INVENTORY CONTROL IN PHARMACEUTICAL SECTOR

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Abstract - Inventory management in pharmaceutical sector has been gaining more importance than ever before, which allowed companies to realise that success is always derived from a good inventory strategy.Accordingly, the urgent need for an effective inventory management method has emerged despite it can be time-consuming and expensive. In this respect, the purpose of this study is to explorethe contribution of inventory management on pharmaceutical sector. It also aims to show some techniques which can help in forecasting the right demand to avoid the excessive inventory, inventory out-of-stock, damage and short shelf life. This paper describes the charactristics and features of pharmaceutical sector, identifying the problems faced by the pharmaceutical industry. In accordance with the above issue, this study was mainly conducted using a theoretical framework to investigate pharmaceutical supply chain with perspective of inventory control management. Finally, this study highlights some initial recommendations, including 1) using the appropriate inventory management techniques which are consistent with the firm objectives; and 2) emphasizing the importance of the accurate information across the entire chain which helps in predicting demand properly.

Keywords - Pharmaceutical Industry, Inventory Control Methods, Classifying Inventory, Inventory Costs