QnQ Healthcare Pvt Ltd

Functional requirements document

SCM

Local Purchase Request

Business Requirement:

- ➢ Purchase requests should be created by the branch people for the required stock which should be purchased locally through ERP

Logic:

- ➢ Option 1: Branch Purchase Consideration
  - ○ A trigger system should be executed for comparing the item wise current stock of the branches with their respective min stock and based on that - "To order" and "Stock out" items should be visible to the employees (Basis: Purchase Consideration screen)
  - ○ The suggested quantity should be the max quantity that the branch can order.
  - ○ Incase of difference in quantity required,
    - ■ The required quantity should be updated in the Required quantity field in the same screen.

- ➢ Option 2: Purchase Requests
  - ○ Based on the item details*, the items should be visible for the respective branches.
  - ○ The branch people should select the items from the drop down and enter the quantity required.
    *These details will be prepared by the procurement team and each branch agreeing the items and their respective quantities that are going to be locally purchased in the future. If any new items are added, the list should be manually updated

- ➢ There should be an option to choose the Supplier names at the branch PR (To facilitate direct purchases from the branch employees). This option shouldn't be a mandatory option.

- ➢ The requested items should first go for the cluster managers approvals. The cluster manager should have the option to edit the quantity of the items requested. After the cluster manager's approval, it should go to the procurement team.

➢ The cluster manager should be able to approve the local Purchases Requests only to the extent of the limit defined in the policy. If it exceeds the limit, the request should go to the category manager.

➢ Based on the requests arrived from the branches, a screen should be made available to the procurement team for selection/modification of vendors and cross checking the quantity given by the branches. The delivery location should also be added by the purchase team.

- If option 1 : The quantity in the Required quantity field should be able to be altered and approved by the procurement department while cross verifying and should be processed in the current order. Incase of approval or rejection of the excess quantity, the branch should be notified for that
- If option 2 : The procurement department should check the item's sales performance and manually compare it against the required stock from the branches before ordering.

--> This colour indicates autofilled fields

Request no
BPR - 00001

Supplier name	Delivery Location
YOGIRAM PHARMA LTD.	Perambalur RO

S No	Item name	Item code	Item category	Requested Quantity	Current stock	Excess Quantity requested	Approved Quantity
1	Nepro HP 400gm	Y567	Branded Medicines	10	25	2	12
2	Nepro HP 600gm	Y568	Branded Medicines	12	35		

--> If greater than the sum of requested & excess, then approval

➢ The usual PO approval process should be applicable to these purchase orders also(PO Approval process). The threshold limit and approval users shall remain the same.

➢ After ordering, the branches should be able to see the items which are ordered, rejected, partially approved, partially hold and hold by the purchase department

➢ The branches should also be able to see the pending orders that are going to be delivered at their location based on the delivery location selected during the PO

➢ Once the items are received, the branches should be able to take the Inbound with the option of uploading invoices and items in the same page.

- The quantity received should be entered by the branches and it should be acknowledged by the user who creates those PO.
- The received quantity field should have validation based on the ordered quantity.

- ➢ Incase of any goods return, it should be allowed from branch level to create goods return.
    - Incase the branch creates goods return, it should be acknowledged by the warehouse team and communicated to the supplier

Reports:

- ➢ Branch level : Pending PO's with aging - Respective branches
- ➢ Warehouse level : Local purchase PO's (pending & fulfilled) - for all branches in a single report & branch wise report.

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Pending Purchase Order

Business Requirement:

- ➢ To improve visibility and streamline the procurement process, it is essential to close Pending Purchase Orders and partially received POs that are inactive. This will help eliminate inactive pending POs and provide clearer insights into active procurement activities.

Logic:

- ➢ **Manual Short-Close:**
    - ○ **Functionality:** Provide an option for employees to manually short-close POs, either item-wise or partially, with a required reason for the short-close along with the quantity closed. The Reason should be the mandatory field.
    - ○ **Implementation:** This option should be available to all employees involved in procurement.

- ➢ **Automatic Close:**
    - ○ **Functionality:** Automatically close POs that are overdue by more than the supplier's lead time plus 20 days, or 90 days, whichever is greater.
    - ○ **Data Source:** Supplier lead time will be sourced from the Supplier Master based on the supplier name mentioned in the PO.
    - ○ **Configurable Time Frame:** The timeframe for automatic PO closing should be configurable. This configuration can be done either from the backend or the frontend, allowing flexibility to adapt to changing decision frequencies.

- ➢ **Dashboard:**
    - ○ **Functionality:** Provide a separate dashboard displaying POs that are pending beyond the supplier lead time for the respective employees to monitor.

- ➢ All these functionalities should be also applicable to the General PO's as well

Reports:

- ➢ **Manual Short-Close:** Report containing the items that are short closed with Item name, PO number, Quantity, Value, Category, the Broad reason(Vendor default, Our changes in requirement), Detailed Reason/Remarks, Supplier name and Closed by.

- **Automatic Close: :** Report containing the items that are short closed with the item name, PO number, Quantity, Value, Category, the reason for automatic closing(either it exceeds 90 days or supplier lead time), Supplier name and Closed by.

- **Aging Report:** The PO aging report should be generated based on the pending and partially pending POs.
    - PO wise aging
    - Supplier wise aging
    - Item wise aging

- **PO's pending more than lead time:** The POs which are pending more than their lead time
    - Lead time will be available in the supplier master of the respective PO's supplier name

Purchase order

Business Requirement:

- To reduce the turnaround time and manual intervention in raising Purchase Orders and to enhance visibility for management.

Logic:

- Establish item-wise and supplier-wise mapping to streamline procurement processes.

- The item wise rate should be updated in the item master. If there are more than 1 supplier for an item, there should be an option for preference and share of business between the vendors based on which the quantity will be distributed between the suppliers.

- Based on the rate given in the item master, the PO for that particular item should be automatically raised whenever there is a trigger and should be sent via mail to the vendor's mail id taken from the vendor master.

- These items should be excluded in the Purchase consideration. Only the other items should appear in the Purchase consideration for converting it into Purchase order.

➢ The automatically PO raised items should directly appear in the PO ordered status.

Reports:

➢ Day End Report to track When a product enters the "to order now" and "Stock out" stage, When the purchase order is raised, How many days taken to raise PO and When the goods are received.

➢ This reporting system should also be applied to branch transfers for comprehensive tracking and transparency.

Stock Transfer

Business Requirement:

- ➢ To optimize inventory management, non-moving stock in branches should be transferred to branches where the stock is moving.
- ➢ Specifically, stock older than 90 days in a RO should be transferred to other ROs.

Logic:

- ➢ **Components required:** There should be a comparison happen between the
    - ○ Current stock items at each branch
    - ○ RO wise and Item wise 3 months sales trend

- ➢ **Classification:** Based on this comparison, the items in the current stock should be classified as moving stock and non-moving stock based on the criteria
    - ○ Average sales Quantity for the past 3 months should be compared with the Average 3 months stock of that particular item. If the sales quantity is less than 20% of the average stock, it should be moved to the non-moving stock.

- ➢ **Report and Stock transfer:**
    - ○ Once the items are classified as non-moving stock, the report of the same with the quantity should be available along with the 3 ROs having Highest Sales quantity of that particular item.
    - ○ There should be a minimum critical stock kept at the RO to prevent the stock out. The Quantity should include the Current stock - Critical Stock.
    - ○ A Column for filling the quantity and update button should be available as given in the below picture. Once the Quantity is filled and updated, this should directly transfer it between the ROs.

Non-Moving stock													
SI No	Item Name	Item Code	RO	Quantity	Aging (Days)	Branch	Current stock (-) Critical Stock	To be moved	Branch	Current stock	To be moved	Branch	Current stock	To be moved
1	Amoxycillin 500mg Capsule		VPM	1010	100	Villupuram Branch	400	50	Hosur Branch	300	50	Villupuram Branch	500	0
2	Cefixime 200mg Tablet		Hosur	200	95	Hosur Branch	600	40	Villupuram Branch	250	30	Villupuram Branch	100	25
3	Paracetamol 500mg Tablet		Hosur	300	98	TVM Branch	400	28	Perambur Branch	75	70	Villupuram Branch	350	0
4	Metformin Sustained Release 500mg Tablet		Trichy	100	120	Villupuram Branch	400	50	Perambur Branch	300	70	Villupuram Branch	200	0

Update

* The Greyed area will be auto populated as per the logic defined. Only the “To be moved” should be filled.

Reports:

- ➢ Stock Aging report should be separately available for moving stock and non- moving stock branch wise
- ➢ RO wise and item wise consumption quantity reports/Sales trend reports should be made available.

Note: All these points should belong to the Business team, not the procurement.

Medicine Request

Business Requirement:

- The RO should be able to raise the medicine request for the existing medicines.

Logic:

- In the medicine request screen of the PoS, there should be another category called the existing medicines or new medicine.
- Incase of the existing medicine request, the item name should be chosen from the drop down list, the quantity and the vendor should be entered accordingly.
- For both the existing and new medicine requests, the approvals should be sent to the cluster manager.
- The Cluster manager should be notified and based on that he should be able to approve.
- Based on the notification, the cluster manager should be able to see the items requested, Quantity, requested by whom, RO name.
- In the same screen the cluster manager should be able to see the current stock quantity and the stock in transit (This will be taken from the Branch transfer consideration) from the branch order against the item requested items
- If the existing item is approved by the cluster manager, the items should appear in the branch transfer consideration for transfering.
- If the new item is approved, it should move to the Quotations screen instead of directly transferring it to the procurement team for procuring.

Quotations

Business Requirement:

- The Quotations received and rejected should be able to be tracked in the ERP.

Logic:

Option 1:

- A Separate module for the quotations should be established with 2 interfaces
    - Request for Quotations
    - Quotation comparison

- The new medicine request should automatically be populated in the Request for Quotation screen.

- There should be another option called the “Add“. The List of new items for which we are going to get quotations should be added by clicking on the “Add“ option.

- Hence this screen should contain the line items of medicine requests and new items. The new items and vendor names can be a text field where they can type the vendor name during the request.

- Against each line item, there should be an option called the “Get PDF“. The generated PDF should be shared with the vendor.

- There will be 2 unique identification numbers.
    - RFQ Master number.
    - RFQ Supplier number.

- As soon as the Quotations are received from the vendor with the determined format, the same is entered in the “Creation of Quotations” by choosing the item name and the vendor name and the RFQ Supplier number is a sequential number which is automatically generated for each quotation entered.

- In the “Quotation Comparison” screen, the RFQ number will be selected and a compare option is chosen. Based on that the system should compare the rate per unit.

Compare | View Results

Supplier name	RFQ Supplier Number	
Evergreen agencies	1	☑
Sri Akshaya agencies	2	☐
SRI DHARANI AGENCIES	3	☑

- ➢ The lowest rate should be highlighted in green color for each item as shown below.

RFQ Master number: **1**

Item Name	Rate per unit		
	Evergreen agencies	Sri Akshaya agencies	SRI DHARANI AGENCIES
Human Mixtard 40	10	10.5	10.2
Lantus 100IU/ml Injection	11	12	11.5
Novomix 30 100IU/ml Penfill Injection	13	10	12
Renerve Plus Capsule	12	Nil	11

Save

- ➢ If the particular item is not requested from all the vendors, it should be shown as Nil
- ➢ The Save option should be enabled to save the comparison. This comparison will be uniquely numbered which is the RFQ Master number. This should be viewed as a report based on the RFQ Master number.
- ➢ After selecting the vendor on the basis of comparison, the “Rejected” or “Accepted” option should be selected in the “Creation of Quotation” screen.

Option 2: Vendor portal

- ➢ The supplier master should contain a create new request based on which a new link will be generated and the shared link will be the option for the vendor to give his details
- ➢ After that we can select the supplier and the items required
- ➢ In the same screen of the “Request for Quotation“, instead of “Get PDF“, there should be a vendor portal link available.For each RFQ, once we give the supplier name, it will generate an unique link for that supplier to update his price using that link.

- Once every supplier updated the price, we could perform the comparison.

Reports:

- RFQ Master number wise quotation comparison report should be made available.

- Item wise rate comparison report should be made available.

Master Creation

Business Requirement:

- The approvals in the ERP should be there incase if master creation/updation for both
    - Item master
    - Vendor master

Logic:

- Incase of the creation of the item or the vendor, the approval should be sent to the procurement head.

- In the item master creation module and vendor master module, a separate column showing the status of the approval should be added.

- Once the items or vendors are approved, it should be available for raising the PO.

- Incase of vendor master creation, the GSTIN and the mobile number should be the unique field and the validation should be given to not to create the vendor with the same GSTIN or mobile number.

Quality control

Business Requirement:

- ➢ The items which are required to be do quality check should automatically passes the quality check location

Logic:

- ➢ The Quality check policy should be defined in the ERP and all the QnQ generics should go under the quality check.

- ➢ The Sample of the Policy is given below.

PRODUCT FORM	THERAPTICAL LINE	VALUE OF ORDER	SAMPLES
Tablets / Capsules	Acute Chronic	20,000 10,000	• 5% if single batch • 10% in case of multiple batch
Injections	Acute Chronic	15,000	• 5% if single batch • 10% if multiple batch
Drops / Syrups / Eye Drops	Acute Chronic	15,000	• 5% if single batch • 10% if multiple batch
Ointment / Topical Cream or solution	All	15,000	• 5% if single batch • 10% if multiple batch
Repulses and Rotacaps	All	10,000	• 5% if single batch • 10% if multiple batch

- ➢ Whenever there is a new PO raised, based on the item category and sub-category , if it meets the criteria, the items should be converted from local generics to QnQ generics.

- ➢ As soon as the goods are inwarded, based on the item category i.e., QnQ generics, the items should go to QC location. All the details of the items, Quantity, Value with GST, Supplier, Item category, Item Sub–category, Expiry date and the details that are captured while taking the GRN.

- When the items enter the QC location, the QC entry should be drafted based on the policy defined e.g., tablets- 30nos. This should be edited by the procurement team. This should be saved and then passed.

- An Automatic QC request should be available for download from the ERP based on QC Lab selected.

- The QC report should be uploaded in the QC screen and the option should be selected whether "QC passed" or "QC failed". Based on the selected option i.e.,"QC passed", the item will automatically be moved from the QC location to the Current stock.

- However, with the introduction of the QC warehouse solution, the existing "to order now stock" calculation may yield incorrect purchase quantities as the stock under the QC warehouse isn't factored into the current formula.
    - To rectify this, the formula needs adjustment from:
        - Maximum (–) Stock on Hand (-) Order in Pipeline/In Transit

          to
        - Maximum (–) Stock on Hand (-) Order in Pipeline/In Transit (-) QC Stock

Reports:

- The supplier wise QC failed report should be made available in the ERP.

- QC aging report should be made available in the ERP.

Expiry Validation

Business Requirement:

- Incase of inwards of goods, shorter expiry goods should not be inwarded

Logic:

- The policy of items with life span of only 6 months should not be inwarded should be set in the ERP and validation should be given to not to enter the items with life less than the policy.
- A Pop up message showing “Conflicting the policy” should be shown and there should be 2 options shown “Okay” and “Send for Approval”.
- If the inward team wants to accept the item with a shorter expiry conflicting the policy, the “Send for Approval” option should be selected.
- Upon selecting the “Send for Approval”, the approval request will be sent to the procurement head for the approval. Once it is approved, the items can be inwarded.

Reports:

- Inwards taken with approval, the report should be able to be generated i.e., conflicting the policy.

Short expiry goods

Business Requirement:

- ➢ The Short expiry goods should be returned on the timely basis.
- ➢ The returning of the short expiry goods should be kept on track.

Logic:

- ➢ The Policy of categorizing the current stock into short expiry items should be established in the ERP.
- ➢ If the life of the drugs falls below the policy - 3 months from the expiry date, a draft debit note should be automatically generated and saved in the debit note module of the ERP.
- ➢ Whenever this happens, a trigger in the ERP should arise and the notification of each category of item should be sent to the respective store people.
- ➢ Based on the trigger or the dashboard, this debit note should be reviewed, finalized and sent to the vendor.
- ➢ The Debit note raised should be automatically reflected in the outward logistics where the logistics entry should be entered.
- ➢ The same should be enabled in the PoS for the effective returning of short expiry goods at the RO level.

Report:

- ➢ A report of issued debit notes without corresponding outward logistics entries should be generated periodically and reviewed to take appropriate action

Unit of measurement

Business Requirement:

- ➢ Incase of billing to the branches, the “To order now“ stock should be shown in the multiples of the packing sizes.

Logic:

- ➢ The Branch min max working should round off the item to its nearest eligible packing size and give the “To order now“ stock.
- ➢ The packing size should be fetched from the available stock at the warehouse based on the input of packing size during the GRN.
- ➢ Suggested quantity should be able to be modified by the user to the multiples of the packing size. The Validations should be created for the purpose of this allowing only the multiples of the packing sizes.

Courier charges

Business Requirement:

- The courier charges should be automatically calculated based on the policy.

Logic:

- An automatic calculator for calculating the courier charges should be implemented in the backend of the ERP based on the weight entered.
    - 1 to 10 kg - Rs.25
    - 11 to 30 kg - Rs.20
    - more than 31 kg - Rs.10
- To tackle the changes in the cost,
    - **Option 1:** The cost should be the editable option.
    - **Option 2:** Additional column should be added for entering the additional costs if any.

Supplier Overdue Report

Business Requirement:

- ➢ The supplier overdue report should be made directly available to extract from the ERP.

Logic:

- ➢ The supplier wise and invoice wise, payments which are overdue for more than 10 days should be able to be extracted from the ERP as a report on the basis of the Pending Supplier payment report.

Reports:

- ➢ Supplier wise , invoice wise payment overdue report with days of overdue, invoice number, Invoice date, Invoice number, Amount paid till date, Amount overdue for payment should be able to get extracted from the ERP.

Doctor Sales Return

Business Requirement:

- ➢ To reduce the Turnaround time while raising the return for the doctor sales

Logic:

- ➢ In the Sales record of the Doctor Sales, one more column should also be added for the batch number of the item sold.
- ➢ This enables the search of the batch number directly and the respective invoice number can be taken and searched accordingly.

Report:

- ➢ Doctor Sales return report should be able to get generated from the ERP.

Approvals for Additional Quantity.

Business Requirement:

- The Approvals should be processed in ERP instead of mail approvals for the refilling of RO with additional quantity than the quantity recommended by the min-max calculations.

Logic:

- The Approvals should arise from the ERP by entering the additional quantity, the cluster manager name and the items required more than the quantity recommended by the min-max calculations.
- After the policy of defining the ROs and the responsible cluster managers, the RO wise cluster manager should be defined in the ERP.
- Based on this, the cluster manager name should be automatically chosen.
- Incase of a new appointment of the cluster manager, the name should be added in the back end by raising the tickets.
- This approval should be then sent to the mentioned cluster manager. He should be able to see the additional quantity , value and items requested, for which RO, requested by whom, and the reason for addition.
- Only after the cluster manager's approval, the bill should be generated for the RO transfer incase of additional quantity.

Dashboard of the Procurement team

Business Requirement:

➢ The Dashboards should be refined to be more insightful.

Logic:

➢ The "Stock out" dashboard should change to "Stock out to be ordered". This should not include the stock outs which are already ordered.

➢ Additional dashboard for pending PO should be added. This is the PO which is pending more than the supplier lead time mentioned in the vendor master. This input for this should be taken from the lead time mentioned in the supplier master.

Pick List

Business Requirement:

➢ The Picking team should be able to pick the items easily based on the pick list sent by the billing team.

Logic:

➢ When generating the draft bill by the billing team for sending it to the Picking team, there should be an option to sort the draft bill in the ascending order.

Validation in the Purchase Order

Business Requirement:

➢ The Same item in a single PO should not have different rates.

Logic:

➢ The Validation should be set in case of raising the PO that it shouldn't allow the same item in the same PO with different rates.

Changes to be made in the Item master

- ➢ Final Molecular Name : (Molecular Name + Dosage + Pack Size + Formulation)- Instead of the manual Auto Fill option, it should be automatically populated.
- ➢ Based on the Formulation and category selected the Min QC quantity should be automatically populated based on the QC policy incorporated in the ERP.
- ➢ Based on the item category selected whether QC to be done or not should get automatically selected
- ➢ Item-wise purchase price field should be added.
- ➢ The "Purpose" category should be added for the Quotations.

Feature requests in ERP

- ➢ When downloading the stock aging report branch wise, the item category is empty.
- ➢ The Branch Stock Report of Health and Wellness is not showing since it is named as OTC.
- ➢ When downloading stock aging report branch-wise, the item wise value is also not available which is a key requirement of the aging report.

Purchase Price

Business Requirement:

- ➢ The Purchase price master should be established for the items wherever feasible

Logic:

- ➢ The Item rate should be updated in the item master.
- ➢ While raising the PO, the items for which the purchase price is defined should be automatically selected.
- ➢ Incase of the other items, the rate should be selected either from the quotation or from Purchase history.
- ➢ The Selected rate should be editable.
- ➢ If the edited rate conflicts the policy of the tolerance limit, approvals should be sent to the Purchase head. The items for which rate is modified in the PO should be sent for approval
    - Option 1: If the Total PO value crosses the limit
    - Option 2 : Irrespective of the PO value, if the rate is different from the master/history
- ➢ The items for which the rates are modified should be sent for approval with the tag containing “Different rate”
- ➢ There should be another column added for the items below the purchase consideration screen for the “Status of Approval”.
- ➢ The “no approval required” items and the items with “Approved” status should only be converted to PO

Report:

- ➢ The Items which are ordered above the tolerance limit Rate should be able to be extracted from the ERP.