Managing working capital

Finance

Managing Working Capital al Affiliation) According to Syndicate clinic, working capital is the difference betweenthe current liabilities (CL) and the subsequent current assets (CA). The working capital of Syndicate clinic measures the amount of the liquid assets available to the company and available in developing the clinic (Gapenski, 2012). The working capital of Syndicate Company can have either a positive effect or a negative feedback, depending on the amount of debt that the clinic owes its creditors. Generally, Syndicate Company has more working capital that is why it is successful. This has enabled them to improve some of its operation. The net working capital of Syndicate Company is similar to its working capital. To find the net working capital, Syndicate clinic, subtracts the trade accounts payable from the inventories, marketable investment, and cash. The clinic used the net working capital in estimating the growth of the company. From its records, the clinic has a cash reserve to scale up the operation of the business (Gapenski, 2012). On the other hand, the working capital cycle is the time taken to convert the current assets and liabilities of the clinic into cash

In the healthcare industry of today, the leaders and executives fight the challenge of lowering costs, while maintaining a quality healthcare. To increase the profit of the company, Syndicate clinic receive cash from the insurance institutions and patients early. To achieve this objective, the revenue cycle of the clinic opens until payment reaches the clinic. The management of revenue cycle is important because it gives one knowledge to lower the potential fraud, streamline the information of the clinic, and improve the client services. Some of the challenges that Syndicate clinic during revenue cycle optimization include the deficiency of flexible workforce, high and seasonal volumes, multiple touch points, lack of transparency and individual performance, and disparate work types in the clinic. The challenges causes troubles for the providers. Additionally, collection of payments from the patients is not an easy task for the providers and the problem only increase the struggle. To offset the challenges the billing professionals of the company and the physician work as a team to make sure that the patients are charged the correct payment.

To manage a working capital, Syndicate Clinic need to a cash flow schedule that will be used in showing the cash inflow, cash outflow, and the balance. When the clinic offers services to its patients, there is a possibility that the company might forget to record their inflow for a month or two. This timing gap illustrate the significance of improving the position of a working capital. Another factor affecting the working capital is inventory. Syndicate clinic need to seek the help of inventory balance in meeting the demand of its sell. The inventory turnover metric will be computed by finding the division between the COG and the inventory balance. Another tool that Syndicate Clinic need to use in managing the working capital is the accounts receivable balance. This is because the account receivable is a good indicator of the clinic to make sells and collect revenues (Collis & Holt, 2012).

Reference

Collis, J., & Holt, A. (2012). Business accounting: an introduction to financial and management accounting (2nd ed.). Houndmills, Basingstoke, Hampshire: Palgrave Macmillan.

Gapenski, L. (2012). Healthcare finance: An introduction to accounting and financial management. Chicago, IL: Health Administration Press.