Report on

Procurement and Supply Management of Eskayef Pharmaceuticals Limited

By

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An internship report submitted to the BRAC Institute of Governance and Development (BIGD), BRAC University, in partial fulfillment of the requirements for the degree of 'Masters in Procurement and Supply Management'

BRAC Institute of Governance and Development (BIGD)

BRAC University

September, 2021

Declaration

This is hereby to declare that,

1. The internship report submitted is my own original work while completing degree at BRAC University.
2. The report does not contain material previously published or written by a third party, except where appropriately cited through full and accurate referencing.
3. The report does not contain material, which has been accepted, or submitted, for any other degree or diploma at a university or other institution.
4. I have acknowledged all main sources of help.

Student's Full Name and Signature

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Mohammad Sirajul Islam

Program Manager

BIGD, BRAC University

Letter of Transmittal

Mohammad Sirajul Islam

Program Manager

BIGD, BRAC University

Subject: Submission of PSM-665: Supply Chain Management in Practice-Report/Practicum.

Dear Sir,

With due respect and humble submission, I would like to take the privilege to submit my internship report entitled **'Procurement and Supply Management of Eskayef Pharmaceuticals Limited'** as partial requirement to fulfillment of MPSM at BIGD, BRAC University.

I have tried my best to complete the report with the essential information and suggested proposition in an exceedingly vital compact and comprehensive manner as possible. I believe that, this report will be meeting the benchmark of academic report in best possible manner.

Sincerely yours,

Ahmed Abid Shahnewaz

17182009

BIGD, BRAC University

27 September 2021

Non-Disclosure Agreement

This agreement has made and entered into by and between Eskayef Pharmaceuticals Limited as the First Party and the undersigned student at BRAC Institute of Governance and Development, BRAC University as the Second Party. The First Party has allowed the Second Party to prepare a report on the former Inventory Management and Warehousing in partial fulfillment of the requirements for the degree of Masters of Procurement and Supply Management. The Second Party will have the opportunity to work closely with the officials of the organization and have access to official data and information. Based on work experience, data, and information collected the Second Party will prepare a report. The Second Party will use all sorts of data and information for academic purposes and will not disclose to any party against the interests of the First Party.

Student's Full Name and Signature

Ahmed Abid Shahnewaz

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Organizational Supervisor's Full Name and Signature

Muhammad Shihab

Deputy Import Manager, Commercial and HR

Acknowledgement

Predominantly, all praises be to the most merciful Almighty, for His constant blessings as well as my beloved parents who always been acted as my foremost inspiration and motivation throughout this time span of my degree of Masters in Procurement and Supply Management (MPSM) to accomplish the report/practicum successfully. Moreover, it was beyond words to thank my academic supervisor, Mr. Mohammad Sirajul Islam, Program Manager, BIGD, BRAC University for his best possible support and guidance in such though pandemic situation that going on globally. He has guided me in each step of producing this report as clearly as possible. In addition, I would like to express my deep and sincere gratitude to my industry supervisor Mr. Muhammad Shihab; Deputy Import Manager, Commercial and HR; Eskayef Pharmaceuticals Limited; for giving me the opportunity to accomplish this practicum and providing invaluable guidance throughout this span of time. It was an extreme privilege and honor to work and study under his supervision. His professionalism, industry experience and expertise, knowledge, dynamism, vision, sincerity and motivation have deeply inspired me. Nevertheless, I would like to acknowledge my sincere gratitude and humbleness for the learning opportunities from the MPSM program offered by BIGD, BRAC University.

I would like to say thanks to my MPSM fellows and colleagues for their constant support, understanding and encouragement. Nevertheless, my special gratification and humbleness to them, who constantly supported me to accomplish this report directly or of this report/practicum as titled PSM-665: Supply Chain Management in Practice-Report/Practicum.

Executive Summary

This report exhibits the procurement and supply management of Eskayef Pharmaceuticals Limited and its associated parameters those impacting on its entire operations, planning and sustainability while maintaining competitiveness and special edges over the competitors in pharma industry. Besides that, this report demonstrates the procurement and supply chain management practice in Bangladesh's pharmaceutical industry with respect to market demand and natures and to the end consumers. Moreover, this paper intended to validate the entire value chain of Eskayef Pharmaceuticals Limited and procedures following up to maintaining its competitive effectiveness and efficiency as well as market growth while performing at top leading brand in Bangladesh. It concluded with the best possible recommendations and effective measures those taken under kind consideration in order to enhance its existing performance, effectiveness and efficiency.

Keywords: Pharmaceutical industry; procurement and supply management; commercial and human resources.

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List of Acronyms

ACCPAC	A Complete and Comprehensive Program for Accounting Control
API	Active Pharmaceutical Ingredients
BAPI	Bangladesh Association of Pharmaceutical Industries
CandF	Clearing and Forwarding Agent
DGDA	Directorate General of Drug Administration
EU	European Union
FG	Finished Goods
GMP	Good Manufacturing Practice
MHRA	Medicines and Healthcare Products Regulatory Agency
MNC	Multi National Company
MRP	Point of Origin
MSO	Medical Service Representative
PBM	Pharmacy Benefits Management
POC	Point of Consumption
PI	Performa Invoice
PM	Quality Control
POO	Point of Origin

QA	Quality Assurance
QC	Quality Control
RM	Raw Materials
SCM	Supply Chain Management
SOP	Standard Operating Procedure
TDCL	TRANSCOM Distribution Company Limited
TGA	Therapeutic Goods Administration
UAE	United Arab Emirates
UK	United Kingdom
USA	United States of America
VMD	Veterinary Medicines Directorate

CHAPTER 1

Overview of Eskayef Pharmaceuticals Limited and Practicum Objectives

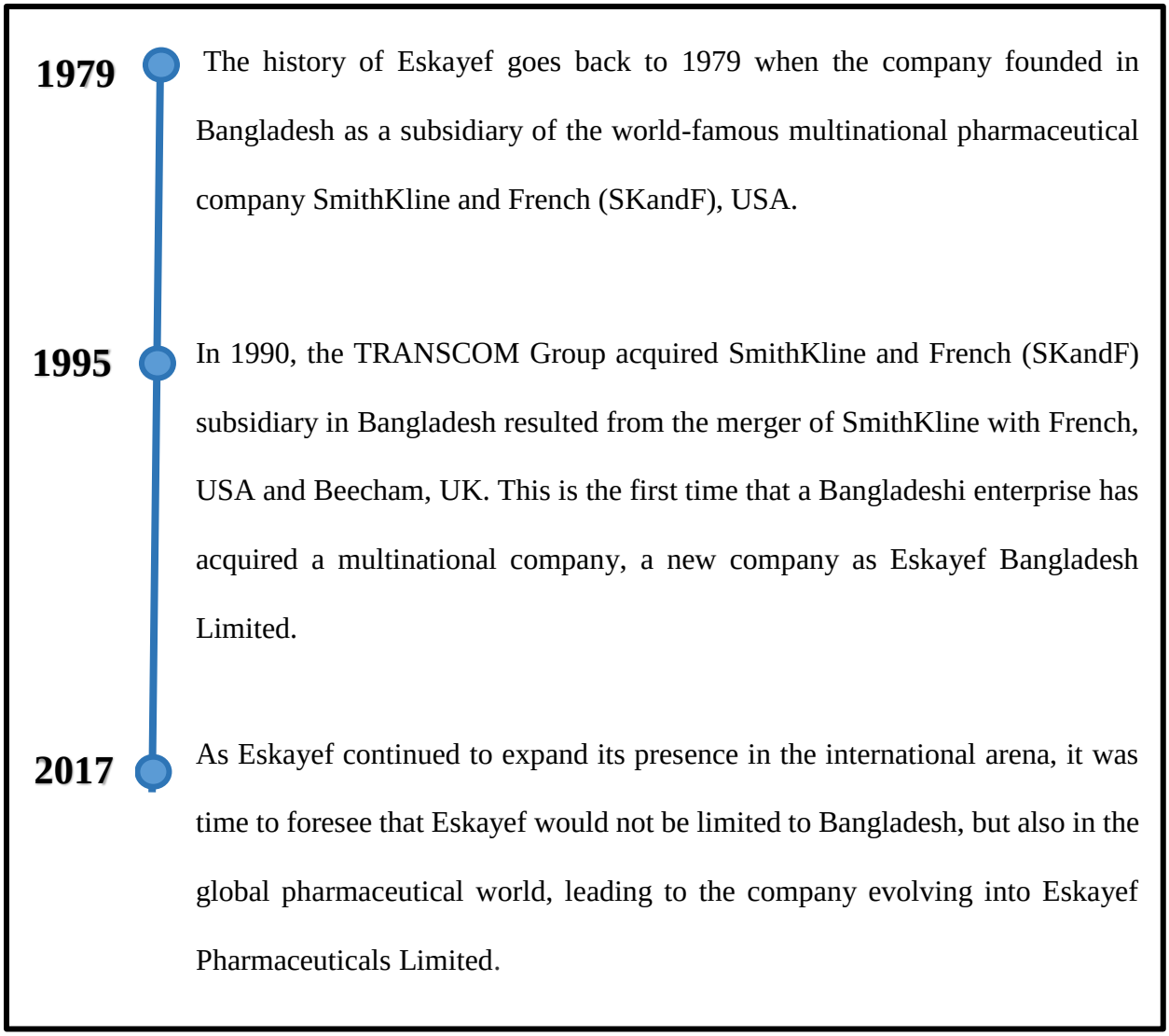
1.1 Prelude: Eskayef Pharmaceuticals Limited

The pharmaceutical sector is one of the thrust sectors in Bangladesh. Before Liberation, there was hardly any pharmaceutical enterprise in Bangladesh (then East Pakistan). After several years of liberation, the government could not increase (in relative terms) budgetary allocations for the improvement of health sector. At that time, most of the people had little access to the essential lifesaving medicines. This sector started to improve from 1980s. The pharmaceutical industry has grown in the last two decades at a considerable rate (MD. ANAMUL HABIB, 2011).

Eskayef Pharmaceuticals Limited, the successor to the world-famous multinational pharmaceutical company SmithKline and French (SK&F), USA, acquired by TRANSCOM Group in 1990 following the merger of SmithKline and French, USA and Beecham, UK. The TRANSCOM Group is one of the top leading yet fastest evolving and growing business conglomerates in Bangladesh, whose chairperson and board member was Mr. Late Latifur Rahman, one of the best visionary, ethical and successful entrepreneurs in Bangladesh and respected around the world. Eskayef Pharmaceuticals Limited founded on the core fundamentals of ethical principles, a foundation framework architecture by the vision of SK+F's honorable Chairperson, Mr. Late Latifur Rahman.

1.1.1 Timeline and Background History

Eskayef Pharmaceuticals Limited, one of the fastest growing and globally acclaimed pharmaceutical brands through its dedication, persistency and innovative mindset to achieve excellence in this industry in Bangladesh. However, the entire entity and its overwhelmed recognition does not achieve as smoothly. Eskayef evolved through several timelines to become today's country leading and globally accredited/acclaimed pharmaceuticals in three different phases in history.



Source 1: www.skfbd.com

1.1.2 Vision

A leader in the national pharmaceutical market, recognized in Bangladesh as a multinational conglomerate and standing out as a role model for efficiency and trust for our employees, consumers, healthcare professionals and society (Eskayef Pharmaceuticals Limited | About Us, 2021).

1.1.3 Mission

Manufacturing and supplying quality, excellent products that contribute to better health, well-being and happiness for people of Bangladesh (Eskayef Pharmaceuticals Limited | About Us, 2021).

1.1.4 Goals Benchmarked Through 'Quality Approach'

Eskayef believes that the pharmaceutical business built upon entirely on the core building blocks of trust, and that a commercial pharmaceutical company needs persistence to win people's trust and loyalty. Many of the best global practices are nurtured in Eskayef's daily activities, which are great contributors to shaping the future and gaining people's trust. "For a holistic working philosophy, the company is governed by three fundamental values: Total Quality Management, Business Ethics and Societal Commitment" (Eskayef Pharmaceuticals Limited | About Us, 2021).

Eskayef is a scientific informative and quality-based company. The European Union Good Manufacturing Practice (EU GMP), Medicines and Healthcare Products Regulatory Agency of (UK UK MHRA), Therapeutic Goods Administration of Australia (TGA Australia), United Arab Emirates Good Manufacturing Practice (UAE GMP) and Veterinary Medicines Directorate of United Kingdom (VMD UK) approved pharmaceutical manufacturing facilities that demonstrate SK+F's high quality, safety and efficacy standards.

1.2 Practicum Timeline

I have undertaken this practicum with mutual non-discloser agreement between first party, BRAC Institute of Governance and Development, BRAC University and second party, Eskayef Pharmaceutical Limited. I am working in this organization as Admin Executive – Plant (Tongi). I have chosen my professional supervisor, Mr. Muhammad Shihab as workplace supervisor for this practicum as he is currently working as Deputy Import Manager, Commercial and HR department at Operational Headquarter, Banani. I have undertaken this internship for three months starting from May 2021 to July 2021. Timeline of my practicum is described below:

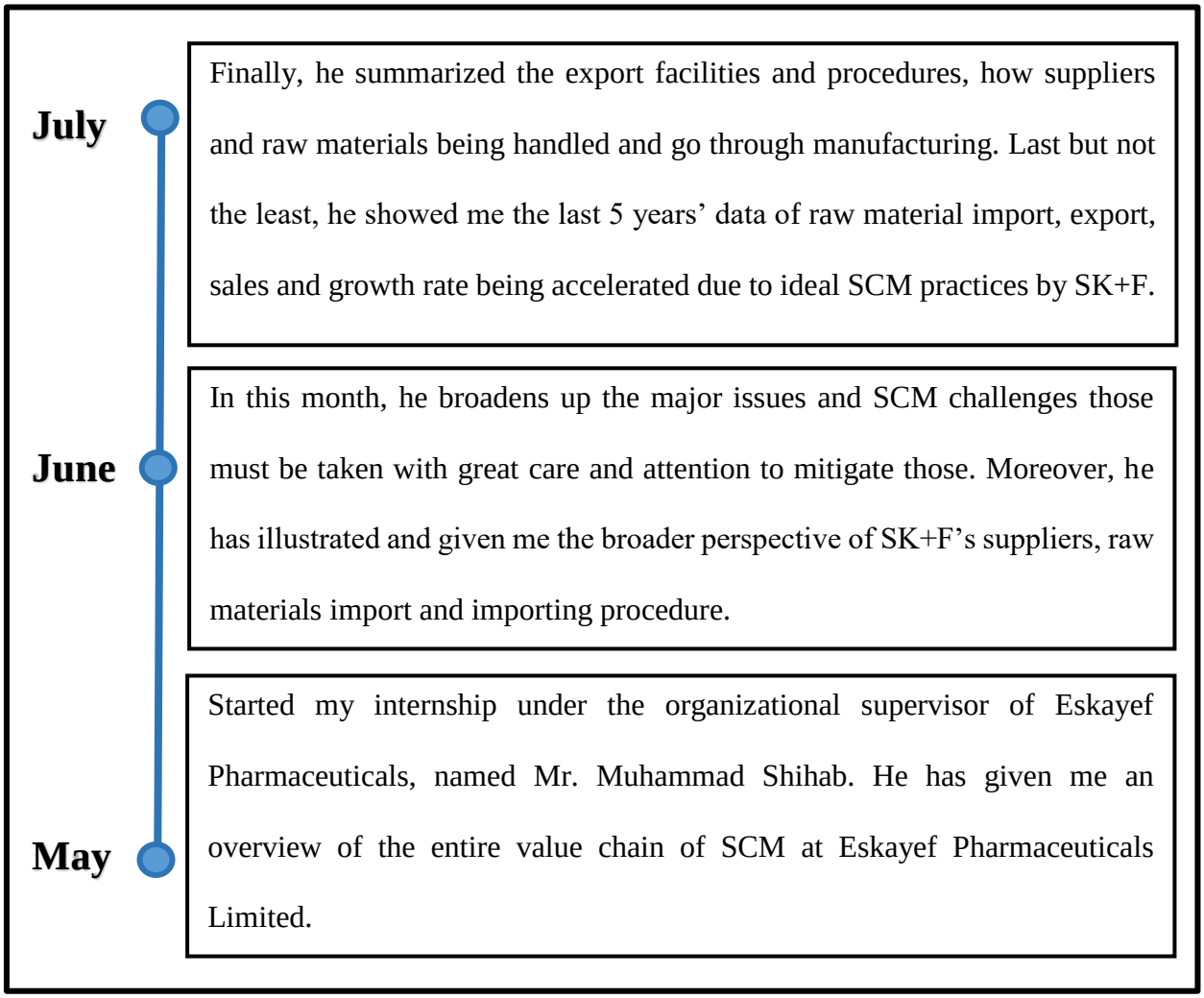


Figure 1: Timeline and Objectives of Practicum

1.3 Practicum Objectives

Practicum that I have done within these three months with my organizational supervisor had some major objectives to fulfill as part of the practicum outcome. Major practicum objectives are as follows:

1. To understand the broader view of SCM process of Eskayef Pharmaceuticals Limited.
2. To identify the potential suppliers and know relationship management.
3. To examine supply chain management practices whether being practiced properly.
4. To evaluate the SCM practices and its impact on four influential indicators over the timeline of 5 years.

CHAPTER 2

Supply Chain Management of Eskayef Pharmaceuticals Limited

2.1 Preface

Supply chain and its management is related to obtaining, keeping up and shipping materiel, staff and offices. The term SCM originates from the Greek logos, initially used to portray the study of development, providing and upkeep of military powers in the field. SCM includes the combination of data, transportation, stock, warehousing, material taking care of and bundling alongside security. SCM is that piece of the gracefully chain which plans, actualizes and controls the productive, viable forward and turn around stream and capacity of merchandise, benefits and related data between the purpose of root and the purpose of utilization so as to meet client and lawful prerequisites (Md. Rokebul Islam Shojib, 2020).

A supply chain is an integrated network of organizations, people, information, resources and capabilities that manufacture a specific product and deliver it to the end consumer for consumption. Supply chain to improve product drift flow, deliver, and transform raw materials into goods for the end buyer or consumer supply chain control extends to all movement and storage of raw materials, work in progress and finished goods from point of origin (POO) to point of consumption (POC). SCM is one of the most important but complex and value-added functions that can increase the competitiveness, effectiveness and efficiency of a business organization to a new level while maintaining and controlling the growth of the market. The basic supply chain cycle is illustrated in Figure 2.

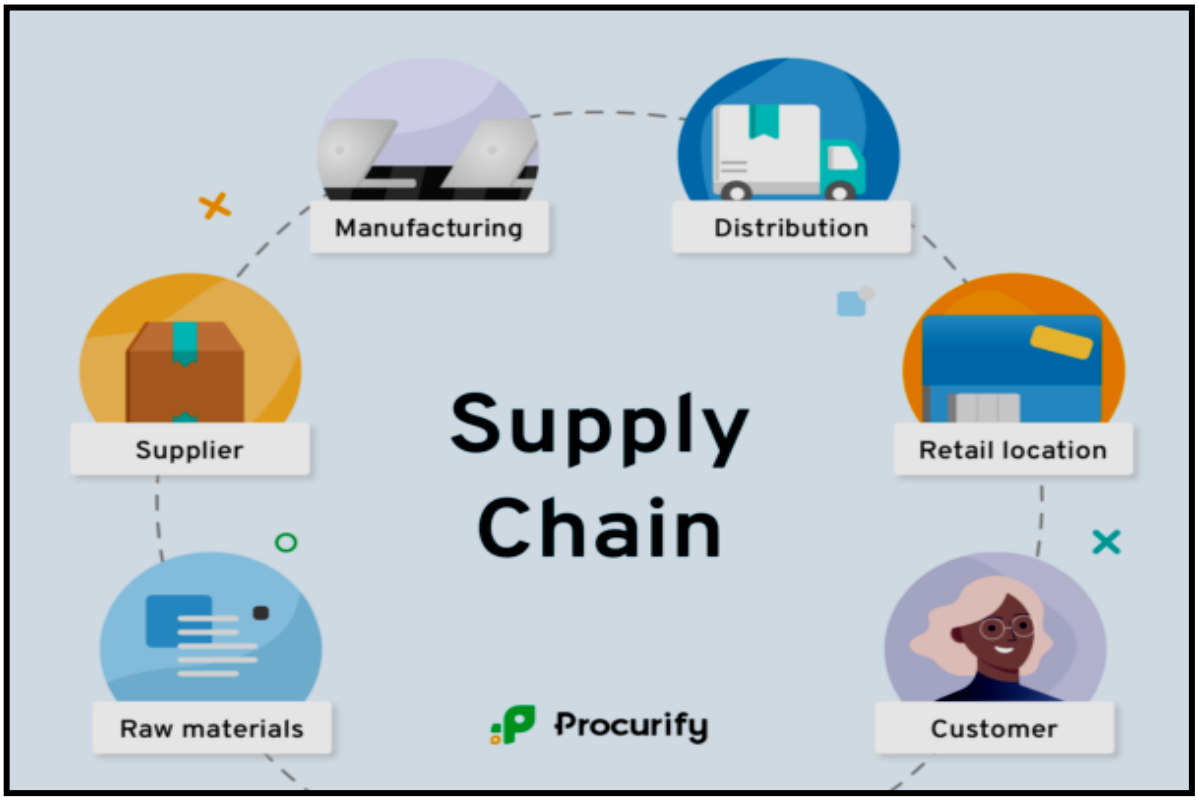


Figure 2: Basic Supply Chain Cycle

There are many sub divisions of supply chain networks, which act as an integrated process in logical manners to achieve overall business benefits and consumers. SCM usually includes Forecasting and demand planning, Inventory planning,

1. Capacity Planning	2. Procurement.
3. Operations	4. Inventory Management
5. Warehousing	6. Logistics.
7. Distribution	8. Retailers
9. Customer Service	10. Monitoring and Support

There is hardly any standard SCM model existing in this pharmaceutical industry as its overall SCM system works and operates differently than any other mainstream business industry.

2.2 Generic Supply Chain Model

A supply chain could be a focus on the core exercises inside an organization required to change over raw materials or component parts through to finished products or services. In a conventional manufacturing environment the action of meddle with suppliers is by and large upheld by "procurement", the materials will at that point flow through products in warehouses (if products) through the manufacturing location and onto the wrapped up merchandise warehouse, this movement is the center movement of "Operations Management", all through the supply chain coordination will play an fundamentally part within the development of inbound materials and outbound products in arrange to guarantee the wrapped up item streams downstream to the end consumer (CIPS, 2021).

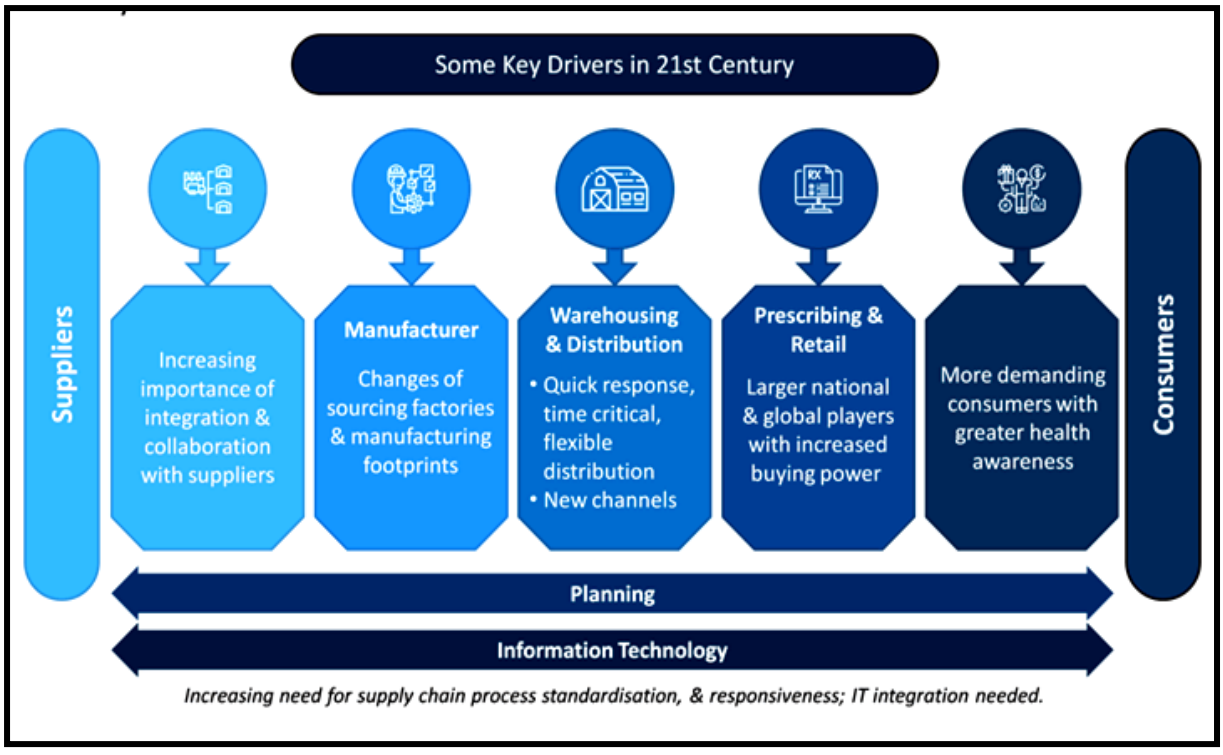


Figure 3: Generic SCM Model (SK+F)

2.3 SCM of Eskayef and Distribution Channel Network Flow

SCM process of SK+F and distribution channel network flow refers to the flow of chains usually maintained to balance between effectiveness and efficiency. Usually, raw materials from suppliers and plant and machineries been placed together at the factory for manufacturing facilities. Afterwards, once manufacturing facilities finished then products are being stored in the central warehouse. There are two depots of SK+F, one inside Dhaka city, which situated at Mohakhali and another outside of Dhaka city, which divided into nine different district for distribution. Finished products being depots on two distinctive depots for further distribution. After distribution, products distributed to local drug stores, pharmacies, institution, wholesalers, retailers that usually defined as end consumers of the products.

SCM of SK+F and Distribution channel network flow has been illustrated in figure 4.

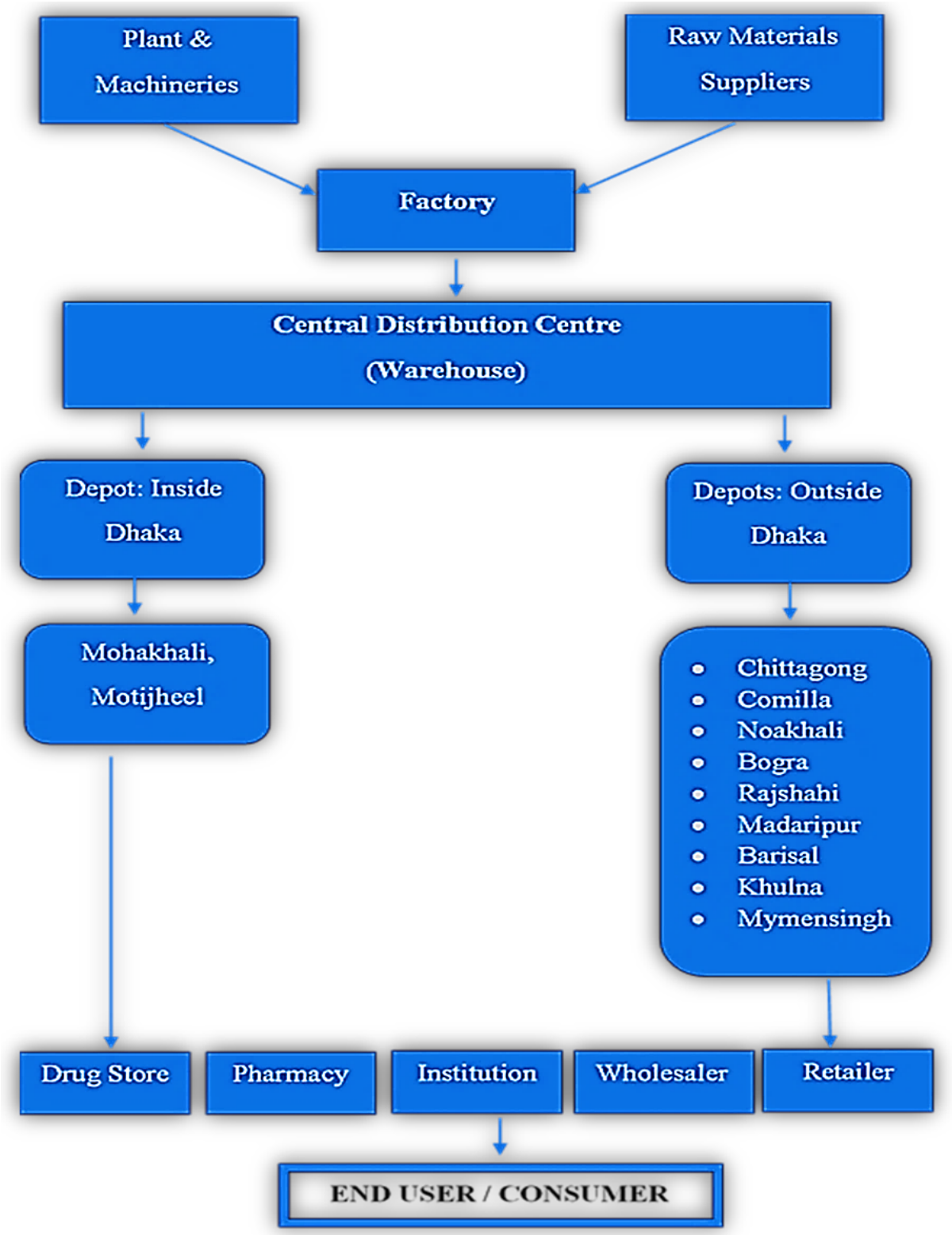


Figure 4: SCM and Distribution Channel Network (SK+F)

2.4 SCM Components of SK+F

Major components of SCM network model of Eskayef Pharmaceuticals Limited are followings:

- Manufacturing Facilities.
- Warehousing.
- Depots.
- Retailers (Pharmacy).
- Consumers (End Users).

The details are given in Figure 5.

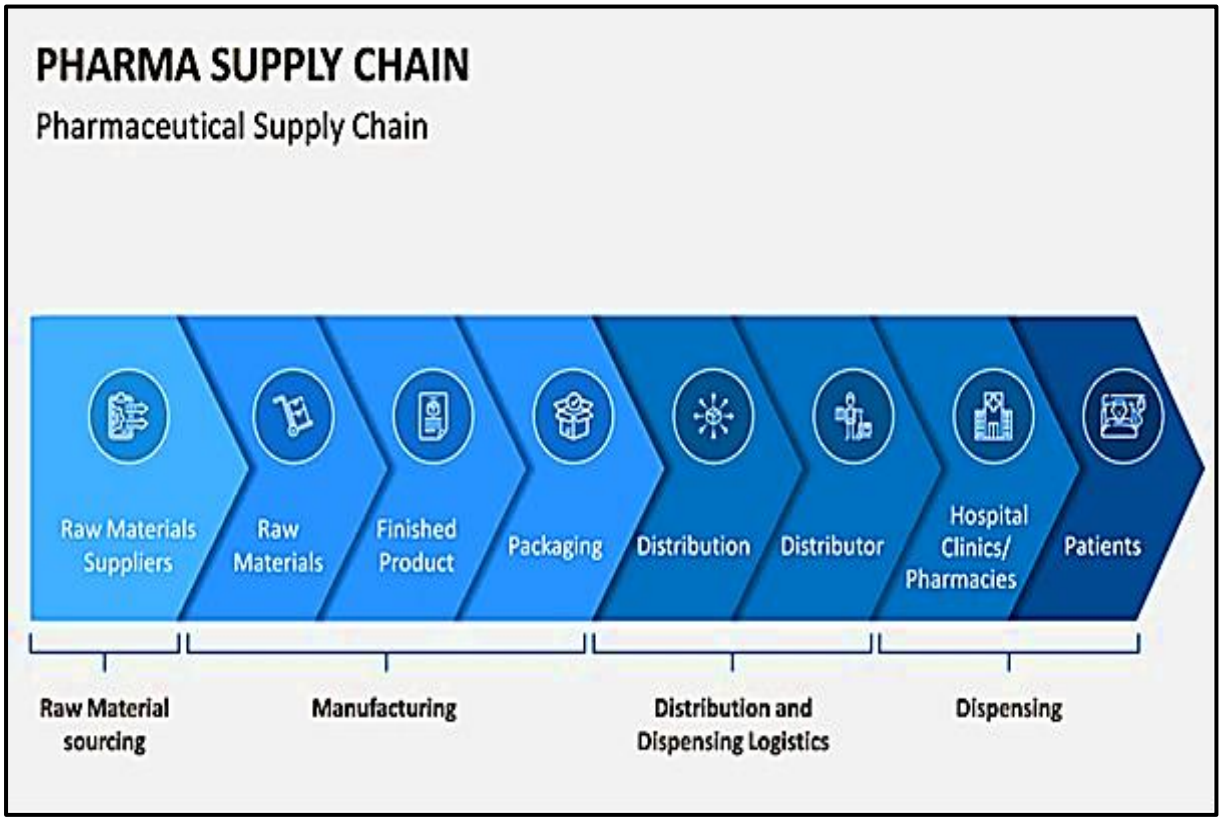


Figure 5: Top to Bottom of Supply Chain (SK+F)

2.5 Distribution and Logistics

Distribution is one of the core components of SCM in any business organization. For smoother flow of materials, money and information, SCM need its broader spectrum of distribution and logistics for transportation. As one of numerous business ventures, Eskayef pharmaceuticals Limited, medicines usually distributed by 'TRANSCOM Distribution Company Limited' (TDCL), which has segmented the entire country in eight (8) divisions (Table 1).

Table 1: TDCL Distribution Centers

Divisions	Distribution Centers (TDCL)
Dhaka	Dhaka South, Dhaka North, Narayanganj, Savar, Keraniganj, Bhairab, Kishoreganj, Tangail, Gazipur, Faridpur
Chittagong	Chittagong South, Chittagong North, Comilla, Noakhali, Chandpur, Cox's Bazar, Feni
Khulna	Khulna, Jessore, Kushtia
Rajshahi	Rajshahi, Pabna, Bogra
Sylhet	Sylhet, Moulovi Bazar
Barisal	Barisal, Patuakhali
Rangpur	Rangpur, Dinajpur
Mymensigh	Mymensigh

Source 2: www.transcombd.com

CHAPTER 3

Practicum Findings and Observations

3.1 Findings

During my three months long internship timeline at Eskayef Pharmaceuticals Limited with my workplace supervisor, I have come to known about various internal and external mechanisms of supply chain management process and practices by SK+F. Moreover, my supervisor, Mr. Muhammad Shihab had defined various elements and their integrated mechanism influencing the entire SCM process. He pointed out first element of SCM process is its potential challenges, which should be taken care adequately by Commercial and HR department of SK+F. According to his brief discussion on SCM processes, he referred some SCM vital key points as followings:

1. Major Challenges of supply chain management process of SK+F.
2. Push v/s pull strategy executed by Eskayef Pharmaceuticals Limited to penetrate market trends, demand planning, material requirement planning and forecasting.
3. Impacting factors of SCM value chain process and advantages achieved by implementing 'Push v/s Pull' strategy.
4. Evaluate and critically analyze past 5 years' data based on four indicators, which indicates and reflects the adequate supply chain and management practices exercised by Eskayef Pharmaceuticals Limited. SCM practices reflecting indicators are followings:
    i. Number of foreign suppliers and growth rate of last 5 years.
    ii. Total imports of raw materials and growth rate of last 5 Years.
    iii. Yearly sales and growth rate of last 5 years.

iv. Exporting valuation and growth rate of last 5 years.

3.1.1 Major Challenges of SCM Process as Elaborated by Supervisor

- **Uncertainty in the Demand**

Uncertainty of demand planning is one of the vital issues to be taken under best administration as possible. Uncertain market demand and planning could be deadly for the entire business unit and can incur great loss of revenue for the company to sustain in the market and competition over its rivals.

- **Uncertainty in the Pipeline of New Drugs**

Uncertainty of new drugs innovation and introduction in the existing market and not able to project the pipeline of new drugs can be extremely dangerous and led to losing its market share, growth rate, consumer demand and popularity from the market drastically. As a result, business operations and entire value chain can face high extent of catastrophic failure.

- **Capacity Planning**

Capacity planning is essentially required issuance for optimization to reduce longer lead-time for the supply of drugs. Long lead times for effectively designing capacities mean that decisions often made in times of high uncertainty. Waiting for uncertainties to resolve can undesirably delay time to market.

- **Network Design**

Network design must undertake carefully under observation and along the time variance, it ought to be updated in timely manner in order to achieve and fostering the smoother flow of information, materials and money flows all over the SCM model. Optimized and logically shortened yet effective network design can enhance capabilities of the business and efficiency rate is increased.

- **Plant Design**

This tends to be very contemporary and basic foundation for production and manufacturing. It should be designed and planned as much sustainable as possible which can able to expand and still capable to handle future modification based on time and requirement. There are significant opportunities for intensified, continuous processing.

The major challenges in SCM of SK+F are illustrated in Figure 6.

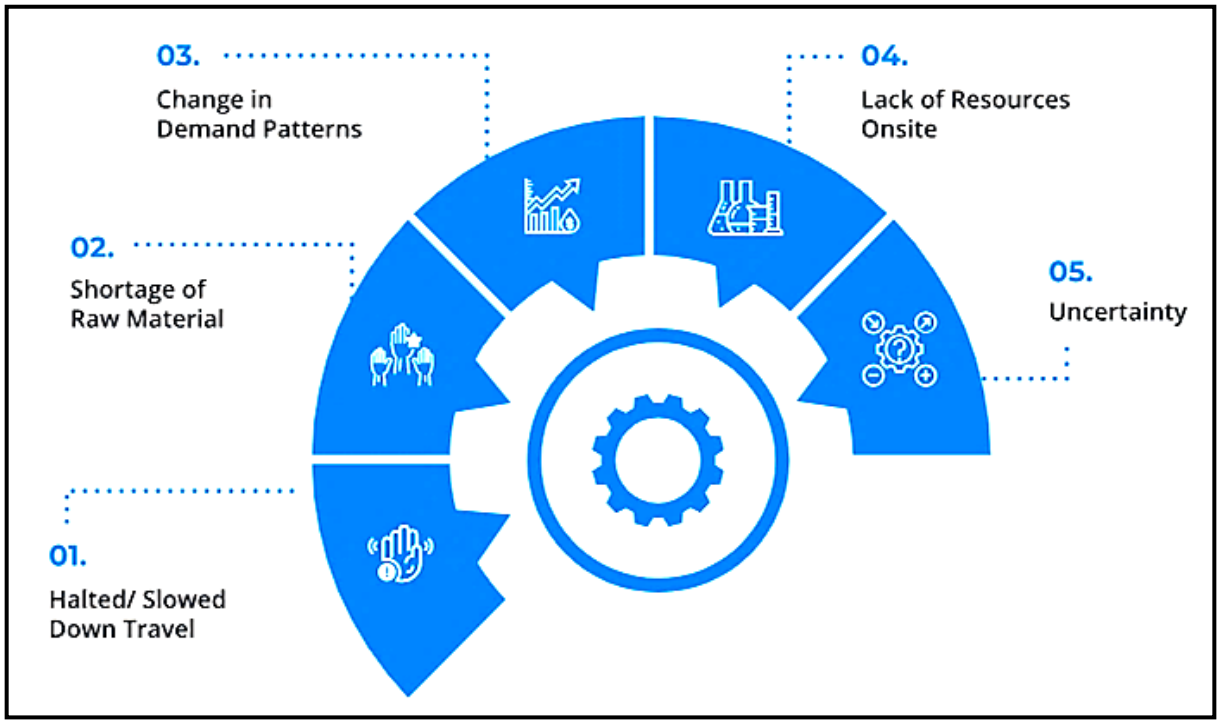


Figure 6: Major Challenges in SCM of SK+F

3.2 Push v/s Pull Strategy of Eskayef Pharmaceuticals Limited

My workplace supervisor outlined the Push vs. Pull Strategy. Eskayef, lead time related to end-user needs, all processes in the supply chain fall into one of the following two categories: *(1)* In the *'Pull Process'*, execution is triggered in response to customer orders; the insertion process starts earlier. Therefore, during the execution of the extraction process, the client's request definitely known, while during the execution of the insertion process, the request is

unknown and must be predictable. The push process runs in an uncertain environment because customer needs are not yet clear. The extraction process runs in an environment where consumer needs known.

Essentially, Eskayef Pharmaceuticals Limited executes the entire process in the customer order cycle until the customer arrives. Therefore, all manufacturing processes, procurement cycles and replenishment cycles carried out undertaking the expected market demand, as it is a *(2) 'Push Process'*. Availability of the drugs when the customers' order received. Meanwhile, raw materials such as chemicals usually purchased *6-9 (six to nine)* months before consumer demand has anticipated. Eskayef generally produces the drug *3-6 (three to six)* months before the Point-of-Sales (POS) and all processes are the part of the customer order cycle that usually taken into account in the pull process. SK + F is often constrained by inventory and capacity decisions made during the push phase. 'Push and Pull Process' has been illustrated in Figure 7.

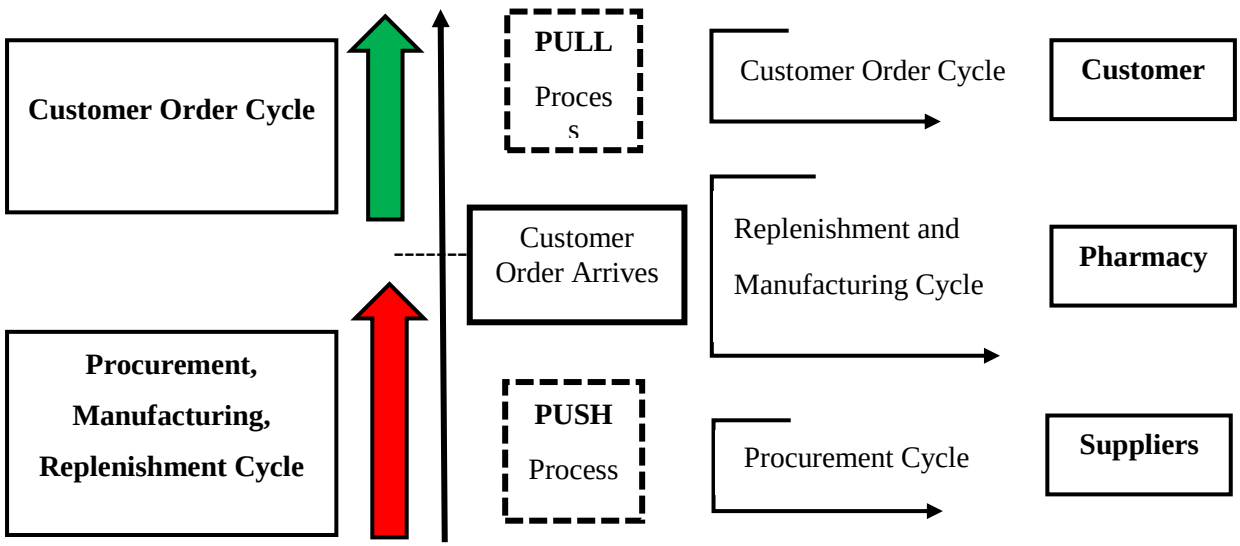


Figure 7: Push and Pull Strategy (SK+F)

3.2.1 Manufacturer Storage with Transporter Distribution

Eskayef Pharmaceuticals Limited follows 'Manufacturer Storage with Transporter Distribution' as the strategy of the distribution network system. As a part of it, SK+F keeps its' warehouses and warehouses' inventory, and then use Eskayef managed delivery covered vans to distribute drugs to hundreds and thousands of pharmacies across the country. Subsequently, the customer/consumer receives the medicine from those pharmacies as they play the role of basic retailers for end users. Acting as the retailers, all pharmacies hardly store any inventory. The information comes from customers through SK+F distributors. The whole process of distribution is presented in Figure 8.

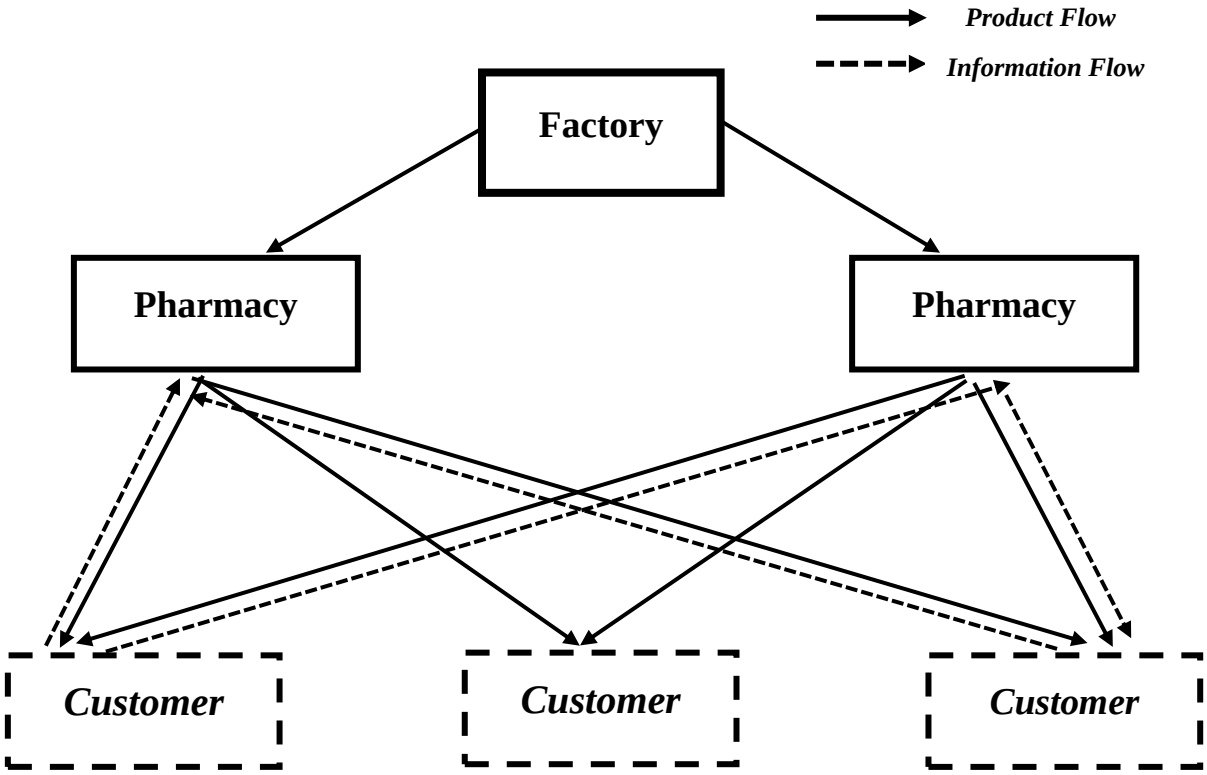


Figure 8: Flow of Product and Information (SK+F)

3.2.2 Characteristic and Impact of Manufacturer Storage with Carrier Delivery by Eskayef Pharmaceuticals Limited

The supply chain strategy defines how the supply chain should function in terms of efficiency and responsiveness. The SK + F supply chain must leverage three logistics and three cross-functional factors in order to achieve a performance-level supply chain strategy and maximize profits in the supply chain ecosystem. The idealistic supply chain emphasizes efficiency while maintaining reasonable agility and performance in accordance with fluctuating consumer demands, all suppliers along the value chain. The core difficulty with carrier warehousing by manufacturers is SK+F's inventory ownership structure. However, the core benefits of centralization are greatest with high-ended quality items, low demand with unpredictable demand.

3.3 Impacting Factors and Advantages Achieved by SK+F's 'Push vs. Pull' Strategy

As per my supervisor's statement and validation, various parameters are affected and positively influenced because of successful implementation of Push vs. Pull strategy undertaken by SK+F for market penetration, material and demand planning and forecasting. In addition, my supervisor highly recommended that, Push vs. Pull strategy influences upon 10 various parameters of SCM value chain process. They are:

i. Customer Targeting

Based on the diversification of customer needs, from major wholesalers to retailers, suppliers and consumers, it provides manufacturers with opportunities to reduce the total cost of the supply chain and obtain real-time demand information.

ii. Inventory Cost

The SCM approach reduced material inventory by 40-25%, which is far below the industry average.

iii. Raw Material Supply

SCM practices allow the industry to source materials from a reasonable number of suppliers to mitigate risk factors, and companies can switch to a single window. Downdraft has also improved. e-procurement may lower the costs when supported by strategic sourcing or supplier management so that cost structures and productivity also enhanced downstream.

iv. Cost Reduction

The successful implementation of SCM practices allowed the company to gain bargaining status and reduce prices by 5% to 10%.

v. Service Quality

Efficient SCM not only helps in reducing the number of transporters but also reduce the delivery time.

vi. Customer Service

Pharmaceutical companies are introducing innovations to improve and implement the value chain. A disease management plan directly provides specific services for specific diseases to specific patients, such as diabetes control, cancer treatment, etc. The new integrated supply chain eliminates the need to refer wholesalers and distributors, and reduces costs for customers by developing more cost-effective service channels.

vii. Security

Supply chain management software is a web-based solution with an embedded database. From procurement to supply chain, inventory, warehouse, distribution and sales, all logistics functions used to be controlled from a single evaluation point.

ix. Productivity Measures

The power to make purchasing decisions will evolve with changes in treatment strategies, which require more flexible, multi-level marketing and unprofitable product delivery to anticipate and adapt to changes. The plan was accepted.

x. Asset Management

Reducing time and cost pressure requires innovative marketing methods. Currently, pharmaceutical manufacturers all over the world market directly to consumers through TV and the Internet, but sales and marketing channels only apply to certain products.

xi. Channel Management

The power of new channels, coupled with the increasingly important role of PBM and disease control programs, may be a good time to address the cost and productivity of commercial and non-revenue stream channels.

3.4 Observations and Evaluation

My supervisor suggested me to observe and evaluate four influential factors of past five years for better understanding of SCM practices of SK+F and its effectiveness with efficiency. He suggested the following four indicators to observe and evaluate critically. Indicators are followings:

1. Total amount of foreign suppliers in accordance with growth rate of past 5 years.
2. Total import of raw materials from suppliers of previous 5 years.
3. Yearly sales and growth rate of SK+F from last 5 years.
4. Export earning valuation and growth rate in past 5 years.

3.4.1 Impacts of Foreign Suppliers and Growth Rate (Last 5 Years)

Eskayef Pharmaceutical Limited handles diversities of overseas suppliers for its raw materials purchasing and importing to the plant for manufacturing drugs. Over the last five years, the number of local suppliers and foreign suppliers list has been extended and expanded in accordance to the growth of the business. Table 2 shows the details.

Table 2: No. of Foreign Suppliers (Last 5 Years)

Year	No. of Foreign Suppliers	(%) Increased
2010	180	-
2011	185	2.78
2012	204	10.27
2013	270	35.35
2014	356	31.85
2015	375	5.33

Table 2 shows that in past five years from 2010 to 2015, SK+F's number of foreign suppliers has increased significantly. In 2010-11, total number of suppliers was around 200 with the growth rate of 2.78%. Moreover, 2012-2013, this number rose gradually and ended exactly at 270 with the growth rate of much higher of 10.27%. In 2014, foreign vendors' number increased further to 356 with growth rate of 35.35%. Then, the grow rate slowed down to 5.33% in 2015.

3.4.2 Impact on Total Imports of Raw Materials (Last 5 Years)

SCM process practicing, implementation and execution enabled SK+F's entire value chain as well as impacted on diversified areas of business operations and management while enriching the flourishment business expansion by cutting down the cost incurred on production and

manufacturing. The company's total import of last five years (in millions US $) along with growth rate are given Table 3.

Table 3: Total Import of Raw Materials (Last 5 Years)

Year	Imports (In Million US $)	Growth Rate (%)
2011	22.30	-
2012	25.45	14.13
2013	32.27	26.80
2014	34.61	7.25
2015	41.20	15.52

Source 3: Eskayef Corporate Office, Dhaka.

From the above table, it is visible that in 2012 imports of raw materials rose to 25.45 million USD, which was as like as in 2015 along with the growth rate of initial 14.13% and 15.52% respectively. On the contrary, in 2013 imported RM of SK+F rose up to 32.27 million USD with leaping up of the growth rate to almost 27%. In 2015, import of raw materials for manufacturing rose to 41.20 million USD with growth rate of more than doubled by 15.52% than previous year of 2014. Only exception was vividly visible was in the year of 2014 where importing RM was 34.61 million USD whereas growth rate quickly declined to only 7%.

3.4.3 Impacts on Yearly Sales of SK+F (Last 5 Years)

Yearly sales record of Eskayef from 2011-2016 in crore (BDT) and subsequently growth rate has been illustrated with Table 4. In the last 5 years, SK+F had generated constant increment in yearly sales. From the initiated year of 2011 to 2012 yearly sales increased from 451 to 573

crore (BDT) with growth rate of 14.13%. Meanwhile, in 2013 sales triggered up 50 crore from past year with nearly doubled up the growth rate from previous year. In 2014, sales increased with 740 with slightly low growth rate of 7.25%. Afterwards, from 2015-2016, yearly sales boomed to nearly 200 crore (BDT) with significantly noticeable growth rate of 22.80% which was massive leaping up from past year growth rate.

Table 4: Yearly Sales and Growth Rate (Last 5 Years)

Year	Sales in Crore	Growth Rate (%)
2011	451	-
2012	573	14.13
2013	618	26.80
2014	740	7.25
2015	855	15.52
2016	1050	22.80

Source 4: Eskayef Corporate Office, Dhaka

3.4.4 Impacts on the Exporting of SK+F (Last 5 Years)

The export procedure of pharmaceutical products differs from the export of the opposite products principally from the regulative points. The products are to be initial registered within the several countries, which can take a minimum of 2 years or more. After the successful negotiation with the prospective partners in the respective countries and product registration, SK+F receives the *'Purchase Orders'* from the importers. SK+F tends to collect export permission from the DGDA for approval and shipping the drugs. Table 5 shows the last five (5) years exports and growth rate respectively.

Table 5: Export and Growth Rate of SK+F (Last 5 Years)

Year	Exports (in Million US $)	Growth Rate (%)
2011	1.0	-
2012	1.6	60.00
2013	2.1	31.25
2014	2.6	23.81
2015	2.8	7.69
2016	2.9	8.07

Source 5: Eskayef Corporate Office, Dhaka

Export data of past 5 years shown in Table 5 to visualize the export overseas valuation and growth rate respectively. From 2011 to 2016, each year SK+F was able to increase the export drugs overseas and generated profit from those years constantly. The value of exporting product in 2011-2012, was 1.0 million USD to 1.6 million USD when growth rate leaping up to 60%. In 2013, it was 2.1 and in 2014 rose to 2.6 million USD, which was noteworthy, and almost 1 million extra earnings added to the queue with growth rate of 23.81%. In 2015 the export value was 2.8 and increased to 2.9 with growth rate of 7.69% and 8.07% respectively.

3.5 Outcome from Observations

As per my supervisor's detailed information and data analysis of past five years of sales, export, import, number of foreign suppliers provide me a broader perspective of effectiveness and efficiency of SCM practices of Eskayef Pharmaceuticals Limited.

Observing the above four indicators and their respective degree of impact made a detailed procedures and impacts of SCM process practices. As per four tables of data suggest that, increase of foreign suppliers, raw materials and growth rate of past 5 years upsurge time to time, which suggested adequacy in SCM practices by SK+F. In addition, yearly sales of those

years were quiet low yet escalating compared to other two data tables. Nevertheless, the export valuation and growth rate data of past 5 years was extremely significant and much higher, which made me to draw the conclusion of the outcomes as follows:

‘Eskayef Pharmaceuticals Limited, a highly export oriented company primarily focuses on foreign markets rather than domestic markets. Therefore, domestic consumer market exposure of SK+F is relatively low than other domestic leading competitors playing in the pharmaceutical market’.

CHAPTER 4

Recommendation and Conclusion

4.1 Recommendation

Although, Eskayef Pharmaceuticals Limited has achieved fastest growth and market share within short span of time as well as international quality accredited medicine manufacturing, some steps should be taken under effective consideration for SK+F's future prospects and greater business sustainability. These are as follows:

1. The medical representative's turnover is not adequate and equitable. Therefore, the organizations can take measures to increase the salary for the medical representatives.
2. Marketing and advertising should focus precisely on online digital platforms rather than conventional marketing, advertising policy for reaching broader spectrum of consumers.
3. Eskayef should employ and recruit more marketing staffs for the field-level. Therefore, it its products can be distributed to even greater ranges of customer base.
4. Eskayef should have keen eyes on the cost of production and must ensure less cost of product so that it can offered for low-level income consumers to afford its medicines.
5. Local pharmaceutical companies must use modern equipment and raw materials to produce high-quality products that help them gain market share.
6. Eskayef Pharmaceuticals Limited should produce excellent medicines, which may increase the consumer demand for Bangladeshi drug in the global arenas.
7. The pharmaceutical companies should not violate the law imposed by the government, which can hamper the trust of the people of the country.

8. Government should take measures or formulate some clear–cut rules and restrictions for Standard Operating Procedures (SOP) to practice appropriately for dumping and destruction of hazardous waste management.

4.2 Conclusion

Procurement and supply chain management plays an important role in achieving and maintaining customer satisfaction in the pharmaceutical industry. It requires identifying the key factors that primarily affect these practices. Those factors have already been discussed and demonstrated in this report. The drug supply chain is essential to provide the right medicines to the right patients at the right time, at the right place, at the right scale, and most importantly, at the right price. The chain is very elegant. The flexible supply chain is the foundation because it supports incomprehensible system, which links between associations and employees for purchases of raw materials, vehicles, retailers, and clinics.

Eskayef Pharmaceuticals Limited has already implemented responsive and effective practices of procurement and supply chain management even though there is room to further improvement. Procurement and SCM is highly impactful aspect of any business operations which can enhance business profitability, cut excessive cost, smoother flow of good, money and information throughout the organization and provides greater visibility of the entire value chain from top to bottom. From the importing of raw materials to the finished product, it uses its state-of-art technology driven machineries in its manufacturing plant, which enable them to produce outstanding quality products domestically. Greater accountability, effective management body, operations and control, importing and exporting procedures, manufacturing products with assuring quality benchmark, achieving global market value and acceptance along with international accreditation are Eskayef Pharmaceuticals Limited's greatest achievement

which has also taken this company to the top listed pharmaceuticals companies in Bangladesh with greater satisfaction of consumers.

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