

Introduction

Background –

“Inventory” means physical stock of goods, which is kept in hands for smooth and efficient running of future affairs of an organization at the minimum cost of funds blocked in inventories. Different inventory procedures have been developed to enhance inventory management in different purposes. With multiple product lines a firm has, inventory needs to be classified before making decision about inventory methods.

ABC Classification

Class A represents 10 % of materials in inventory and 70 % of the inventory value. Class B represents 20 % of materials in inventor and 20 % of the inventory value. Class C represents 70 % of material in inventory and only 10 % of inventory value

VED ANALYSIS

The VED criticality analysis of all the listed items was performed by classifying the items into vital (V), essential (E) and desirable (D) categories.

V- The items critically needed for the survival of the patients and those that must be available always were included in the V category. E-The

items with a lower criticality need and those that may be available in the hospital were included in the E group.

D–The remaining items with lowest criticality, the Shortage of which would not be detrimental to the health of the patients, were included in the D.

Objective

To find out the A, B & C Class of Drug for ABC Analysis of inventory control technique. To find out Vital, Essential, and Desirable class of Drug for VED Analysis.

To find out ABC-VED category of drugs.

Methodology

RESEARCH DESIGN - observational study.

SAMPLE SIZE - 317 stock in hand.

DATA COLLECTION – secondary data was collected from MPPHSCL IT cell.

RESEARCH AREA - 51 district of M.P

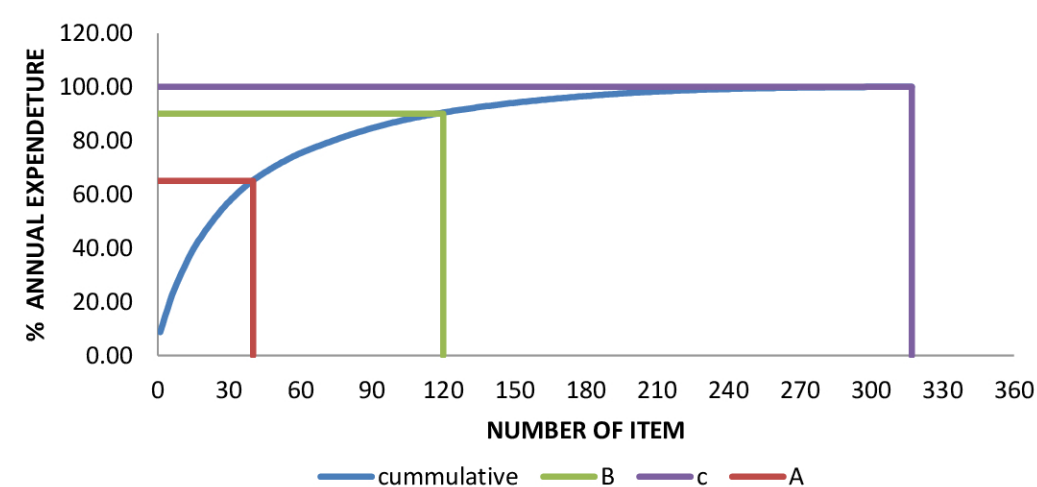
Findings

Methodology

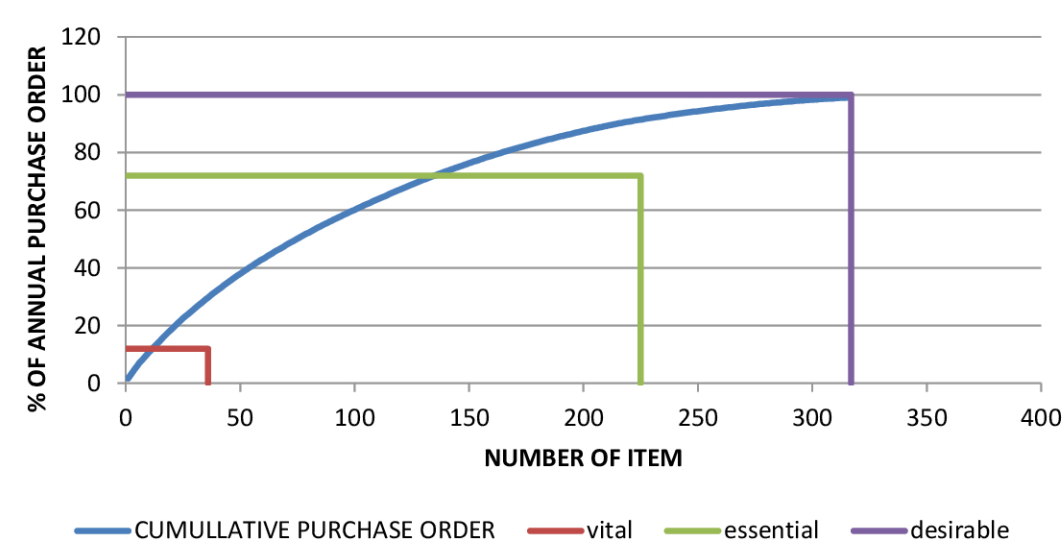
ABC Analysis

- The data of annual Demand of each item of the 51 district for the financial year 2017-18 were collected, with expenditure.
- The data were then transferred in an MS Excel spreadsheet.
- Then the expenditure of each item was calculated
- The cumulative percentage of expenditure was calculated.
- This list was then subdivided into three categories that is A, B and C.
- Based on the cumulative Expenditure percentage of 70%, 20% and 10%, respectively.
- The statistical analysis was carried out using the MS Excel statistical functions.

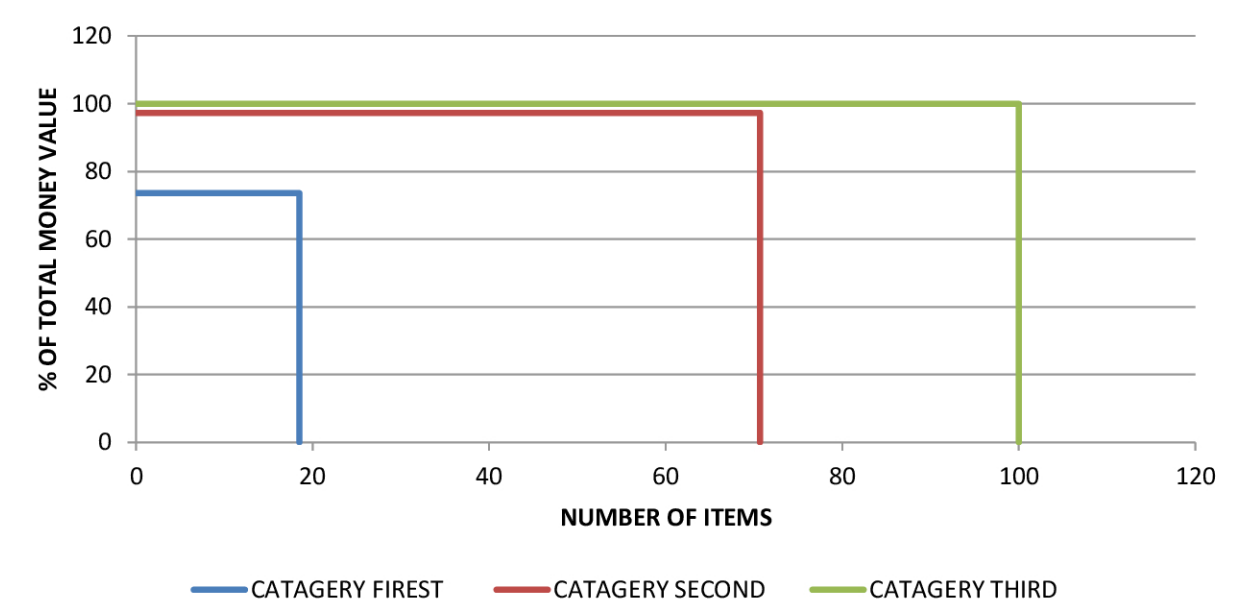
ABC ANALYSIS CUMULLATIVE CURVE



VED ANALYSIS CUMULLATIVE CURVE



ABC-VED GRAPH



Conclusion

ABC ANALYSIS— CUMULLATIVE % EXPENDITURE

From the above Graph, it was found that—

- 32 items considered as a category which consume 63.48% of total inventory amount.
- 88 items considered as B category which consume 23.12% of total inventory amount.
- 197 items considered as C category which consume 13.4% of total inventory amount.

VED ANALYSIS CUMULLATIVE % EXPENDITURE

- 36 Numbers of items are Vital which constitutes Purchase order 12% of the total purchase order.
- 189 Numbers of items are Essential which constitutes Purchase order 60% of the total purchase order.
- 92 Numbers of items are Desirable which constitutes Purchase order 28% of the total purchase order.

Findings of ABC-VED CATEGORY

- First category consist 18.50 % of total items which consist 73.55% of total money value.
- Second category consist 52.16% of total items which consist 23.72 of total money value.
- Third category consist 29.34% of total items which consist 2.72 % of total money value.

Suggestions

	Proposal	Forecasting and safety stock	Frequency of purchase
Category first	MPPHSCL has to make a very strict monitoring, tight level of control, and top level of management for category first items.	Very accurate forecasting needed, safety stock should be analyzed for individual items.	Most frequent
Category second	MPPHSCL has to make a moderate monitoring, moderate level of control, and middle level of management for second category items.	Moderately accurate forecasting, medium stocks.	Occasionally
Category third	MPPHSCL has to make a low level of monitoring and, low level of control, and middle lower of management for cat. Third	Forecasting may be low high stock for low valued items.	infrequent