The nonprofit healthcare industry is currently facing many challenges dealing with the effective and efficient management of medical inventory. Nonprofit organizations often struggle financially primarily due to the fact that they endeavor to provide healthcare to low-income individuals, the uninsured, and those with insurances that have low reimbursement rates such as Medicaid. This negatively affects nonprofits cash flow since they have limited resources to ensure that their patients’ needs are met. Thus, an effective management of cash flow is critical for nonprofits in achieving their objectives through development of a periodic cash budget that brings timing of revenue and expenses together. Since nonprofit healthcare organizations depend entirely on government funding and charitable donations, implementing cost effective methods are crucial for amplifying their social impact.

Due to technological advancements and the advent of smartphones, there is a need and a capability for greater accessibility of information and collaboration of ideas. Medical inventory is one of the largest expenses healthcare organizations incur. When healthcare organizations don’t have accurate information regarding their inventory, it often leads to shortages of medical supplies. In order to avoid this problem, hospitals and clinics often overstock their inventory, which leads to unnecessary costs. Thus, implementing an effective inventory management system is vital for allowing healthcare organizations to track the usage and availability of their products and to avert any additional costs associated with holding and storing the inventory. Hence, a computerized system is fundamental to reducing inventory costs, improving communication and information sharing among different branches of the organization.

To resolve the inventory concerns of nonprofit medical organizations, our group is currently working with Daily Planet, a nonprofit healthcare center that is federally funded. Daily Planet is a clinic located in Richmond, Virginia, which provides free or affordable healthcare to anyone regardless of their housing, financial or insurance status. Daily Planet currently has two locations in Richmond, Virginia; Grace Street, and Belt Boulevard. In order to communicate with Daily Planet regarding the challenges they were facing with inventory, we contacted the Advancement Coordinator, Susan Sekerke, and Isha Toledo. Susan Sekerke addressed that Daily Planet is currently in a growth stage and is in need of an effective inventory management system to combat unnecessary costs related to overstocking of inventory; capital which could be utilized towards other ends.

To address this issue, we are currently developing an inventory management application that is compatible with both Android and IOS platforms. The application will allow users to view inventory in real time with just one scan. The implementation of barcode scanning technology in hospitals and healthcare institutions in the United States has been found to effectively reduce the rate of human errors associated with transcribing and administering medications (Poland, 2012). Additionally, an effective inventory management system will increase productivity as well as reduce the cost associated with overstocking inventory. Utilization of a barcode scanner will automate the mechanism of managing inventory by eliminating the process of manually inputting data, thus raising employee performance and efficiency.

Our inventory management application will allow nonprofit healthcare organizations to effectively allocate their resources by reducing the unnecessary cost associated with lack of inventory control. By reducing waste of expenditures through implementing inventory database management, NPO’s will be able to more effectively appropriate already scarce funds toward best serving their patients, thus extending their social impact and making a difference on a larger scale.

Faculty Advisor: Robert Dahlberg, dahlbergra@vcu.edu, (804) 828-8026
Group Members: Ziyad Moussa, moussazs@vcu.edu, (540) 760-4166
Abdullah Hashmi, hashmija@vcu.edu, (571) 242-4714
Joseph Conteh, CONTEHJI@vcu.edu, (571) 366-0239
Lhamo Tsering, tseringjl@vcu.edu, (434) 242-3415
Innocencia Miller, milleris@vcu.edu, (757) 604-6905