



Strategic Plan 2019 – 2024

“Your Partner in Healthcare”



QUALITY POLICY

KEMSA shall ensure and guarantee the quality of health products and technologies 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 endeavour to exceed customer requirements and expectations in order to support the delivery of quality healthcare to all Kenyans.

DR. JONAH MANJARI

CHIEF EXECUTIVE OFFICER



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ABBREVIATIONS AND ACRONYMS

AOP	Annual Operational Plan
BCM	Business Continuity Management
CEO	Chief Executive Officer
CIDP	County Integrated Development Plan
CISCM	Chartered Institute of Supply Chain Management
COG	Council of Governors
CPD	Continuous Professional Development
EML	Essential Medicines List
EMMS	Essential Medicines and Medical Supplies
ERM	Enterprise Risk Management
ERP	Enterprise Resource Planning
FBOs	Faith Based Organizations
GOK	Government of Kenya
HMIS	Health Management and Information System
HOD	Head of Department
HPTs	Health Products and Technologies
HRH	Human Resources for Health
HSS	Health System Strengthening
HW	Health Workforce
ICC	Inter-Agency Coordinating Committee
ICT	Information and Communication Technology
ISO	International Organization for Standardization
KEML	Kenya Essential Medical Lists
KEMSL	Kenya Medical Supplies List
KEMCL	The Kenya Essential Medical Laboratory Commodities List
KEMSA	Kenya Medical Supplies Authority
KEPH	Kenya Essential Package for Health
KHP	Kenya Health Policy
KHSSP	Kenya Health Sector Strategic and Investment Plan
KFDA	Kenya Food and Drugs Authority
KII	Key Informant Interview
KISM	Kenya Institute of Supply Chain Management
KNBS	Kenya National Bureau of Statistics
KPI	Key Performance Indicators
KQM	Kenya Quality Model
LIMS	Laboratory Information Management System
M&E	Monitoring and Evaluation:
MEAL	Monitoring, Evaluation and Learning
MCP	Medical Commodity Program
MEDS	Mission for Essential Drugs and Supplies
MHE	Material handling equipment
MOH	Ministry of Health
NCDs	Non-Communicable Diseases
NGOs	Non-Governmental Organizations
NMTC	National Medicines & Therapeutic Committees
NHIF	National Hospital Insurance Fund

NHSSP	National Health Sector Strategic Plan
NQCL	National Quality Control Laboratory
PESTEL	Political, Economic, Socio-cultural, Technological, Ecological and Legal
PMS	Performance Management System
PPAD	Public Procurement and Asset Disposal
PPB	Pharmacy and Poisons Board
PPPH	Public Private Partnership for Health
SCM	Supply Chain Management
SDG	Sustainable Development Goal
SMART	Specific, Measurable, Achievable, Realistic and Time bound
SOP	Standard Operating Procedure
SOW	Scope of Work
SP	Strategic Plan
SPSS	Statistical Package for Social Sciences
SSD	Supplementary Service Division
SWOT	Strengths, Weaknesses, Opportunities and Threats
TBA	To Be Agreed (Advised)
TOR	Terms of Reference
TWG	Technical Working Group
UHC	Universal Health Coverage
USAID	United States Agency for International Development
WB	World Bank
WHO	World Health Organization

GLOSSARY OF TERMINOLOGIES

Business Contingency Plan: *Pre-defined action plan that is implemented if an identified risk occurs*

1. **Enterprise Risk Management:** *Assessment (mapping) of possibility of a specific risk occurring, analysis of the impact in the event that the specific risk occurs and management of activities to provide the highest mitigation of in the event of such occurrence to ensure the lowest expenditure of project resources*
2. **Issue:** *This is a risk that has become a reality due to a trigger occurring in real time. Issues must be resolved before their negative impact get fully realized*
3. **Order Fill Rate:** *The percentage of order items that KEMSA manages to supply in full.*
4. **Order Turn Around Times:** *This is the time taken from the time a customer order is received by KEMSA to the time the order is delivered to the customer*
5. **Risk:** *An uncertain future event or condition that, if it occurs, has a **negative** impact on the Authority's objectives.*

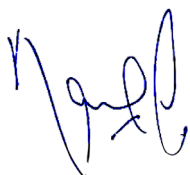
I am delighted to present to you the *KEMSA Strategic Plan 2019–2024* which outlines the vision and the strategic direction that the Authority has identified to enable it realize its mandate. The process of formulating this *Strategic Plan* has provided KEMSA the opportunity to take stock of achievements and challenges, to determine the strategic direction in light of opportunities and threats ahead.

The strategic pillars and objectives attest to our commitment to achieve excellence in our core functions and mandate. We are committed to achieve excellence in procurement, warehousing, and distribution of quality, affordable Health Products and Technologies (HPTs) to public health facilities.

In implementing this strategic plan, KEMSA will make a significant contribution towards the attainment of Universal Health Coverage (UHC). KEMSA's role in the success of UHC is the provision of quality, accessible and affordable HPTs.

Many thanks go to the Government of Kenya, through the Ministry of Health, for its continued support in the development of this Strategic Plan. I wish to recognize the support accorded to KEMSA by development partners and USAID in particular for the financial support in the development of this strategic plan.

I would also like to take this opportunity to offer my sincere gratitude to all who have contributed towards the formulation of this strategic plan. On behalf of the KEMSA Board of Directors, I hereby call upon all stakeholders to continue with their support to see this strategic plan to the end of its successful implementation.



Sen. Kembi-Gitura, MGH
Chairman Board of Directors
Kenya Medical Supplies Authority

ACKNOWLEDGEMENT

This strategic plan was developed through the commitment and support of many individuals and institutions. We would like to extend our sincere gratitude to USAID for their financial support, which was necessary for the successful development of this strategic plan. We are indebted to our customers at the National and County level who provided feedback on the performance of KEMSA over the last five years. The feedback offered us ideas and insights on the strategic direction that KEMSA should pursue between 2019 and 2024. We also acknowledge the immense support received from the Ministry of Health, Council of Governors (CoG), and the County Executive Committee Members (CECMs) for Health.

We are grateful to all our stakeholders including development partners who gave valuable input into the strategic plan development process. Our special thanks go to the KEMSA Board of Directors, management and staff for the insight and encouragement throughout the process. We would like to give special thanks to the Consultants, Ansoffs Consulting Ltd who guided development of this strategy.

Finally, we would like to recognize the invaluable support from KEMSA's technical team who were involved at all stages of developing the plan. To all of you who supported the development of this strategic plan in a small or big way we say - "Thank You!"



Dr Jonah Manjari
Chief Executive Officer
Kenya Medical Supplies Authority

EXECUTIVE SUMMARY

Health Products and Technologies distributors and wholesalers in Africa face a complex environment due to changing consumer demands, stringent government regulations, sub-standard products and counterfeit medicines. However, HPTs supply chain organizations are considered a lifeline to the healthcare and life-saving industry since they are required to deliver quality products to the right facility at the right time. The changing consumer demands may likely have an impact on performance of HPTs supply chain organizations and therefore require strategic and operational responses by these organizations.

This Strategic Plan provides Kenya Medical Supplies Authority as an HPTs supply chain organization, with a road map of direction towards the delivery of quality services to the customers. The development of this strategic plan adopted a participatory approach that ensured the involvement and consultations with the staff of Kenya Medical Supplies Authority, stakeholders and members of the Board of Directors at different stages. The plan outlines the vision, mission, core values, strategic objectives as well as targets and action plan. The strategic plan has six chapters that include an Introduction; Strategic Direction, Strategic Analysis, Environmental Scanning; Strategic Issues, Objectives and Strategies, Strategic Implementation Framework and Strategy Control, Monitoring and Evaluation.

Vision Statement

A world class provider of health supply chain solutions that save and transform lives

Mission Statement

To provide reliable, affordable and quality health products, technologies, and supply chain solutions for improved health care.

Core Values

1. Customer Focus
2. Diversity and Inclusivity
3. Innovation
4. Integrity
5. Professionalism

Strategic Objectives

The organization has identified several themes as a guide in its development. To address these strategic themes, the organization has formulated a number of strategic objectives and activities:

- (i) To ensure a robust financial framework for concrete financial base
- (ii) To increase market share from 70% to 90%.
- (iii) To have robust physical facilities, internal business processes, systems and infrastructural upgrades that support business growth.
- (iv) To develop and strengthen strategic alliances and partnerships for improved health supply chain systems.
- (v) To develop a dynamic, transparent and accountable governance structure.
- (vi) To ensure intelligent deployment of technologies that will play an important role in making the healthcare supply chain more effective and efficient.

Control, Implementation, Monitoring and Evaluation and Reporting

The 2019-2024 Strategic Plan has been designed to facilitate the realization of KEMSA vision and mission and support accountability in the delivery of the Authority's mandate. Since monitoring and evaluation is a critical part of the service delivery process it is necessary to cascade the strategic plan to directorates, departments, sections and individuals. This cascading will then define individual performance targets more sharply. The health sector Monitoring and Evaluation framework will guide the monitoring and evaluation of the Strategic Plan. The Finance & Strategy directorate will undertake the monitoring and evaluation through the Planning and Continuous Improvement department. The monitoring and evaluation reports will be presented to the Senior Management and the Board through the Chief Executive Officer quarterly. This will ensure continuous monitoring of progress made by divisions and departments towards targets.

Budget

Implementation of the report is projected to cost a total of **Ksh 20,931,400,000** over the five-year plan period. Implementation will be within a framework of an Implementation Matrix (IM) which gives a detailed list of activities deliberately selected to realize strategies that feed into the key objectives. The IM also gives the Key Performance Indicators, the Output, The annual targets and responsible office.

The plan further includes Annual Work Plans divided into quarters for the next five years and an Enterprise Risk Management Matrix that gives an analysis of possible risks and mitigations.



“KEMSA is dedicated to provide reliable, affordable, quality health products, technologies and supply chain solutions for improved health care”

1.1 Background Information

The Government of Kenya, through the Vision 2030; Medium Term Plan III, envisions a middle income industrialized country by the year 2030. The vision states that the role of the health sector is to provide *“equitable and affordable health care at the highest standards.”* The Constitution of Kenya, 2010 states that among other rights, every citizen has a *right to life, right to the highest attainable standard of health* including reproductive health and emergency treatment. The Constitution established 47 County Governments and devolved health service delivery to these governments. County governments manage all aspects of health, including county health facilities and pharmacies, ambulance services and promotion of primary health care.

Indeed, Sustainable Development Goals No. 3 reads; *Ensure healthy lives and promote wellbeing for all at all ages* thereby thrusting the prominence of citizen’s health to the forefront of responsibilities for all governments.

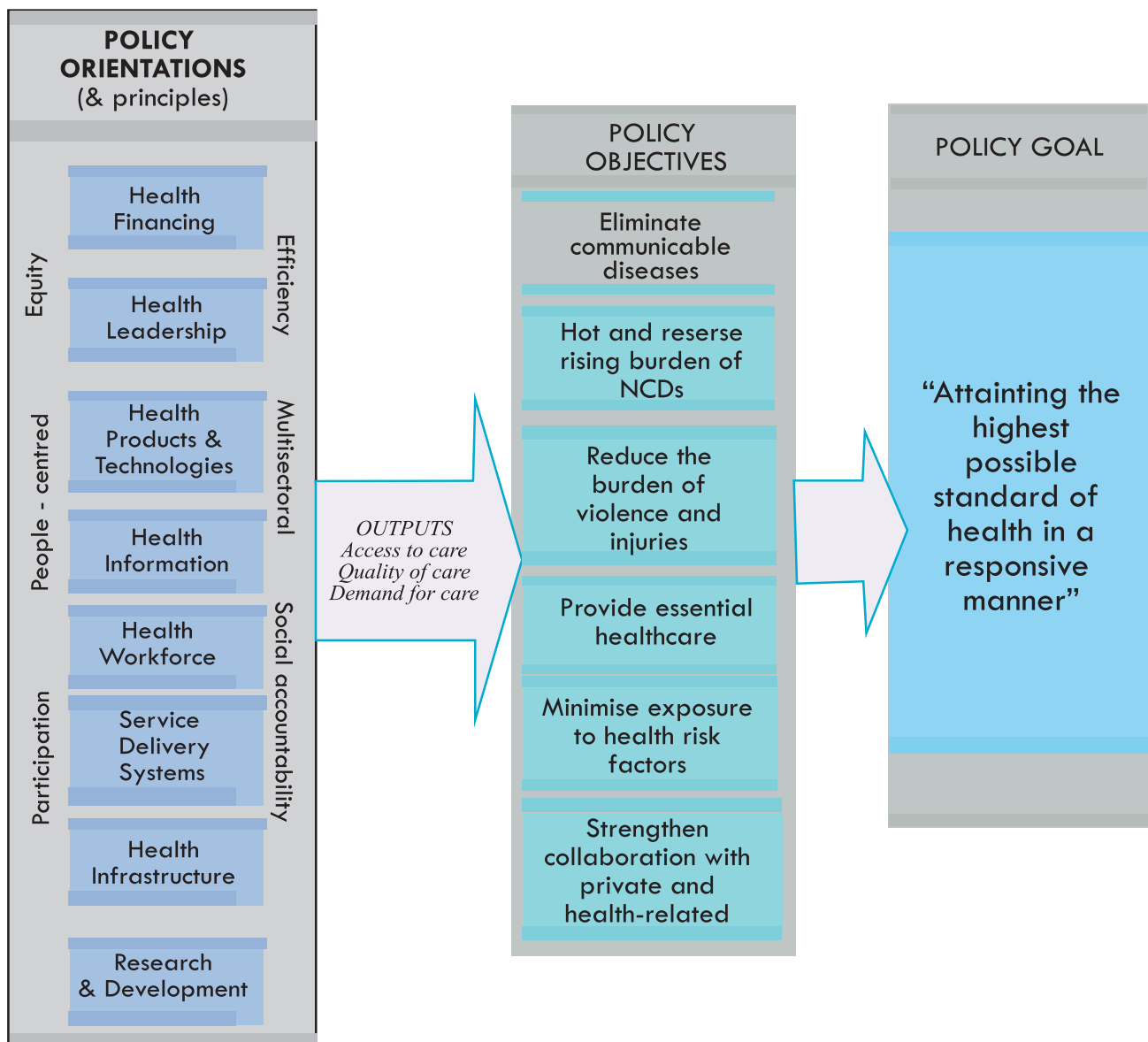
As the government agency mandated to procure, warehouse and distribute HPTs to public health facilities at both levels of government, KEMSA is in a unique position to deliver this constitutional promise to the people of Kenya even as Kenya strives to meet its obligations to the global community.

The health sector policy and strategic direction is guided by the Kenya Health Sector Strategic and Investment Plan (KHSSP) 2013 – 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. Specifically, the Kenya Health Policy has set the following objectives:

- (i) Eliminate communicable diseases.
- (ii) Reduce and reverse rising burden of NCDs.
- (iii) Reduce the burden of violence and injuries.
- (iv) Provide essential health care.
- (v) Minimize exposure to health risk factors.
- (vi) Strengthen collaboration with health related sectors.

The Kenya Health Policy further indicates in its policy framework that HPTs, the mainstay of KEMSA’s mandate, is among the high priority policy investment areas (policy orientation) which will operate to influence outcomes (policy objectives) (Figure 1). KEMSA, therefore, will play a pivotal role in the health sector.

Figure 1: Policy Framework for Health: Orientations, Principles, Objectives, and Goal



Source: The Kenya Health Policy 2014 – 2030

The above objectives have direct implications on KEMSA, as shown in Table 1 below.

Table 1: KHSSP Objectives and their implications on KEMSA

Objective	Implication on KEMSA
(i) Eliminate communicable diseases.	KEMSA must supply the HPTs required to meet this objective
(ii) Reduce, and reverse rising burden of NCDs.	KEMSA must step in to supply the HPTs that may be used to ease the effects of the NCDs
(iii) Reduce the burden of violence and injuries	KEMSA must be able to supply high quality first aid HPTs
(iv) Provide essential health care.	KEMSA must supply the HPTs required to provide essential health care

(v) Minimize exposure to health risk factors.	KEMSA required to support facilities by supplying protective materials such as gloves
(vi) Strengthen collaboration with health related sectors	This is required of KEMSA as a key health sector player

1.2 Situational Analysis: Operating Context

Kenya has made key achievements in Health Products and Technologies (HPTs) during the life of the KHSSP 2014-2018. Kenya Essential Medicines List (KEML) and Kenya Essential Medical Supplies List (KEMSL) have been reviewed and updated. The Kenya Essential Medical Laboratory Commodities List (KEMCL) was developed in 2019. The National Medicines and Therapeutics Committee (NMTC) was reconstituted and the guidelines for medicines and therapeutics prepared. To strengthen procurement and supply systems in the public health sector, the following two significant changes that have impact on KEMSA were made:

1. KEMSA was capitalized in 2013 and therefore capacitated to guarantee supply of HPTs to all county health facilities;
2. The KEMSA Act that establishing it as an Authority was enacted in 2013.

The first change enabled KEMSA to expand its facilities and therefore enhance its operations. The second change raised the profile of the Authority by granting it semi-autonomy status from its earlier status of being an agency of the Ministry of Health. It also moved KEMSA from a *push* system of supplying health facilities to a more responsive *pull* system.

In March 2019, the KEMSA Act was amended through the Health Laws (Amendment) Act, No. 5 of 2019 to make the Authority the only point of call for procurement of HPTs by all public health service providers. This amendment states that a national or county public health facility shall, in the procurement and distribution of drugs and medical supplies, obtain all such drugs and medical supplies from the Authority subject to: –

- (a) the drug being duly registered by the Pharmacy and Poisons Board; and
- (b) the drugs and medical supplies meeting the standards of quality and are efficacious as authorized by the Pharmacy and Poisons Board.

The Government of Kenya (GOK) is committed to implementing Universal Health Coverage (UHC), as one of her Big Four (4) Agenda, towards socio-economic development that ensures all individuals and communities in Kenya have access to the quality essential health services that they need without suffering financial hardship. To achieve UHC, HPTs must reach patients with their safety and quality guaranteed.

In the long run, UHC is expected to bring health and development efforts together and contribute to poverty reduction as well as building solidarity and trust, aspirations that are also enshrined in the government development blueprint – the Kenya Vision 2030. A UHC roadmap was developed to guide the implementation of the UHC agenda in the health sector and the country at large. The pilot phase, being implemented in the year 2018/2019, targets Machakos, Kisumu, Isiolo and Nyeri counties, with a view to draw lessons necessary for scaling it up to cover the entire country. KEMSA is envisioned to provide a total solution to ensure that there are no supply gaps during implementation of UHC for the entire country. This strategic plan aligns strategies, key activities and timelines towards realization of UHC.

KEMSA supply chain activities encompass a range of functions, including product selection, forecasting, quantification, procurement, warehousing, and distribution, among others. The Kenya Medical Supplies Authority Act No. 20 of 2013 gives the Authority greater autonomy

to run its affairs and prescribes the following functions under Section 4 (1):

1. 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.
2. Establish a network of storage, packaging and distribution facilities for the provision of drugs and medical supplies to health institutions.
3. Enter into partnership with or establish frameworks with county Governments for purposes of providing services in procurement, warehousing, distribution of drugs and medical supplies.
4. 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 chain system status and performance which may be required by stakeholders.
5. Support County government to establish and maintain appropriate supply chain system for drugs and medical supplies.

The Health Laws (Amendment) Act, 2019 No. 5 of 2019 amended the KEMSA Act, 2013 by introducing Sub-section (3) of Section 4 that states as follows:

“(3) A national or county public health facility shall, in the procurement and distribution of drugs and medical supplies, obtain all such drugs and medical supplies from the Authority subject to –

- (a) the drug being duly registered by the Board (Pharmacy and Poisons Board); and
- (b) the drugs and medical supplies meet the standards of quality and are efficacious as authorized by the Board (Pharmacy and Poisons Board).

Kenya Medical Supplies Authority Act, 2013 and The Health Laws (Amendment) Act, 2019 serve to grant autonomy and to clarify that the role of KEMSA in the public HPTs supply chain is significant and critical.

As the standard of living improves, healthcare providers face rising expectations for more and better quality services. Increased access to information and technology has led to changes in demand as more customers are using digital solutions to place orders and obtain product information. Subsequently, for distributors and wholesalers of HPTs to gain a competitive advantage in Africa, they need to have the ability to innovate and adapt to new regulatory standards and the distribution requirements of products.

A leading health service provider needs to have efficient processes to deliver affordable and quality treatment in a cost-effective way. The service provider also needs a deep understanding of the industry and its trends so that the provider can advise its stakeholders, and identify and collaborate with other strategic players to deliver better solutions to the patients. Additionally, medicines sold in Africa tend to have a number of quality issues, like ingredients whose concentrations are either too high or too low, existence of impurities and poor quality ingredients as well as incorrect labelling in some cases. The presence of these issues jeopardizes the health of a population and, KEMSA is positioned to bridge this quality gap by ensuring safety HPTs and specifically efficacy of medicines.

There are several emerging issues relating to health finance that have guided the strategic outputs for this strategic plan. These include:

- i. *Low Health insurance coverage:* According to Kenya Household Health Expenditure and Utilization Survey (KHHEUS) by Ministry of Health (2018), the population with health insurance cover was 19.9 % (Figure 2). Although there has been improvement in the health insurance coverage from 9.7% in 2003 to 19.9% in 2018, the reality is that there remains low penetration of health insurance among the population.

For KEMSA this implies that majority of Kenyans (80%) depend on personal savings, social support through fundraisings or other forms of borrowing in order to access health services. These are largely unreliable sources of funds and it therefore means that majority of Kenyans remain vulnerable in the event of healthcare needs. This majority will be beneficiaries of the UHC when rolled out throughout the country as a result of which there will be more pressure on KEMSA to provide timely supplies to the public health sector.

Figure 2: Trends in medical insurance coverage 2003 to 2018

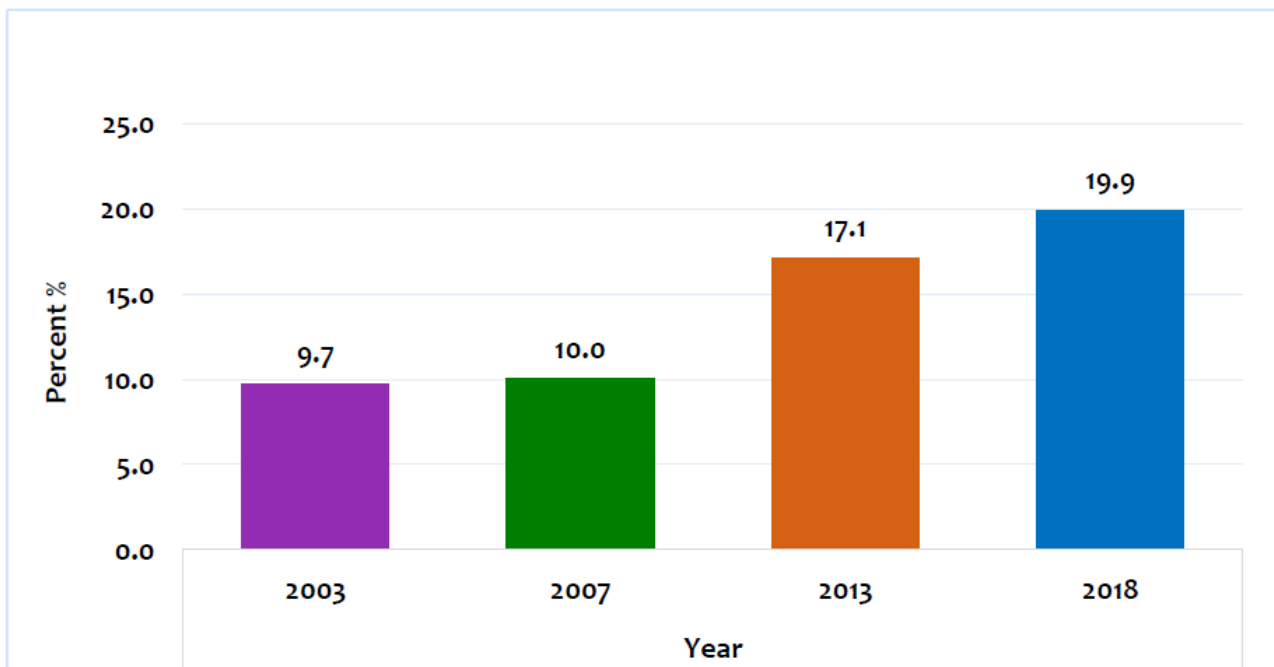


Figure 4: Strategic Planning Process: Continuous Monitoring and Evaluation Source: MoH 2018 - KHHEUS

- ii. *No real increases in health expenditure:* Government allocation for health is low, thus there is need for additional mechanisms to increase domestic allocations. According to the Ministry of Health, the highest combined (County and National Governments) expenditure between was 7.8% in 2012/2013 the lowest was 5.5% in 2013/2014 (Figure 3). These allocations to the health sector by both national and county governments were way below the Abuja Declaration of at least 15% of government budgets being directed to the health sector. This implies that on the overall, funding directed towards the health sector was only about 50% of the Abuja Declaration.

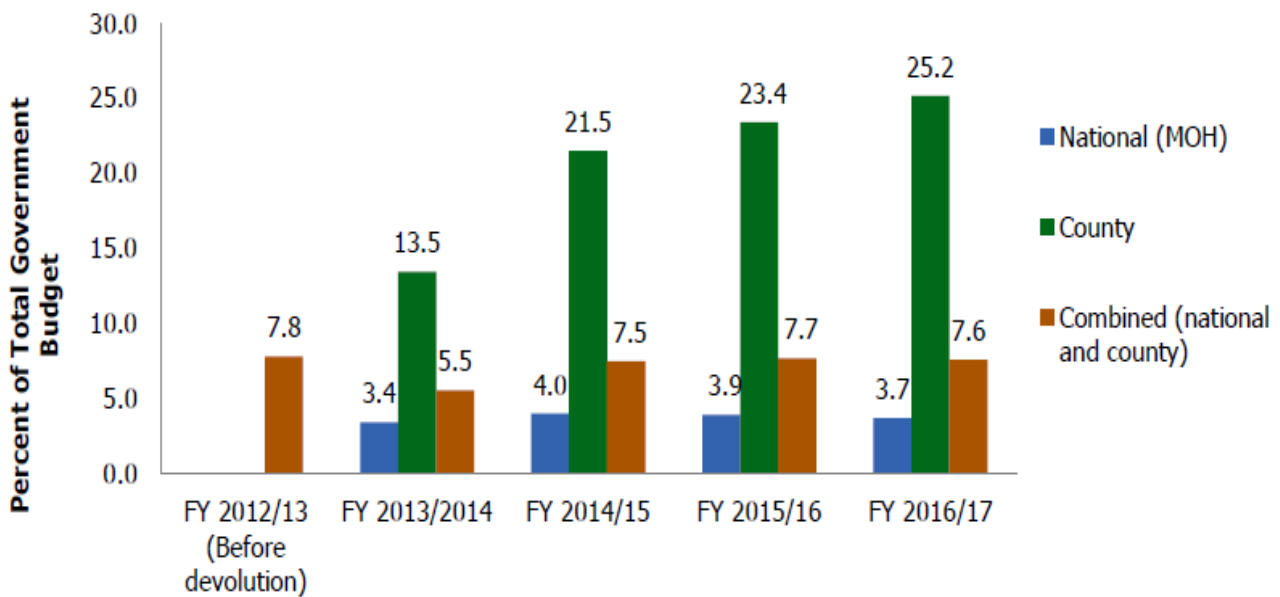


Figure 3: Trends in Health Allocations as a Percentage of Government Budget at both Levels of Government Source: National and County Health Budget Analysis FY 2016/17 by the Ministry of Health

- iii. *Funding landscape:* Even though donor support to the health sector accounts for almost one third of total current health expenditure, a significant proportion of the financing is off-budget and targets few major diseases. It is also noted that donor support is declining in the country.
- iv. *There has been inefficient management of the multiple funding sources and dependence on donor and out-of-pocket funding:* The current health financing architecture is quite complicated, with multiple sources of funding contributing to a meshwork of financing agents that are purchasing services in multiple and overlapping manner.
- v. *High inequities in current pooling and management arrangements:* Statistics from the Kenya Household Health Expenditure and Utilization Survey as quoted in Kenya Health Financing System Assessment, 2018 (MOH, 2018) revealed that households in the poorest wealth quintile predominantly sought healthcare from public health centers (51.4%) compared to households in the richest quintiles (40%). This could be attributed to deliberate government policies to improve the access of the poor to primary healthcare in public health facilities. Similarly, the dominance of wealthier or employed individuals among private hospital users is largely due to the factors that facilitate access to private care, especially access to medical insurance. In Kenya the government has greatly made strides in correcting this by enabling the general population access to medical insurance through NHIF.
- vi. *Reforms in the National Health Insurance Fund:* From 2013, the National Health Insurance Fund (NHIF) has undergone structural changes to make the institution more effective and responsive to customer needs. In addition to structural changes the following changes have also been instituted; -
 - (a) Reviewing contributions rates;
 - (b) Expanding the benefit package to include out-patient cover and new packages related to addressing non-communicable conditions;
 - (c) Instituting strategies to enroll more members; and
 - (d) Implementing the insurance subsidy programme among the poor and vulnerable

groups. In the FY 2016/17, NHIF provided insurance cover to 160,422 households under the Health Insurance Subsidy Programme (HISP) and 41,666 Older Persons and Persons with severe Disabilities (OP & PWSD).

- vii. *Push for the ring-fencing of health revenues and budgetary allocations:* During the Kenya Health Forum held in March 2018 the health sector stakeholders identified health sector funding as a priority. The Forum therefore recommended the review the Public Finance Management Act to ensure the ring-fencing of health revenues and budgetary allocations at both levels of government.
- viii. *Enactment of The Health Laws (Amendment) Act, 2019:* Grants the Authority leave to be the official supplier of HPTs to the national and county health facilities.
- ix. *Existence of a defined benefit package:* In 2018 the Ministry of Health released the UHC Essential Benefits Package (UHC - EBP) which defined the essential benefits package. The package is the set of health services that all people resident in Kenya are entitled to receive as part of the road to universal health coverage. Financing its provision has, however, been left largely to the decisions financing agents. The agents have then supported the elements of UHC that they prefer to finance. As a result, there is uneven investment in the capacity to provide the different UHC -EBP services.
- x. *High cost of health services:* In Kenya, 28% of the people who reported being sick did not seek care (KHHEUS, 2018). The high cost of services is one of the major barriers that accounted for up to 19.4% of those who did not seek care in 2018. Further, 4.9% of households were at risk of impoverishing because of expenditure on health care depleting household savings and were at risk of falling into poverty (KHHEUS, 2018). According to WHO, a household faces “catastrophic” health costs if health expenditure is greater than or equal to 40% of a household’s non-subsistence income.

The 2017 Health Act, Kenya Health Policy (2014-2030) and norms and standards (e.g. HPTs, HRH, and infrastructure) are offering overall guidance to the health sector in the delivery of quality care. Counties have established their health service management structures. Devolution has created an enabling environment for counties to employ more staff & HPTs which will enhance the health worker population ratio especially in hard to reach areas.

The development and functioning of the LMIS and the use of WhatsApp to follow-up stock levels have helped to monitor and improve visibility of available stocks. All these have contributed to increased visibility of essential medicine and supplies at all service delivery levels.

UHC is one of the Government’s Big Four Agenda and, to achieve it, the security of Health Products and Technologies is critical because no services can be rendered without the necessary HPTs. Security of HPTs will require effective and efficient public health supply chain that can deliver quality HPTs in a reliable and cost-effective way. An increased scope of commodities is also necessary to support the reviewed KEPH which focuses on responsiveness to the population needs especially expanding primary care services. Such services include screening laboratory commodities, as well as coverage for more non-communicable diseases. In addition, price reduction strategies, prudent commodity management and rational use will play a greater role in ensuring access to HPTs.

1.3 Rationale for developing the Strategic Plan

The broad objective of this Strategic Plan is to set overall goals and strategies for the Authority's business and to develop an implementation plan to execute the strategy. This strategic plan sets out the direction and ensures that KEMSA works towards a common goal – aligning resources for optimal results, prioritizing financial resources and building a competitive advantage. Since its inception as an authority in 2013, KEMSA has operated with a formal strategic plan this strategic plan being the second five-year plan.

The ending strategic plan (2014-2019) paves way for another five-year Strategic Plan that will guide the Authority's operations from 1st July 2019 to 30th June 2024. The Strategic Plan is aimed at aligning KEMSA with the devolved system of government in light of the country's health sector context and the imminent roll out of the UHC. The overall goal is to ensure that public health facilities optimally receive adequate health products and technologies. KEMSA has to re-configure its business model by putting systems and structures in place to ensure it had the requisite capacity and versatility to operate in a vastly different consignment distribution model. The role of KEMSA's national and regional depots is to ensure availability of reliable, quality, and affordable health products & Technologies as per the national essential commodities lists for pooling by the counties and public health facilities and institutions.

The rationale for this document includes, but not limited to, helping KEMSA to:

- Build stronger relationships with county governments and the wide variety of stakeholders through participatory engagement.
- Have a strategic direction with a clear road map.
- Build teamwork, cohesion, and expertise amongst its staff.
- Bring coherence to different parts of the organization, ensuring that the operations of KEMSA are pulling in the same direction.
- Mobilize and prioritize resources to achieve the Authority's mission.
- Have sustainable growth and increase stakeholders' value for money.
- Have firm presence and guarantee competitiveness in the market.
- Ensure stakeholders know where KEMSA wants to be in the next 5 years.
- Create a responsive and commercial culture throughout the organization.

1.4 Strategic Planning Process

The success of any organization does not come by chance; it is a result of consistent and focused hard work by Board members, management and the entire staff. Strategic planning involves stepping back from the day-to-day operations and asking where the business is headed and what its priorities should be. Strategy is essential in providing corporate direction and focus through specifying how the Authority moves from its present position to its desired future. It is clear that KEMSA seeks to create a Strategic Plan that meets its stakeholders' needs and expectations in light of the market realities and trends. The development of the strategic plan was highly participatory. The following terms of reference provided responsibilities for the consultant in the development of this strategic plan: -

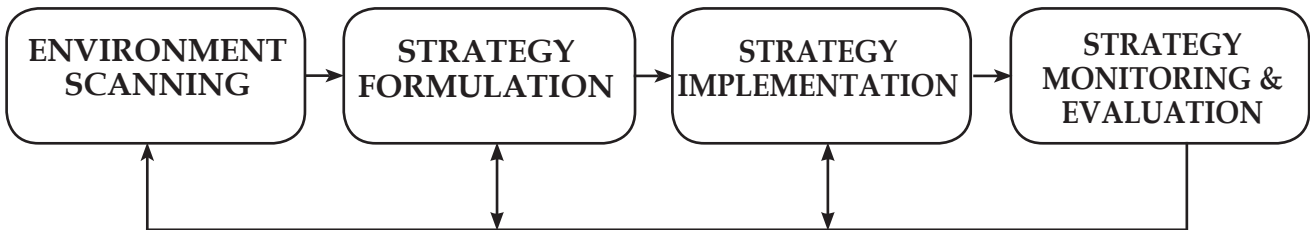
- (i) Critically analyze its current performance through evaluation of its governance, institutional, relational, business approach and processes.
- (ii) Describe and document its desired future performance to meet the demands of the county governments and other stakeholders under the devolved system of governance.

- (iii) Coordinate development of clear strategic objectives and investment areas for the strategic period based on the description of the desired future.
- (iv) Determine resource requirements to implement the plan: costed by objective and investment areas.
- (v) Organize and facilitate subsequent workshops for further elaboration of the strategy (relating to identification of priorities, developing the results chain, and theory of change).
- (vi) Coordinate development of annual implementation matrix (plan) to execute the strategic plan in phases with clear milestones and timelines. The plan will include key activities that mitigate against strategic risks identified.
- (vii) Coordinate development of a and review the current risk statement and risk appetite
- (viii) Coordinate development of a Monitoring & Evaluation framework.

In order to achieve these objectives, a robust interactive methodology was used with set milestones to be achieved against corresponding timelines. This was made possible through analyzing and understanding of the mandate, functions, and policies of KEMSA; analyzing the current organizational structure in order to give a snapshot of how KEMSA departments interface. In conducting this assignment, the consultant used systems thinking approach to planning which has been proven to deliver results in sustainable ways. The approach raised key systems thinking questions like; Where are we today? Where do we want to be? How do we get where we want to be? How will we know when we get there? What will/may change in the environment during our journey of getting where we want to be? What risks do we foresee? For the identification of the Authority's priority areas and to determine its strategic objectives, some steps were followed, as summarized below.

- (a) The first step of the strategic planning process was to conduct desk review and to collect information from key stakeholders. Data collection tools (questionnaires and interview guides) were developed and used to thoroughly review various aspects of KEMSA as an organization. This step helped in creating the vision and mission statements as well as core values. This phase of the process allowed KEMSA Board and Management to clarify what the Authority is trying to achieve (vision) and articulate why it exists (mission). Throughout the planning processes, the context within which KEMSA operates and how the future is likely to unfold under the changing environment were taken into consideration.
- (b) The second step involved environmental scanning and intensive strategic analysis, touching on political, economic, socio-cultural, technological, ecological and legal (PESTEL) factors. It also included identification of strengths, weaknesses, opportunities and threats (SWOT), and both internal and external stakeholder analysis. Careful stakeholder mapping was undertaken to determine the stakeholders' roles in the strategic planning process for early buy-in and successful implementation. This was an intensive exercise which identified the key areas of KEMSA operations that may need targeted resources as well as opportunities or opposing environmental factors that could affect strategy implementation.
- (c) The third step focused on strategic gap analysis to answer the question: "Where are we compared to where we want to be?" This part of the process looked at KEMSA vision which was guided by the analysis of where the Authority wants to be by June 2024, comparing this with where the Authority currently is. The analysis was done in light of the strategic issues evident in KEMSA. All areas were identified and targeted for strategy through the gap analysis process. The fourth step was grouping the strategic issues into thematic areas and developing both strategic objectives and corresponding strategies. The planning process adopted offers KEMSA an opportunity for periodic reviews.

This Strategic Plan is expected to be inspirational and valuable to all KEMSA stakeholders. Strategy implementation process is continuous and adopts constant monitoring and taking corrective actions. In addition, as KEMSA grows and changes, so will the various strategies. Existing strategic issues will change and new ones will emerge during the plan period. Figure 4 constitutes part of the continuous process of improving the Authority's operations in an effort to attain and exceed organizational strategic objectives and strategies.



1.5 Review of KEMSA 2014-2019 Strategic Plan

In 2014, KEMSA released the five-year KEMSA Strategic plan 2014 -2019. The expiring Strategic Plan laid out the vision, mission, goals and priorities of KEMSA for the five years of its operations. This was the first strategic plan after devolution of the country's governance structure. After three years of implementation of the plan, the Authority carried out a mid-term review of the plan to assess the progress made in the implementation of the plan and document whether the Authority was achieving the set objectives. Key focus areas of the review were the systematic analysis of operation data for various outputs and outcomes; analysis of the budgets and finances and analysis of the implementation arrangements.

The Midterm review noted that major progress was made in the area of warehousing construction, procurement and sales. Although progress was made in strengthening the Medical Commodity Program (USAID-MCP) through provision of critical inputs, there remained need to strengthen intra-sectoral collaboration. The review also noted areas in which KEMSA was lagging behind and these were: debt collection; procurement of brands and specialty products; development of regional distribution centers; preparation of accurate demand forecasting; and decline of profits from core business.

In the 2014-2019 Strategic Plan, KEMSA had identified four strategic outcomes as the critical success factors in achieving its corporate mission. They incorporate all of KEMSA's operations, from supply chain to financial management and human resources. The Plan comprised strategic objectives are logically organized and aligned with these four strategic outcomes as summarized below:

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

Outcome 1.0: 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

SO 1.8: Improve customer retention

SO 1.9: Reposition SSD as an SBU and build its capacity

SO 1.10: Strengthen debt management

Outcome 2.0: KEMSA maintains optimal stock levels

- SO 2.1: Strengthen selection, demand forecasting and quantification
- SO 2.2: Align 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 3.0: 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 system

- 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
- SO 4.5: Develop capital and operational infrastructure to support KEMSA business
- SO 4.6: Support KEMSA management systems, processes via automation and innovation
- SO 4.7: Strengthen corporate security management

KEMSA's Performance Management framework revolved around the Authority's strategy to achieve its core strategic objectives. The Authority continued to use this framework as a planning, communication, and management tool. KEMSA's goal feeds into the broader health sector strategic objectives as stated in the Kenya Health Sector Strategic and Investment Plan (KHSSP) that focuses on implementation of a broad base of health and related services which will impact on health of persons in Kenya. KEMSA activities were defined at the impact, outcome, output and input levels to assure a logical link across the sector. During Strategic Plan Revision in May 2017 the following major changes that had taken place since the development of the strategic plan were identified:

- (i) Drought and prolonged health workers' strikes leading to lower sales and higher stock levels
- (ii) Enactment of the Public Procurement and Asset Disposal (PPAD) Act 2015. Some of the consequences of this Act include: faster awarding due to discontinuation of tender committees; additional inflexibility as prices could not be varied within 12 months; more responsibility to head of procurement and CEO; and implications on organizational structure
- (iii) Awarding of the USAID/KEMSA MCP
- (iv) Purchase of Embakasi Supply Chain Centre site
- (v) Construction of Both Warehouse and Office Block at the Purchased site
- (vi) Government Big 4 Agenda: UHC rollout

An initial review was carried out on the implementation of Year 1 and 2 strategic plan and a final review was carried out as part of preparation of this plan. The activities were grouped into three categories - "Fully Implemented", "Partially Implemented" and "Not Implemented". These terms were equated to the following grades:

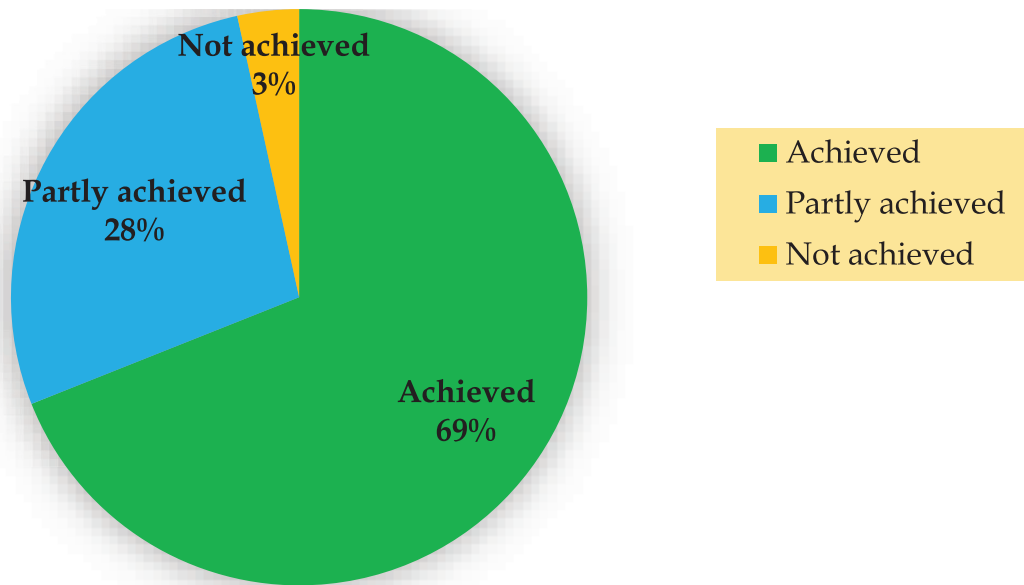
"Fully Implemented" = Good (70 to 100%), Very Good (>100 but <130%) or Excellent (>130%)

"Partially Implemented" = Fair (50 but <70%)

"Not Implemented" = Poor (<50%)

The general implementation of activities was high, with 97% of the activities categorized as either "Fully Implemented" at (69%) or "Partially Implemented" at (28%) (Figure 5).

Figure 5: Performance of KEMSA 2014-2019 Strategic Plan



Source: Internal Analysis of Performance of KEMSA 2014-2019 Strategic Plan

CHAPTER 2: STRATEGIC DIRECTION

2.1 Establishment of KEMSA

KEMSA transitioned from its previous status as the Kenya Medical Supplies Agency through the KEMSA Act of 2013. The Act gave KEMSA greater autonomy to run its affairs with clearly defined functions. The Act also ensured the Authority's functions were in tandem with the functions of devolved governments established under Article 176 of the Constitution and Section 67 of the Health Act, 2017. The Act further provided a framework through which KEMSA can collaborate and work with county governments. The Act mandates KEMSA *to plan, procure and distribute drugs and other medical supplies to public health facilities.*

The Health Laws (Amendment) Act, No. 5 of 2019 amended the 2013 Act to provide for collaboration between the KEMSA and County Governments. The Health Laws (Amendment) Act further provides that national and county health facilities would refer to KEMSA for their drug and medical supplies needs.

2.2 Vision

KEMSA intends to continue pursuing its current dream of *“being a leader in innovative health supply chain solutions that support better health service delivery”*. The revised vision of the Authority is :

“A world class provider of health supply chain solutions that save and transform lives”.

2.3 Mission Statement

This statement of purpose expresses Authority's reason for existence. The statement herein below sets out KEMSA mission:

“To provide reliable, affordable and quality health products, technologies, and supply chain solutions for improved health care”.

2.4 Core Values



In pursuit of its vision and mission, KEMSA is guided by a set of core values that are shared and practiced by its entire staff with a view to ensuring relevance and boosting motivation of all the stakeholders

The Authority is committed to nurturing the following core values: -

1. **Customer Focus:** We pay attention to our customer needs. We value our customers and treat them with dignity. We are passionate about customer delight.
2. **Diversity and Inclusivity:** We respect different views and cultures. We treat people fairly and equally.
3. **Innovation:** We continuously look for and adopt creative ways of working to serve our clients and sustainably improve KEMSA's overall performance.
4. **Integrity:** We maintain high ethical standards, value honesty, accountability, transparency, and operate in ways that build trust within and outside KEMSA.
5. **Professionalism:** Our staff have the requisite knowledge skills and attitudes to maintain highest levels of performance. We are committed to empowerment of our staff.

2.5 Core Functions (Goals of Operation)

Overall Goal: *"Innovation and excellence for expanded market share, enhanced customer satisfaction, strengthened financial performance & sustainability"*

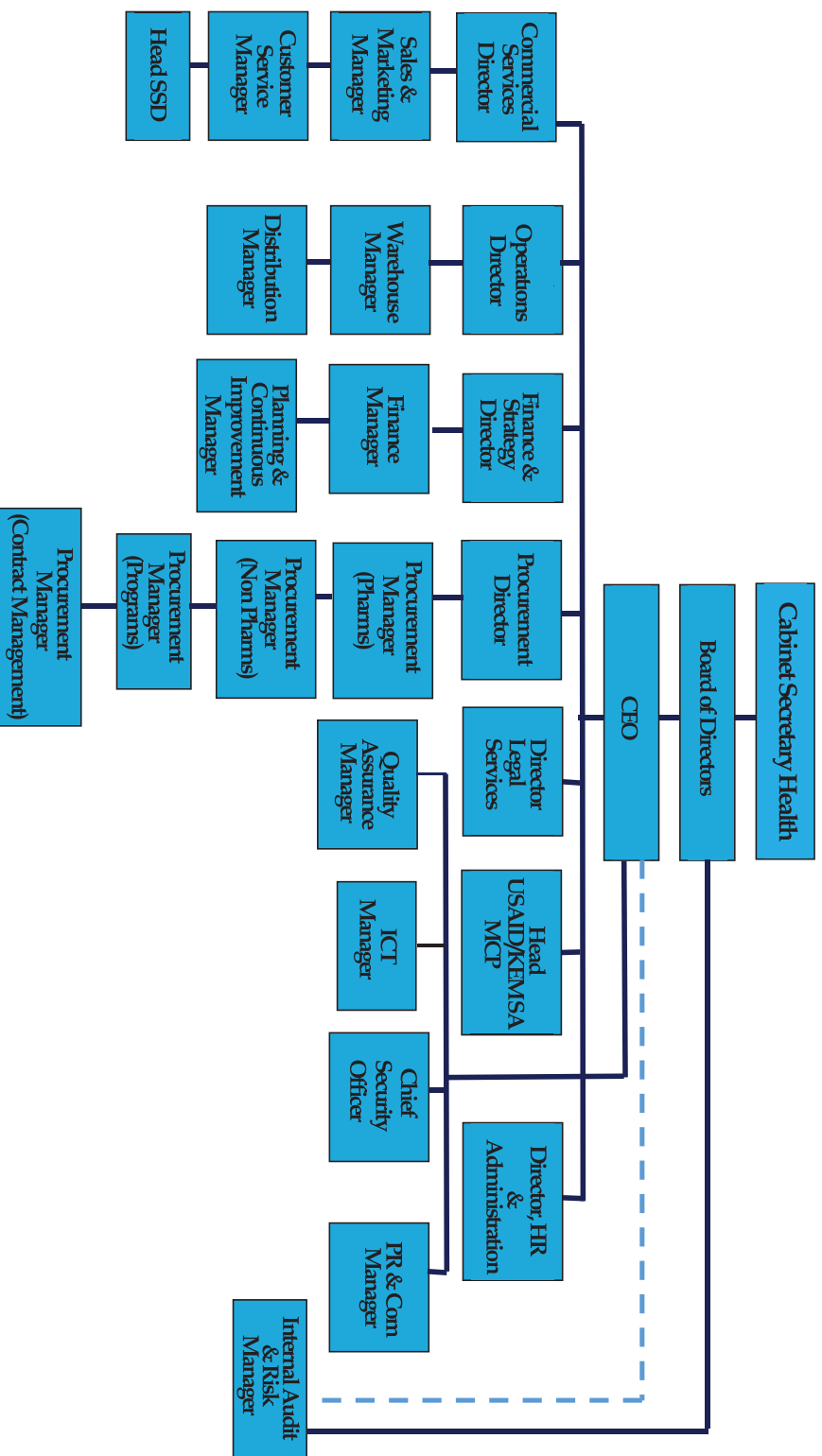
... Your partner of choice

KEMSA's areas of operation have been built on the thrust and experiences of the expiring Strategic Plan. These areas of focus are actualized through key pillars (goals) that include:

1. **Financial Stewardship:** Strengthened financial and risk management.
2. **Customer Focus:** Efficiently meet Customer needs for enhanced customer satisfaction.
3. **Internal Business Processes and Systems:** Improved internal systems through digital solutions.
4. **Strategic Partnerships:** Selection and cooperation with strategic partners for attainment of mutually beneficial goals.
5. **Leadership and Governance:** Dynamic and efficient leadership, governance and management.
6. **Innovation and technology:** Intelligent deployment of technologies that will play an important role in making the healthcare supply chain more effective and efficient.

2.6 KEMSA Organogram to Deliver the Strategy

The organization structure at the time of preparing the Plan was as shown in Figure 6. KEMSA will continuously carry out its staffing needs during the plan period to determine adjustments, if any, needed for optimal performance and growth.



Organizations that do not adequately adjust to meet their environmental challenges easily experience problems posed by environmental changes. The need to chart out a path for the future requires a critical evaluation of the key factors, both internal and external, that will impact on the operations of the organization. Strategic analysis and environmental scanning is critical in the strategic planning process as it clarifies the context within which an organization operates. This analysis was achieved through the process of identifying the organization's strengths, weaknesses, opportunities and threats (SWOT).

The SWOT analysis discussed in this chapter is presented under the following sub-headings; best practice in pharmaceutical supply chain; internal analysis, external analysis and stakeholder analysis. While the external and competitive environments have implications for the organization in the form of opportunities and threats, the internal environment anchors the organization's strengths and weaknesses. The external environment comprises of developments in both the organization's macro (remote) environment and the micro (immediate operating) environment. The competitive environment describes the industry dynamics in which the organization is competing.

3.1 Best Practices in Health Supply Chain

The HPTs sector plays a crucial role in economic growth and social welfare of any country. In the present context of a health-conscious society, management of HPTs supply chains has become more complex and requires the participation of different stakeholders. Examples of such stakeholders are; HPTs manufacturers, wholesalers, distributors, service providers, customers, information service providers, and regulatory agencies. Over the last decades, increasing globalization and supply chain complexity have posed risks to pharmaceutical safety. Ultimately, this safety concern has negatively affected businesses and, most importantly, patients. Limited research is available in the area of HPTs supply chains, yet it involves life-saving interest of human beings. In order to succeed in the global and volatile market, strategic planning is very important. This plan aims to find the gaps in strategic issues of supply chain management in the HPTs sector in Kenya.

Effective health supply chain management involves the procurement of raw materials, conversion of these materials into finished products, inventory management, and the distribution of those products. Like for any other industry, the effective supply-chain management is particularly important for the pharmaceutical industry. The industry must seek ways to reduce costs and maintain regulatory compliance and quality and safety standards in addition to normal supply chain challenges.

The goal of the Kenya Health Policy 2012-2030 is *to attain the highest possible standard of health in a responsive manner*. The overall objective the same Health Policy is *to attain universal coverage of critical services that positively contribute to the realization of the policy goal*. The overall objective of Kenya Health Policy 2012-2030 is in tandem with the third goal of the Sustainable Development Goals which seeks to *Ensure healthy lives and promote wellbeing for all at all ages*. The goal and overall objective of the Kenya Health Policy 2012-2030 therefore thrusts KEMSA right into the centre of the Ministry's efforts to realize the health sector policy.

The following common gaps are relevant to health supply chain organizations: -

- (i) Global quality standards –possible counterfeit and substandard products from the chain

- (ii) Inventory management
- (iii) Development of new product portfolio
- (iv) Process development
- (v) Healthcare reforms and capacity planning
- (vi) Network and plant designs
- (vii) Throughput and development management
- (viii) Outsourcing logistics activities – including reverse logistics
- (ix) Implementation of e-business processes
- (x) Performance management
- (xi) Others include; -
 - (a) insufficient funding,
 - (b) lack of incentives for maintaining stocks,
 - (c) inability to forecast accurately,
 - (d) inefficient distribution systems and
 - (e) pilferage of medicines and other products from the health facilities for private use, leading to the low availability of quality and affordable medicines that are required especially in primary healthcare.

The effectiveness of KEMSA strategy depends mainly on the identified strategic issues. Sustainable competitive advantage requires capabilities that provide enduring benefits and are not easily copied by competitors. The health supply chain sector players should benchmark their performance against other sectors and adopt similar best practices for improved performance.

It is important to mention that health supply chain decisions are subject to considerable risks. Health supply chain and its effective utilization under uncertain and dynamic environment, is a major challenge for the HPTs sector. For KEMSA to successfully protect itself against these risks, proactive supply chain security must deliver actionable intelligence to mitigate those risks. In pharmaceuticals, the most serious consequences of risks are those that affect patient safety. Adverse patient reactions can range from minor to as severe as death. Other consequences include drug recalls, and stolen drugs can compromise accuracy of volumes of the actual drugs consumed. In general, KEMSA operations can incur daunting costs, such as revenue loss, recall costs, legal costs for damage to health or life and regulatory fines.

3.2 Internal Analysis

Key highlights per department/function:

Major achievements between 2013 and 2019 against the set targets.

Annex 3 gives a summary of achievements of the targets throughout the five years of the completed Strategic Plan. The column headed *Best Ever performance during the period* gives the achievement during the fourth quarter of the fifth year of the retired SP or the best ever performance if fourth quarter of the fifth year is unavailable. The column headed *Achievement rating as a %age* indicates the average achievement for each targets over the plan period for zero-based targets or the maximum achieved over the plan period for cumulative targets.

The comments are grades based on the *Performance Contracting Guidelines for the FY 2018/2019* for Semi-Autonomous Government Agencies (SAGA) (2017);

1. **Excellent:** Achievement ranging from 130% to 200% of the performance target;
2. **Very Good:** Achievement ranging from 100% to less than 130% of the performance target;
3. **Good:** Achievement ranging from 70% to less than 100% of performance target;
4. **Fair:** Achievement ranging from 50% to less than 70% of the performance the target; and

- Poor:** Achievement ranging from 0% to less than 50% of the performance target.

Overall KEMSA achieved 88% of the retired plan. This was good performance.

3.3 External Analysis

KEMSA is operating in a highly dynamic environment that has the potential to impact on its effectiveness and efficiency. These include political, economic trends, socio-political dimensions, technological, ecological and legal (PESTEL) changes. KEMSA strategy provides direction for the next five years to achieve the desired output against a changing environment. A summary of some of the major developments in the external environment that impacts on the Authority is provided below.

3.3.1 Political Factors

Kenya has two governance levels; National and County governments. Over the years, the country has enjoyed political stability and goodwill, with support from national political leadership. Table 2 provides a summary of significant political factors that will influence KEMSA operations.

Table 2: Key political factors and their implication on KEMSA

Political Factor	Implication on KEMSA
1. That Kenya has a stable political outlook, making expectations higher	KEMSA services will continue being required
2. Universal Health Coverage (UHC) as one of the current government's Big 4 Agenda	Will put pressure on KEMSA to raise speed of response to customer orders and will increase demand for HPTs and therefore revenue for KEMSA
3. There is competitiveness and occasional power struggles at different political organs - County versus National level; Senators versus Governors, Members of National Assembly versus Senators Members of County Assembly Vs Governors.	May adversely affect health services delivery
4. Population movement to county headquarters - seeking employment opportunities	Will create higher demand for health services at the county headquarters which is easier to deliver while reducing demand at the rural facilities
5. Civil rights organizations - an increase in clamor for more space not only to be heard, but also direct involvement in some of the national affairs	KEMSA to be more accountable and responsive
6. Occasional heightened tension or politically motivated violence driven by the political class based on negative ethnicity - leading to insecurity in some counties	KEMSA will be prepared to use security forces and vehicles/crafts for delivery of HPTs during such times. Pressure on KEMSA to respond to emergency situations
7. Political instability in some neighboring counties	May increase number of refugees and raise demand for KEMSA services
8. Support to local manufacturing	Procurement turnaround time may be reduced
9. Support to local suppliers through AGPO	May affect quality of service and lead time

3.3.2 Economic Factors

Health care financing is a critical element of the social and economic development of a country. An appropriate health financing mechanism will enable the health sector to ensure access to quality and affordable health care. Kenya has been faced with the challenge of raising adequate resources to finance its health system.

According to the National and County Health Budget Analysis FY 2016/17 by the Ministry of Health, the total National Government budget allocation to health, has been an average of 3.87% over the three-year period between 2014/2015 and 2016/2017. During the same period the total County Government budget allocation to the same sector has been an average of 23.37%. The average budget allocation, that is, the proportion of the combined discretionary public budget allocated to health by national and county governments during FY 2016/17 was 7.6%. This was below the pre-devolution level of 7.8 percent and way below the Abuja declaration target of 15% (Figure 2 under Situational Analysis: Operating Context).

Table 3: Trends in budget allocation to health by National and County governments

Year	2014/15	2014/15	2014/15	2015/16	2016/17
% of National Budget going to the Health Sector from both National and County governments	7.8	5.5	7.5	7.7	7.6

Source: National and County Health Budget Analysis FY 2016/17 by the Ministry of Health

Table 4: Key economic factors and their implication on KEMSA

Economic Factors	Implication on KEMSA
1. Government's move towards supporting youth entrepreneurship to spur investment	Wider pool of suppliers through AGPO
2. The middle class GDP has been improving and is expected to move even higher	(a) More of the population will seek services from faith based and private service providers which may increase demand for KEMSA services. (b) Contributions for NHIF will increase creating a bigger pool of funds for reimbursement of facilities in the health sector and therefore payment for KEMSA services
3. The country has experienced improved infrastructure	Some of these improvements include roads, standard gauge railway, fiber optics, facilities etc. These make distribution, communication and logistics easier for KEMSA
4. Inflation rate has fluctuated between 5.72% in 2014 and 4.69% in 2018 peaking at 7.7% in 2017.	While there have been fluctuations it has been below 8% over the last six years indicating stability in the business environment for KEMSA
5. Occasional strikes by health sector employees clamoring for higher pay and better working conditions	Disruption of service which may lead to expiry of HPTs
6. Fluctuation of the Kenya Shilling resulting in fluctuations in exchange rates	Unpredictable cost of supplies and, therefore, income for KEMSA
7. GDP grew from 4.9% in 2017 to 6.3% in 2018	Implies better availability of funds for the health sector and, therefore, KEMSA

Economic Factors	Implication on KEMSA
8. National Health Insurance Fund (NHIF) challenges in healthcare financing	Impacts on KEMSA funding since service providers that depend on NHIF may not clear their debts
9. Inequitable distribution of resources and a rising Gini coefficient (index or ratio).	Pressure on KEMSA to deliver HPTs
10. Favorable economic environment to grow business	KEMSA business also depends on business environment hence opportunity for growth
11. Increased health budget expenditure due to UHC.	Increased demand for KEMSA services

3.3.3 Social-Cultural Factors

In 2017, The Kenya National Bureau of Statistics indicated the total population of Kenya stood at 46.7 million people up from 36.8 million in 2007 and 8.1 million in 1960, changing 462% during the last 50 years. According to KNBS, the population of Kenya represents 0.60% of the world's total population which arguably means that one person in every 168 people on the planet is a resident of Kenya. The increasing population growth rate, currently at 2.7%, impacts on both the supply and demand for resources and KEMSA's operations.

Key socio-cultural factors and their impact on KEMSA are shown in Table 3 below.

Table 5: Key socio-cultural factors and their implication on KEMSA

Socio-cultural factors	Implication on KEMSA
1. Effects of HIV/ AIDS, Malaria, Tuberculosis and occasional outbreak of communicable diseases	KEMSA must source for relevant and effective HPTs for existing diseases and be ready to respond effectively upon an outbreak
2. Effects of non-communicable chronic conditions	High and increasing burden on KEMSA to respond to the management requirements of these conditions
3. High poverty levels	High burden of diseases associated with low income areas resulting in high demand for KEMSA HPTs
4. Literacy levels improving	1. Improved health seeking behavior 2. Better utilization of HPTs
5. Effects of globalization and a liberal society with a myriad of moral issues and extremisms	Democratization brought about by liberalism catalyzed by alternative media (social media) will call for KEMSA to be vigilant of any negative information that may end up in social media

3.3.4 Technological Factors

The rapid and continuing growth and development of technology, especially information and communication technologies (ICT), is beginning to have a major impact globally. This provides KEMSA with great opportunities. The effective use of new technologies offers ways in which the quality, effectiveness, and in particular, the flexibility of services can be improved. It also provides for major improvements in organizational administration by using intranet technologies to capture data, simplify processes and deliver support materials to clients. The factors and their effects on KEMSA are captured in Table 4 below.

Table 6: Key technological factors and their implication on KEMSA

Technological characteristics	Implication on KEMSA
1. Digital era with the opportunities related to money transfer.	KEMSA may use this to ease payment process.
2. Use of enterprise resources planning (ERP)	KEMSA already has an ERP among other management systems which needs revamping
3. Use of social media as a tool for communication and publicity	KEMSA can use its social media accounts for information, campaigns, or to “set the record straight” in the event of negative publicity
4. The obsolescence of print media and literature	KEMSA to take this chance to manage its costs through policies that support to use of electronic media
5. Functioning of e-commerce	KEMSA may need to embrace internet-based transactions

3.3.5 Ecological Factors

The following are factors related to the environment that may affect KEMSA operations.

Table 7: Key ecological factors and their implication on KEMSA

Ecological Factors	Implication on KEMSA
1. Laws on disposal of expired commodities and the environment	KEMSA must invest in compliant disposal methods
2. Need for good corporate social responsibility undertakings	Improve brand image through positive contribution to society
3. Statutory requirements of renewable energy	KEMSA may need to invest in renewable/sustainable energy and other resources such as water
4. Climate change	May hinder access to facilities during heavy rains

3.3.6 Legal/Regulatory Factors

Table 8: Key legal (Including regulatory and policy) factors and their implication on KEMSA

Legal/Regulatory Factors	Impact on KEMSA
1. Impact of Constitution of Kenya (2010)	Issues of health as a human right brings pressure to bear on public health service providers and, therefore, to KEMSA
2. Provision of KEMSA Act, 2013 and Health Amendment Act of 2019	Grants KEMSA an expanded mandate and an opportunity to streamline its operations in terms of efficiency
3. Compliance with labour laws	KEMSA must ensure compliance with all the labour laws
4. Product regulations as prescribed by the Pharmacy and Poisons Board	KEMSA must ensure compliance with the PPB Act Cap. 244

3.4 SWOT Analysis

KEMSA internal and external analyses revealed several strengths, opportunities and strategic gaps. After interrogating the Authority’s internal and external environments, a list of the main Strengths, Weaknesses, Opportunities and Threats was generated as follows:

Table 9: Strengths and weaknesses

Strengths	Weaknesses
<ol style="list-style-type: none"> 1. Effective leadership and good corporate governance 2. Strong collaboration with Strategic partners. 3. Efficient ICT Systems 4. Efficient distribution network and presence across the country 5. Strong capital base 6. Availability of quality, reliable & Affordable HPTs at KEMSA 7. Strong corporate brand 8. Scalable business model 	<ol style="list-style-type: none"> 1. Stock outs of some HPTs 2. Centralization of distribution leading to slow response rate. 3. Debt management 4. Long Turn Around Times of HPTs deliveries 5. Sub-optimal performance in some internal processes 6. Limited product range.

Table 10: Opportunities and Threats

Opportunities	Threats
<ol style="list-style-type: none"> 1. Universal Health Coverage (UHC) increasing demand for KEMSA goods and services 2. Partnerships with development partners 3. Un-met market needs 4. Enabling legal frameworks 	<ol style="list-style-type: none"> 1. Political interference 2. Reducing support in the country from development partners 3. Negative media publicity 4. Competition from industry players. 5. Change in laws and regulations; 6. Delayed payments by some stakeholders affecting service delivery

3.5 Stakeholder Analysis

Stakeholders are an integral part of the day-to-day operations of KEMSA. An understanding of who the stakeholders are and what relationships exist between them and KEMSA is important because the satisfaction of their interests is key to the success of the Authority in the achievement of strategic objectives. Tables 11 and 12 show the list of stakeholders and their relationship with KEMSA.

Table 11: Stakeholder Mapping and Analysis: External Stakeholders

Stakeholder	Stakeholder interest (s) and concerns (What do they want?)	KEMSA's engagement strategy for removing obstacles and obtaining support from the stakeholder
1. Ministry of Health	<ul style="list-style-type: none"> - Efficient distribution of medical suppliers - Availability of medical stocks - Excellent Board and organizational performance - Board and Management adherence to policy and allocated budget - Efficient implementation of KEMSA's programmes - To be consulted on matters of product selection, quantification & forecasting 	<ul style="list-style-type: none"> - Constant engagements - Regular progress reports - Maintaining prudence in utilization of the funds provided - Embracing performance excellence
2. Ministry of Finance/ Treasury	<ul style="list-style-type: none"> - Revenue Generation - Excellent Board and organizational performance - Board and Management adherence to policy and allocated budget - Efficient implementation of KEMSA's programmes - Adherence to policies - Engagement in validation of any donor engagement 	<ul style="list-style-type: none"> - Constant engagement & lobbying - Regular progress reports - Embracing performance excellence - Maintaining prudence in utilization of the funds provided
3. Legislature (Senate and Parliamentary committees on health, PIC)	<ul style="list-style-type: none"> - Revenue generation - Efficient distribution of medical supplies - Availability of medical stocks - Excellent Board and organizational performance - Board and Management adherence to policy and allocated budget - Efficient implementation of KEMSA programmes 	<ul style="list-style-type: none"> - Regular progress reports - Embrace performance excellence - Maintaining prudence in utilization of the funds provided - Embracing performance excellence - Lobbying to help them understand the KEMSA Act - More interactions, facility tours & sensitizations - Maintaining integrity & good governance

Stakeholder	Stakeholder interest (s) and concerns (What do they want?)	KEMSA's engagement strategy for removing obstacles and obtaining support from the stakeholder
4. Development partners (USAID/PEPFAR/Global Fund/World Bank/UNICEF)	<ul style="list-style-type: none"> - Better health services for Kenyans - Adherence to procurement guidelines - Adherence to laid down policies - Efficiency and effectiveness in the implementation of donor funded programmes - Efficient and effective distribution of medical supplies - Efficiency in the use of human and infrastructural resources - Skills transfer to KEMSA staff 	<ul style="list-style-type: none"> - Regular progress reports - Embracing performance excellence & efficiency - Maintaining prudence in utilization of the funds provided - Regular interactions, facility tours & sensitizations - Maintaining integrity & good governance - Maintaining high standards of governance
5. Ministry of Devolution (and COG)	<ul style="list-style-type: none"> - Efficient distribution of medical supplies - Availability of stocks - Affordability - They have an interest in governance - Available information 	<ul style="list-style-type: none"> - Regular meetings and engagements - Reports on Performance of counties in matters health supply chain - Facilitating meetings with County health CECs/ Governors forums
6. County governments	<ul style="list-style-type: none"> - Efficient distribution of medical supplies - Availability of stocks - Affordability of medical supplies - Capacity building of staff - Fair pricing of HPTs from KEMSA - To be consulted on matters of product selection, quantification & forecasting 	<ul style="list-style-type: none"> - Constant engagement & consultations - Efficiency in business processes - Constant information sharing - Improving order fill-rate and the order turnaround time - Ensuring consistent availability of affordable, quality Health Products and Technologies - Maintaining a 'Last Mile' reach of the county government facilities - Providing Commodity & Data management Training.

Stakeholder	Stakeholder interest (s) and concerns (What do they want?)	KEMSA's engagement strategy for removing obstacles and obtaining support from the stakeholder
7. National Referral Hospitals	<ul style="list-style-type: none"> - Efficient distribution of medical supplies - Availability of stocks - Affordability of medical supplies - Fair pricing of HPTs from KEMSA - To be consulted on matters of product selection, quantification & forecasting 	<ul style="list-style-type: none"> - Regular reports on stock levels and pricing. Entice them to buy our commodities - More interactions, facility tours & sensitizations - They need to be standing members of Technical Working Groups
8. Regulators (PPB, NQCL, KEBS, OAG, PPOA)	<ul style="list-style-type: none"> - High quality medical commodities - Adherence to policy - Efficiency in the distribution of supplies 	<ul style="list-style-type: none"> - Regular reports on suppliers with sub-standard & counterfeit commodities
9. Suppliers/ Transporters/consultants/contractors	<ul style="list-style-type: none"> - Fairness in procurement processes - Timely payment - Efficiency in procurement process 	<ul style="list-style-type: none"> - Efficient, automated procurement system - Timely payment for supplies delivered - Clear Service Level Agreements (SLAs) - Regular interactions to maintain good relationships
10. Media: Local and regional	<ul style="list-style-type: none"> - Accurate information about KEMSA - Efficient distribution of medical supplies - Availability of medical stocks - Better health services for Kenyans' - 'Last Mile' reach of the county government facilities - Consistent availability of affordable, quality Health Products and Technologies - Adherence to procurement guidelines - Board and Management adherence to policy and allocated budget - Efficiency and effectiveness in the implementation of donor funded programmes - Revenue generation - Efficient implementation of KEMSA's programmes 	<ul style="list-style-type: none"> - Regular media engagement forums for open interactions - Prompt response to media enquiries - Adopt a proactive, milestone-based media engagement approach - Ensure compliance with laws and policies - Be ethical in operations and ensure adherence to best practice in corporate governance - Regular social media campaigns to show case stories of impact arising from KEMSA's work told by beneficiaries

Table 12: Stakeholder Mapping and Analysis: Internal Stakeholders

Stakeholder	Stakeholder interest (s) and concerns (What do they want?)	KEMSA's engagement strategy for removing obstacles and obtaining support from the stakeholder
KEMSA Board	<ul style="list-style-type: none"> - Increased revenue generation - Efficiency in the implementation of the strategic plan - Adherence to policy and regulations - Prudent use of finances - Effective stakeholder engagement - Staff discipline - Overall excellent performance of the Authority 	<ul style="list-style-type: none"> - Regular reports from management - Timely and well written board papers - Constant engagement and information sharing by management - Frequent consultations
Top Management	<ul style="list-style-type: none"> - Shorter turnaround times of approvals by the Board - Regular policy guidance by the Board - Employees to adhere to policies and regulations - Team efficiency in the implementation of work plans - Prudent use of finances - Internal controls - Risk management - High performance by teams and individuals - Efficient revenue generation - Effective stakeholder engagement - Staff discipline - Efficient organizational culture 	<ul style="list-style-type: none"> - Constant engagement with the Board - Regular stakeholder consultation forums - Establish a listening mechanism to obtain regular input from employees - Involve team leaders and employees in decision-making - Implement a culture-change programme - Implement a fair reward program - Enforce a clear performance management system - Enforce employee discipline - Adopt electronic formats of internal communication e.g. WhatsApp Broadcast - Implement a communication skills training programme for the entire Authority

Stakeholder	Stakeholder interest (s) and concerns (What do they want?)	KEMSA's engagement strategy for removing obstacles and obtaining support from the stakeholder
<p>Assistant managers, Supervisors & team leaders</p>	<ul style="list-style-type: none"> - To be consulted and involved in decision making - Efficient communication and cascading of information from top management - Real-time feedback so that they can effectively communicate to staff - An efficient ICT infrastructure - Training opportunities - Job security - Welfare matters taken care of - Career progression - Fair administrative action - Enabling work environment 	<ul style="list-style-type: none"> - Constant engagement with top management - Regular stakeholder consultation forums - Communicate work expectations clearly - Cascade information from top management in real time to keep employees informed - Have regular review meetings with the entire team and with individual team members - Establish a listening mechanism to obtain regular input from employees and to understand their concerns - Involve employees in decision-making - Find innovative ways to motivate employees - Undertake team building activities - Jointly set clear targets and agree on performance evaluation - Have candid one-on-one discussions with discipline and/or non-performing employees - Facilitate training in customer service skills, etiquette and emotional intelligence
<p>Employees</p>	<ul style="list-style-type: none"> - To be consulted and involved in decision making - Efficient communication and cascading of information from top management - Real-time feedback so that they can effectively communicate to staff - An efficient ICT infrastructure - Training opportunities - Job security - Take care of welfare matters - Have reliable transport - Need for recognition - Enabling environment - Opportunities for career growth - Fair administrative action 	<ul style="list-style-type: none"> - Regular internal capacity building activities, - Deliberate staff cohesion activities and casting the vision to ensure everyone is on the same page. - Enhance internal communication and information cascading

This part of the Strategic Plan identifies Strategic Issues that KEMSA has to address in order to realize and experience its vision and mission respectively.

4.1 KHSSP 2018-2023 Health Products and Technologies Key outputs

The KHSSP 2018-2023 Health Products and Technologies Key outputs form the basis for the formulation of strategic objectives and strategies for KEMSA. These key outputs are issues that the Authority needs to deal with expeditiously and effectively in order to have impact, grow and prosper.

The KHSSP 2018 – 2030 has the following **Key Outputs** for Health Products and Technologies. These issues have been analysed and appropriate actions recommended for KEMSA to take; -

1. Increased capacity and access to all health commodities
2. Enhanced quality of all health commodities
3. Prudent management of health commodities.
4. Enhanced support supervision for health commodities

Key output 1: Increased capacity and access to all health commodities:

Key Action area:

- (i) Increase budgetary allocation to KEMSA to enhance supply of essential HPTs to meet Universal Health Coverage needs.
- (ii) Expand HPTs list to incorporate new commodities e.g. commodities for chronic diseases such as cancer chemotherapy medicines, protective wear for chemotherapy, dialysis commodities, laboratory screening commodities, implants etc. in line with reviewed National Benefit Package for Health NBPH.
- (iii) Enforce compliance to guidelines in terms of purchasing, prescribing and dispensing of antimicrobials.
- (iv) Streamline process of reviewing and releasing marketing authorization for new antibiotics that address priority infectious diseases in the country.
- (v) Negotiate medicine prices between the Ministry of Health and the pharmaceutical companies to reduce the cost of medicines and other health commodities.
- (vi) Ensure adherence to Section 155 of the PPDA Act 2015 that provides preference for local manufacturers to reduce cost of commodities.
- (vii) Ring-fence health commodity funds at county level through review of the PFM Act 2012 and have counties deposit commodity funds through KEMSA for drawing rights.
- (viii) Make use of WHO intellectual property (TRIPS) provisions under the Industrial Property Act to increase access to medicines and health commodities.

Key Output 2: Enhanced quality of all health commodities

Key Action Areas

- (i) Conduct Good Manufacturing Practices (GMPs) inspections at manufacturing sites both locally and externally.
- (ii) Carry out quality control testing.
- (iii) Intensify pharmacovigilance (reporting of poor-quality commodities and adverse reactions enhanced) including antibiotics.
- (iv) Post-market surveillance for selected life-saving commodities, including antibiotics on a regular basis.

- (v) Improve end user storage capacities to support product quality by enhancing storage infrastructure, e.g. cold chain for vaccines; fridges and storage buildings;
- (vi) Establish track and trace mechanisms for HPTs by establishing GS1 standards for HPTs. This will improve patient safety regarding counterfeits, substandard and falsified medicines.

Key Output 3: Prudent management of health commodities

Prudent management of health commodities is required to minimize wastage through pilferage and expiries.

Key Action Areas

- (i) Continuous integrated capacity building for health commodity management for all personnel handling health commodities.
- (ii) Minimize percentage stock outs and expiries in health facilities.
- (iii) Develop guidelines and training modules for antimicrobial stewardship programmes (ASP) in hospitals and community settings to support appropriate use of antimicrobial agents.
- (iv) Establishment of antimicrobial stewardship programmes in 47 counties and national referral hospitals.
- (v) Digitalize the commodity supply chain for efficiency.
- (vi) Implement end-end visibility of the HPTs supply chains through value added networks (VAN).

Key Output 4: Enhanced supportive supervision for health commodities

Key Action Areas

- (i) Supervision and monitoring on rational commodity use, stock management to enable redistribution of excess commodities across facilities within a region/county.
- (ii) Support commodity security mechanisms at national and county level, e.g. Commodity Security TWGs and ICCs.
- (iii) Perform HPTs supply chain audits.
- (iv) Provide mentorship for antimicrobial stewardship and antimicrobial resistance surveillance

4.2 Strategic issues

In order to achieve the above key outputs, KEMSA must initiate innovative strategies to address the following critical strategic issues:

1. **Affordability of Health Products and Technologies:** KEMSA will put in place mechanisms that will guarantee affordable HPTs.
2. **Universal Health Coverage:** KEMSA to ensure consistent availability of quality, affordable HPTs in line with the UHC benefit package.
3. **Market Development:** KEMSA will pursue untapped markets through market segmentation, targeting and positioning.
4. **Strategic Partnerships:** KEMSA will pursue strategic partnerships with key stakeholders, especially county governments and development partners. KEMSA will also strengthen systems (upstream and downstream) as well as have real-time linkage and strengthened partnerships with counties. In addition KEMSA, will synergize expertise and establish joint ventures and increase representation at the county level.
5. **Innovative Strategies:** KEMSA will identify innovative approaches and best practices to address emerging customer needs.

6. **Order Management:** KEMSA will identify strategies to streamline order processing for improved order turnaround times and order fill rate.
7. **Strategic Positioning Initiatives:** KEMSA will develop strategies to position itself as the Supplier of choice as well as employer of choice.
8. **Internal Processes/systems & Supply Chain Operational Efficiency:** KEMSA will develop strategies to improve the effectiveness and efficiency of its internal processes.
9. **Leadership and Governance:** KEMSA will build capacity for growth and expansion; create a positive corporate image; create a culture of continuous learning and improvement, and ensure business continuity.
10. **ICT (ERP) Capacity:** KEMSA will invest in new value-adding technologies and innovations available in the market.
11. **Enterprise Risk Management:** KEMSA will have a robust risk identification and mitigation framework as per the relevant standards.
12. **Financial Stewardship and Management:** KEMSA will put in place a robust accounting and financial management system on credit management and resource mobilization.
13. **Human Resource Management:** KEMSA must implement strategies to attract and retain talent to ensure continued business success.
14. **Performance Management:** KEMSA will put in place strategies to improve on competitiveness, financial capacity; research & development; focus on organizational performance and develop a mechanism for performance management and promote evidence-based decision-making.
15. **Customer Experience:** KEMSA will develop strategies to enhance customer experience through decentralization, product diversification and expansion.
16. **Corporate Image:** KEMSA will develop strategies that enhance the KEMSA brand.

4.3 Strategic Pillars

The following strategic pillars were derived from the above strategic issues:

1. Financial Stewardship
2. Customer Focus
3. Internal Business Processes and Systems
4. Strategic Partnerships
5. Leadership and Governance
6. Innovation and Technology

4.4 Strategic Objectives and Strategies

KEMSA will address each of the strategic pillar identified, in part 4.3 above, by achieving a number of strategic objectives. The objectives provide a link between the strategic pillars and the strategies that the Authority will employ in order to attain her mission and vision. Consequently, for the period 2019-2024, KEMSA will work towards achieving the set objectives through the identified strategies.

1. Financial Stewardship

Financial stewardship is the pillar that represents the care, planning, attention, and management of the organizational financial resources and choices.

Strategic Objective 1: To ensure a robust financial framework for concrete financial base.

Strategies:

1. Increase demand for KEMSA products.
2. Venture into new markets.
3. Increase revenue from supply chain services.
4. Share health supply chain expertise.

5. Enhance KEMSA capitalization from KES 8 Billion to KES 10 Billion.
6. Develop and implement cost management mechanism.

2. Customer Focus

This pillar aims to orient KEMSA towards satisfying its customer needs.

Strategic Objective 2: To increase Market Share from 70% to 90%.

Strategies:

1. Increase demand for KEMSA Health Products & Technologies.
2. Enhance commercial performance.
3. Improve marketing communication.
4. Improve customer relationship management.
5. Strengthen the capacity of SSD.

3. Internal Business Processes and Systems

This pillar seeks to enhance efficiencies and effectiveness of KEMSA internal business processes and systems.

Strategic Objective 3: To have robust physical facilities, internal business processes, systems and infrastructural upgrades that support business growth.

Strategies:

1. Bi-annual Review of HPTs demand - strengthen selection, forecasting and quantification.
2. Develop and update appropriate products and specifications in collaboration with MOH guidelines and customers.
3. Advocate for enactment of new regulations for the PPAD Act 2015 to ensure the regulations meet KEMSA's needs
4. Strengthen quality assurance processes and systems throughout the supply chain
5. Improve operational performance management
6. Improve Order Fill rate
7. Improve order turnaround time
8. Improve Staff welfare by provision of amenities and recreational activities
9. Establish employee assistance programmes

4. Strategic Partnerships

This pillar aims at establishing, developing and retaining strategic partnerships that will enable KEMSA meet its goal.

Strategic Objective 4: To develop and strengthen strategic alliances and partnerships for improved health supply chain systems

Strategies:

1. Develop and sustain transformational relationships with development partners
2. Leverage on the strength of local manufacturers and industry players.
3. Build and sustain partnerships with key stakeholders
4. Strengthen collaboration with Ministry of Health and the National Treasury

5. Leadership and Governance

Leadership and governance pillar is charged with the responsibility of steering the institute towards its goals in a systematic, supportive way.

Strategic Objective 5: To develop a dynamic, transparent and accountable governance structure

Strategies:

1. Provide effective oversight
2. Strengthen management systems for enhanced efficiency
3. Improve public opinion, attitude and behavior of key stakeholders
4. Strengthen Enterprise Risk Management and Strengthen BCM
5. Strengthen corporate security risk and disaster management programmes
6. Review Human Capital Management Systems
7. Strengthen Authority's Culture
8. Provide assurance on internal controls, governance and risk management systems
9. Review the KEMSA Act.

6. Innovation and Technology

The pillar aims at intelligent deployment of technologies that will play an important role in making the healthcare supply chain more effective and efficient, and continuously improve the way KEMSA does business and serves its customers.

Strategic Objective 6: To develop and maintain highly effective, reliable and secure ICT solutions that enhance user experience in healthcare Service Delivery.

Strategies:

1. Offer automated online enterprise facing and customer facing services
2. Enhance availability of business systems and ensure continuity of business operations.
3. Improve the efficiency and availability of ICT service delivery.
4. Proactively identifying and mitigating ICT risks, threats and vulnerabilities.
5. Enhance compliance with best practice frameworks, standards, procedures and governance policies.

KEMSA's pursuit of its vision and attainment of its mission is hinged on successful implementation of this plan. The strategies identified herein were prioritized based on the magnitude of the underlying issues.

5.1 Implementation Matrix

KEMSA will continuously refer to the strategic plan as a roadmap because successful implementation will eventually lead to greater impact and transformation. The strategy implementation matrix is important as it will ensure that the Authority:

- (i) Has a vision that motivates and draws its stakeholders towards contributing to Universal Health Coverage, Vision 2030 and SDGs No. 3 (*Ensure healthy lives and promote wellbeing for all at all ages.*)
- (ii) Achieves the set Strategic Objectives hence contributing to improved health outcomes.
- (iii) Mobilizes resources and ensures prudent use of the available limited resources.
- (iv) Resolves a set of interrelated strategic issues and challenges in an intentional and coordinated manner.

The implementation framework contains defined columns that guide the strategy implementation namely:

- (i) **Strategic objectives:** These are the proposed clear steps and accomplishments that KEMSA will commit to achieve in order to realize its mission.
- (ii) **Strategies:** These are broad approaches that KEMSA will employ in order to achieve the Strategic objectives.
- (iii) **Activities:** These are the planned actions with set targets selected to realize a given strategy.
- (iv) **Key performance indicators:** These are the measurable parameters that are to be used as measures of the extent to which the strategy has been achieved. These are given in the form of a particular action completed or the extent the action will be completed. These have been given in the form of time, number, or percentage when a particular action is completed.
- (v) **Expected outputs:** These are measure of the immediate results after implementing a particular strategy/activity. This should be tangible in order to be measurable.
- (vi) **Time frame:** This indicates the time domain within which this strategy has to be completed.
- (vii) **Responsibility:** The specific office responsible for a given action.



TTable 13: Implementation Matrix

Pillar 1: Financial Perspective										
Strategic Objective 1: Ensure a robust financial framework for concrete financial base										
Strategy	Activity	KPI	Expected Output	Target/Time frame (by Plan Year)					By Whom	
				1	2	3	4	5		Total
Increase revenue from supply chain services	Develop and sustain viable Strategic partnerships.	No. of viable Partnerships	No. of viable Partnerships from 7 to 10X		1		1			DCS/DFS/MCP
	Develop and Review a costing Policy for Management of Strategic Partnerships	Values of supply chain services	Increase sales of supply chain services from 1.5B to 2B	100M	100M	100M	100M			DCS/DFS/CEO/DLS
Share Health Supply Chain Expertise.	Develop and Review a costing Policy for Management of Strategic Partnerships	100% Cost Policy Implemented	Full compliance with Cost policy			50	100			DFS
	Establish a Health supply chain institute of excellence-	No. of Supply Chain Institute established	Supply Chain Institute established				1			DFS
Enhance KEMSA Capitalization from KES 8B to 10B	Engage the Chartered Institute of Supply Chain Management (CISCM) and Kenya Institute of Supply Chain Management (KISM) for accreditation	Accreditation Certificate	Accreditation obtained from KISM or CISM or both							DFS
	Lobby with GOK/MOH and Development partners to fund capital expenditure	Value of KEMSA Capital	Increase of Capitalization	1B	1B					DFS
	Reduce loss of HPTs through Expiries & damages	1. Value & Percentage of Expiries 2. Value Damages		2%	2%	2%	2%	2%		OD/DM\

Pillar 1: Financial Perspective												
Strategic Objective 1: Ensure a robust financial framework for concrete financial base												
Strategy	Activity	KPI	Expected Output	Target/Time frame (by Plan Year)					By Whom			
				1	2	3	4	5		Total		
Cost Management	Implement activity based budgeting	Budget Absorption rate	Budget savings	95%-100%	95%-100%	95%-100%	95%-100%	95%-100%	95%-100%	DFS		
	Integration of distribution of KEMSA EMMS & Program items	No. Orders shipped out as integrated items	Distribution Cost Savings	80%	85%	90%	95%	99%	99%	OD		
Ensure business sustainability	Carry Out Financial sustainability analysis. Part 1: Working Capital Ratios: Part 2: Profitability ratios:	Current ratio(current assets/ current liabilities)	Business growth	2:1	2:1	2:1	2:1	2:1	2:1	DFS/FM		
		Acid Test Ratio(Current Assets-stocks and pre-payments/ current liabilities)		1:1	1:1	1:1	1:1	1:1	1:1	DFS/FM		
		Average Collection period		75days	75days	75days	75days	75days	75days	75days	DFS/FM	
		Average payment Period		90 days	90 days	90 days	90 days	90 days	90 days	90 days	DFS/FM	
		Inventory Turnover ratio		4	4	4	4	4	4	4	4	DFS/FM
		Profit Margin ratio/ Return on sales ratio		28%	28%	28%	30.68%	30.68%	30.68%	30.68%	30.68%	DFS/FM/DCS

Pillar 2: Customer Focus

Strategic Objective 2: To increase Market Share from 70% to 90%.

Strategy	Activity	KPI	Output	Target/Time frame (by Plan Year)					By Whom	
				1	2	3	4	5		Total
Increase the demand for KEMSA Health Products & Technologies	Increase Product range for HPTs in line with MoH Essential Products lists	No. of New products introduced Value of Sales for HPTs	Increased Sales	200	200	150	100	100	750	SMM/PD
	Increase the No. of specialized HPTs	No. of New specialized HPTs	Increased Sales	30	30	30	30	30	150	HSSD/PD
	Conduct continuous medical education (CME) sessions	No. of CMEs Conducted	Improved awareness of KEMSA products, Increased product knowledge, Improved management of KEMSA commodities	22	22	22	22	22	110	SMM/HSSD
	Develop the Capacity of KEMSA staff on product knowledge	No. of Trainings conducted No. of Staff Trained	Improved product knowledge	4	4	4	4	4	20	HRM
	Carry out focused marketing promotions	No of marketing campaigns conducted	Increased awareness of KEMSA products	4	4	4	4	4	20	PRCM/SMM
	Establish & Strengthen Strategic Market Access Partnerships	No. of New Access Program Partnerships No. of Retained Access Program Partnerships	Increased Partnerships	2	2	2	2	2	10	DCS/HSSD
	Conduct Market Price surveys	No. of Market Price Surveys Conducted	Affordable HPTs	1	1	1	1	1	3	DCS
	Conduct sales storm	% Sales Increase	Increased Sales and Improved debt collection	1	1	1	1	1	5	DCS
	Continuous identification of Prospects and map them accordingly	No. of Qualified Prospects & Customers Mapped	Increased No. of customers	20	20	20	20	20	100	SMM/HSSD

Pillar 2: Customer Focus

Strategic Objective 2: To increase Market Share from 70% to 90%.

Strategy	Activity	KPI	Output	Target/Time frame (by Plan Year)					By Whom	
				1	2	3	4	5		Total
Enhance commercial performance	Improve debt recovery through arbitration by COGs and Intergovernmental budget and economic council (IBEC)	% Debt Recovered	Reduced debts	500	500	500	500	500	2500	DCS/DFS/DLS
	Introduce convenient payment platforms	No. of Payment Platforms in use	Efficient modes of payment	2					2	DFS
	Continuous Measurement of targets disaggregated by segment	Performance Rating	Increased performance	>90% of target	>90% of target	>90% of target	>90% of target	>90% of target	>90% of target	DCS
	Conduct Quarterly performance review meetings	No. of Performance Review Meetings Conducted	Continual Improvement	4	4	4	4	4	16	DCS
	Continuous engagement with key stakeholders	No. of Engagements with Key stakeholders	Increased support for KEMSA agenda							CEO

Pillar 2: Customer Focus

Strategic Objective 2: To increase Market Share from 70% to 90%.

Strategy	Activity	KPI	Output	Target/Time frame (by Plan Year)						By Whom
				1	2	3	4	5	Total	
Improve marketing communication	Execute advertising and publicity campaigns	No. of Adverts & Campaigns	Improved corporate image	15	15	15	15	15	75	PRCM
	Redesign and regularly update the website	No of people visiting the website(Traffic)	Increased awareness of KEMSA activities							PRCM
	Enhance social media marketing strategies	1. No. of Social Media Engagements 2. No. of Followers & Likes	Increased KEMSA brand awareness	1	1	1	1	1	5	PRCM
	Develop and execute corporate social responsibility campaigns	No. of CSR campaigns	Improved corporate image	4	4	4	4	4	20	PRCM, SMM & HSSD
	Participate in relevant healthcare exhibitions and trade fairs	No. of Exhibitions & Trade fairs participated	Improved corporate image	5	5	5	5	5	25	PRCM, SMM & HSSD
	Media Engagements	No. of Media Engagements	increased understanding of the KEMSA business mandate	12	12	12	12	12	60	PRCM
	Publish quarterly newsletter to deliver a range of promotional messages	No. of Publications	Increased knowledge of KEMSA business	4	4	4	4	4	20	PRCM
	Carry out media engagement training for Key staff in sales, customer service and technical staff	No. of Key staff trained	Increased knowledge on media management	100					100	PRCM
	Involvement in relevant professional conferences & seminars	No. of conferences and seminars attended	Increased product knowledge and market intelligence	4	4	4	4	4	4	SSM/HSSD/PRCM

Pillar 2: Customer Focus

Strategic Objective 2: To increase Market Share from 70% to 90%.

Strategy	Activity	KPI	Output	Target/Time frame (by Plan Year)					By Whom	
				1	2	3	4	5		Total
Improve customer relationship management	Capacity Development on HPTs and data management to KEMSA customers	1. No. of Trainings conducted 2. No. of Health Workers Trained	Improved management of HPTs at facility level	6	6	6	6	6		DCS/BDC
	Strengthen customer feedback Management	Complaints response rate and % resolved on time	Customer satisfaction	100% and 90%	100% and 90%	100% and 90%	100% and 90%	100% and 90%	100% and 90%	CSM
	Conduct customer satisfaction surveys	Customer Satisfaction Index	Level of customer satisfaction	1		1		1	3	CSM
	Convene Bi-annual stakeholders forums	No. Stakeholders Meeting held	Improved customer relations	2	2	2	2	2	10	CSM/SSM/HSSD
	Customer service week	No of customer appreciation initiatives undertaken	Improved customer relations	1	1	1	1	1	5	CSM/PRCM
	Carry out customer service and communication training for all staff	No of staff trained	Improved external and internal customer handling skills	200	200	200	200	200	1000	CMS/PRCM
	Introduce customer recognition programs	No. of recognized customers/sessions	Improved customer loyalty	1	1	1	1	1	5	CSM/PRCM
	Recruitment of dedicated officers managing key accounts	No. of SSD staff recruited	% Increase in Sales	3					3	DHR&A
	Implement Market segmentation	No. of New market Segments on Board	Increased No. of Facilities in New Markets from 200 to 300	20	20	20	20	20	100	DCS

Pillar 3: Internal Processes & Systems										
Strategic Objective 3: To have robust physical facilities, internal business processes, systems and infrastructural upgrades that support business growth.										
Strategy	Activity	KPI	Output	Target/Time frame (by Plan Year)					By Whom	
				1	2	3	4	5		Total
Bi-annual Review of HPTs Demand	Carry out demand analysis	Number of reviews done	1. Updated demand data 2. Improved OFR	2	2	2	2	2	10	PCIM/SMM
	New product Specifications Developed	Percentage HPTs with updated product specifications	New and updated product specifications	230	230	180	130	130	900	QAM
Develop and update products & specifications In collaboration with MOH & Customers	Existing products Specifications Reviewed									
	Advocacy for the review of PPAD Act and operationalize regulations	Reviewed Act and operationalized Regulations	Reviewed Act and operationalized Regulations	1	1				2	CEO/PD/DCS
Strengthen quality assurance processes and systems throughout the supply chain	Establish a Microbiology Testing Laboratory	A functional Micro-Biology Lab	A functional Micro-Biology Lab	0	0	1	0	0	1	QAM
	Transition to and maintain ISO 17025:2017 Accreditation	ISO17025:2017 Accreditation certificate	Reliable Lab results	1	1	1	1	1	6	QAM
Upgrade a testing Laboratory for health technologies to enhance their testing :Construct or refurbish a testing Laboratory for health technologies	Conduct ISO 9001:2015 audits and Management reviews	ISO 9001:2015 Audit status reports	KEMSA QMS compliant	1	1	1	1	1	5	QAM
	Expand the wet chemistry Lab and increase the testing capacity	Percentage HPTs tested Internally	>90% of products range tested internally		1	1	1	1	4	QAM
		Percentage HPTs tested Internally	Increased Efficiency in health Products & technologies testing		1				1	QAM

Pillar 3: Internal Processes & Systems										
Strategic Objective 3: To have robust physical facilities, internal business processes, systems and infrastructural upgrades that support business growth.										
Strategy	Activity	KPI	Output	Target/Time frame (by Plan Year)					By Whom	
				1	2	3	4	5		Total
Improve operational performance management	Improve Capacity of Quality Assurance: Recruit and train additional Quality Assurance staff	Number of New QA Staff	Improved QA capacity	1	1	1	1	1	5	DHRA/ QAM
	Review SOPs	Percentage Reviewed SOPs in place	Updated SOPs		1		1		2	QAM/ HODs
	Acquire MHEs	No. of New MHEs Acquired	Improved efficiency in material handling	6	6		3	6	21	OD/WM
	Acquire Storage for Specialized HPTs, 8°C -22°C, -20°C for Small and high Value HPTs	Percentage Increase in Storage capacity for specialized HPTs	Adequate storage capacity for Specialized HPTs		1				1	OD/ICTM/ QAM/WM
	Acquire internal distribution fleet where necessary	Percentage utilized of internal fleet for distribution	Improved efficiency and effectiveness of inter-warehouse transfers and order deliveries	6	3				9	OD/DM/ DHRA
	Increase the available storage space capacity for HPTs	Percentage increase in Warehouse Space Capacity	Increased storage space and reduced operational cost.	2	1	1			4	OD/ DHRA/ QAM

Pillar 3: Internal Processes & Systems

Strategic Objective 3: To have robust physical facilities, internal business processes, systems and infrastructural upgrades that support business growth.

Strategy	Activity	KPI	Output	Target/Time frame (by Plan Year)					By Whom		
				1	2	3	4	5		Total	
Improve Order Fill rate	Review of call-down and procurement processes.	Order Fill rate	Improved Call down time		1					SMM/ PCIM/PD/ DLS.	
	Develop Call Down SoPs		Improved order fill rate.	OFR UHC -100%	OFR UHC -100%	OFR UHC -100%	OFR UHC -100%	OFR UHC -100%	OFR UHC -100%	PCI/ SM/PD/ OD,DCS	
	Carry out Supplier Assessment			OFR EMMS-90%	OFR EMMS-90%	OFR EMMS-90%	OFR EMMS-90%	OFR EMMS-90%	OFR EMMS-90%		
	Carry out F & Q in collaboration with the counties and MOH.										
	Engage HPT's local Manufacturers during Procurement										
	Partnership with stakeholders key to ensuring stock availability										
Improve order turnaround time	Operationalize regional distribution centers	of days -Reduce time from 15 to 5 for hospitals and 8 for RHF's	Reduced TAT	7	7	6	6	6	6	6	PCI/SM/ PD/OD/ DLS
	Acquire staff canteen Identify and implement staff canteen and recreation activities		No. of recreational activities offered to staff	10	10	9	9	9	9	9	
Improve Staff welfare by provision of amenities and recreational activities	Acquire staff canteen Identify and implement staff canteen and recreation activities	No. of recreational activities offered to staff	Improved Staff welfare			1				1	DHRA
	Initiate employees assistance programmes	No. of Employee assistance programmes in place & No. of beneficiaries (Staff)	Improved Staff welfare Employee engagement index			1				1	DHRA

Pillar 4: Strategic Partnerships										
Strategic Objective 4: To develop and strengthen strategic alliances and partnerships for improved health supply chain systems										
Strategy	Activity	KPI	Output	Target/Time frame (by Plan Year)					By Whom	
				1	2	3	4	5		Total
Develop and sustain transformational relationships with development partners and key stakeholders	Establish a partnership engagement framework	Partnerships engagement framework work in place	Improved stakeholder relations	28	28	28	28	28	28	CEO/DCS
	Review existing partnerships and engage in new partnerships.	Number of existing and new partners on board	New business opportunities and strengthened ties	9	10	11	11	12	12	CEO/DCS
	Conduct bi-annual round table meetings.	Number of round table meetings held	New business opportunities and strengthened ties	2	2	2	2	2	10	CEO/DCS
	Hold quarterly performance review meetings with development partners	Number of quarterly review meetings held	Review reports Actions plans for the next quarter	4	4	4	4	4	20	MCP/PD/PM
	Share regular progress reports with the development partners and MoH	Number of reports submitted quarterly	Improved relationships and understanding	4	4	4	4	4	20	MCP/PD/PM
	Implement online reporting portal	Online reporting portal	operationalize the online reporting portal	1					1	ICTM/MCP/PM
	Invest to maintain social capital for partners	Number of existing and new partners on board	New business opportunities and strengthened ties	9	10	11	12	12	12	CEO/DCS
	Hold stakeholders forums.	Number of quarterly stakeholder forums	Improved customer satisfaction	4	4	4	4	4	20	DCS

Pillar 4: Strategic Partnerships											
Strategic Objective 4: To develop and strengthen strategic alliances and partnerships for improved health supply chain systems											
Strategy	Activity	KPI	Output	Target/Time frame (by Plan Year)						By Whom	
				1	2	3	4	5	Total		
Leverage on the strength of local manufacturers and industry players.	Collaborate with health industry players	Number of industry players engaged	Improved supply chain performance	1		1				2	PD/DCS
	Procure from local manufacturers	Percentage of products procured from local manufacturers	Lower prices and Shorter lead time	10%	10%	10%	10%	10%		50%	PD/DCS
	Share information on demand and forecast analysis with local manufacturers	Number of supply planning meetings held with local manufacturers	Improved stock availability	2	2	2	2	2		10	PD/PCIM/DCS
Build and sustain partnerships with key stakeholders	Establish a partnership engagement framework	No. of Existing Key Stakeholders	Increased Business opportunities	28	28	28	28	28		28	DCS
Strengthen collaboration with MoH and The National Treasury	Hold quarterly formal review Meetings with MoH and TNT leadership based on an Activity Matrix or SLA	Number of quarterly forums	Improved Collaboration	4	4	4	4	4		20	CEO/ PD/DCS

Pillar 5: Leadership and Governance										
Strategic Objective 5: To develop a dynamic, transparent and accountable governance structure and systems										
Strategy	Activity	KPI	Output	Target/Time frame (by Plan Year)					By Whom	
				1	2	3	4	5		Total
Provide effective leadership and oversight	Advocate for a fully constituted Board	Fully constituted board	Fully constituted board	1	1				2	CEO
	Review and update the Board Charter and Board Committee's TORs	Revised Board charter and Board TORs	Approved Board Charter and Board TORs		1				1	CEO/DLS
	Carry out Board induction & trainings	Number Board Induction Sessions and Trainings Held & Number of board members trained	Enhanced performance and efficiency	10	10	10	10	10	10	CEO
	Develop and implement e-board system	e-board system in use	Enhanced board communication and performance	1					1	ICTM
Strengthen management systems for enhanced efficiency	Develop draft regulations for recommendation to the Cabinet Secretary for operationalization of the subsidiary/commercial service	Operationalized KEMSA Regulations	Draft regulations			2			2	CEO/DLS
	Review the existing policies, manuals, SOP's and overseeing implementation	Reviewed and approved policies and manuals and SOP's	Operationalized policies	4	4	4	4	4	20	CEO/DLS

Pillar 5: Leadership and Governance

Strategic Objective 5: To develop a dynamic, transparent and accountable governance structure and systems

Strategy	Activity	KPI	Output	Target/Time frame (by Plan Year)					By Whom		
				1	2	3	4	5		Total	
Improve public opinion, attitude and behavior of key stakeholders	Develop and oversee implementation of communication strategy and policy	Implementation status of Communication strategy and Communication plan	communication reports	2						2	CEO/ PR&CM
	Develop and oversee implementation of corporate social responsibility strategy and policy	Implementation status of CSR Plan	Approved CSR policy CSR reports	1						1	CEO/ PR&CM/ CEO
	Review and implement ERM framework, policy and procedures and conduct a risk maturity assessment	Revised ERM Framework, policy and procedure manual & No. of ERM assessment conducted	ERM Reports	4	4	4	4	4	4	20	20
To Strengthen Enterprise Risk Management and BCM	Conduct corporate and departmental risk assessment, develop and implement mitigation measures	No. of Risks identified & mitigated	Updated departmental risk registers	4	4	4	4	4	4	20	HODs/ CEO
	Develop & Implement Business Continuity Management programs	No. of BCM Sensitizations conducted	Approved Business Continuity Policy / plans Bi-annual Review reports	1						1	DFS
				2	2	2	2	2	2	10	DFS

Pillar 5: Leadership and Governance											
Strategic Objective 5: To develop a dynamic, transparent and accountable governance structure and systems											
Strategy	Activity	KPI	Output	Target/Time frame (by Plan Year)						By Whom	
				1	2	3	4	5	Total		
Strengthen corporate security risks and disaster management programs	Review, implement and sensitize internal and external customers on corporate security threat management solutions	Reviewed Security Policy and Procedures Manual	Improved security & safety of KEM-SA assets & staff	1						1	CSO
		No of Security incidents reported and resolved	Improved security & safety of KEM-SA assets & staff	4	4	4	4	4		20	CSO
	Carry out corporate security and fire safety audits	Number of security and fire safety audits conducted	Security audit reports	2	2	2	2	2		10	CSO
	Deploy technology to offer maximum security to all KEMSA assets and infrastructure.	-Number of electronic security gadgets installed i.e. electronic access control, walk through detectors, security alarms and electric fence system, cctv surveillance cameras etc. - Number of surveillance report	Reduced security incidences	2	2	2	2	2		10	CSO

Pillar 5: Leadership and Governance

Strategic Objective 5: To develop a dynamic, transparent and accountable governance structure and systems

Strategy	Activity	KPI	Output	Target/Time frame (by Plan Year)						By Whom	
				1	2	3	4	5	Total		
Review effective Human Capital Management Systems	Review and oversee implementation of integrity testing programs	Integrity survey Index	Integrity survey index	1	1	1	1	1	5	5	CEO/ DHRA/ CEO
	Review and oversee implementation of HR manual, policies and procedures Develop and implement new organization structure	% Reviewed HR manual, policies and procedures organization structure	Reviewed and updated HR manual, policies and procedures. A robust management & reporting structures	1					1	1	1
	Review and oversee implementation of learning and development programs	Percentage of Compliance to training plan, (Annual Training Plan)	Approved Annual Training Plan	1	1	1	1	1	5	5	CEO/ DHRA
		Percentage of successfully executed training programs	Improved work outputs and employee performance	85%	85%	85%	85%	85%	85%	85%	CEO/ DHRA
	Oversee Implementation of improved performance appraisal system	Employee Retention Rate	1. Approved annual performance targets 2. Appraisal reports	1	1	1	1	1	5	5	CEO/ DHRA
	Implement Succession Management Plan	No. Directorates & Departments with succession management plans	Approved Succession Management plan	5					5	5	CEO/ DHRA
			Succession plan reports	2	2	2	2	2	10	10	CEO/ DHRA

Pillar 5: Leadership and Governance

Strategic Objective 5: To develop a dynamic, transparent and accountable governance structure and systems

Strategy	Activity	KPI	Output	Target/Time frame (by Plan Year)						By Whom		
				1	2	3	4	5	Total			
Strengthen Authority's Culture	1. Develop a Change Management Framework work	% increase in employee engagement index	1. Increased Efficiency 2. A performance-based Culture 3. Improved Communication 4. Embedded culture based on Authority's core values		1					1	HRAD	
	2. Review & oversee implementation of HR manuals, policies and procedures				1			1			2	
	3. Conduct Culture Change Program				1						1	HRAD
Provide assurance on internal controls, governance and risk management systems	Prepare Internal audit annual plan	Annual Plan	Approved Internal Audit Annual Plan	1	1	1	1	1	1	5	IA&RM	
	Carry out audit as per annual plan	Percentage of audit exercises executed	Audit reports	>90%	>90%	>90%	>90%	>90%	>90%	>90%	IA&RM	
	Carry out external quality assessment of internal audit Department	Assessment Score	Quality assessment report			1				1	IA&RM	
Review KEMSA Act	Propose amendments to the current Act to make it explicit on the Product offerings/Limit to the Essential Lists	Amended Act	Improved Customer Satisfaction		1						CEO/DLS	

Pillar 6: Innovation and Technology

Strategic Objective 6: To develop and maintain highly effective, reliable and secure ICT solutions that enhance user experience in Health Care Service Delivery.

Strategy	Activity	KPI	Output	Target/Time frame (by Plan Year)					By Whom		
				1	2	3	4	5		Total	
Offer automated online enterprise facing and customer facing services	Develop an automated HPTs forecasting system	A functional Automated forecasting System	Improved Forecast for HPTs		1					1	PCIM/ICTM
	Develop and Implement supplier performance measurement system	Percentage of suppliers appraised	Responsive suppliers	20%	60%	100%	100%	100%	100%	100%	ICTM/PD
	Implement e-procurement platform to facilitate automation of the procurement process	% Procurements done through e-Procurement	efficient procurement processes				1		1	2	ICTM/PD
	Implement the Laboratory Information Management System(LIMS)	% Automated Lab Processes	Enhanced efficient and security of Laboratory documentation and Performance Tracking	0	1	0	0	0	0	1	ICTM/QAM
	Automate Dashboard of supply chain metrics	% of Automated Metrics	Automated Metrics		50%	100%				100%	PCIM/ICTM

Pillar 6: Innovation and Technology												
Strategic Objective 6: To develop and maintain highly effective, reliable and secure ICT solutions that enhance user experience in Health Care Service Delivery.												
Strategy	Activity	KPI	Output	Target/Time frame (by Plan Year)					By Whom			
				1	2	3	4	5		Total		
Offer automated online enterprise facing and customer facing services	Develop and enhance the current ERP system with web capabilities and align it with the current processes a. Procurement b. Warehouse c. Customer service d. Distribution e. Contract and performance management f. Commodity tracking	% completion of enhancement	Improved performance and usability		40%	60%				100%	ICTM	
	Acquire new ERP system	No. of functional modules in the ERP implemented	New ERP system in place				17			17	ICTM	
	Automate employee attendance tracking system through procurement & Implementation of a time and attendance tracking system (clock in)	% of Staff attendance	Improved staff attendance		100%	100%		100%		100%	ICTM/HRAD	
	Develop & Implement an e-board system	e-board system in use	Enhanced board communication and performance						1	1	ICTM	
	Improve Security of the KEMSA regional Depots through procurement of CCTV and network system for regional depots	No. of Depots CCTV upgraded	Improved security surveillance around depots		1			1		1	4	ICTM/CSO
	Establish a call center	Functional call center	Improved customer response rate		1						1	ICTM/CSM
	Develop and implement solutions that supports work mobility and self-service	No of services accessible securely outside KEMSA premises	Uninterrupted delivery of service		3	4	1	1	1	9	ICTM	

Pillar 6: Innovation and Technology

Strategic Objective 6: To develop and maintain highly effective, reliable and secure ICT solutions that enhance user experience in Health Care Service Delivery.

Strategy	Activity	KPI	Output	Target/Time frame (by Plan Year)					By Whom	
				1	2	3	4	5		Total
Enhance availability of business systems and ensure continuity of business operations.	Implement an enterprise document management system	A functional EDM system implementation rate	Availability of e-documents on demand		50%	50%			100%	ICTM
	Implement a bio-metric access control system for physical document storage rooms	A functional bio-metric system	Secure access to physical document storage rooms			4			4	ICTM
	Procure and implement equipment for an offsite backup and business continuity site for hardware and software	A functional backup system implementation rate	Availability of systems backup on demand		30%	70%			100%	ICTM
	Develop and document a clearly defined business application architecture, which ensures that systems work transparently as a unified service offering	Developed and documented business application implementation rate	Efficiency and effectiveness in service delivery			50%	50%		100%	ICTM
	Procure and implement centralised data storage to secure critical end-user data	A functional end user system implementation rate	Availability of critical end user data			20%	50%	30%		ICTM

Pillar 6: Innovation and Technology

Strategic Objective 6: To develop and maintain highly effective, reliable and secure ICT solutions that enhance user experience in Health Care Service Delivery.

Strategy	Activity	KPI	Output	Target/Time frame (by Plan Year)					By Whom	
				1	2	3	4	5		Total
Improve the efficiency and availability of ICT service delivery.	Implement a service desk system	A functional service desk system implementation rate	Ability to monitor service delivery		20%	30%	50%		100%	ICTM
	Implement a portal/intranet for KEMSA	A functional intranet for KEMSA implementation rate?	Ability to access internal information and services		10%	60%	30%		100%	ICTM
	Develop documentation for all ICT systems and services.	ICT systems and services documentation rate	Usability of ICT systems		20%	40%	40%		100%	ICTM
	Carry out end user and ICT staff training for critical business systems and technologies	No of unique KEMSA staff trained on critical ICT systems	Improved productivity on the use of systems		30	70	70	70	240	ICTM
	Upgrade Embakasi and Commercial street networks.	Implemented network upgrade	Improved performance of business systems		1				1	ICTM
	Implement LAN infrastructure at Mombasa and Kisumu Depots	Implemented LAN network	Accessibility of ICT services		40%	60%			100%	ICTM
	Implement fiber connectivity for Mombasa, Kisumu, Annex, Sunflag and Astra warehouses and upgrade internet connectivity for commercial street and Embakasi	No of sites implemented with fiber connectivity	Improved connectivity performance		7				7	ICTM
	Connect depots via 3G/4G mobile connectivity (Nyeri, Meru, Garissa, Eldoret and Nakuru)	% of processes transacted through ERP from Regional depots	connected depots		5				5	ICTM

Pillar 6: Innovation and Technology

Strategic Objective 6: To develop and maintain highly effective, reliable and secure ICT solutions that enhance user experience in Health Care Service Delivery.

Strategy	Activity	KPI	Output	Target/Time frame (by Plan Year)					By Whom		
				1	2	3	4	5		Total	
Proactively identifying and mitigating ICT risks, threats and vulnerabilities.	Implement an ICT security threats and vulnerabilities monitoring systems	A functional ICT security monitoring system	Minimised likelihood of cyber attack			1			1	ICTM	
	Implement an IT security and vulnerabilities tracking system	A functional IT security and vulnerabilities tracking system	Minimised likelihood of cyber attack			1			1	ICTM	
	Implement a document security and encryption system for corporate documents.	A functional document security and encryption system	Availability of secure e-documents			1			1	ICTM	
	Implement the ICT disaster recovery and business continuity plan	ICT BCM plan implementation rate	Reduced risk of business loss		20%	40%		40%		100%	ICTM
	Implement an Enterprise Risk Management monitoring system	A functional automated risk management system	Improved management of risks				1			1	ICTM
	Develop and implement an ICT policy	ICT policy implementation rate	Reduced risk exposure to the organisation		10%	50%		40%		1	ICTM
Enhance compliance with best practice frameworks, standards, procedures and governance policies.	Implement ICT authority standards a. IT governance standards b. Electronic records and data management standards c. Systems and applications standards	ICTA standards implementation rate	Standardised delivery of service		1	1		1	3	ICTM	
	Implement ITIL service delivery framework in the delivery of ICT services a. Incident management b. SLA management	ITIL service delivery implementation rate	Improved ICT service delivery			1	1		2	ICTM	

5.2 Annual Action Planning: Institutionalizing and Operationalizing Strategy

Strategy implementation is about change management and the action stage of the planning process. To ensure successful implementation of this strategic plan, KEMSA will continually assess the optimality of its structures and if necessary, undertake culture change management at all levels, offer the requisite training, recruit adequate competent staff, enhance the internal systems and processes, and mobilize adequate resources to undertake this critical task. This involves designing and managing systems to achieve the best integration of people, structure, processes and resources in achieving institutional objectives. Four broad areas that stand out include:

- (i) Performing the recurring administrative tasks associated with strategy implementation.
- (ii) Creating a fit between strategy and the various internal “ways of doing things” to align the whole institution behind strategy accomplishment.
- (iii) Figuring out an agenda and a set of action priorities that matches with the overall situation and the context within which implementation must take place, and
- (iv) Management and leadership style to adapt in inducing the needed institutional changes.

Successful strategy execution depends greatly on good internal environment and competent personnel. A strategy implementer can opt for an active, visible role or a low-key, behind the scenes role, remaining aloof from the day-to-day problems. To some extent, therefore, each strategy implementation is unique enough to push for change in shaping the character of implementation and moving the process along. Strategy implementers’ challenge in performing these tasks is to bring the Authority’s internal operations into good alignment with strategy and to unite the total institution behind strategy accomplishment. Strategy-supportive matches are needed with necessary skills and capabilities, area activities, structures, incentives, policies and procedures, information systems and control mechanisms, budgets and programmes, and shared values and norms. The Board’s role in the implementation process is leading and setting the tone, the pace and style of strategy implementation.

The structure, culture, policies, staff and leadership style will be driven towards successful implementation of this strategic plan. Where there are inconsistencies, internal adjustment will be necessary. The success of implementing the planned strategies would eventually lead to improved overall performance and sustainable growth. KEMSA will continuously pursue this Strategic Plan as a roadmap for sustainability and success. The Authority will ensure effective institutionalization and operationalization during strategy implementation.

The Kenya Health Sector Partnership and Coordination Framework 2018-2030 establishes structures and mechanisms that bring together all key partners in the health sector at different levels to work in collaboration to achieve priority sector objectives and results. To improve the overall partnership and coordination in KEMSA, the following issues will be prioritized: improving operationalization of agreed coordination structures; strengthening harmonization efforts amongst stakeholders; establishing a capacity building process for partnerships; and establishing a fully functional partnership mechanism. For effective implementation arrangement, a common planning and annual budgeting process will be adopted. The common planning framework will be defined by the Kenya Health Policy 2014-2030, the Kenya Health Sector Strategic and Investment Plans (KHSSPs) Annual Work Plans, County Integrated Development Plans (CIDPs) and National Programme Plans.

There is need to communicate this strategy deliberately in order to attain, strengthen and preserve a favorable opinion of the Strategic Plan and to ensure buy-in from all relevant part-

ners and stakeholders. The communication will focus on: ensuring that all stakeholders are fully informed and understand their roles and responsibilities in implementation of the SP, enhancing consultation with agencies in achieving set outcomes and ensuring that all stakeholders understand the SP and ongoing reform process.

5.3 Budgeting, Resource Implications and Mobilization

Effective strategy implementation will require careful attention to resource development, allocation and utilization. The base of both financial and human resources will require consolidation to sustain KEMSA operations over the next five years. Putting in place a sustainable mechanism that ensures optimal utilization of human and financial resources is, therefore, critical. KEMSA will require funds to finance both recurrent and capital expenditure budgets. The leadership will need to develop strategies to prioritize and mobilize resources (tangible, intangible and capabilities) aimed at meeting possible resource gaps.

The five-year Strategic Plan (2019-2023) calls for Annual Operational Plans (AOPs), meaning that during each year, the various departments will pick out strategies and activities planned for that particular year and schedule them accordingly. This will be done through assigning tasks and responsibility to the implementers as well as budgeting. Annual Work Plans will be completed before developing the budgets. To implement the Plan, the Authority will need to carry out annual budgeting to ensure resources mobilization and determine the estimated amount of resources required each year. The budgetary requirements and projections will be developed and approved by the Board of Directors annually in form of an operational annual budget. Annual action plans will be extracted by the parties responsible for implementation. These annual operational plans will then be synchronized with the planned strategic deliverables. *Annex 2* outlines KEMSA Annual Work Plans.

Attracting, maintaining and retaining qualified and competent human capital is one of the key drivers of successful strategy implementation. Short-term and long-term staff development programmes should form part of the human resource management that supports implementation of the planned activities to attain the set goals and objectives. Successful implementation of the Strategic Plan is therefore, dependent on the Authority's human capital management. To reduce undue bureaucracy and enhance efficiency, the following will be necessary:

- (i) Once the annual budget is duly drawn up and approved by the Board, the responsibility of implementation is decentralized to departments.
- (ii) The governance structures should be streamlined to ensure smooth operation of each department.

Table 14: Strategy Implementation Budget

No.	Pillar	Strategic objectives	Strategies	Cost of Implementation in Million KES					
				Year 1	Year 2	Year 3	Year 4	Year 5	Total
1	Financial Stewardship	To ensure a robust financial framework for a concrete financial base	1. Increase revenue from supply chain services	110.5	92.5	87.0	75.0	78.0	443.0
			2. Share Health Supply Chain Expertise.						
			3. Enhance KEMSA Capitalization from KES 8B to 10B						
			4. Develop and Implement Cost management mechanism						
			5. Ensure Business Sustainability						
2	Customer Focus	To Increase the market Share from 70% to 90%	1. Increase the demand for KEMSA Health Products & Technologies	5,226.0	4,154.4	3,190.8	1,704.0	1,737.9	16,013.1
			2. Enhance commercial performance						
			3. Improve marketing communication						
			4. Improve customer relationship management						
			5. Strengthen the capacity of SSD						
3	Internal Processes & Systems	To have robust physical facilities, internal business process, systems and infrastructure upgrades that support business growth.	1. Bi-annual Review of HPTs demand - strengthen selection, forecasting and quantification.	212.15	216.85	98.6	103.85	24.35	655.8
			2. Develop and update appropriate products and specifications in collaboration with MOH guidelines and customers.						
			3. Advocate for enactment of new regulations for the PPAD Act 2015 to ensure the regulations meet KEMSA's needs						
			4. Strengthen quality assurance processes and systems throughout the supply chain						
			5. Improve operational performance management						
			6. Improve Order Fill rate						

No.	Pillar	Strategic objectives	Strategies	Cost of Implementation in Million KES						
				Year 1	Year 2	Year 3	Year 4	Year 5	Total	
4	Strategic Partnership	To develop and strengthen alliances and partnerships for improved health supply chain systems	7. Improve order turnaround time							
			8. Improve Staff welfare by provision of amenities and recreational activities							
			9. Establish employee assistance programmes							
			1. Develop and sustain transformational relationships with development partners	38.94	33.34	37.04	33.39	34.92	177.63	
5	Leadership and Governance	To develop a dynamic, transparent and accountable governance structure and systems	2. Leverage on the strength of local manufacturers and industry players.							
			3. Build and sustain partnerships with key stakeholders							
			4. Strengthen collaboration with Ministry of Health and the National Treasury							
			1. Provide effective leadership and oversight	374.5	1349.5	380.875	332.5	329.5	2,766.9	
			2. Strengthen management systems for enhanced efficiency							
			3. Improve public opinion, attitude and behavior of key stakeholders							
			4. To Strengthen Enterprise Risk Management and Strengthen BCM							
			5. Strengthen corporate security risk and disaster management programmes							
			6. Review Human Capital Management Systems							
			7. Strengthen Authority's Culture							
			8. Provide assurance on internal controls, governance and risk management systems							
9. Review the KEMSA Act.										

No.	Pillar	Strategic objectives	Strategies	Cost of Implementation in Million KES					
				Year 1	Year 2	Year 3	Year 4	Year 5	Total
6	Innovation and Technology	To develop and maintain highly effective, reliable and secure ICT solutions that enhance user experience in Health Care Service Delivery.	1. Offer automated online enterprise facing and customer facing services	210	362.5	124	127.5	51	875
			2. Enhance availability of business systems and ensure continuity of business operations.						
			3. Improve the efficiency and availability of ICT service delivery.						
			4. Proactively identifying and mitigating ICT risks, threats and vulnerabilities.						
			5. Enhance compliance with best practice frameworks, standards, procedures and governance policies.						
Total				6,172.1	6,209.1	3,908.3	2,379.2	2,255.7	20,931.4

KEMSA will require about KSh. 20,931,400,000 (Approx.) to implement its activities over the plan period. The areas for which the funds will be required and the estimated amounts are as given in the Implementation Matrix.

5.3.1 Funding Strategies

KEMSA will need a mix of strategies to raise funds for strategy implementation. In addition to the various sources of funds, KEMSA will continue to institute annual cost saving strategies to be employed during the plan period. The following will be the main strategies:

(a) Income from sales

It is envisaged that the funding for most KEMSA expenditure, particularly on purchases during the Plan period, will be from existing sources, that is, sale of pharmaceutical and non-pharmaceuticals products.

(b) Government subvention

KEMSA will continue to draw funds from the National Treasury in the form of Government subsidy for its recurrent as well as development expenditure. It is noted that KEMSA will retain its position as a critical player in the UHC. It is also noted, however, that the National Treasury would like KEMSA to be more autonomous in terms of funding its operations in the future.

(c) Other sources of funds

Other sources of funds were identified as follows:

(a) Supply chain fees earned from engagement with strategic partners

(b) Short term investments in financial instruments

(c) Disposal of idle assets

(d) Training through the Medical Supply Chain institute.

(e) Donations from stakeholders.

5.4 Risk Analysis and Critical Assumptions

The envisaged strategic objectives can only be realized if the conditions in the internal and external environment do not change in ways that shall not be anticipated at the time of its preparation. Successful implementation of the plan is built on certain prevailing conditions and assumptions; lack of the same could derail the Authority from the planned course. These assumptions act as constraints to the achievement of the various strategies, to which the action plan should then be sensitive.

Human resource capacity and availability of funds are critical assumptions constraining successful implementation of the plan. At the same time there may be potential factors and risks, which if they occur, will threaten the degree to which the planned objectives may be met. Whereas these factors and events can happen, it is generally assumed that they will not occur during the plan period. It is therefore necessary to state that the successful implementation of the plan will be based on the assumption that the prevailing and anticipated conditions in the operating environment will not vary significantly from what is already known. It has been assumed that:

(i) The Authority's leadership will remain supportive to the implementation process.

(ii) Most resources required for the implementation of the Strategic Plan will be funded through annual financial/ resource mobilization and allocations.

(iii) Human Resources and capacity gaps identified will be addressed in a timely manner.

(iv) The ICT function will be strengthened to respond to the stakeholders' needs.

(v) Required revenue targets for various strategies will be achieved.

(vi) The national and county political environments and uncertainties will remain stable.

(vii) The Authority's model of a learning institution and culture will continue.

(viii) The Authority will consistently and deliberately pursue excellent performance.

(ix) Policies that allow KEMSA to continue its role of providing quality and affordable HPTs.

It is important to identify risks that would hinder strategy execution or reduce the positive effect of this plan to allow for their mitigation. Potential risk factors and events which, if they occurred, would threaten attainment of planned strategic objectives that were identified through environmental scanning to enable preparation of the Authority's Business Continuity Plan: the "What if" scenario. *Annex 3* outlines a comprehensive Enterprise Risk Management Matrix. The following factors could affect the momentum of plan unless mitigated:

- (i) Weak internal systems and structures to support the Strategic Plan
- (ii) Insufficient resources to support the strategic objectives
- (iii) Unplanned and ineffective performance management
- (iv) Lengthy administrative bureaucracy
- (v) Poor plan implementation and monitoring
- (vi) High staff turnover

These are risks that are not easily quantifiable but can be handled by widening of the resource base and deflection of some activities during implementation. On a continuous basis, departments are expected to identify and profile potential operational risks to facilitate documentation of the lessons learned. To mitigate these risk factors, KEMSA will develop a practical Business Continuity Plan so that in the event of a disaster or disruption of the office facilities/activities, the operations should resume within the shortest period possible based on the backed-up data in a different location.

In order to achieve the Plan priority areas, there is recognition that key risks are likely to affect the progress. The sources of risk are predicted in five related areas, which include political commitment, political and social responsibility, inadequate financial resources, epidemics, community involvement, provision of essential health care services, and quality of care. KEMSA will ensure a "proactive approach" to ERM by beginning the risk management activities early, making risk management iterative throughout the operations, ensuring solid risk management processes, engaging risk owners early, training a team on risk management processes, providing for multiple forms of risk identification activities, providing feedback to risk owners and encourage frequent risk discussions. The actions will in turn ensure risk management aligns with other primary constraints – scope, time, cost and quality.

One of the key elements of strategic planning is understanding why some organizations, in the same context and with a well-documented Strategic Plan, succeed while others fail. Strategy control links elements of strategic management and helps an organization to continuously adjust or revise its strategic inputs and actions to achieve the desired goals/outcomes. These elements provide indicators for strategy control through continuous monitoring and periodic evaluation. Strategy monitoring, and evaluation involves examining how the strategy is being implemented as well as the outcomes of the strategy. The implementation of this plan takes into account that the country is under a devolved system of governance. Stakeholders in the health sector will include state actors (National and County Governments), health-related sectors, external actors (development partners), non-state actors (implementing partners, private sector) and clients. *Chapter 6* highlights how KEMSA ensures its strategy monitoring and evaluation.

6.1 Control, Responsibility and Accountability

The overall responsibility for successful strategy implementation rests with the Chief Executive Officer (CEO) under the leadership of the Board of Directors. It is, however, crucial that all KEMSA stakeholders commit to supporting strategy implementation and actively contribute to its success. The implementation of the plan requires focus that is concurrent with, but not necessarily the same as, the day-to-day activities of KEMSA operations. Coordination at all levels of the plan, and its implementation, is necessary and it is a continuous cycle. PCI dept through the Directorate of Finance and Strategy will provide periodic reports to the Board of Directors, through the CEO, and control, monitoring and evaluation is undertaken against key performance indicators defined in the Implementation Plan. PCI department will periodically receive reports, provide feedback, co-ordinate and supervise implementation of recommendations from the other stakeholders. PCI department will also ensure:

- (i) Total quality assurance standards and a continuous improvement process.
- (ii) Culture of change and effective management of change.
- (iii) Maintain good relations with stakeholders, taking stock and sharing success stories.
- (iv) Review performance management, monitoring and evaluation mechanism and provide periodic reports.
- (v) Document impact when carrying out various activities.

The 2019-2024 Strategic Plan has been designed to facilitate the realization of KEMSA vision and mission and support accountability in the delivery of the Authority's mandate. Since monitoring and evaluation is a critical part of the service delivery process, the strategic plan is cascaded to more sharply defined individual performance targets. The CEO will periodically monitor progress on the plans to provide briefing for the Board of Directors. In addition, regular meetings with departments/divisions will assess progress, resolve problems and identify any support or development needs.

The success of the Strategic Plan significantly depends on how effectively the planned activities and outputs are monitored and evaluated with a view to ensuring that KEMSA's development over the plan period (2019-2024) remains on the defined road map. Monitoring and evaluation framework, which works in tandem with the Implementation Matrix, is designed to ensure the following:

- (i) Establishment of an effective information system.

- (ii) Establishment of clear reporting schedules, channels, and feedback mechanisms on an on-going basis, requiring time and commitment from all.
- (iii) Candid and documented specifications of the roles of individuals and performance targets.
- (iv) Clear statement and definition of action plans to be taken within specified timeframes; typically, annually and quarterly.
- (v) Linking Monitoring and Evaluation to Performance Management and Staff Appraisal.

6.2 Monitoring and Evaluation Framework

Monitoring and evaluation are essential functions to ensure that priority actions outlined in the SP are implemented as planned against stated objectives and desired results. The evidence gathered through implementation of the Monitoring and Evaluation framework will be used to guide decision making by characterizing the implications of progress, or lack of it. The monitoring and evaluation of the SP is guided by the health sector Monitoring and Evaluation framework. The monitoring and evaluation framework defines the responsibilities of each actor and stakeholder. A transparent system of joint periodic data and performance reviews that involves key stakeholders will be put in place. All the divisions and departments will be required to maintain an implementation tracking plan which will keep track of review and evaluation recommendations, agreed follow-up actions, and status of these actions. A comprehensive feedback mechanism will ensure inclusiveness to enhance accountability.

Quarterly and annual reports will be prepared and a comprehensive analytical report giving a snapshot of performance covering the different strategic objectives articulated in the Strategic Plan (2019-2024) will be produced. A mid-term review and an end evaluation will be undertaken to determine the extent to which the objectives of this Strategic Plan are met across the different indicator domains. The principle of joint assessment will be used at all levels during performance reviews. This will involve all stakeholders, both government and non-government actors, in review of performance. The purpose of the joint assessment is to review performance, determine priorities, action plans and spending for the subsequent period. KEMSA CEO in conjunction with KEMSA Management, will be responsible for the day to day implementation and coordination of the monitoring and evaluation this Strategic Plan.

6.2.1 Performance Monitoring

A desk top monitoring framework (dashboard) from the implementation matrix will facilitate and check on the status of planned activities, thereby prompting action in case of delays or gaps. The monitoring framework will include prompts to the management on implementation progress, detail activities that are behind schedule and those that are complete.

At the beginning of each year, all the units (directorates and departments) will set their performance targets as part of their Annual Work Plans as derived from their strategic activities. In setting these targets, the performance should be monitored in a Special Management Meeting planned and chaired by the CEO. The milestones of strategy monitoring, and reporting will be done through bi-annual departmental work-plan implementation (monitoring) report. Monitoring will help KEMSA to:

- (i) Establish if performance targets have been met and deviations explained;
- (ii) Act as an early warning sign and detect potential difficulties as well as help to address them during implementation; and
- (iii) Provide feedback to the next phase of implementation, reduce the cost and/or increase the efficiency of post evaluation studies.

Table 15 presents a monitoring template, guiding monitoring of strategy implementation. Table 15: Strategy activities Monitoring Tool

Strategic Objective:					
Strategy	Activities	Timeline		Output	
		Planned	Actual Status	Expected	Actual Status

Progress Reports

Progress Reports, based on the above monitoring tool, will be prepared by all departments based on the strategic objectives driven by the departments. The reports will be submitted to the PCI dept. Reports will be prepared quarterly and annually. The annual reports will coincide with the KEMSA’s budgetary cycles. Reports will be based on the quarterly work plans drawn from the Implementation Matrix and will describe actions taken by departments toward achieving specific outcomes and strategies of the plan and may include costs, benefits, performance measures and progress to date.



6.2.2 Performance Evaluation

During implementation, the Strategic Plan will be evaluated to ensure that it is feasible and has been executed to produce the intended results. A mid-term review and a summative evaluation will be undertaken to determine the extent to which the objectives of this strategic plan are met across the different indicator domains - inputs/processes, outputs, outcomes and impact. The mid-term review will coincide with the annual review of the Strategic Plan year three. The results will be used to adjust strategies, priorities and objectives. The evaluation of the annual plans remains critical during strategy implementation, to find out if the intended results have been realized. Performance evaluation shall be carried out at the end of the year. The agreed performance indicators and targets will be used as bench marks for year-end evaluations.

Evaluation will be undertaken by the PCI department in conjunction with the departmental Performance Management champions and Heads of Departments. The PCI team will evaluate all strategies, activities and outputs/outcomes with a view to advising the management on

any performance gaps as well as offering feasible strategy alternatives. The evaluation will entail the following:

- (i) Measuring actual performance against target levels and establishing size of gap or variance, if any.
- (ii) Identifying the causal factors for the variance.
- (iii) Identifying and recommending appropriate remedial measures including a review of the objectives and/or strategies.
- (iv) Undertaking service delivery surveys.

The outcome of the annual evaluation will form a good basis for the plans for the following year. An evaluation template for evaluation is presented in Table 16.

Table 16: Strategy Evaluation Tool

Strategic Objective:				
Strategy	Key Performance Indicator	Planned Output	Actual Status	Comments

6.3 Linking M&E to Performance Management and Staff Appraisal

To ensure sustainability, a culture of performance management will cover all staff irrespective of levels. This will enable staff to appreciate their individual linkage and contributions to the implementation of the Strategic Plan and the attainment KEMSA objectives. For the implementation of the Plan to be effective, the M&E will be an integral part of KEMSA’s performance management system and will be linked to staff appraisal and reward systems. Officers meeting and exceeding their planned target will be rewarded in line with the Authority’s reward and recognition policy.

6.4 Conclusion

Monitoring, evaluation and learning (MEAL) provide continuous feedback for plan review and enhances constant communication, resulting in strategy modification. KEMSA has set out a goal to improve its performance and to obtain a commitment from stakeholders to work together towards these goals. Realistic expectations will be established to guide the journey into the next five years.

The Authority will keep a vigilant eye over existing and emerging competition in order to assure itself of growth and success in the pharmaceutical industry. Guided by this Strategic Plan, KEMSA will strive to cultivate creativity in service delivery minimize stock outs, ensure improved order fill rates, improved turnaround and therefore customer satisfaction, increased market share, and sustainable growth.

===== END =====

Pillar 2: Customer Focus

Strategic Objective 2: Increase Market Share from 70% to 90%.

Strategy	Activity	Responsible	Target/Time frame (by Plan Year)																			
			Year 1				Year 2				Year 3				Year 4				Year 5			
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Enhance commercial performance	Conduct Quarterly performance review meetings	DCS	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
	Continuous engagement with key stakeholders	CEO	Continuous	Continuous	Continuous	Continuous	Continuous	Continuous	Continuous	Continuous	Continuous	Continuous	Continuous	Continuous	Continuous	Continuous	Continuous	Continuous	Continuous	Continuous	Continuous	
Improve marketing communication	Execute advertising and publicity campaigns	PRCM	4	5	5	1	4	5	5	1	4	5	5	1	4	5	5	1	4	5	5	1
	Redesign and regularly update the website	PRCM																				
	Enhance social media marketing strategies	PRCM																				
	Develop and execute corporate social responsibility campaigns	PRCM																				
	Participate in relevant health-care exhibitions and trade fairs	PRCM																				
	Media Engagements	PRCM																				
	Publish quarterly newsletter to deliver a range of promotional messages	PRCM	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
	Carry out media engagement training for Key staff in sales, customer service and technical staff	PRCM	25	25	25	25																
	Involvement in relevant professional conferences & seminars	SSM/HSSD/PRCM	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1

Pillar 4: Strategic Partnerships

Strategic Objective 4: Develop and strengthen strategic alliances and partnerships for improved health supply chain systems

Strategy		Activity	Responsible	Target/Time frame (by Plan Year)																			
				Year 1				Year 2				Year 3				Year 4				Year 5			
				Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Leverage on the strength of local manufacturers and industry players.		Collaborate with health industry players	PD/DCS	6																			
		Procure from local manufacturers	PD/DCS				10%								10%								10%
		Share information on demand and forecast analysis with local manufacturers	PD/PCIM/DCS																				
Build and sustain partnerships with key stakeholders		Establish a partnership engagement framework	DCS																				
Strengthen Collaboration with MoH and The National treasury		Hold quarterly Formal review meetings with MoH and TNT leadership based on an activity matrix or SLA	CEO/ PD/DCS	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1

Pillar 6: Innovation and Technology

Strategic Objective 6: To develop and maintain highly effective, reliable and secure ICT solutions that enhance user experience in Health Care Service Delivery.

Strategy	Activity	Responsible	Target/Time frame (by Plan Year)																			
			Year 1				Year 2				Year 3				Year 4				Year 5			
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
	Automate employee attendance tracking system through procurement and implementation of a time an tracking system(clock-in system)	ICTM/HRAD					100%				100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
	Develop & Implement e-board	ICTM					100%				100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
	Improve Security of the KEM-SA regional Depots through procurement of CCTV and network system for regional depots	OD/CSO/ ICTM				1															1	
	Establish a call center	CSM/ICTM									1											
	Develop and implement solutions that supports work mobility and self-service	ICTM																				
	Implement an enterprise document management system	ICTM												50%								
	Implement a bio-metric access control system for physical document storage rooms	ICTM												4								
Enhance availability of business systems and ensure continuity of business operations.	Procure and implement equipment for an offsite back up and business continuity site for hardware and software	ICTM/OD												70%								
	Develop and document a clearly defined business application architecture, which ensures that systems work transparently as a unified service offering	ICTM												50%								

Pillar 6: Innovation and Technology

Strategic Objective 6: To develop and maintain highly effective, reliable and secure ICT solutions that enhance user experience in Health Care Service Delivery.

Strategy	Activity	Responsible	Target/Time frame (by Plan Year)																							
			Year 1				Year 2				Year 3				Year 4				Year 5							
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4				
Improve the efficiency and availability of ICT service delivery.	Procure and implement centralised data storage to secure critical end-user data	ICTM					20%								50%				30%							
	Implement a service desk system	ICTM					20%						30%						50%							
	Implement a portal/intranet for KEMSA	ICTM					10%					60%							40%							
	Develop documentation for all ICT systems and services.	ICTM					20%								40%								40%			
	Carry out user and ICT staff training for critical business systems and technologies	ICTM					30								70								70			
	Upgrade Embakasi and Commercial street networks.	ICTM																								
	Implement LAN infrastructure at Mombasa and Kisumu Depots	ICTM																								
	Implement fiber connectivity for Mombasa, Kisumu, Annex, Sunflag and Astra warehouses and upgrade internet connectivity for commercial street and Embakasi	ICTM																								
	Connect depots via 3G/4G mobile connectivity (Nyeri, Meru, Garissa, Eldoret and Nakuru)	ICTM																								

Pillar 6: Innovation and Technology

Strategic Objective 6: To develop and maintain highly effective, reliable and secure ICT solutions that enhance user experience in Health Care Service Delivery.

Strategy	Activity	Responsible	Target/Time frame (by Plan Year)																							
			Year 1				Year 2				Year 3				Year 4				Year 5							
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4				
Proactively identifying and mitigating ICT risks, threats and vulnerabilities.	Implement an ICT security threats and vulnerabilities monitoring systems	ICTM									1															
	Implement an IT security and vulnerabilities tracking system	ICTM									1															
	Implement a document security and encryption system for corporate documents.	ICTM										1														
	Implement the ICT disaster recovery and business continuity plan	ICTM												20%				40%								40%
	Implement an Enterprise Risk Management monitoring system	ICTM																								1
Enhance compliance with best practice frameworks, standards, procedures and governance policies.	Develop and implement an ICT policy	ICTM																								
	Implement ICT authority standards	ICTM																								
	a. IT governance standards	ICTM																								
	b. Electronic records and data management standards	ICTM																								
	c. Systems and applications standards	ICTM																								
Implement ITIL service delivery framework in the delivery of ICT services	ICTM																									
a. Incident management	ICTM																									
b. SLA management	ICTM																									

Annex 2: Enterprise Risk Management Matrix

(a) Financial Stewardship

Strategy	Risk/ (Opportunity) Description	Sources/Causes		Score			Treatment Strategy/Action
		Impact	Likelihood	Overall	Impact	Likelihood	
Increase in demand for KEMSA Products	Expiries	Poor quantification					1. Proper and accurate data for forecasting and quantification. 2. Consider Just-in-time acquisition of some Products
		Introduction of new products with no or low demand.	3	3	9		
	Obsolescence	Change in treatment regimen or technology	3	1	3	Use of informed technical staff (both KEMSA and customers side) during product selection	
		Poor supplier performance	3	3	9	Enforce contract management 2. Utilizing supplier performance appraisal tool.	
	Stock outs	Poor quantification	2	3	6	Getting threshold of the small orders based on the distribution-costing model.	
		Lack of distribution costing model	3	2	6	Conducting market research on repayment history of customers.	
	Uneconomic Orders	Lack of historical debt repayment information	1	2	2	Conducting market research before venturing into new markets	
		Increase in outstanding Debt	3	1	3	Due diligence through Know Your Customer (KYC) procedures before engaging new business partners/customers.	
	Venture into new markets.	Inability to fulfil needs of new markets	Lack of historical consumption data on customers	3	2	6	Have a pool of donors and constant lobbying for new partners.
			Unscrupulous business men who want to utilize organizational loop holes	3	2	6	Establish a costing policy for pricing donor funded projects.
Fraudulent orders		Change of policy	2	3	6	Counter press statements and frequent documentary on KEMSA.	
		Growth in economy	3	2	6	Constant lobbying with treasury and MOH	
Reduction in donor funding		Lack of costing policy	2	3	6		
		Political interference	2	3	6		
Unviable partnerships		Audit Reports	2	3	6		
		Poor performance	3	2	6		
Bad publicity		Lack of funding from the exchequer	3	2	6		
		Lack of budgetary provision.	3	2	6		

Strategy	Risk/ (Opportunity) Description	Sources/Causes	Score			Treatment Strategy/Action
			Impact	Likelihood	Overall	
Share Health Supply Chain Expertise.	Failure of the project to kick-off	Lack organizational commitment	3	2	6	Setting up of a Technical Working Group (TWG) and clear Terms Of Reference (TOR)
	Normal Departmental Operations might be disrupted	Lack of Contingency plans and laid down structure and guidelines to be used.	2	2	4	Have Contingency plans
	Conflict with core mandate	Management tendency to over focus on the Institute.	2	2	4	Clear roles and responsibilities
Enhance KEMSA Capitalization from KES 8B to 10B	The targeted project might fail due to delay in disbursement/ release funds	Lack of funding from the exchequer	3	3	9	Lobbying for inclusion in the Ministerial budget.
		Lack of budgetary provision in the ministerial budget				
Cost Management	Planning and budgeting for activities that are not aligned to the organizations core objectives	Poor planning within the departments.	3	3	9	Sensitization of departments on budgeting process
		Poor prioritization of activities.				
	Failure to budget for unforeseen activities	Not budgeting for emergencies and unforeseen activities	3	1	3	Having business continuity plans in place
b) Customer Focus	Increased Order Turn Around Time (TAT)	Failure to harmonies ordering process by programs and facilities.	3	3	9	Sensitization of Counties and Programs to harmonies ordering process

Strategy	Risk/ (Opportunity) Description	Sources/Causes	Score			Treatment Strategy/Action
			Impact	Likelihood	Overall	
Increase the demand for KEMSA Health Products & Technologies	Expiries	Change of guidelines	3	2	6	Regular Post distribution Surveillance
	Obsolescence	Inaccurate forecasting	3	1	3	Regular Post Distribution surveillance
	Inadequate funds	Unpaid debts	3	2	6	Improve on debt collection mechanism
	Stock outs	Poor Quantification Non delivery by suppliers	3	3	9	Data driven forecasting & Quantification
	Inadequate Storage space	Over stocking	2	1	2	Proper planning
	Increased Holding cost	Over stocking	2	1	2	Proper forecasting, demand planning
	Loss of Business	Change/unsupportive Laws/	3	2	6	Continuous advocacy
	Inadequacy of funds	Unpaid debts	2	2	4	debt management
	Obsolescence	Technological changes	3	1	3	Regular post marketing surveillance
	Inadequacy of funds	Lack of budgeting	3	2	6	Timely initiation of procurement.
Improve marketing communication	Reputational damage.	Negative publicity	3	2	6	Media management
	Delayed dissemination of information	Lengthy procurement process	2	3	6	Proper procurement planning
	Failure to attract the right target group.	Personal Interest	2	2	4	Sensitize leadership at the facilities on the need to train the right staff.
	Attrition	Dissatisfaction	2	2	4	Continuous on-job training
Improve customer relationship management	Inaccurate/Biased information during customer satisfaction surveys	Use of inaccurate tools/Methods	2	2	4	Knowledge management Recruitment of competent consultants to carry out customer satisfaction survey.
	Inadequate funds	Budget constraints Unpaid debts	2	1	2	Adequate procurement planning
Strengthen the capacity of SSD						
c) Internal Business Processes and Systems						

Strategy	Risk/ (Opportunity) Description	Sources/Causes	Score			Treatment Strategy/Action	
			Impact	Likelihood	Overall		
Strengthen selection, demand forecasting and quantification	Loss of business	Stock outs	3	1	3	Proper demand data	
		Increased competition				Enhance contract management.	
		Poor quantification				High quality cost effective products.	
		Unreliable demand data.				Customer relation management.	
		Withdrawal of development partners.				Advocacy for more funds.	
		Delay in disbursement of funds				Assured source of fund planned and budgeted.	
		Insufficient budget/ resources				Constant engagement with the government.	
		Overstocking				Proper demand data	
		Change of treatment guideline/ regimen.				Contract management.	
		Erratic demand patterns				High quality cost effective products.	
Strengthen QA processes and systems throughout the supply chain	Fire	Poor storage of flammable products	3	2	6	Customer relation management.	
		Electrical failure				6	GWPs
		Sabotage by staff				Proper maintenance and service electrical appliances.	
						Insurance.	
						Satisfy the employees	

Strategy	Risk/ (Opportunity) Description	Sources/ Causes	Score			Treatment Strategy/Action
			Impact	Likelihood	Overall	
Support KEMSA management systems and processes through automation and innovation	Cyber attacks	Hacking	3	1	3	Strengthen computer systems security.
		Weaknesses in computer systems.				Satisfied employees.
		Disgruntled employees				
	Insecurity and terrorism	Insecure borders	3	1	3	Secure premises
		Intercommunity clashes.				Insure KEMSA assets
		Political unrest				
		Unsecured premises.				
	Negative publicity	Inability to disseminate correct KEMSA narrative.	3	2	6	Enhance information privacy
		Gutter press				Media training
		Natural calamities				Strengthen computer systems security.
Loss of data	Fire and Hacking				Offsite data backup	
d) Strategic Partnerships						
Strategy	Risk/ (Opportunity) Description	Sources/ Causes	Impact	Likelihood	Overall	Treatment Strategy/Action
Develop and sustain transformational relationships with development partners.	Failure in collaboration by partners	Negative publicity	3	1	3	Manage media content
		Lack of transparency and accountability				Compliance to partner requirements
		Failure to meet expectations				Monitor and evaluate performance regularly
		Host country policies				Adhere to partner guidelines and policies
		Non-compliance to partner policies and guidelines				
		Legislations				
		Poor organizational performance				
		Poor organizational systems				

Strategy	Risk/ (Opportunity) Description	Sources/Causes	Score			Treatment Strategy/Action
			Impact	Likelihood	Overall	
Leverage on the strength of local manufacturers and industry players.	Inadequate funds to support collaboration activities	Low internal revenues	2	1	2	Ensure availability of budgets and funds to support strategic partner engagement
		Reduced government support				
		Changing spending priorities				
	Lack of Management / leadership support	Lack of inclusivity in strategic decision making Resistance to change	3	1	3	Ensure internal collaboration in strategic decision making
Build and sustain partnerships with key stakeholders	Low quality	Lack of non-pharm testing mechanisms	3	2	6	Enforce quality requirements
		Failure to adhere to regulatory requirements				
	Increased product prices	Monopoly				Standardize the prices of products
		Legislations	3	2	6	Standardize product range
e) Leadership and Governance						
Strategy	Risk/ (Opportunity) Description	Sources/Causes	Impact	Likelihood	Overall	Treatment Strategy/Action
Provide assurance on internal controls, governance and risk management systems	Lack of a fully constituted board	Expiry of term Bureaucratic appointment procedure & Amendment of law	2	3	6	Lobby for legislation and appointment
	Inadequate funds	Delayed collection Reduced donor funding	2	3	6	Enhanced commercial activities i.e. Aggressive debt collection Enhanced sales Increased SSD sales activities 2. Enhance donor engagements
Develop effective Human Capital Management Systems	Employee turnover	Staff attrition	3	1	3	Develop and implement employee succession plans
	Poor work culture/ethics	Weak leadership (vertical/horizontal) Lack of motivation	2	2	4	Implement change management programs

Strategy	Risk/ (Opportunity) Description	Sources/Causes	Score			Treatment Strategy/Action
			Impact	Likelihood	Overall	
Strengthen management systems for enhanced efficiency	Skills gap	Staff attrition Change in technology and business environment	2	2	4	Implement training and development program Develop and implement employee succession plans
	Theft ,Fraud and embezzlement	Weak controls	3	1	3	Develop and implement a fraud policy Enforce the whistle blowing policy Staff sensitization Improve controls and systems
Strengthen ERM	Disruption of operations	Natural and manmade disasters	3	2	6	Implementation of BCM programs
Strengthen public opinion, attitude and behavior of key stakeholders	Negative publicity	Political interferences Disgruntled staff Vested business interest	3	2	6	Have constant media engagements Implement social media campaigns Stakeholders' engagement

F) innovation and technology

Strategy	Risk/ (Opportunity) Description	Sources/Causes	Score			Treatment Strategy/Action
			Impact	Likelihood	Overall	
Offer automated online enterprise facing and customer facing services	Increased Order Turn Around Time (TAT)	Some processes being done manually and inefficiently	1	2	2	End to end automation of processes and user involvement
	Loss of business	Systems not designed optimally	1	2	2	Adopting best practices of designing systems
	Higher operational costs	Processes not being automated	1	1	1	End to end automation of processes and user involvement
	Inadequate funds to support activities	Funding constraints	2	2	4	1. Prudent planning, budgeting and spending 2. Utilise internal ICT capacity where possible
	Negative publicity	Customer complaints on system disruptions	1	1	1	Continuously improve and optimize systems for availability

Strategy	Risk/ (Opportunity) Description	Sources/Causes	Score			Treatment Strategy/Action	
			Impact	Likelihood	Overall		
Enhance availability of business systems and ensure continuity of business operations.	Loss of data	1. Lack of backups	3	1	3	1. Regular backups	
		2. Corrupted backups				2. Storing backups securely	
	Disruption of operations	Major or minor disasters	3	1	3	3. Regularly testing the backups	
		Fire outbreaks	3	1	3	4. Secure data in end user equipment	
	Loss of business	Unavailability of business systems	1	2	2	Implement equipment, procedures and trainings that can be used in case of disruptions	
		Unavailability of business systems	3	1	3	Implement fire suppression systems	
	Long recovery time in case of disruption	Unavailable or unoptimised systems	2	2	4	Implement a business continuity plan	
		Lack of ICT policies and procedures or adherence to the same	2	3	6	Implement a business continuity plan	
	Improve the efficiency and availability of ICT service delivery.	Low customer satisfaction	Lack of ICT policies and procedures or adherence to the same	2	3	6	1. Install well sized equipment and connectivity links
			Lack of ICT policies and procedures or adherence to the same	2	3	6	2. Install backup equipment
Delays in delivery of service		Unavailable or unoptimised systems	2	3	6	Implement and monitor adherence to ICT policies and procedures	
		Systems with security gaps	2	3	6	Implement and monitor adherence to ICT policies and procedures	
Increased customer complaints		Lack of access controls	3	3	9	Optimise system performance and services	
		Unauthorised access to data and facilities	2	3	6	Monitor vulnerabilities and timely implement solutions to alleviate threats	
System down time		1. Unavailable or unoptimised systems	2	2	4	Implement access control and procedures	
		2. Cyber attacks	2	2	4	1. Optimise system performance and services	
Theft of information		1. Lack of access controls	2	2	4	2. Implement secure systems	
		2. Cyber attacks	2	2	4	1. Implement access control and procedures	
					2. Implement secure systems		

Strategy	Risk/ (Opportunity) Description	Sources/Causes	Score			Treatment Strategy/Action
			Impact	Likelihood	Overall	
Enhance compliance with best practice frameworks, standards, procedures and governance policies.	Failure to comply with existing laws	Lack of awareness among employees	2	2	4	<ol style="list-style-type: none"> 1. Training on policies and procedures 2. Making the policies available to all
	Exposure of the organisation to cyber-attacks and information loss	Improper use of systems and IT equipment by staff	1	3	3	<ol style="list-style-type: none"> 1. Training on policies and procedures 2. Making the policies available to all 3. Monitor adherence to policies and procedures
	Loss of IT assets	Improper handling of ICT assets	1	2	2	<ol style="list-style-type: none"> 1. Training on policies and procedures 2. Making the policies available to all 3. Monitor adherence to policies and procedures 4. Tracking IT equipment

Strategy	Risk/ (Opportunity) Description	Sources/Causes	Score			Treatment Strategy/Action
			Impact	Likelihood	Overall	
Offer automated online enterprise facing and customer facing services	Increased Order Turn Around Time (TAT)	Some processes being done manually and inefficiently	1	2	2	End to end automation of processes and user involvement
	Loss of business	Systems not designed optimally	1	2	2	Adopting best practices of designing systems
	Higher operational costs	Processes not being automated	1	1	1	End to end automation of processes and user involvement
	Inadequate funds to support activities	Funding constraints	2	2	4	<ol style="list-style-type: none"> 3. Prudent planning, budgeting and spending 4. Utilise internal ICT capacity where possible
	Negative publicity	Customer complaints on system disruptions	1	1	1	Continuously improve and optimize systems for availability

Strategy	Risk/ (Opportunity) Description	Sources/Causes	Score			Treatment Strategy/Action
			Impact	Likelihood	Overall	
Enhance availability of business systems and ensure continuity of business operations.	Loss of data	3. Lack of backups	3	1	3	5. Regular backups
		4. Corrupted backups				6. Storing backups securely
	Disruption of operations	Major or minor disasters	3	1	3	7. Regularly testing the backups
		Fire	3	1	3	8. Secure data in end user equipment
	Loss of business	Unavailability of business systems	1	2	2	Implement equipment, procedures and trainings that can be used in case of disruptions
		Long recovery time in case of disruption	3	1	3	Implement fire suppression systems
	Low customer satisfaction	Unavailability of business systems	3	1	3	Implement a business continuity plan
		Unavailable or unoptimised systems	2	2	4	3. Install well sized equipment and connectivity links
	Inconsistent service offerings	Lack of ICT policies and procedures or adherence to the same	2	3	6	4. Install backup equipment
		Delays in delivery of service	2	3	6	Implement and monitor adherence to ICT policies and procedures
Increased customer complaints	Unavailable or unoptimised systems	2	3	6	Implement and monitor adherence to ICT policies and procedures	
	Cyber attacks	2	3	6	Optimise system performance and services	
Proactively identifying and mitigating ICT risks, threats and vulnerabilities.	Unauthorised access to data and facilities	3	3	9	Monitor vulnerabilities and timely implement solutions to alleviate threats	
	System down time	2	2	4	Implement access control and procedures	
Theft of information	3. Unavailable or unoptimised systems	2	2	4	3. Optimise system performance and services	
	4. Cyber attacks	2	2	4	4. Implement secure systems	
	3. Lack of access controls	2	2	4	3. Implement access control and procedures	
	4. Cyber attacks	2	2	4	4. Implement secure systems	

Strategy	Risk/ (Opportunity) Description	Sources/Causes	Score			Treatment Strategy/Action
			Impact	Likelihood	Overall	
Enhance compliance with best practice frameworks, standards, procedures and governance policies.	Failure to comply with existing laws	Lack of awareness among employees	2	2	4	<ol style="list-style-type: none"> 3. Training on policies and procedures 4. Making the policies available to all
	Exposure of the organisation to cyber-attacks and information loss	Improper use of systems and IT equipment by staff	1	3	3	<ol style="list-style-type: none"> 4. Training on policies and procedures 5. Making the policies available to all 6. Monitor adherence to policies and procedures
	Loss of IT assets	Improper handling of ICT assets	1	2	2	<ol style="list-style-type: none"> 5. Training on policies and procedures 6. Making the policies available to all 7. Monitor adherence to policies and procedures 8. Tracking IT equipment

Annex 3: Key Achievement Highlights per Department/Function

Performance Indicator	Directorate /Department	Unit of Measure	2018/2019 Target Revised	Best Ever performance during the period	%age Achievement rating	Comment
Mitigated Enterprise risks (Fully and Partially)	Audit	Percentage	Fully 50%	29%	58%	Fair
			Partially 50%	26%	52%	Fair
Customer Complaints Response and Resolution Cycle Times (Days)	Customer Service	Percentage Response 1 day Percentage Resolution 5 days	98%	76%	78%	Good
			90%	51%	57%	Fair
Order Turnaround Time (Hospitals & RHF's)	Customer Service	Days	7.0	9.1	77%	Good
			10.0	15.2	66%	Fair
Order Fill Rate	Customer Service	Percentage	90%	78%	87%	Good

Performance Indicator	Directorate /Department	Unit of Measure	2018/2019 Target Revised	Best Ever performance during the period	%age Achievement rating	Comment
Strategic partners (Cumulative)	Commercial Director	Number	12	11	92%	Good
Level of capitalization (Ksh)	Finance	Ksh	14,000,000,000	8,461,576,303	60%	Fair
Average age of debt (days)	Finance	Days	90	149	60%	Fair
Annual Sales Revenue	Finance	Ksh	5,700,000,000	5,911,694,376	104. %	Very Good
Annual sales of services (Procurement, warehousing and distribution of commodities) - Ksh	Finance	Ksh	2,000,000,000	1,550,925,801	78%	Good
Employee satisfaction index	HR	Percentage	80%	75%	94%	Good
Amended KEMSA Act in place	Legal	Percentage	100%	100%	100%	Very good
Amended Board and committee charters	Legal	Percentage	100%	25%	25%	Poor
A forecasting ERP module in place	PCI	Percentage	100%	50%	50%	Fair
Stock Holding policy in place and implemented	PCI	Percentage	100%	100%	100%	Very good
Supplier performance appraisal tool in place	Procurement	Percentage	100%	90%	90%	Good
Value Market share (County Business)	Sales & Marketing	Percentage	75%	73%	97%	Good
Customers on board (Counties & Hospitals)	Sales & Marketing	Number	47	46	98%	Good
No. of regional stakeholder forums (Annual)	Sales & Marketing	Number	80	107	134%	Excellent
Customer retention rate (Financial Year)*	Sales & Marketing	Number	3	6	200%	Excellent
Customer Satisfaction index	Sales & Marketing	Percentage	95%	96%	101%	Very good
No. of new products (Cumulative New)	Sales & Marketing & SSD	Percentage	82%	83%	101%	Very good
No. of key accounts managers appointed (Cumulative)	Sales & Marketing & SSD	Number	200	157	79%	Good
		Number	8	6	75%	Good

Performance Indicator	Directorate /Department	Unit of Measure	2018/2019 Target Revised	Best Ever performance during the period	%age Achievement rating	Comment
No. of Continuous Medical Education (CMEs) conducted	Sales & Marketing & SSD	Number	12	6	50%	Fair
No of Reported security incidences (Annual)	Security	Number	4	8	200%	Excellent
No of SSD customers	SSD	Number	250	205	82%	Good

