



Trusted Partner in Healthcare

CENTRAL MEDICAL STORES TRUST

BUSINESS PLAN

2020 — 2025

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ACRONYMS AND ABBREVIATIONS

CMST	-	Central Medical Stores Trust
CEO	-	Chief Executive Officer
CMS	-	Central Medical Stores
CHAM	-	Christian Health Association of Malawi
ERP	-	Enterprise Resource Planning
EXM	-	Executive Management
GOM	-	Government of Malawi
ICAM	-	Institute of Chartered Accountants in Malawi
KPI	-	Key Performance Indicator
MDA	-	Government Ministries, Departments and Agencies
MLS	-	Malawi Law Society
MoFEPD	-	Ministry of Finance, Economic Planning Development
MoHP	-	Ministry of Health and Population
NLGFC	-	National Local Government Finance Committee
PMT	-	Project Management Team
PHASOM	-	Pharmaceutical Association of Malawi
SCI	-	Supply Chain Integration
SOP	-	Standard Operating Procedure
TQM	-	Total Quality Management

EXECUTIVE SUMMARY

The Central Medical Stores Trust (CMST) is a Malawian-based and operated not-for-profit organization that provides medicine and health commodity procurement, warehousing and distribution services to the Ministry of Health and Population (MoHP) and other health care partners based in Malawi. Currently, the Trust has a total of 185 employees and operates five (5) warehouses, with a national reach. Originally, from 1969, the Trust was a functional unit under the MoHP, called Central Medical Stores (CMS). At becoming a Trust, it assumed some independence from the MoHP. The objective of this separation was to strengthen operational performance and to implement a more financially self-sustaining commercial model.

In the period 2015—2020, CMST's focus was on building the organisational reforms which began after its re-establishment as a Trust, including other key areas for organisational improvement such as strengthening customer focus, addressing long outstanding debts, establishing the new national pharmaceutical warehouse in Lilongwe, implementation of a hybrid distribution model, improving Enterprise Resource Planning (ERP) functionalities and establishing the World Health Organization Model Quality Assurance System for Procurement Agencies (MQAS).

The development of the 2020—2025 Corporate Strategy and continued progress in the implementation of the 2015-2020 Strategy on Supply Chain Integration will be among key priorities to ensure efficient, timely delivery of health commodities and essential medicines to service delivery points (SDPs), appropriate accountability and visibility. Therefore, an integration of parallel supply chains into a national and recognised system through CMST will continue as a central focus, along with the development of a CMST sustainable Business Plan and the Corporate Strategy.

CMST oversees roughly 17 percent of the total public sector health commodity market, which it aims to increase by the strengthening of customer service and sales functions through implementing the following initiatives:

- 1. Ensure organizational financial sustainability.**
- 2. Engage stakeholders to strengthen and continue implementing customer-centric organisational systems to address current and emerging national pharmaceutical supply chain issues.**
- 3. Strengthen supply chain systems.**
- 4. Maximize the use of robust Management Information Systems to effectively manage business processes.**
- 5. Enhance Total Quality Management (TQM) across governance, and operational and management processes.**
- 6. Embrace Human Resource Capital development.**

To date, CMST has made a tremendous effort in meeting benchmarks set for preparation and management of expected responsibilities under parallel supply chains by achieving 85 percent of the supply chain integration benchmarks, compared to initial score of 66 percent. Through the commitment of the Government of Malawi and development partners (DPs) in strengthening the CSMT and health supply chain in Malawi, an integrated and strong supply chain function has therefore been recommended for implementation in the next five-year period.

Further, a sustainable business plan should be developed to integrate multiple reform efforts from the development partner assistance programs currently underway at CMST. The plan would also enhance the provision of a shared vision for the Trust, as well as a tactical implementation plan that towards achieving CMST's articulated goals and objectives. Therefore, the Business Plan, along with the CMST 2020—2025 Corporate Strategy, will document CMST's organizational direction for the next five years; effectively communicate operational structures; provide guidance on continuing internal reform initiatives; strengthen organisational planning, and accelerate internal business unit integration processes.

ORGANIZATIONAL OVERVIEW

The CMST Board of Trustees

The governance of the Central Medical Stores Trust is overseen by a seven-member Board of Trustees comprising representation of professional associations [Malawi Law Society (MLS), Pharmaceutical Association of Malawi (PHASOM), Christian Health Association of Malawi (CHAM) and the Institute of Chartered Accountants in Malawi (ICAM)] and Ex-Officios representing the Government of Malawi through the Secretary for Health in the Ministry of Health and Population, Secretary to Treasury in the Ministry of Finance, Economic Planning and Development (MoFEPD) and the Executive Director of the National Local Government Finance Committee (NLGFC).

The Board is the supreme decision-making function of the Trust. Its operations are guided by a Trust Deed. It also has a strong interest in the strategic well-being of the Trust and strives to provide all necessary support for the success of the Trust.

Each of the Board Members plays a critical role in various decision-making committees of the Board, which include the Technical Committee, Finance and Administration Committees and Audit and Risk Committee.

Management

In order to achieve the organization's mission, the Executive Management (EXM) team, comprising the Chief Executive Officer and Directors, provides day-to-day strategic, operational, tactical and financial leadership and supervision functions.

Strategy Development Methodology and Goals

The strategy formulation involved a review of the previous document by a team of purposely drawn CMST employees to understand the background to the organisation's strategic planning landscape.

The team also conducted an analysis of CMST's prevalent strengths, weaknesses, opportunities and threats (SWOT Analysis) from which six (6)

strategic areas from the previous document were realigned for inclusion in the current document, and six new areas were introduced.

MISSION, VISION AND CUSTOMER VALUES

Mission

Improve health in Malawi by ensuring reliable, continuous access to the highest quality medicines and medical supplies through efficient procurement, warehousing and distribution services at the most affordable cost.

Vision

To be a result-oriented supplier of affordable and approved medicines and medical supplies of the guaranteed quality.

Mandate

CMST's mandate is to ensure efficient, sustainable and economical national procurement, warehousing and sales and distribution of quality and affordable medicines and medical supplies.

CMST serves public health facilities and others affiliated to the Ministry of Health and Population. Such affiliated facilities include Christian Health Association of Malawi (CHAM) hospitals throughout the country.

While not being expected to make profits, the Trust currently must generate enough resources to fund its operations. This is presently possible by charging management fees on its commodities and services.

Customer Values

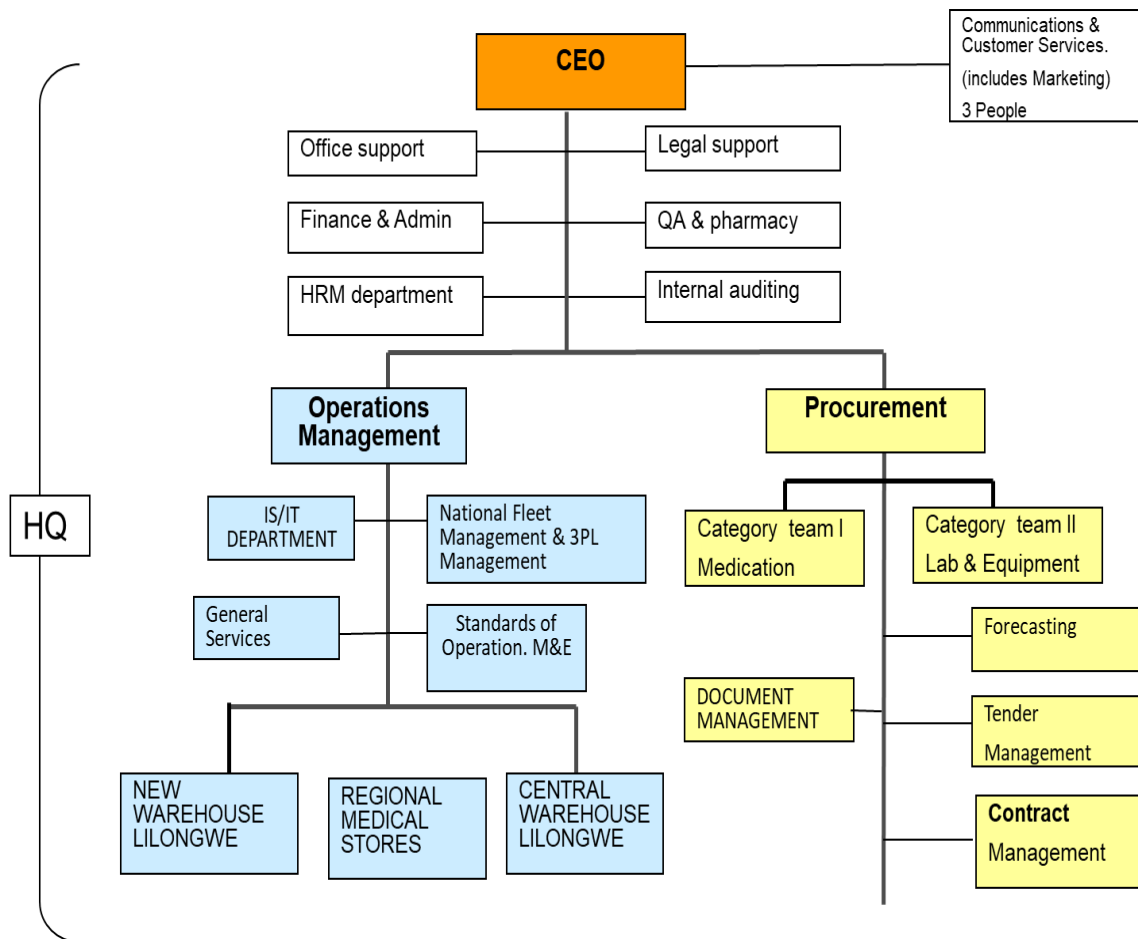
In pursuit of a possibility to continuously provide value to customers, CMST strives to be adorable, transparent, accountable, affordable, customer-oriented, efficient and effective, innovative, professional, reliable, and to be a public health supply chain leader and; as summarised in the Table below: -

TABLE I – CMST CUSTOMER VALUES	
Adorable	Responsive to the changing customer service and product needs.
Affordable	Provide competitive pricing and value-for-money.
Customer-oriented	Execute customer-driven organisational management, activities and decision making.
Efficient and Effectiveness	Provide rapid and impactful service delivery.
Innovative	Implement supply chain and operational problem solving that considers new perspectives and novel approaches.
Professional	Timely, courteous, and responsive in customer

	services.
Reliable	Dependable and consistent in the quality of service delivery.
Public Health Supply Chain Leader	Apply organisational expertise to address national supply chain challenges with stakeholders.
Transparent and Accountable	Provide informational accountability to customers, partners and stakeholders.

ORGANIZATION STRUCTURE

CMST has historically had organisational structures which clarify roles, responsibilities and reporting lines of employees. These also help employees have a clear sense of the Trust's short and long-term objectives as well as be knowledgeable about business plans. However, the expected integration of supply chains will have an impact on organisational structures at CMST Central Office and departments such as Operations, Information Systems/Information Technology, Business Support Departments and Central Region Warehouses. This would result from the incorporation of recommended new and old positions designed to enhance organisational cohesion and strengthen performance.



SWOT ANALYSIS

Through an internal consultation with CMST staff and an external one attended by representatives from the Government and Development Partners, a review and analysis of CMST's performance for the past five-year strategic period of Strengths, Weaknesses, Opportunities and Threats subsequently informed the development of the 2020-2025 Corporate Strategy.

TABLE II – CMST SWOT ANALYSIS	
STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> • Availability of specialised warehouses • Good infrastructure and laid distribution network • Commitment to providing high level of quality medicines and medical supplies • Robust Management Information Systems(ERP) • Independent Trust status 	<ul style="list-style-type: none"> • Weak inventory management and planning • Inability to track products from end-to-end • Inefficient Customer Service
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> • CMST has a potential market with ability to expand the demand for medicines and medical supplies • Availability of technology, such as Logistics Management supported by e-LMIS can assist CMST to improve inventory management • GoM's willingness to see parallel supply chains integrated • Development Partner support to the health sector • Public Private Partnerships • CMST has systems and human 	<ul style="list-style-type: none"> • Inadequate capital • Exchange rate fluctuation • Lack of coordination on product donations • Negative public perception about CMST products and services • Changing Government policies • Long procurement procedures • Inadequate quantification data at customer level

<p>resource planning</p> <ul style="list-style-type: none">• Existence of strong relationship with Government, stakeholder support and goodwill• Availability of land for expansion• Identified and yet unmet demand	
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CORPORATE STRATEGY AND KEY PERFORMANCE INDICATORS

In 2020, the CMST Corporate Strategy was updated and six (6) cross-functional strategies were developed. In their design, these updated strategies aim to better integrate CMST business unit activities as well as more effectively build consensus on organisational priorities.

TABLE III – KEY PERFORMANCE INDICATORS	
Strategy	Goal
<p>1. Ensure organisational financial sustainability</p>	<ul style="list-style-type: none"> • Recapitalisation of CMST by Government and Development Partners by 100% of the existing capital from 2020 to 2023 • Revenue growth increased by 100% by 2025 • Improve stock availability from 71% to 95% • Reduce expires from 7% to 2% • Reduce operational costs by 15% from 2020-2025
<p>2. Engage stakeholders to strengthen and continue implementing customer-centric organisational systems to address current and emerging national pharmaceutical supply chain issues</p>	<ul style="list-style-type: none"> • The seven parallel supply chains integrated into national supply chain by June 2022 • Customer satisfaction improved from 60% - 90% by June 2022 • Quarterly stakeholder meeting per annum • Conduct annual open field days with CMST customers • Use of available platforms to enhance communication with customers • Customer service function established by 2021

<p>3. Strengthen supply chain systems</p>	<ul style="list-style-type: none"> • Reduce the cost of MMS by 20% through improving procurement methods • Supplier contract compliance improved from 70% to 100% by June 2022 • Increase customer order fill rate from 70% to 90% by June 2025 • Warehouse capacity increased to 33,000 pallets • Distribution efficiency to be enhanced to 90%
<p>4. Maximise the use of robust Management Information Systems to effectively manage business processes</p>	<ul style="list-style-type: none"> • Fully functional ERP implemented by 2021 • Achieve an integrated management of products through a centralised interconnected system by 2025 • Achieve 100% stock visibility and traceability at all levels of supply chain
<p>5. Enhance Total Quality Management (TQM) across governance, operational and management processes</p>	<ul style="list-style-type: none"> • SOPs and Guidelines developed and reviewed by 100% by 2025 • Quality Assurance systems improved to 80% • Oversight services provided to 100% to all business processes
<p>6. Embrace Human Resource Capital development.</p>	<ul style="list-style-type: none"> • Staff skills improved by 100% by 2025 • Improved Organizational strength to 100% by 2025 • Enhanced working conditions to 100 by 2025 • Staff performance improves to 90% by 2025 • Strengthen the good conduct and work ethics of CMST staff by 2022

PRODUCTS AND SERVICES

CMST was established by the Malawi Government with the mandate to procure, warehouse and distribute health commodities in Malawi. In addition to that, CMST is also expected to provide health commodity quality assurance and manufacturing services. While the Malawi MoHP remains CMST's main customer, it may extend provision of services to private customers, based on needs and when opportunities arise. As a health commodity procurement and logistics organisation, competitive advantage includes the national reach of infrastructure; a collaborative relationship with MoHP and DHOs; compliance to GOM demands; and dedicated quality assurance processes.

Further, CMST has a team of qualified supply chain professionals committed to meet Malawi's public health commodity needs. The team also keeps a range of products which are frequently needed by Central Hospitals(CH). The spectrum of health commodities which Central Hospitals procure are usually far much specified than that of other hospitals due to their specialist nature of services offered. CMST, being a preferred supplier of CHs, managed to reach almost 40% of commodities needed and ordered in each month. Currently, CMST has improved its range of product line items for essential medicines to 3400. These have broadened the product range to ensure CMST is able to meet both MHL and specialised product range orders all times.

Customer-facing products and services consist of: -

Class	Description
A	Tablets/Capsules
B	Injectable
C	Vaccines
D	Raw Materials
E	Galenicals
F	Surgical Dressings
G	Sutures
H	Surgical Equipment
I	Ophthalmic Productions
K	Dispensary Items

L	Hospital Equipment
M	Laboratory Reagents and Materials (Supplies)
N	X-ray films and equipment
P	Dental Items
R	Hospital Beddings

Procurement

The CMST Product Catalogue has a master list of 3400 line items for medicines and medical supplies that are offered to customers. These are organised into fifteen (15) classes, as in the list above. In addition, CMST maintains a sub-set of the master list so as to guide the attainment of a revised Must-Have-List (MHL) for District Hospitals and Health Centres which have 454 items and 309 items respectively.

MHL items are fast-moving and high demand commodities which CMST continuously strives to maintain in full supply at its facilities. CMST undertakes procurement of medicines and medical supplies for customers from local and international suppliers in adherence to the newly endorsed Public Procurement and Disposal of Assets Act.

A majority of procurements are initiated from Open Tendering and Request for Quotations methods (RFQ). A significant amount of procurements made through the RFQ method are mostly initiated from unfulfilled commitments where suppliers have failed to deliver on agreed contracts or hold delivery of ordered goods in order to force long outstanding payments from CMST. Therefore, to satisfy existing customer demand, an emergency procurement through RFQ can be engaged. Apart from procurement methods referred to above, an annual procurement is planned along joint quantification results which inform CMST's use of an appropriate and approved procurement method such as RFQ, National Competitive Bidding (NCB), International Competitive Bidding (ICB) or single sourcing. The contract thresholds are determined by the nature of goods and service under procurement. For single sourcing), for emergency procurements of less than MWK5M(RFQ), MWK5M and MWK100M(NCB) and over MWK100M(ICB).

To maintain the governance and oversight function over public procurements, the new Public Procurement and Disposal Act maintains that CMST procurements be approved and overseen by an Internal Procurement Committee (IPC), Technical Committee of the Board of Trustees, the ODPP and the Procurement Oversight Agent (POA). In addition, a module has been embedded in the ERP, designed to improve processing, tracking of progress and provision of linkage and access from the public.

Warehousing

Placed under the Directorate of Pharmaceutical Operations, the warehousing function is one of CMST's significant areas and a core business of the Trust. It is linked to sales and distribution whose inclusion and direct output affects CMST's ultimate goals of maintaining an uninterrupted supply of adequate and quality medicines and medical supplies to the Malawi population.

Warehousing involves storage of procured items in the Trust's Receipt Warehouse in Lilongwe before their dispatch for onward storage at three regional warehouses in Blantyre, Lilongwe and Mzuzu, which are also sales outlets. CMST has a total of 23,100 pallet spaces available against a total requirement of 59,761 so as to achieve a stock-turn of 2.6 times. This means the available space is short of the requirement by 36,661 cubic meters. To secure more space, CMST needs to rent additional space or construct additional warehousing space if it is to accommodate assess warehousing needs as per the planned Supply Chain Intergration (SCI).

The use of warehouse space to handle additional volumes of medicines and medical supplies under the SCI will generate income to CMST in the next five-year period.

Distribution

CMST distributes medicines and medical supplies to the five (5) Central Hospitals plus 28 district hospitals and their over 700 subsequent health

centres through three (3) Regional Medical Stores. Currently, CMST uses a hybrid distribution model in which CMST uses its own distribution fleet to reach RMS and Central Hospitals only while a third party logistics company operates from RMS to district hospitals and their subsequent facilities.

With donated items, the distribution commences following a Memorandum of Understanding (MOU) between the source (such as UNICEF) the MoHP and the Trust.

Through a well-coordinated distribution plan, CMST will have the capacity to handle the entire distribution and reach out to all delivery points with medical supplies under the SCI using owned distribution vehicles plus some complementary capacity from the hybrid model. This would ensure that medicines and medical supplies reach all delivery points within Malawi and that revenue is generated from the distribution of donated items.

Quality Assurance

As the procurement agent of Malawi's MoHP, CMST is charged with ensuring that government-procured medicines and health commodities are safe, efficacious and of the highest quality standard. In adherence to the GoM's sought quality standards, CMST's Quality Assurance Unit ensures that all medicines and supplies procured by the Trust are inspected by the Pharmacy and Medicines Regulatory Authority (PRMA) and only distributed to health facilities upon the Authority's assurance that they meet international and local current Good Manufacturing Practices (GMP).

Products that do not comply with testing requirements are rejected. CMST also ensures that designated storage facilities meet good warehouse and storage practices to preserve product quality throughout their intended shelf life. Currently, CMST is implementing an internal Quality Management System (QMS) to standardise, monitor and strengthen organisational performance.

OPERATIONAL PLAN

Organizational Financial Stability

Strategic Objective 1: Recapitalisation of CMST by Government and Development Partners by 100% of the existing capital from 2020 to 2023

a. Recapitalisation of CMST by Government and Development Partners

Efforts to ensure that CMST achieves an adequate capital to support business operations in the next five-year period have been made, with CMST reaching out to the Malawi Government through the Ministry of Health and Population, Ministry of Finance Economic Planning and Development (MoFEPD) and Development Partners in which CMST is anticipating a 100% capital injection to support an equivalent growth of operations anticipated in the Supply Chain Integration.

Currently, CMST's financial performance has indicated a lacking capacity to urgently meet demands of suppliers, customers and the national demand for medicines and medical supplies due to persistent low cash levels. Operations and inventory levels are heavily affected by inadequate cash flows, for which recapitalisation comes out as a solution hence proposals were made to Government and Development Partners. Therefore, it is expected that capital injection will assist CMST to close these critical gaps and support timely execution of operations that ensure success of the SCI.

Strategic Objective 2: Revenue growth increased by 100% by June 2025

Alternatively, for CMST to increase revenue growth in the next five-year period, Revenue Generation and Pricing strategies were developed to strengthen financial and operational sustainability.

a. Revenue growth increased by 100% by 2025

i. Develop Revenues Generation model

In the Revenue Generation Plan, CMST shall use the Customer Service (CS) functions to reach out to existing markets and strengthen its position, focus

and expansion into newly identified markets and customers. Therefore, the CS function will be responsible for resolving all customer relationship matters and marketing of products to the identified markets and conducting marketing research and development of strategies for CMST products. Through a functional CS, CMST will develop customer profiles which shall guide sale of specific products to customers, penetrate the private market whose sales revenues were insignificant compared to sales revenues realised from government hospitals and ensure that the growth of sales revenues goal is achieved.

ii. Use of Pricing models for products and services

This is a pricing model for products and services to assist CMST to effectively cost medicines and medical supplies and guarantee the generation of revenue despite prevailing market conditions. Pricing options such as Cost-Based, Value-Based, Demand-Based and Competition-Based pricing models provide alternatives in product pricing that CMST is likely apply to sales. To assure CMST makes a sale and at a reasonable profit, the product cost needs to be reasonable. Therefore, the costs related to its procurement must be minimal so that it does not erode associated revenues.

iii. Develop an ideal customer profile and focus sales on them

Based on the outcome from the market within which CMST is operating, use of approved pricing and costing strategies such as Cost-Based, Value-Based, Demand-Based and Competition-Based shall determine the target price to be applied to a specific category of customers in order to achieve a sale. With assistance from the functional CS, customer profiles shall be strategically created and analysed to understand customer behaviour over time and facilitate the establishment of an appropriate price for products ordered.

b. Improve stock availability from 71% to 95%

i. Availability of funds for procurement of medicines and medical supplies is increased by 5% annually

Currently, CMST receives its annual funding from the government through the National Local Government Finance Committee (NLGFC) on quarterly basis. While funding for procurement of medicines and medical supplies for DHOs is paid straight to CMST in advance in quarterly tranches from the NLGFC, the Central Hospitals are funded directly from the Ministry of Finance Economic Planning and Development (MoFEPD). A proposed annual funding increment of 5% was made to improve CMST financial capacity and support procurement of medicine and medical supplies enough to serve expected growth of national demand.

Therefore, an annual increase to the total drug budget is expected to improve CMST cash flows and ensure sustainability of drug revolving funds that support continuous purchase of medicines and medical supplies and ensure drug availability throughout the year.

The Malawi Government initiative should provide CMST with an opportunity to be considered first to make a sale medicines and medical supplies needed by CHs and enforcement of clearance from CMST to allow CHs to procure from other suppliers, only the drugs which CMST have failed to supply to and to allow CMST to realize a significant amount of the total drug budget in form of revenues generated from sales to both CHs and DHOs. The initiative is expected to increase CMST market base and improve generation revenues through sales to CHs which have revealed 31% as total sales made to CHs since the introduction new Government funding policy, where funds are sent direct to CHs for procurement of medicines and medical supplies from any supplier of their choice.

ii. Ensure timely settlement of supplier's invoices

Out of the cumulative annual sales which CMST has reported through financial performance results for the 2018/2019 operational period, 68% and 31% sales were made to DHOs and CHs respectively. CHAM and other private hospitals contributed 1% of the sales. The results clearly show that CMST's survival is more dependent on DHOs than CHs. Therefore, a good coordination between CMST and NLGFC, timely advance quarterly funding and enhancement of debt collection remain vital for survival.

iii. Undertaking quarterly inventory counts

CMST carries out regular and periodical inventory counts which provide assurance about accuracy and physical condition of inventory in all warehouses. While carrying out stock counts, the set re-order levels for each commodity category are also checked to ensure CMST timely responds by initiating orders to replenish stock as and when necessary. Through the use of the ERP, CMST has the advantage of continuously tracking the position of inventory whose reports from the stock-counting process are verified to physically balance and facilitate easy tracking of differences, and reconciliation to ensure system balances agree to physical balances. Observing the re-order levels will enable CMST to control warehouse space and reserve enough to accommodate new inventory. Therefore, a perpetual system is expected to reduce or eliminate holding costs and improve monitoring of inventory levels that ensure CMST has adequate inventory to meet customer demands throughout. In addition, instituting good inventory management practices, improve stock monitoring which ensures economic inventory levels are maintained and the probability of loss from expiry of stocks is reduced.

c. Reduce operational costs by 15% from 2020-2025

i. Undertake cost cutting and control measures

The 2018/2019 CMST Financial Report has indicated a loss of MK5.8bn arising from operating costs incurred to run and support CMST operations during the year. Results from the past four (4) years also indicate instances when CMST achieved year-end minimal profits and losses after recovery of respective operating costs. To achieve growth of revenues, a proposed reduction of operating costs in the strategic period 2020 — 2025, along with budgetary controls and continuous monitoring of expenditure, has been made to strengthen CMST's financial position via savings expected from an initiative through which the sales should be enough to net off operating expenses for the period.

Engage stakeholders to strengthen and continue implementing customer-centric organisational systems to address current and emerging national pharmaceutical supply chain issues

Strategic Objective 1: Integrate existing Parallel Supply Chain into the single National Supply Chain by June 2022.

a. SCI progress review

CMST recognises the initiative and contributions which are made from key stakeholders to achieve a common goal of a successful SCI in Malawi by 2022. As a lead in the SCI, CMST's objective is to ensure all parallel supply chains in Malawi coordinate and integrate into a national supply chain. In the process of integration, CMST shall ensure that all parallel supply chains that are in the process of integration have adopted a common organisational structure that CMST has developed to accommodate the SCI operations in Malawi. As we are progressing towards the National Supply Chain Master Plan, CMST shall proactively follow up on the progress achieved by parallel supply chains' level of adoption to the structures and systems proposed and their ability to successfully integrate, and review organisational structures for both the parallel supply chains and the CMST stream. Again, CMST will continuously engage the stakeholders to provide technical advice on the integration process.

Strategic Objective 2: Customer satisfaction improved to 90% by June 2025

a. Customer satisfaction improved from 60%—90% by June 2022

CMST being a customer value-oriented organisation, will continue to strive to achieve satisfaction of customer needs and ensure that the provision of products and services is constantly responding to the critical changing customer needs, re-alignment of business processes, operations, management and decision making to remain customer-centric. The Trust shall also strive to maintain its professional attitude to ensure proactive response to the public while maintaining quality of services and products to customers.

i. Conduct monthly customer visits and Annual Stakeholders Meeting

To improve communication with customers and presence of CMST in the market, the CS function shall be responsible for regular meetings with customers where day-to-day matters relating to customer relationship management shall be handled, including customer satisfaction, which remain a key successful factor to CMST and its customers, as far as customer relationship management is concerned.

CMST shall be conducting Annual Stakeholder Meetings with customers, development partners and the Government to assess quality of service delivery to the public, including customers. The results from the sessions shall highlight performance gaps that will inform CMST about specific areas where service needs improving, strengthening or restructuring to suit and meet customer needs while also responding to national supply chain issues in Malawi.

ii. Conduct annual customer survey

One of the key objectives for creating the CMST Customer Service function is to conduct customer surveys in various areas designed to support public, marketing and service delivery such as pricing, quality of services, demand for products and services, customer satisfaction, market behavior and product brands. These surveys will enable CMST to gather information on customer perception about products and services which CMST is currently providing to the existing market. Feedback from market surveys shall further inform CMST on how they could re-organise internally to ensure products and services are designed to meet customer needs and market requirements so as to enable CMST continuously remain a customer-centric organisation.

iii. Share monthly inventory data and statement of accounts with customers

To strengthen customer relationships, CMST needs to communicate with customers regularly to share updates of products and services, financial information for individual customer credit account performance and position on a monthly basis or whenever the information is requested for execution or for customer account management purposes aiming to

provide assurance and correctness of the customer's closing financial position with CMST.

To ensure effective and efficient communication in between, CMST needs to maintain updated key customer contact details of physical address, phone number(s), email and physical location to ensure information shared will timely reach customers through all possible means.

Effective platforms such as e-LMIS should provide an effective and efficient end-to-end product visibility to ensure inventory levels are monitored from both ends and so that customers can place orders for goods and services that are physically existing in CMST warehouses and according to their choice.

iv. To hold quarterly meetings with customers, summarise and implement action points

CMST shall call for quarterly and annual Customer Symposiums where pertinent issues relating to performance and set targets shall be tabled, subject to evaluation by customers. Action points agreed upon by both parties shall form the basis for performance checks for the period, setting of performance targets or milestones and the evaluation of performance achieved in prior period.

v. Open field days

CMST shall conduct annual Open Field Day functions throughout all regions to sensitise the public and prospective customers about their products and services. Through these functions, customers and the public shall be oriented on CMST mission, goals, organisational culture and values to ensure CMST shares a patient-centric and vibrant organisational image with the public, a move which erases the negative perception the public have had of CMST over time.

vi. To create social media effective platforms to interact with customers

Currently, CMST has been interacting with customers through phones and emails through which business matters are discussed and managed based on the query raised. Customer related issues are dealt with

individually and are not shared with other customers. A social media platform such as WhatsApp and Facebook, will be created to improve and strengthen communication and relationship between CMST and customers. This will also widen communication media towards opening direct and efficient communication routes where all customers could submit complaints and learn more about CMST services and processes involved in processing of hospital orders or service requests made to CMST.

Strategic Objective 3. Customer Service function established by 2021

a. Customer service function established by 2021

A Customer Service (CS) function is therefore required to handle all CMST and customer relationship aspects, including marketing of services and products to various categories of customers, carrying out various market surveys, handling of customer care and other customer relationship management issues which may arise. The CS will be carrying out research, developing marketing strategies and informing CMST management on recommended and appropriate actions. Other functions which the CS shall perform are as follows:

1. Develop a definite sales and marketing plan.
2. Promotion of CMST brand image.
3. Compliment towards CMST commitment to improve quality of services.
4. Establish customer face-to-face symposiums for regional customers and getting CMST message across all regions while also getting customer's views.
5. Establishing a formal route to determine the nature and extent of customer service problems.
6. Benchmark current product costs against the available international product pricing databases such as MSH. CMST will also use the variances to demonstrate to Government the need for obtaining these prices by direct purchasing from the international suppliers..

Strengthening supply chain systems

Strategic Objective 1. Improve procurement methods to reduce cost of Medicines and Medical Supplies by June 2025.

a. Reduce the cost of MMS by 20% through improving procurement methods

i. Utilise Open Tendering procurement method

CMST implements its procurement plan in accordance with the Public Procurement and Disposal of Assets Act 2017. In 2018 — 2019, CMST achieved 51% of all its procurements through the Open Tendering method, compared to the 25% achieved in 2017 — 2018. The results indicate a huge step forward towards use of more economic tendering processes.

Procurements done through Open Tendering methods tend to reduce product costs as they enhance competition among the bidders. Therefore, to achieve a 20% cost reduction yearly, the constant use of the method will reduce costs by 5% annually.

ii. Plan and schedule procurement to meet targets and timelines

CMST routinely prepares an annual procurement plan for the following year which is approved by Executive Management and ratified by the Board. The approved plan provides guidance and determines a befitting procurement method. Therefore, timely execution of the procurement plan enables CMST to buy goods in bulk through the Open Tendering process, providing an opportunity to source the goods and services at lower costs.

iii. Use of framework contracts

Once suppliers are selected through the Open Tendering process referred to above, supplier framework contracts are drawn which outline agreed terms and conditions for making a specific procurement. CMST has been maintaining supplier framework contracts for both local and international suppliers and the arrangement has significantly reduced product costs, including associated costs within a longer period when these contracts were in use. Therefore, CMST will continue with the use of framework

agreements to effectively manage procurement costs for medicines and medical supplies and other costs throughout the entire period.

Strategic Objective 2. Enhancing contract management function through 100% compliance by June 2022

a. Suppliers Contract compliance improved from 70% to 100% by June 2022

i. Follow-up suppliers to ensure deliveries within contractual specified time

CMST has the duty to enter into an agreement with a supplier after the evaluation process is completed and to seal a performance contract which assists the Trust to easily monitor performance during the period the supplier is required to provide a service. During monitoring, CMST needs to make sure goods and services are meeting initially agreed description or specification of goods or service, timely and in agreed quantities. Both parties have the capacity to enforce performance to the contract where diversions from the norm are observed. Mostly, when CMST has noted diversions from agreed terms and conditions, reminder letters are to be sent to enforce fulfillment of the contract, before termination is considered. Therefore, CMST will continue to use contracts for management of huge procurements as they provide easy to follow and apply performance guidance to the parties involved.

ii. Subsequent contract awards should be based on performance

Where a supplier's performance after award of a contract is substandard, CMST will use the terms and conditions included in the contract with the respective supplier to enforce termination of the said contract, and proceed to identify another capable supplier to continue providing the services, possibly meeting the deadlines as set in the initial contact. Suppliers whose performance history is substandard will not be awarded any fresh contract to supply medicines and medical supplies until they provide tangible evidence to convince CMST management of improvements made in service delivery.

iii. Contracts should explicitly express non-compliance will result into termination

Performance contracts with suppliers need strengthening on communication of conditions and terms which suppliers are required to seriously observe as they provide services to CMST. The inclusion of an express term should be highlighted to clearly inform the supplier that non-compliance to contractual obligations will automatically render the contract void. Suppliers are therefore required to be advised clearly from the initial engagement stage.

Strategic Objective 3. Increase customer order fill rate from 68% to 90% by June 2025

a. Increase Customer order fill rate from 70% to 90% by June 2025

i. Monthly inventory monitoring

In the year 2018—2019, CMST has maintained an average of 68% of stock availability throughout its warehouses. However, an efficient supply chain function needs to store adequate volumes of inventory, enough to meet the expected national demand. Having known the national demand, reasonable inventory balances need to be set for each category which CMST maintains in all warehouses at a time while pending distribution to various customers. It is important that inventory management systems provide CMST with balances regularly that provide assurance to meet the demand immediately when changes emerge within the supply chain. However, the fill rate of 68% is below the expectation as CMST would run out of essential drugs at some intervals. Therefore, CMST will continue monitoring stock levels after replenishment to ensure a 90% fill rate is achieved to meet expected growth of demand in the SCI. Fill Rate Reports shall continue to be used on monthly basis to ensure a correct volume of medicines and medical supplies is maintained, up to 90%, ready to meet the following month's demand.

Strategic Objective 4. Warehouse storage capacity increased from 15,000—30,000 pallets by 2021, and progressively to 40,000 pallets by 2025

a. Warehouse capacity increased to 33,000 pallets

i. Construct new and upgrade existing warehouses

Due to high product volume and operations which CMST will be expected to manage under the SCI, there is an urgent need of additional warehousing capacity at a central point to accommodate a central system for receiving, ordering and inventory management. The central management of inventory will assist the SCI to reduce operating costs and improve operating efficiency within the warehouse.

ii. Re-rack current warehouses

CMST has a capacity of 11,000 cubic metres capacity which is falling short of 8,000 cubic meters to meet expected capacity of 19,000 cubic meters required under SCI. For the SCI to succeed, plans to construct an additional warehouse are in progress to ensure that CMST can accommodate enough products and meet the future demands. However, a plan to meet part of the shortfall of space is to introduce advanced re-racking in both warehouses; the Head Office and three Regional warehouses to create an additional space within CMST existing warehouse structures.

Strategic Objective 5. Distribution efficiency enhanced from 93% to 98% by 2023

a. Distribution efficiency to be enhanced to 98%

i. National integrated Distribution strategy

CMST will adopt the National Integrated Supply Chain Distribution to ensure the distribution of medicines and medical supplies from CMST, GOM, TB, UNICEF, and UNFPA are centrally managed by CMST to meet monthly customer orders and distribution plans for Development Partners and the Government.

ii. Adopt consolidated distribution model

CMST has been following order processing steps which require that all customer orders be received by the 10th of the month and that the delivery be completed by the 25th of the month, an arrangement which

yields higher costs, less flexibility alongside the push system used by donor-funded programs which have been placing a higher level of strain on the health facilities. Using of an optimised network and SCI, deliveries will be consolidated and routed more efficiently to health facilities to reduce the number of drops per facility per month, reduce costs and the burden of receipt on health facilities.

iii. Develop MOU for Distribution and Warehousing for program items

Currently, part of distribution of products to health centres, including products for Parallel Supply Chain, is managed by a third party logistics (3PL) company which is providing the service under a contract. However, transparency of contractual terms and performance monitoring by CMST will improve quality of service and save costs through enforcement of MOU and contractual agreements with respective service providers. In addition, there should be development of MOUs with Parallel Supply Chain partners to clarify their roles and the position of CMST in the SCI, with respect to warehousing and distribution activities which CMST is expected to execute.

iv. Review of distribution SOPs

Review and use of revised SOPs for warehousing and distribution with respect to the SCI should be an on-going process to ensure the standard of operations is continuously updated and is responding to future needs of the SCI. CMST staff should be trained following any change made to the SOPs to ensure successful adoption of new processes and ability to apply the revised SOPs when carrying out day-to-day operations.

v. Review last mile distribution routes

A review of last mile distribution routing and scheduling by CMST will enhance distribution vehicles' utilisation of capacity, routing times and distance covered by each vehicle as well as saving some costs. Use of the central and dynamic vehicle routing and scheduling will enable CMST management to plan delivery of orders made from health facilities and optimise vehicle usage to attain a better level of service.

vi. Expand distribution fleet

Procurement of additional distribution vehicles and replacement of aged fleet

Maximize the use of robust management information systems to effectively manage business processes

Strategic Objective 1. Implement effective Management Information Systems (MIS) by June 2021

a. Fully functional ERP implemented by 2021

i. Configure and implement financial module

Configure and implement financial module (General Ledger and Chart of Accounts, Cashbook, payables, receivables, sales, financial and management report).

ii. Configure and implement Warehouse Management System

Configure and implement a Warehouse Management System (receipts, put-aways warehouse movements, zone/bin (pallet) management, pick-lists, and shipments).

iii. Implement barcode scanning solution

Configure barcode scanners and implement barcode scanning solution to increase data accuracy.

iv. Configure and implement the Power BI Reports

Configure and implement the Power Business Intelligence (PBI) Reports for all functions of the supply chain, including the financial decision-making reports.

v. Implement a tendering solution for procurement

Coding, configuring and implementing a tendering solution for procurement with web access to users.

Strategic Objective 2. Implement National Supply Chain Information System Strategy by June 2025

a. Achieve an integrated management of products through a centralized interconnected system by 2025

i. Tracing health commodities

Follow through commodities in the supply chain using coordinated interconnection of systems.

ii. Code and implement Master Health Product List for CMST

Produce a master list of products based on an agreed international standard nomenclature code structure.

iii. Standardise essential data elements

Harmonise the health facility codes and product codes that are used with all systems interconnected in the supply chain.

iv. Instill data management and accessibility guidelines and protocols

Harmonise standard protocols for all systems connected to the interoperability layer.

v. Deploy tools to optimise and reinforce data collection and management

Procurement of computing and networking infrastructure such as (Servers, routers, firewalls, backup infrastructure etc.)

vi. Develop skills on data capturing, managing and knowledge generation

Training of staff on new technologies and tools required to deliver and maintain an integrated solution.

Strategic Objective 3. Improve data visibility in the supply chain by 2022

a. Achieve 100% stock visibility and traceability at all levels of supply chain

i. Implement an End-to-End tracking system (e.g. e-HIN)

Develop and implement the End-to-End tracking system for the supply chain and connect it to the ERP system and/or Open e-LMIS.

ii. Support open e-LMIS activities with feeder of ordering process into ERP

Processing orders through open e-LMIS and assist its further development.

iii. Provide pipeline data for items in the supply chain at central level

Using the ERP system's Power BI reports, provide to stakeholders the required information on the supply chain data in the procurement process.

iv. Implement the GS1 Standard solution for traceability of products

Collaborate with PMRA in development of the GS1 Standard solution and implement it in CMST.

v. Develop and implement a helpdesk system to manage user and customer expectations in line with supply chain and other operations

Develop and implement a helpdesk ticketing system that will track issues that users and customers raise and provide responses from different staff members to the queries from the customers.

Enhance Total Quality Management (TQM) across governance, operational and management processes.

As the Trust, prepares for integration of supply chains, the Quality Assurance unit shall ensure that TQM becomes an integral part of CMST culture. Every business unit shall demonstrate daily and continuous commitment to the laid out TQM guidelines specific to pharmaceutical supply chain. In this respect, all business units shall ensure that specific standards and best practices must be woven and do permeate the fabric of the Trust as outlined in the revised Corporate Strategy. In CMST, TQM refers to culture that supports the uninterrupted attainment of customer and various key stakeholders' satisfaction through an integrated system of effective leadership, tools, techniques and training:

- tools — *a system of identifying and improving quality*
- techniques — *are the ways to use the tools*
- training — *instructional and communications processes that improve CMST employee' ability to understand and use these tools and techniques in implementing the integrated supply chain.*

This basically involves the continuous improvements of the Trust's processes based on the two strategic objectives; [*“Strategic Objective 1: Develop and review SOPs, policies and guidelines” and “Strategic Objective 2: Review all Internal Controls and Risk Management Processes across business units every year”*] with a view of influencing quality of products, internal processes, warehouses, governance structures, communication and services to customers as an important value.

Embrace Human Resource capital development

Strategic Objective 1: Streaming staff capacity and skills progressively through June 2025

a. Staff skills improved by 100% by 2025

i. Training needs analysis (TNA)

Training needs analysis will be conducted periodically to all CMST staff by the HR department to determine and identify training needs for the purpose of improving employee job performance. Training needs Analysis will help to put learning and development resources to good use. The HR Department will be flexible to use different types of training needs analysis tools determined by different situations on the ground such as personal analysis, work analysis/task analysis, performance analysis and training suitability analysis. The HR Department will use several basic training needs assessment techniques that include but not limited to direct observation, questionnaires, consultation with persons in key positions, and/or with specific knowledge, interviews, focus groups, assessments/surveys, records & report studies and work samples. Training and Development Needs Analysis checklist will be developed by the Human Resources Department and be used to better organise the TNAs and to verify, easily, the most important tasks. The TNAs will also reduce errors and ensure consistency and completeness in carrying out assessments.

ii. Capacity and skills development plan (individual and organization)

The skills development plan for CMST will be developed annually being informed by the Training Needs Analysis exercise. The results of the performance appraisal exercises between the supervisors and subordinates will also be used to develop individual staff development plans. The skills development plan will be developed so that training is continuously done at CMST. The skills development plan is earmarked at strengthening those skills that each employee needs to improve at CMST. A staff development plan brings all employees to a higher level, so they all have similar skills and knowledge.

iii. Monitoring and evaluating the impact of training and development interventions.

The Human Resources and Administration Department will improve on the existing tools and develop additional tools for the purposes of monitoring and evaluation trainings. The monitoring of trainings will be done on a continuous basis. It is important to monitor trainings as this allows to reconcile what was planned for training and what was achieved, and further determine the areas for performance improvement. The monitoring exercises will consciously measure the uptake and employee satisfaction. Uptake will be measured by having training participants take post-training tests and demonstrate learned skills and abilities. Job observation will also be used to assess skills development. Participants (employees) will offer their feedback using course evaluation forms.

There will be a follow up and evaluation of all training to ensure that they are effective. The CMST Human Resources and Administration will ensure that the evaluation of training is executed and done systematically. The evaluation will also objectively analyse the impact of the training, to work out how well team members learned, and to improve their learning in the future. The types of monitoring and evaluation measurements of trainings are categorised into levels and serve as the framework of the monitoring and evaluation. The monitoring and evaluation process, with focus at the following four levels, Reaction/Satisfaction and Intention (Level 1), Knowledge retention (level 2), Behavior (Level 3) and Results/Impact (Level 4). While monitoring of the training will be done on a continuous basis, the evaluation of training to measure impact (level 4) will be done periodically.

b. Improved Organizational strength to 100% by 2025

i. Development of Human Resource Strategic Plan

The Human Resources and Administration Department will utilise the existing information from the assessments and the work already done by different consulting organisations to formulate the Human Resources Strategic Plan that supports the Supply Chain Integration. Additional consultative work will be carried out internally by the Human Resources and Administration Department to come up with a Robust 3-year Human Resources Strategic Plan.

ii. Recruit staff in critical vacant positions based on competency and transparent recruitment systems

All the critical vacant positions will be identified, mapped and documented. The recruitment processes and systems will continuously be strengthened to make sure that the recruitment process is always transparent and based on competencies.

iii. Implement functional review recommendations

The Human Resources and Administration Department will lead the implementation of the recommendations on the organisational structure, job grades, job descriptions and introduction of the new job functions. The implementation process will be closely monitored at all phases to make sure that there is success and focus is put on supply chain integration.

iv. HR SOPs and guidelines

The HR will take a leading role in supporting the change management initiative across CMST to enable smooth transition of any change solution such as supply chain integration. The focus will mainly be on the people side of change and through the engagement of staff, selection of change management champions, change management mentors, identifying the primary sponsor, sponsor coalition members and assessment of readiness for change. Training, coaching, resistance management and reinforcement activities will be done to ensure the project is a success. A Change Management Communication Strategy will also be developed and implemented with the support of the Public Relations Office.

v. Systems strengthening - Human Resources Management System

The CMST HR and Administration department shall introduce a Human Resources Management Information System (HRMIS) to ensure that human resource functions are efficiently and effectively carried out. The HRMIS system will support the provision of timely and relevant information to effectively support the CMST operations, including supply chain integration.

Sage 300 People HR Management software has already been identified by CMST Human Resources and Administration Department as a robust system to adopt and implement.

vi. Change management strategy.

The HR will take a leading role in supporting a change management initiative across CMST to enable smooth transition of any change solution such as supply chain integration. The focus will mainly be on the people side of change and through the engagement of staff, selection of change management champions, change management mentors, identifying the primary sponsor, sponsor coalition members and assessment of readiness for change. Training, coaching, resistance management and reinforcement activities will be done to ensure the project success. A Change Management Communication Strategy will also be developed and implemented with the support of the Public Relations Office.

c. Enhance working conditions to 100% by 2025

i. Conditions of Service review

The Conditions of Service document for CMST will be reviewed after every three (3) years to continuously strengthen CMST's overall performance.

ii. Employee satisfaction survey

The employees' satisfaction survey will be conducted after every two (2) years. The survey is critical as it measures and maintains a positive culture within the organisation. Employees' satisfaction survey helps in analysing issues and overall environment of CMST, anticipating potential problems, evaluating management and teamwork related issues and measures the effects of change in organisational set-up. The HR team will use the existing employee satisfaction tool and twin it up with the People that Deliver (PtD) Human Resources for the Supply Chain Management Diagnosis tool in undertaking the surveys.

iii. Develop environmental and workplace safety guidelines

HRM and Administration will have consultative meetings with other departments to develop robust environmental and workplace safety guidelines. The guidelines will be disseminated and monitored to ensure compliance in all departments. The guidelines will assist in promoting the

well-being of employees as it ensures employees work in a safe and protected environment.

d. Staff performance improved to 90% by 2025

i. Coaching and Mentoring

The HR and Administration will develop a robust coaching and mentoring system to ensure that there is continuous improvement in performance. The mentoring and coaching model for CMST will be defined to fit the context across the departments. The mentoring process will aim to connect a less-experienced employee with more experienced groups or individuals. For promising employees, getting involved in mentoring programs can do nothing but wonders and in turn improve the performance of CMST. Having a mentor can accelerate the learning process through the mentor's imparting of personal experiences, lessons, and insights on CMST Supply Chain Integration endeavours. Coaching is highly linked to the mentoring process and identifying a coach is important as a collaborative partner who works with the learner to help them achieve goals, solve problems, learn and develop.

ii. Career development plan

The HRM and Administration Departments will support CMST employees in attaining individual career goals through guided career paths. This will be a gradual process. The purpose of the career development plan is to assist employees in achieving their goals. Career development plans also help employees set realistic expectations of career growth by suggesting time frames for certain milestones (such as promotions) and identifying areas in which employees need to develop before becoming eligible for their next career milestone. HRM and Administration will take note that Career Development Plans are just plans which do not represent career commitments to the employee nor the Supervisor or the Manager.

ii. Succession planning

Succession planning is closely related to career development. HRM and Administration will gradually work on succession planning as a process for identifying and developing employees to take up the responsibilities of

current role holders within the organisation. Proper succession planning can keep costs from rising and support promotion from within the organisation. Hiring or promoting within CMST is bound to make a positive impact on the organisation's culture and CMST's bottom line. If the right people and competences are available and supported, hiring internally will not only increase retention rates, but also boost employee morale. The succession planning process will not be approached in isolation to other processes such as policy making and change management. Succession planning is critical for CMST as a supply chain organisation that has managed to build staff competences and skills over time. This should be utilised for efficient and effective HR approaches and taken advantage of.

iv. Review Performance Management system

To continuously improve the performance of the employees and CMST as an organisation, HR and Administration will update the current performance system and adopt the balanced score card performance system. The adoption will follow a gradual approach which will take into cognisance the change management initiatives and widespread awareness raising across CMST to ensure the system is adopted by staff. The balanced score card will incorporate good components and best practices from the current performance system.

e. Strengthen the good conduct and work ethics of CMST staff by 2022

i. CMST code of Conduct

HR and Administration will review CMST Code of Ethics and Conduct for increased professionalism of staff. Training and development initiatives accompanied by monitoring systems will also be done to ensure that staff comply.

ii. Organisational policy on harassment at the workplace

This encompasses the development of a policy on harassment at the workplace and its dissemination to all staff. CMST is committed to creating a conducive working environment for all staff.

iii. Gender mainstreaming

Gender mainstreaming will be articulated in CMST's Terms and Conditions of service. Awareness raising to staff on Gender mainstreaming issues in the operations of CMST is therefore a must.

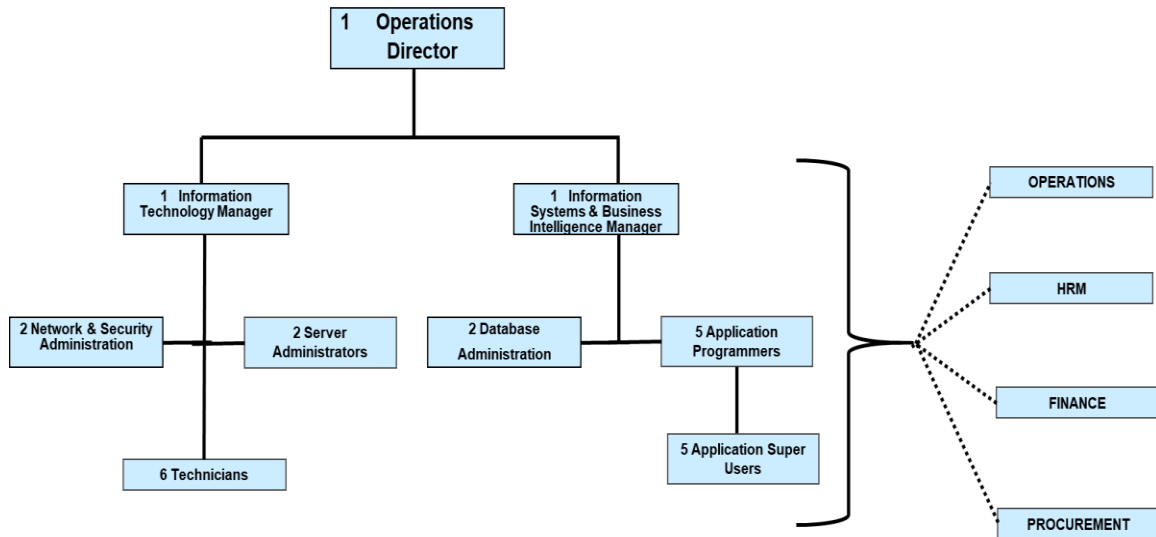
MONITORING AND EVALUATION

As a part of the updated Corporate Strategy, the following 27 KPIs were developed to monitor and demonstrate the effectiveness of the Corporate Strategy's implementation.

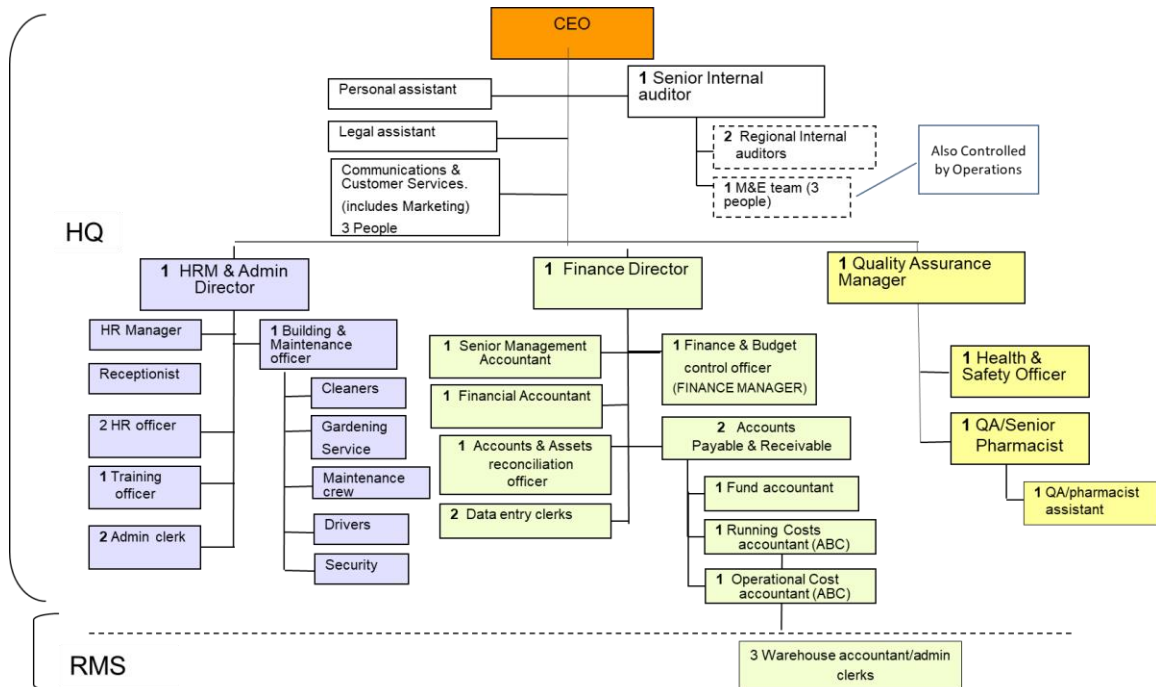
TABLE IV – MONITORING AND EVALUATION	
STRATEGIC AREA	KPI
Ensure Organisational Financial Sustainability.	<ul style="list-style-type: none"> Capital increased by 100%. Revenue growth increased by 100% by 2025. Improve stock availability from 71% to 95%. Reduce expiries from 7% to 2%. Reduce operational costs by 15%.
Engage stakeholders to strengthen and continue implementing customer-centric organisational systems to address current and emerging national pharmaceutical supply chain issues.	<ul style="list-style-type: none"> Number of parallel supply chains integrated / total number of existing supply chain. Percentage of satisfied customers. Number of meetings conducted over planned meetings. Annual field days conducted. Number of active platforms in place. Customer Service function in place.
Strengthening Supply Chain Systems.	<ul style="list-style-type: none"> Reduction in MMS costs by 5% annually. Actual suppliers' delivery / Awarded quantities. Quantity shipped to customer / quantity ordered. Actual increase in storage cubic

	<p>metres.</p> <ul style="list-style-type: none"> Actual number of days taken to deliver / Planned delivery Time.
<p>Maximise the use of robust Management Information Systems to effectively manage business processes.</p>	<ul style="list-style-type: none"> Lucid Financial, Management and Supply Chain Reports produced from ERP and WMS. <ul style="list-style-type: none"> Percentage of connected integrated systems. A functioning end-to-end tracking system in all facilities and central warehouse.
<p>Enhance Total Quality Management (TQM) across Governance and Management processes.</p>	<ul style="list-style-type: none"> SOPs, policies and guidelines reviewed by June 2025. Quality Assurance certification and conformance. Improve quality testing turnaround time. Number of implemented recommendations to mitigate the risks.
<p>Enhance Human Resource Capital Development.</p>	<ul style="list-style-type: none"> Number of staff trained / planned number of staff to be trained. <ul style="list-style-type: none"> Number of existing vacant positions / Establishment. Working environment improved by 2025. Robust performance management tool.

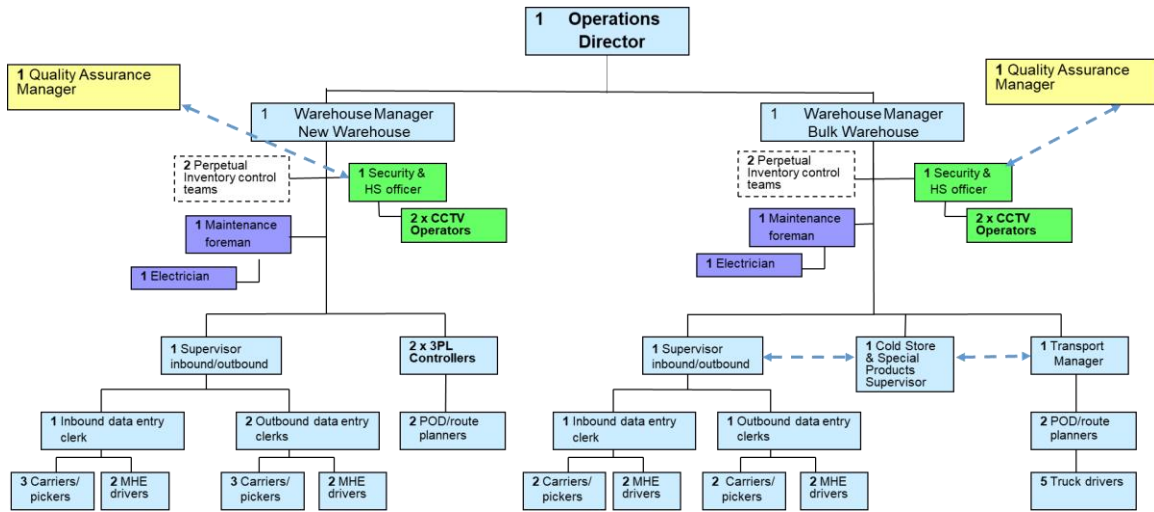
APPENDIX A – CMST Information Systems and Technology Department



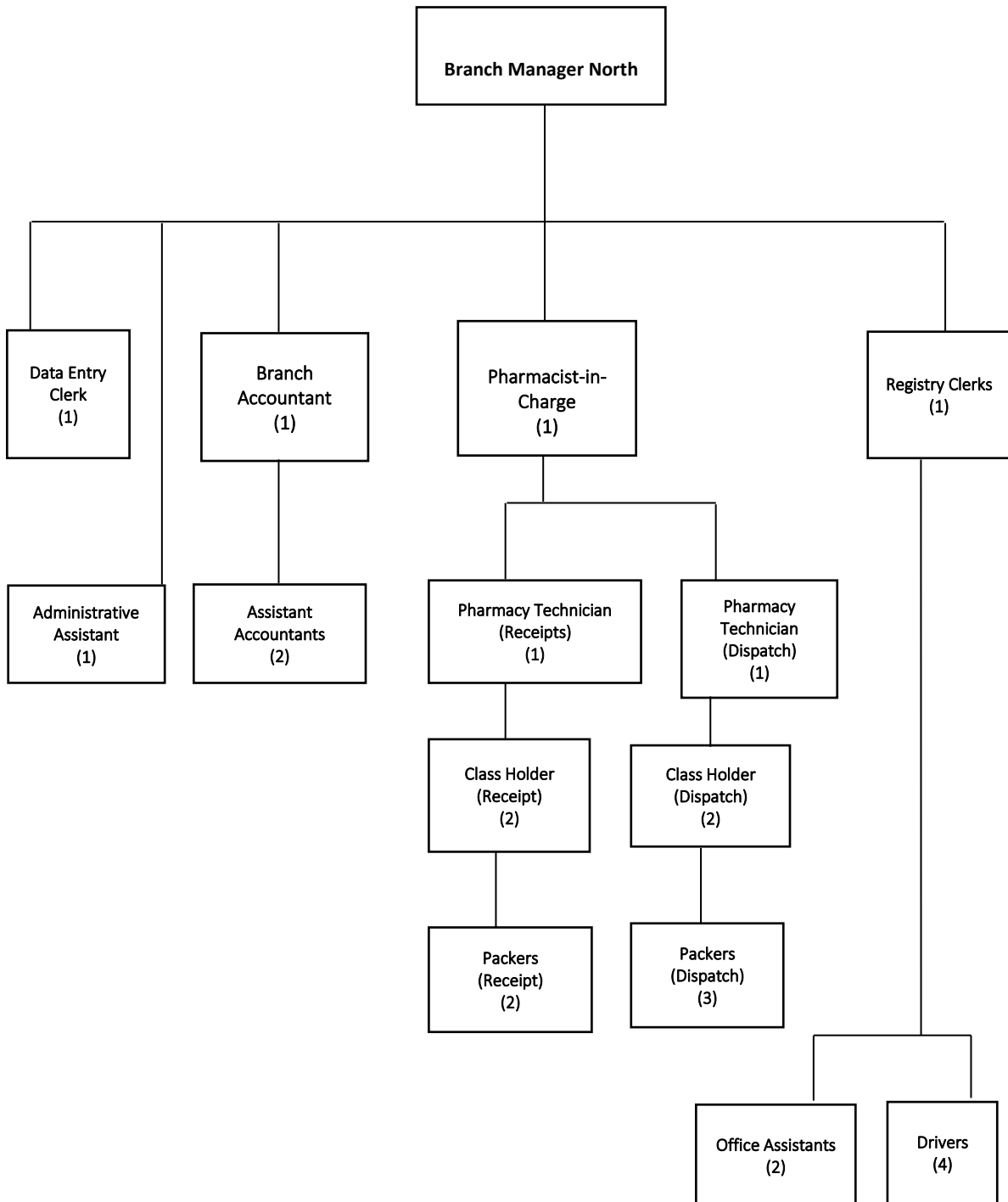
APPENDIX B – HQ Business Support Departments



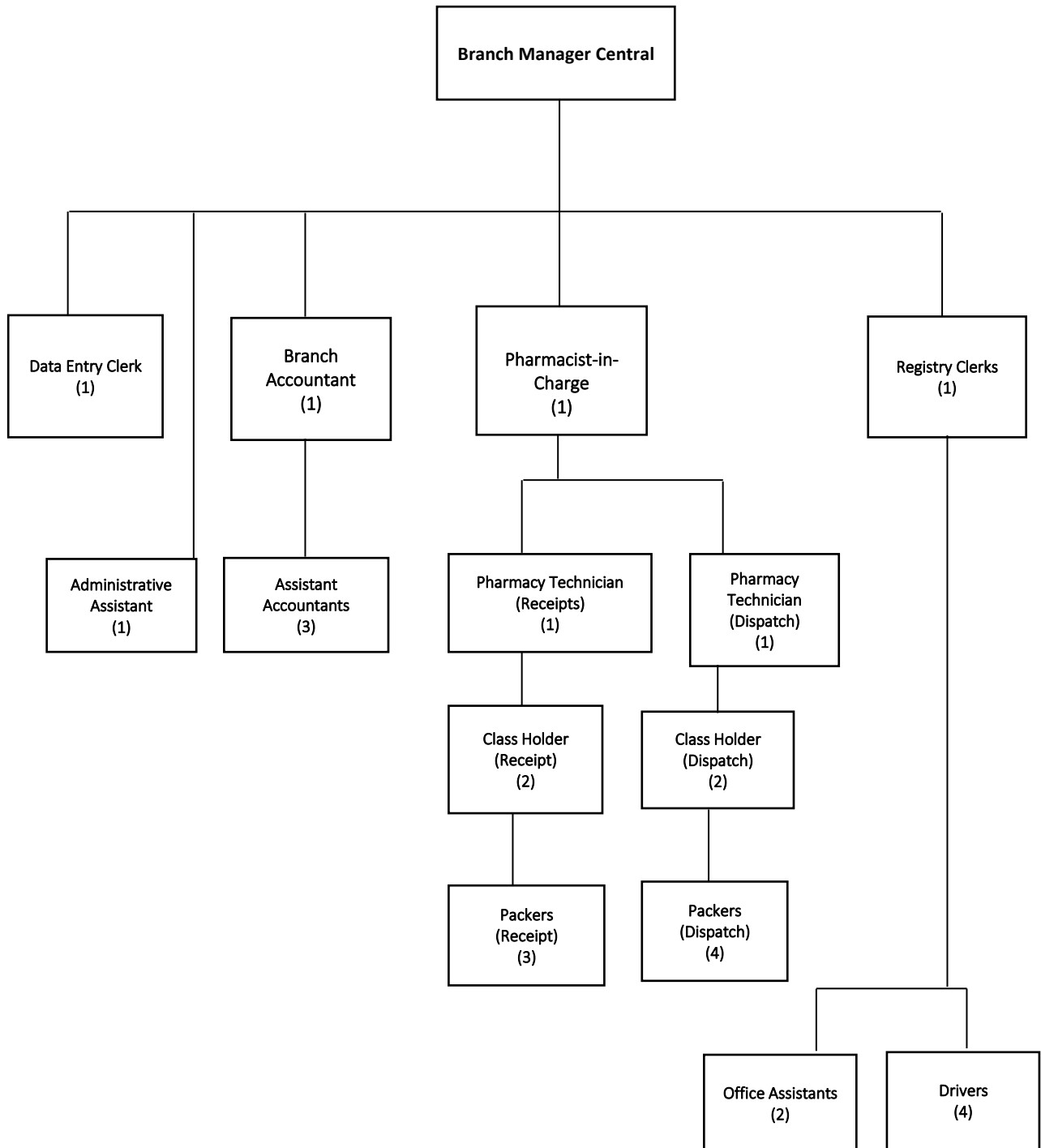
APPENDIX C – Lilongwe Central Support Warehouse



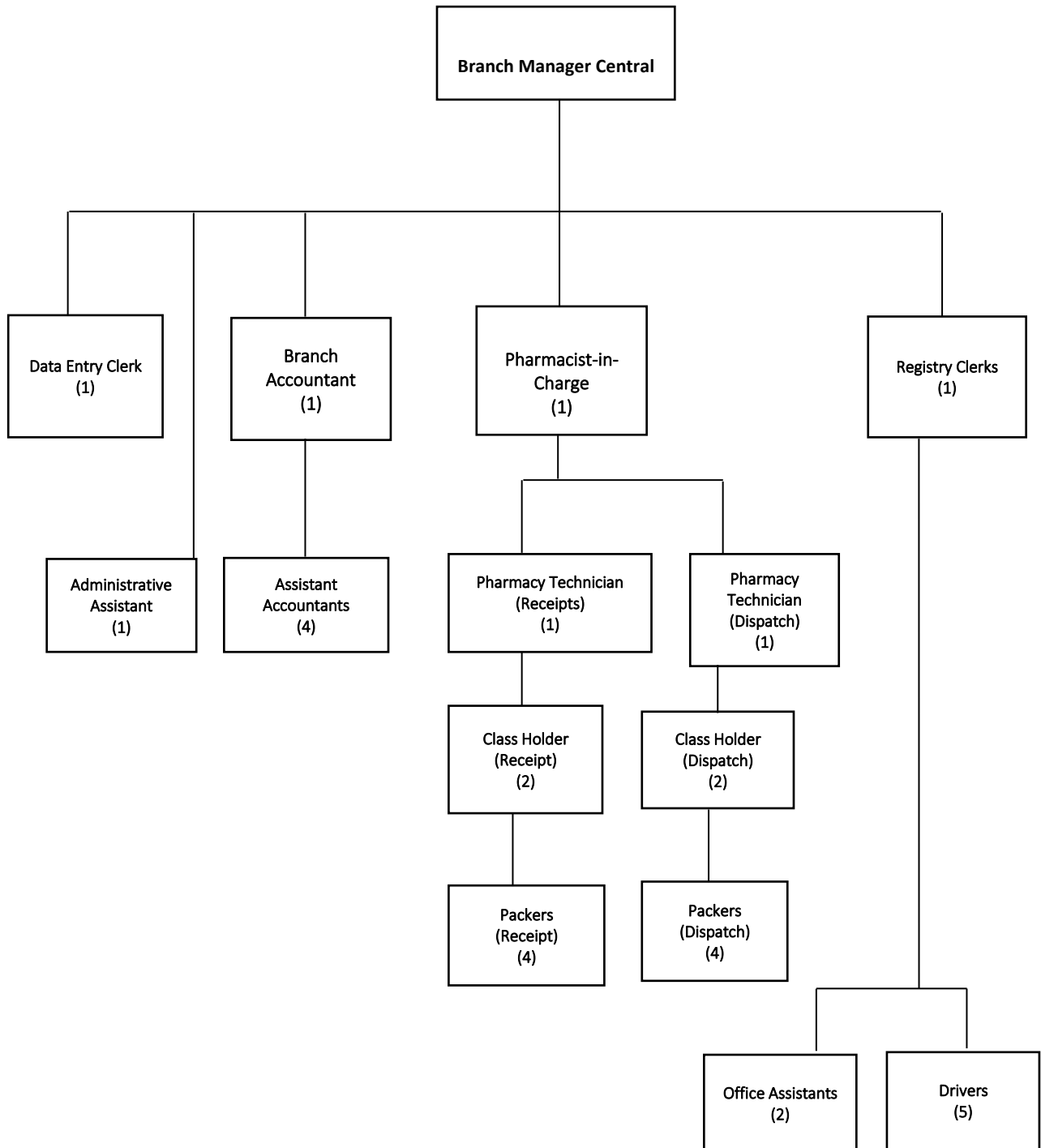
APPENDIX D : Regional Medical Stores — North



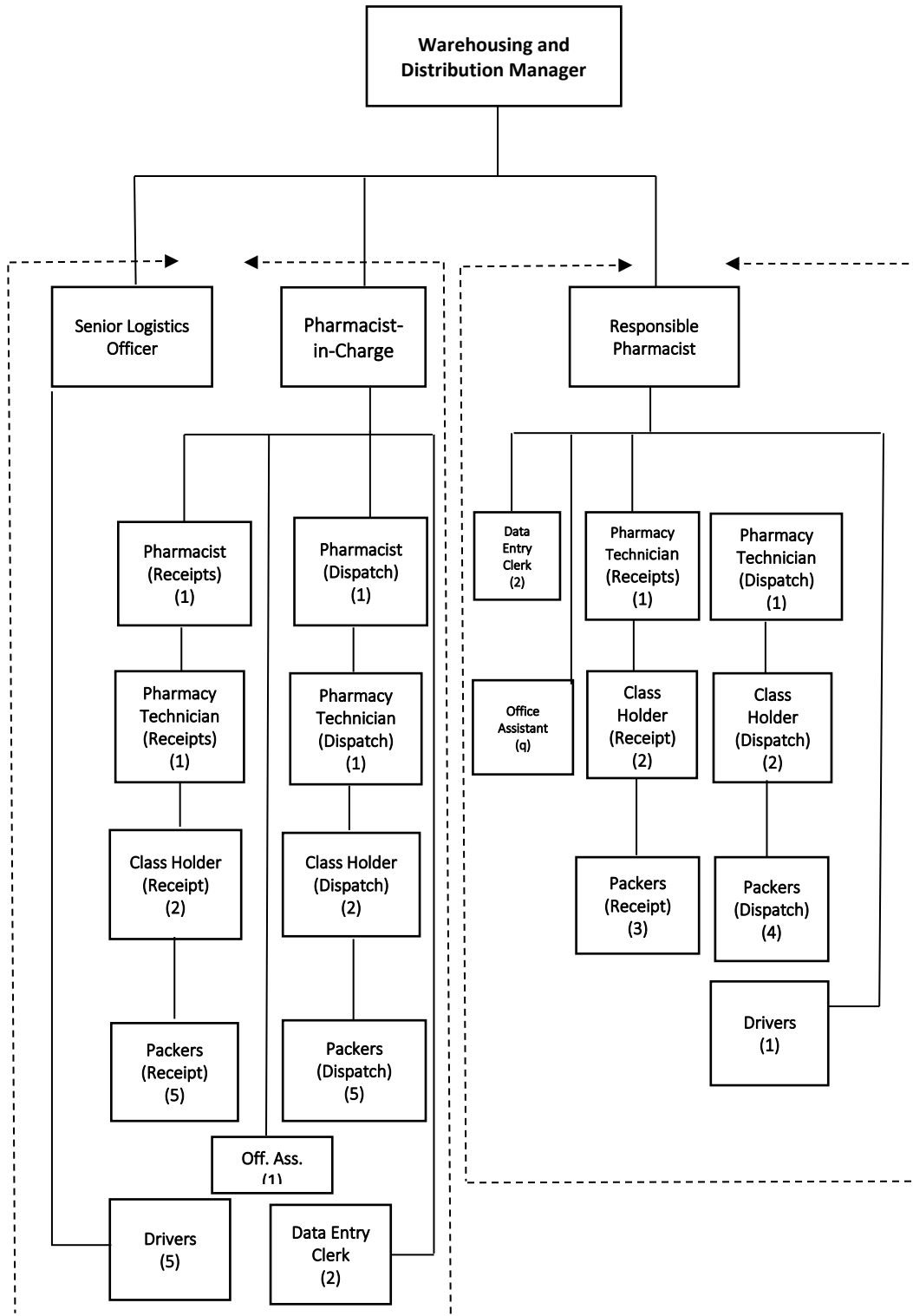
APPENDIX E : Regional Medical Stores — Centre



APPENDIX F : Regional Medical Stores — South



APPENDIX G—Receipt, Kanengo and Manobec Warehouse



APPENDIX H : Corporate Strategy Budget and Revenue Projection

TABLE V : CORPORATE STRATEGY IMPLEMENTATION BUDGET			
SUMMARY CORPORATE STRATEGY IMPLEMENTATION BUDGET			
STRATEGY DETAILS		COST	
Strategy Number	Strategy Name	MK	USD
		MK'000	USD'000
1	Ensure organisational financial sustainability	40,000,000	53,333
2	Engage stakeholders to strengthen and continue implementing customer-centric organisational systems to address current and emerging national pharmaceutical supply chain issues	500,000	667
3	Strengthen supply chain systems	500,000	667
4	Maximise the use of robust management information systems to effectively manage business processes	750,000	1,000
5	Enhance Total Quality Management (TQM) across governance, operational and management processes	250,000	333
6	Embrace human resources capital development	500,000	667
Grand Totals		42,500,000	56,667

TABLE VI : CMST REVENUE PROJECTION						
PROJECTED REVENUE						
	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025
INCOME	MK'000	MK'000	MK'000	MK'000	MK'000	MK'000
Sales-Medicines	28,168,772	25,601,551	28,161,706	30,977,877	34,075,664	37,483,231
Warehousing	784,100	1,459,330	1,532,297	1,608,911	1,689,357	1,773,825
Distribution	632,100	1,388,150	1,457,558	1,530,435	1,606,957	1,687,305
Other Income	512,096	258,824	271,765	285,353	299,621	314,602
Total Income	30,097,068	28,707,855	31,423,325	34,402,577	37,671,600	41,258,963

