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# STRATEGIES TO IMPROVE PHARMACY CASH FLOW

 DiversifyRx  
www.diversifyrxblog.com



## DECREASE INVENTORY

Inventory is your biggest drain on cash flow. Manage it tightly and aim for 20 turns or more.

## RENEGOTIATE PAYMENT TERMS

Ask for a later payment date or even a short term payment deferment. Just a few days can make a huge difference.



## RESTRUCTURE DEBT

Consolidating and refinancing your debt can lower your monthly payments and improve cash flow.

## SELL HOT OTCS

Selling non-Rx items for cash will boost your cash flow. Look for consignment programs like PurMed or longer payment dating.



## REDUCE STAFF

People is your second largest expense. Your goal should be less than 13% of revenue towards payroll.

## BE DUE DATE SMART

Pay your bills as late as you can while still being on time. Don't pay in advance if you are having cash flow issues.



## COLLECT MORE PAYMENTS

If patients or companies owe you money, use a professional automated service such as AR Proactive.

## CASH IN DEAD INVENTORY

Turn your expired inventory back into cash with a reverse distributor such as Flash Returns.



## INCREASE PROFITS

Cut out greedy PBMs on work comp scripts to drastically improve profits with a direct bill company like StreamCare.

## HIGH ROI PROGRAMS

By investing a small amount you can turn it into continuous profits with programs such as Optavia.



## CLINICAL BASED REVENUE

Get paid for your cognitive services with POCT from Physician360 or PGx from RxGenomix.

## REDUCE EXPENSES

A dollar saved is a dollar in your pocket. Examine every expense to eliminate or reduce. Save on ink and toner through PSA.



## CREDIT CARDS

Pay your bills on their due date with a credit card, then you have more days to pay off the credit card.

## AVOID FEES

Unnecessary overdraft or late fees add up extremely fast. It's better to talk to your bank or vendors to negotiate a reprieve.

