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# SUPPLY CHAIN LOGISTICS

GUJARAT MEDICAL SERVICES  
CORPORATION LIMITED

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**IITGN Accenture Fellowship**

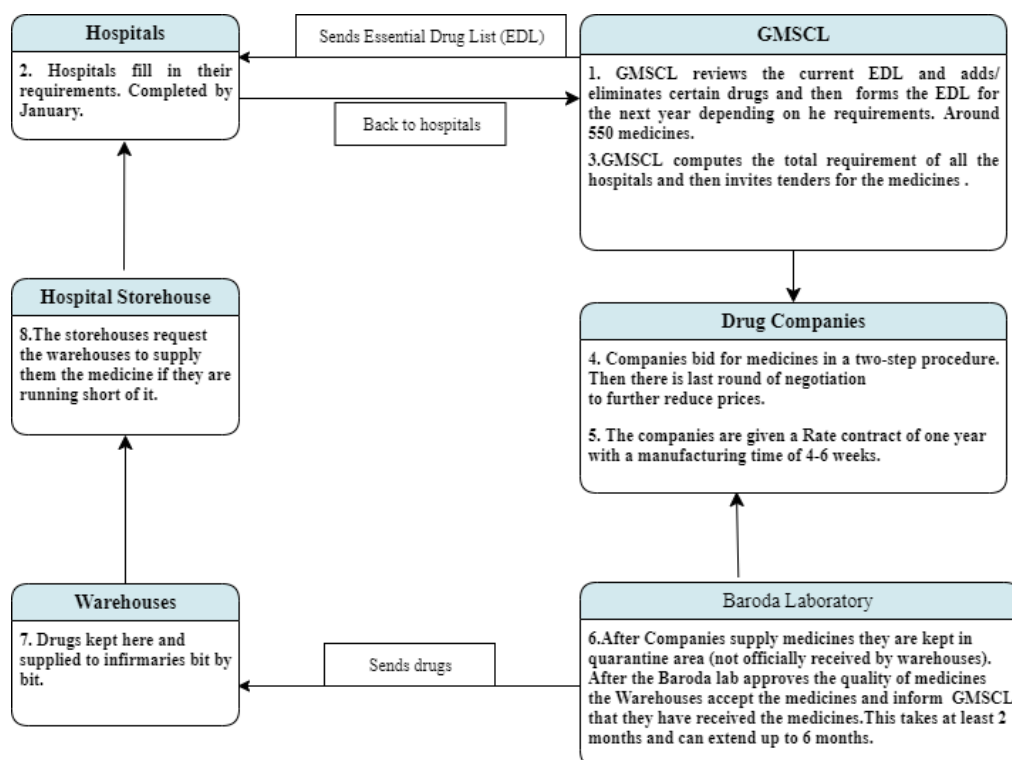
## IITGN ACCENTURE FELLOWSHIP

IITGN and Accenture partnered to setup three prestigious fellowship positions for undergraduates of IIT Gandhinagar. The fellowship offered a unique opportunity to motivated students with a knack for problem solving to identify bottlenecks within the partnering government organizations. The selected individuals worked closely with an IITGN faculty, an Accenture analyst and a government official of concerned organization.

## WORKING WITH GMSCL

Gujarat Medical Services Corporation Limited(GMSCL). It is a nodal body of Gujarat government responsible for the procurement, storage, distribution and maintenance of drugs, machinery, surgical items, etc. for the State. Our project is an attempt to streamline the flow of drugs from the manufacturers to the hospitals.

## DRUG FLOW



The beginning of the year is marked by the hospitals submitting an online indent on the website of GMSCL, quoting the volume of essential drugs that would be required by them for the upcoming year. GMSCL sums it up and floats a tender calling for companies to take the project. The opening of tenders is widely advertised on local and national newspapers as well as certain websites. It is a two-step process involving technical and financial bids. The former involves cross verification of several documents of tenders. After scrutinizing them they are asked to place their bids and the one with the least bid is selected which is called financial bidding. The companies are asked to supply the drugs directly to the central warehouses. The warehouses have to report the arrival of the stock to GMSCL as soon as possible. Quality checking of the received stock is done by randomly selecting a few drugs and sending it to various laboratories for testing. If the drugs get a clean sheet, the warehouses start dispatching them to the store houses of the hospitals. The companies have to supply the drugs to the warehouses within a stipulated time otherwise they are subjected to a fine. The local units are only supplied the drugs that are mentioned in EDL (Essential Drug List).

## KEY VISITS:

**Surat District Hospital** - Paid a visit to the district hospital. GMSCCL is presently doing an extensive survey through which it plans to audit the local purchase of drugs made by the hospitals. The data collected would be used to revise the essential drug list. Thus, the GMSCCL would be extending the list and provide more of these drugs to the hospitals. We got various insights into the working of these institutes and the problem faced by them. The warehouse manager informed us that they place only half the indent that they require for the next fiscal year to GMSCCL. The other half they purchase through rate contract of GMSCCL as the stocks supplied have no uniformity in them.

**Ahmedabad District Hospital** - Visited the tertiary level hospital, which has the bragging right of being the most advanced hospital of the State. The hospital had the same issues of non-uniform drug supply.

**Surat Warehouse** - Visited couple of warehouses to understand the problems being faced by them.

## KEY OBSERVATIONS:

### WHAT ARE THE CHALLENGES?

*“Warehouse visits showed the need to digitise the system.”*

The warehouses we visited in Surat were manually handling the entry and exit of drugs. The drug cartons were being randomly put in cartels and the staff had issues retracing it. Common warehouse principles of FIFO were not being employed.

Data analysis of drugs from several hospitals showed the discrepancy in drugs indented and consumed within the infirmaries. The hospitals were using the extra budget allocated to them to buy drugs from market at higher rate.

Several drugs were being rejected by the Baroda Laboratory due to which fresh tenders were being floated leading to delay in supply to hospitals. Obsolete software with different stakeholders using different software. The hospitals were using their own system and warehouses had a software called DLIMS.

## SOLUTIONS PROPOSED

### STRATEGY TWEAKS AND NEW INITIATIVES

TATA Consultancy Services had gotten involved and were phasing in their E - Aushadi software. This was being planned to deploy at all infirmaries and warehouses so as to centralize the entire system. As the system was being deployed we kept a close vigil on the issues that were being faced by GMSCL using the system.

RFID tags for all drug carton. The RFID tags could then be used to create an internal map of the warehouse.

Changes in the Essential Drug List was recommended. After collecting data from hospitals we proposed addition of a few medicines that should be included that were being ignored till then.