply

Start looking into options for how the Capital and Field level can be given a wider pallet of options in ensuring supply, such as coordination with other OCs and other suppliers, forms of outsourcing, regional warehousing, improved stock management, (semi-)automatic replenishment etc.

Stockholm Evaluation Unit

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