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Clinical Cost Management And Its Implications on Profitability: Agency Theory And Cost-Effective Perspectives Volume-Profit (CVP) Analysis (Case Study At Gondo Medika Sehat Main Clinic)

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Abstract. *Cost management in clinics is a critical aspect of maintaining profitability and sustainability of healthcare services, especially amid intense competition and high operational costs. Gondo Medika Sehat Clinic faces challenges in balancing cost management with service quality. This research is essential to understand how the integration of Agency Theory and Cost-Volume-Profit (CVP) Analysis can enhance cost efficiency and clinic profitability. The study aims to analyze cost management at Gondo Medika Sehat Clinic, examines relationship with profitability, and explores the dynamics between owners and managers within the context of Agency Theory. Additionally, this research applies CVP Analysis to provide strategic recommendations for improving clinic profitability.The study employs a qualitative approach with a case study design. Data were collected through in-depth interviews with the owner, manager, and clinic staff, participatory observation, and document analysis such as financial reports. The data were thematically analyzed using NVivo software to identify patterns and relationships among variables. The findings indicate that effective cost management, including operational efficiency and supplier negotiations, positively impacts the clinic's profitability. CVP Analysis aids in determining optimal service pricing and patient volume to achieve breakeven. Agency Theory reveals that performance-based incentives can align the interests of owners and managers, reducing conflicts in cost decision-making. The integration of Agency Theory and CVP Analysis proves effective in enhancing cost management and clinic profitability. Practical recommendations include the implementation of technology for efficiency, incentive systems for managers, and regular cost monitoring. These findings provide significant contributions to clinical management in achieving financial sustainability.*

Keywords: *Management; Profitability; Theory.*

1. Introduction

In an era of increasingly fierce competition in the healthcare sector, one of the main challenges faced by clinic management is financial management (Owolabi et al., 2024).

Effective financial management is crucial in clinic operations because it can impact the clinic's sustainability and profitability (Evans et al., 2023). Financial management not only involves reducing costs or reducing costs, but also effectively managing resources to provide good healthcare services. This is in line with Horngren et al. (2020), who emphasized that clinics can achieve their long-term goals by using effective cost management strategies (Vina Onget et al., 2024).

Clinics, as organizations that provide direct medical services to the public, must face two main challenges: high operational costs and the need to consistently provide the highest quality of service (Nwosu, 2024). A medical facility capable of managing costs effectively will have a significant competitive advantage (Evans et al., 2023). Gondo Medika Sehat Main Clinic, a healthcare provider in Pemalang, Central Java Province, is under significant pressure due to rising operational costs and the need to maintain the quality of services provided. According to the World Health Organization, effective cost management impacts many aspects, including financial performance and the quality of services provided to patients (WHO, 2021).

According to the Central Statistics Agency, the number of clinics in Indonesia has increased year by year. Figures from 2017 to 2022 show an increase from around 17,000 clinics to more than 1,000. 22,000 clinics. This growth is driven by the increasing need for public health services, health awareness, and government support for the health system (Ministry of Health of the Republic of Indonesia).

In the healthcare world, the sustainability of a clinic is a crucial indicator of the success of a region's healthcare system. According to existing data, approximately 70% of clinics survive their first five years of operation. However, this figure shows a significant decline, with only 40% of clinics surviving beyond 10 years (Purwaningsih, 2023). This phenomenon calls for deeper attention to the factors influencing clinic sustainability and the challenges they face in the long term. Factors that contribute to clinic survival are typically strategic location, quality service, and effective marketing (Cahyani, 2024).

In the healthcare world, clinics play a vital role in providing medical services to the public. However, despite their noble goals, many clinics fail to survive in the long term. The main causes of this phenomenon vary, from poor management to a lack of understanding of the medical profession. market needs. The most common reasons why clinics fail to survive include:

1) Poor management: Many clinics do not have a good management system to manage day-to-day operations (Modjo et al., 2023).

2) Fierce competition: With so many clinics popping up, competition is becoming increasingly fierce, especially in urban areas (Ward et al., 2025).

3) Lack of patients: Clinics that are unable to attract patients well, perhaps due to a lack of promotion or marketing, often have to close (Wong et al., 2020).

4) Low patient satisfaction: Poor service quality leads to low patient satisfaction, leading them to choose other clinics. (Ferreira et al., 2023)

Based on the data above, financial constraints are the most common reason clinics fail to maintain their sustainability. Improper cost management can lead to increased costs that disproportionately increase service quality, reducing clinic profits and threatening the continuity of clinic operations. Many clinics still struggle to balance costs and profits, especially with fluctuations in patient visits or services. Increasing fixed costs, such as employee salaries and rent, as well as variable costs influenced by service volume, such as medications, consumables, and medical equipment, will exacerbate clinics' financial challenges.

According to Ong and Vigonte (2024), clinics often face fluctuating fixed and variable costs, such as medical staff salaries, drug prices, and infrastructure. This presents a challenge for clinics in balancing effective spending with quality services. Therefore, clinic management requires a structured approach to implementing data-driven cost management strategies to improve profitability and patient satisfaction.

Based on a survey (Ministry of Health of the Republic of Indonesia, 2022), clinics that survive generally have:

1) Good financial management (60%)

2) Strategic location (20%)

3) Featured services (e.g., telemedicine, specialization) (15%)

4) Government support (incentives, ease of licensing) (5%)

The success of a clinic depends not only on the quality of healthcare services provided, but also on various managerial, financial, and marketing aspects. In an increasingly competitive medical world, clinics must be able to adapt to changing patient needs and evolving technology. One crucial factor influencing a clinic's sustainability is financial management. Clinics need a solid financial plan to ensure they can cover operational costs and the investments necessary for growth. For example, clinics that ignore the importance of cash flow analysis may face difficulties paying employee salaries or rent. Therefore, it is crucial for clinic management to regularly conduct financial audits and plan budgets wisely.

Cost-Volume-Profit (CVP) analysis is a tool that can be used to analyze cost management. This analysis allows clinics to determine the optimal price and volume of services needed to achieve desired profitability. (Yahya, 2023) states that CVP analysis shows the relationship between costs, volume, and profits, allowing management to make better decisions about pricing and resource management.

However, agency theory is also important in terms of cost management. This theory provides insight into the relationship between clinic owners and managers. This relationship can impact strategic decisions and cost management. According to Jensen and Meckling (1976), conflicts of interest can affect clinic performance. Therefore Understanding the theory well is very important to optimize financial management.

Much research has been conducted on cost management in the healthcare sector, particularly using Cost-Volume-Profit (CVP) analysis and agency theory. However, most of this research has been conducted in large hospitals, and few have examined how these theories can be applied in clinical settings. Recent research has shown that cost management is crucial for clinical profitability. Healthcare profitability increases through effective cost management (Agustin, 2025). However, this research has not yet included more in-depth theories such as Agency theory and Cost-Volume-Profit (CVP) analysis in the context of clinical cost management. A study by Bastomi and Hermawan (2023) showed that CVP analysis helps in determining service prices and service volumes to achieve break-even and profitability. However, studies on the application of CVP analysis in smaller primary care clinics with limited resources are still very limited.

Furthermore, agency theory is also relevant in the clinical context, where there is a conflict of interest between the clinic manager (agent) and the clinic owner (principal). Clinic owners tend to pursue long-term profits and sustainability, while clinic managers may be more interested in short-term outcomes, such as reducing costs that can affect service quality (Altieri, 2022). Agency theory has been widely used in hospitals and large companies, but there is little research examining cost management in primary clinics. Therefore, the application of agency theory is highly appropriate for the sustainability of clinics with limited resources. Profitability performance analysis is an important tool for understanding effectiveness cost management in clinical practice, but does not link cost management with Agency theory (Al-Faryan, 2024).

The study by Beauvais et al. (2024) examined various cost strategies but lacked a comprehensive analysis of the relationship between managers and owners in cost management. The study by Almeida & Ferreira (2022), which examined how performance-based incentives affect clinic cost management, was limited to primary clinics because the study was conducted in large hospitals or healthcare companies. This suggests a significant research gap that needs to be addressed. This relates to how CVP analysis and agency theory can be integrated for application in managing primary clinic operational costs and increasing profitability at local clinics such as Gondo Medika Sehat Main Clinic.

This study differs from previous research in that it offers valuable contributions to the clinical sector. First, in the context of clinical cost management, this study integrates two important theoretical frameworks: Agency Theory and Cost-Volume-Profit (CVP) analysis. While numerous studies on profitability and cost management focus on a single theory, this study combines these two theories to provide a broader picture of how to optimize cost management in clinics.

Second, this research uses an in-depth case study approach at the Gondo Medika Sehat Clinic, a topic that has not been widely researched in academic literature. Therefore, this research can provide more specific and applicable insights relevant to real-world conditions. This helps address gaps in the literature, which is often general and neglects local context.

Third, this research can provide data-driven strategic recommendations for clinics in addressing financial management challenges, which will not only increase profitability but also enhance service quality. This research is expected to provide academic and practical contributions to clinic management in improving operational efficiency and profitability, rather than focusing solely on theory.

From the identification of previous research phenomena, this study focuses on two main aspects of this study: first, to study how effective financial management can increase the profitability of Gondo Medika Sehat Clinic and its implications for profitability through the perspective of Agency Theory and Cost-Volume-Profit (CVP) Analysis. This clinic cost management analysis includes fixed costs and variable costs, as well as how CVP Analysis can assist in service pricing and service volume planning to achieve optimal profitability. Second, this study will examine how the relationship between owners and managers can influence cost management decision making with the approach. Agency theory will be used to analyze how conflicts of interest in cost management can affect clinic profitability and how appropriate performance-based incentives can mitigate these problems. Meanwhile, CVP analysis will be used to identify the relationship between costs, service volume, and service prices. The purpose of this analysis is to achieve optimal break-even points and higher profitability at Gondo Medika Sehat Clinic.

Several previous studies have identified research gaps, particularly regarding the application of CVP Analysis and Agency Theory in the clinical sector, making this research crucial. Several studies suggest the application of these theories in the large hospital sector has been limited, but little research has examined how these two theories interact in the context of a health clinic with limited resources and the goal of clinic sustainability. This research is expected to make a significant contribution to clinic cost management, increasing profitability, and its strategic implications. Furthermore, by applying these theories to the Gondo Medika Sehat Main Clinic, this study will provide new insights into how to resolve conflicts of interest in the management of smaller clinics.

2. Research Methods

This study uses a qualitative approach with a focus on case studies, aiming to gain an in-depth understanding of the phenomenon of cost management and its implications for profitability and clinic sustainability from the perspective of agency theory and CVP analysis. A qualitative approach was chosen because this study focuses on the views, experiences, and perspectives of stakeholders related to the decision-making process carried out by clinic managers and the management of costs and profitability of clinic cost management. This approach is excellent for enabling researchers to gain deeper insights into the social and organizational contexts that exist in clinics (Ali et al., 2024).

3. Results And Discussion

Gondo Medika Sehat Main Clinic is a private healthcare facility strategically located at Jl. Anggur No. 27, Bojongbata Village, Pemalang District, Pemalang Regency. Established on February 5, 2024, under the auspices of PT. Berkah Waras Bersama, this clinic has obtained an Operational Permit (SIO) with number 0602240065924, confirming its legality and readiness to provide healthcare services. The clinic's existence is based on a strong vision to become the "leading primary healthcare service" in the Pemalang area and its surroundings, with a commitment to providing quality, professional, and affordable services to all levels of society.

In pursuing its vision, Gondo Medika Sehat Main Clinic implements several key missions. First, the clinic actively promotes public and family awareness to adopt a healthy lifestyle, in line with the importance of health as a foundation for quality of life. Second, the clinic strives to build a healthy and prosperous community by improving health standards, demonstrating its social dedication. Third, healthcare services are provided with excellent, superior, and integrated standards, supported by competent professional staff. Fourth, the clinic is committed to providing comprehensive and high-quality healthcare facilities, making it the primary choice for the community. Finally, patient safety is a top priority in every aspect of the services provided.

Gondo Medika Sehat Main Clinic offers a comprehensive range of healthcare services, including both inpatient and outpatient care. Emergency services are available 24/7, supported by general practitioners on duty who are ready to handle emergencies. For outpatient services, the clinic offers a variety of specialist clinics, including the Neurology Clinic, Obstetrics and Gynecology Clinic, Internal Medicine Clinic, Surgery Clinic, Dental Clinic, Physiotherapy Clinic, and General Clinic. The presence of these specialist clinics demonstrates the clinic's ability to handle a wide range of medical conditions.

Figure Emergency Room (IGD) of Gondo Medika Sehat Main Clinic

The inpatient facilities at Gondo Medika Sehat Main Clinic are designed for patient comfort and needs, with a total of 12 beds divided into 7 rooms. Two VIP rooms are available with complete facilities such as electric beds, air conditioning, TV, refrigerator, en-suite bathroom, waiting sofa, and cabinet, offering extra comfort for patients. In addition, there are four Standard Inpatient Class (KRIS) rooms, each equipped with 2 beds, a nightstand, air conditioning, TV, and a bathroom. The clinic also provides one special room for postpartum patients (postpartum) with similar facilities, plus a baby box, demonstrating special attention to the health of mothers and babies after delivery. Delivery services are available 24 hours, accompanied by professional doctors and midwives.

To support diagnosis and therapy, the Gondo Medika Sehat Main Clinic is equipped with a variety of modern medical support services. These include 2D-5D and transvaginal ultrasound facilities for obstetrics and gynecology and internal medicine examinations, as well as an electrocardiogram (ECG) for cardiovascular evaluation. The pharmacy operates 24/7, ensuring the availability of the medications patients need, supported by professional pharmacists and pharmacy staff. The clinical laboratory is available for supporting examinations, and the clinic also collaborates with The facility is partnered with the CITO Clinical Laboratory, Pemalang Branch, for broader services. The commitment to the environment and safety is also evident in the presence of a Wastewater Treatment Plant (WWTP) for medical waste, as well as a central oxygen system and an organized linen room.

The public facilities at Gondo Medika Sehat Main Clinic are also designed for visitor comfort. Spacious and comfortable waiting rooms are available in several locations, equipped with air conditioning and television. Adequate parking is provided separately for two-wheeled and four-wheeled vehicles, as well as a dedicated area for 24-hour ambulance service. Clinic security is assured by a 24-hour security post staffed by professional security personnel. Clean and well-maintained restroom facilities are also available to the public.

The staff at Gondo Medika Sehat Main Clinic is diverse and professional, including specialist physicians (Neurology, Internal Medicine, Obstetrics and Gynecology, Surgery), general practitioners, dentists, pharmacists, nurses, midwives, and physiotherapists. In addition, there are also non-healthcare staff who support the clinic's operations, such as pharmacy administration, service administration, cleaning service, and security. This staff composition demonstrates the clinic's readiness to provide holistic and integrated healthcare services.

With complete services, modern facilities, a clear organizational structure, and a solid professional team, Gondo Medika Sehat Main Clinic strives to meet the health needs of the Pemalang community, while contributing to improving the quality of life through quality and sustainable health services.

This study found that clinics employ various strategies to control operational costs and achieve efficiency. These strategies include operational efficiency, supplier negotiations, inventory management, and technology utilization.

"The strategies adopted include: Operational efficiency, Negotiation with drug and BHP suppliers, Inventory management, Evaluating expenses and income, and Prioritizing

operational costs." (Agus)

Agus, the resource person, explained the strategic approach, which includes "operational efficiency, negotiations with pharmaceutical and BHP suppliers, and inventory management." This demonstrates a focus on reducing direct expenses and optimizing the supply chain. Agus also emphasized the importance of "evaluating expenses and income, prioritizing operational costs," indicating strict financial controls.

Ayun highlighted the importance of "optimizing resource utilization" such as "regular maintenance of medical equipment" to prevent breakdowns and avoid "operational expenses for purchasing new medical equipment." Ayun also emphasized "regular financial records" to monitor cash flow and "Utilization of technology such as using dr. tools for administrative registration systems." This technology is considered efficient because it is a one-time investment for long-term use, reducing recurring operational costs.

Farhan cited the strategy of using "integrated RME software" as a digitalization effort that increases efficiency. Furthermore, a procurement strategy of "purchasing equipment and BHP in stages" was adopted to manage cash flow and avoid large initial cost accumulations.

"Using integrated RME software, purchasing equipment and BHP in stages, conducting monthly evaluations." (Farhan)

Septiana and Sukma proposed the strategy of "optimizing the use of available resources, such as energy efficiency (such as electricity) and waste management," demonstrating a focus on sustainable practices that also lead to cost savings. Sukma specifically added a strategy for negotiating with suppliers: "Negotiating with suppliers, such as comparing prices, maximizing discounts, and evaluating supplier performance," demonstrating a proactive approach to reducing input costs. Septiana Teti also mentioned "conducting cost analysis (when ordering drugs, don't overstock them if they aren't fast-moving)," emphasizing the importance of analyzing needs to avoid storage costs and the risk of expiration.

Lastly, Tyas reinforced the findings regarding the utilization of technology with "Maximizing Administration Using Technology and Digitalization for example with Electronic Medical Records (EMRE) System," which aims to "Reduce paper usage and increase efficiency in patient data management." Tyas also mentioned "Effective Medical Waste Management strict waste sorting and maximizing recycling," which aligns with Septiana Teti and Sukma's views on resource efficiency and sustainability.

Maximizing Administration Using Technology and Digitalization, for example with the Electronic Medical Records System (EMS): Reducing paper use and increasing efficiency in patient data management. Waste Management Effective Medical waste sorting is strict and maximizes recycling." (Tyas)

Overall, Gondo Medika Sehat Main Clinic demonstrates a holistic approach to operational cost control, combining traditional efficiency practices with technological innovation and intelligent supply chain management.

Although Gondo Medika Sehat Main Clinic is active in cost management, management faces significant challenges in maintaining cost efficiency without sacrificing service quality, as well as dealing with market dynamics and facing competition and high operational costs.

"Ensuring a balance between cost reduction and customer-desired quality. Complaints from customers and employees." (Agus)

One of the main dilemmas is striking a balance between cost reduction and the quality of service desired by customers, as both Agus and Farhan noted. Agus added the risk of “complaints from customers and employees” if efficiency is too aggressive. Ayun specifically outlined this dilemma, explaining that excessive “emphasis on operational costs,” such as staff reductions or restrictions on online services, can “lead to patients receiving less support and resulting in dissatisfaction.” Ayun emphasized that clinics must “remain patient-focused” and seek “a balance between cost efficiency and service quality by utilizing resources and simplifying administrative processes.”

Another challenge is high operational costs. Septiana Teti and Sukma explicitly mention "high operational costs (employee salaries, medical equipment, medication procurement)" as a significant burden, especially if not managed efficiently. This is a constant risk that clinics must face. *"Considering the costs incurred but still in accordance with the quality of service." (Farhan)* Furthermore, competition between clinics is also a significant challenge, especially "in densely populated areas," as Septiana Teti and Sukma emphasized. Clinics must "be able to highlight their strengths to attract patients" in this competitive environment. Tyas also highlighted "Rising Costs and Decreasing Revenue" as key risks, compounded by "Addressing Competitors' Market Competition" and the need to "Securing and Managing Funds."

"High operational costs, such as rent, employee salaries, medical equipment, and medication procurement, can be a significant burden for clinics, especially if they are not managed efficiently. Competition between clinics can be fierce, especially in densely populated areas. Clinics must be able to highlight their strengths to attract patients." (Sukma)

In summary, the main challenges revolve around how clinics can reduce costs while maintaining or even improving the standard of service that patients expect, facing pressure from inherently high operational costs, and adapting to a fiercely competitive environment.

Gondo Medika Sehat Main Clinic demonstrates its commitment to financial control through regular budgeting and evaluation processes. Budget accuracy varies, but clinics generally have mechanisms in place to monitor their financial performance. Budget accuracy varies across clinics, but evaluation of cost management effectiveness is generally conducted through financial reports and patient monitoring.

Agus and Farhan indicated a high level of budget accuracy, reaching "90%. Angkani indicated that the budget planning was relatively accurate and realistic. The method for evaluating the effectiveness of cost management is generally conducted monthly. Agus specifically mentioned the "Clinic Cash Flow Report" as an evaluation tool. He also conducted evaluations based on "number of visits" and "amount of revenue," as well as "employee performance" and "customer complaints," demonstrating a holistic evaluation approach.

"Clinic Cash Flow Report, By evaluating the number of visits, By evaluating the amount of income, Evaluating employee performance, Evaluating customer complaints." (Agus)

Ayun explained that "creating a financial budget" helps "monitor cost management" by providing an overview of "how much expenditure needs to be paid in the next year." Ayun also emphasized the importance of "controlling the number of patients each month" because an increase in the number of patients directly correlates with "the level of profit earned by the clinic."

Farhan conducted evaluations through "Creating clinic financial reports" and "Evaluating income or patient visit lists," similar to Ayun and Agus. Septiana and Sukma also conducted "monthly evaluations" to see "increases in the clinic's profits" and "evaluate the number of patient visits." They observed that "An increase in the number of patients will lead to an increase in profits."

Finally, Tyas outlines more detailed evaluation strategies, including “Tight Budget Management,” “Cost and Benefit Analysis,” “Inventory Management,” and “Regular Monitoring and Reporting.” This demonstrates a more systematic approach to evaluating cost performance and profitability.

"Creating clinical financial reports, evaluating income or patient visit lists." (Farhan)

"Conduct monthly evaluations to see if there is an increase in the clinic's profits and evaluate the number of patient visits." (Septiana)

"In one month, has there been an increase in the amount of profit earned? Also, evaluate the number of patient visits in the past month. If there is an increase in the number of patients, then there will be an increase in the amount of profit earned." (Sukma)

Overall, the clinic implements fairly accurate budgeting practices and has a robust monthly evaluation mechanism, primarily focusing on financial reports, cash flow, and patient volume as key indicators of cost management effectiveness.

The overwhelming consensus among all interviewees was that cost management has a significant and direct impact on a clinic's net profit. There was no doubt about this positive correlation. All interviewees agreed that cost management has a significant and direct impact on a clinic's net profit "100% very influential." (Agus, Farhan)

"The cost indicator itself is a deduction from the income earned by the clinic. The more the clinic is able to control the costs incurred, the greater the net profit the clinic will earn." (Ayun)

Septiana and Sukma jointly explained the details: "Operational expenses are costs that arise in operational activities, where these costs or expenses must be deducted from gross revenue during operational activities, so that net profit is obtained. In addition, revenue with the number of patients indicator shows its impact on the business's net profit." This statement clarifies the mechanism by which reducing operational costs directly increases net profit, and how patient volume also plays a role in increasing gross revenue.

Finally, Tyas provides a clear statement regarding the relationship between costs and profits: "Cost management towards net profit has a close relationship between cost management and net profit. If cost management decreases, it will be followed by an increase in net profit, and vice versa, the more cost management increases, the net profit generated will experience a decrease." This statement summarizes the essence of cost efficiency: every successful cost reduction will have an impact on increasing net profit.

All sources unanimously confirmed that effective cost management is a key pillar for the profitability of Gondo Medika Sehat Main Clinic.

This study identified that the relationship between the owner (principal) and manager (agent) at Gondo Medika Sehat Main Clinic in cost decision-making generally runs well, characterized by effective communication and solid coordination. Managers are given significant authority under their employment contracts to run operations and contribute to increased profits, while the owner maintains a controlling and supervisory role.

"Very good, communication and coordination were smooth." (Agus)

Agus directly stated that the relationship was "Very good," with "Communication and coordination being seamless." This demonstrates a harmonious working environment where information flows freely. Ayun, Septiana, and Sukma provided a more detailed explanation of the structure of this relationship. They stated that "The owner grants decision-making authority to the manager in accordance with the employment contract." The manager, as agent, "is responsible for running the company as well as possible to carry out operational activities and increase company profits." Meanwhile, "the principal exercises control over the manager's performance to ensure the company's operations are well-managed." This illustrates a clear delegation model, where the owner entrusts operations to the manager, but still has a monitoring mechanism.

"Cost decision making is very good and coordinated." (Farhan)

"The communication was very good and took into account several aspects such as exchanging opinions and joint decision making." (Farhan)

Farhan reinforced these findings by stating that "Cost decision-making was very good and coordinated," and "Communication was very good and took into account several aspects such as exchanging opinions and making decisions together." These statements highlight that decision-making is not just a one-way delegation, but rather a collaborative process involving discussion and mutual agreement.

Tyas adds another dimension by mentioning "the percentage of voting rights related to shares and options held by a company's managers and directors" in managerial cost decision-making. While perhaps more relevant for larger corporate structures, this indicates the presence of ownership or stock-based incentives in decision-making structures.

Pricing of services at Gondo Medika Sehat Main Clinic is not only based on profitability but also considers various external and internal factors, which is in line with the principles of CVP. Pricing of services takes into account various factors, including operational costs, purchasing power, competition, and service quality.

"Consider the quality of service, calculate the clinic's operational costs, and look at competitors' prices." (Farhan)

"Considering operational costs, competition, and the value provided to patients." (Tyas)

Farhan explained that pricing for services takes into account "service quality, calculating the clinic's operational costs, and looking at competitors' prices." This suggests that clinics strive to find a balance between internal costs (to avoid losses), the quality of service offered (to attract patients), and market position (to remain competitive).

4. Conclusion

This study analyzes clinic cost management in increasing profitability at Gondo Medika Sehat Main Clinic using Agency Theory and CVP Analysis perspectives. Gondo Medika Sehat Main Clinic has great potential to grow in the healthcare sector. This clinic can become one of the leading healthcare providers in Pemalang by utilizing existing strengths and opportunities, as well as overcoming the weaknesses and threats faced. The right strategy in resource management, marketing, and service development will greatly determine the future success of this clinic. The internal strengths and weaknesses of Gondo Medika Sehat Main Clinic directly shape the cost structure and revenue potential, which are key variables in CVP Analysis. The challenges faced by the clinic, especially as a new entity with high initial costs, emphasize the importance of effective cost management to achieve profitability. The dynamics between owners and managers, which is the focus of Agency Theory, willis highly relevant in addressing opportunities and threats. Managerial decisions regarding facility investments, service pricing, marketing strategies to increase volume, and responses to competition or regulation are all influenced by how the interests of the principal and agent are aligned. Conflicting interests can hinder cost optimization and profitability, while appropriate incentives can encourage managers to make decisions that support the clinic's long-term goals. Based on the results of in-depth interviews and qualitative data analysis supported by thematic visualizations, the following conclusions address each research formulation and hypothesis.

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