

GlobalHealth Lab
**class 8 Health
commodities and
their distribution**
Spring 2013

Anjali Sastry
and colleagues

Plan for today

- Quick live survey
 - Host status: Your one-word description of how things stand
 - Equipment check-in today with DH: BRAC, CIDRZ, Gradian, GS Memorial, LifeSpring, Shining Hope, Unjani, Western Cape
- Review last week's sessions
 - Takeaways from discussion
- Case analysis
 - What are the goals?
 - How does LG accomplish them?
 - Your assessment?
 - Lessons, links to our projects
- Coming up
 - Mentor meetings this week
 - Finalizing interim studies, annotated bibliographies
 - Packing list, photo and video notes

How do things stand with your host, IN ONE WORD?

1. BRAC
2. Unjani
3. Riders
4. Daktari
5. Lifespring
6. Western Cape
7. LVPEI
8. CIDRZ
9. Himalayan HealthCare
10. GS Memorial
11. Gadian
12. Shining Hope

Living Goods: Measures

Living Goods tracks the performance by month and updates stakeholders quarterly updates on :

- Pregnancies supported per agent per month
- % of deliveries in a facility with a skilled attendant
- % of newborns visited in the first 48 hours by an agent
- # of under-5 malaria treatments per agent
- # of under-5 diarrhea treatments per agent
- % of malaria and diarrhea treatments followed up
- % of high-impact items in stock
- Sales per agent
- Sales per branch
- Branch profitability

Sustainability strategy

- Leveraging existing resources, assets, and partnerships wherever possible;
- Creating buying power at the retail level and building significant scale economies;
- Bypassing middlemen in the existing distribution chain;
- Maintaining rigorous cost discipline;
- Focusing obsessively on the productivity and livelihoods of sales agents

Map of Living Goods locations removed due to copyright restrictions.
Source: Living Goods. "[Where We Work.](#)"

Living Goods



TEAM MEMBERS:

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JENNY HU

KEVIN KUNG

AWILDA MENDEZ

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Agenda



- Vision
- Context
- Business Model
- Tradeoffs
- Leadership Initiatives

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Vision



The Entrepreneurial Solution for Defeating the Diseases of Poverty

- Reinvent village healthcare and micro retailing in the developing world,
- Through networks of franchised micro entrepreneurs,
- Who bring high quality products to poor consumers at significantly lower cost.

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Vision

Context

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Context

- Nearly 20,000 people die every day in developing countries for want of basic medicines that cost less than a cup of coffee.
- This list of diseases account for nearly 70% of childhood illness and death in Africa.

Target Diseases

Yearly Deaths

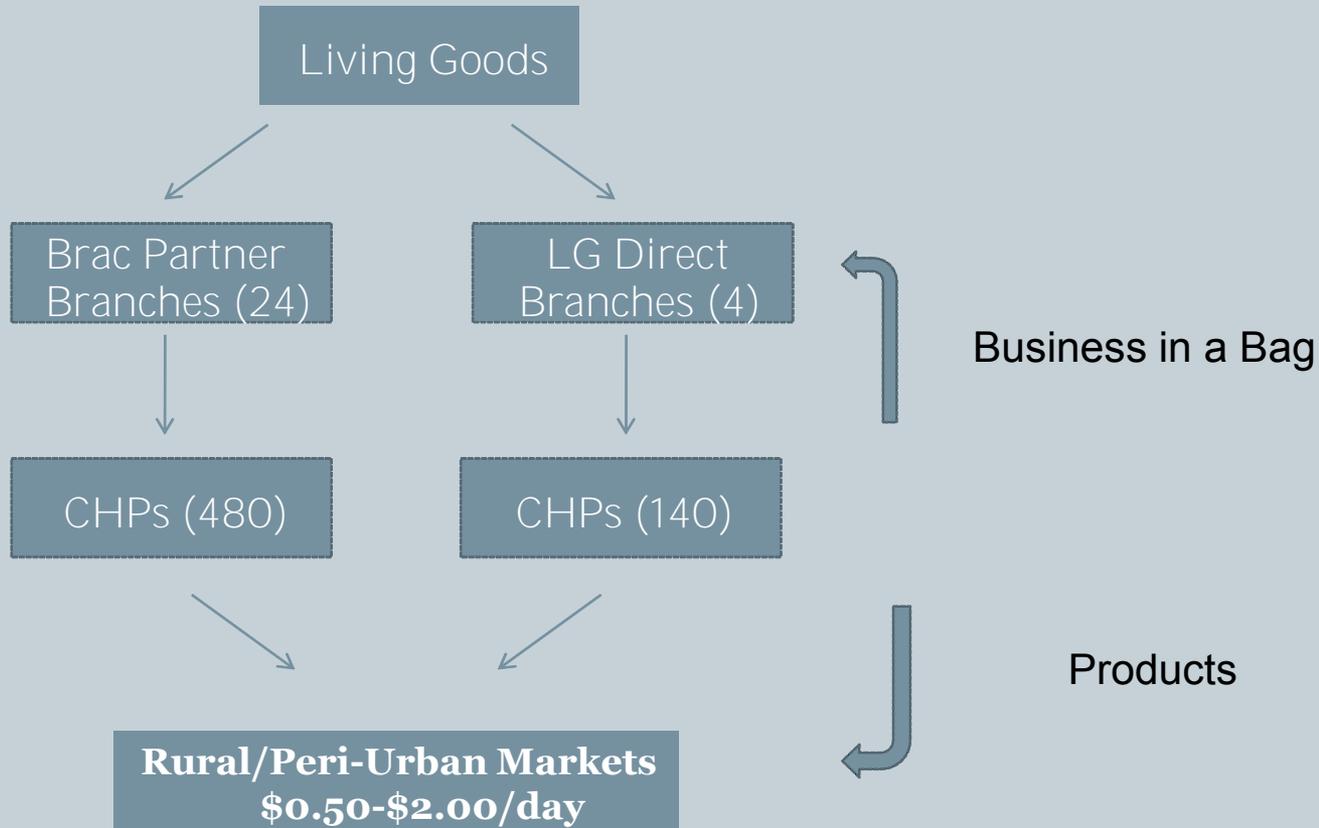
Malaria	1,300,000
Micro-nutrient Deficiency	2,000,000
Diarrhea Diseases	1,800,000
Respiratory Infections	3,900,000

TOTAL

9,000,000

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Avon Model Inspiration Design



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Vision

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The Living Goods Health Business in a Bag



Photograph of Living Goods kit removed due to copyright restrictions.

Vision

Context

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Product Offering

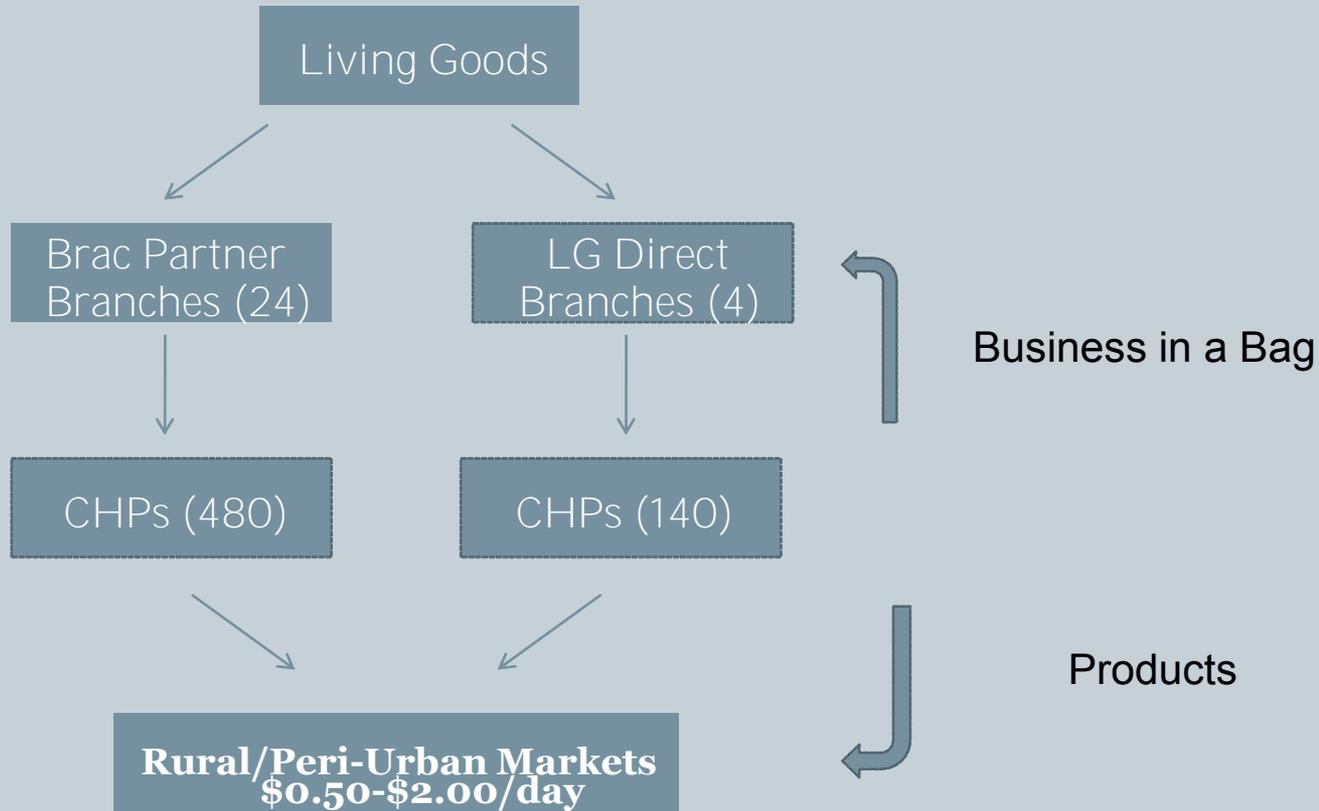


Living Goods Products



Courtesy of Molly Christiansen. Used with permission.

Avon Model Inspiration Design



Lean Supply Chain, Tight Information Loops, Cash Flow

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Vision

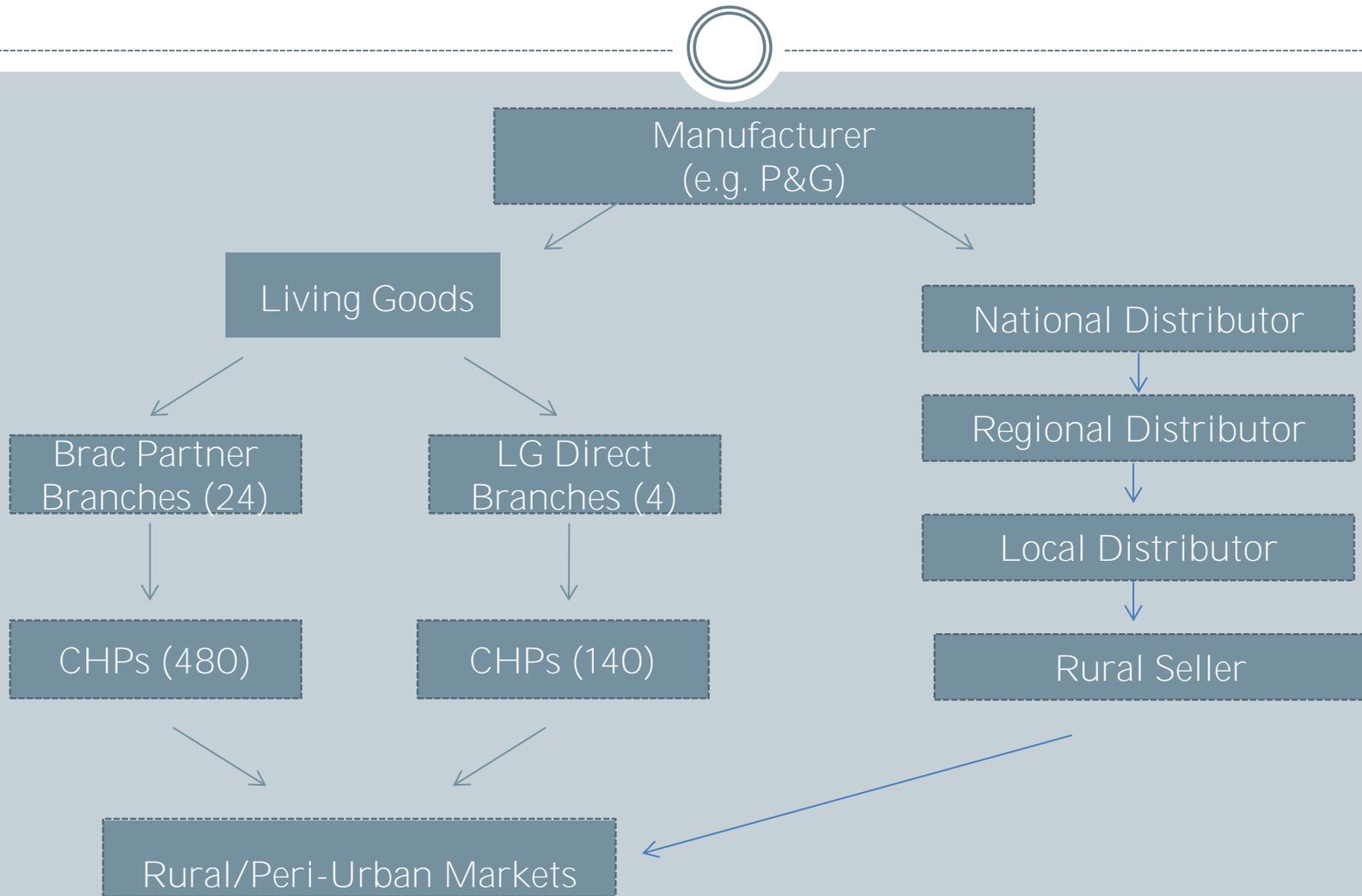
Context

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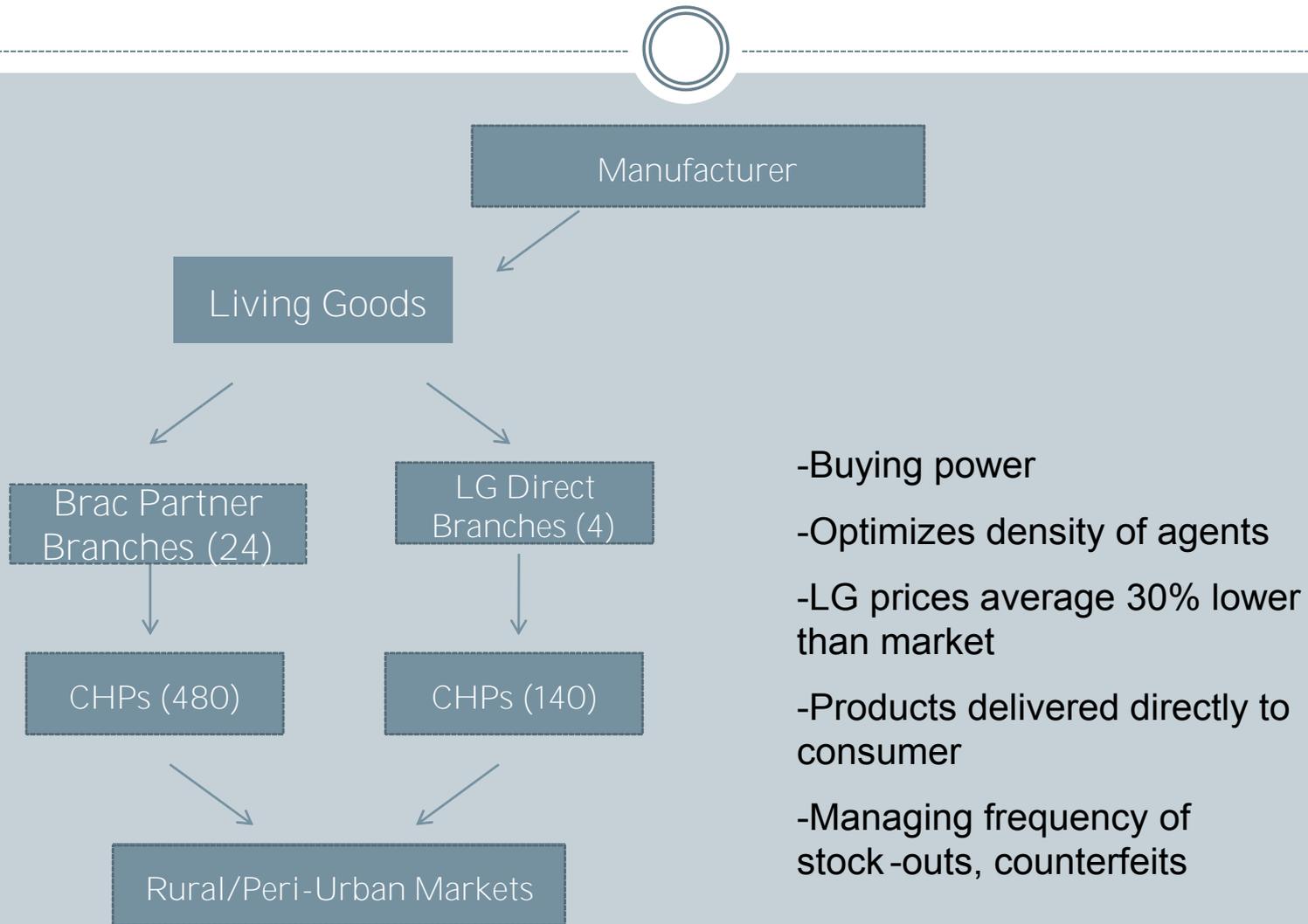
Leadership
Initiatives

Value Proposition Model



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Value Proposition Model



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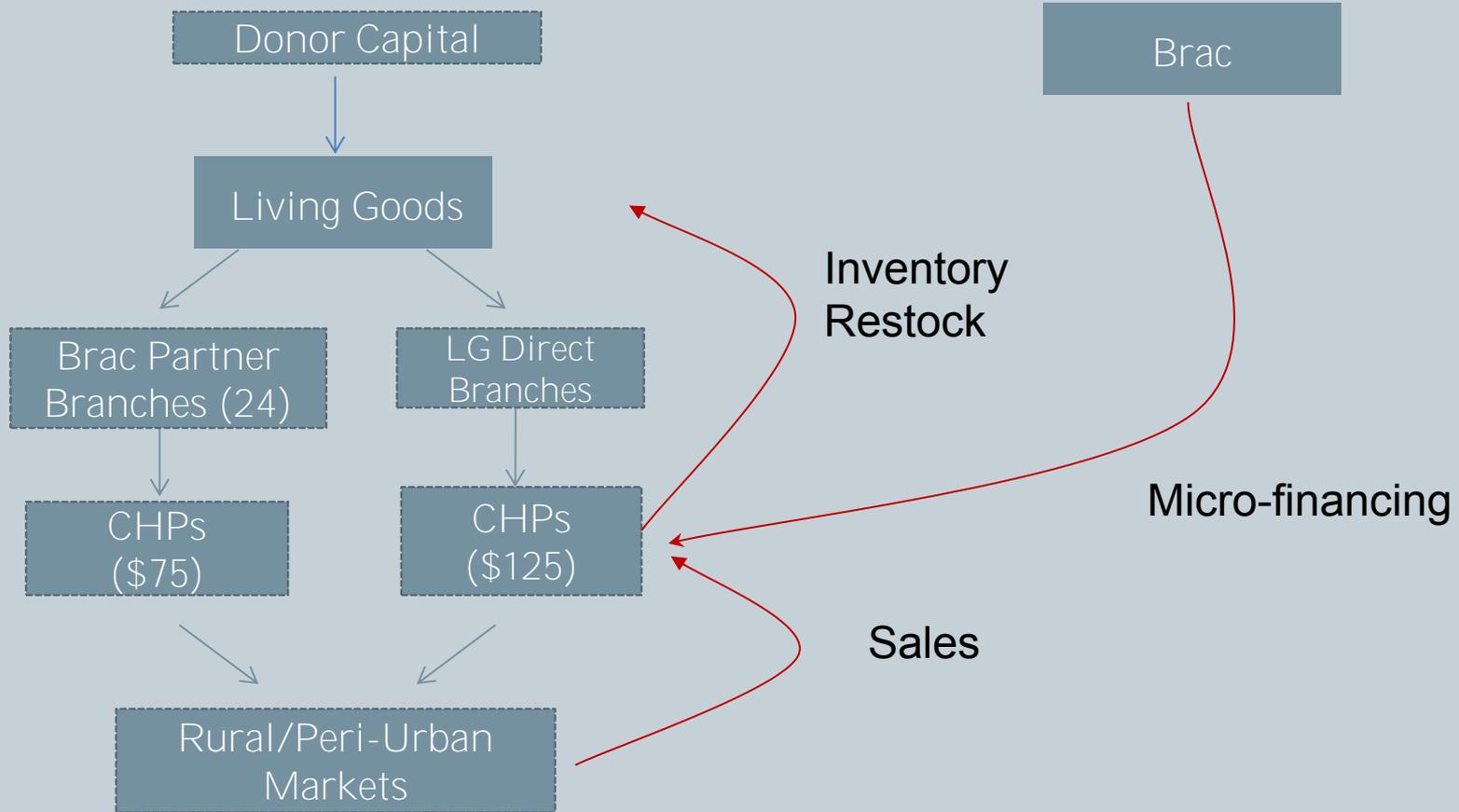
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Cash Flow Model



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Vision

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Business Model

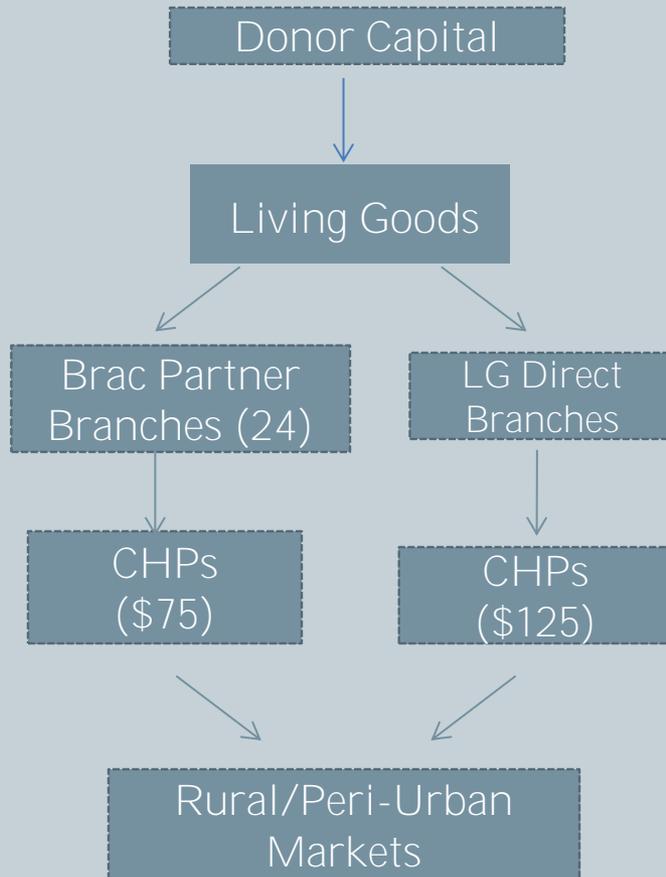
Tradeoff

Leadership Initiatives

Cash Flow Model



Simple Cash Flow Loop



-CHPs retain 20% of sales

-Average monthly income \$75/\$125

-Targeting sustainability within five years

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Vision

Context

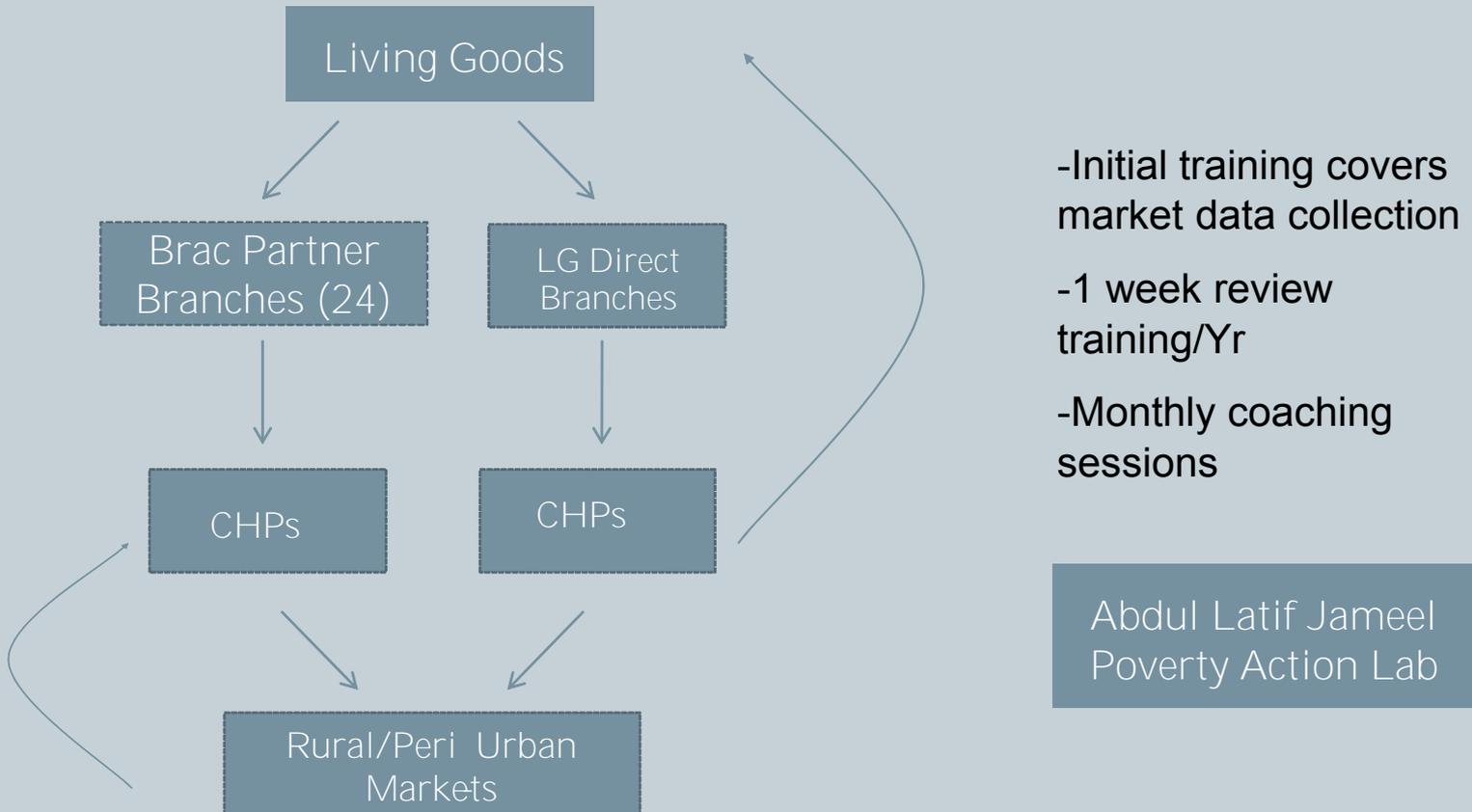
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Information Loop

Quantitative monitoring of information is part of the model



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Vision

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Tradeoff: Adaptability vs. Uniformity



Adaptability

- + tailor to local needs
- + capturing niche markets
- + sense of franchise ownership
- + resilient to price fluctuations
- + learning/improving/experimenting

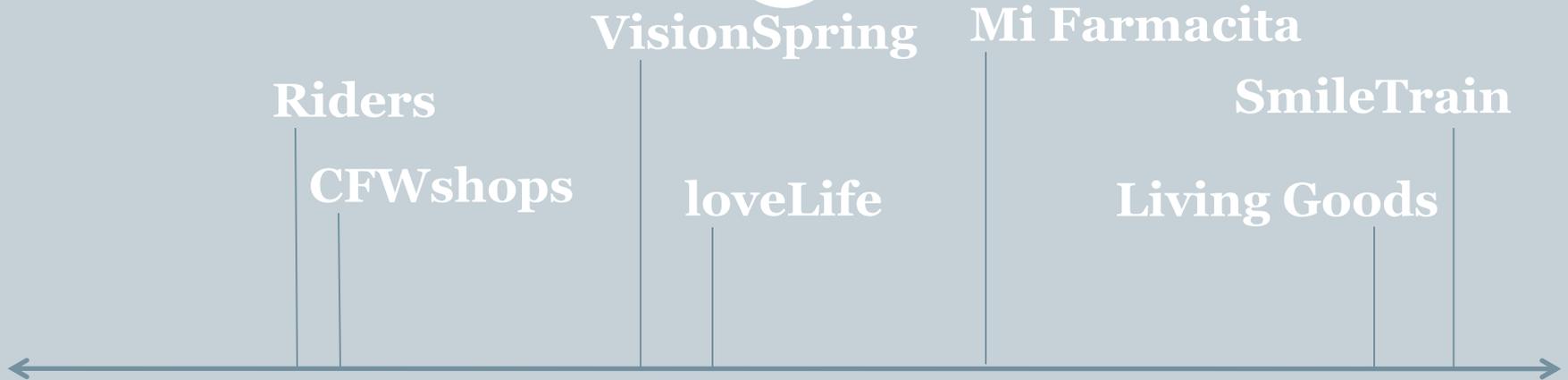
Uniformity

- product quality control +
- branding +
- bulk purchasing power +
- simplified/measurable standards +

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Tradeoff: Independence vs. Partnership



Independence

- + operations management
- + identity
- + quality control

Partnership

- using on existing infrastructure (“lean”)
- + reduced overhead costs
- + distributed risk
- + potential to scale up

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Vision

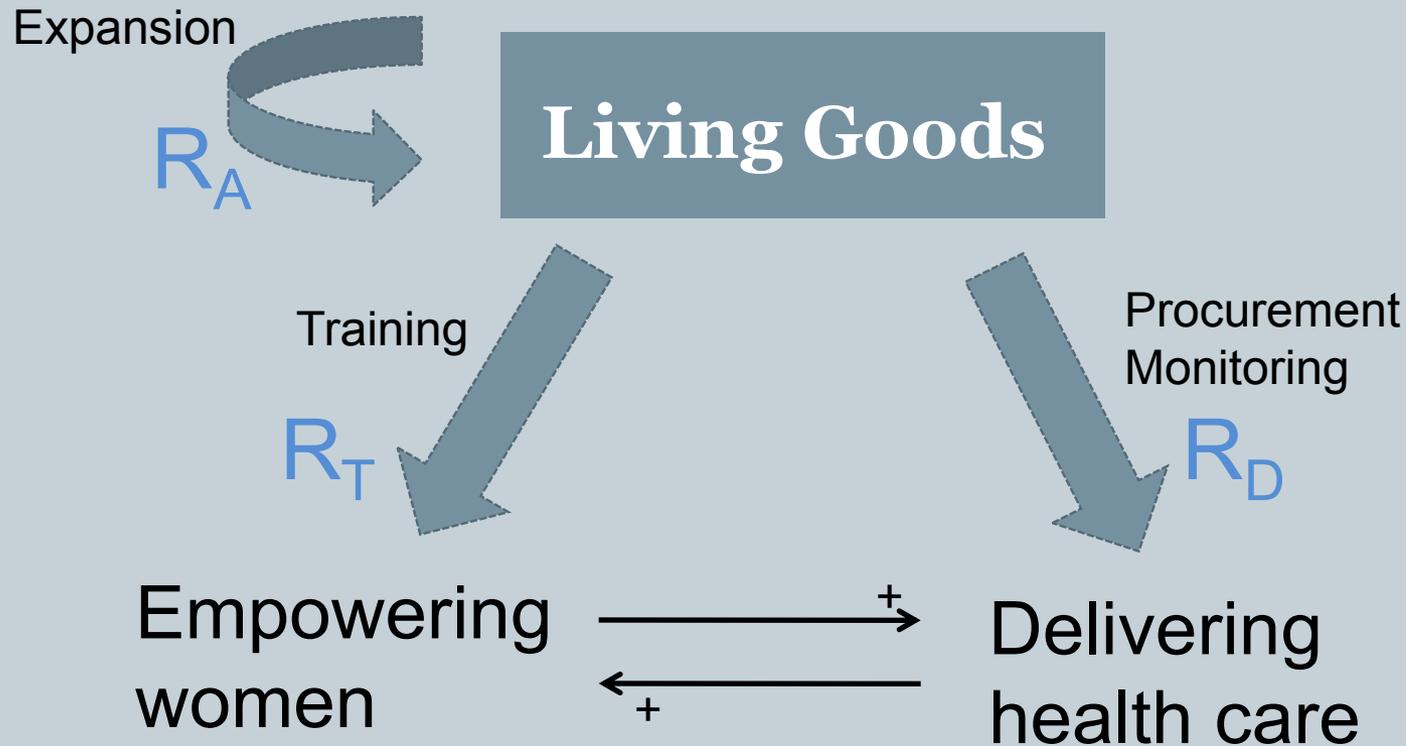
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Tradeoff: Prioritizing Goals



$$R_A + R_T + R_D = \text{Given resources (constrained)}$$

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Leadership Initiatives



- **Monitoring/Regulation.** As we scale, Living Goods will have to find more efficient methods.
- **Tracking Impact.** Continued and broader assessment of health and business outcomes.
- **Refining Core Competencies.** What parts of the model do we want to own? What do we want to outsource to partners?

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Vision

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**Leadership
Initiatives**

Living Goods & Avon: Business Model & Social Responsibility Shared Goals

Living Goods

- A proven business-in-a-box system heavily supported with training, marketing and coaching
- Low start up costs of just \$100-\$250 supported with simple low-cost financing, and
- Flexible hours and lifestyle: Sellers can work on their own schedule and in their own communities.

Avon

- **“Independent earnings opportunity for women”**
- **“Social purpose for women”**
- **“Largest economic engine in the world is the emerging market of women”**
- **“Women’s earnings are used to support families, access health care and education and improves personal security**
- **“Women’s earnings are used to build and spur social progress”**

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Appendix



Comparative text on BRAC-Living Goods and its wholly owned and operated network removed due to copyright restrictions.

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Spring 2013

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