

Assessment of Inventory Management Practices

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Introduction

- Nairobi West Hospital manages 575+ essential drugs.
- Effective inventory ensures cost savings and drug availability.
- Prevents stockouts, overstocking, and ensures regulatory compliance.

Research Objectives

- Rising issues of stockouts and overstocking.
- Financial losses from expired/slow-moving drugs.
- Improves patient care and resource utilization.

Research Questions & Hypotheses

- Analyze drug consumption and stock levels.
- Apply ABC and VED analysis for categorization.
- Optimize inventory cost and ensure availability.
- Study sales-inventory relationship.

Methodology

- Design: Descriptive (Quantitative – Secondary Data).
- Sample: 100 essential drugs from HIS.
- Tools: ABC & VED Analysis.
- Source: Hospital Information System (HIS).

ABC Analysis – Key Findings

- Class A: 10% items → ~70% expenditure.
- Class B: 20% items → 20% expenditure.
- Class C: 70% items → 10% expenditure.
- Focus: Prioritize and tightly control Class A

VED Analysis – Key Findings

- Vital (V): Life-saving drugs (e.g., Albumin, Merrobe).
- Essential (E): Needed but less critical.
- Desirable (D): Occasionally used, lower priority.
- Use ABC-VED Matrix for inventory prioritization.

Challenges Identified

- Stockouts due to demand forecasting issues.
- Manual inventory processes prone to errors.
- Limited training in inventory techniques.
- Lack of real-time tracking and automation.

Recommendations

- Conduct regular ABC and VED analysis.
- Implement advanced PIMS software.
- Staff training on inventory tools.
- Strengthen vendor relationships.
- Explore AI for demand forecasting.

Conclusion

- Branded generics can evolve into trusted brands
- Patient-centric builds loyalty
- Trust = Communication + Experience + HCP guidance
- Marketing must become relational, not just transactional