

**S.O.S IN PHARMACEUTICAL SCIENCES, JIWAJI
UNIVERSITY GWALIOR.
THEORY LECTURE
B PHARMA FINAL YEAR
SUBJECT- 4T6 (PHARMACEUTICAL MANAGMENT)
TOPIC- PURCHASING AND STORE KEEPING**

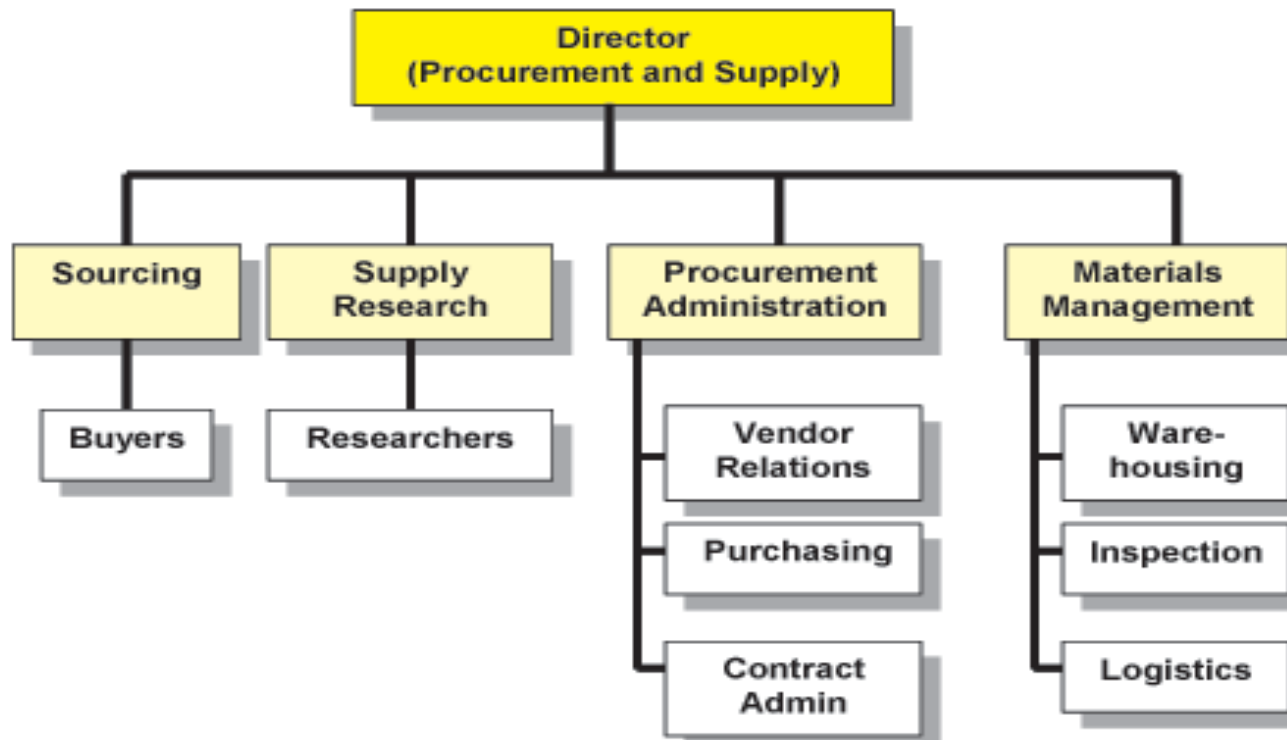
Purchasing

- ▣ Purchasing refers to a business or organization attempting to acquiring goods or services to accomplish the goals of its enterprise. Though there are several organizations that attempt to set standards in the purchasing process, processes can vary greatly between organizations.
- ▣ Typically the word “purchasing” is not used interchangeably with the word “procurement”, since procurement typically includes Expediting, Supplier Quality, and Traffic and Logistics in addition to Purchasing.

Objective of Purchasing-

- ▣ 1. Purchase of right quality
- ▣ 2. Purchase of right quantity
- ▣ 3. Purchase at right price:
- ▣ 4. Purchase at right time:
- ▣ 5. Purchase from right source

Organisation of Purchasing-



Responsibility of Purchasing Department-

- ▣ Identifying requirements for goods, materials and services.
- ▣ Identifying reliable suppliers.
- ▣ Price negotiations.
- ▣ Comparison of delivery terms.
- ▣ Establishing order quantities.
- ▣ Writing requests for bids and awarding supply contracts.
- ▣ Coordinating delivery with the warehouse against storage capacities.
- ▣ Product testing and quality control.
- ▣ Managing budgets and payments.

Method of Purchasing-

- ▣ Purchasing by Requirement.
- ▣ Market Purchasing.
- ▣ Speculative Purchasing.
- ▣ Purchasing for Specific Future Period.
- ▣ Contract Purchasing.
- ▣ Scheduled Purchasing.
- ▣ Group Purchasing of Small Items.
- ▣ Co-operative Purchasing.

Centralized Purchasing-

- ▣ Larger companies often create centralized purchasing structures, where a purchasing executive leads a team of individuals, housed in a central location. With this hub approach, a company with seven plants across the US would buy materials for all plants. This gives purchasers the advantage of buying in bulk, for lower overall costs. Centralized purchasing also gives professionals tighter control over the purchasing process.

Decentralized Purchasing

- ▣ Organizations with multiple locations may adopt a decentralized purchasing model, that lets each facility or a group of facilities carry out their own purchasing activities. This model can benefit organizations with multiple profit centers and various business lines. This system is also advised for companies that acquire businesses divergent from their core operations. Decentralized purchasing helps companies deal with local vendors, who can make sudden deliveries at a moment's notice, in order to keep the manufacturing process flowing smoothly. Contrarily, centralized purchasing desks often transact with national vendors who may not be able to nimbly fulfill sudden purchase orders.

Store keeping -

- ▣ **Store keeping** is a specialized and important function of materials control that is especially concerned with the physical storage of goods. The storekeeper is responsible for safeguarding and **keeping** the materials and suppliers in proper place unit required in production.

What is store-

- ▣ Store, a shop where merchandise is sold, usually products and usually on a retail basis, and where wares are often kept. App store, an online retail store where apps are sold, included in many mobile operating systems. Department store, a retail store offering a wide range of consumer good.

What is Depot-

- ▣ **depot.** A **depot** is a place where things are stored in large quantities for future use. **Depot** came into English from the French word *dépôt*, meaning "a deposit, place of deposit." A **depot** can be a place like a warehouse where items are temporarily deposited, but we also use it for a train or bus station.

Types of Store Depot-

- All materials are basically divided into two broad categories Stock and NonStock. The stock items are those items for which there is a regular demand, regular drawl or consumption and there is a regular recoupment. Non-stock items are required occasionally and not on regular basis. The Stores Department is required to give a service of making thousands of items available to the indenters when required. To give this service we have to maintain stocks of a large number of items known as "Stock items" whereas for other items, which are not frequently required or having one time requirement, no stocks are maintained. These items are purchased as and when required to meet specific demands and are called "Non-stock items". The stock items are classified further as attached.

- **Ordinary Stores:** These are generally such items of stores for which there is a regular turn over caused by a constant demand.
- **Emergency stores:** The stores depots are also required to stock certain items of stores even though they do not have a regular turn over. These are emergency stores and comprise of items which do not ordinarily wear out or require renewal but which are required to be kept in stock to meet emergency due to breakage or unanticipated deterioration. These items are not readily available in the market and as such would require a long time for procurement in case they are not stocked.
- **Surplus Stores:** Stores, which have not been issued to any user for past 24 months or more, are classified as Surplus Stores. These are of two kinds- 'Moveable surplus' and 'Dead surplus'. Initially they are classified as Moveable surplus but if no use is anticipated on any railway in coming 24 months the items are classified as Dead Surplus which are to be disposed off.
- **Special Stores:** The items of stores required for works and other special purposes i.e. other than for 'operation' or 'ordinary maintenance and repairs' are called "Special Stores". Generally such items are dispatched directly to the users without being stocked in a stores depot.

- ▣ **Custody Stores:** Stores which have been purchased for special works and charged to such works but left in the custody of stores department are called custody stores. These stores chiefly consist of items obtained for the mechanical department for construction of rolling stock sanctioned under the capital or revenue programme. Directly the stores are received and paid for, the cost is at once debited to the works concerned. Instead of the stores lying in the workshops until they are required, the stores depot should keep them in safe custody, proper numerical records being maintained by it.
- ▣ **Inactive stores:** Items which have no issues for last 12 months, and stocks exists are called inactive or non-moving items. It is left to the reader to think what will happen if all items required by the railway are made as stock items or all the items are made as non-stock items.
- ▣ **Imprest Stores:** These items are required for day-to-day operation of services and maintenance of the activity. Imprest stores may be either charged off stores or may be kept in capital account head also.

Location and Layout of store-

- The store room is commonly described as a place for everything and everything at its place. The first part of the phrase refers to the provisions of adequate space for the materials while the latter part highlights on the scientific location and layout of the store room. The point of receiving the material and the point of use are not always the same. In between them, the materials are housed in the store room. The store room provides the space for materials. The storage space may be in the form of constructed buildings or godowns, temporary structures or even in the form of vast open yards. The size and the type of the storage space is dependent on varied factors such as number of items to be stored, quantity, characteristics of the materials to be stored, space, due consideration should also be given to the space required for the movement of material handling equipment inside the store area. The ways inside the store room are divided between the main tracks and side streets. The main track must provide for two way movement and the side streets for one way. Every cubic inch of the store room costs to the organization. For the economic use of the stores area, vertical stacking within the limits of the heights of the ceiling, weight of the materials, capacity of the container etc, is done. For the economic use of the space and efficient handling of the materials, various types of stores equipment are used.

Problems of Store-

- ❑ Without proper **store-keeping** performance, a business may run out of materials vital to manufacturing, sales or scholastic activities lose stock to deterioration or contamination; waste funds on merchandise that doesn't match ordering needs and fail to oversee the condition of incoming orders.
- ❑ Keeping up with ever-changing customer expectations
- ❑ Maintaining customer loyalty
- ❑ Managing internal communication
- ❑ Retaining and engaging employees
- ❑ A high-stakes global game of digital disruption
- ❑ Finding the best technology solutions for the retail industry

Development of Store-

- ▣ A **development store** is a free Shopify account that comes with a few limitations. You can use a **development store** to test any themes or apps that you create, or to set up a Shopify account for a client. Setting up a **development store** and handing it off to a client gives you a monthly recurring revenue share.