

INVENTORY MANAGEMENT & PURCHASE REQUISITION IN IP-PHARMACY OF FORTIS ESCORTS HOSPITAL, JAIPUR

INTRODUCTION

Inventory represents one of the most important asset of a business because the turnover of inventory represents one of the primary sources of revenue generation and subsequent earnings for the company.

Inventory management: It's a method of maintaining the stock at a level at which purchasing and stocking cost are at the lowest possible without interference with the supply.

Supply Chain Management deals with all activities associated with the flow and transformation of goods from raw materials to end users.

OBJECTIVES

1. To maintain the stock at a level at which purchasing and stocking cost are at the lowest possible without interference with the supply.
2. To find out ROL & ROQ of items for Purchase Requisition.

METHODOLOGY

1. For Inventory Management FSN and VED Analysis methods are used.
2. For ROL & ROQ, different formula are used according to FORTIS Hospital's SOP.

FINDINGS

Chart 1. Proportion of Fast, Slow and Non-moving items.

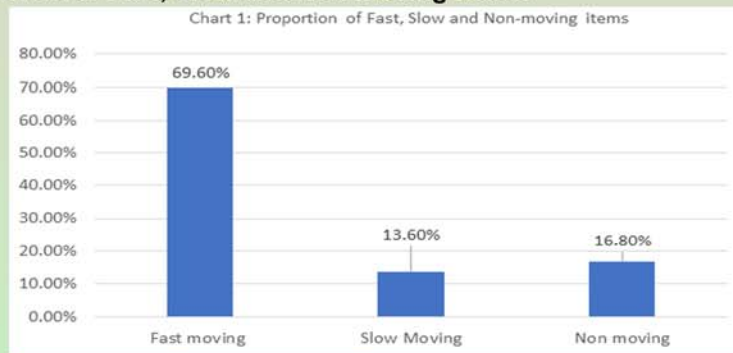


Chart 2. Proportion of Vital, Essential and Desirable items.

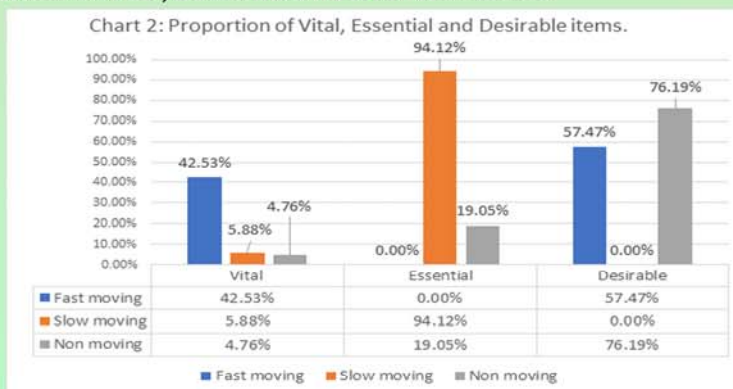


Chart 3. Proportion of Vital, Essential and Desirable items in Non-moving category.

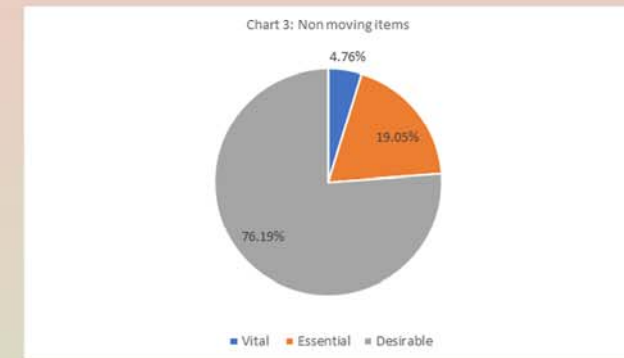


Table 1. ROL and ROQ for different items.

S. NO.	ITEM NAME	AVERAGE DAILY CONSUMPTION	LEAD TIME	% OF LEAD TIME CONSUMPTION	DEMAND FLUCTUATION	% OF DEMAND FLUCTUATION	SAFETY STOCK	ROL	STOCK ON HAND	ROQ
1	Tirofoben 5 mg inj.	9.71	2	4.85	296.28	74.07	78.92	98.3	78	176.3
2	Tramadol 50 mg/ml	0.66	7	1.15	20.15	5.03	6.19	10.8	2	12.8
3	Eliquis 5 mg tab	9.05	1	2.26	276.13	69.03	71.29	80.3	60	140.3
4	Itipridel cap.	7.76	3	5.82	236.91	59.22	65.05	88.3	40	128.3

Recommendation and Conclusion

Recommendation regarding ROL and ROQ Process.

(a). While calculating ROL and ROQ average consumption of items are considered based on last 56 days consumption. Which is always not relevant for calculating ROL and ROQ because some items may show very high consumption in the starting 28 days but after 28 days consumption is very low, but still average daily consumption based on last 56 days is considered.

Ex. If an item shows consumption of 2800 units in the starting 28 days but after 28 days it shows very low consumption of 580 units. Then the last 28 days consumption which is 580 should be considered very seriously.

(b). For seasonable medicines this method is not much effective because their consumption depends on their season so we cannot go with this method because of not getting relevant figure of ROL and ROQ.

(c). There is no issuing from the system by the sub stores it creates error creating ROL and ROQ.