

Summer Training

At



April1, 2019 to May31, 2019

Project on

OTIF

By

Syed Asifa

Under guidance of

Dr Sandeep Narula

Dean and academic professor, IIHMR University Jaipur.

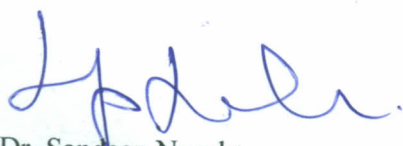


CERTIFICATE

This is to certify that **Syed Asifa** has undergone Summer Training at **AUROBINDO PHARMA**, from 1st April 2019 to 31st May 2019.

The candidate herself completed the project assigned to her in summer training. Her approach to project was sincere and proactive. This Summer Training is in partial fulfillment of the course requirement recommended for the award of MBA in Pharmaceutical Management.

I wish her success in all her future endeavors.



Dr. Sandeep Narula
Dean-in-Charge (Associate professor)
Pharmaceutical management
IIHMR University, Jaipur



Dr. Sandeep Narula
Dean-in-Charge (Associate professor)
Pharmaceutical management
IIHMR University, Jaipur

1st June, 2019.

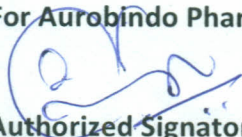
TO WHOMSOEVER IT MAY CONCERN

This is to certify that **Ms. Syed Asifa** with Reg.No.**0157** Pursuing MBA in Pharmaceutical Management from Indian Institute of Health management Research (IIHMR) Jaipur, has successfully completed the project from 01.04.2019 to 31.05.2019 in Supply chain Management Department in our organization. Her conduct and Performance during the Internship Period was Excellent.

We wish her all the best for her future.

With Best Wishes,

For Aurobindo Pharma Ltd



Authorized Signatory

ACKNOWLEDGEMENT

I take this opportunity with pride and enormous gratitude to thank those who have contributed to the successful completion of this endeavour.

First and foremost, let us thank the **ALMIGHTY GOD**, whose grace has been with us at each step of this project work. Guidance and support during my entire course of 5 weeks at Aurobindo Pharma Ltd. I am deeply thankful to the entire management of “IIHMR Jaipur”.

- I would like to present my sincere sentiments of appreciation and gratitude to our college Director Dr. Sandeep Narula for the approval of this program.
- I sincerely extend my heartfelt gratitude to my company guide, **Mr. Syed Wasif Ahmed** (Asst. General Manager, Aurobindo Pharma Ltd.) for his constant sincere information and understanding during my training by presuming necessary information.
- Gratification, I express my heartfelt thanks to Dr. Sandeep Narula Academic dean , Associate Professor, Indian institute of health management research-Jaipur, Without his enlightenment, association and provocation this project would not have been complete.
- I am extremely thankful to my faculties, guides Indian institute of health management research-Jaipur. My project mentor he always monitoring and his motivational words are inspirational thoughts are very use full towards the completion of the project.

Table of contents

<u>S. NO</u>	<u>Particulars</u>	<u>Page no</u>
1.	summary	4
2.	Abbreviations	5
3.	Company Profile	7
4.	Introduction	10
5.	Work Description	17
6.	Suggestions	18
7.	Conclusion	19
8.	Reference	20

EXECUTIVE SUMMARY

This report is a record of the knowledge gained through the course of two month of summer internship period at AUROBINDO PHARMA LTD, from 01-04-2019 to 31-05-2019. This report contains information about The Company, its functioning and a brief description on the major functional area - Supply Chain Management (SCM) of the company. "Supply Chain Management "functions starts from forecasting the Demand, to fulfilling the orders placed by the customers at the right time. Meeting the customers' Demand at the right time with the right quantity is essential. These factors are measured in terms of OTIF (On Time in Full) percentage. A mini project was done to improve the OTIF percentage by Following up with the concern teams and finding out the reasons to improve up on the process.

The On-time in Full Delivery is a key performance indicator (OTIF KPI) to measure the delivery performance of the site or company. When you go down into details, it can reveal the root cause for delivery problems or insights on how to work on corrective measures. For example, you might identify that a certain sales unit has an increased number of issues, a certain customer is facing the majority of delays or specific product causes delays in delivery.

The purpose of this report is to learn in depth about OTIF and how it is to be achieved and are the reasons for decreasing OTIF and how to overcome the problems to increase the company's OTIF.

Abbreviations

1. SCM : Supply chain management
2. OTIF : On time in full
3. DIFOT : “Delivery in full, on time”
4. FGTN : Finished goods take note
5. RFD : Ready for dispatch
6. SO : Sales order
7. C&F : Carry and forward
8. SSD : Schedule shipment date
9. FP Code : Fixed product code
- 10.EXW : Ex work
- 11.FCA : Free carrier
- 12.DAP : Delivered at place
- 13.Incoterms : International commercial term.

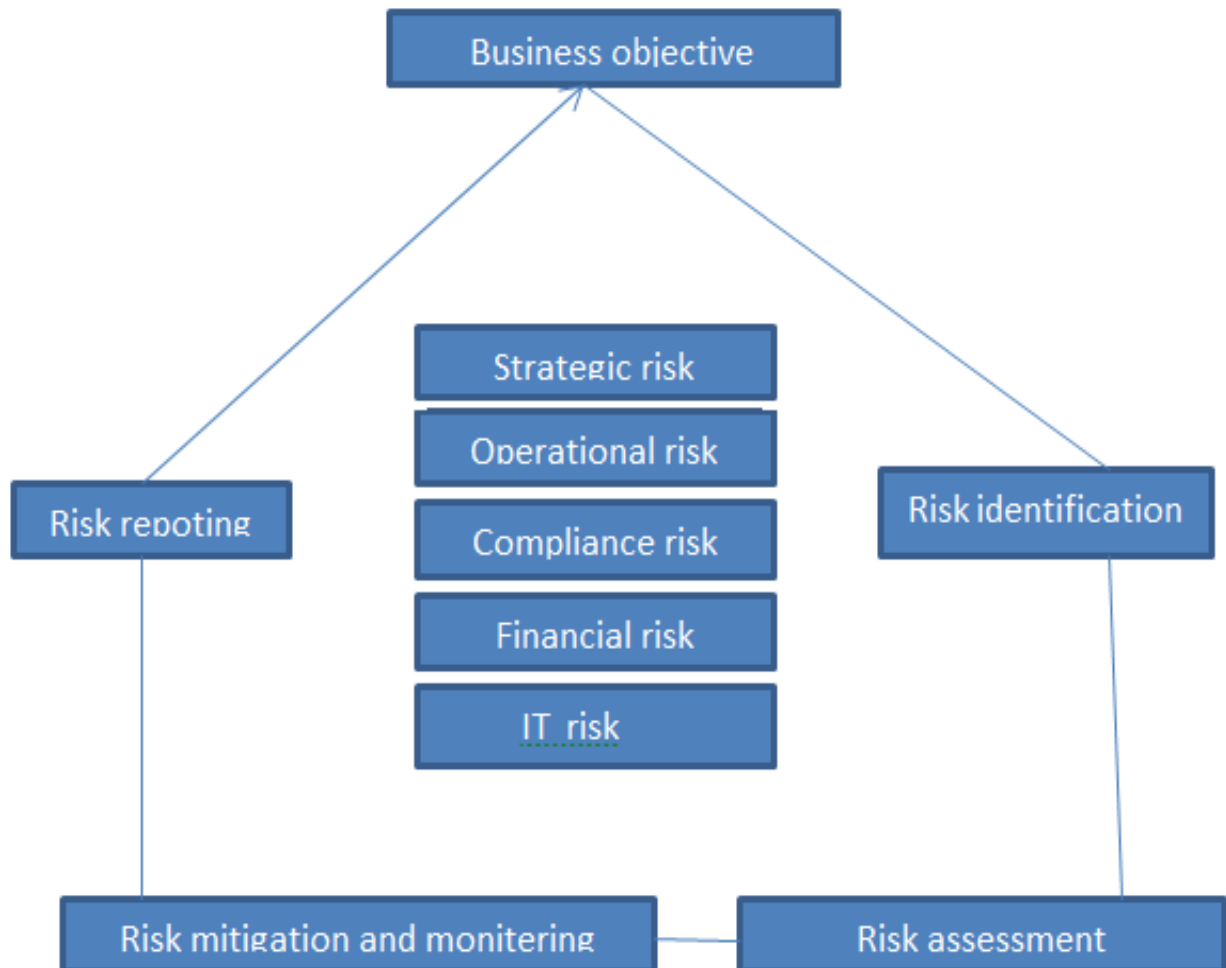
Company profile

About:

Aurobindo pharmaceutical company

- Established in 1986 by “Mr. P V Ram Prasad Reddy”, “Mr. K Nityananda Reddy”.
- Company operations commenced in 1988-89.
- Company became public in 1992.
- Company listed its stocks in 1995.
- Market leader in 1992 Semi – Synthetic Penicillin's it was block buster drug.
- Have key therapeutic areas in
 - ✓ Neurosciences,
 - ✓ Cardiovascular,
 - ✓ Anti – diabetic,
 - ✓ Anti – biotic,
 - ✓ Anti – retroviral,
 - ✓ Gastroenterology,
 - ✓ Among others.

Aurobindo pharmaceutical frame work culture



Introduction

Back ground:

A strong reproductive health supply chain supported by an effective logistic management system. Ensure that the right quality product, in “the right quantity” and in “the right condition” is delivered to “the right place”, at “the right time”, for “reasonable cost”

To accomplish this customary supply chain has 4 major components

1. Product selection
2. Product procurement
3. Product distribution
4. Product use.

The management of flow of goods and accessory to deliver on time in full quantity. In simple term OTIF is nothing but getting customer satisfaction, it is measured by taking 90% of the ordered quantity and +7 days from the promised date.

Objective

1. To increase the customer OTIF (satisfaction).
2. To analyses the secondary data
3. To find the reasons for low customer OTIF
4. To find ways and improvement methods to increase the customer OTIF.

Methodology:

The data collection methods include only secondary data.

- Primary method: This method includes the data (direct orders from the customers) collected from their customers who give orders to the company to be delivered to them.
- This secondary data is the number of orders the company gets from their customers. These orders will be assigned with a SO number known as sales order number and an FP code for tracking

Range:

The scope of the project is to study how the customer OTIF is calculated and measured and how it is seen to analyze the company's performance and also how much are their customers being satisfied with the services provided by the company.

Limitation:

The limitation in this project is not delivering the product ordered by the customer on time due to delays in quality check and quality assurance and waiting for other batches(of the same product) release so that they can send the whole lot in the same container to avoid more freight charges.

- Pending FGTN release.
- Container consolidation issues.
- Export license issues.
- Method issue.

Work Description:

How does Supply Chain Management team and Business Development work at Aurobindo?

- Initially a budget and demand forecast is taken from the Business Development team (Financial Year forecast). This forecast report is then sent to the manufacturing units for review whether they can manufacture the forecasted demand or not.
- It is reviewed on 3 factors (3 M) –
 - Machinery
 - Manpower
 - Material

- This information is then shared with the API (Active Pharmaceutical Ingredient). The API will prepare a budget forecast (Volume & Value) unit wise and product wise.
- The SCM team will then release a calendar of events for the financial year.
- By the end of the month 25th or 26th of the month the demand plan for the next month will be shared with the plant.

- Daily checking will take place whether is production is going on properly or not in the plant.
- A Quality Check report is taken every day from the plant.
- A weekly report will be reviewed by the management.

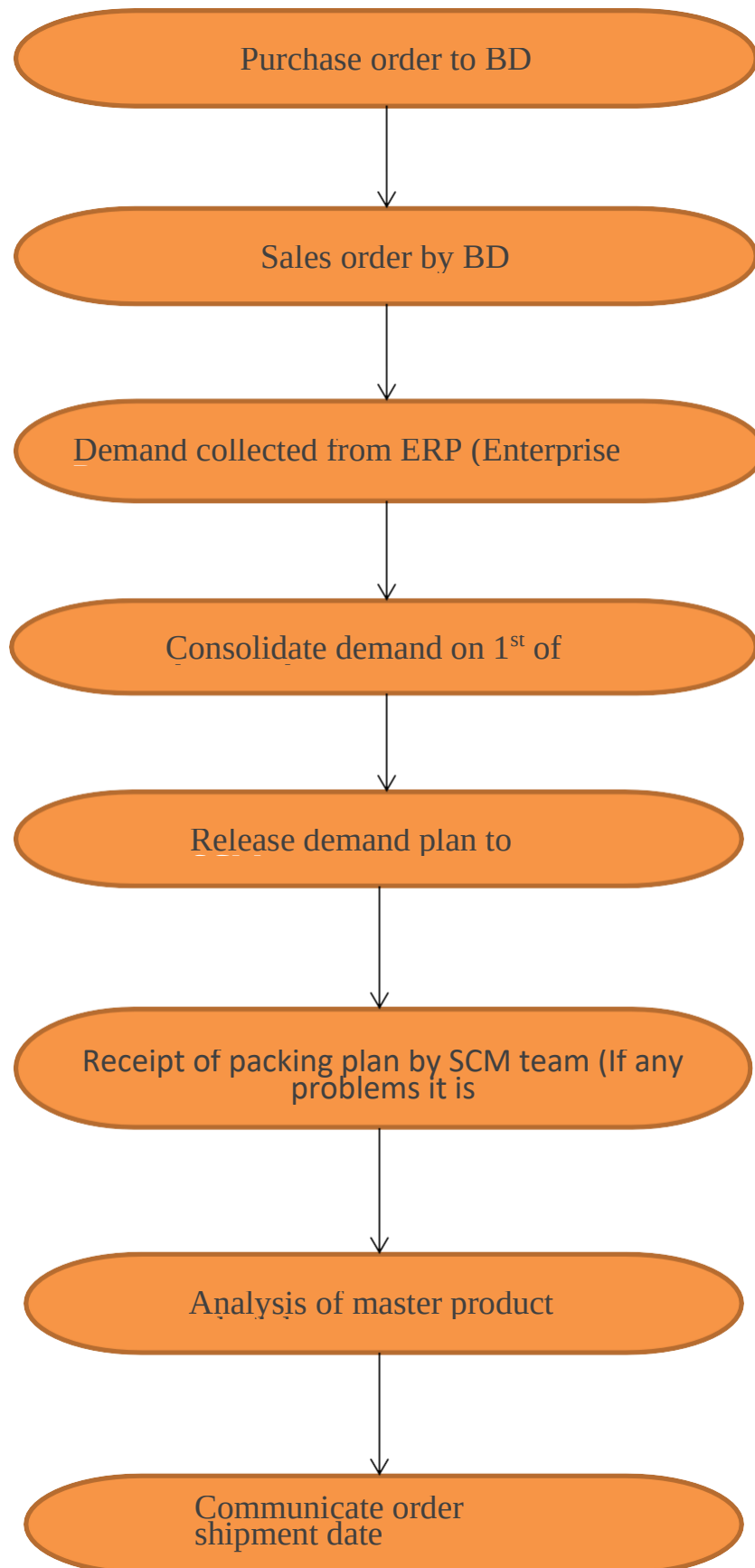
- **Current situation in pharmaceutical industry:**

- Now day's industries have been showing great commitment to customers.
- In pharmaceutical industry both manufacturing skills and service to customers play an important role.

- **OTIF : Supplying the required quantity on time**

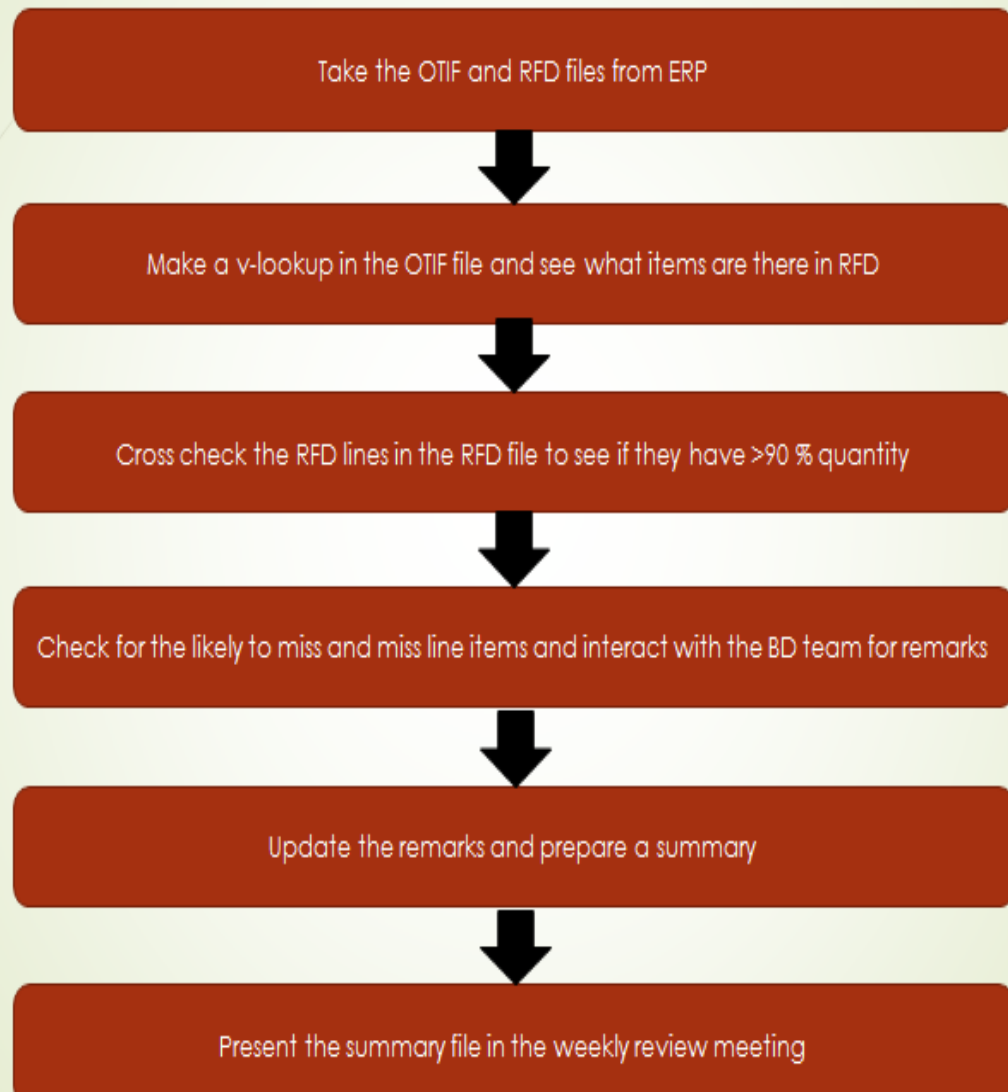
- Customers will place the order
- Raw materials procurement
- Work In Process (WIP)
- Packing
- QC Release
- Business Development team clearance on Logistics
- Customer

Demand Planning :



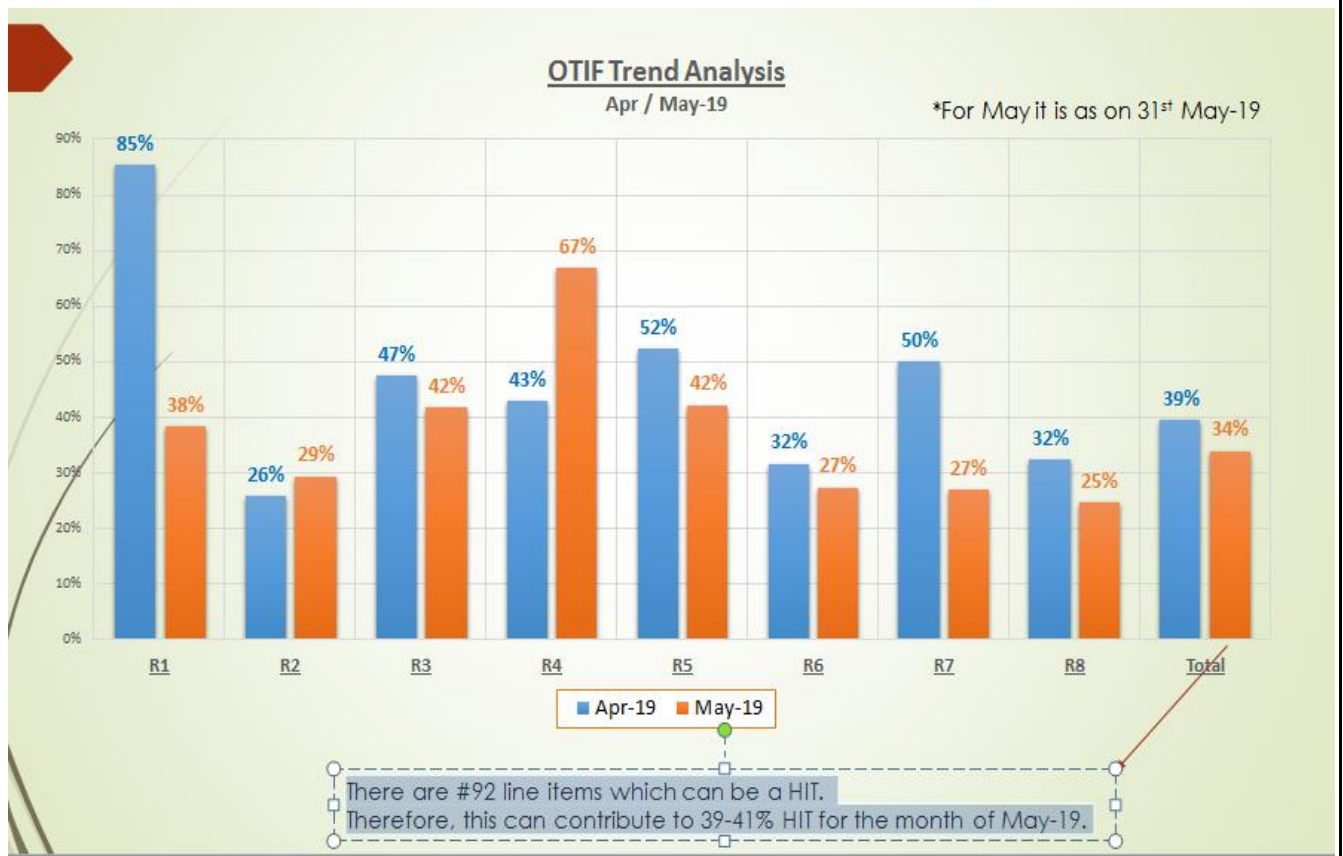
- I will get two excel files daily from the SCM team to analyse.
 - OTIF file
 - RFD + FGTD file
- I have been working for 4 regions in my project.
 - Europe
 - Emerging market – I
 - Emerging market – II
 - Emerging market – III
 - Others
- After receiving the files I will look up to my regions and see for the line items which are in RFD stocks and check them with their SSD (Scheduled Shipment Date) and quantity. If a certain line item has more than 90% of the quantity in RFD stocks I will interact with the respective region BD (Business Development) team and ask them to invoice the product and if they are not able to do so I will note down the remarks as what are the problems for not invoicing the line item by the promised date i.e., SSD.
- Then, I will also check with them if they can align the demand and invoice the RFD stocks.
- I will also check with the FGTD (Finished Goods Transfer Note) stocks and get them released to the RFD so that they can be invoiced on time (SSD).
- This is a daily process. I will be given both the files daily and these files get updated daily.
- I have to do the follow ups daily with the respective regions Business Development teams and contribute to monthly OTIF HIT percentage.

OTIF PROCESS



Findings/Remarks/Issues:

- ☐ Serializations issue
- ☐ Testing issue
- ☐ FGTV release issue
- ☐ Container consolidation issue
- ☐ Late to RFD (i.e., coming into RFD after SSD)
- ☐ Customs holidays. So shipment delayed
- ☐ Export license issue
- ☐ Clearance not given on time to FGTV stores
- ☐ Emergency scanning of other products
- ☐ Delay in shipment approvals
- ☐ Shipment issue
- ☐ Clubbing issues with other units
- ☐ Cannot invoice and keep it in inventory
- ☐ Method issue (Validation failed at customer)



Suggestions:

1. Can have a pop-up window for RFD line items as a reminder before 2 days to SSD.
2. Tell the teams the importance of OTIF by having training programs.
3. Conduct weekly review meetings on OTIF.
4. Give rewards/incentives to employees based on their performance or contribution to OTIF%..
5. The top management should take a strong call on OTIF.
6. There can be separate team for to look after OTIF daily and they should have access to units (eg: QA & QC, FG TN) for better performance.
7. The departments in the manufacturing units should also be explained about the importance of OTIF and ask them to give their support accordingly.

Conclusion:

- I have worked on project OTIF for 2 months. Due to time constraint I have worked on RFD file only and sometimes I have even involved in FGTVN releases for some critical SKU's.
- The OTIF for the month of April was 39% and for the month of May the OTIF till 1st June is 34% and it is expected to rise till 40-41% by 7th June.
- I have learnt how to work in a corporate office by adopting the corporate culture.
- I have learnt to be patient to get the things done.

References :

- <https://en.wikipedia.org/wiki/DIFOT>
- <https://www.aurobindo.com/wp-content/uploads/2018/10/Annual-Report-2017-18.pdf>
- <https://www.aurobindo.com/about-us/at-a-glance/business-overview/>
- <https://www.aurobindo.com/about-us/at-a-glance/global-operations-map/>
- <https://www.ibef.org/download/pharmaceuticals-may-2019.pdf>
- <https://balloonone.com/measuring-warehouse-kpis-otif/>