

**Supply Chain Inventory Control (SC01)**

Date	Version	
20/09/16	1	
<b>Purpose</b>		
To identify the key activities in managing inventory throughout the Trust.		
<b>Who should read this document?</b>		
All those that are involved in controlling or impacting inventory levels within the Trust, including end users, Supply Chain and Purchasing functions.		
<b>Key messages</b>		
SOPs aim to achieve efficiency, quality output and uniformity of performance, while reducing miscommunication and failure to comply to industry or Trust regulations.		
<b>Accountabilities</b>		
<b>Production</b>	Supply Chain Manager	
<b>Review and approval</b>	Scan4Safety GTIN/P2P Project Board	
<b>Ratification</b>	Chief Procurement Officer	
<b>Dissemination</b>	Head of Supply Chain & E-Procurement	
<b>Compliance</b>	Records & Information Forum	
<b>Links to other policies and procedures</b>		
Supply Chain Inventory Management Policy SC010v.1		
<b>Version History</b>		
1	21 <sup>st</sup> March 2017	Ratified by Chief Procurement Officer and published Trust-wide
<b>Last Approval</b>		<b>Due for Review</b>
March 2017		March 2020

*The Trust is committed to creating a fully inclusive and accessible service. By making equality and diversity an integral part of the business, it will enable us to enhance the services we deliver and better meet the needs of patients and staff. We will treat people with dignity and respect, promote equality and diversity and eliminate all forms of discrimination, regardless of (but not limited to) age, disability, gender reassignment, race, religion or belief, sex, sexual orientation, marriage/civil partnership and pregnancy/maternity.*

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Standard Operating Procedures are designed to promote consistency in delivery, to the required quality standards, across the Trust. They should be regarded as a key element of the training provision for staff to help them to deliver their roles and responsibilities.

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## Standard Operating Procedure (SOP) Supply Chain Inventory Control

### 1 Purpose and Scope

#### 1.1 Introduction

The purpose of this SOP is to identify the key activities in managing inventory throughout the Trust.

This procedure is applicable to all those involved in the ordering, using and managing of product inventory within the Trust.

It should be applied across the Trust, with particular relevance to Procurement and Supply Chain functions.

#### 1.2 Definitions

- **SOP** – Standard Operating Procedure
- **SCM** – Supply Chain Manager
- **CPO** – Chief Procurement Officer
- **DoF** – Director of Finance
- **HSCEP** – Head of Supply Chain & E-Procurement
- **SCTL** – Supply Chain Team Leader
- **SCT** – Supply Chain Team
- **RCA** – Root Cause Analysis
- **SSCM** – Senior Supply Chain Management
- **PO** – Purchase Order
- **IMS** – Inventory Management System
- **RCA** – Root Cause Analysis
- **FIFO** – First in First Out
- **RFT** – Right First Time
- **SLA** – Service Level Agreement

#### 1.3 Regulatory background

n/a

#### 1.4 Key Duties

Main Roles and typical duties are summarised below;

- **Purchasing**
  - **Category Manager or Buyer** – used as support for supplier escalations
- **Supply Chain**
  - **eProc Helpdesk** – responsible for monitoring overdue orders and expediting delivery
  - **Supply Chain Team (SCT)** – responsible for consolidating demand, placing orders and meeting Customer Requirements of stock holding

- **Supply Chain Team (SCT)** – responsible for collecting customer requirements for certain areas, monitoring stock levels, transporting goods around the Trust and putting away of delivered goods
- **Customer**
  - **Customer** – responsible for generating demands and communicating them to Supply Chain Team (SCT). Also responsible for dictating stock holding requirements and Inventory Management System (IMS) Min/Max stock level.

## 1.5 Monitoring and assurance

- Accountability for adherence to this procedure will be monitored by the Senior Supply Chain Management (SSCM)
- The Supply Chain Manager (SCM) will be responsible for ensuring this procedure is followed operationally.
- Adherence to the identified procedure will be monitored through regular reviews with Supply Chain and Customer Representatives and documented in agreed Service Level Agreements (SLA).
- Root cause analysis (RCA) will be performed by the Supply Chain Team (SCT) for service variances.
- For every RCA conducted, findings need to be reported to the Chief Procurement Officer (CPO), through the specified monthly review.
- SCT personnel shall be monitored on process adherence at their regular one to one progress reviews.

## 2 Procedure to Follow

**2.1** All inventory purchased by the Trust should be recorded on an appropriate IMS.

- This includes the following steps for which SOPs exist;
  - New Product Introduction (SC02)
  - Product Ordering (SC03)
  - Recalls and Returns (SC04)
  - Product Receipting (SC05)
  - Stock Issue (SC06)
- Non IMS inventory should be approved by Senior Supply Chain Management.
- All inventory should have been triggered by an official Purchase Order (PO)
- Inventory Levels within any store are set through discussion with the Customer Representative to agree suitable stock levels. If possible, system algorithms should be used to dictate minimum and maximum stock levels, combined with additional intelligence on future work load.

- Once Min/Max levels have been set, it's the role of the Supply Chain Team to ensure adherence to these levels
- It's the role of the Customer Representative to provide intelligence on demand spikes which may require additional stock holdings, above the normal agreed maximum level.
- Category Buyers in consultation with the Supply Chain Team are responsible for negotiating suitable lead time based on demand requirements.

## **2.2 Over-stock Management**

- Expiration and Obsolescence using First in First Out (FIFO), Right First Time (RFT) principles to capture non-moving stock, manage potential stock expiry date issues and write-offs
- Good housekeeping/waste management including no products to be kept on the floor policy, ensure a clean environment, clear aisles policy, removal of waste
- Stock takes are performed annually
- Cycle counting in agreed areas
- Stock adjustments are reviewed on a monthly basis by Senior Supply Chain Management
- A safety alert or Senior Supply Chain Management will trigger and review the quarantine of goods.
- Damaged goods should be communicated to Senior Supply Chain Management
- Refer to Product Recalls and Returns (SC04) for further information

## **3 Document Ratification Process**

**3.1** The design and process of review and revision of this procedural document will comply with The Development and Management of Trust Wide Documents.

The review period for this document is set as default of three years from the date it was last ratified, or earlier if developments within or external to the Trust indicate the need for a significant revision to the procedures described.

This document will be approved and ratified by the CPO.

Non-significant amendments to this document may be made, under delegated authority from the CPO, by the nominated author.

Significant reviews and revisions to this document will include a consultation with named groups, or grades across the Trust. For non-significant amendments, informal consultation will be restricted to named groups, or grades who are directly affected by the proposed changes

## **3.2 Dissemination and Implementation**

Following approval and ratification, this procedural document will be published in the Trust's formal documents library and all staff will be notified through the Trust's normal notification process, currently the 'Vital Signs' electronic newsletter.

Document control arrangements will be in accordance with The Development and Management of Trust Wide Documents.

The document author(s) will be responsible for agreeing the training requirements associated with the newly ratified document with the CPO and for working with the Trust's training function, if required, to arrange for the required training to be delivered.

#### **4 Reference Material**

n/a