



Selling to humanitarian organisations: is it an obstacle course, or is there a discrepancy between supply and demand?

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Although the figures are tempting, selling to humanitarian organisations is often perceived by many potential suppliers as something less pleasant than running over an obstacle course at night.

Is this only due to administrative difficulties or a lack of transparency, or is there in fact a discrepancy between supply and demand?

All the same, that many purchasing services are still looking for reliable partners who can supply the right product, at the right time, in the right place, and at the right price. Every buyer knows that a new client-supplier relationship takes about a year of fine tuning before both parties have learnt to work together. But if these new relationships are difficult to establish it is because the expectations of clients and those of suppliers rarely match up.

The images carried by the media of the activities of humanitarian organisations rarely correspond with reality on the ground. An immediate consequence of this is that the services or supplies offered rarely meet the real requirements.

For example, many suppliers approach civil or medical emergency services in order to present a range of products specific to emergency situations. But the emergency services in our home countries differ fundamentally from those intervening at scenes of natural disasters or in conflict situations, and these differences mean that requirements also differ. In the first case, a maximum of resources is mobilised for a minimum number of persons. In the second, a minimum of resources has to be deployed for a maximum number of persons. An emergency medical team dealing with an accident involving a bus full of schoolchildren bears no resemblance to a mobile clinic operating in Chechnya or in southern Sudan.

The right product

The days have long gone when NGOs would pick up "surplus" equipment from private individuals, together with a miscellany of manufacturers' samples, and send them out on to the ground. Co-ordination between the major players in the humanitarian field has borne fruit: knowledge sharing, standardisation and harmonisation are no longer empty words. The emergency equipment used by humanitarian organisations on initial deployment is now multipurpose in design so that it can meet primary needs in a way appropriate to the situation. By the same token, this means ever more frequently that the technical specifications of such products depart from European standards. A set of aluminium "eating irons" is no longer available on our markets, a blanket is not the kind you'll find in the supermarket, and the x-ray equipment will be of a type no longer used in our hospitals. A tent to shelter a family is not like the one you'd use for spending a week in the rain at Brighton, nor is a packet of aspirin likely to be the kind you'd find in the corner chemist's.

The right time

Being a supplier to humanitarian operations which, by their nature, are unplanned and unplannable, with cyclical but irregular requirements, requires real skill on the part of the supplier, who has to be able to adapt his production plans (or, to put it perhaps more appropriately, how to disrupt them). "Just-in-time" production schedules often make it impossible to meet peak demand that comes in off-schedule. Suppliers working on a basis of stocks, on the other hand, need to have other stable outlets for their range of products in order to be able to meet demand while remaining competitive. But we have seen that the product ranges used rarely correspond to those tailored to European markets. So penetrating this market requires a real investment on the part of the supplier.

The right place

Having stocks at the right place, or knowing how to get them to the other side of the world, is not within the competence of every supplier. Having pre-positioned stocks available, and being on top of the techniques of export and international transport are often decisive in the choice of a partner.

The right price

Staying competitive on a competitive world market without having stable outlets on your own market is often something of a challenge. Finding the right price is essential to both parties, because the right price has to match the right quality.

The duty of the buyer is, as usual, to buy at the best price. But, in spite of pressure from an uninitiated donor, the best price cannot be the sole criterion, because this might also represent a poor compromise between price and quality.

Buying a generic medicine on the world market, for example, is a real exercise demanding great skill. On a globalised market where counterfeit products compete with impunity with good quality products, where the raw materials are produced in one country, manufacture is carried out in another and the packaging and marketing for export are done in a third, finding the right product at the right price is not an easy task. The buyer has to be able to justify selecting a product costing 20% more than the most competitive offer and 30% below the least competitive one. Making such a selection requires both excellent technical knowledge of the product and production methods, and a profound knowledge of the market.

On the other side of the counter, it is also a real challenge for an occidental provider to remain competitive on the world market. The margin is narrow, and those who are chosen frequently have to be innovative in order to meet demand. North-South or East-West partnership is sometimes one of the ways to permit the combination of skill, quality and lower costs for transport, production or storage.

Technological innovation is sometimes another response to competitors.

In all cases, analysis of requirements is the key to success. For, to complicate things still further, it isn't just a question of being able to supply the right product at the right price, you also have to stay available and contactable during the Christmas rush, to know that packaging can make all the difference when goods are transported by air, then transferred several times from one truck to another in the rain, and not necessarily with any great care, before arriving at their destination.

Another factor leading to incomprehension, and another atypical side of the market

Each individual organisation is more or less specialised in one domain. But each of their actions requires logistical support and very varied supplies.

This occasionally engenders an atypical Pareto ratio, transforming the "80/20" rule into "95/5".

And, however numerous may be the potential candidates interested in the 5% of articles representing 80% of turnover, rare are those interested in the 95% of articles that represent 20% of turnover.

The pitfalls are many. In general, the will to carry out a good operation is not enough. Only if the potential supplier invests time and effort in order to understand the requirements and purposes of our actions will he be able to produce the appropriate responses, to find a place in a complex market, and, above all, to share our satisfaction, which cannot be valued or measured, that of having contributed to operations that, at the other end of the line, will attenuate someone's sufferings.

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