

“A First Choice in Animal Health Solutions.”

“STRATEGIC PLAN & ANNUAL PERFORMANCE PLAN 2023/24”

PORTFOLIO COMMITTEE ON AGRICULTURE, LAND REFORM AND RURAL DEVELOPMENT

INNOVATIVE BIO-SCIENCE





A First Choice In Animal Health Solutions

PRESENTATION OUTLINE:

1. MTSF Focus Priorities – 2019_2024
2. SITUATIONAL ANALYSIS
3. OBP's STRATEGIC OBJECTIVES
4. ALIGNMENT TO THE AGRICULTURE & AGRO-PROCESSING MASTER PLAN
5. FINANCIAL OVERVIEW
6. PROGRAMME PERFORMANCE OVERVIEW



MTSF FOCUS PRIORITIES 2019_2024



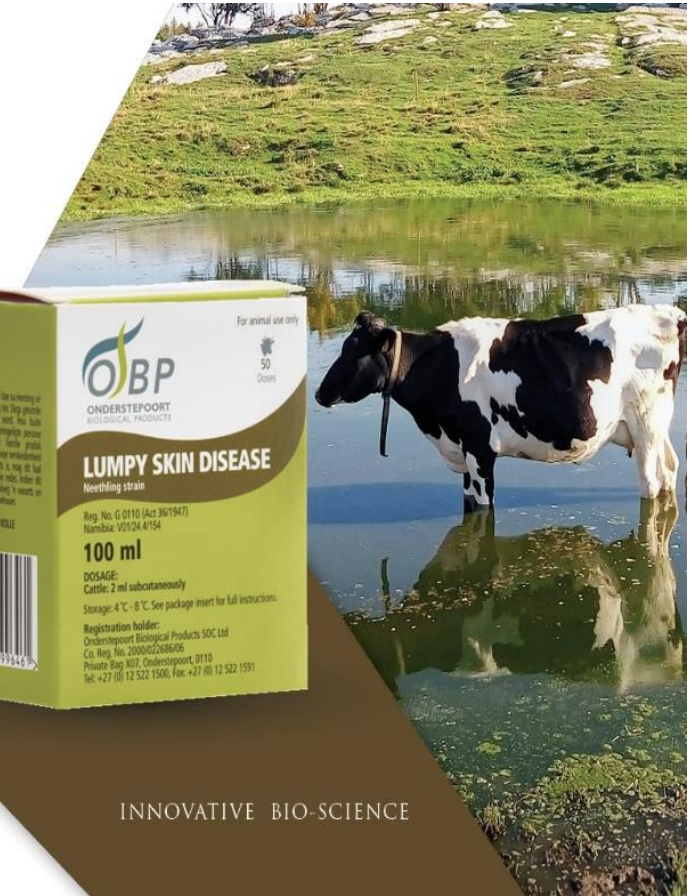
LUMPY SKIN DISEASE

VACCINE FOR CATTLE

www.obpvaccines.co.za



INNOVATIVE BIO-SCIENCE



PRIORITY 7:

A better
Africa and
world

PRIORITY 3:

Education,
skills and
health



In implementing
the MTSF,
Government will
factor-in the interests
of Women, Youth
and People with
Disabilities.

PRIORITY 1:
Building a
capable,
ethical and
developmental
state

AFFORDABLY PROTECTING THE NATIONAL HERD



Strengthen SA's Animal Traceability System



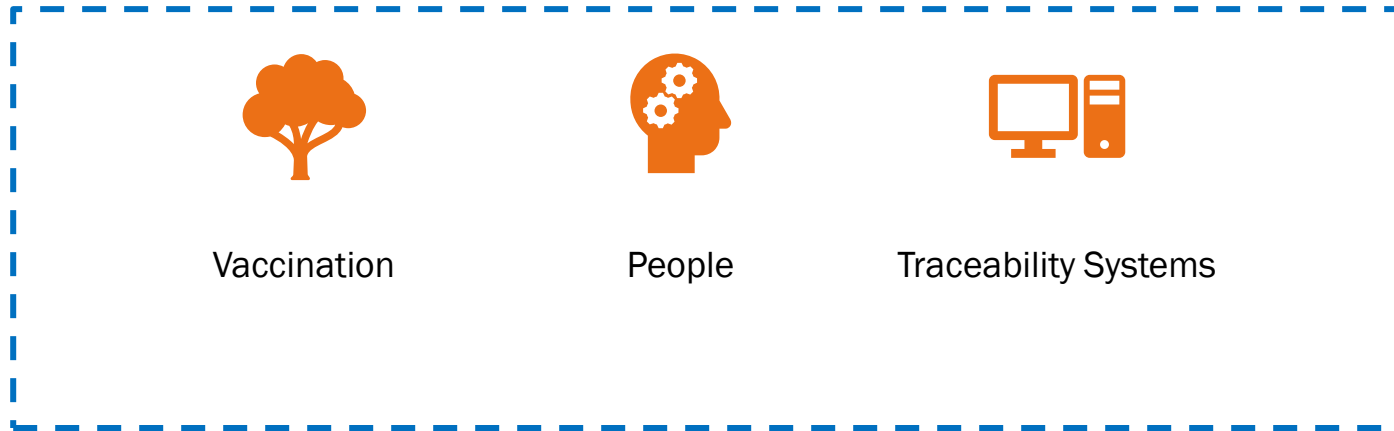
Manage Use of Unregistered Vaccines



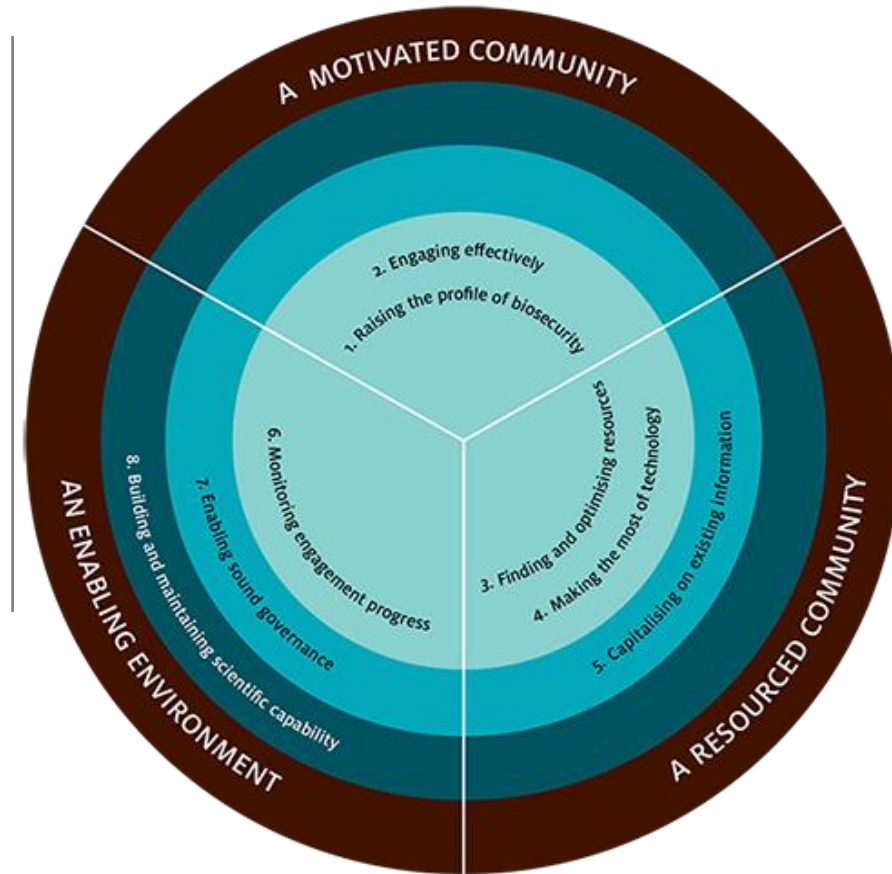
Broaden Communal Animal Vaccination Coverage



Strengthen Regulator (Act 36)

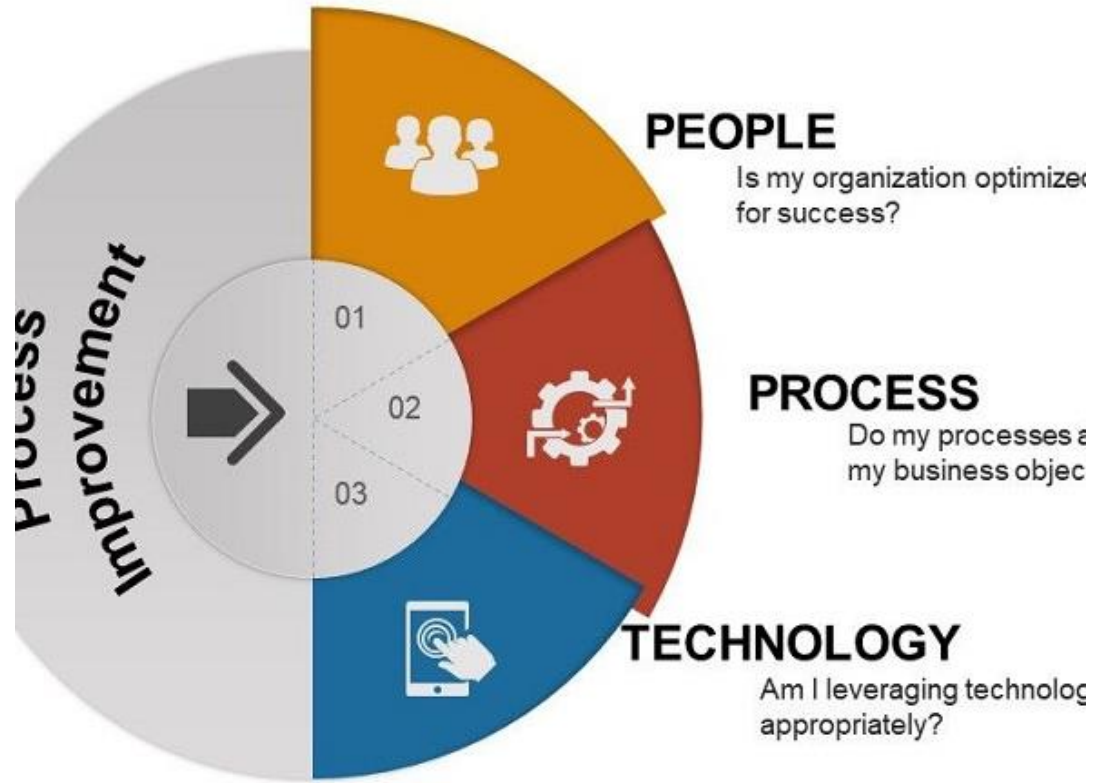


ISSUES FOR CONSIDERATION

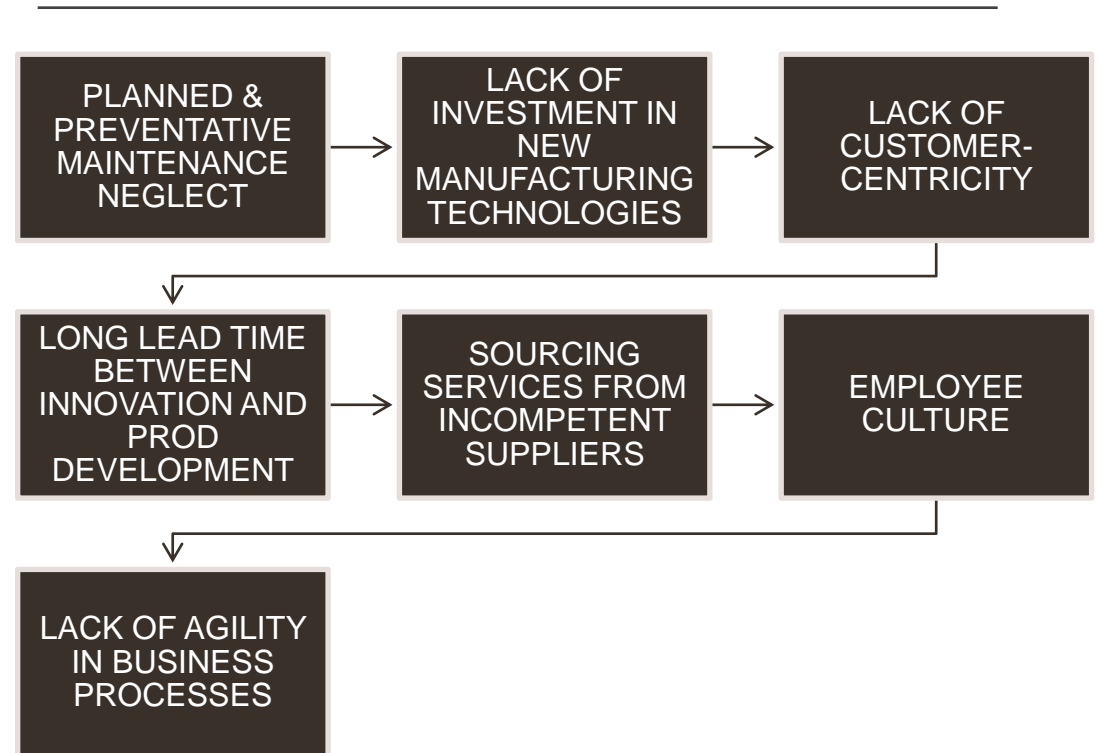


- Themes directly related to biosecurity engagement
- Themes related but not limited to biosecurity engagement
- Themes that represent wider issues that affect biosecurity engagement

ole Process Technology Model of Process Improve



SITUATIONAL ANALYSIS



OBP Response Strategy For Sustainable Vaccine Availability



COMPLETE GMP PROJECT



OPTIMISED BUSINESS PROCESSES



CUSTOMER-CENTRIC SERVICES



INTERNAL CAPABILITIES



PARTNERSHIPS

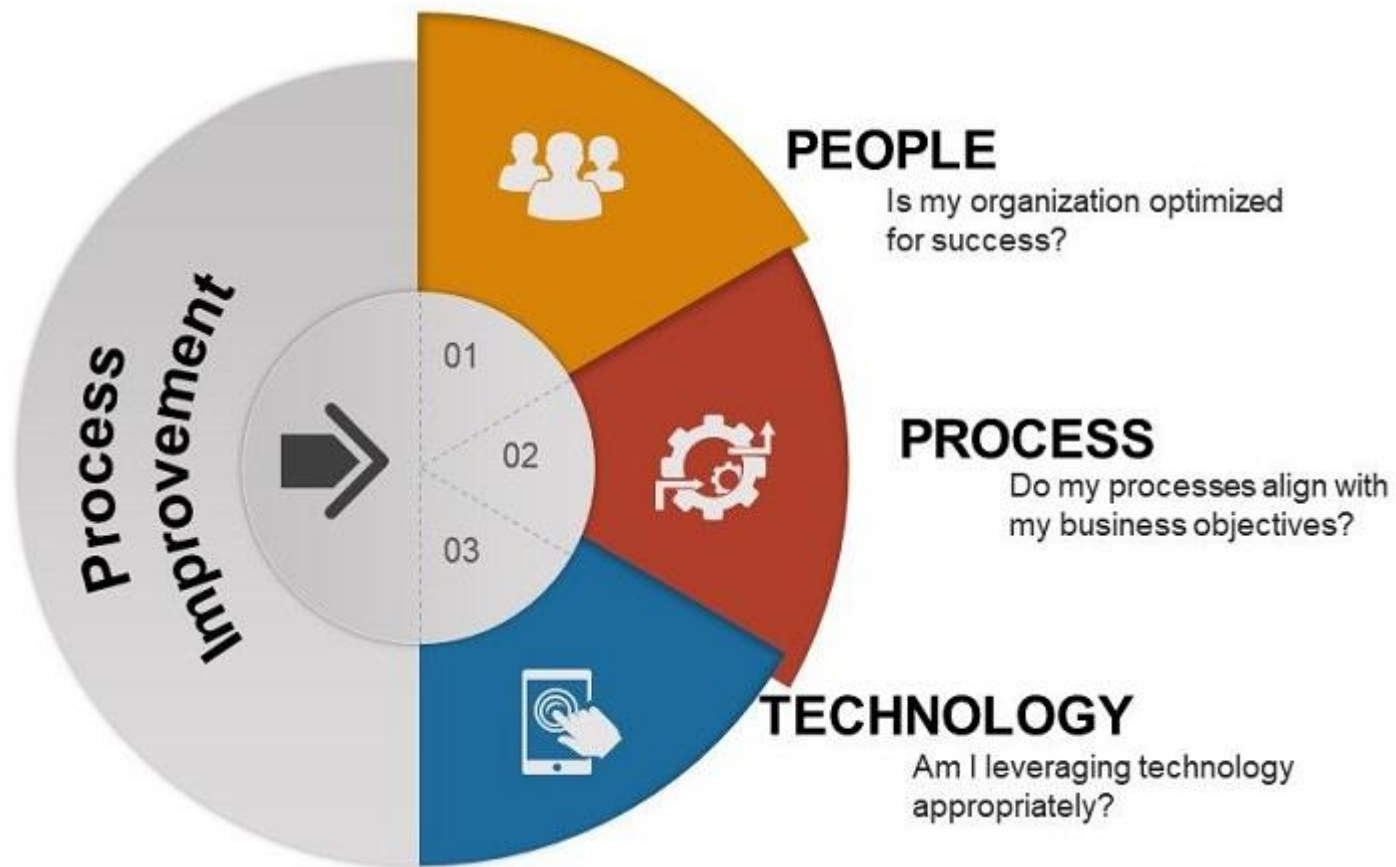


INNOVATION AND AGILITY



SYSTEMS MODERNISATION

People Process Technology Model of Process Improvement





PY SKIN ASE

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INNOVA



COMPANY GOVERNANCE

OUR STRATEGY IN A PAGE



ONE OBP STRATEGY

OUR PURPOSE

To provide innovative and disruptive solutions for animal health

OUR VISION

To be the first choice in animal health solutions

OUR MISSION

To develop, manufacture, source, and supply cost-effective innovative animal health solutions to our customers

ONE GOAL 3-5-1

Triple (3X) EBITDA in 5 years by:

- Being a great place to work at
- Providing exceptional customer service
- Delivering leading "return on investment"

ONE SET OF VALUES

People first
Respect
Integrity
Dedication
Excellence

PRIDE

CURRENT STRATEGIC RISKS

- Insufficient Research and Development Output
- Loss of Intellectual Property (registered and unregistered)
- Non-compliance with local and international standards & regulatory requirements
- Ineffective execution of strategic initiatives
- Inefficient business processes
- Product unavailability
- Inadequate business continuity management capabilities
- Inefficient customer management
- Absence of comprehensive HR strategy
- Inadequate safeguarding of OBP as National Key Point
- Inadequate sustainability management (environmental, social) and governance
- Litigation exposure

OUR BUSINESS MODEL



Develop, Produce and Source Animal Health Solutions



Smart digital solutions for Animal Health



Managed Distribution Services

OUR SET OF STRATEGIC OUTCOMES

- Sustainable Financial Growth
- Optimized business processes
- Improved customer services
- Capable, ethical and developmental organisation

SOCIETAL IMPACT

ANIMAL HEALTH

SKILLS DEVELOPMENT

ECONOMIC TRANSFORMATION

FOOD SECURITY

RISK ANALYSIS

SUSTAINABLE FINANCIAL GROWTH

STRATEGIC OUTCOME

KEY RISKS

RISK MITIGATION

- Fraud and corruption
-
-
- Ineffective sales and marketing model
-
- Inadequate costing model
-
-
- Noncompliance to SCM and other key legislation.
-
-
- Operational Expenses surpassing sales generated.
-
- Discounts
-
- Inadequate expertise and funding to improve and fast-track product development and product range

- Investigate and report all fraud and corruption to the authorities.
- Review the current sales model/develop and implement an effective model.
- Review the current model/improve the costing model with the use of ICT.
- Continuous Training and monitoring of legislation updates.
-
- Cost management strategy.
-
-
- Review Discount models.
-
- Collaborate with institutions to acquire technologies or licenses.



LUMPY SKIN DISEASE

VACCINE FOR CATTLE



RISK ANALYSIS



| STRATEGIC OUTCOME | KEY RISKS | RISK MITIGATION |
|---|--|---|
| <p>IMPROVED CUSTOMER SERVICE</p> | <ul style="list-style-type: none"> ▪ Unavailable products ▪ Reputational risk | <ul style="list-style-type: none"> ▪ Explore investment into new (external supplier) product dossier. |
| <p>CAPABLE, ETHICAL AND DEVELOPMENTAL ORGANISATION</p> | <ul style="list-style-type: none"> ▪ Inadequate HR capacity / poor policy and governance framework / poor internal controls | <ul style="list-style-type: none"> ▪ Ensure skills transfer. ▪ Align training to skills development within current job profile / Develop and implement policies / monitor internal controls |

FINANCIAL OVERVIEW



Budget Allocation Per Programme

| | 2023-2024 | 2024-2025 | 2025-2026 | 2026-2027 |
|--|----------------|----------------|----------------|----------------|
| | R' 000 | R' 000 | R' 000 | R' 001 |
| Financial stability | 52,804 | 55,959 | 59,333 | 62,427 |
| Continuous improvement of business processes | 151,547 | 160,602 | 170,285 | 179,166 |
| Customer services | 24,529 | 25,994 | 27,562 | 28,999 |
| Governance and Leadership | 29,069 | 30,806 | 32,663 | 34,367 |
| | 257,948 | 273,362 | 289,843 | 304,959 |

ANNUAL AND QUARTERLY TARGETS

| Output Indicators | Annual Target | Q1 | Q2 | Q3 | Q4 |
|--|---|---|---|---|---|
| Increased Sales Revenue (R) Annually | R 280m Increased Sales Revenue | R50m sales revenue increased | R90m sales revenue increased | R70m sales revenue increased | R70m sales revenue increased |
| Number Of New Products Dossiers Submitted To Registrar of Act 36 of 1947 Registration Annually | 4 New Products Dossiers Submitted To Registrar of Act 36 of 1947 Registration | 1 New Products Dossiers Submitted To Registrar of Act 36 of 1947 Registration | - | - | 3 New Products Dossiers Submitted To Registrar of Act 36 of 1947 Registration |
| Number Of Improved Technological Processes Developed Annually | 4 Improved Technological Processes Developed | 1 Improved Technological Processes Developed | 1 Improved Technological Processes Developed | 1 Improved Technological Processes Developed | 1 Improved Technological Processes Developed |
| Number Of Product Dossiers Submitted To New Potential International Markets Annually | 8 Product Dossiers Submitted To New Potential International Markets | 2 Product Dossiers Submitted To New Potential International Markets | 2 Product Dossiers Submitted To New Potential International Markets | 2 Product Dossiers Submitted To New Potential International Markets | 2 Product Dossiers Submitted To New Potential International Markets |
| Increased EBIDTA (%) Annually | 6% Increase from FYE 2023 | - | - | - | 6% Increase from FYE 2023 |
| Increased Vaccine Doses Sold (%) Annually | 15% Vaccine Doses Sold | 3% Vaccine Doses Sold | 8% Vaccine Doses Sold | 12% Vaccine Doses Sold | 15% Vaccine Doses Sold |

MEASURING OUR PERFORMANCE – PROGRAMME 3.2: CONTINUOUS IMPROVEMENT OF BUSINESS

PROCESSES

| Outcome | Outputs | Output Indicator | Annual Targets | | | | | | |
|------------------------------|---|--|---------------------|---|---|---|--|--|---|
| | | | Audited Performance | | | Estimated Performance | | MTEF Period | |
| | | | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 | 2025/26 | 2026/27 |
| Optimised business processes | Production Efficiency Index | Improved Production Efficiency Improved Annually | 7.9 | 7.07 | 7.0 | 83% Improved production efficiency | 86% Improved production efficiency | 88% Improved production efficiency | 90% Improved production efficiency |
| | Percentage Of Achieved Progress On Action Items Against The GMP Roadmap | Progress (%) On Implemented Action Items Against The GMP Roadmap Annually | New indicator | 4% of GMP roadmap achieved | 15% of GMP roadmap achieved | 35% of GMP roadmap achieved | 55% of GMP roadmap achieved | 75% of GMP roadmap achieved | 95% of GMP roadmap achieved |
| | ICT Enterprise Architecture Plan | Implementation Of Board Approved Enterprise Architecture Plan To Inform ICT Strategy | New indicator | Approved ICT Enterprise Architecture Plan | Implement total number of deliverables planned for phase 1 of the approved plan | Implement phase 2 of the approved plan | Implement phase 3 of the approved plan | Development and tabling for approval of new 3year plan | Implement phase 1 of the approved plan |
| | Vector Protected Facility | Completed Vector Protected Facility | New indicator | No vector protected facility | Building of Vector protected facility | Validation by QA and approval of facility by DALRRD | - | - | - |
| | GMP Facility | Improved Facilities to Achieve GMP Certification | 0% | Phase 1 incomplete | GMP facility as per project plan | GMP facility as per plan | GMP facility as per plan | GMP Facility Completed; Equipment Qualification and Performance Acceptance Testing | GMP Facility Completed: Operational and Performance Qualified |
| | Top 20 Products Produced | Improved (%) Output Of Top 20 Products Annually | New indicator | 74.43% | 80% | 85% Output of Top 20 Products | 90% Output of Top 20 Products | 95% Output of Top 20 Products | 97% Output of Top 20 Products |

MEASURING OUR PERFORMANCE – PROGRAMME 3.2: CONTINUOUS IMPROVEMENT OF BUSINESS

PROCESSES

| Outcome | Outputs | Output Indicator | Annual Targets | | | | | | |
|------------------------------|---|---|---------------------|---------|---------|--|---|---|---|
| | | | Audited Performance | | | Estimated Performance | | MTEF Period | |
| | | | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 | 2025/26 | 2026/27 |
| Optimised business processes | Improved Distribution Efficiency | Inventory Turnover Ratio | - | - | - | New indicator Inventory in distribution should be maintained between 30 -40% of the total revenue | Inventory in distribution should be 40% of the total revenue stat | Inventory in distribution should be 40% of the total revenue | Inventory in distribution should be 40% of the total revenue |
| | Improved Business Efficiencies | No of operations SOPs reviewed and approved | - | - | - | New indicator 20 SOPs reviewed and approved | 25 SOPs reviewed and approved | 30 SOPs reviewed and approved | 35 SOPs reviewed and approved |
| | | % relevant staff trained in reviewed and approved operations SOPs | - | - | - | New indicator 50% of relevant staff trained in approved operations SOPs | 60% of relevant staff trained in approved operations SOPs | 70% of relevant staff trained in approved operations SOPs | 80% of relevant staff trained in approved operations SOPs |
| | | % Effectiveness Of Assessments Carried Out On Operations SOPs | - | - | - | New indicator 50% Effectiveness Of Assessments Carried Out On Operations SOPs | 60% Effectiveness of assessments carried out on Operations SOPs | 70% Effectiveness of assessments carried out on Operations SOPs | 80% Effectiveness of assessments carried out on Operations SOPs |
| | Improved Site Infrastructure Maintenance Plan | % Maintenance And Site Infrastructure Upgrade Plan Completed Annually | - | - | - | New indicator 60% Maintenance and Site Infrastructure Upgrade Plan completed | 70% Maintenance and Site Infrastructure Upgrade Plan completed | 80% Maintenance and Site Infrastructure Upgrade Plan completed | 90% Maintenance and Site Infrastructure Upgrade Plan completed |

ANNUAL AND QUARTERLY TARGETS

| Output Indicators | Annual Target | Q1 | Q2 | Q3 | Q4 |
|--|---|---|---|---|---|
| Improved Production Efficiency Annually | 83% Production efficiency improved | 74% production efficiency improved | 77% production efficiency improved | 80% production efficiency improved | 83% production efficiency improved |
| Progress (%) On Implemented Action Items Against The GMP Roadmap Annually | 35% of GMP roadmap achieved | 20% of GMP roadmap achieved | 25% of GMP roadmap achieved | 30% of GMP roadmap achieved | 35% of GMP roadmap achieved |
| Implementation Of Board Approved Enterprise Architecture Plan To Inform ICT Strategy | Implement year 2 of approved plan | 25% achievement of deliverables as per approved plan for year 2 | 25% achievement of deliverables as per approved plan for year 2 | 25% achievement of deliverables as per approved plan for year 2 | 25% achievement of deliverables as per approved plan for year 2 |
| Completed Vector Protected Facility | Validation by QA and approval of facility by DALRRD | Completion of building and sign off by contractor | DALRRD and QA inspection and sign off | - | - |
| Improved Facilities GMP | GMP Facility as per Plan | Timelines on GMP as per plan | Timelines on GMP as per plan | Timelines on GMP as per plan | Timelines on GMP as per plan |

ANNUAL AND QUARTERLY TARGETS

| Output Indicators | Annual Target | Q1 | Q2 | Q3 | Q4 |
|---|---|---|---|---|---|
| Inventory Turnover (%) Maintained | Inventory in distribution should be maintained between 30- 40% of the total revenue | Inventory in distribution should be maintained between 30- 40% of the total revenue | Inventory in distribution should be maintained between 30- 40% of the total revenue | Inventory in distribution should be maintained between 30- 40% of the total revenue | Inventory in distribution should be maintained between 30- 40% of the total revenue |
| No of operations SOPs reviewed and approved | 20 operations SOPs reviewed and approved | 10 SOPs reviewed | 10 SOPs approved | 10 SOPs reviewed | 10 SOPS approved |
| % relevant staff trained in reviewed and approved operations SOPs | 50% relevant staff trained in reviewed and approved SOPs | - | - | 25% relevant staff trained | 50% relevant staff trained |
| % Effectiveness Of Assessments Carried Out On Operations SOPs | 50% Effectiveness Of Assessments Carried Out On Operations SOPs | - | - | | 50% Effectiveness Of Assessments Carried Out On Operations SOPs |
| % Maintenance And Site Infrastructure Upgrade Plan completed annually | 60% Maintenance and Site Infrastructure Upgrade Plan Completed | 20% Maintenance and Site Infrastructure Upgrade Plan Completed | 35% Maintenance and Site Infrastructure Upgrade Plan Completed | 50% Maintenance and Site Infrastructure Upgrade Plan Completed | 60% Maintenance and Site Infrastructure Upgrade Plan Completed |

MEASURING OUR PERFORMANCE – PROGRAMME 3.3: CUSTOMER SERVICE

| Outcome | Outputs | Output Indicator | Annual Targets | | | | | | |
|----------------------------|--|---|---------------------|---------------|---------|--|--|--|--|
| | | | Audited Performance | | | Estimated Performance | | MTEF Period | |
| | | | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 | 2025/26 | 2026/27 |
| Improved Customer Services | Satisfied Customers | Improved (%) Of Customer Satisfaction Annually | New Indicator | 58% | 80% | Customer and stakeholder survey completed | Reviewed marketing strategy | - | Customer survey completed |
| | | Proportion (%) Of Customer Complaints Resolved Annually | 54.7% | 70.8% | 80% | 80% Customer complaints resolved | 80% Customer complaints resolved | 80% Customer complaints resolved | 80% Customer complaints resolved |
| | Top 20 Customers Retained | Proportion (%) Of Top 20 Customers Retained Annually | New indicator | 95% | 75% | 80% Top 20 customers retained | 80% Top 20 customers retained | 80% Top 20 customers retained | 80% Top 20 customers retained |
| | New Distribution Channels And Access To OBP Products | Number Of New Distribution Channels Established Annually | 4 | 4 | 6 | 6 new distribution channels established | 6 new distribution channels established | 8 new distribution channels established | 10 new distribution channels established |
| | | Number Of New Distribution Points Established Annually | - | New Indicator | 12 | 10 new distribution points established | 25 new distribution points established | 30 new distribution points established | 35 new distribution points established |
| | Trained Farmers | Number Of Farmers Trained Annually | 646 | 2198 | 800 | 1800 farmers trained annually | 2500 farmers trained annually | 3000 farmers trained annually | 3500 farmers trained annually |
| | Stakeholder Communication | Number Of Media Publications Disseminated Via Different Media Channels To External Stakeholders | - | New Indicator | 12 | 18 media publications disseminated via different media channels to external stakeholders | 22 media publications disseminated via different media channels to external stakeholders | 26 media publications disseminated via different media channels to external stakeholders | 30 media publications disseminated via different media channels to external stakeholders |

ANNUAL AND QUARTERLY TARGETS

| Output Indicators | Annual Target | Q1 | Q2 | Q3 | Q4 |
|---|--|--|--|--|--|
| Improved (%) Of Customer Satisfaction Annually | Customer and stakeholder survey completed | Appointment of service provider | Approved methodology of customer survey | - | Completed customer survey |
| Proportion (%) Of Customer Complaints Resolved Annually | 80% customer complaints resolved | 80% customer complaints resolved | 80% customer complaints resolved | 80% customer complaints resolved | 80% customer complaints resolved |
| Proportion (%) Of Top 20 Customers Retained Annually | 80% top 20 customers retained | 80% top 20 customers retained | 80% top 20 customers retained | 80% top 20 customers retained | 80% top 20 customers retained |
| Number Of New Distribution Channels Established Annually | 6 new distribution channels established | 2 new distribution channels established | 2 new distribution channels established | 2 new distribution channels established | - |
| Number Of New Distribution Points Established Annually | 10 new distribution points established | Implement phase 1 of plan | Implement phase 2 of plan | 5 new distribution points established | 5 new distribution points established |
| Number Of Farmers Trained Annually | 1800 farmers trained | 350 farmers trained | 600 farmers trained | 550 farmers trained | 300 farmers trained |
| Number Of Media Publications Disseminated Via Different Media Channels To External Stakeholders | 18 media publications disseminated via different media channels to external stakeholders | 6 media publications disseminated to external stakeholders | 5 media publications disseminated to external stakeholders | 4 media publications disseminated to external stakeholders | 3 media publications disseminated to external stakeholders |

MEASURING OUR PERFORMANCE – PROGRAMME 3.4: GOVERNANCE AND LEADERSHIP

| Outcome | Outputs | Output Indicator | Annual Targets | | | | | | | |
|---|---|--|--|---|---|--|--|--|--|---|
| | | | Audited Performance | | | Estimated Performance | MTEF Period | | | |
| | | | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 | 2025/26 | 2026/27 | |
| Capable, Ethical and Developmental Organisation | HR Policies Reviewed And Developed | Total Number Of HR Policies Reviewed | 3 | 0 | 16 | - | - | - | - | |
| | | Total Number Of New Policies/Frameworks Developed | New indicator | 1 | 1 | - | - | - | - | |
| | Staff Retention | Staff Turnover Maintained At <5% | New indicator | Staff turnover maintained at <5% | Staff turnover maintained at <5% | Staff turnover maintained at <5% | Staff turnover maintained at <5% | Staff turnover maintained at <5% | Staff turnover maintained at < 5% | |
| | Report With Recommendations From The Culture Survey | (%) Implemented Recommendations Emanating From The Culture Survey Report | Employee engagement survey report produced | 0% implementation of recommendations and outcomes | Develop implementation plan and implement 50% of planned deliverables | 100% implementation of recommendations and outcomes as per implementation plan | Conduct new culture survey & develop implementation plan for approval (2025/2026 – 2026/2027) | Implement 50% of planned deliverables of implementation plan. | Implement 50% of planned deliverables of implementation plan. | |
| | Trained Staff As Per WSP | (%) Training Interventions Achieved Against The WSP | 6% | 2.2% | 60% planned training interventions as per WSP achieved | 80% planned training interventions as per WSP achieved | 80% planned training interventions as per WSP achieved | 80% planned training interventions as per WSP achieved | 90% planned training interventions as per WSP achieved | |
| | Corporate Policies | (%) Corporate Policies Reviewed Annually | - | - | - | New indicator | 100% of corporate policies (as per provisions of corporate policy framework) reviewed annually | 100% of corporate policies (as per provisions of corporate policy framework) reviewed annually | 100% of corporate policies (as per provisions of corporate policy framework) reviewed annually | |
| | Enhanced Leadership Capacity | Leadership Development Programme Developed And Implemented | - | - | - | New indicator | Leadership development programme developed and approved | Implement 90% of phase 1 of Leadership development programme implemented | Implement Phase 2 of leadership development programme implemented | Implement Phase 3 of leadership development programme implemented |
| | Capable And Ethical Workplace | Approved Governance And Ethics Framework | - | - | - | New indicator | Governance and ethics framework developed and approved | - | - | - |

ANNUAL AND QUARTERLY TARGETS

| Output Indicators | Annual Target | Q1 | Q2 | Q3 | Q4 |
|--|---|--|---|--|--|
| Staff Turnover Maintained At <5% | Staff turnover maintained at <5% | Staff turnover <5% per quarter | Staff turnover <5% per quarter | Staff turnover <5% per quarter | Staff turnover <5% per quarter |
| (%) Implemented Recommendations Emanating From The Culture Survey Report | 100% implementation of recommendations and outcomes as per implementation plan | 25% of planned deliverables implemented | 25% of planned deliverables implemented | 25% of planned deliverables implemented | 25% of planned deliverables implemented |
| (%) Training Interventions Achieved Against The WSP | 80% planned training interventions as per WSP achieved | 20% planned training interventions as per WSP achieved | 40% planned training interventions as per WSP achieved | 60% planned training interventions as per WSP achieved | 80% planned training interventions as per WSP achieved |
| (%) Corporate Policies Reviewed Annually | 100% of corporate policies (as per provisions of corporate policy framework) to reviewed annually | Review and update corporate policy framework | Conduct a gap analysis on the corporate policies and present report | 5% of the corporate policies reviewed | 5% of the corporate policies approved |
| Leadership Development Programme Developed and Implemented | Leadership development programme developed and approved. | Onboard a service provider to develop a tailor-made leadership development programme | Develop a tailor-made leadership development programme | Obtain approval for leadership development programme | implement 10% of phase 1 of the leadership development programme |
| Approved Governance and Ethics Framework | Governance and ethics framework developed and approved | Research and Conceptualise governance and ethics framework | Develop governance and ethics framework | Develop governance and ethics framework | Obtain approval for governance and ethics framework |

CONCLUDING REMARKS



**THANK
YOU!!!**

