

KEMSA

KENYA MEDICAL SUPPLIES AUTHORITY



YOUR PARTNER IN HEALTHCARE

KEMSA Strategic Plan

2014/2015 – 2018/2019

"Your partner in healthcare"

KEMSA

KENYA MEDICAL SUPPLIES AUTHORITY



YOUR PARTNER IN HEALTHCARE



AN ISO CERTIFIED MEDICAL AUTHORITY

KEMSA QUALITY POLICY

KEMSA shall ensure and guarantee the quality of medical commodities that we procure, warehouse and distribute to our customers by adhering to statutory and regulatory requirements and international quality management systems.

We shall consistently meet and endeavor to exceed customer requirements and expectations in order to support the delivery of quality health care to all Kenyans.

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KEMSA Strategic Plan

2014/2015 – 2018/2019

Providing reliable, affordable and quality health products and supply chain solutions to improve healthcare in Kenya and beyond

"Your partner in healthcare"



KEMSA Strategic Plan 2014/2015 – 2018/2019:

Providing Innovative Health Supply Chain Solutions that Support Better Health Service Delivery

Published by:

Kenya Medical Supplies Authority (KEMSA)

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Foreword

This strategic Plan lays out the vision, goals and priorities of the Kenya Medical Supplies Authority (KEMSA).

The primary objective of economics and politics is to efficiently utilize and fairly distribute resources while achieving good health. We at KEMSA believe that fair utilization of these resources is the right of our people. This right can only be fully achieved through proper policies, targets and correct strategies.

Devolution of health services was the turning point in the formation of policies recognizing the right to health for the citizens and setting out the strategies needed to achieve optimum health for the entire population.

In order to align to the devolved system of government and to ensure that public facilities access medical commodities, KEMSA had to re-configure its business model by putting systems and structures in place to ensure supply of medical commodities goes uninterrupted.

KEMSA is a State Corporation under the Ministry of Health established under the KEMSA Act 2013 whose mandate is to procure, warehouse and distribute medical commodities (medical logistics) to public health facilities.

In this new five-year Strategic Plan, KEMSA is dedicated to safeguard the interest of the customers especially the county health services by ensuring affordability and accessibility of quality drugs and medical supplies by all Kenyans.

With appropriate levels of commitment and support from the government, co-operating partners, health workers and other key stakeholders, this Plan would significantly improve the health status of Kenyans and significantly contribute to national development.

Many thanks go to the government for its continued support in the implementation of this new Strategic Plan, to the USAID funded Health Policy Project and other development partners for their financial and technical support.

We look forward to working with all the stakeholders to achieve the objectives that are given in this strategic plan. We also look forward to the full involvement of all those involved in bringing this strategy to life; dedicating ourselves to the mission we have set out before us.



Dr. John M. Munyu, MBS
Chief Executive Officer



Acknowledgements

This strategic plan was developed with the able and committed support of many individuals and institutions. We would like to extend our most sincere gratitude to the United States Agency for International Development (USAID funded Health Policy Project) and the U.S. President's Emergency Plan for AIDS Relief (PEPFAR) for their generous financial and technical support, which was critical for the successful development of this strategic plan. We are indebted to our customers at the national and county level who gave feedback on the performance of KEMSA over the last three years and provided us with ideas and insights on the strategic direction that KEMSA should pursue between now and 2019. We also acknowledge the immense support we received from the Ministry of Health.

We are grateful to our other stakeholders including development partners who gave valuable input into the strategic plan development process. We owe a special thanks to the KEMSA Board, the Chief Executive Officer, management and staff for the insight and encouragement throughout the process. Finally, we would like to recognize the invaluable support from KEMSA's technical team who were involved at all stages of developing this strategic plan including the review of the various drafts. To all of you who supported the development of this strategic plan in a small or big way we say - "Thank You!"



Abbreviations and Acronyms

DANIDA	Danish International Development Agency
ERM	Enterprise Risk Management
ERP	Enterprise Resource Planning
FBO	Faith Based Organization
GoK	Government of Kenya
HSSP	Health Sector support Project
HOD	Head of Department
ICT	Information, Communication and Technology
KEMSA	Kenya Medical supplies Authority
KHSSP	Kenya Health Sector Strategic and Investment Plan
LMIS	Logistics Management Information System
MEDS	Mission for Essential Drugs and Supplies
MoH	Ministry of Health
NGO	Non-Governmental Organization
PPOA	Public Procurement Oversight Authority
SLA	Service Level Agreement
SOP	Standard Operating Procedure
SSD	Supplementary Services Division
USAID	United States Agency for International Development



Executive Summary

The Kenya Medical Supplies Authority (KEMSA) has transitioned from its previous status as the Kenya Medical Supplies Agency to the Kenya Medical Supplies Authority, through the KEMSA Act of 2013. This Act gives KEMSA greater autonomy to run its affairs, and sets out the following as the authority's mandate:

- Procure, warehouse and distribute drugs and medical supplies for prescribed public health programmes, the national strategic stock reserve, prescribed essential health packages and national referral hospitals;
- Establish a network of storage, packaging and distribution facilities for the provision of drugs and medical supplies to health institutions;
- Enter into partnership with or establish frameworks with county Governments for purposes of providing services in procurement, warehousing, distribution of drugs and medical supplies;
- Collect information and provide regular reports to the national and county governments on the status and cost-effectiveness of procurement, the distribution and value of prescribed essential medical supplies delivered to health facilities, stock status and on any other aspects of supply system status and performance which may be required by stakeholders;
- Support county governments to establish and maintain appropriate supply chain systems for drugs and medical supplies

The purpose of this strategic plan is to help KEMSA effectively and sustainably deliver its mandate in the new constitutional context that calls for greater organizational responsiveness and efficiency so as to meet the higher expectations of its client base and especially the county health services. The strategic plan was developed using a highly participatory approach that involved a comprehensive desk review, key informant interviews and a series of planning workshops. A comprehensive situational analysis revealed a number of achievements made by KEMSA over the preceding 5 years and also some outstanding challenges. Some of the achievements include establishing a fully constituted board, reviewing the organizational structure and introducing greater use of ICT and process automation. A major achievement of KEMSA is the significant improvement of its capital base. With a cash injection of Ksh 3.2 Billion from World Bank and Ksh 4 (Four) billion from MoH in form of stocks, KEMSA is now adequately capitalized to support its business in terms of operational costs and commodity procurement. KEMSA has also diversified its revenue streams and reduced its dependency on GoK grants. The procurement department has made tremendous progress in the last few years through improved processes and automation.



KEMSA has also developed a number of partnerships with major development partners that have provided significant technical and financial support. A number of outstanding challenges were also identified including long order turnaround time, weak communication with customers and failure to operationalize regional distribution centres.

The overall goal of this strategic plan is to - **“Expand market share, enhance customer satisfaction and strengthen KEMSA’s financial performance and sustainability”** while the organization mission is “KEMSA will provide reliable, affordable and quality health products and supply chain solutions to improve health care in Kenya and beyond”

KEMSA’s vision is - “To be a leader in innovative health supply chain solutions that support better health service delivery”

The following organizational values were formulated:

- Passion for customer service
- Innovativeness and Intrapreneurship
- Accountability, transparency and integrity
- Professionalism and staff empowerment
- Respect for diversity
- Operational excellence

Strategic Outcomes and Objectives

The overall goal of this strategic plan will be achieved through the four outcomes outlined below:

Outcome 1: Demand for KEMSA commodities and services increased

This outcome seeks to ensure that KEMSA can sustainably generate demand for the goods and services it offers to health facilities and programs and also enhance its corporate reputation by adapting a more commercially oriented culture.

Outcome 2: KEMSA maintains optimal stock levels

The outcome addresses the issue of ensuring that KEMSA has the products their clients need at the optimal quantity and quality through efficient forecasting, procurement and warehousing.

Outcome 3: Customer needs are met efficiently

This outcome seeks to improve KEMSA’s responsiveness to clients’ orders. It aims at ensuring that customers’ orders are processed in an efficient and timely manner. Another key aim of this outcome is to improve the quality and timeliness of communication with customers.

Outcome 4: KEMSA has in place a dynamic, efficient and sustainable institutional governance and management systems

This outcome seeks to strengthen KEMSA’s governance and management systems so as to make the organization financially, institutionally and programmatically sustainable. The outcome aims at strengthening a wide array of management systems including finance, HR and IT and to ensure that these systems are aligned with the new business model that KEMSA has adopted. The outcome also addresses the improvement of the quality and capacity of KEMSA’s infrastructure.



The table below highlights the strategic objectives that will help achieve the above strategic outcomes:

Summary of Strategic Objectives

Outcome	Strategic objective
Outcome 1: Demand for KEMSA commodities and services increased	SO 1.1: Develop and strengthen strategic alliances and partnerships
	SO 1.2: Increase market share in existing markets
	SO 1.3: Develop new markets for existing products
	SO 1.4: Broaden Product Range
	SO 1.5: Enhance commercial performance
	SO 1.6: Improve marketing communication
	SO 1.7: Strengthen the supply chain management capacity for county and facilities
Outcome 2: KEMSA maintains optimal stock levels	SO 2.1: Strengthen selection, demand forecasting and quantification
	SO 2.2: Aligned Procurement Plans, processes and systems to customer demand
	SO 2.3: Strengthen QA processes and systems throughout the supply chain
	SO 2.4: Strengthen inventory management processes and systems
Outcome 3: Customer needs are met efficiently	SO 3.1: Strengthen customer service capacity
	SO 3.2: Improve order processing and delivery
	SO 3.3: Enhance inter-departmental collaboration and communication
	SO 3.4: Improve operational performance management
	SO 3.5: Improve customer relationship management
	SO 3.6: Enhance national and regional presence
Outcome 4: KEMSA has in place a dynamic, efficient and sustainable institutional governance and management systems	SO 4.1: Enhance KEMSA governance
	SO 4.2: Enhance KEMSA Human capital management
	SO 4.3: Enhance KEMSA capitalization and financial management
	SO 4.4: Strengthen enterprise Risk Management (ERM)
	SO 4.5: Develop Capital and operational infrastructure to support KEMSA business
	SO 4.6: Support KEMSA management systems and processes through automation and innovation
	SO 4.7: Strengthen corporate security management systems

Strategic actions were also formulated for each of the strategic objectives and an implementation matrix indicating the year of implementation developed.



Strategic Plan Costs

The five-year cost of implementing this strategic plan is Ksh. 4,085,575,094. Below is a summary of these costs, disaggregated by year and outcome:

Outcome	Costs (Ksh.)					
	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Outcome 1: Demand for KEMSA commodities and services increased	93,720,000	83,777,700	87,958,225	90,618,681	97,253,442	453,328,047
Outcome 2: KEMSA maintains optimal stock levels	71,106,560	27,607,000	21,056,950	86,070,350	21,223,460	227,064,320
Outcome 3: Customer needs are met efficiently	43,048,000	56,056,100	34,242,588	36,981,995	39,940,555	210,269,238
Outcome 4: KEMSA has in place a dynamic, efficient and sustainable institutional governance and management systems	208,334,000	1,207,191,300	1,405,409,030	207,928,933	166,050,226	3,194,913,489
Grand Total	416,208,560	1,374,632,100	1,548,666,793	421,599,959	324,467,682	4,085,575,094

Performance Indicators and Targets

The plan developed a number of performance indicators and targets that are shown in the table below:

Indicator	Baseline (August 2014)	Mid-Term (2017) target	End of Term (2019) Target
Annual Sales Revenue (Ksh Billion)	2.5 (Half year)	8	12
Annual sales of services (Ksh billion)	1.2	1.6	2
Customer Satisfaction index	79.8	85	90
Order Fill Rate	60%	98%	98%
Order Turnaround time	12 days	10 days	7days
Level of capitalization (Ksh)	8.8 Billion	12 Billion	14 Billion
Average age of debt (days)	90 days	45 days	30 days



Introduction and Background

1.1 Overview of the Kenya Health Sector Policy Framework

The Kenya health sector policy and strategic direction is mainly guided by the Kenya Health sector Strategic and Investment Plan (KHSSP) Plan 2014 -2018 and the Kenya Health Policy 2014 – 2030. KHSSP has set “Better access to health services” and “Improved Quality of service delivery” as two desirable outputs and has identified the health workforce, infrastructure development and health products as the critical inputs. The Kenya Health Policy has set the following policy objectives:

- Eliminate communicable diseases
- Halt, and reverse rising burden of NCD's
- Reduce the burden of violence and injuries
- Provide essential health care
- Minimize exposure to health risk factors
- Strengthen collaboration with health related sectors

The Kenya Constitution states that every citizen has a right to life, right to the highest attainable standard of health including reproductive health and emergency treatment. The Constitution has established 47 county governments and devolved health service delivery to the county level. Counties manage all aspects of health including county health facilities and pharmacies, ambulance services and promotion of primary health care. At the national level, the Ministry of Health is charged with the following responsibilities:

- Establishing a national health policy and legislation
- Standard setting and national reporting.
- Sector coordination and resource mobilization.
- Providing technical support with emphasis on planning, development and monitoring of health services and delivery standards throughout the country;
- Monitor quality and standards of performance of the County Governments and community organizations in the provision of Health services;
- Provide National health referral services
- Conduct studies required for administrative or management purposes

The Government of Kenya, through the Vision 2030, envisions a middle income industrialized country by the year 2030. The vision states the role of the health sector is to provide “*equitable and affordable health care at the highest standards.*”



1.2 About KEMSA

The Kenya Medical Supplies Authority (KEMSA) transitioned from its previous status as the Kenya Medical Supplies Agency through the KEMSA Act of 2013. This Act gives KEMSA greater autonomy to run its affairs, with the following functions:

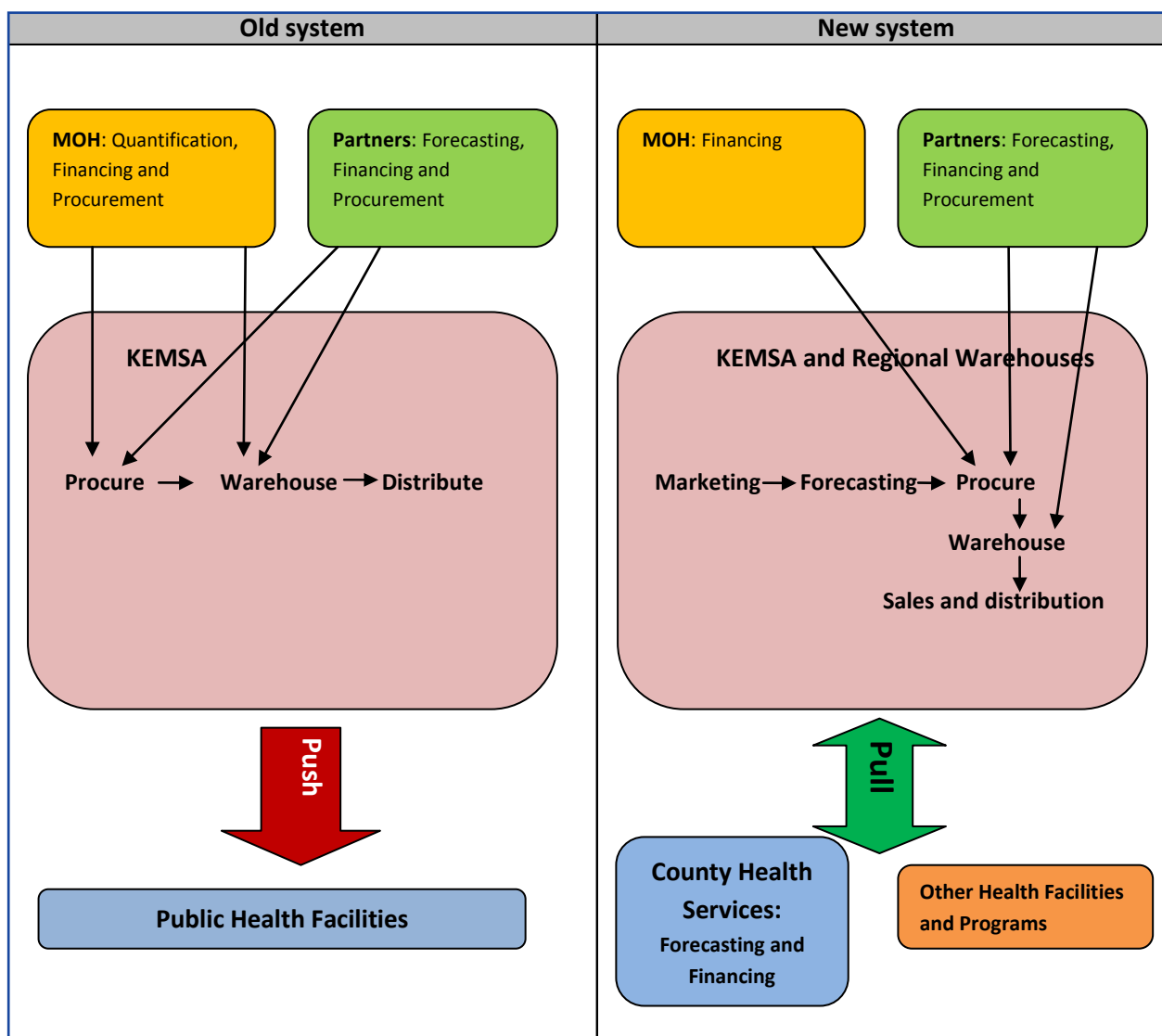
- Procure, warehouse and distribute drugs and medical supplies for prescribed public health programmes, the national strategic stock reserve, prescribed essential health packages and national referral hospitals;
- Establish a network of storage, packaging and distribution facilities for the provision of drugs and medical supplies to health institutions;
- Enter into partnership with or establish frameworks with county Governments for purposes of providing services in procurement, warehousing, distribution of drugs and medical supplies;
- Collect information and provide regular reports to the national and county governments on the status and cost-effectiveness of procurement, the distribution and value of prescribed essential medical supplies delivered to health facilities, stock status and on any other aspects of supply system status and performance which may be required by stakeholders;
- Support county governments to establish and maintain appropriate supply chain systems for drugs and medical supplies.

KEMSA is now an autonomous state corporation under the Ministry of Health with the mandate to procure, warehouse and distribute medical commodities to public and other health facilities in Kenya. KEMSA is the largest medical logistics support organization in East and Central Africa.

KEMSA's external environment has changed significantly with the devolution of health services to the county level. The authority to procure essential medicines and medical supplies was transferred from the national level to counties in August 2013, under Gazette notice no 137. This Gazette notice requires counties to use KEMSA as their first point of call thus placing enormous responsibility on KEMSA to re-orient its systems to respond to the wide range of county needs in an effective and efficient manner. Under the previous system, KEMSA primarily used a "Push" system to supply health facility with medical commodities. KEMSA now supplies county health facilities based on orders received and therefore has had to introduce the more responsive "Pull" system. Counties can also choose to place orders with other medical supplies distributors and this has made it necessary for KEMSA to operate on a more commercial basis to counter competition. The chart below shows how KEMSA's business model has changed as a result of the recent changes:



Figure 1: KEMSA's Old and New Business Model



1.3 Purpose of the Strategic Plan

The purpose of this strategic plan is to help KEMSA effectively and sustainably deliver its mandate in the new context that calls for greater organizational responsiveness and efficiency to meet the higher expectations of its client base and especially the county health services. Some of the objectives of the strategic plan include:

- Build stronger relationships with county governments and the wide variety of stakeholders
- Build teamwork, cohesion, and expertise amongst its staff;
- Bring coherence to different parts of the organization, ensuring they are pulling together
- Mobilize and Prioritize resources to achieve KEMSA's mission.
- Create a more responsive and commercial culture throughout the organization



1.4 Process of Developing the Strategic Plan

The strategic plan was developed through a highly participatory approach, using the following key steps:

- Situation Analysis through a comprehensive desk review and key informant interviews
- KEMSA team building session
- 5-day strategic plan development retreat
- Development and review of Draft Zero
- Costing the plan
- Development of a Year-1 operation plan
- Board approval of the plan and dissemination

1.5 Organization of the Strategic Plan

The plan is organized into seven chapters as shown in the table below:

Table 1: Organization of the Strategic Report

Chapter	Content
Chapter 1: Executive Summary	The executive summary provides a succinct summary of the entire plan
Chapter 2: Introduction and Background	This chapter covers the following: <ul style="list-style-type: none"> • An overview of the Kenya health sector • A brief on KEMSA • Purpose of the strategic plan • Process of developing the plan • Organization of the strategic plan
Chapter 3: Situational Analysis findings	This chapter provides the key findings of the situational analysis including SWOT
Chapter 4: Strategic direction	This chapter outlines KEMSA's strategic direction and includes the organizational vision, mission, core values, goals, outcomes, strategic objectives and the implementation matrix
Chapter 5: Monitoring and evaluation	This chapter provides the approaches to be used in monitoring and evaluating the implementation of the strategic plan and also outlines key indicators, baselines and targets'
Chapter 6: Plan Assumptions and risks	This chapter looks at possible risks that could adversely impact the implementation of the strategic plan and proposes mitigation approaches
Chapter 7: Annexes	This chapter includes a proposed prioritization matrix and organizational structure. The chapter also includes the strategic plan costs, Year-1 operational plan and the strategic plan in summary



Findings of the Situational Analysis

As part of developing this strategic plan, a comprehensive situational analysis was carried out. The situational analysis was done through a comprehensive desk review and in-depth interviews of key informants from within and outside KEMSA. The in-depth interviews were conducted using a semi-structured tool and the aim was to identify how KEMSA has performed over the last three years and also to get views on what KEMSA's strategic direction should be over the next five years. Below are the key findings of the situational analysis:

2.1 KEMSA's Achievements

The following were identified as the key KEMSA achievements:

2.1.1 Governance and Financial Management

Fully Constituted and Functional Board

KEMSA now has a fully constituted board that is functional. A board charter was also developed and has been operationalized. The board also has a number of committees that are also guided by their own committee charters.

Review of the Organizational structure

The organizational structure has been reviewed to reflect the changing KEMSA mandate and to make the organization more responsive to the emerging market environment.

Senior Management Positions substantively filled

For many years, KEMSA operated with many vacancies of senior management positions. Today, virtually all senior positions have been substantively filled.

Strengthened Financial Management

Financial management has improved greatly due to greater use of ICT and improved processes. In addition, the internal audit department has been strengthened through recruitment and it reports directly to the board. The number of audit queries has diminished considerably.

Improved Capitalization and Diversification of Revenue Streams

With a cash injection of Ksh 3.2 Billion from World Bank and Ksh 4 (four) billion from MoH in form of stocks, KEMSA is now adequately capitalized to support its business in terms of operational costs and procurement of commodities. KEMSA today generates substantial revenue from procurement and distribution of program commodities financed by partners. As a result of these initiatives, KEMSA's reliance on GoK funding to support recurrent and capital expenditure has reduced from a 100% a few years ago to 30% in 2013/14.



Securing of KEMSA Assets

The organization has secured KEMSA assets including land and buildings by acquiring legal title.

2.1.2 Procurement

The procurement department has made tremendous progress in the last few years. Major achievements include:

- Development of an electronic document management system
- Successfully took on board procurement of commodities for a number of partners including World bank, USAID and KFW, Global Fund and DANIDA
- Introduction of a paperless procurement system
- Introduced framework contracting that allows supply on tender of variable quantities of a commodity for a period of two years
- Working with the finance department, the procurement department has greatly minimized delays in the payment of suppliers
- Improved procurement processes and systems
- Staff training and development

2.1.3 Supply Chain Operations

The operations department has made significant progress in key areas including:

- Consolidation of warehouse and distribution operations at the Embakasi facility
- Development of SOPs
- Training of staff
- Re-organization of the outsourced transport services
- Procurement of equipment to support warehousing and despatch operations
- Greater use of ICT

2.1.4 Expansion of ICT Capability

KEMSA has expanded the use of ICT to support a wide range of services within the organization. Highlights include:

- The Enterprise Resource Planning (ERP) software has been rolled out to automate many services including sales, procurement, finance, human resources, warehousing and distribution
- KEMSA has won a number of ICT awards
- The department has expanded its internal capacity by recruiting highly skilled staff include program developers
- Users have been trained on use of various packages

2.1.5 Introduction of a commercial division

It was reported that the introduction of the Supplementary services Division (SSD) had helped inculcate a commercial culture within KEMSA that has been extremely useful in helping KEMSA transition to the new system of supplying county health facilities.

2.1.6 Change Management

It was recognized by both internal and external stakeholders that KEMSA has done very well in coping with the very far reaching changes in respect to devolution of health services. Although there a number of challenges remain, KEMSA has by and large responded admirably to the new dispensation in which counties and health facilities purchase commodities directly from KEMSA and can choose to order these commodities from other suppliers. This new system is completely different from the old system where the Ministry for Health was responsible for both quantification and financing of commodities and where KEMSA used a “push” system to get



commodities to health facilities. The following were pointed as some of the reasons why KEMSA had done in adapting to the new system:

- Commitment of the KEMSA board and management to ensure KEMSA was successful in transitioning to the new approaches of supplying commodities in the context of a devolved health system
- Establishment and staffing of a sales and marketing function
- Establishment of a planning function and strengthened demand forecasting
- Improvements to processes that have been made in the last few years
- Investment in ICT
- Improvements in procurement especially the introduction of “Framework contracting”

2.1.7 Partnerships

KEMSA has done extremely well to attract and retain a number of key partners that provide substantial financial, staffing and technical support. Having on board these partners constitutes a vote of confidence in KEMSA's financial and operations systems and practices. Key partners include World Bank, USAID, Global Fund, Danida and UNICEF. Some of the benefits that KEMSA has reaped from these partnerships include:

- Strengthened financial base from fees charged for the procurement and distribution of partner funded commodities
- Working capital from the World Bank's Health Sector support Project (HSSP)
- Recruitment of key staff on contract terms
- Capacity building of staff and improvement of operational processes
- Procurement of equipment
- Strengthening of ICT

Currently KEMSA is in discussions with various partners about financing the construction of a custom made supply chain centre and offices in Nairobi. KEMSA is also in discussion with UNICEF about setting up a regional kit packing operation in Nairobi. If these deals go through, they will have massive and positive impact on KEMSA operational and financial strength and sustainability.

2.2 Outstanding Challenges Facing KEMSA

The following were identified as the outstanding challenges that had not been fully resolved over the last three years:

2.2.1 Governance and Financial Management

Notwithstanding significant improvement in staffing, the organization still does not have adequate staff and has a few contract and seconded staff supporting key functions. Another area where KEMSA has made progress is in the improvement of terms and conditions of service to improve staff attraction and retention.

2.2.2 Logistics

KEMSA has leased its current central warehouse and other warehouses in Nairobi. A lot of improvements had to be done to conform to standards required for a modern medical commodities warehouse. The fragmented warehouses impacted on KEMSA's ability to improve on order turnaround. Respondents asserted that a centralized warehouse has clear cost, capacity and performance benefits. Clients reported that they would be comfortable with an order turnaround time of less than 14 days.



2.2.3 Internal and External Communications

Customers expressed the need for more engagement between KEMSA and the Counties to enhance commodities supply chain. Customers applauded KEMSA for considering Logistics Management Information System (LMIS) which will be a self serving portal. It was reported that LMIS will enhance real time communication between the Counties and KEMSA. LMIS will make KEMSA stocks visible to the counties in terms of stock availability and customer order status. A number of respondents stated that a lot of improvement had been made in regard to communication to the Counties. However, KEMSA has room for improvement on its communication with the Counties for posterity of medical commodities supply chain. Respondents from development partners also affirmed that there are a lot of improvements on communication between KEMSA and development partners that had immensely improved program commodities supply chain.

2.2.4 Regional Depots

Respondents revealed that they would want KEMSA to enhance the operationalization of regional depots to provide the full spectrum of logistic services from warehousing to order processing and dispatch to enhance delivery lead times.

2.3 KEMSA Strengths, Weaknesses, Opportunities and Threats (SWOT)

The table below is a summary of the KEMSA SWOT.

Table 2: KEMSA SWOT Summary

<p>Strengths</p> <ul style="list-style-type: none"> Capacity and reputation of delivering bulk commodities to all levels of health service delivery throughout Kenya Government affiliation - ease and low risks of government to government procurement (Public Procurement Act and regulations developed by PPOA) Institutional autonomy through KEMSA 2013 Act Competent board, management and staff Long experience and expertise of supplying health commodities to the public health sector Presence of warehouses outside Nairobi GoK grants for salaries - constitute a subsidy that other supply organizations do not have Supply of free program commodities financed by partners Strong management systems Strong financial base/strong capitalization Land for expansion in Nairobi and beyond 	<p>Weaknesses</p> <ul style="list-style-type: none"> Infrastructural constraints especially in respect to warehousing space at central and regional levels Government affiliation - limited flexibility e.g. in procurement and staff remuneration as the organization is bound to government policies and regulations Sub-optimal use of ICT Supply chain inefficiencies to long order turnaround Limitations of product range especially in respect to branded generics and consumables Limited commercial mindset Weaknesses in the commodity forecasting system Lack of an elaborate stock policy e.g. realistic buffer stock
<p>Opportunities</p> <ul style="list-style-type: none"> Potential for higher health commodity budgets from Counties Regional business opportunities in Countries such as South Sudan and Somali Supply to non-traditional public sector customers such as training institutions, uniformed services and referral hospitals Supply to private sector customers and especially the FBO and NGO sectors Strengthening existing strategic partnerships and developing new ones Working with the government and partners to scale-up supply of commodities to manage non-communicable diseases especially cancer and renal commodities 	<p>Threats</p> <ul style="list-style-type: none"> Devolution of health services – counties have greater discretion to choose from a wide range of suppliers Commercialization exposes KEMSA to new threats such as fraud and credit risks Reduction of support from partners to procure and distribute commodities



2.4 Strategic implications of Key SWOT Elements

Table 3: Strategic Implications of the SWOT Analysis

	Description of SWOT Element	Strategic Implication	KEMSA's Strategic Response
Strengths	Capacity, reputation, Long experience and expertise, of supplying and delivering medical commodities to all levels of public health facilities throughout Kenya.	<ul style="list-style-type: none"> Capacity to retain existing customers and add new ones Favourable customer and other stakeholder recognition. 	<ul style="list-style-type: none"> Enhance capability and create awareness of this strength among existing and potential clients
	Economies of scale in procurement leading to competitive prices	<ul style="list-style-type: none"> Affordable and high quality medical commodities 	<ul style="list-style-type: none"> Maintain strength and publicise KEMSA's pricing advantage
	Strategic relations with key partners such as USAID, World Bank, Global Fund, UNICEF, DANIDA and others. Partners provide financing, staffing and technical support	<ul style="list-style-type: none"> Resource mobilization Improved technical capacity 	<ul style="list-style-type: none"> Continue strengthening and expanding strategic relationships with partners
	Strong Financial Base	<ul style="list-style-type: none"> Timely funding of procurements, operations and projects. 	<ul style="list-style-type: none"> Continue growing the capital base
	Robust supply chain systems and structures	<ul style="list-style-type: none"> Customer satisfaction(Customer value maximized) Agile, adaptable and flexible supply chain Brand Recognition 	<ul style="list-style-type: none"> Continuous improvement of systems
Weaknesses	Infrastructural constraints especially in warehousing space at central and regional levels	<ul style="list-style-type: none"> Loss of visibility and political goodwill Long turnaround time reduced customer satisfaction and loss of market share Underutilization of regional facilities 	<ul style="list-style-type: none"> Build a new warehouse Refurbish regional warehouses
	Government affiliation leading to limited flexibility in procurement and staff remuneration	<ul style="list-style-type: none"> Reduced customer satisfaction and loss of market share Loss of skilled staff 	<ul style="list-style-type: none"> Lobby for desirable changes in legislation Subsidize GOK grants with generated profits
	Operational inefficiency to order processing	<ul style="list-style-type: none"> Low customer satisfaction leading to loss of market share 	Review processes and policies
	Sub-optimal use of ICT	Inability to respond promptly to customer inquiries leading to low customer satisfaction	Develop robust ICT systems and increase customer access to KEMSA ERP



	Description of SWOT Element	Strategic Implication	KEMSA's Strategic Response
Opportunities	Potential for higher health commodity budgets from counties	Room to grow KEMSA business	Pursue greater share of county business
	Regional business opportunities in countries such as South Sudan and Somali	Room to expand beyond Kenya and grow overall KEMSA business	Develop regional strategies
	Supply to non-traditional public sector customers such as training institutions, uniformed services and referral hospitals	Room to grow KEMSA business	Develop appropriate strategies to penetrate these institutions
	Supply to private sector customers and especially the FBO and NGO sectors	Room to grow KEMSA business	Develop appropriate strategies to penetrate these sectors
	Strengthening existing strategic partnerships and developing new ones	Opportunities for additional financial and technical support	Strengthen and expand strategic relationships with partners
	Working with the government and partners to scale-up supply of commodities to manage non-communicable diseases especially cancer and renal commodities	Potential to enhance KEMSA reputation and grow sales	Develop appropriate strategies and identify suitable partners
Threats	Devolution of health services – counties have greater discretion to choose from a wide range of supplies	Loss of KEMSA business	Develop commercial strategies to secure county business
	Commercialization exposes KEMSA to new threats such as fraud and credit risks	Loss of business and damage to KEMSA's reputation	Adapt risk mitigation strategies
	Reduction of support from partners to procure and distribute commodities	Reduction in financial and technical support	Strengthen relations with partners

2.5 KEMSA's Competitiveness Matrix

Table 4: KEMSA's Competitiveness Matrix

Factor weighting	KEMSA Performance	
	Low	High
High	Quadrant 1 <ul style="list-style-type: none"> • Stock levels of essential drugs • Order turnaround time • Communication with customers 	Quadrant 2 <ul style="list-style-type: none"> • Pricing • KEMSA warehouse to facility store logistics • Product Quality • Availability of free program commodities • Government affiliation
Low	Quadrant 3 <ul style="list-style-type: none"> • Promotional items and give-aways • Stocking of branded products 	Quadrant 4 <ul style="list-style-type: none"> • Regional depots (As they exist now)

KEMSA should focus on strengthening Quadrant 1 while retaining and promoting its Quadrant 2 edge.



Strategic Direction

This section outlines the proposed strategic direction for the next five years and incorporates the organization's mission, vision, core values, goal, outcomes and strategic objectives. The section also incorporates an implementation matrix with detailed strategic actions and timelines.

3.1 Organizational Mission

"KEMSA will provide reliable, affordable and quality health products and supply chain solutions to improve health care in Kenya and beyond"

3.2 Organizational Vision

"To be a leader in innovative health supply chain solutions that support better health service delivery"

3.3 Core Values

The core values given below will underpin the implementation of this strategic plan:

Table 5 : Core Values

Core Value	Value elaboration
Passion for customer service	We greatly value our customers and demonstrate this by serving them with enthusiasm. We carefully listen to our customers and keep them fully informed. We aim to at all times to exceed their expectations.
Innovation and intrapreneurship	We continuously look for and adopt new and better ways of working so as to better serve our clients and sustainably improve KEMSA's overall performance. Our staff are empowered to take direct responsibility for turning their ideas into viable finished products. We are committed to continuous learning
Accountability, transparency and integrity	We maintain high ethical standards, value honesty and openness and operate in ways that build trust within and outside KEMSA
Professionalism and staff empowerment	Our staff have the requisite knowledge, skills and attitude to maintain highest levels of performance. They are encouraged and supported to take initiative and make appropriate, value adding and responsive decisions.
Respect for diversity	We see diversity as a strength and work towards creating and harmoniously working with diverse teams and organizations in a way that adds value to KEMSA and our partners.
Operational excellence	We are constantly developing and implementing processes and systems that allow KEMSA to cost-effectively meet the highest possible performance standards that support our organizational goals

3.4 Overall Goal

“Expand market share, enhance customer satisfaction and strengthen KEMSA's financial performance and sustainability”

3.5 Strategic Outcomes

The overall goal of this strategic plan will be achieved through the four outcomes outlined below:

Outcome 1: Demand for KEMSA commodities and services increased

This outcome seeks to ensure that KEMSA can sustainably generate demand for the goods and services it offers to health facilities and programs and also enhance its corporate reputation. The outcome also focuses on fostering a commercial culture throughout the organization so that KEMSA can succeed in an increasing competitive and complex health supply chain environment. The outcome also seeks to support the successful foray of KEMSA to new markets in Kenya and beyond.

Outcome 2: KEMSA maintains optimal stock levels

To compete effectively and satisfy the needs of its core customers, KEMSA needs to have in stock adequate quantities of the products its clients need. At the same time, KEMSA needs to avoid holding excessive stocks that will lead to obsolescence due to expiries. This outcome also addresses the issue of quality of commodities and systems. To maintain optimal stocks KEMSA needs to enhance its inventory forecasting capabilities and improve its procurement and warehousing capacity and practices.

Outcome 3: Customer needs are met efficiently

This outcome seeks to improve KEMSA's responsiveness to clients' orders. It aims at ensuring that customers' orders are processed in an efficient and timely manner. Another key aim of this outcome is to improve the quality and timeliness of communication with customers.

Outcome 4: KEMSA has in place a dynamic, efficient and sustainable institutional governance and management systems

This outcome seeks to strengthen KEMSA's governance and management systems so as to make the organization financially, institutionally and programmatically sustainable. The outcome aims at strengthening a wide array of management systems including finance, HR and IT and to ensure that these systems are aligned with the new business model that KEMSA has adopted.

3.6 Strategic Objectives

Each outcome will be realized through the achievement of several strategic objectives. In turn each strategic objective will be achieved through the implementation of a number of strategic actions. These strategic actions are shown in the implementation matrix - refer to Section 4.8. Detailed activities under each strategic action will be articulated in the annual operation plans. The strategic objectives under each outcome are shown in the table below:

Table 6: Strategic Objectives by Outcome

Outcome	Strategic objective
Outcome 1: Demand for KEMSA commodities and services increased	SO 1.1: Develop and strengthen strategic alliances and partnerships
	SO 1.2: Increase market share in existing markets
	SO 1.3: Develop new markets for existing products
	SO 1.4: Broaden Product Range
	SO 1.5: Enhance commercial performance
	SO 1.6: Improve marketing communication
	SO 1.7: Strengthen the supply chain management capacity for county and facilities



Outcome	Strategic objective
Outcome 2: KEMSA maintains optimal stock levels	SO 2.1: Strengthen selection, demand forecasting and quantification
	SO 2.2: Aligned Procurement Plans, processes and systems to customer demand
	SO 2.3: Strengthen QA processes and systems throughout the supply chain
	SO 2.4: Strengthen inventory managements processes and systems
Outcome 3: Customer needs are met efficiently	SO 3.1: Strengthen customer service capacity
	SO 3.2: Improve order processing and delivery
	SO 3.3: Enhance inter-departmental collaboration and communication
	SO 3.4: improve operational performance management
	SO 3.5: Strategic Objective ___ Improve customer relationship management
Outcome 4: KEMSA has in place a dynamic, efficient and sustainable institutional governance and management systems	SO 3.6: Strategic Objective--Enhance national and regional presence
	SO 4.1: Enhance KEMSA governance
	SO 4.2: Enhance KEMSA Human capital management
	SO 4.3: Enhance KEMSA capitalization and financial management
	SO 4.4: Strengthen enterprise Risk Management (ERM)
	SO 4.5: Develop Capital and operational infrastructure to support KEMSA business
	SO 4.6: Support KEMSA management systems and processes through automation and innovation
	SO 4.7: Strengthen corporate security management systems

3.7 Implementation Approaches

The following approaches are proposed to ensure the effective implementation of this strategic plan.

Overall Leadership

The KEMSA CEO will have overall leadership of the implementation of the strategic plan. Towards this end, the CEO will be supported by all departments which will be responsible for the day-to-day implementation of the plan. The planning department will oversee, monitor and evaluate the execution of the plan.

KEMSA Board

The status of the implementation of the strategic plan will be a regular agenda item in full board meetings.

KEMSA Management

The implementation of the strategic plan will be incorporated in the agenda of regular senior KEMSA management meetings and will form part of the performance objectives of senior managers. Strategic plan implementation costs will be integrated in annual budgets.

Implementation Reporting Tools and Forums

The planning department will develop tools to support implementation and M&E of the strategic plan. It is proposed that a one-day review meeting on the implementation of the strategic plan be held annually.

3.8 Implementation Matrix

Table 7: Implementation Matrix

Outcome 1: Demand for KEMSA commodities and services increased

The table below shows the strategic objectives, strategic actions and the five year timelines for outcome 1.

Strategic Objective	Strategic action	Timelines				
		Year 1	Year 2	Year 3	Year 4	Year 5
SO 1.1: Develop and strengthen strategic alliances and partnerships	Build a stronger corporate reputation to gain leverage					
	Establish processes to support partnerships efforts					
	Identify opportunities (partners with a matched vision)					
	Introduce key account management					
	Develop and execute memorandum of understanding with clear expectations and well-defined measurement processes for new and existing partners					
	Hold regular partner forums					
	develop a process and tool of appraising partners					
SO 1.2: Increase market share in existing markets	Develop and implement appropriate pricing model for different markets					
	Conduct sales storm					
	Roll out regular continuous medical education (CME) sessions					
	Develop marketing focused campaigns/promotion					
	Develop an online product knowledge portal					
	Establish a telesales unit					
	Convene regular regional stakeholders forums					
SO 1.3: Develop new markets for existing products	Entrench sales funnel as a key process to assist in identification of prospects and customer mapping					
	Segment the market					
	Expand role and capacity of SSD as an SBU					
	Deploy adequate sales force in various market segments					
SO 1.4: Broaden product range	Expand into specialised medical commodities and supplies					
	Target regional market (outside Kenya)					
	Enter into partnership with suppliers of specialised medical commodities and supplies					
	Capacity building of staff on product and market knowledge (cross cutting)					
	Conduct market research to understand the needs of the market. (cross cutting)					
	Develop New Product Development policy and process					
SO 1.5: Enhance commercial performance	Conduct process mapping and document systems and processes					
	Introduce a sales and marketing module in the ERP					
	Measure targets disaggregated by segment					
	Develop reward and recognition schemes for the sales force and customers					
	Implement continuous performance management using established targets					
	Conduct regular review meetings					
	Develop and execute a sales and marketing manual					
	Conduct annual performance review and team building					



Strategic Objective	Strategic action	Timelines				
		Year 1	Year 2	Year 3	Year 4	Year 5
SO 1.6: Improve marketing communication	Introduce quarterly newsletter to deliver a range of promotional messages					
	Execute media advertising and press publicity campaigns					
	Develop a social media marketing strategy					
	Direct marketing through catalogues and direct mail					
	Develop and execute corporate social responsibility campaigns					
	Frequent update of website to include customer information					
	Participate in healthcare exhibitions and trade fairs					
	Organize media campaigns					
SO 1.7: Strengthen the supply chain management capacity for county and facilities	Collaborate with strategic partners on capacity building on commodity management at county and facility level					
	Conduct training on commodity management (Inventory management and demand management) at county and facility level					

Outcome 2: KEMSA maintains optimal stock levels

The table below shows the strategic objectives, strategic actions and the five year timelines for outcome 2.

Strategic Objective	Strategic action	Timelines				
		Yr 1	Yr 2	Yr 3	Yr 4	Yr 5
SO 2.1: Strengthen selection, demand forecasting and quantification	Update and maintain historical demand data					
	Develop and update appropriate product specifications					
	Develop forecasting ERP module					
	Hold regular integrated demand, sales and supply planning forums.					
	Develop a stock-holding policy					
	Train relevant staff on demand Management					
SO 2.2: Aligned Procurement Plans, processes and systems to customer demand	Develop annual procurement plans					
	Implement e-procurement					
	Develop a supplier performance appraisal tools.					
	Review and update Procurement processes to reduce procurement cycle time					
	Recruit additional procurement staff					
	Train and develop procurement staff					
SO 2.3: Strengthen QA processes and systems throughout the supply chain	Procure laboratory testing and analysis equipment and consumables.					
	Benchmark, review and update QA processes including automation					
	Establish a new fully fledged laboratory in the green site					
	Pursue appropriate laboratory accreditation					
	Recruit additional Quality Assurance staff					
	Training and development of QA staff					
SO 2.4: Strengthen inventory managements processes and systems	Review and update warehouse processes and automate					
	Review procedures to minimize loses, damages and obsolescence					
	Train Warehouse Staff on inventory management system					
	Acquire optimal material handling equipment					
	Develop MHE preventive maintenance system					
	Automate the distribution centres and regional warehouses.					
	Build and equip a state of the art warehouse					



Outcome 3: Customer needs are met efficiently

The table below shows the strategic objectives, strategic actions and the five year timelines for outcome 3.

Strategic Objective	Strategic action	Timelines				
		Yr 1	Yr 2	Yr 3	Yr 4	Yr 5
SO 3.1: Strengthen customer service capacity	Review the customer service function to align with the new business model					
	Train customer service staff					
	Establish a call centre					
	Develop an e-ordering platform					
SO 3.2: Improve order processing and delivery.	Review standard operating procedures and align them with new business model to reduce order turnaround time.					
	Redesign the warehouse layout and processes for ease of picking (To reflect the super market model)					
	Enforce SLA with carriers to improve transit time and reduce turnaround time.					
	Upgrade WMS requirements to align with new business model.					
	Re-train staff on ERP modules(crosscutting)					
	Review internal fleet and improve fleet management.					
	Procure material handling equipment and tools (loading dock -conveyor belt)					
SO 3.3: Enhance inter-departmental collaboration and communication	Increase access level to ERP module					
	Develop and implement operational communication protocol					
	Create inter-directorate consultative forum					
	Conduct regular team building.					
SO 3.4: improve operational performance management	Automate performance metrics					
	Hold regular metrics review and reporting forums					
	Sensitize staff on performance management					
SO 3.5: Improve customer relationship management	Develop a customer complaint resolution team					
	Hold regular forums with stakeholders (To be linked to Outcome 1 actions)					
	Develop an online customer information portal					
SO 3.6: Enhance national and regional presence	Operationalize regional distribution centres					
	Install and activate wide area network at regional distribution centres					
	Recruit staff and build capacity at the regional distribution centres.					

Outcome 4: KEMSA has in place a dynamic, efficient and sustainable institutional governance and management systems

The table below shows the strategic objectives, strategic actions and the five year timelines for outcome 4.

STRATEGIC OBJECTIVES	STRATEGIC ACTIONS	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5
SO 4.1: Enhance KEMSA governance	Lobby for the review and strengthening of the KEMSA act					
	Review the board and committees charters to align with the new strategy					
	Train the board and management on governance					
	Review internal audit charter					
	Build capacity for internal audit department					
	Review and update standard operating procedures (SOPs) governing all management systems					



STRATEGIC OBJECTIVES	STRATEGIC ACTIONS	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5
SO 4.2: Enhance KEMSA Human capital management	Review and update end to end Human resources policy manual and procedures					
	implement relevant organization structures that reflect current strategy					
	Review human capital skills audit report and design strategies to fill identified gaps					
	Recruit and develop talent that will support KEMSA strategy					
	Implement a competitive employees reward system tied to performance					
	Develop and implement staff development through career planning					
	Train and develop human capital					
	Develop and implement succession planning					
	Carry out a tracking survey and develop conducive work environment that promotes productivity					
	Design and implement a culture change programme aligned to strategy					
	Automate human capital management processes and reports					
SO 4.3: Enhance KEMSA capitalization and financial management	Review the finance policy manual and procedures					
	Identify, implement and secure additional sources of funding such as the Global Fund and UNICEF					
	Automate all financial process and reports					
	Build the capacity of finance staff					
	Implement sound cash management strategies					
	Develop and implement cost management strategies					
	Review and upgrade asset management tools					
SO 4.4: Strengthen enterprise Risk Management (ERM)	Review and update the ERM policy and framework					
	Conduct corporate risks appraisals and impact assessment on each business unit					
	Develop and implement integrated risk management solutions					
	Develop and implement Disaster recovery and business continuity plan					
SO 4.5: Develop Capital and operational infrastructure to support KEMSA business	Develop and implement a KEMSA infrastructure plan					
	Develop and implement infrastructure policies					
	Develop KEMSA central warehouse and headquarters at the green site					
	Upgrade KEMSA regional warehouses to strategic distribution centre					
	Review and upgrade KEMSA motor vehicle fleet to support KEMSA strategy					
	Review and upgrade KEMSA material handling equipment.					



STRATEGIC OBJECTIVES	STRATEGIC ACTIONS	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5
SO 4.6: Support KEMSA management systems and process through automation and innovation	Review and align ICT policy manual and procedures to the new strategy					
	In partnership with business units review and upgrade the ERP to align with KEMSA business needs					
	In partnership with business units develop and implement solutions to support planning and business forecasting					
	Train End-Users in office productivity & collaboration tools and ERP					
	Align maintenance contracts for business critical ICT equipment (handheld scanners, computers, printers) to business needs					
	Develop and implement secure ICT connectivity and infrastructure to KEMSA offices and warehouses					
	Develop and implement solutions to enable KEMSA staff work away from office real-time(Telecommuting)					
	Develop and implement solutions to enable stakeholders interact with KEMSA on a real-time basis					
	Develop and implement information security management solutions to secure KEMSA data and assets					
	Capacity building for ICT function					
	Develop and implement solutions for data protection and privacy					
SO 4.7: Strengthen corporate security management systems	Review and update security policy and procedures					
	Conduct corporate security threat analysis and develop a mitigation plan					
	Implement integrated corporate security threat management solutions					
	Capacity building for security staff					
	Create and implement corporate security awareness programmes					

3.9 Operational Plan Development

To support the implementation of the strategic plan, a detailed operational plan will be developed. The operation plan provides details of activities, timelines and responsible persons. The first operational plan covers Years 1 and 2 and is appended to this plan as annex 6.4. Annual operational plans will be developed for subsequent years.

3.10 Summary Strategic Plan Costs

The strategic plan was costed using an approach of activity based, incremental costing. The costs therefore capture those incremental costs arising from the strategies and actions proposed. To get the total KEMSA budget, current KEMSA budgets and projections will need to be included. The five-year cost of implementing this strategic plan is Ksh. 4,085,575,094. Below is a summary of these costs disaggregated by year and outcome:

**Table 8 : Summary Strategic Plan costs**

Outcome	Costs (Ksh.)					
	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Outcome 1: Demand for KEMSA commodities and services increased	93,720,000	83,777,700	87,958,225	90,618,681	97,253,442	453,328,047
Outcome 2: KEMSA maintains optimal stock levels	71,106,560	27,607,000	21,056,950	86,070,350	21,223,460	227,064,320
Outcome 3: Customer needs are met efficiently	43,048,000	56,056,100	34,242,588	36,981,995	39,940,555	210,269,238
Outcome 4: KEMSA has in place a dynamic, efficient and sustainable institutional governance and management systems	208,334,000	1,207,191,300	1,405,409,030	207,928,933	166,050,226	3,194,913,489
Grand Total	16,208,560	1,374,632,100	1,548,666,793	421,599,959	324,467,682	4,085,575,094

Refer to annex 7.2 for the detailed strategic plan costs

Monitoring and Evaluation

4.1 M&E Approach

It is proposed that the implementation of this plan be monitored and evaluated vigorously using the steps outlined below:

- The Planning department will coordinate all M&E activities of this plan
- Cascading of the plan in all the various departments by the HODs
- A status report will be developed quarterly and circulated widely within the organization and clear actions proposed for areas where performance will be behind schedule
- It is proposed that a formal mid-term and end-term evaluations be conducted.

All M&E activities will be guided by the indicators and targets given in the M&E matrix below:

Table 9: M&E Matrix

Strategic Outcome	Performance Indicator	Baseline – August 2014	Performance targets	
			Mid Term (2017 January)	End term (April 2019)
Outcome 1: Demand for KEMSA commodities and services increased	Annual Sales Revenue (Ksh)	2.5billion (Half year)	8billion	12billion
	Annual sales of services (Procurement, warehousing and distribution of commodities) - Ksh	1.2billion	1.6billion	2billion
	Value Market share (Not-for profit sector)	70%	75%	75%
	New customers on board	47 counties 100 Hospitals 20 others	47 counties 200 Hospitals 50 Others	47 counties 220 Hospitals 100 Others
	No of regional stakeholder forums	N/A	5	5
	Customer retention rate	N/A	98%	98%
	Customer Satisfaction index	79.8%	90%	95%
	New strategic partners	7	10	12
	No. of new products	4	20	50
	No. of key accounts managers appointed	5	6	8
	No. of continuous medical education conducted	0	5 per quarter	5 per quarter
	No of SSD customers	20	175	300
	Positive media mentions	4 per month	8 per month	10 per month
	Website Traffic to Marketing Leads	N/A	To be determined	To be determined



Strategic Outcome	Performance Indicator	Baseline – August 2014	Performance targets	
			Mid Term (2017 January)	End term (April 2019)
Outcome 2: KEMSA maintains optimal stock levels	Order Fill Rate	60%	98%	98%
	A forecasting ERP module in place	-	100%	100%
	Reduced procurement lead-time	N/A	To be determined	To be determined
	Supplier performance appraisal tool in place	-	100%	100%
	Stock Holding policy in place and implemented	–	100%	100%
Outcome 3: Customer needs are met efficiently	Order Turnaround time (order entry to receipt at facility)	12 days	10 days	7days
	Complaint response and resolution cycle times	Response=2 Resolution=6	Response=1 Resolution=5	Response= < 1 Resolution=3
	Number of employees trained per year	20	20	20
Outcome 4: KEMSA has in place a dynamic, efficient and sustainable institutional governance and management systems	Amended KEMSA Act in place	KEMSA Act Undergoing review at the Senate	Act in place	Act in place
	Amended Board and committee charters	Board and committee charters aligned to the old strategy	New Board and committee charters in place	Implementation of Board and committee charters
	Employee satisfaction index	74.8%	85%	90%
	Automation of HR processes	50%	60%	80%
	Level of capitalization	Capitalization base of 8.8 Billion	12 Billion	14 Billion
	Average age of debt (days)	90 days debt aging	45 days	30 days
	Mitigate Enterprise risks	No baseline of mitigated risks	50%	80%
	Reported security incidents	24 incidences per Annum	7 incidences	5 incidence
	Level of losses	To be determined	Reduce by 80%over baseline	Reduce by 95% over baseline



Risks and Risk Mitigation

The table below shows the risks to the successful implementation of this strategic plan and their requisite impact, probability and proposed mitigation.

Table 10: Risk Mitigation Matrix

Risk Description	Impact (Low, Medium or High)	Probability(Low, Medium or High)	Mitigation Response
Legal changes that allow counties to procure in the open market	Medium	High	<ul style="list-style-type: none">• Lobby law makers• Improve services - price, quality, lead times, stock levels etc• Expand to the open markets
Expiry due to market changes/ change in treatment protocols/third party procurement	low	low	<ul style="list-style-type: none">• Gather Market intelligence• Influence procurement policies of third parties
Reduction of support by key partners	High	medium	<ul style="list-style-type: none">• Engage partners and Strengthen relations• Diversify partnerships
Reputational Risk	medium	Low	<ul style="list-style-type: none">• Continue improving KEMSA image
Adverse Political/security threats	High	Medium	<ul style="list-style-type: none">• Preparedness - business continuity plans• Insurance
Reduced government financial support	Medium	High	<ul style="list-style-type: none">• Lobby the MoH and lawmakers for continued government budgetary support to KEMSA
New powerful supply chain agencies/organizations	Medium	Medium	<ul style="list-style-type: none">• Improve services - price, quality, lead times, stock levels etc• Innovative networking
Credit risks from customers	Medium	High	<ul style="list-style-type: none">• Enforce credit policy
Fire risk to property and stocks	High	Low	<ul style="list-style-type: none">• Insurance• Preparedness
Fraud	Medium	Medium	<ul style="list-style-type: none">• Strengthen internal controls



Annexes

6.1 Proposed Market and Product Prioritization Matrix

Below is the proposed matrix showing what KEMSA should focus on in terms of markets and products.

Table 11: Market and Product Prioritization Matrix

Category	Priority		
	High	Medium	Low
Pharmaceutical and Surgical commodities	Essential Drugs List	<ul style="list-style-type: none">• Branded generics• Drugs for emerging non-communicable diseases	<ul style="list-style-type: none">• Original brands• Expensive specialized commodities
Equipment and consumables	Fast moving diagnostic reagents and consumables	Commonly used medical equipment	*Expensive specialized medical equipment
Customers	County Health facilities	<ul style="list-style-type: none">• GoK institutions• Government Referral hospitals	Private/FBO/NGO facilities

6.2 Detailed Strategic Plan Costs

Table 12: Detailed Strategic Plan Costs

Strategic Objective	Strategic action	Costs (Ksh.)					Total	Comments
		Year 1	Year 2	Year 3	Year 4	Year 5		
Outcome 1: Demand for KEMSA commodities and services increased								
SO 1.1: Develop and strengthen strategic alliances and partnerships	Build a stronger corporate reputation to gain leverage	6,750,000	3,883,200	7,839,000	4,318,494	8,921,996	31,712,691	
	Establish processes to support partnerships efforts	-	-	-	-	-	-	To be done as part of routine departmental operations
	Identify opportunities (partners with a matched vision)	-	-	-	-	-	-	To be done as part of routine departmental operations
	Introduce key account management	385,000	423,500	444,675	466,909	490,254	2,210,338	
	Develop and execute memorandum of understanding with clear expectations and well-defined measurement processes for new and existing partners	-	-	-	-	-	-	To be done as part of routine departmental operations
	Hold regular partner forums	300,000	330,000	346,500	363,825	382,016	1,722,341	
	develop a process and tool of appraising partners	-	-	-	-	-	-	To be done as part of routine departmental operations



Strategic Objective	Strategic action	Costs (Ksh.)						Comments
		Year 1	Year 2	Year 3	Year 4	Year 5	Total	
SO 1.2: Increase market share in existing markets	Develop and implement appropriate pricing model for different markets	2,400,000	2,640,000	2,772,000	2,910,600	3,056,130	13,778,730	
	Conduct sales storm	-	-	-	-	-	-	To be done as part of routine departmental operations
	Roll out regular continuous medical education (CME) sessions	9,450,000	10,395,000	10,914,750	11,460,488	12,033,512	54,253,749	
	Develop marketing focused campaigns/promotion	10,000,000	11,000,000	11,550,000	12,127,500	12,733,875	57,411,375	
	Develop an online product knowledge portal	-	-	-	-	-	-	To be done as part of routine departmental operations
SO 1.3: Develop new markets for existing products	Establish a telesales unit	8,735,000	8,728,500	9,164,925	9,623,171	10,104,330	46,355,926	
	Convene regular regional stakeholders forums	-	-	-	-	-	-	Cost provided for under the Regional CME forums
	Entrench sales funnel as a key process to assist in identification of prospects and customer mapping	-	-	-	-	-	-	To be done as part of routine departmental operations
	Segment the market	-	-	-	-	-	-	To be done as part of routine departmental operations
	Expand role and capacity of SSD as an SBU	-	-	-	-	-	-	To be done as part of routine departmental operations

Strategic Objective	Strategic action	Costs (Ksh.)						Comments
		Year 1	Year 2	Year 3	Year 4	Year 5	Total	
SO 1.4: Broaden product range	Deploy adequate sales force in various market segments	34,000,000	24,900,000	20,395,000	21,414,750	22,485,488	123,195,238	
	Expand into specialised medical commodities and supplies	-	-	-	-	-	-	To be done as part of routine departmental operations
	Target regional market (outside Kenya)	-	-	1,980,000	2,079,000	2,182,950	6,241,950	
	Enter into partnership with suppliers of specialised medical commodities and supplies	-	-	-	-	-	-	To be done as part of routine departmental operations
	Capacity building of staff on product and market knowledge (cross cutting)	-	-	-	-	-	-	To be done as part of routine departmental operations
	Conduct market research to understand the needs of the market. (cross cutting)	-	-	-	-	-	-	To be done as part of routine departmental operations
	Develop New Product Development policy and process	-	-	-	-	-	-	To be done as part of routine departmental operations

Strategic Objective	Strategic action	Costs (Ksh.)						Comments
		Year 1	Year 2	Year 3	Year 4	Year 5	Total	
SO 1.5: Enhance commercial performance	Conduct process mapping and document systems and processes	2,175,000	-	-	2,175,000	-	4,350,000	
	Introduce a sales and marketing module in the ERP	-	-	-	-	-	-	To be done as part of routine departmental operations
	Measure targets disaggregated by segment	-	-	-	-	-	-	To be done as part of routine departmental operations
	Develop reward and recognition schemes for the sales force and customers	15,000,000	16,500,000	17,325,000	18,191,250	19,100,813	86,117,063	
	Develop and execute a sales and marketing manual	-	-	-	-	-	-	To be done as part of routine departmental operations
	Conduct Bi-annual commercial division conference to review annual performance and team building	2,025,000	2,227,500	2,338,875	2,455,819	2,578,610	11,625,803	

Strategic Objective	Strategic action	Costs (Ksh.)						Comments
		Year 1	Year 2	Year 3	Year 4	Year 5	Total	
SO 1.6: Improve marketing communication	Introduce quarterly newsletter to deliver a range of promotional messages	-	-	-	-	-	-	Cost provided for under the price and information catalogue
	Execute media advertising and press publicity campaigns	-	-	-	-	-	-	Cost provided for under the "Build a stronger corporate reputation to gain leverage"
	Develop a social media marketing strategy	-	-	-	-	-	-	To be done as part of routine departmental operations
	Direct marketing through catalogues and direct mail	-	-	-	-	-	-	Cost provided for under the price and information catalogue
	Develop and execute corporate social responsibility campaigns	100,000	110,000	115,500	121,275	127,339	574,114	
	Frequent update of website to include customer information	1,800,000	1,980,000	2,079,000	2,182,950	2,292,098	10,334,048	
SO 1.7: Strengthen the supply chain management capacity for county and county facilities	Participate in healthcare exhibitions and trade fairs	600,000	660,000	693,000	727,650	764,033	3,444,683	
	Collaborate with strategic partners on capacity building on commodity management at county and facility level	-	-	-	-	-	-	To be done as part of routine departmental operations
	Total Outcome 1	93,720,000	83,777,700	87,958,225	90,618,681	97,253,442	453,328,047	

Strategic Objective	Strategic action	Costs (Ksh.)					Comments	
		Year 1	Year 2	Year 3	Year 4	Year 5	Total	
Outcome 2: KEMSA maintains optimal stock levels								
SO 2.1: Strengthen selection, demand forecasting and quantification	Update and maintain historical demand data							Operational Budget
	Develop and update appropriate product specifications							Operational Budget
	Develop forecasting ERP module and Install a Business Intelligence software	1,660,000	820,800	886,464	957,381	1,033,972	5,358,617	
	Hold regular integrated demand, sales and supply planning forums.							Operational Budget
	Develop a stock-holding policy							Operational Budget
	Train relevant staff on demand Management	525,000	567,000	612,360	661,349	714,257	3,079,966	
SO 2.2: Aligned Procurement Plans, processes and systems to customer demand	Develop annual procurement plans	-	-	-	-	-	-	Operational Budget
	Implement e-procurement	-	720,000	-	-	-	720,000	
	Develop a supplier performance appraisal tools.	210,000	-	-	-	-	210,000	
	Review and update Procurement processes to reduce procurement cycle time	-	-	-	-	-	-	Operational Budget
	Recruit additional procurement staff	1,000,000	1,150,000	1,322,500	1,520,875	1,749,006	6,742,381	
	Train and develop procurement staff	6,300,000	6,804,000	7,348,320	7,936,186	8,571,080	36,959,586	

Strategic Objective	Strategic action	Costs (Ksh.)						Comments
		Year 1	Year 2	Year 3	Year 4	Year 5	Total	
SO 2.3: Strengthen QA processes and systems throughout the supply chain	Procure laboratory testing and analysis equipment and consumables.	25,121,560	3,000,000	3,000,000	10,000,000	-	41,121,560	
	Benchmark, review and update QA processes including automation	-	2,625,000	500,000	-	-	3,125,000	
	Establish a new fully fledged laboratory in the green site				15,000,000		15,000,000	
	Pursue appropriate laboratory accreditation		500,000				500,000	
	Recruit additional Quality Assurance staff	800,000	1,495,000	1,719,250	1,977,138	2,273,708	8,265,096	
	Training and development of QA staff	700,000	3,996,000	816,480	4,380,998	952,342	10,845,821	
SO 2.4: Strengthen inventory managements processes and systems	Review and update warehouse processes and automate						-	Process review being done centrally Outcome 4
	Review procedures to minimize losses, damages and obsolescence						-	Operational Budget
	Review and rationalize human resource capacity						-	Being done under Corporate HR review
	Acquire optimal material handling equipment	29,300,000	-	-	36,909,562	-	66,209,562	
	Develop MHE preventive maintenance system	-	-	-	-	-	-	Operational Budget
	Automate the distribution centres and regional warehouses.						-	Outcome 4-ICT
Total Outcome 2	Renovate and Expand Kisumu and Mombasa Depots to Regional Distribution Centre status							Captured in Outcome 4
	Train Warehouse Staff	5,490,000	5,929,200	4,851,576	6,726,862	5,929,094	28,926,732	
	Build and equip a state of the art warehouse							Costed in Outcome 4
		71,106,560	27,607,000	21,056,950	86,070,350	21,223,460	227,064,320	

Strategic Objective	Strategic action	Costs (Ksh.)					Comments	
		Year 1	Year 2	Year 3	Year 4	Year 5	Total	
Outcome 3: Customer needs are met efficiently								
SO 3.1: Strengthen customer service capacity	Review the customer service function to align with the new business model	22,800,000	24,624,000	26,593,920	28,721,434	31,019,148	133,758,502	harmonise with outcome 1-tele-sales
	Train customer service staff	1,275,000	1,649,700	1,781,676	1,924,210	2,078,147	8,708,733	
	Establish a call centre	5,310,000					5,310,000	confirm with ICT/ harmonise with outcome 1
	Develop an e-ordering platform		24,350,000				24,350,000	
SO 3.2: Improve order processing and delivery.	Review standard operating procedures and align them with new business model to reduce order turnaround time.	1,133,000		-	-		1,133,000	
	Redesign the warehouse layout and processes for ease of picking (To reflect the super market model)	7,500,000					7,500,000	
	Enforce SLA with carriers to improve transit time and reduce turnaround time.						-	operational budget
	Upgrade WMS requirements to align with new business model.						-	refer to ICT
	Re-train staff on ERP modules(crosscutting)						-	internal training-no cost implications
	Review internal fleet and improve fleet management.						-	TB developed internally -no cost
SO 3.3: Enhance inter-departmental collaboration and communication	Procure material handling equipment and tools (loading dock -conveyor belt)						-	implications administrative-no cost
	Increase access level to ERP module						-	implications refer to ICT-no cost
	Develop and implement operational communication protocol						-	cost implication
	Incorporate key functions in operations meetings						-	internal process -no cost
	Conduct regular team building.	5,030,000	5,432,400	5,866,992	6,336,351	6,843,259	29,509,003	implications internal process -no cost
								implications

Strategic Objective	Strategic action	Costs (Ksh.)					Comments	
		Year 1	Year 2	Year 3	Year 4	Year 5		Total
SO 3.4: improve operational performance management	Automate performance metrics						-	no incremental cost implications
	Hold regular metrics review and reporting forums						-	No incremental cost implications
	Sensitize staff on performance management						-	No incremental cost implications
SO 3.5: Improve customer relationship management	Develop a customer complaint resolution team						-	No incremental cost implications
	Hold regular forums with stakeholders						-	No incremental cost implications
	Develop an online customer information portal						-	No incremental cost implications
SO 3.6: Enhance national and regional presence	Operationalize regional distribution centres						-	Refer to outcome 2
	Install and activate wide area network at regional distribution centres						-	Refer to outcome 2
	Recruit staff and build capacity at the regional distribution centres.						-	Refer to outcome 2
Total Outcome 3		43,048,000	56,056,100	34,242,588	36,981,995	39,940,555	210,269,238	
Outcome 4: KEMSA has in place a dynamic, efficient and sustainable institutional governance and management systems								
SO 4.1: Enhance KEMSA governance	Lobby for the review and strengthening of the KEMSA act	7,850,000					7,850,000	HPP will cater for the half of the budget
	Review the board and committees charters to align with the new strategy	520,000					520,000	
	Train the board and management on governance	3,600,000			4,000,000		7,600,000	
	Review internal audit charter	90,000					90,000	
	Build capacity for internal audit department	3,600,000		3,000,000			6,600,000	
	Review and update standard operating procedures (SOPs) governing all management systems	5,160,000	1,032,000				6,192,000	

Strategic Objective	Strategic action	Costs (Ksh.)					Comments	
		Year 1	Year 2	Year 3	Year 4	Year 5	Total	
SO 4.2: Enhance KEMSA Human capital management	Review and update end to end Human resources policy manual and procedures	630,000					630,000	
	implement relevant organization structures that reflect current strategy						-	internal
	Review human capital skills audit report and design strategies to fill identified gaps						-	internal
	Recruit and develop talent that will support KEMSA strategy						-	internal
	Implement a competitive employees reward system tied to performance	630,000					630,000	
	Develop and implement staff development through career planning	840,000					840,000	
	Train and develop human capital	16,000,000	17,600,000	19,360,000	21,296,000	23,425,600	97,681,600	
	Develop and implement succession planning						-	to be included for on the review of the HR manual and policy
	Carry out a tracking survey and develop conducive work environment that promotes productivity	420,000					420,000	
	Design and implement a culture change programme aligned to strategy	5,770,000					5,770,000	
	Automate human capital management processes and reports	3,000,000					3,000,000	

Strategic Objective	Strategic action	Costs (Ksh.)					Comments
		Year 1	Year 2	Year 3	Year 4	Year 5	
SO 4.3: Enhance KEMSA capitalization and financial management	Review the finance policy manual and procedures	1,161,000			1,161,000		2,322,000
	Identify, implement and secure additional sources of funding such as the Global Fund and UNICEF	6,591,000	7,250,100	7,975,110	8,772,621	9,649,883	40,238,714
	Automate all financial process and reports						internal
	Build the capacity of finance staff		3,000,000	3,600,000			- 6,600,000
	Implement sound cash management strategies						Internal
	Develop and implement cost management strategies						Internal
SO 4.4: Strengthen enterprise Risk Management (ERM)	Review and upgrade asset management tools	2,300,000					2,300,000
	Review and update the ERM policy and framework						Incorporated below
	Conduct corporate risks appraisals and impact assessment on each business unit						Incorporated below
	Develop and implement integrated risk management solutions	2,772,000	277,200	304,920	335,412	368,953	4,058,485
SO 4.5: Develop Capital and operational infrastructure to support KEMSA business	Develop and implement Disaster recovery and business continuity plan		4,000,000	346,500	381,150	419,265	5,146,915
	Develop and implement a KEMSA infrastructure plan	2,700,000					2,700,000
	Develop and implement infrastructure policies						combined on the above
	Develop KEMSA central warehouse and headquarters at the green site		1,000,000,000	1,200,000,000			2,200,000,000
	Upgrade KEMSA regional warehouses to strategic distribution centre	80,000,000	80,000,000	80,000,000	80,000,000	40,000,000	360,000,000
	Review and upgrade KEMSA motor vehicle fleet to support KEMSA strategy	20,000,000	70,000,000	70,000,000	70,000,000	70,000,000	Harmonise with outcome 1
	Review and upgrade KEMSA material handling equipment.						Group 2 -

Strategic Objective	Strategic action	Costs (Ksh.)						Comments
		Year 1	Year 2	Year 3	Year 4	Year 5	Total	
SO 4.6: Support KEMSA management systems and process through automation and innovation	Review and align ICT policy manual and procedures to the new strategy						-	internal
	In partnership with business units review and upgrade the ERP to align with KEMSA business needs	490,000	539,000	592,900	652,190	717,409	2,991,499	
	In partnership with business units develop and implement solutions to support planning and business forecasting	70,000	77,000				147,000	
	Train End-Users in office productivity & collaboration tools and ERP						-	internal
	Align maintenance contracts for business critical ICT equipment (handheld scanners, computers, printers) to business needs	2,510,000	2,736,000	2,984,600	3,283,060	3,583,866	15,097,526	
	Develop and implement secure ICT connectivity and infrastructure to KEMSA offices and warehouses	21,000,000					21,000,000	USAID
	Develop and implement solutions to enable KEMSA staff work away from office real-time (Telecommuting)						-	internal
	Develop and implement solutions to enable stakeholders interact with KEMSA on a real-time basis	7,960,000	6,000,000	6,600,000	7,260,000	7,986,000	35,806,000	
	Develop and implement information security management solutions to secure KEMSA data and assets	500,000	550,000	605,000	665,500	732,050	3,052,550	
	Capacity building for ICT function		6,000,000	3,000,000			9,000,000	
	Upgrade of ICT equipments	3,620,000	3,480,000	1,880,000	4,380,000	3,730,000	17,090,000	
	Develop and implement solutions for data protection and privacy						-	internal

Strategic Objective	Strategic action	Costs (Ksh.)					Total	Comments
		Year 1	Year 2	Year 3	Year 4	Year 5		
SO 4.7: Strengthen corporate security management systems	Review and update security policy and procedures	2,310,000		390,000		390,000	3,090,000	
	Conduct corporate security threat analysis and develop a mitigation plan	840,000			840,000		1,680,000	
	Implement integrated corporate security threat management solutions	4,400,000	3,650,000	3,770,000	3,902,000	4,047,200	19,769,200	
	Capacity building for security staff	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	5,000,000	Internal
	Create and implement corporate security awareness programmes						-	
Total Outcome 4		208,334,000	1,207,191,300	1,405,409,030	207,928,933	166,050,226	3,194,913,489	
Grand Total		416,208,560	1,374,632,100	1,548,666,793	421,599,959	324,467,682	4,085,575,094	



6.3 Year 1 and 2 Operational Plan

Note: The operational plan starts from Q2, which covers the period October to December 2014

Outcome 1: Demand for KEMSA Commodities and Services Increased

Strategic action	Activity	Responsible Person	Timelines							
			Year 1 2014/2015			Year 2 2015/2016				
			Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Strategic Objective 1.1: Develop and strengthen strategic alliances and partnerships										
Build a stronger corporate reputation to gain leverage	Restructure sales/customer service to effectively address customer needs	Commercial Director								
	Hold regular meetings with development partners	PRC Manager/CEO								
	Develop and roll out customer incentives	Sales Manager/CD								
	Hold bi-annual media briefings	PRC Manager/CEO								
	Develop and disseminate IEC advocacy materials to raise awareness on KEMSA	PRC Manager/CEO								
Establish processes to support partnerships efforts	Develop systems and procedures (MOU and reporting templates, fact sheets etc) for development partners engagement	Commercial Director								
Identify opportunities (partners with a matched vision)	Target and engage prospects with special interests in medical supply chain	Customer Service Manager / Commercial Director								
	Develop and update a directory of funding sources clearly defining donor (or potential donor), profile, special interests, opportunities, level of funding and contact details	Customer Service Manager / Commercial Director								
Introduce key account management	Identify and profile key accounts	Commercial Director								
	Develop systems and procedures for key account management	Commercial Director								
	Develop a structure for key account management	Commercial Director								
Develop and execute memorandum of understanding with clear expectations and well-defined measurement processes for new and existing partners	Sign up MoU and agreements with respective partners	SM/CSM/CD/DLS								
Hold regular partner forums	Hold quarterly forums with Development Partners	SM/CSM/PRC/CD								
Develop a process and tool of appraising partners	Document systems and procedures for monitoring service delivery to partners	Customer Service Manager / Commercial Director								
	Develop SLAs and KPIs to enhance performance with partners	Customer Service Manager / Commercial Director								



Strategic action	Activity	Responsible Person	Timelines							
			Year 1 2014/2015			Year 2 2015/2016				
			Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Strategic Objective 1.2: Increase market share in existing markets										
Develop and implement appropriate pricing model for different markets	Develop a pricing policy and strategy	Sales Manager/CD								
	Conduct biannual price surveys	Sales Manager/CD Manager/CD								
	Publish an annual price catalogue	Sales Manager/CD								
Conduct sales/debt collection storm	Conduct sales activation sessions in the counties/ segments	Sales Manager/CD								
	Conduct debt collection activation sessions in the counties/segments	SM/CD								
Roll out regular continuous medical education (CME) sessions	Conduct CME on forecasting and quantification	Sales Manager								
	Conduct CME on inventory management	Sales Manager								
	Conduct at least 5 annual regional CMEs	Sales Manager								
	Conduct CME on good storage practice	Sales Manager								
	Conduct CME on quality assurance	Sales Manager								
Develop marketing focused campaigns/ promotion	Design promotion methodology	PRC								
	Procure and distribute promotion items	SM/PRC								
Develop an online product knowledge portal	Develop product content	Sales Manager								
	Design product knowledge portal	ICT Manager								
Establish a telesales unit (To be linked to outcome 3 actions – refer to SO 3.1)	Restructure customer service department	Commercial Director								
	Recruitment and selection of suitable telesales staff	Commercial Director								
	Training of telesales	HR Manager								
	Establish a call centre	Commercial Director								
	Automate call centre	ICT Manager								
Convene regular regional stakeholders forums	Develop planner for stakeholders forum	Sales Manager								
	Conduct quarterly stakeholders forum	Sales Manager								
Strategic Objective 1.3: Develop new markets for existing products										
Entrench sales funnel as a key process to assist in identification of prospects and customer mapping	Identify all targets	Sales Manager								
	Identify all prospects	Sales Manager								
	Identify Qualified leads	Sales Manager								
	Pursue opportunities to contracting	Sales Manager								



Strategic action	Activity	Responsible Person	Timelines						
			Year 1 2014/2015			Year 2 2015/2016			
			Q2	Q3	Q4	Q1	Q2	Q3	Q4
Segment the market	Identify criteria for market segmentation	Sales Manager							
	Identify potential market segments	Sales Manager							
	Target the segmented market	Sales Manager							
	Review market segments	Sales Manager							
Expand role and capacity of SSD as an SBU	Position SSD in line with new business model	Sales Manager							
	Identify products and services	Sales Manager							
Deploy adequate sales force in various market segments	Recruitment and selection of sales personnel	SM/HR Manager							
	Procure motor vehicles for sales staff	SM/HR Manager/PD							
Strategic Objective 1.4: Broaden product range									
Expand into specialised medical commodities and supplies	Establish Standing Technical Working Groups (STWGs) for specialized medical commodities and supplies	Sales Manager / Commercial Director							
	Carry out demand analysis	Sales Manager / Commercial Director							
	Conduct Forecasting & Quantification of specialized commodities	Sales Manager / Commercial Director							
	Develop specifications	Sales Manager / Commercial Director							
	Procure specialized commodities	SM/CD/PD							
	Marketing of specialized commodities	Sales Manager / Commercial Director							
Target regional market (outside Kenya)	Conduct regional market survey	Sales Manager / Commercial Director							
	Develop business plan	Sales Manager / Commercial Director							
	Prospect for business	Sales Manager / Commercial Director							
	Marketing of services	Sales Manager / Commercial Director							
Enter into partnership with suppliers of specialised medical commodities and supplies	Identify specialized medical commodities and supplies	Sales Manager / Commercial Director							
	Identify prospective manufactures to partner with	SM/PD							
	Establish relationship with manufacturers	Sales Manager / Commercial Director							
Capacity building of staff on product and market knowledge (cross cutting)	Identify training needs	HRM							
	Implement training needs assessment	HRM							
	Prepare Training report	HRM							
	Identify facilitators								
	Conduct training								



Strategic action	Activity	Responsible Person	Timelines							
			Year 1 2014/2015			Year 2 2015/2016				
			Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Conduct market research to understand the needs of the market and activities of competitors. (cross cutting)	Conduct monthly market intelligence	Sales Manager								
	Bench mark with competitors both locally and regionally	Sales Manager								
Develop New Product Development policy and process	Develop a process for identifying and commercializing new products	Sales Manager								
Strategic Objective 1.5: Enhance commercial performance										
Conduct process mapping and document systems and processes	Map existing commercial Processes	Sales Manager								
	Make changes to the processes to with commercial goals	Sales Manager								
	Execute systems and procedures	Sales Manager								
Introduce a sales and marketing module in the ERP	Development of sales module to capture new business model	ICT/SM								
	Implement sales module	ICT/SM								
Develop and track sales targets disaggregated by segment	Identify sales targets									
	Review performance of sales staff									
Develop reward and recognition schemes for the sales force and customers	Identify objectives and criteria for reward									
	Document reward and recognition scheme for the sales force									
	Conduct regular review meetings									
Develop and execute a sales and marketing manual	Publish a sales and marketing manual	Commercial Director								
	Implement sales and marketing manual	Commercial Director								
Conduct annual performance review and team building	Conduct annual commercial division conference to review annual performance and team building									
Strategic Objective 1.6: Improve marketing communication										
Disseminate promotional messages	Publish quarterly newsletter									
	Design and develop below the line promotional materials	PR&C/SM								
Execute media advertising and press publicity campaigns	Engage both print and electronic media	PR&C/SM								
	Conduct quarterly media briefings	PR&C/SM								
Develop a social media marketing strategy	Develop social media marketing strategy	PR&C/SM								
Develop and execute corporate social responsibility campaigns	Develop a CSR policy	PR&C								
	Implement CSR activities	PR&C								
	Prepare a CSR quarterly report	PR&C								
	Prepare an annual CSR report	PR&C								



Strategic action	Activity	Responsible Person	Timelines							
			Year 1 2014/2015			Year 2 2015/2016				
			Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Frequent update of website to include customer information	Continuous website update	PR&C								
	Recruit a web developer	PR&C								
Participate in healthcare exhibitions and trade fairs	Identify relevant healthcare exhibitions and trade fairs	PR&C								
Strategic Objective 1.7: Strengthen the supply chain management capacity for county and facilities										
Strengthen the supply chain management capacity for county health departments and facilities	Identify relevant strategic partners to collaborate with	CSM/CD								
	Identify capacity needs in commodity management	CSM/CD								
	Execute capacity building sessions on supply management on need basis	CSM/CD								
	Conduct training on commodity management (Inventory management and demand management) at county and facility level	CSM/CD								

Outcome 2: KEMSA maintains optimal stock levels

Strategic action	Activities	Responsible Person	Timelines						
			Year 1			Year 2			
			Q2	Q3	Q4	Q1	Q2	Q3	Q4
Strategic Objective 2.1: Strengthen selection, demand forecasting and quantification									
Update and maintain historical demand data	collect, analyse and update Historical demand data	PO/SM							
Develop and update appropriate product specifications	review and update product master file	QAM/PD							
	Hold a 5 day workshop to validate the master file.	QAM/PD							
Develop forecasting ERP module	Design a demand forecasting data collection tool.	Planning Officer							
	Develop the forecasting tool in the ERP.	PO/ICTM							
Hold regular integrated demand, sales and supply planning forums.	Hold bi weekly meetings to analysis demand and supply planning data.	Sales Manager							
	Hold quarterly two day workshops on demand, sales and supply planning	Sales Manager							
Develop a stock-holding policy	Conduct an stock ABC analysis	WHM/SM/PO							
	Develop a stock holding policy based on ABC classification of stocks.	WHM/SM/PO							
Train relevant staff on demand Management	Identify the relevant staff.	HRAM							
	Develop the training scope for the Trainers	HRAM							
	Identify and Procure Demand Management training Services	HRAM/PD							



Strategic action	Activities	Responsible Person	Timelines								
			Year 1			Year 2					
			Q2	Q3	Q4	Q1	Q2	Q3	Q4		
Strategic Objective 2.2: Aligned Procurement Plans, processes and systems to customer demand											
Develop annual procurement plans	Consolidate Departmental Procurement plans into organizational-wide annual procurement plans	Procurement Director									
Implement e-procurement	Develop an e-procurement module in the ERP	PD/ICTM									
	Test the an e-procurement Module	PD/ICTM									
Develop a supplier performance appraisal tools.	Develop supplier -performance appraisal tools.	Procurement Director									
	Implement the supplier-performance appraisal tool.	Procurement Director									
Review and update Procurement processes to reduce procurement cycle time	Carry out internal Procurement Process mapping	Procurement Director									
	Review Procurement SOPs.	Procurement Director									
Recruit additional procurement staff	Recruit additional procurement staff.	Procurement Director									
Train and develop procurement staff	Identify training needs for procurement staff.	Procurement Director									
	Procure /identify training Services	PD/HRAM									
Strategic Objective 2.3: Strengthen QA processes and systems throughout the supply chain											
Procure laboratory testing and analysis equipment and consumables.	Identify required lab equipment	QAM									
	Procure equipment	QAM/PD									
Benchmark, review and update QA processes including automation	Identify the sites for benchmarking	QAM									
	Visit the benchmarking sites	QAM/PD									
	Review and update QA processes	QAM									
Establish a new fully fledged laboratory in the green site (Yr 4 and 5)											
Pursue appropriate laboratory accreditation (Yr 4and 5)											
Recruit additional Quality Assurance staff	Recruit additional Quality Assurance staff	QAM/HRAM									
Training and development of QA staff	Identify training needs.	QAM/PD									
	Identify and procure training Services	QAM/PD									



Strategic action	Activities	Responsible Person	Timelines							
			Year 1			Year 2				
			Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Strategic Objective 2.4: Strengthen inventory managements processes and systems										
Review and update warehouse processes and automate	Carry out internal warehouse Process mapping	WHM								
	Review warehouse SOPs.	WHM								
	Automate Warehouse Processes	WHM								
Review procedures to minimize loses, damages and obsolescence	Conduct weekly, thorough, accurate cycle counts	WHM								
	Conduct physical checks at the point of dispatch.	CSO								
	Demarcate dispatch area from the main warehouse	WHM								
	Conduct staff searches	CSO								
	Repair and maintain CCTV cameras	CSO								
	Limit Access to the warehouse to authorised persons only.	CSO/WHAM								
	Designate security personnel in strategic places	CSO								
	Enforce stacking limits according to good warehouse practice.	WHM								
	Re training warehouse staff on Material handling Equipment	WHM/HRAM								
	Institute thorough checks at the point of receipt to ensure that packaging is done as per specifications in the contracts.	QAM								
Train Warehouse Staff on inventory management system	Identify and procure trainers	WHM/PD								
	Train staff	WHM/PD								
Acquire optimal material handling equipment	Identify and prepare specifications for MHE	WHM								
	Procure MHE	WHM/PD								
Develop MHE preventive maintenance.	Develop specification for MHEs maintenance	WHM								
	Procure the necessary services and enter into Service level agreements	WHM/PD								
Automate the distribution centres and regional warehouses.	Installing of network devices at Kisumu and Mombasa depots.	ICTM/WHM								
	Install telephone connectivity at the two warehouses.	ICTM								
	Install WMS at the two depots.	ICTM								
Build and equip a state of the art warehouse	Mobilize resources through Development partners engagements									
	Fence the Site									
	Build the warehouse									



Outcome 3: Customer needs are met efficiently

Strategic action		Responsible Persons	Timelines							
			Year 1			Year 2				
			Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Strategic Objective 3.1: Strengthen customer service capacity										
Review the customer service function to align with the new business model	Review customer service structure and create JDs	Commercial Director/DCS								
	Recruit additional customer service staff	Commercial Director/DCS								
	Recruit additional program officers	Commercial Director/DCS								
Train customer service staff	Identify training needs for each customer staff every 6 months	Commercial Director/DCS								
	Identify appropriate trainings and providers	Commercial Director/DCS								
	Carry out raining	Commercial Director/DCS								
Establish a call centre	Identify office location and furnish it	Commercial Director/DCS								
	Upgrade the phone system	Commercial Director/DCS/ICT								
	train the customer service staff on the use of the call center	Commercial Director/DCS/ICT								
Develop an e-ordering platform	roll out LMIS to all health facilities	Commercial Director/ICT								
	Upgrade the ICT equipment internally and at the health facilities.	Commercial Director/ICT								
Strategic Objective 3.2: Improve order processing and delivery										
Review standard operating procedures and align them with new business model to reduce order turnaround time.	Map and document the order flow process	Operations/ commercial directors								
	Identify the SOP reviewer/ consultant	Operations/ commercial directors								
	Train staff on new SOPs	Operations/ commercial directors								
Redesign the warehouse layout and processes for ease of picking (To reflect the super market model)	Install conveyor belt	Operations director								
	Upgrade ICT equipment	Operations director/ ICT								
	Redesign the picking process to reflect supermarket model	Operations director								
	Redesign racking	Operations director								
Enforce SLA with carriers to improve transit time and reduce turnaround time.	Review the contract structure and SLA	Operations director								
	Conduct quarterly performance review meetings with carriers	Operations director								
Upgrade WMS requirements to align with new business model.	Develop an ICT software aligned to operations SOPs	Operations director/ ICT								
Re-train staff on ERP modules (crosscutting)	Identify training needs and train all staff on optimal use of ERP	Operations director/ ICT/HR								



Strategic action		Responsible Persons	Timelines							
			Year 1			Year 2				
			Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Review internal fleet and improve fleet management.	Review the policy on internal fleet	Operations director								
Procure material handling equipment and tools (loading dock -conveyor belt)	Develop equipment specifications	Operations director								
	Procure equipment	Operations director								
Strategic Objective 3.3: Enhance inter-departmental collaboration and communication										
Increase access level to ERP module	Identify staff who need access	ICT and all Directorates								
	Provide access to additional staff	ICT and all Directorates								
Develop and implement operational communication protocol	Develop operations information dash board	OD								
	Identify information products and recipients	OD								
Create inter-directorate consultative forum	Identify the TOR, membership and frequency of the meetings(once per year)	OD								
	Hold regular meetings									
Conduct regular team building.	Identify the team building agenda and the provider.	OD								
	Conduct Team building sessions	OD								
Strategic Objective 3.4: improve operational performance management										
Automate performance metrics	Identify the key performance indicators	OD								
	-map the KPIs in the ERP	OD/ICT								
Hold regular metrics review and reporting forums	Develop agenda, tools, metrics and calendar for the forum	OD								
	Hold regular forums	OD								
Sensitize staff on performance management	Develop a reporting tool	OD								
	Integrate metrics in staff appraisal	OD								
Strategic Objective 3.5: Improve customer relationship management										
Develop a customer complaint resolution team	Review the membership	OD/CD								
	Review the reporting tools	OD/CD								
Hold regular forums with stakeholders (to be linked with outcome 1 forums - Refer to SO 1.1)	Identify the stake holders	OD/DC								
	Establish the frequency and agenda of the presentation	OD/DC								
	Develop a feedback tool	OD/DC								
Develop an online customer information portal	Create a module on LMIS/ERP	OD/DC								
	Identify the information products	OD/DCS								
	Train staff on use	OD/DCS								



Strategic action		Responsible Persons	Timelines							
			Year 1			Year 2				
			Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Strategic Objective 3.6: Enhance national and regional presence										
Operationalize regional distribution centers	Complete infrastructure improvements	OD								
	Review need to and approaches for operationalize DCs									
	Identify the customers to be served by the DCs	OD								
	Identify stock levels for the DCs	OD								
	Review supplier contract for commodity delivery to the DCs	OD								
	Recruit/deploy staff to the DCs	OD								
Install and activate wide area network at regional distribution centres	Install ERP module at the DCs aligned to SOPs	OD/ICT								
	Procure appropriate software and hardware	OD/ICT								
Recruit staff and build capacity at the regional distribution centres.	Identify staff requirements and develop the JDs	OD/HR								
	Recruit/deploy the necessary staff	OD/HR								
	Identify training needs and address them	OD/HR								

Outcome 4: KEMSA has in place a dynamic, efficient and sustainable institutional governance and management systems

STRATEGIC ACTIONS	Activity	Responsible Person	Timelines							
			Year 1			Year 2				
			Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Strategic Objective 4.1: Enhance KEMSA governance										
Lobby for the review and strengthening of the KEMSA Act	Engage stakeholders reviewing the KEMSA Act	Board & CEO,DLS								
Review the board and committees charters to align with the new strategy	Review and draft new Board Charters	CEO & DLS								
	Submit new Board Charters for validation and approval by the Board	CEO & Board Committee Chair persons/DLS								
Train the board and management on governance	Conduct training for Board and Management on Governance	CEO/ DLS/External Consultant								
	Review Board and Management performance on governance.	External Consultant								
Review internal audit charter	Draft reviewed internal audit charter and submit to Board for validation and approval.	Internal Audit Manager								
Build capacity for internal audit department	Conduct Gap Analysis for the Audit Dept. and address findings	Internal Audit Manager								



STRATEGIC ACTIONS	Activity	Responsible Person	Timelines							
			Year 1			Year 2				
			Q2	Q3	Q4	Q1	Q2	Q3	Q4	
	Develop SOPs aligned to new Business Processes.	HODs/ Change Manager/ Consultant								
	Implement new SOPs	HODs								
Strategic Objective 4.2: Enhance KEMSA Human capital management										
Review and update end to end Human resources policy manual and procedures	Develop TORs for the review of the Human resources policy manual and procedures	HR & Admin Mgr								
	Procure External consultant services to Review and update end to end HR policies and procedures	HR & Admin Mgr								
	Develop Draft and submit for Board HR Committee for approval	HR & Admin Mgr								
implement relevant organization structures that reflect current strategy	Recruit/redeploy staff in line the revised organizational structure	HR & Admin Mgr								
Review human capital skills audit report and design strategies to fill identified gaps	Implement identified Human Capital Skills Gaps(Deloitte Report)	HR & Admin Mgr								
Recruit and develop talent that will support KEMSA strategy										
Implement a competitive employees reward system tied to performance	Review all JDs to ensure they accurately capture tasks performed in re-engineered Business processes	HODs/HR & Admin Mgr/Consultant								
	Draft Performance based Management System and submit for approval	HR & Admin Mgr								
	Implement Performance based Management system	HR & Admin Mgr								
Develop and implement staff development through career planning	Draft Career Progression Guidelines and submit for approval	HR & Admin Mgr HODs/								
	Implement Career Progression Guidelines	HR & Admin Mgr								
Train and develop human capital	Addressed earlier									
Develop and implement succession planning	Draft Succession Management Policy and submit for approval	HR & Admin Mgr								
	Implement Succession Management Policy	HR & Admin Mgr								
Carry out a tracking survey and develop conducive work environment that promotes productivity	Develop TORs for a tracking survey	HR & Admin Mgr								
	Engage External Consultant and Carry out Survey	HR & Admin Mgr								
	Implement survey recommendations	HR & Admin Mgr								



STRATEGIC ACTIONS	Activity	Responsible Person	Timelines							
			Year 1			Year 2				
			Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Design and implement a culture change program aligned to strategy	Design and Implement a sustainable KEMSA People Culture to support the new strategy.	HR & Admin Mgr								
Automate human capital management processes and reports	Identify Gaps in the human resources information system	HR & Admin								
	Implement Automated Human Capital Management System	HR & Admin								
Strategic Objective 4.3: Enhance KEMSA capitalization and financial management										
Review the finance policy manual and procedures	Draft Finance Policy Manual aligned to new Strategy and submit for Board approval	Finance Manager								
	Implement new Finance Policy	Finance Manager								
Identify, implement and secure additional sources of funding with partners	Addressed in outcome 1. Refer to strategic objective 1.1.									
Automate all financial process and reports	Identify Gaps and Implement to address identified gaps									
Build the capacity of finance staff	Develop and implement a training plan	Finance Manager								
Implement sound cash management strategies	Finalize Credit Policy and submit for approval	Finance Manager								
	Implement New Credit Policy	Comm Director/ Finance Manager								
	Perform a Cost Benefit Analysis for the key cost drivers	Finance Manager								
Develop and implement cost management strategies	Enforce budgetary discipline by preparing appropriate reports to support management decision making	Finance Manager								
	Implement cost management strategies	Finance Manager								
	Train managers on budgeting skills	Finance Manager								
Review and upgrade asset management tools	Implement a Fixed Asset Module in ERP	Finance Manager								
	Implement an Accounting function in the WMS Module	Finance Manager								
Strategic Objective 4.4: Strengthen enterprise Risk Management (ERM)										
Review and update the ERM policy and framework	Review, update and submit an ERM policy for approval	Internal Audit Manager								
	Implement the ERM policy	Internal Audit Manager								



STRATEGIC ACTIONS	Activity	Responsible Person	Timelines							
			Year 1			Year 2				
			Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Conduct corporate risks appraisals and impact assessment on each business unit	Develop TORs for corporate risks appraisals and impact assessment	Internal Audit Manager								
	Engage External Consultant and conduct appraisal	Internal Audit Manager								
	Develop Risk Registers and implement mitigation measures	HODs								
Develop and implement integrated risk management solutions	Addressed earlier									
Develop and implement Disaster recovery and business continuity plan	Build Capacity and create awareness on Disaster recovery and business continuity	Internal Audit Manager								
	Draft Disaster Recovery and Business Continuity Plan and submit for approval	Internal Audit Manager								
	Implement Draft Disaster Recovery and Business Continuity Plan	Internal Audit Manager								
Strategic Objective 4.5: Develop Capital and operational infrastructure to support KEMSA business										
Develop and implement a KEMSA infrastructure policy and Master plan	Identify KEMSA infrastructure needs as dictated by the new strategy	CEO/DCS								
	Develop an infrastructure policy and master plan	CEO/DCS								
Develop KEMSA Supply Chain Centre and headquarters at the green site	Develop BQs and approve master plan	CEO/DCS								
	Mobilize resources for the KEMSA Supply Chain Centre and headquarters at the green site	CEO/DCS								
	Construct the KEMSA Supply Chain Centre and headquarters at the green site	CEO/DCS								
Upgrade KEMSA regional warehouses to strategic distribution centers	Covered under outcome 2 - refer to strategic objective 2.4	CEO/DCS								
Review and upgrade KEMSA motor vehicle fleet to support KEMSA strategy	Identify fleet needs and develop a procurement plan and budgets	CEO/DCS								
	Procure and upgrade fleet = Link to outcome 3	CEO/DCS								
Review and upgrade KEMSA material handling equipment.	Covered under outcome 2 -refer to strategic objective 2.4	DCS								



Strategic Actions	Activity	Responsible Person	Timelines							
			Year 1			Year 2				
			Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Strategic Objective 4.6: Support KEMSA management systems and process through automation and innovation										
Review and align ICT policy manual and procedures to the new strategy	Draft an ICT Policy aligned to new Strategy and submit for approval	ICT Mgr								
	Implement new ICT Policy	ICT Mgr								
In partnership with business units review and upgrade the ERP to align with KEMSA business needs	Implement solutions to address identified Gaps in ERP	ICT Mgr								
Train End-Users in office productivity , collaboration tools and ERP	Identify training needs and roll-out training	ICT Mgr								
Align maintenance contracts for business critical ICT equipment(handheld scanners, computers, printers) to business needs	Identify maintenance gaps of ICT Equipment	ICT Mgr								
	Review existing maintenance contracts and enter into new contracts as required	ICT Mgr								
Develop and implement secure ICT connectivity and infrastructure to KEMSA offices and warehouses	Identify connectivity Gaps	ICT Mgr								
	Implement solutions to address connectivity Gaps	ICT Mgr								
Develop and implement solutions to enable KEMSA staff work away from office real-time(Telecommuting)	Identify requirements for mobile solution	ICT Mgr								
	Develop and implement mobile solutions	ICT Mgr								
Develop and implement solutions to enable stakeholders(Partners, Customers) interact with KEMSA on a real-time basis	Implementation of LIMS Solution	ICT Mgr								
Develop and implement information security management solutions to secure KEMSA data and assets	Identify vulnerabilities	ICT Mgr								
	Identify and implement mitigation solutions	ICT Mgr								
Capacity building for ICT function	Identify training needs and roll-out training	ICT Mgr								
Develop and implement solutions for data protection and privacy	Refer to above	ICT Mgr								



Strategic Actions	Activity	Responsible Person	Timelines						
			Year 1			Year 2			
			Q2	Q3	Q4	Q1	Q2	Q3	Q4
Strategic Objective 4.7: Strengthen corporate security management systems									
Review and update security policy and procedures	Upgrade Security Policy and Security SOPs and Submit for approval	Security Manager							
	Train Security Staff on new Security Policy and Procedures	Security Manager							
	Create security awareness among KEMSA Staff	Security Manager							
Conduct corporate security threat analysis and develop a mitigation plan	Identify KEMSAs critical assets	Security Manager							
	Conduct an external Security Auditor	Security Manager							
	Formulate Strategies to address Security Audit findings	Security Manager							
Implement integrated corporate security threat management solutions	Installation of CCTV cameras at commercial street and Embakasi warehouse	Security Manager							
	Enhance use of procedural and administrative security	Security Manager							
	Improve on Security Lighting across all our premises	Security Manager							
	Install electronic access control system on critical areas.	Security Manager							
	Install an electronic visitor's management system.	Security manager/ ICTM							
	Improve perimeter fencing in all our regional warehouses including installation of razor wire.	Security manager/ HRM							
Capacity building for security staff	Recruit and vet requisite Security staff	Security Manager/ HRM							
	Identify capability gaps and trainers	Security Manager							
	Implement security training	Security Manager							
Create and implement corporate security awareness programmes	Post periodic security updates to staff and stakeholders	Security Manager							
	Develop quarterly security bulletin for KEMSA Management strategies to employ to secure KEMSA assets	Security Manager							

6.4 Strategic Plan 2014/15 to 2018/19 in Summary

1. Strategic Direction

Overall Goal

Expand market share, enhance customer satisfaction and strengthen KEMSA's financial performance and sustainability

Mission and Vision

Mission: "KEMSA will provide reliable, affordable and quality health products and supply chain solutions to improve health care in Kenya and beyond"

Vision: "To be a leader in innovative health supply chain solutions that support better health service delivery"

Outcome 1:

Demand for KEMSA commodities and services increased

Outcome 2:

KEMSA maintains optimal stock levels

Outcome 3:

Customer needs are met efficiently

Outcome 4:

KEMSA has in place a dynamic, efficient and sustainable institutional governance and management systems

Strategic Objectives

SO 1.1: Develop and strengthen strategic alliances and partnerships

SO 1.2: Increase market share in existing markets

SO 1.3: Develop new markets for existing products

SO 1.4: Broaden Product Range

SO 1.5: Enhance commercial performance

SO 1.6: Improve marketing communication

SO 1.7: Strengthen the supply chain management capacity for county and facilities

Strategic Objectives

SO 2.1: Strengthen selection, demand forecasting and quantification

SO 2.2: Aligned Procurement Plans, processes and systems to customer demand

SO 2.3: Strengthen QA processes and systems throughout the supply chain

SO 2.4: Strengthen inventory management processes and systems

Strategic Objectives

SO 3.1: Strengthen customer service capacity

SO 3.2: Improve order processing and delivery

SO 3.3: Enhance inter-departmental collaboration and communication

SO 3.4: improve operational performance management

SO 3.5: Strategic Objective___ Improve customer relationship management

SO 3.6: Strategic Objective--Enhance national and regional presence

Strategic Objectives

SO 4.1: Enhance KEMSA governance

SO 4.2: Enhance KEMSA Human capital management

SO 4.3: Enhance KEMSA capitalization and financial management

SO 4.4: Strengthen enterprise Risk Management (ERM)

SO 4.5: Develop Capital and operational infrastructure to support KEMSA business

SO 4.6: Support KEMSA management systems and processes through automation and innovation

SO 4.7: Strengthen corporate security management systems



KEMSA Values

Passion for customer service

We greatly value our customers and demonstrate this by serving them with enthusiasm. We carefully listen to our customers and keep them fully informed. We aim to at all times to exceed their expectations.

Innovativeness and Intrapreneurship

We continuously look for and adopt new and better ways of working so as to better serve our clients and sustainably improve KEMSA's overall performance. Our staff are empowered to take direct responsibility for turning their ideas into viable finished products. We are committed to continuous learning

Accountability, transparency and integrity

We maintain high ethical standards, value honesty and openness and operate in ways that build trust within and outside KEMSA

Professionalism and staff empowerment

Our staff have the requisite knowledge, skills and attitude to maintain highest levels of performance. They are encouraged and supported to take initiative and make appropriate, value adding and responsive decisions

Respect for diversity

We see diversity as a strength and work towards creating and harmoniously working with diverse teams and organizations in a way that adds value to KEMSA and our partners

Operational excellence

We are constantly developing and implementing processes and systems that allow KEMSA to cost-effectively meet the highest possible performance standards that support our organizational goals



Strategic Plan Costs (Ksh)

Outcome 1: Demand for KEMSA commodities and services increased	Outcome 2: KEMSA maintains optimal stock levels	Outcome 3: Customer needs are met efficiently	Outcome 4: KEMSA has in place a dynamic, efficient and sustainable institutional governance and management systems	Total (Year 1 to 5)
453,328,047	227,064,320	210,269,238	3,194,913,489	4,085,575,094

*Above are incremental costs that cover strategic actions and not ongoing operational costs

2. Performance Indicators and Targets

Indicator	Baseline (August 2014)	Mid-Term (2017) target	End of Term (2019) Target
Annual Sales Revenue (Ksh Billion)	2.5 (Half year)	8	12
Annual sales of services– (Ksh billion)	1.2	1.6	2
Customer Satisfaction index	79.8	85	90
Order Fill Rate	60%	98%	98%
Order Turnaround time	12 days	10 days	7days
Level of capitalization (Ksh)	8.8 Billion	12 Billion	14 Billion
Average age of debt (days)	90 days	45 days	30 days



KEMSA

KENYA MEDICAL SUPPLIES AUTHORITY



YOUR PARTNER IN HEALTHCARE



AN ISO CERTIFIED MEDICAL AUTHORITY

KEMSA Strategic Plan

2014/2015 – 2018/2019

Providing reliable, affordable and quality health products and supply chain solutions to improve healthcare in Kenya and beyond

"Your partner in healthcare"

KEMSA

KENYA MEDICAL SUPPLIES AUTHORITY



YOUR PARTNER IN HEALTHCARE



AN ISO CERTIFIED MEDICAL AUTHORITY

KEMSA QUALITY POLICY

KEMSA shall ensure and guarantee the quality of medical commodities that we procure, warehouse and distribute to our customers by adhering to statutory and regulatory requirements and international quality management systems.

We shall consistently meet and endeavor to exceed customer requirements and expectations in order to support the delivery of quality health care to all Kenyans.

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SUPPLY CHAIN CENTRE, EMBAKASI

Opposite KQ Pride Center
Tel: 020-3922600/403/408/409,
0719033000, 0733606600

REGIONAL WAREHOUSE

South Rift Region

Nakuru Depot
Kabarnet road
P.O. BOX 15245-20100,
Nakuru
Tel: +254 (20) 2093451

North Rift Region

Eldoret Depot
Oloo Street
P.O. BOX 5665-30100,
Eldoret
Tel: +254 (20) 2601350

Nyanza Region

Kisumu Depot
Busia road
P.O. BOX 2026-40100,
Kisumu
Tel: +254 (57) 2025019

Coast Region

Mombasa Depot
Nairobi road
P.O. BOX 880928-80100,
Mombasa
Tel: +254 (41) 2009283

Western Region

Kakamega Region
Behind Kakamega County
General Hospital
P.O. BOX 1855-50100,
Kakamega
Tel: +254 (20) 2125939

Central Region

Nyeri Depot
Opposite Nyeri County
General Hospital
P.O. BOX 27, Nyeri
Tel: +254 712 032850

Eastern Region

Meru Region
P.O. BOX 1891, Meru
Tel: +254 (20) 8027464

North Eastern Region

Garissa Depot
P.O. BOX 349, Garissa
Tel: +254 (46) 2102581