

Supply Chain Performance

Why Right Incentives Matter the Most

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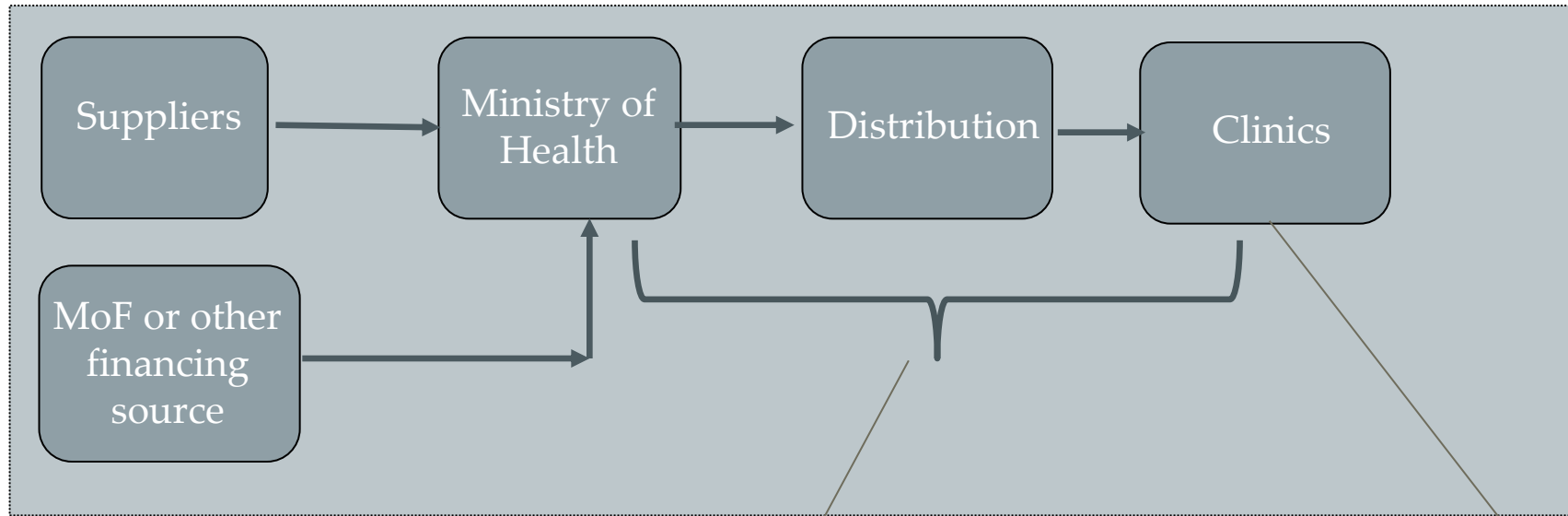


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Performance incentives in supply chains

Typical structure. May not hold for all countries and programs.

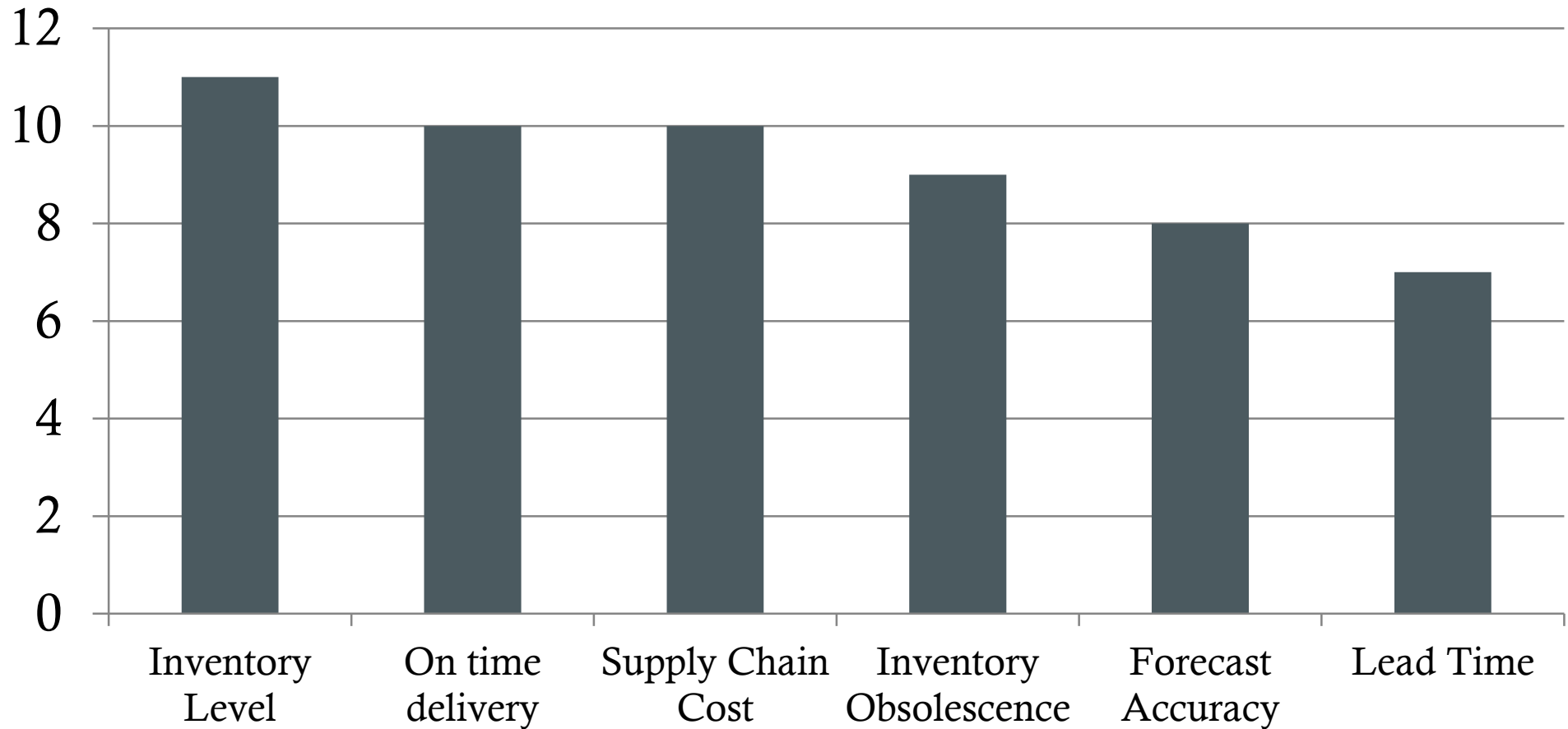


• Or explicit supply chain performance improvement incentives at all level?

• A composite performance indicator that includes medicines and health product availability?

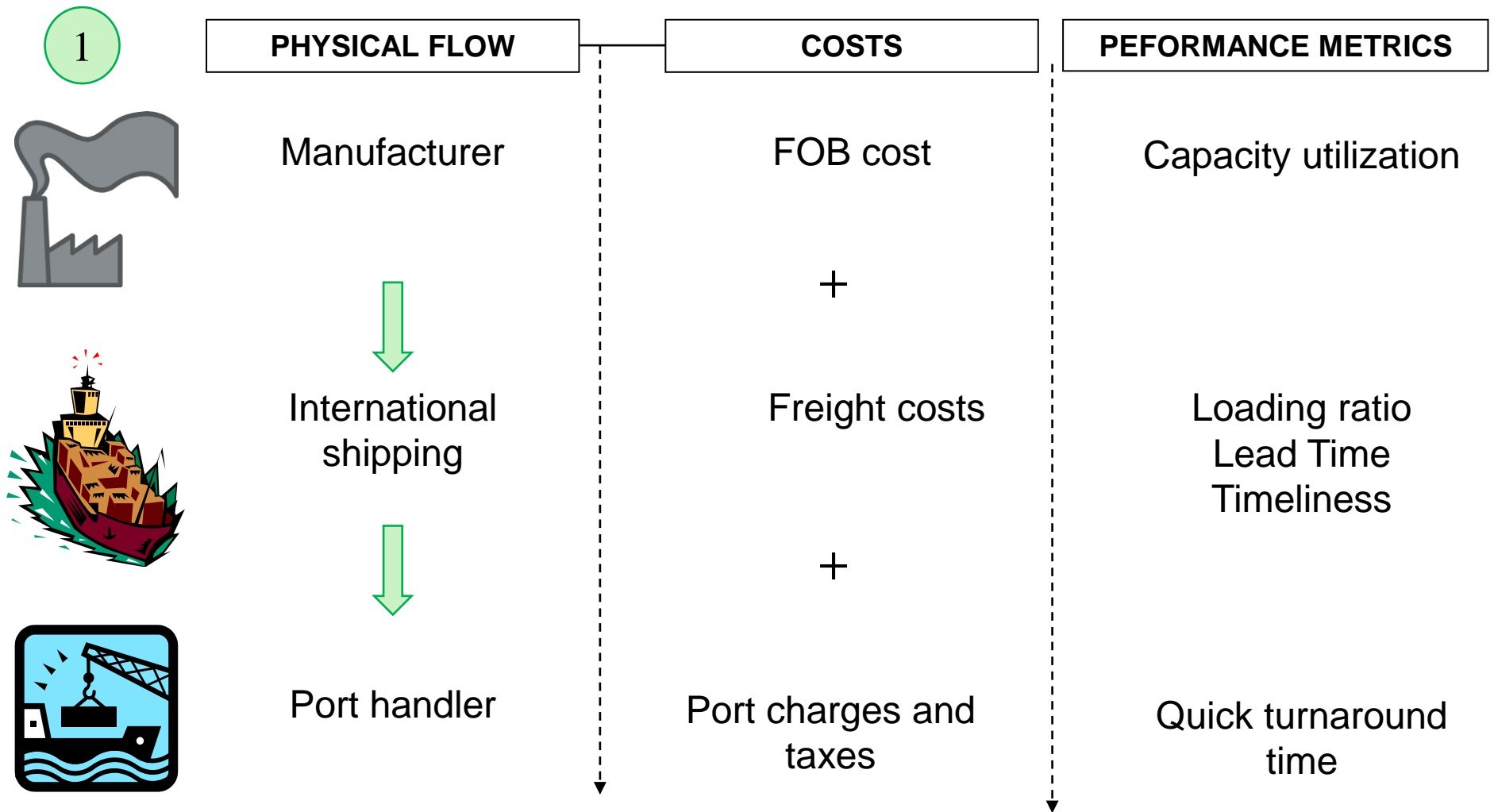
Lack of incentives and information flows throughout the system

What supply chain performance incentives are used in private companies

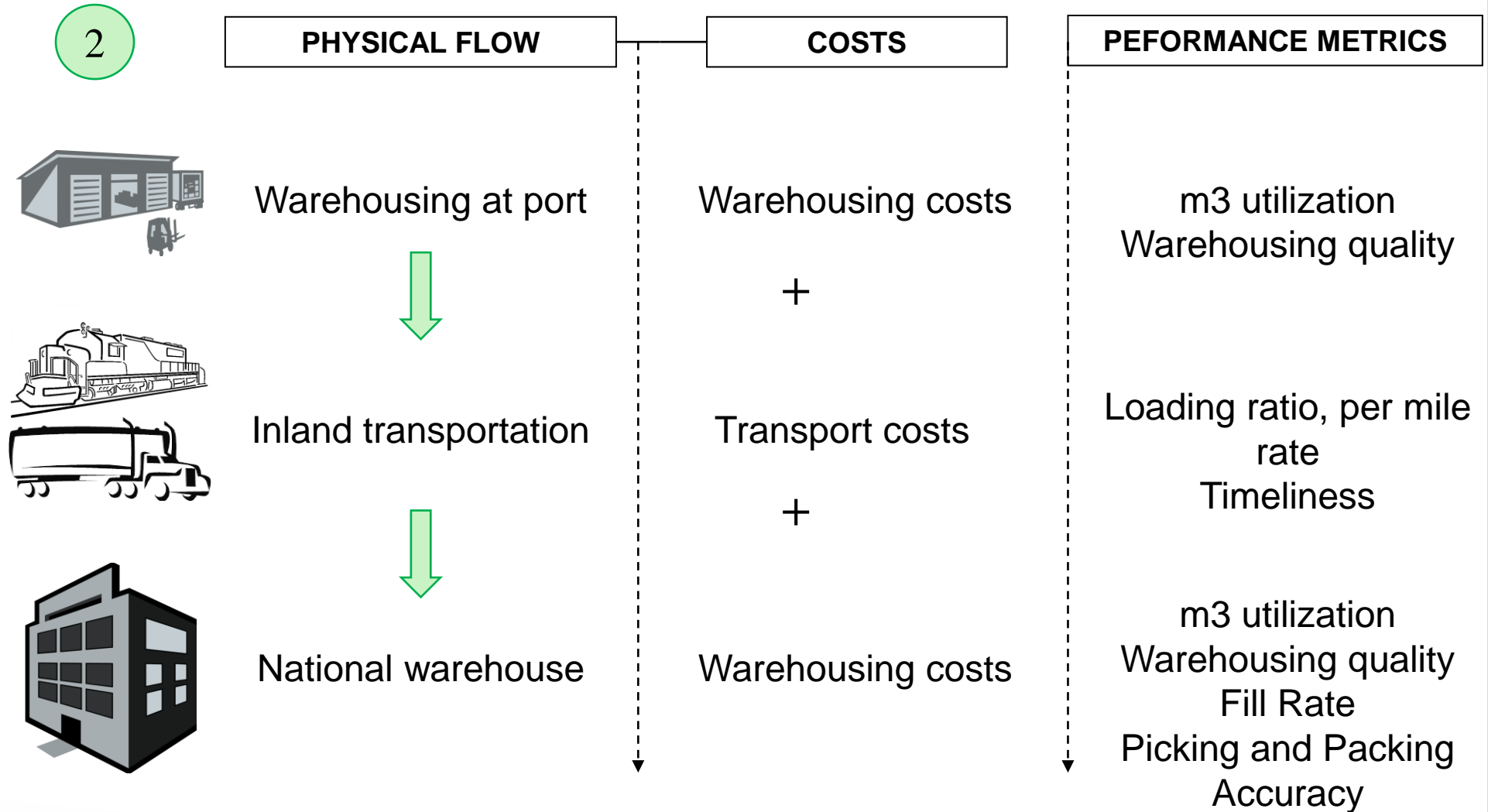


Source: Randall et al, study of 52 companies

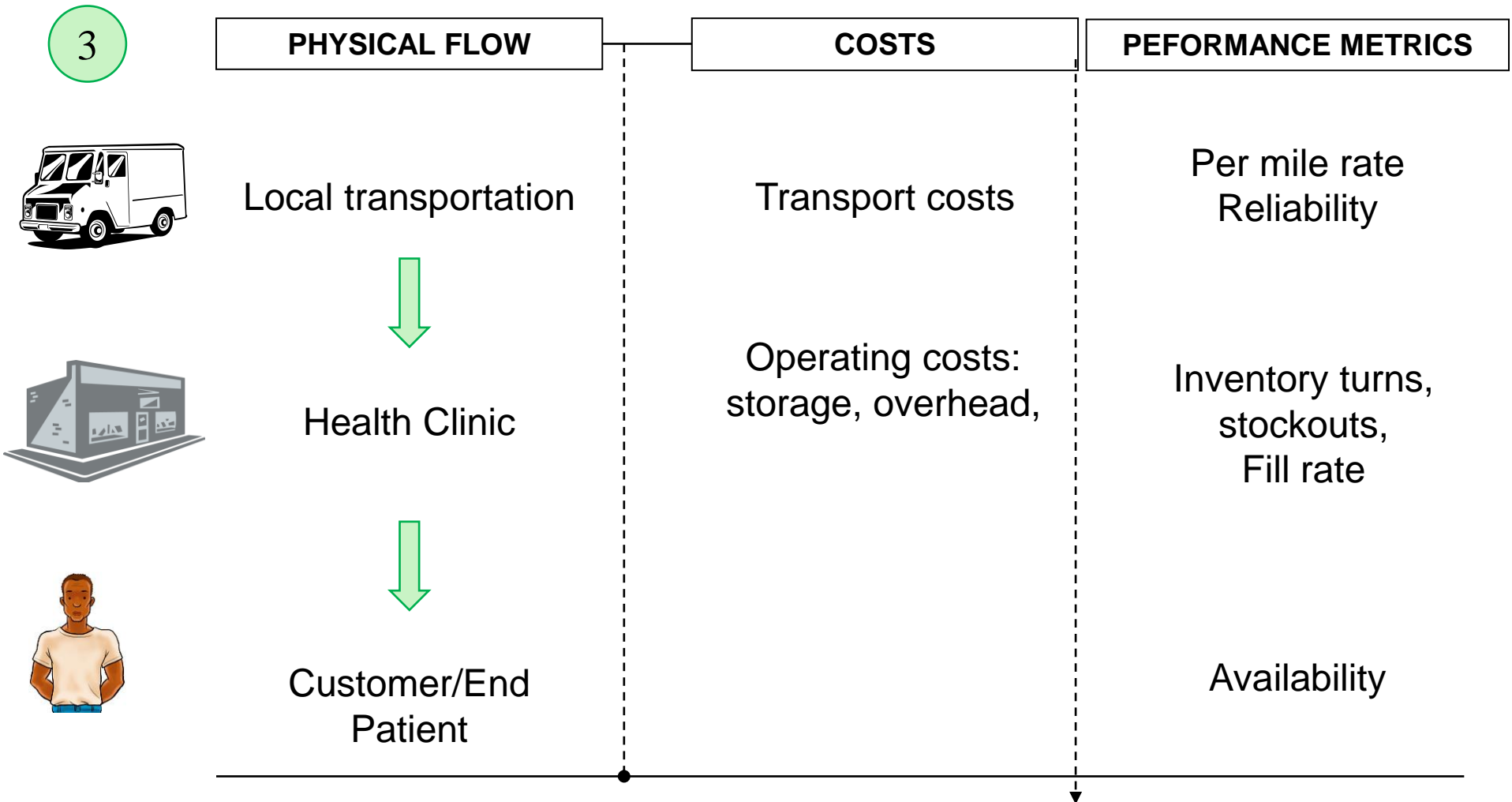
Incentive misalignment in a fragmented supply



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Performance Measures that Span Across the Supply Chain

- Incentive misalignment across actors in the supply chain is often the biggest underlying driver of poor performance
- Supply chain spanning performance metrics lead to better performance and higher accountability.
- Technology and data are pre-requisites for such SC wide performance metrics