

MASAKA DIOCESAN MEDICAL SERVICES CELEBRATES 10 YEARS



IN PARTNERSHIP WITH



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Foreword

Dr. Irene C Nakachwa
Chairperson MDMS Board



Imagine a scenario where 33 health workers/managers, 33 vehicles and perhaps at 33 different times travel an average of 150 Km to spend a day at Joint Medical Stores in Nsambya just to pick medicines and supplies. Imagine a situation where a private clinic/drug shop must maintain an affordable stock of supplies for their unable patients yet good quality medicines were out of their pockets reach. Such was the prolonged labour pain that started way back in 2007 and eventually birthed the Masaka Diocesan Medical Services (MDMS) store on the 22nd of July 2013.

Thanks to the then newly appointed Diocesan Health coordinator Fr. Emmanuel Katabaazi and his assistant Mr. Joseph Mary Ssemwogerere, the greater Masaka region and her people would not remain the same. Medicines and supplies would cost about only 2/3 of the previous prices. Supplies stock outs would become an issue of the past, cost of care would be slightly lower and resultantly service utilization would increase. Special thanks to the late Bishop John Baptist for a very wise appointment. May his soul continue to rest in eternal peace!

The birth and growth of the medical store not only impacted on medicines and supplies availability in the region but also gave birth to several other community service projects such as the Determined, resilient, empowered, AIDS-free, Mentored and Safe (DREAMS) project, USAID's Integrated Child, and Youth Development (ICYD) which later transitioned to Keeping Children Health and Safe (KCHS) which have since served children and adolescents to date.

Today the 22nd of July 2023, we celebrate ten years of resilience, commitment, collaboration and partnership, dedication, client centeredness and steady progress. As we do:

We remember the Late Mgr. Joseph Ssempungu, late Bishop John Baptist Kaggwa, Late Fr. Evarist Lubega for the connection, wise counsel, continuous support, and encouragement through the journey. Eternal rest grant unto them Oh Lord and let perpetual light shine upon them. May they continue to rest in peace.

We specially recognize Joint Medical Stores' role in operationalization of this project. The continuous capacity building right from business planning, staffing structure etc. your experience sharing right from inception, your credit services and your commitment to MDMS' goal immensely contributed to the tremendous growth.

We appreciate our partners in fundraising, Fr Ron Sajdak, Jonathan & Stephanie Weiland of Life Net international, Carl Montate, the dioceses and parishioners of Albany and Buffalo, New York, and Kiyinda Mityana. Without your support this would have remained only a dream.

We congratulate Masaka diocese' leadership, Bishop Serverus Jumba and team, the MDMS management team and staff, the past and current board and the health facilities of Masaka diocese and beyond for a thriving child in MDMS. Well done, good and faithful servants.

We shine a torch on the pioneer staff of MDMS; Fr. Emmanuel Katabaazi, Brian Bagyeda, Joseph Mary Ssemwogerere, Prossy Nabadda, Namakula Immaculate, Peter Kagenda, Sarah Namaganda, and Sseddagala Joseph. You are a true definition of '*service with dedication.*' May God reward you abundantly.

INTRODUCTION

On this day, 22nd July 2023, Masaka Diocesan Medical Services Store is celebrating ten years of existence. It has been a journey characterized doubts, anxiety, joys and successes. MDMS under which the Store was registered, is a faith-based organization incorporated as a company limited by guarantee, governed by a Board of Governors, appointed by the Bishop of Masaka Diocese and working under the Social Services Commission of the Diocese. It is led by a Diocesan Health Coordinator who is responsible to the Board of Directors. The vision of MDMS is to see a Diocese with health institutions that meet health needs of the population without any discrimination.” MDMS exists to provide sustainable quality health services in continuation of Christ’s healing Ministry in partnerships with other stakeholders through four major objectives, namely,

- i. To increase access to quality health services at the Diocesan health Institutions.
- ii. To strengthen governance and management systems at Health Institutions in line with generally accepted international standards
- iii. To contribute to the reduction of HIV/AIDS incidences and mitigation of its effects in Masaka Diocese in line with the 95 95 95 global targets.
- iv. To increase access to quality and affordable Pharmaceuticals in Masaka Region.

This booklet pays more attention to the last objective of increasing access to quality medicines has been achieved. We have tried to document the history of how the idea of getting involved in medicines distribution started, the circumstances that surrounded the initiation of the medical store project, the hurdles that had to be addressed before the store started, individuals and organizations that supported MDMS store to begin operations, challenges that were encountered at the initial stages of operations and how they were addressed, the staff that made their contributions towards the growth of the Store, the performance of the store against the key indicator of annual turnover, the contribution of the MDMS Store towards the general growth of MDMS in general.

As we mark 10 years of operation, it is a moment to give gratitude to God whose invisible hand has enabled MDMS Store to be where it is. The way the processes unfolded prior the birth of the new medical store presupposed a Divine intervention. MDMS is highly indebted to JMS, the lead partner who enabled the dream of MDMS to become a reality. They did not only support MDMS by supply medicines on credit, but also built the capacity of staff to manage operations as expected. We are also highly indebted to the Diocesan authorities led by the Bishop for their moral support, recommendations and approvals at different stages of MDMS. Besides being the founders and owners of MDMS, Masaka Diocese has contributed resources to the project including land and personnel. Fr. Ron Sajdak through his reaching out 2 Africa, has heavily contributed to the infrastructural development at MDMS, while Life Net international’s intervention at the initial stages are high appreciated

MDMS will for ever be grateful to the Board of Directors who fulfilled their oversight functions at different stages, the staff who have been at the center of implementation and the customers who have kept MDMS Store a relevant institution to the community.

MDMS is also very proud of other departments under MDMS that have used Medical Store as their stepping stone. The large community programs targeting the vulnerable populations including Adolescent Girls and young women, the orphans and people living with HIV, owe a lot to the MDMS Store and JMS. Our since thanks also go to our other partners supporting community including Rakai Health Sciences (RHSP, TPO, Micro Finance Partners in Africa (MPA), CORDAID and MIVA.

CHAPTER 1: PREPARATIONS FOR THE JMS OUTLET OPERATIONS

In this this chapter, an attempt is made to recall how the idea of a medical store started, initial attempts to secure funding, how construction started, the inauguration of the new building, the challenges that were faced by management before operations started and how they were overcome.

1.1. How the idea was conceived

The idea of starting a medical store was conceived way back in the early 2007 when the current DHC and his Assistant had just been appointed. It was realized that purchasing medicines collectively from JMS would enable Diocesan Health Facilities to make efficiency gains in terms of cost and time. By then, health facilities had to take their orders to JMS and transport consignments individually to their health facilities. The idea was to create a medical store or at least a liaison Office for coordinating and receiving orders on behalf of different facilities. As part of the feasibility study, different stakeholders were consulted including the Diocesan Leadership, sister departments, Uganda Catholic Medical Bureau and JMS. Unfortunately, this idea was Initially received with some scepticism. First, the proposed project seemed to be too ambitious to be realised given the weak financial base at the Diocesan Health Office at that time. Second, the department lacked space for the project yet Caritas MADDO was hesitant to release their warehouse to be turned into a medical since it was the only space available for storage. Worse still, the JMS General Manager then, Mr. Jimmy Opio, also appeared doubtful about the prospects of the project.

1.2. First Attempt to fundraise for the store

In May 2007 the DHC, Fr. Emmanuel Katabaazi set off for Buffalo New York on the invitation of Fr. Ron Sajdak, who had met him during his visit to Uganda in 2005, hosted by the Late Fr. Evarist Lubega as shown in photo 1. The main purpose of the DHC's trip to Buffalo was to participate in the annual missionary cooperation plan for the Diocese of Buffalo during which a missionary appeal was to be made in three Parishes to raise funds for the new Medical Store. However, this intention was kept a secret was kept a secret between the DHC and Fr. Ron, for fear of giving false hopes to stakeholders who were already sceptical about the project. The DHC was accorded a very warm reception by Fr. Ron and the Afro-American community at St. Martin de Pores for which he was a Pastor. Besides giving a free return ticket, ROTA provided free accommodation, meals and transport to the different parishes. Other individuals who supported Fr. Emmanuel during his stay in Buffalo included: Richard Ersing, Joan Ersing, Adam Samlin and Fideli Deng.



Photo 1: showing the first visit of Fr. Ron Sajdak the second from left hosted by Fr. Evarist Lubega on the extreme right in 2005 at Our Lady of Visitation Mbuye Parish.

After the statutory deductions, funds collected during the mission appeal totalling \$ 4300 was sent by the Mission Office of Buffalo Diocese to Masaka Diocesan health Department. Aware that the money raised was too little to support a project of that magnitude, the DHC requested the Diocese of Buffalo to allow the Health Office re-allocate the funds to purchasing an office vehicle. By then, the Health Office lacked any means of transport after donating the only car they had to the former DHC, Mr. Boniface Tebandeke. To that effect, a used Suzuki Escudo UAK 864J captured in photo 2, was secured instead of embarking on a mega project of starting a Medical Store. However, the idea of starting a medical store was not erased from the minds of the health department staff.



Photo 2: Showing the vehicle procured after the relocation of the insufficient funds initially raised for a medical store

After the first move to fundraise for medical store aborted, time was now ripe to share the idea with the Diocesan health Board led by Dr. Bukenya Joseph Mary, for more support and ideas. In his report to the Board meeting that sat on 13th October 2007, the DHC enumerated a number of challenges being faced by the Health department to justify the need for a medical store. Part of his report reads, “The main Challenge facing the Diocesan health department is sustainability of units, the Diocesan health Office and the Diocesan Health Board, but the need for creating space for storing medicines is another challenge that requires immediate attention”. Previously, the former DHC Mr. Tebandeke used to store medicines in the sitting room of a Hostel at Masaka Social Centre Bwala, which was a big inconvenience to the Health Office staff who had to coordinate the medicines distribution from afar and to the staff at the Social Centre. At the end of the meeting, the Board came up with an action paper with a resolution supporting the idea of constructing a medical store either for business or for temporary storage of medicines.

In August 2008, the DHC had got enrolled for Master’s program in Health Services Management, which made it difficult to implement the resolutions passed by the Board of Directors. The idea was now buried for some time.

1.3. Second attempt to fundraise for the medical Store

In 5th June 2010, the DHC again travelled to Buffalo New York for another attempt to fundraise for the proposed Medical Store. This time the parishes visited under the missionary cooperation plan were more generous than those visited in 2007; more than \$1,2000 was raised for the medical store. The next step was to decide whether MDMS was to begin constructing a new building for the medical Store or use the money to start a medical store using hired premises. The first option was chosen by the management with approval of the Board of Directors. The DHC shared this idea of constructing a new block for the medical store with the Bishop (Late John Baptist Kaggwa) and sought his permission. But unfortunately, his view was different; he had already conceived an idea of constructing a complex that could house all departments at Ddungu Wing, instead of constructing isolated structures. This meant waiting longer for all departments to raise enough funds to start a multi-billion structure. When the same issue was discussed with the Vicar General then (Late Mgr. Joseph Ssempungu) he said, “we cannot wait until all other department mobilise resource for you to start a project like this. You do not need to argue with the Bishop, but just go ahead with the construction as long as you have the money; the Bishop cannot stop this noble cause”. He went ahead to say, “do not consult many people on this, some people might just derail you”. He immediately allocated a piece of land adjacent to the Caritas MADDO warehouse. This comment from the Vicar general was an energizer to MDMS management wondering how we could go ahead without the full consent of the Bishop.

1.4. Construction of the new Medical Store block

To begin the construction, the Health Office staff requested the Director of Caritas MADDO, Fr. Raphael Ssemmanda, to surrender his orchard with various types of fruits for a new building. He willingly accepted the clearance of the site for the construction to begin. When construction started in December 2010, the DHC was expecting to be summoned by the Bishop to explain why we went ahead to create a structure against his advice, but the Bishop just kept quiet about the new development. Instead, he used to come around during his walks to see what was going on. He used to speak a few words of encouragement to the health department staff and to the team of builders led by the late John Kiggundu. The buiders contracted were under the supervision of the Diocesan Building Committee led by Fr. Kalyesubula Bonny and Engineer. Sam Ssimbwa.

Construction progressed uninterrupted up to the beam level until the money from Buffalo run out, forcing the department to encroach on personal savings to meet some small expenses. Later, Fr. Ron could send donations from friends that helped the department to push on the construction until the block was roofed.

After roofing Fr. Ron, through his Reaching out 2 Africa (ROTA), with support Joan Ersing continued to mobilize funds from Buffalo friends and institutions to have the building completed in Jan 2012. Soon after the construction was completed, Mr. Yiga John Mary of YJM Vertical Fitters and Decorators was contracted to make the ceiling and partition the Medical Store offices before its inauguration on 18th May 2012 by Fr. Ron Sajdak and being blessed by Rt. Rev. John Baptist Kaggwa. Shortly before inauguration, the Medical Store received shelves as a donation from JMS through Wasswa Cohen Nsubuga, the

Manager operations. They were later used to keep copies of invoices and purchase orders.

1.5. Inauguration of the new building for the Medical Store

The inauguration of the new building was attended by Fr. Ron Sajdak, Fedeli Deng one of the lost boys of Southern Sudan, Deacon Matt, Greg Prince, the man on the Camera and Joan Ersing. Joan Ersing is remembered to have shed tears of joy when she saw the beautiful building adorned with a marble like glittering floor. She could not believe that a building worth 105,000,000/= (\$40,000) could be as beautiful as it was. By that time the USD was equivalent of 2500/=.

The Holy Mass for the day was led Bishop John Baptist Kaggwa, with other concelebrants who included Bishop Paul Kalanda, Fr. Kiggundu Francis, Fr. Ssemmanda Raphael, the Caritas MADDO Director, Fr. John Fisher Kiyimba, Fr. Ssegawa Paul and other priests as captured in photo 3 and 4 below.



Photo 3: Showing Bishop J. B. Kaggwa (R.I.P) blessing the new medical Store on 18th May 2012 before it was officially inaugurated by Fr. Ron

The function was spiced by a Ganda Dance by students from Arch-Bishop Kiwanuka Senior Secondary School. Those who attended the function were served with a few snacks and Sodas to the disappointment of the staff at Ddungu wing who had expected a bigger party. The late Charles Luswata, the head of Agriculture Department then, is remembered to have commented, “Aba Health mutusaze, tubadde tulinda ka beer naye baaba” meaning that, the staff of the Health Department had disappointed them, for they

had expected at least a bottle of beer. Surprisingly, the visitors from USA were so impressed by the party; in fact, to them the party was reasonably big. In their culture a party attended by more than 50 people is already a very big one and usually a few snacks are served to avoid wasteful expenditure. In the last ten years, frugality has always been part of MDMS culture, making it possible to save enough resources for capital development and expanding MDMS stock.

The proceedings of the function were being followed live by the family members and friends of our visitors who remained in Buffalo via skype. After commissioning the building, the Bishop of Masaka, the late Right Rev. John Baptist Kaggwa, had a moment to chat with his counterpart in Buffalo again via skype to the amazement of many who had not seen the new technology before. Video calls at that time, were not yet common in Uganda.



Photo 4: Showing Bishop JB kaggwa (R.I.P) and Mgr. Joseph Kato Ssempungu (RIP) in front and Fr. Ron Sajdak (in the middle), standing with Joan Ersing and Deacon Mat on his left.

The newly completed building had replaced the Orchard that had been initiated by Fr. Ssemmanda for demonstration to farmers and for growing fruits for local consumption. Photo 5 below, shows the remnants of the fruit trees that were kept standing by the time the building was completed, before they were finally cleared to create room for packing. The mango and Avocado trees that were part of this orchard are still standing.



Photo 5: showing the newly constructed MDMS Store block standing between remnants of the Orchard before the packing area was created.

Hurdles to jump before the store opened

By Jan 2012, a new building had been completed and later inaugurated on 18th May, the same year. The major achievement already registered at this time was the availability of space for storing medicines. There was no need for the Health Department to store medicines under the Essential Drug Program as it had happened before. However, the desired Medical Store that could make sales to customers was not yet established. The department had to overcome a number of hurdles before the Medical Store was fully opened for the distribution of medicines and other pharmaceutical in Masaka Region. The new challenges included: coming up with the business plan, procurement of the needed equipment, navigating through the process of getting registered with the National Drug Authority, Registering MDMS as an entity and raising the needed capital to stock medicines and other pharmaceuticals. This was a time for management to approach different individuals and institutions for financial support.

1.5.1. Business Plan

The Health department was able to come up with the first business plan with sales projection for the first three years basing on the financial proposal presented by the Joint Medical Store (JMS) Manager for operations. The business plan also captured the vision and mission the specific objectives, catchment area, the size of the market in Greater Masaka Region and the possible competitors in the market.

1.5.2. Financial Proposal by Manager Operations

During a meeting at Ddungu wing, the JMS manager for operations shared a financial proposal for two years on 15th April 2012, which was used a basis for the business plan mentioned above. It was attended by Dr. Musiitwa Herman Joseph, the chairman then,

Fr. Edward Anslem Ssemwogerere, Dr. Moses Kawuma Moses, Fr. Emmanuel Katabaazi and Mr. Ssemwogerere Joseph Mary. To justify the collaboration between MDMS and Joint Medical Store, the JMS Manager operations outlined four main reasons for the possible collaboration between JMS and Masaka Diocese, namely,

- i. Need to bring services closer to the customers
- ii. Increase access to quality medicines & supplies
- iii. Cooperation with reliable partners can contribute to sustainability
- iv. Leverage on existing resources in the regions in the way to go

The Financial Proposal, outlined the key issues to be considered before starting a medical store like the one that was being proposed. They included, Market Environment & Potential customers, operational costs, capital Investment, staffing structure & Costs, projected Surplus/Loss Statement, financing gap and location of the medical Store. He also outlined the potential customers for the business who included among others, UCMB Accredited units, non accredited units e.g CBOs, Government, pharmacies, drug shops, prescriptions and schools. The expenses too were categorized under the following expenditure categories: administration costs, insurance, selling and distribution costs, personnel costs, management information system, storage, data processing, office equipment and furniture and other expenses.

Sales forecast for two years of operation

He presented the sales forecast per segment under medicines and Sundries for the first two years of operation. He categorized medicines under essential, non-essential and vital as presented in table 1 below.

Table 1: Showing the Sales projections by category

2010/11		Regional Store - Sales Projections by Category						
JOINT MEDICAL STORE								
				2010/11				2011/12
Million UGS	% Contr	Forecast	Actual	%	Forecast	Actual	%	
Medicines		1,036,120,000			1,865,016,000			
Essential	35	362,642,000		0.00%	652,755,600		0.00%	
Non Essential	9	93,250,800		0.00%	167,851,440		0.00%	
Vital	30	310,836,000		0.00%	559,504,800		0.00%	
	Total	766,728,800	74	0.00%	1,380,111,840	74	0.00%	
Others								
Sundries	15	155,418,000		0.00%	279,752,400		0.00%	
Instruments	11	113,973,200		0.00%	205,151,760		0.00%	
Equipment	0	-		0.00%	-		0.00%	
				0.00%			0.00%	
	Total	269,391,200	26	0.00%	484,904,160	26	0.00%	
Total		1,036,120,000	100	0.00%	1,865,016,000	100	0.00%	

Sales forecast by market Segments

He also projected how much each market segment could contribute to the sales in the first year as reflected in table 2 below. The intended primary beneficiaries of the Medical Store were the accredited unit under the Diocese. Other potential customers were non accredited units like CBOs, public units, pharmacies, drug shops, prescriptions and schools.

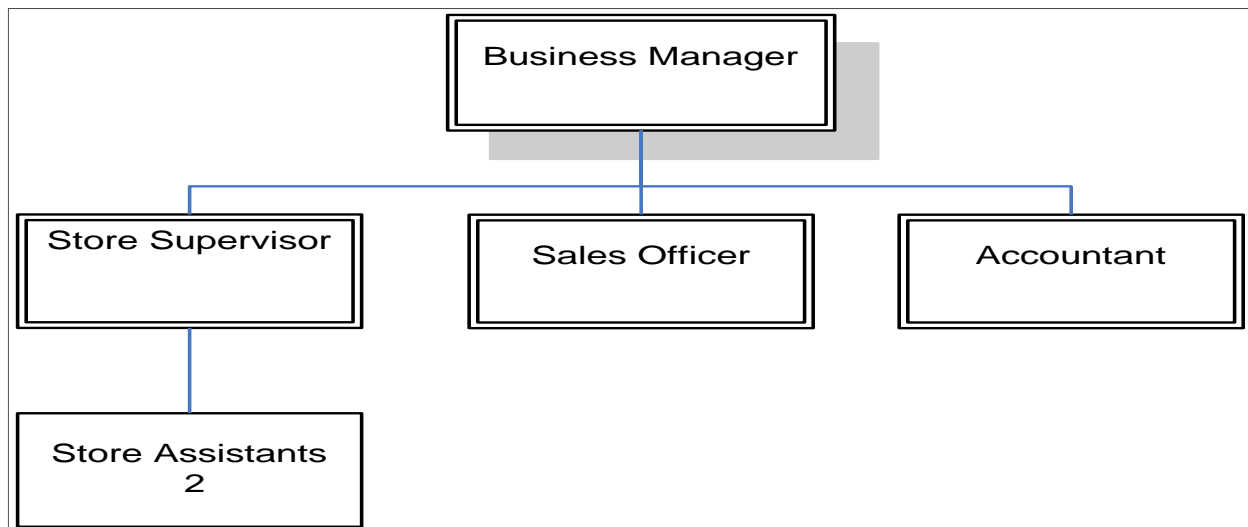
Table 2: showing forecast by market segment

Contribution	%	Amount
Accredited units	30	310,836,000
Non accredited units e.g CBOs	28	290,113,600
Government	5	51,806,000
Pharmacies	26	269,391,200
Drug Shops	10	103,612,000
Prescription	0	-
Schools	1	10,361,200
	100	1,036,120,000

Proposed Organogram

The JMS Manager Operations proposed a simple organogram for the new Medical Store. At the top, a manager would be responsible for three officers, namely, the Sales Officer, the Store supervisor and the store supervisor and his Assistant as demonstrated in the figure 1 below.

Figure 1: Showing the Organogram proposed by JMS Manager Operations



1.5.3. Equipping the Medical Store

The proposed new Medical Store needed equipment ranging from furniture, a power supply systems and warehouse gargets. The health department had received a Samsung refrigerator in 2009 from the General Manager of JMS then, Mrs. Donna Kusemererwa as a gift for coordinating well the Essential drug pull program and other regular orders from health facilities to JMS. It became the first asset to be taken over by the new medical store.

A few days after MDMS premises were completed, a classmate to the DHC, Mr. Bakaye Bernard visited the new premises and noted that the new Store needed furniture for the Office. He therefore donated 500,000/= for a leather Office Chair and Office desk which were duly secured for the purpose.

Earlier, the DHC had spoken to Paula, the Coordinator of CORDAID (Netherlands) responsible for Ugandan Health supported projects in early 2011, who accepted to support the Health Department's move to become self-reliant. He thus connected him to Jien an officer directly responsible for the Lenten campaign.

In early 2012, the Health Department received € 10,000 from CORDAID, which was equivalent to 32,900,000/= for equipment. With funds from CORDAID, MDMS procured a Phocos- Sunder Solar Fridge and backup system from ITAL Trade Limited, located in Kasanga, three desk top Dell computers and an Epson printer, on 30th Jan 2013. With the same financial support an air-conditioning equipment was installed, two computer tables, office tables were procured and metallic racks for holding wooden pallets were

installed. MDMS hired SOLECO Company in Muyenga to manufacture and install racks in the warehouse in Feb 2012 under the supervision of SOLECO Director Andre. These racks were intended make MDMS Store appear more special from other wholesale Pharmacies in the region. They were to become a symbol of authenticity as customers were to see a warehouse similar to those at JMS. It would become easy to convince customers that the MDMS Store was indeed an outlet of JMS. During inspection, the National drug Authority Inspectors were satisfied with the lay out in the medical Store and the storage equipment installed.

1.5.4. Capital for stock and operations

Another challenge to overcome was to raise enough capital to secure stock and for running costs. The potential partners and institutions approached to raise capital included the Diocesan Treasury, Kitovu Mobile and Kitovu Hospital but with no success. In Dec 2012, the then Director of Interservice the Late Fr. Zachery Rweza accepted to inject 150 million Uganda Shillings to kickstart the Medical Store but on condition that the surpluses are shared between Masaka Diocese and Interservice. This decision would mean going through another very rigorous process of forming a company with shares yet the main objective of the Medical store was to increase access to quality medical services in the region, not primarily to maximize profits. When this new idea of entering into a partnership with Interservice was floated to the Diocesan Health Board, it was rejected on the ground that it would involve so many parties including the Episcopal conference. The DHC was instructed to look for other sources of funding.

As we got closer to the end of 2012, a lot of anxiety filled the hearts of Health Office staff as the newly commissioned building was lying idle without any serious activity. The Fr. Ron who supported the construction of the block was also very eager to get updates on the proposed Medical Store for which the building was constructed.

Using personal savings to hire staff

There was no stock due to lack of capital but the stock could not be secured without the statutory staff to register a wholesale pharmacy with NDA. All efforts were then shifted to hiring a pharmacist and the auxiliary medical staff. Since pharmacists were usually hired at the end of the year, a decision had to be made to hire one so that he could begin working at the beginning of the new year. But this meant hiring a pharmacist without stock. By Jan the two required staff were already onboarded. For the first 7 months from Jan to July, the first Pharmacist, Brian Bagyenda and his auxiliary staff, Richard Ssentume were paid without any toil as the registration of the Store kept on being postponed. To avoid a breach of the Contract, the DHC from his personal savings, used to pay 1.9 million per month to the Pharmacist and 400,000 to the auxiliary staff, a registered comprehensive Nurse. Thanks to the kind people in Buffalo who had donated some money to the DHC during his visits to Buffalo New York. To occupy the newly recruited staff, the Pharmacist and the Auxiliary staff were sent to JMS for internship where they could get more experience in managing operations of a Medical Store at the request of the Diocesan Health Coordinator.

Liaison Office for Coordination orders to JMS

In Jan 2012 as we waited to finalize the process of registering the Pharmacy, a Liaison Office was launched to coordinate regular orders from Diocesan health facilities to JMS using space at the new building. The health Office engaged an intern, Joseph Sseddagala who had done a course in IT, with proven skills in driving, the accountant (Prossy Nabadda) and volunteer accounts assistant (Immaculate Namakula) to receive orders from lower level units, submit them to JMS and later travel by public means to pick ordered items from JMS. The small fees for handling the medicines from JMS were used to pay a small stipend to the liaison staff

Securing a loan from LifeNet International

In Feb 2012 the DHC received a call from his sister Mrs. Josephine Lutakome, who had hosted Jonathan, an American National at her Office in Nsambya Hospital, where she was then working as a Hospital Pharmacist. Jonathan had informed her that in Bujumbura Burundi, where he was working as the Country Director of LifeNet International, a non-profit that shared a lot in common with Masaka Health Department. Jonathan expressed his desire to know more about Masaka Diocesan Health Department. Before going back to Burundi, he visited Masaka to find out whether there were possible areas of collaboration between LifeNet International and Masaka Diocesan Health Department. During the discussions, the DHC expressed a need for a soft loan after discovering that LifeNet International was running a loan Fund the Health Office could tap into. Before the end of the visit, Jonathan accepted to extend a soft loan to Masaka Diocese to kick start the operations of the new Medical Store without any security. He was willing to extend a loan of between \$40,000 to \$50,000.

When the DHC felt that securing the loan from LifeNet International was too easy to be trusted, and moreover from a stranger, he immediately organized a trip to Bujumbura to find out whether LifeNet International really existed and to do more due diligence on this unknown organization. He travelled during the Easter Break of 2012 by road through Rwanda. Fortunately, he had a brother working as Missionary in Burundi in the Diocese of Muhinga, who easily coordinated his travel arrangements.

At Bujumbura, the DHC finally met Jonathan, the first Country Director of LifeNet International. He was found in his humble Office with two staff, in the suburbs of Bujumbura. Jonathan was very helpful in sharing all the information needed for a thorough due diligence. During the same visit Jonathan reiterated LifeNet's willingness to extend a soft loan to Masaka Diocese after the approval of Micheal Spriggins, the founder and chairman Board of Directors for LifeNet International, based at their Headquarters in USA..

Back home, the DHC was eagerly waiting for the release of funds. After two months of waiting, the Health Office came learn about the resignation of Jonathan from his position as the country Director of LifeNet. He was soon replaced by Stephanie Weiland.

The new Country Director, Stephanie, was still interested in this collaboration between LifeNet and Masaka Diocese. After a few weeks in office, she travelled to Masaka to see for herself the premises expected to house the new Medical Store and to do further background checks on Masaka Diocese. She was introduced to the Late Bishop John Baptist Kaggwa, who besides recommending the project, promised to keep an eye on the operations of the new medical store. She soon sent documents needed for the loan release including, a payment schedule and loan agreement. The most striking among details in the loan agreement was the clause expressing LifeNet's willingness of to give a grace period of 6 months before the repayment of the loan could start and that repayment was to be done in Uganda local currency. This meant that the depreciation of the shilling could not increase the amount to be paid back to LifeNet. Using a bank electronic transfer, \$20,000, (the equivalent of 49,000,000/=) was received on MDMS account. The loan agreement was signed by Stephanie Weiland on behalf of LifeNet International while Fr. Emmanuel Katabaazi, the DHC, and Brian Bagyenda, the supervising Pharmacist on behalf of the Masaka Diocesan Medical Services.

1.5.5. Registration with national Bodies

The medical store had to be registered as legal entity and before getting registered with the National Drug Authority.

Registration with National Drug Authority

Initially the Diocesan Health Department had applied for the National Drug Authority (NDA) license with the intention of registering the Medical Store under Masaka Diocese, but it was not acceptable to NDA. They required the Diocese to register a new company in different names.

The first and second inspections by NDA were carried out by NDA and the inspectors considered MDMS new premise very suitable for a wholesale Pharmacy. The same regulating body had earlier carried out an inspection on the existing warehouse at MADDO and found it unfit for warehousing medicines since it had been designed for agriculture products. They had expected management to fix a ceiling and install racks for storage. Attempts had been made to fix the required ceiling using funding from terres des hommes, Netherlands but when the new block was completed, the 39,000,000/= from terres des hommes was relocated for the completion of Theatre at St. Andrew Biikira Health Centre III. After registering a separate Company under the name Masaka Diocesan medical Services, the NDA license was received on 2nd May 2013 almost a year after inaugurating the new building

Registering Masaka Diocesan Medical Services as a new Company

Under the chairmanship of Dr. Herman Musiitwa, the Diocesan Health Board decided that the new company was to be named Masaka Diocesan Medical Services Ltd. It was registered with the Uganda Registration Services Bureau (URSB as a company limited by guarantee without share capital on 15th March 2013. It was now this new company to run a wholesale pharmacy business, not Masaka Diocese. However, in the Articles of

Association and Memorandum of understanding, management had extended the scope of work to include other health services apart from distributing medicines.

Subscribers of Masaka Diocesan Medical Services

With guidance from Counsel Kawanga John, the subscribers chosen by the Diocese included Office bearers in the Curia including the Bishop, representing the Board of Trustees (Rt. Rev. John Baptist Kaggwa (R.I.P), the Vicar General (Mgr. Joseph Kato Ssempungu) R.I.P, Diocesan Treasurer (Fr. Serverus Jjumba) and Pastoral Coordinator (Fr. Kaganda John Baptist). Below is the figure showing the scanned copy of subscribers' names, address, occupation and signatures and that of counsel Kawanga John who signed the articles and memorandum of understanding.

Figure 2: Showing the subscribers of Masaka Diocesan Medical Services

	NAMES OF SUBSCRIBERS	ADDRESS OF SUBSCRIBERS	OCCUPATION PROFESSION OF EACH SUBSCRIBER	SIGNATURES OF SUBSCRIBERS
1.	THE REGISTERED TRUSTEES OF MASAKA DIOCESE	P. O. BOX 70 MASAKA	BODY CORPORATE	<i>[Signature]</i>
2.	Fr. Serverus Jjumba	P. O. BOX 70 MASAKA	Priest	<i>[Signature]</i>
3.	Mgr. Joseph Kato Ssempungu	P. O. BOX 70 MASAKA	Priest	<i>[Signature]</i>
4.	Fr. John Baptist Kaganda	P.O.BOX 70 MASAKA	Priest	<i>[Signature]</i>

Dated at Masaka this... 12th day of... DECEMBER... 2013.

Witness to the above Signature

Signature... *[Signature]*

Name in Full... JOHN BAPTIST KAGANDA

Occupation... ADVOCATE

Postal Address... P.O. Box 628, MASAKA

[Stamps: CERTIFIED TRUE COPY, MASAKA DIOCESE, REGISTRAR OF COMPANIES, J.B. KAWANGA ADVOCATE, DATE 12/12/13, MASAKA, BOX 628]

The first MDMS Board of Directors incorporated included: Dr. Herman Joseph Musiitwa, Fr. Raphael Ssemmanda, Mgr. Joseph Kato Ssempungu, Fr. John Baptist Kaganda, Fr. Ssemwogerere, Edward Anslem, Fr. Emmanuel Katabaazi and Brian Bagyenda Brian (the Pharmacist). Fr. Emmanuel also doubled as a company Secretary. Other Diocesan Health Board members continued to support the Health Office as co-opted members.

Masaka Diocesan Medical Services (U) Ltd Account

The new store had to open up and Account. The account name was Masaka Diocesan Medical Store, account number 4010400043 supported by the Diocesan health Board meeting resolution of 10th May 2012. But later the bank manager guided the MDMS Management to change the name of Account so that it could correspond to the name of the company. The Account name was revised to Masaka Diocesan Medical Services (U) Ltd during the meeting on 11th September 2013 when operations of the store had started.

1.5.6. Memorandum of Understanding between JMS and Masaka Diocesan Medical Services

Before the operations MDMS Store kicked off, a number of meetings were organized between MDMS and JMS to discuss the nature of partnership between MDMS and JMS to run the proposed JMS Regional Outlet. Two options were selected from the four, either Masaka Diocesan Medical Services Limited to manage a branch on behalf of JMS or allow MDMSL own the stock and get a mark-up for distributing the JMS products to become an Authorized distributor of JMS. The two parties zeroed on the latter option as it could make the staff at MDMS motivated to build an institution of their own despite the challenges that were anticipated. To formalize this partnership an MOU was signed between JMS and MDMSL.

The MOU was signed by the General Manager, Mr. Jimmy Opio witnessed by the Manager Operations, Andrew Cohen Wasswa Nsuubuga and Manager Finance, Mary Katusiime on behalf of JMS. MDMSL was represented by Fr. Emmanuel Katabaazi, the first Acting Manager, Brian Bagyenda, the Pharmacist, Richard Ssentume, the Sales Officer and Ssemwogerere Joseph Mary the Acting Human Resource Officer

Under this understanding, JMS appointed MDMSL as a JMS distributor on an exclusive arrangement with JMS for the supply of the products. It meant all supplies were to come from JMS. Subject to delivery of products, JMS agreed to sell and deliver products to the designated warehouse in Masaka as per instruction and schedule provided in the purchase order to JMS by the authorized officials from MDMSL. Any purchase order from MDMSL had to be approved by the principal officer or at least two signatures of the two co-principal officers in the absence of the signature of the principle officer. The order could be amended as needed by JMS if there were circumstances which could warrant so.

CHAPTER 2: MASAKA DIOCESAN MEDICAL SERVICES A DISTRIBUTOR OF JMS

In this chapter account is given how operations were kickstarted at the new JMS Outlet, the human resources and how they were organized, the capabilities of the pioneer staff and other staff that later joined, operational challenges at the initial stages, governance and capacity building at MDMS.

2.1. Kick starting MDMS Operations

To kick start the operations, MDMS was required to deposit at least 50 million before any supplies were made. Fortunately, MDMS had already secured a loan from LifeNet International. It was immediately deposited on JMS account under the code Mas 073 and medicines delivered to the MDMS warehouse.

On the 22nd July 2013, the first stock was received and entered in the Medical Audit electronic system which had been developed by Dr. Kabuye Rogers. He who had earlier met the DHC at Uganda Martyr's University in 2008, where both of them pursued a Master Program in health services management. Although the Medical Audit electronic System was found to be limited in a number of aspects, one cannot lose sight of the fact that it was very helpful at the initial stages. We cannot imagine what MDMS would have done without it at that time. It was affordable, effective in managing stock and able to produce financial reports. MDMS paid a mere token of 550,000/= instead of 20 million that was projected by the manager operations in his financial proposal as stated earlier.

2.2. Human resources and their organization

Organogram

Guided by the Financial proposal from the JMS manager, operations, MDMS management came up with an organization structure expressed in figure 3 below, which was later approved by Board of Directors.

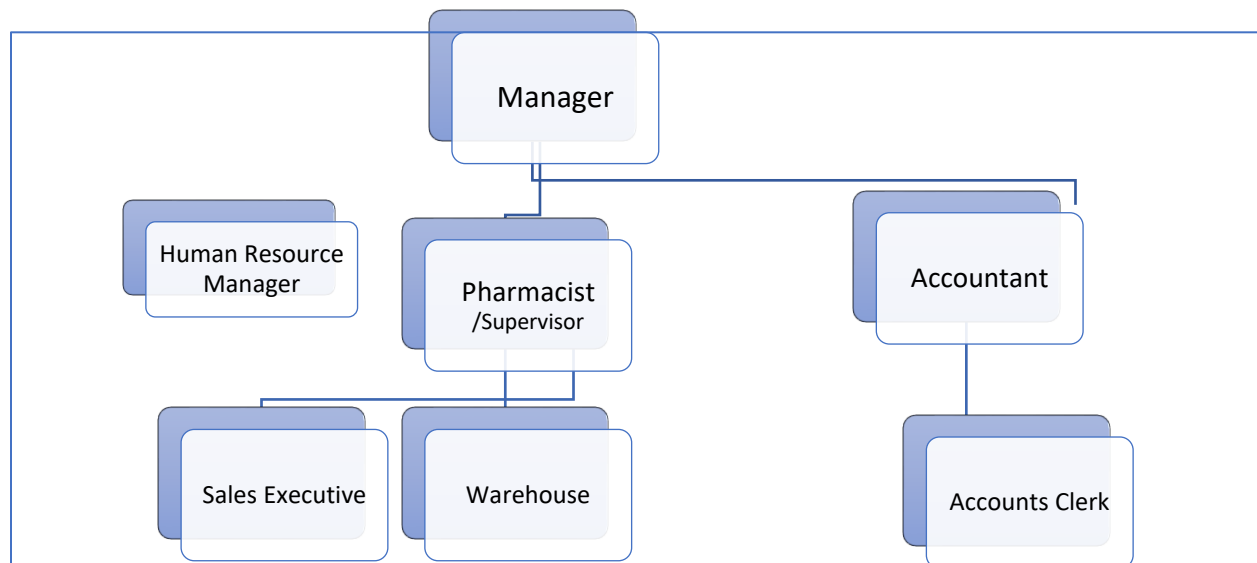


Figure 3: Showing the organogram of MDMS at the beginning of operation

While the manager was responsible to the Board of Directors, he was responsible for the Human resource, the Pharmacist and the Accountant. The pharmacist supervised the Sales executive and the Head of the store who was responsible for the Store Assistants. The Accountant supervised the Accounts clerk and the driver.

2.3. The Pioneer Staff

Well aware that the performance of the medical store heavily depended on the quality of staff who were to play the role of midwives for new baby that was to be born, their selection was carefully made, building on the existing ones but also cognisant of the need to minimize cost as much as possible. By this time the statutory staff for a Medical store were already recruited. The rest of the staff head hunted were well known and had already demonstrated their capabilities in the sister department. Below is table 3 showing the staff that were interviewed and confirmed by the Board of Directors on 10th May 2013 just before the operations of started on 22nd July 2022.

Name of Staff	Job Title	Qualification	Time
Fr. Emmanuel Katabaazi	Acting Manager	Msc HSM	Part time
Brian Bagyenda	Pharmacist and Supervisor	Bachelor of Sc. In Pharmacy	Four days a week
Richard Ssentume	Sales Executive	Dip. Nursing	Full Time
Immaculate Namakula	Accounts Clerk	BBM	Full Time
Prossy Nabadda	Accounts Clerk	Dip. Accountancy	Part time
Ssendagala Joseph	IT and Driver	BSc IT	Full time
Peter Kagenda	Cleaner	S.2	Full Time
Sarah Namaganda	Warehouse	Dip Accountancy	Full Time
Mr. John Mary Ssemwogerere	Acting Human Resource Man	Dip. Clinical Medicine	Part Time

2.4. Capabilities of the MDMS staff

The Pioneer staff combined their specialities and experience to steer through the turbulent moments when operations were just starting.

Acting Manager

The manager used his previous experience in business with his family when he was growing up and his newly acquired knowledge as a graduate of a Master's programme at Uganda Martyr's University to lead the Team of pioneer staff. He motivated staff by promising better days to come when the business takes off, using the slogan, "Ebirungi biri mu maaso". He heavily emphasized the need for "dying " as a step to resurrection"

following into the footsteps of our Lord who teaches us by force that success comes through sacrifice.

It was now time to put in practice the skills and knowledge acquired from school. Surprisingly, as Manager he made use of more knowledge and skills acquired during a two weeks training in medicines management than that acquired from the University. Shortly after launching the operations of the Medical Store, the DHC/Acting Manager and Assistant DHC attended a training under the "SURE" Project, which promoted the supervision Assessment Reward Strategy (SPARS) with support from USAID. It was conducted by the Faculty of Pharmacy, Makerere University in early 2013. His involvement in the implementation of a PHC project supported by terres des hommes Netherlands and the CSF project supported by Danida and USAID, prepared him for this new challenge.

Supervising Pharmacist

The Pharmacist then, Brian Bagyeda who had been contracted since the beginning of the year, was very eager to contribute to the new business venture. He was quick to put in place all the required standard operating procedures and used his eloquence to give motivational talks to staff to avoid any form of mediocrity in running the operations of the Store.

He is remembered for designing the MDMS logo, with a Mother holding a baby high with a slogan, "client first" symbolizing that MDMS hold high her clients including customers and patients like a mother does to the baby, at the same time depicting the motherhood of the Church to her members especially those who are vulnerable, following into the footsteps of our Lord. Unfortunately, he is currently incarcerated in Luzira Maximum Prison on murder charges.

Acting Head of Stores

The acting head of Store, Mr. Joseph Mary Ssemwogerere was by then doubling as the Assistant Coordinator and the medicines management supervisor of the Diocesan health facilities. Having attended a course organised under the SPARS (Supervision Assessment Reward Strategy) funded by USAID, he was the right person to guide operations in the warehouse. He had all contacts and personally knew all Diocesan health facilities' managers who were seen as the immediate customers of the new medical store. His medical background was also very beneficial for the rest of the staff in the warehouse, handling medicines for the first time

Accountant

The first Accountant, Prossy Nabadda had just upgraded his knowledge in accounting having obtained a Bachelor's degree at Uganda Martyrs' University just before the medicines Store started. She had acquired a wealth of experience at Vila Maria Hospital where she worked as a cashier, as the project Accountant for the Civil Society Fund (CSF) project which run from 2008 -2010 whose main goal was to prevent HIV and the Primary Health Care project supported by terres de hommes project. Besides, she was one of the

three staff that managed the Liaison Office for coordinating regular orders and Essential Drug Program (EDP) for lower level units. She was and still MDMS institutional memory in many areas. Her contribution in strengthening financial systems at the Diocesan health facilities had a positive effect on the utilization of services which later resulted in an increase of demand for medicines and Pharmaceuticals at health facilities.

Accounts Clerk

The Accounts clerk, Namakula Immaculate is remembered for his love for the Church to the point of sacrificing a full year of her life to serve humanity on a voluntary basis. She was part of the Net Ministries under which young men and women were encouraged to serve the Lord for one year before taking on jobs to earn a salary. Immaculate is one of the staff that supported the Health Department to initiate a Liaison Office for coordinating regular orders from lower level units to JMS. Her free services to MDMS contributed a lot to cost containment that was needed to break even in the early stages of the business. She left MDMS to join Centenary Bank after getting married on 17th May 2014.

Store Assistant

Store Assistant, Peter Kagenda is one the key staff that need to be mentioned among those who were very instrumental at the beginning of the MDMS Store. He was head hunted from Nkoni where the DHC had previously engaged him as a support staff for Nkoni Health Centre III. The new Medical Store needed a committed, energetic and trainable young man who could go an extra mile to ensure good storage and stock management.

In a few months of rendering his services at the Medical Store, Peter had already distinguished himself as a reliable, intelligent and able to multiple tasks without a lot of effort. He maintained cleanliness at the store, arranged medicines on the pallets, picked and checked orders, loading and offloading and he was very instrumental in conducting statutory monthly physical count. His availability helped the new medical store to run with a few staff, thus minimizing operation costs.

Second Store Assistant

Sarah Namaganda was one of the staff that was approved among the pioneer, but could not report until December the same year. She was deployed to the Store as the second store Assistant at the same time supporting the Finance department as a cashier whenever there was a need. She joined the Medical Store at a time when some MDMS Store staff were very reluctant to work on Saturday, making a reference to JMS that used to close on Saturday the whole day. She became part of the human resource backup system since she could easily bridge gap in case of any departure. Her good life skills in relating with people of different calibres, her commitment and high level of love for her job made her an exceptional staff at MDMS.

Sales Executive

This position was temporarily occupied by Richard Ssentume who had just qualified as a Comprehensive Nurse. She left MDMS Store to go a Bachelor of Medicine and Surgery. At the moment he is a Medical Officer at St. Joseph, Kyamulibwa health Centre IV. He is remembered for kick starting the liaison Office and the Medical Store. He was replaced by Linda Percy who worked for a short time and later replaced by Ruth Nakajugo.

IT/Driver

Sseddagala Joseph who had been hired as an IT advisor and driver, was always requested to support the sales desk and the Store. He is credited for having initiated the liaison office and medical Store. He is now the Medical Representative of JMS in Masaka Region. He has contributed to the increase in sales at the medical store using his good marketing skills.

Other Staff that Joined MDMS at a later stage

We are pleased to report that the retention rate among the MDMS Store staff has been quite good except among the supervising pharmacists and auxiliary staff.

Supervising pharmacists

As stated earlier, the pioneer pharmacist was Brian Bagyenda who was replaced by Theophilus Tuyishimire. Theophilus is remembered for his special talent in customer relations. He left to join JMS where he worked as officer in charge of customer service before joining NMS where he is currently working. Aloysius Musiitwa replaced Theophilus as supervising pharmacist. He is remembered for his simplicity and calmness. Aloysius was replaced by David Benjamin Kateregga who also doubled as an operations manager. He left after three years of service and was replaced by the current Alex Kizza. Alex Kizza who is a fulltime supervising Pharmacist and a full Manager of MDMS Store, responsible to the Diocesan Health Coordinator.

Sales Officers

As noted earlier, Richard Ssentume, the pioneer sales Officer was replaced by Linda Percy Usaba who served for a just a few months until December 2013. She was replaced by Ruth Nakajugo the current Head of Sales and procurement in Jan 2014. All plans had been almost completed to renew the Medical Store licence under the supervision of new pharmacist and Linda as the proposed auxiliary staff. Just a day before submission of applications to the NDA authority, Linda resigned her job to join another institution recommended by her Father. The management of MDMS Store had nothing to do but check from the applications in the archives and picked Ruth Nakajugo who had applied for a job a few weeks earlier. To meet the deadline for registration with NDA, Ruth was given the job as the auxiliary even without any formal interview. She came in as a God given gift. By all standards she had competences required for a Sales Officer, having had an experience of working at Buddu Pharmacy. Ruth will always be remembered for her smartness in procurement, maintaining the stock book, a tool used to maintain the right stock level and used to avoid expiries and for her negotiation and market intelligence skills.

Herman Mulindwa is another staff who worked for close to two years, supporting the sales desk and transporting medicines to customers both near and far. Currently he is working at one of the Diocesan Health facilities He was replaced by Fred Lwamboya Mulindwa. Fred.

Lutwama Brian, a registered comprehensive Nurse, will always be remembered for his concentration, accuracy, being energetic and for his high level of technical knowledge. He was initially hired for the sales desk but he was always attracted to work in the warehouse. He was later charged with entering received items in the electronic system. In Jan 2023, after 8 years of service, he relocated to the United States of America. He was replaced by Joy John Nsamba a Store Assistant in charge of entering the stock in the electronic system.

Accounts Staff

Immaculate Namakula got married in April and she chose to relocate to Kampala to join her new family. She was replaced by Rose Nanfuka in 2015 who later become the Accountant in 2016. When Prossy Nabadda became the DREAMS Project Accountant, she took over as Accountant of MDMS Store. She was replaced by Moreen Nakandi as the Accounts Assistant

Since inception, the Accountants department staff have been very instrumental in cost and debt management. They are also respected for their trustworthiness and ability to adopt the new technologies introduced.

Marketing

The Marketing department was strengthened by the coming in of Thomas Zziwa. He has significantly boosted sales through his last mile delivery and reaching out to customers to identify gaps that may require management's attention. His good character and flexibility helped him to move along well with people of different personalities.

2.5. Operational Challenges at the initial stages of MDMS Store

Stock outs and narrow range of products

When the business started, MDMS staff had expected an influx of customers. We had a dream of store where trucks were coming in and out with medicines from morning to evening, but it was not the case. Those who placed their order to the new medical store were always disappointed by the limited range of stock and stockouts. On one occasion, the Parish Priest of Makukuulu, Fr. Kasagga Achilles submitted a purchase order for Makukuulu HC III but only 50% of the ordered items could be supplied by MDMS. He openly vowed not to come back to MDMS unless the store was able to supply at least 80% of the ordered items. This criticism became a game changer at MDMS for the better. This was the time management decided never to wait for deliveries whenever there was a stockout. It was now the time for MDMS to collect additional orders using either public or private means. This is the time when the Manager/DHC become a very regular visitor at JMS.

Fortunately, MDMS had acquired a new Toyota Hilux, Double Cabin with support from Miva Netherlands in August 2012, manufactured in 2011. Each time, we had a stockout, the DHC could go for medicines from the JMS main Office. Fortunately, the JMS staff were very sympathetic with whoever was sent to collect medicines as one could read it from their faces. The Officer in charge of credit and the finance Office too were very understanding and they were easily convinced to release the orders even when MDMS had gone above the credit limit. In the event the approval required the approval of the managers at higher levels, it was not hard either. It was only after 4 years of operation, when MDMS had increased the stock to the desired level that MDMS stopped delivering consignments by themselves. Photo 6 shows the first truck MDMS Store used to transport medicine compared to photo 7 showing the type of truck that JMS currently.

Self-delivery of medicines to the MDMS warehouses and raising of the credit limit for MDMS soon resulted into improved the lead time, reduced stock outs and improved range of products available at MDMS. After four years of operation, the MDMS truck in photo 6 became too small to deliver the required volume of medicines.



Photo 6 and 7: showing comparing the original MDMS truck with the Big JMS after 8 years of operation

Need for more store equipment

The new medical Store still needed more equipment. It is out of this need that the DHC sent another financial request of € 10,000 to CORDAID for additional funding in November 2013 with a recommendation from the Late Bishop John Baptist Kaggwa. The funds were received in early 2014. But this was supposed to be the final donation from CORDAID. The additional € 10,000 was received and used to procure counter table, pallet stacker as captured in photo 8, a photocopier, a safe, fire extinguisher and a scanner. It is very exciting to note that most of the equipment received under the two phases are still in use at to date.



Photo 8: showing a stacker, one the equipment procured with support from CORDAID in 2014.

Paving the front packing area

The new building was well maintained and cleaned frequently under the supervision of Peter Kagenda. However, later it become so difficult to maintain the cleanliness of the floor made of white tiles especially during the rainy season. The packing lot was always messy each time we had a heavy down pour. It is for that reason that the DHC used his personal saving to order for the locally made pavers to save MDMS customers and staff from the muddy packing area. By mid-2014, the front section of the packing was already completed.

Need for more space for storage and offices

After four years of operation, the volume of stock and range of products had increased. The value of stock which was close to 70 million, had now grown to 500 million, requiring extra space. The MDMS Strategic Plan for 2017-21 therefore prioritized increasing space at the Medical Store. The plan was to extend the existing warehouse and construct Offices that could be hired by UCMB ACT Programs and also house the Health Coordination Office. To finance this project, MDMS turned to their old friend Fr. Ronald Sajdak who invited DHC to participate in missionary cooperation plan in 2018. Under this arrangement missionary appeals were done in the Dioceses of Buffalo and Albany. The funds raised were to be supplemented by internal savings from the medical store and the Diocesan Health Coordination Office.

In mid-2018, construction works started with the aim of constructing a warehouse attached to the Office block. After almost completing the foundation, the Late Bishop J.B Kaggwa highly recommended redesigning and redoing the foundation to make it fit for a stored building to save space. This new development meant making so many changes in the architectural plan, raising more funds for the project, involving structural planners and demolishing the already erected foundation. MDMS had to heed to the advice of the Bishop who was by then preparing to retire. NAMA Construction Company led by Engineer Kiwanuka, who had been contracted to make the planned construction, very quickly adopted to the new standards. The foundation was redesigned as captured in photo 9, to carry more than three floors and the MDMS management had to look for other source of funding. As construction progressed, Carl Montate, one of the wealthy and kind Parishioners of Our Lady of Nativity Parish in Buffalo New York, offered to extend a soft loan of \$ 40,000 but management opted for \$20,000 to avoid being heavily indebted.



Photo 9: showing the Foundation after adjusting it to be fit for a stored building for offices near the new warehouse and office

The loan was easily paid with support from Fr. Ron Sajdak in a period of 18 months. A supplementary loan was acquired from Kiyinda Mityana through Fr. Mukasa Michael. Until this construction was completed, Bishop Kaggwa frequently visited the site to encourage the builders and management. The construction which started in 2018 was completed by Jan 2019. The JMS Director Customer Services (Dr. Joanita Namutebi Lwanyaga, with approval of the Executive Director, JMS (Dr. Bildard Baguma), donated racks that were installed again by SOLECO Company in the new warehouse. The inauguration of the new warehouse and the Offices was done by Fr. Ron Sajdak, Carol, Susan and Mam Marion and blessed by newly ordained Bishop Serverus Jjumba as seen in photo 10.



Photo 10 showing Bishop Serverus Jjumba blessing the new warehouse and offices for MDMS

2.6. Governance of MDMS

The Board of Directors fulfilled their oversight function through all these years besides formulating policies needed to guide management of different resources ranging from human, financial to assets. The Diocesan Health Board which was replaced by the MDMS Board of Directors after the Medical Department was incorporated as a company was instrumental in drafting the MDMS strategic plans for 2011-2017, 2017-2021, and 2022-2027. In 2014, the Board of Directors started drafting new policy documents including the human and financial manuals which were later approved during the Board meeting of 15th September 2014 and 10th May 2015 respectively. In 2022, with support from USAID's Integrated Child and Youth Development (ICYD) Activity, guided by consultants, MDMS policy documents were again revised and updated. They include: a financial manual, Human resource manual, procurement manual and the Safeguarding and Child Protection Policy.

2.7. Capacity building at MDMS

JMS is credited for building the capacity at MDMS in areas of finance, human resource, marketing and stock management through meetings, support supervision visits and training workshops. The Directors for Internal Audit, Customer services and manager customer relations, IT Officers were very instrumental in building the capacity of MDMS staff. Uganda Catholic Medical Bureau (UCMB), the health technical arm of Uganda Episcopal Conference, cannot be left out among institutions that have contributed a lot to the institutional capacity building of Masaka Diocesan Medical Services. It is UCMB that offered a scholarship to the DHC to pursue a Master program in Health Services Management at Uganda Martyr's University.

CHAPTER 3: PERFORMANCE OF MASAKA DIOCESAN MEDICAL SERVICES STORE

Under this chapter, attention is given to the performance of MDMS against the major indicator of annual turnover. The annual sales can give a clue on the performance of the store against other indicators, like the level of customer satisfaction, the lead time before customers are served, the range of products distributed, the competitiveness in relation to prices and the level of trust among customers. In this same chapter, we shall also look at the factors behind the steady growth of annual sales for the last 10 years and the contribution of MDMS to the entire organization and other Diocesan departments.

3.1. MDMS annual sales

The MDMS annual sales for the first 9 years of operation shows a steady growth of sales until last financial year when a slight decline was registered as expressed in figure 4 below.

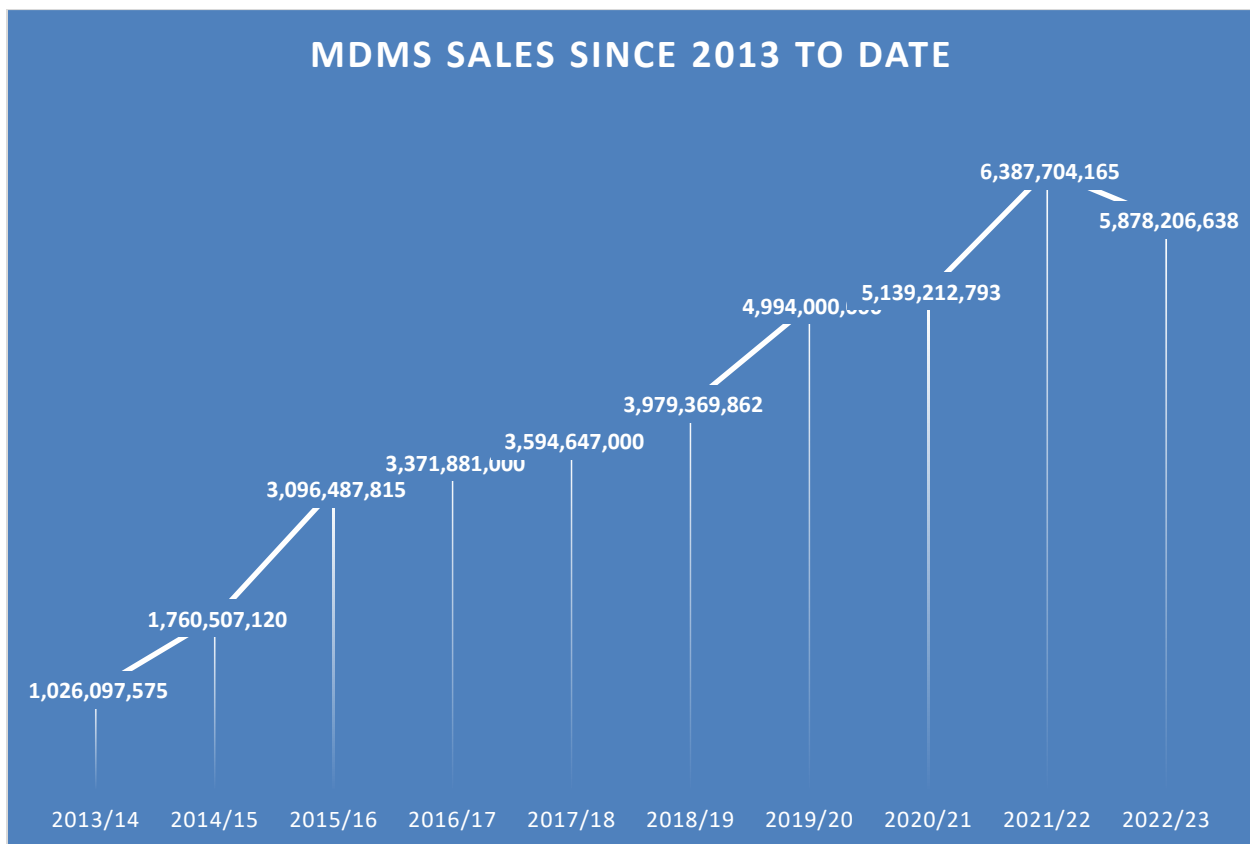


Figure 4: showing annual sales at MDMS for the last 10 years

MDMS' actual annual sales realized were very comparable to the sales forecast for the first two years in operation as reflected in the financial proposal presented by the JMS manager for operations. MDMS realized 1,026,097,000/= in the first year 2013/14, which was 99.9% of the projected 1,036,120,000/=, while in the following year 2014/2015, 1,760,507,000/= was realized, which is 94% of the 1,865,016,000/= projected. Since then the growth of sales has been exponential.

3.2. Reasons for the exponential increase in sales

This good performance in sales can be attributed to a number of factors including among others: the motivated staff, JMS being a good brand, intensified marketing, widened range of products, last mile delivery, a dependable market at the diocesan health facilities and selfless leadership among MDMS staff.

Staff motivation

In the last 10 years, the staff have been motivated by monetary and non-monetary incentives. The staff were made to understand that the medical store is their project, for their good and for the good of the Diocese. Efforts were made to make the staff feel that they are loved and valued by top management. Besides non-monetary incentives, the Board of Directors accepted the introduction of financial bonuses to the staff on 10th May 2015. Bonuses were to be determined basing on the sales realized. The rule of the game has always been, the higher the sales, the bigger the bonus. All staff receive a uniform bonus on top of their salaries before it is subjected to the statutory deductions. The good customer care at MDMS has been attributed to high levels of motivation among the staff, which eventually leads to high sales once customers are satisfied.

JMS as a good brand

JMS is known for their affordable and high-quality products. Any product supplied is subjected to quality control tests, at times even sent to other countries for laboratory tests in the event such test can not be performed in Uganda. It is not a surprise that JMS is ISO 9001 certified; recognized internationally as an entity that meets the required standards. The Quality Assurance Framework for JMS ensures adherence to good distribution practices, good storage practices, and good laboratory practices such that the commodities supplied by JMS are fit for the purpose, safe, and acceptable to the consumers, and add value to the healthcare process. MDMS has also successfully protected the JMS Brand by avoiding to secure supplies from other distributors, thus remaining a trusted distributor, which eventually leads to higher sales.

Marketing

According to NDA guidelines on control of publication and advertising relating to drugs, advertisements via media houses is highly controlled. It reinforces the Statutory Instrument No.33, of the National Drug Policy and Authority (Control of Publication and Advertisement relating to Drugs) Regulations, 2014, Section 4 which states that: "A person shall not make any publication or advertisement for drugs without the approval of the Authority". MDMS has fully complied to the regulation. However, this did not stop MDMS to reach out to customers to identify the service gaps to be addressed in a bid to improve customer satisfaction, which eventually resulting into higher sales at MDMS. Through the marketing officers, MDMS has been able, not only pick orders from distant customers but also made efforts to deliver the products on the doorsteps.

Delivering medicines

In the first years of operations, MDMS attempted to adopt the last mile delivery policy for all our customers but this could not be possible due to lack of vehicles to transport medicines. As time went by, management decided to use MDMS resources to secure an efficient car. To that effect a Toyota, Succeed UAY 481 F was secured to transport medicines to the nearby customers and to provide transport to customers who were in need connecting with public transport. Later on, a double Cabin Pickup was secured and MDMS began to transport medicines to hard-to-reach areas.

During the COVID19 lockdown, when movement of people was highly restricted, MDMS secured permission from the RDC of Masaka to use the authorized vehicles to transport medicines to all customers in need of delivery services. This innovation made MDMS very relevant to the health service providers who lacked authorized means of transport. Despite the expected increase in operational costs, MDMS chose to maintain delivery of medicines to customers in need of transport even after the COVID19 lockdown. These efforts were boosted by the acquisition of a Van and a Land Cruiser which can be used to transport medicines during rainy seasons. It is believed that the adoption of “last mile delivery” policy has contributed a lot to the increase in sales at MDMS.

The last mile delivery policy could not be implemented without staff who were willing go an extra mile to deliver medicines., MDMS is fortunate to have three young, energetic and committed staff who also doubled as drivers, willing to reach all customers in all corners of the Diocese and beyond. To give an incentive to staff who also double as drivers, MDMS has put in place a policy of meeting 50% of the fees required for acquiring a driver’s license. This policy of using MDMS staff to deliver medicines is also part of a wider strategy of encouraging multi-tasking at MDMS for better cost containment.

Multi-tasking policy

The adoption of a multi-tasking policy for the MDMS staff was intended to minimize costs, ensure professional efficiency , and at the same time maintaining the continuity of services at a time when some staff may not be available. Over the last ten years, MDMS has been able to operate the Medical Store with a few staff. This has made it possible to use the small markup apportioned by JMS to handle operations without making deficits and the same time making it possible for the stock at MDMS grow. It is for this reason that all new staff employed at MDMS, begin with picking medicines and later trained in receiving orders from customers to produce invoices irrespective of the positions they come to occupy, so that in the event some staff in the stores and at the sales desk are absent, service delivery can continue uninterrupted. The only exception has been with cash management where only few staff are permitted to stand in for cashiers. Currently, it is only the head of Stores allowed to stand in for the Accounts staff whenever they are delayed or when they are away from the work station.

Servant leadership among staff and Governors

MDMS has made a deliberate effort to ensure that the managers, governors and staff are servant leaders following into the footsteps of Jesus Christ who served his followers instead of being served. MDMS is a success story because some staff have made a

deliberate choice to make sacrifices for their organization, making themselves available for customers who eventually increase their purchases.

3.3. Profitability of MDMS

Although MDMS Store like other businesses make surpluses, it is a private non-for-profit (PNFP), whose primary objective is to increase access to quality and affordable medicines and other pharmaceuticals especially among the accredited health facilities. Any surpluses from this business have always been ploughed back and never shared among directors.

At the initial stages of operation, MDMS management made all efforts to break even as early as possible. While the net income against the operational expenses was projected to be negative 74% (-74%), MDMS instead made a surplus of 7,109,712/= and 12,175,386/= in the first and second year respectively. The net surpluses have been increasing until the 8th year when free delivery of medicines was introduced.

The ability to break even at early stages can also be attributed to the strict cost management strategies and high level of financial discipline and self-sacrifice. At the early stages, MDMS preferred to start small in many areas, preferring to engage the already existing staff who were paid by other programs and purchasing an affordable ERP system at 550,000/= instead of the projected 20 million as reflected in the financial proposal presented by JMS manager operations. Efforts made to secure equipment and create additional space using resources from development partners instead of encroaching on the available meager resources has also enabled MDMS to avoid a deficit budget.

3.4. Statements of Financial Position for first two years compared with the last two years

MDMS' asset base has been growing exponentially for the last 10 years. The comparison of the statement of financial position for the first two years of operation with those for the 8th and 9th years shows clearly this growth as captured in the statements below.

Statement for the first two years

MASAKA DIOCESAN MEDICAL SERVICES LTD STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 30TH JUNE 2015

ASSETS	NOTE	2014/2015 UGX	2013/2014 UGX
NON CURRENT ASSETS			
Property Plant & Equipment	2	33,582,105	40,617,096
CURRENT ASSETS			
Stock	3	266,621,479	280,347,859
Debtors	4	256,013,613	92,038,369
Cash & Bank	5	50,940,300	8,949,747

TOTAL CURRENT ASSETS		<u>573,575,392</u>	<u>381,335,975</u>
TOTAL ASSETS		<u>607,157,497</u>	<u>421,953,071</u>
EQUITY & RESERVES			
Revenue Reserves		10,762,328	7,109,712
LIABILITIES			
Long Term Liabilities			
Loan	6	7,300,000	126,755,035
Current Liabilities			
Creditors	7	585,442,554	285,955,410
Tax Provision		3,652,616	2,132,914
		<u>589,095,170</u>	<u>288,088,324</u>
TOTAL EQUITY AND LIABILITIES		<u>607,157,498</u>	<u>421,953,071</u>

Statement for the Last two years

STATEMENT OF FINANCIAL POSITION FOR 2020/21 AND 2021/22

ASSETS	NOTE	2022 UGX	2021 UGX
NON-CURRENT ASSETS			
Property Plant & Equipment	1	263,019,193	260,183,600
Investment	2	-	12,100,000
		<u>263,019,193</u>	<u>272,283,600</u>
CURRENT ASSETS			
Inventory	3	1,191,888,678	972,206,647
Debtors	4	493,412,837	531,398,624
Cash & Bank	5	45,407,675	196,556,575
TOTAL CURRENT ASSETS		<u>1,730,709,191</u>	<u>1,700,161,846</u>

TOTAL ASSETS		1,993,728,383	1,972,445,446
EQUITY & RESERVES			
Capital Reserve		403,468,512	335,068,509
Revenue Reserves		477,270,023	426,221,624
		880,738,535	761,290,133
LIABILITIES			
Long Term Liabilities			
Loan	6	40,572,161	52,572,161
Current Liabilities			
			-
Creditors	7	1,072,417,691	1,158,583,154
		1,072,417,687	1,158,583,152
TOTAL EQUITY AND LIABILITIES		1,993,728,383	1,972,445,446

CHAPTER 4: EXTERNALITIES AND LESSONS LEANT FROM OPERATING A MEDICAL STORE

In this chapter, focus is put on the benefits of the Medical Store to other departments of MDMS and vice versa. We shall also dwell on the key lesson learnt in last ten years.

4.1. Contribution of the Medical Store to the Diocesan Health Facilities

The Diocesan Health facilities are considered the primary beneficiaries of the MDMS Store. By extending credit to health facilities for ninety days or even more, more than 50% of diocesan units have been helped to continue their operations uninterrupted during turbulent moments arising from natural calamities like COVID19 or after experiencing losses due to poor management practices or at moments when units need a lot of capital to upgrade their infrastructure. After the COVID19 lock down, for example, more than 10 diocesan health facilities needed a bailout from their financial crisis that had resulted from a high drop of patient attendance and abject poverty affecting the affordability of patients. When they had an opportunity of accessing medicines on credit from MDMS, they were able to revamp the operations of facilities without resorting to loans from banks where interest rates are relatively high.

MDMS Store has been supporting two staff responsible for strengthening systems at the Diocesan health facilities, which has resulted in increased utilization. In the last 10 years, the following health facilities, for example have improved their utilization with support from staff supported by the MDMS store: Nkoni, St, Denis Kyango HC III, St. Elizabeth Kijjukizo HC III, Ntuusi HC II, Makukuulu, HC II, St. Agatha Lwebitakuli HC III, St. Peter Busibo HC III , St. Aloysious Namabaale HC III, St. Bernad Manny HC III, Heide Bbaala HC III, St. Cecila Buyamba HC III, St. Jude Sanje St John Mary Muzeeyi, Buyoga and St. Andrew Biikira HC III. The general increase in the accessibility of services at the diocesan lower level units as expressed in the table 4 below, can be attributed to the continued support received from the Diocesan Health Coordination Office staff whose salary is paid by the Medical Store.

Table 4: Showing the stead increase in accessibility before it dropped during COVID19 lockdown

Outputs	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
OPD	243,850	260,271	294,311	317,382	329,715	251,167	186,747	242,518
INPATIENTS	26,315	33,996	36,366	27,260	32,679	40,548	34,936	38,953
DELIVERIES	3,257	3,777	4,244	5,078	6,196	6,631	6,833	7,631
ANC	13,071	13,818	15,529	19,983	24,030	24,728	26,809	27,510
TOTAL IMMUN	136,421	144,494	134,122	147,478	185,188	150,336	156,407	129,599
SUO	417,651	474,626	511,458	498,091	531,459	487,374	406,259	472,967

4.2. Contribution of the Medical Store to the community-based Programs and vice versa

The Medical Store has enabled MDMS as an organization to meet the stringent standards required for effective resources mobilization. These standards include among others, being a recognized legal entity registered with the Government of Uganda, with a functional Board of Directors, externally audited accounts, with necessary policy documents, a long term and short-term plans, clear vision, mission, values and objectives. On the other hand, the experience gained in implementing community-based projects like the Civil Society Fund (CSF) Project, DREAMS Project, ICYD Activity and the KCHS Activity have helped to improve the management of the store. In 2021 for example, the USAID's ICYD Activity supported the revision of MDMS policy documents which included a financial manual, the Human resources Manual and procurement manual. It is also a fact the different departments under MDMS have helped each other to grow.

It is not a secret that Joint Medical Store highly recommended MDMS in her bid to win a large grant under USAID's Integrated Child and Youth Development (ICYD) in 2021 which later transitioned to Keeping Children Health and Safe (KCHS). The KCHS activity has not only increased the number of staff at MDMS, but also us to acquire more asset like the vehicle in photo 11 below. The large MDMS Store budget of more than 6 billion per annum is enough evidence to show that MDMS has capacity to manage large grants from other partners. It is also a known fact that the MDMS Store has heavily supported community projects in the area of transportation, equipment and temporary support staff whenever there is an urgent need of support staff.



Receiving a brand new vehicle from USAID through TPO Uganda for Keeping Children Healthy and Safe activity grant. Handing over the Vehicle is the TPO Country Director, Patric Zambaga, while Christine Oryema, the Chief of Party looking on.

4.3. Key lessons learnt establishing and running a medical

In the process of establishing a Medical Store for Masaka Diocesan Medical Services and during the journey of 10 years of operation, a number of lessons have been learnt for future establishments and general management of institutions.

Need for a clear shared vision

For the birth and growth of any institution, there is a need for a clear vision and a vision bearer and a shared vision with staff and other stakeholders. Before the Medical Store started, we wanted to see in future a replica of Joint Medical Store in Masaka. We were dreaming being the leading distributor of Pharmaceuticals in Masaka Region. Fortunately, this vision was shared by staff who worked tirelessly to see that the business expands. At the same time this vision become a source of their motivation to report to on duty early, leave the work station late, work during awkward hours and went an extra mile to make customers satisfied especially at the initial stages. Efforts to achieve this vision has been a driving force for the staff and for top management. The Board of Directors too shared the same vision to an extent that they were able to see what management could not see. For example, they had confidence that there was no need for running MDMS as a joint venture with Interservice Nsambya.

Translating ideas into reality requires persistence and support

As already stated earlier, the idea of establishing a medical Started was conceived and approved way back in 2007, but became a reality after 6 years due to a number of bottlenecks that had to be overcome. Establishing an organization calls for patience, persistence and a lot of sacrifice.

Success heavily reflects the staff and those in leadership

We have learnt that to establish an institution like MDMS Store and other programs, one needs to carefully select the staff to run it. The staff need to be knowledgeable, committed and willing to uphold institutional values. Any institution therefore needs to make heavy human capital investments to ensure worker's presence and productivity.

Staff retention is vital for growth of an institution although departure of some staff can be beneficial

For an institution like MDMS to grow, the high staff retention has been very beneficial to the growth of the projects. However, we have also learnt that at times the changes are for the better especially when a staff leaving does not seem to share the vision of the organization. At MDMS three staff have served for more than 9 years, two for more than 7 years. The most unstable staff have been the pharmacists.

Performance management is key for productivity and good performance

Performance management is a process of ensuring that individual and teams/departments are accountable with agreed upon targets. It involves planning, monitoring, evaluation, rewarding and sanctioning, and planning for improvement. For the previous period MDMS has put a lot of emphasis on rewarding performance. The staff

always need to know what they are aiming at all times. Whatever they aim at needs to be measurable for better monitoring and evaluation. Each time they achieve their targets, they need to be rewarded using monetary and non-monetary means. With good performance management poor performing staff can be transformed into very valuable staff. We have also learnt that the staff can change for the better.

Being trusted as an institution and high integrity of staff is key for the success of business

MDMS has benefited a lot from JMS credibility before the public. This trust has been enhanced by the general trust the Catholic Church enjoys in different communities even among people belonging to other faith. At the institutional level MDMS has zero tolerance to corruption and fraud, well aware that infidelity and fraud is a temporary measure and not sustainable in the long run as former workers eventually become whistleblowers. MDMS's non-tolerance to corruption is supported by the whistleblowers' policy 2022.

Opportunities need to be seized when they are still available

Opportunities at times come once and they never come back. During the process of establishing the Medical Store we have received a lot of support from individuals who died shortly after the operations started or left their organizations. In other instances, we have witnessed policy changes at organizations which would probably have made difficult to begin such a venture if there was any delay. When a good idea is conceived there is need to translate it into a reality at the most opportune moment.

Young people are very effective but there is a need for a balance between male and female

Employing young people is the way to go in this era which require quick adoption of the ever-changing technology, they are energetic and, in most cases, they have less family ties that distract them from fulfilling their responsibilities. However, there is need for a balance between the female and male workers. In the 10 years of service as MDMS, young female workers have tended to decline in their performance when they get children. It takes a lot discipline for mothers to arrive in time for their duties.

Good governance is key for growth

For any institution to grow, the appointing should ensure that the institution has a functional board to ensure transparency and accountability. Having a strong board is one of the key motivators to the management and staff.