

# Review of: "Tenders versus Consignment"

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I propose the title to be: A Comprehensive Analysis of Tenders versus Consignment in Pharmaceutical Procurement: Balancing Efficiency and Affordability

In their thought-provoking research, titled "Tenders versus Consignment for constructive, thorough, and kind," the authors undertake a meticulous examination of the impact of different procurement methods, namely tenders and consignment, on the purchase price of pharmaceuticals within a hospital context. With an added layer of complexity, they also investigate the potential benefits of combining these methods to optimize cost-effectiveness.

The central objectives of this study revolve around evaluating the implications of both tenders and consignment on pharmaceutical purchase prices and liquidity. Employing a pre-post observational study design, the authors harness a wealth of data encompassing pharmaceutical purchase prices from 2019 tenders, 2020 consignment supplier invoices, and the innovative concept of "tenders-for-consignment" in 2022. The research employs a judicious blend of descriptive and inferential statistics, wielding a pragmatic approach to determine statistical significance.

The results of their analysis are both intriguing and revealing. It is demonstrated that the adoption of consignment does result in tangible direct cash savings – a noteworthy KES 4,427,266.10 over a single year – owing to reduced capital expenditure. This finding underscores the attractiveness of consignment in terms of cost savings, particularly for high-value items like pharmaceuticals. However, this advantage comes with a caveat: the research underscores that the absence of competitive dynamics under consignment can lead to elevated purchase prices, potentially compromising the affordability of vital medicines.

The research elegantly delves into the nuanced intricacies of the pharmaceutical procurement landscape. The juxtaposition of tender-based procurement and consignment brings to the forefront the balancing act that administrators and procurement managers must undertake. The study convincingly argues that tenders, fostered by a competitive environment, yield superior prices. On the other hand, consignment, while enabling financial savings, may inadvertently push up the purchase prices. This dichotomy is thoughtfully acknowledged, leading to a creative proposition that amalgamates the strengths of both methods in a hybrid model. This approach, as the study contends, holds the potential to achieve substantial savings without compromising the affordability of medicines.

A significant aspect of this research lies in its implications for real-world implementation. The authors' insights resonate particularly well within healthcare settings, where pharmaceutical expenditure often forms a substantial portion of the total budget. The innovative solution provided by the hybrid model suggests a strategic path for administrators, procurement

managers, and pharmacy heads to navigate the challenge of optimizing resources. Beyond pharmaceuticals, the study also opens doors for broader application in procuring diverse items, from surgical supplies to orthopedic implants.

In summation, the research stands as a noteworthy contribution to the field, meticulously analyzing the nuances of procurement methods within the pharmaceutical domain. The study's findings, framed within a broader context of balancing efficiency and affordability, furnish a comprehensive toolkit for decision-makers to navigate the complex landscape of procurement. The research is commendable for its constructive approach, thorough analysis, and kindred spirit of finding solutions that drive both financial prudence and medical accessibility. As such, it serves as a valuable reference for professionals seeking innovative procurement strategies within the healthcare sector and beyond.