

INVENTORY CONTROL BY ABC ANALYSIS

ABC Analysis:

An ABC analysis is performed to classify planning objects according to their usage value, or number of objects. During ABC analysis, the system assigns each object one of the following indicators:

- A- The most value, or given number of objects that produce the greatest value.
- B- Less value, or given number of objects that produce less value.
- C- The least value, or given number of objects that produce the least value.

Steps of ABC Analysis

- Find half yearly consumption of each drug
- Multiply it by unit cost.
- Arrange items in a descending order.
- Calculate cumulative annual consumption cost.
- Top 10% of items will be consuming 70% of annual consumption cost- these are a category drugs.
- Next 20% of items will be consuming 20% of annual consumption cost- these are b category drugs.
- The rest are c category drugs.

Aims & Objectives

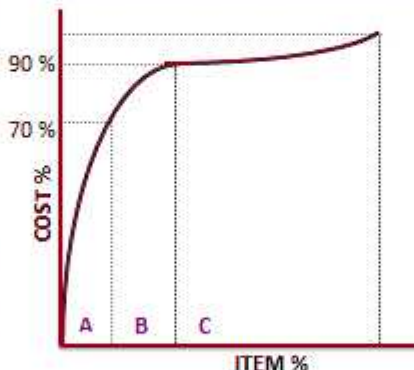
- To identify the categories of drugs which need stringent management control
- To analysis the half yearly consumption of items of pharmacy and expenditure incurred on them for October 2015-March 2016.
- To evolve a priority system based on ABC analysis.

Guided By

Dr. Arindam Das
Associate Professor

Category of drugs and expenditure

Category	No. Of Drug	% Of Item	Drug Expenditure (Rs)	% Of Drug Expenditure
A	78	4.89	66698375.14	70.05
B	179	10.75	19016678.04	19.95
C	1408	84.56	9328339.02	10.02
Total	1665	100	95283390.2	100



Recommendations:

- For A category drugs audits should be for every Week.
- For B category Drugs audits should be for every Month.
- For C category drugs audits should be on quarterly basis.
- A category Drugs having nature of life saving but slow moving can be shifted to consignment basis for better inventory management.

VENDOR MANAGEMENT SYSTEM

Aims & Objectives:

- To learn daily operational management of the organization and its various departments for departments.
- To study salient and critical features about functioning of these departments.
- To identify issues and problems with some specific departments.

Research Methodology:

- Information regarding organizational hierarchy, man power, and other details collected from hospital's manual, SOP's of department concerned authorities and one to one interaction with the hospital employees.
- Data was collected by reviewing records and from coordinators

Issues:

1. Delivery time.
2. Quality issues.
3. Rates.
4. Vendor monopoly
5. Less technological friendly vendor
6. Near Expiry delivery of drugs
7. Attitude of the vendor

Recommendations:

- The purchase department requires more manpower for effective functioning of SCM.
- Every year vendor meetings should be done to review and clarify issues faced by both vendors as well as the hospital.

Presented By

Dr. Anurag Dadhech
MBA HM-20