

Module 10: Inventory

Managing Stocks at the HIV
Rapid Testing Site



The Lab Quality System



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Learning Objectives

At the end of this module, you will be able to:

- Maintain proper records
- Maintain proper level of consumables
- Use first-expiry-first-out concept when managing stocks
- Inspect delivery of supplies before acceptance
- Identify lot numbers and expiry dates
- Keep kits and supplies in proper storage



Content Overview

- What is stock management?
- Record keeping
- Re-order levels
- Receipt of consumables
- Storage of consumables



Stock Management Means...

Properly maintaining adequate supplies to ensure uninterrupted service



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Stock at a Rapid Test Site Includes...

*Insert photo of
stockroom*

**Supplies at
Workstation**



Stock Management Leads to High Quality Testing

- Ensures availability of materials and kits, when needed
- Avoids the use of expired kits
- Minimizes wastage

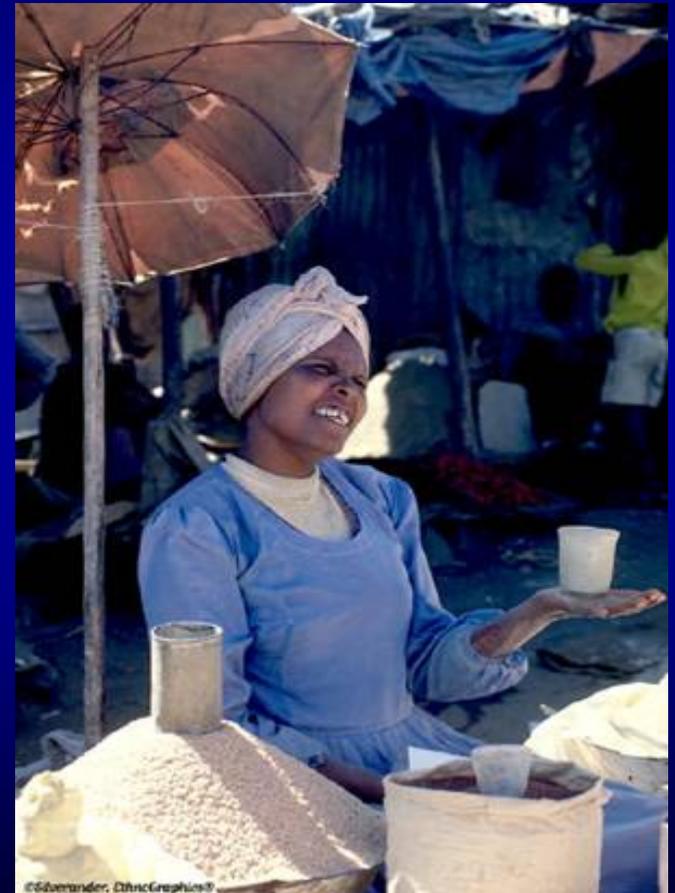




How Do You Manage Stock?

You own a sundry shop. You buy the merchandise from suppliers and sell them for a profit. To keep a profitable business, you must always have the right items available for customer purchase everyday.

What must you do to maintain adequate stocks?



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Stock Management Involves Knowing...

- What and how much supplies/consumables you have
- When to order
- What and how much has been ordered, when it was ordered
- Where to store stock
- When and how much fresh stock was received, and by whom



Stock Management Involves...

- Performing a “stock count”
- Maintaining proper inventory records
- Determining when to re-order
- Determining how much to re-order
- Placing orders properly
- Inspecting delivery of new orders
- Ensuring proper storage of stock



Perform a “Stock Count”

| | |
|-------------------------|--|
| What is it? | Physically counting each item in the stock |
| When is it done? | Recommended at the beginning of each month |
| Who does it? | A designated person |

All items must be accounted for. Everything that comes in and goes out must be recorded.



Maintain Proper Inventory Records

Stock Card

- Simple, heavy weight cards
- Kept for each item in stock

Stock Book

- Contains listing of all items in the store
- Update monthly after physical count
- Use information from stock cards
- Also called register



Stock Card: An Example

- Item Name: _____ Unit: _____
- Manufacturer: _____
- Minimum Stock (Re-Order Level): _____

| Date | Received From | Issued to | Quantity Received | Quantity Issued | *Balance | Lot # | Signature |
|------|---------------|-----------|-------------------|-----------------|----------|-------|-----------|
| | | | | | | | |
| | | | | | | | |



Stock Book: An Example

| Item Name | Qty (units) Requested | Date Requested | Qty Received | Date Received | Lot # | Expiry Date |
|-----------|-----------------------|----------------|--------------|---------------|-------|-------------|
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |



Reconciling Stock with Records

Ideal

Tests Performed = Stock Depletion

Reality

Test Performed + **loss** = Stock Depletion

What should be done to minimize loss?



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Determine When to Re-order

Re-order when stock reaches minimum level

Terminology:

- **Minimum stock** - Amount of stock required to support testing operations until additional supplies are received
- **Lead time** – Time between placing an order and receiving it
- **Maximum usage** – number of test kits used in a given time period





Calculating Minimum Stock Level

$$\text{Minimum Stock Level} = \text{Maximum lead time in weeks} \times \text{Maximum Usage}$$

Example:

Maximum lead time = 12 weeks

Maximum usage/wk = 3 kits

Minimum stock level = $12 \times 3 = 36$ kits

When only 36 kits are left, place an order



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Exercise:

Calculating Minimum Stock Level

$$\text{Minimum Stock Level} = \text{Maximum lead time in weeks} \times \text{Maximum Usage}$$

- On average, you use 5 Uni-Gold kits a week.
- It normally takes 12 weeks to receive the order you placed.
- You should order more Uni-Gold kits when you have _____ kits left in the inventory.



Determine How Much to Re-order

Establish proper full stock level. Re-order to reach that level.

- Consider stock consumed, borrowed, expired, wasted, pilferage
- Never order more than your storage space can hold
- Never order more supplies than you can use before they are expired
- Consider maximum usage plus minimum stock level



Determine Full Stock Level

Maintain stocks that cover maximum usage plus minimum stock level

Maximum usage /wk = **70** tests

tests / month = **70 x 4**

280 tests used per month

Assuming 20 tests per kit, how many kits are used per month?

280 / 20 = 14

Lead time = 12 weeks or 3 months

Minimum stock level = 14 kits x 3 months = 42 kits

Full stock level = 42+14 = 56

You must always have 56 kits in stock at the beginning of each re-order cycle.



Exercise: Determine Full Stock Level

Maximum usage /wk = 80 tests

How many tests are used per month?
_____ tests/month

Assuming 15 tests per kit, how many kits are used per month?

_____ kits/month

Lead time = 12 weeks or 3 months

Minimum stock level = _____ kits

Full stock level = _____ kits

You must always have _____ kits in stock at the beginning of each re-order cycle (3 months).

Determine:

- What is the minimum stock level?
- How many test kits should you have in the beginning of each re-order cycle?





Place Orders Properly

- Describe ordering system that is in place
- Provide specific instructions for placing orders
- Instruct trainees on how to complete specific forms related to inventory/stock management.
- Describe contingency plan when stock is not available
 - National contingency plan
 - Site contingency plan
- Describe communications / feedback systems to central level
 - How to cease standing deliveries
 - Why should you cease orders
 - What information should be fed back to central procurement or stores, e.g., updated consumption rates during scale up



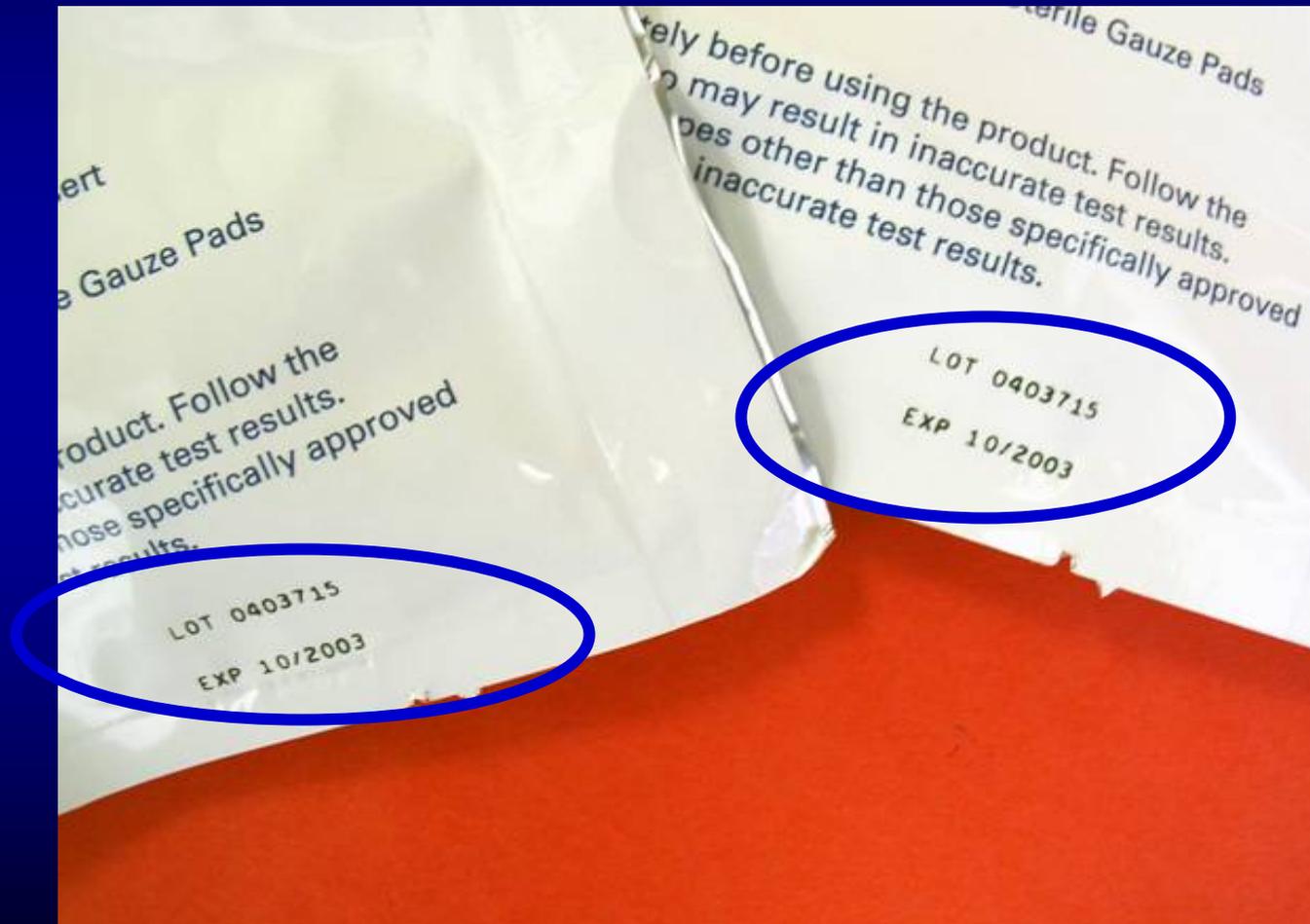
Inspect Delivery of New Orders

Upon receipt:

- Verify contents of order received with requisition
- Check integrity of received supplies
- Date each item received
- Note expiration date
- Store new shipment behind existing shipment
- Create or update records



Examine Lot Number & Expiry Date



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Ensure Proper Storage of Inventory

- Keep in a clean, organized, and locked storeroom
- Store according to manufacturer's instructions
- Place in well ventilated room
- Store away from direct sunlight

- Place items on shelves
- Organize existing and new shipments by expiration dates



First expiry, first out



Summary

- What does inventory management mean?
- What information is recorded in inventory record-keeping?
- How do you determine minimum stock level?
- How do you determine proper full inventory level?
- What does “First Expiry First Out” mean?
- What procedure should you follow when receiving new kits and supplies?
- How should kits and supplies be stored?



Key Messages

- Maintain an adequate inventory at all times to ensure uninterrupted service.
- Don't let any item run out before re-order.
- Never order more than your storage space can hold. Never order more supplies than you can use before they are expired.
- All items in the inventory must be accounted for and recorded.
- Always inspect new shipment before accepting.

