**Module 9: Working capital management**

**Learning objectives**

* Understand the goal of working capital management (WCM)
* Understand the cash conversion cycle
	+ 4 parts of the cycle and what happens during each part
* Understand the importance of timing and WCM
* Understand the two components of working capital strategy
* Understand the two types of asset mix strategy
	+ What are the pros and cons of each
* Understand financing mix strategy and rule of thumb
* Understand the purpose of cash management and 3 major reasons to hold onto cash
* Understand the 3 primary sources of short-term funds
* Understand the concept of float and different types of floats

**Book chapter**

* Chapter 16

**Videos**

* Video – Working capital
	+ [Working capital video definition](https://www.youtube.com/watch?v=2yrI2sM8LhI)
* Videos– Cash conversion cycle
	+ [What is cash conversion cycle](https://www.youtube.com/watch?v=p72xAATgpfM)
* Video – Aggressive/conservative asset mix
	+ [Differences & Similarities](https://www.youtube.com/watch?v=UsCNZPx3IkY)

**Additional information**

* [Improve working capital management](http://www.thehackettgroup.com/expertise/working-capital-management.jsp)
* [Working capital management: everything you need to know](https://www.cleverism.com/working-capital-management-everything-need-know/)
* [Managing working capital](http://www.planware.org/workingcapital.htm)
* [Working capital management](http://www.slideshare.net/NadaGYoussef/05chap)
* [Strategies for managing working capital](http://www.homecaremag.com/operations-management-homecare-experts/july-2016/strategies-managing-working-capital)
* [Medical billing software](http://www.streetdirectory.com/travel_guide/413/business_and_finance/working_capital_management.html)
* [Working capital management… how it helps an Administrator](https://www.linkedin.com/pulse/working-capital-managementhow-helps-administrator-dr-annie-thakore)
* [Investopedia: Working capital management](http://www.investopedia.com/terms/w/workingcapitalmanagement.asp)

**News articles**

* [Better working capital means better business](http://raconteur.net/finance/better-working-capital-means-better-business)

**Research Articles**

* Rajdev, A. (2013). “Working capital management of Makson healthcare pvt ltd: A trade-off between liquidity and profitability, an empirical study.” *Journal of Arts, Science, & Commerce,* 4(3), 87-94.
* Rauscher S. & Wheeler, JR. (2002). “The importance of working capital management for hospital profitability: evidence from bond-issuing, not-for-profit US hospitals. *Health care management review,* 37(4), 339-46.
* “Working Capital Management in the Nonprofit Sector.” Proceedings of the 11th Annual Meeting, International Symposium on Cash, Treasury, & Working Capital Management, New York, NY, October 18, 1995