A Study of Key Success Factors for Pharmacy Logistics

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Abstract

The circulation places of medical products in Taiwan have hospitals, clinics and drugstores (including supermarkets and cosmetics medicine stores). According to the statistics of Health Department, there are approximately 600 hospitals, 9000 clinics and 12000 drugstores in Taiwan. Facing this large-scale of medical products market, every hospital, clinic and drugstore wants to survive in this competitive industry. They need more reliable forecast in market demand to reduce the whole inventory cost. Thus, professional pharmacy logistics has been produced. The purpose of this study is to explore the key success factors of pharmacy logistics industry, to find out key points of the operation and management, and to provide comments to the future pharmacy logistics model.

The respondents of this study's questionnaire are pharmacy manufacturers (which are supply side in pharmacy logistics), hospitals, clinics and drugstores (which are demand side in pharmacy logistics). The questionnaire's subjects contain the basic information of respondents and the recognization of importance level of pharmacy logistics details.

This study uses Principal Component Analysis to analyze the 30 questions in the questionnaire and extracts six factors, which are "merchandise service", "efficient customer service", "other related service", "procedure of order", "transportation service", and "ability to handle emergency". Among these six factors, "ability to handle emergency" and "merchandise service" are the two factors that respondents think they are most important. These two factors imply that pharmacy need high delivery efficiency and accuracy. According to the result of questionnaire, more than 40% respondents believe that existing pharmacy logistics is inefficient. We suggest that members in pharmacy logistics should create a standard delivery model soon. After doing this, they can promote work efficiency, reduce whole cost and promote satisfaction of members in supply chain.

Key words: Pharmacy Logistics, Key Success Factors, Principal Component Analysis.