

Annotated Bibliography

Franchising

Ambegaokar Maia and Louisiana Lush. "Family Planning and Sexual Health Organizations: Management Lessons for health System Reform." *Health Policy and Planning* 2004 Oct; 19 Suppl 1:i22-i30. Print.

Advocates of health system reform think decentralized, market sensitive, independent drug dispersion methods are more effective than traditional treatment models. They point to franchise model successes as demonstrated by the family planning sexual health (FP&SH) sector as case studies of the new model possibilities. This paper explores three types of services models and evaluates their significance, effectiveness, and the best methods for use or implementation. The model exploration includes lessons learned from providing incentives, provider and center autonomy, and the integration of marketing methods traditionally seen in private industry. While the lessons are based on information collected from the FP and SH field, many of the models, methods and obstacles family planning organizations face are relevant to general health providers. These include building a customer base and designing the most effective franchise model, as well as what services will be most profitable/ needed by the community served and how best to go about that.

Serge, Joel and Julia Tran. *What Works: CareShop Ghana. Improving Access to Basic Drugs through Conversion Franchising*. World Resources Institute.

Although the CareShop franchise model has yet to turn a profit, it provides innovative solutions for working in a crowded healthcare market. In Ghana 65 percent of healthcare services are provided by the private sector, with a large part

provided by Licensed Chemical Sellers, or pharmaceutical providers. Although prevalent, the quality of care LCSs provide is variable. LCSs can be a public health concern, as they are often not regulated in a way that forces compliance, which results in the dispensing of counterfeit, substandard medicines.

With the support of the Ghana Social Marketing Foundation as its founding organization, Careshop operates as a conversion franchise. This model appropriates current Licensed Chemical Sellers into the Careshop network. The franchisees are offered help with business operations, and access to a high quality consistent pharmaceutical product. Careshop appropriates LCSs, then serves as exclusive supplier of products. The LCSs are “contractually bound by clearly defined, strict regulations on diagnosis, quality, and pricing of a specific list of drugs.” The Foundation buys drugs at a volume discount and sells the products to the franchisees at wholesale price, making enough revenue, in principle, to fund the shops and turn a profit.

Volumizing

Dawar, Niraj and Amitava Chattopadhyay. “Rethinking Marketing Programs for Emerging Markets.” *Long Range Planning* 35 (2002) 457–474. Print.

Marketing strategy and methodology is key for effectively capturing market share, creating product penetration and demand. However in emerging markets, marketing methodologies are often not targeted, resulting in companies serving the “affluent few” as opposed to gaining share. Given that emerging markets have a plethora of specific characteristics that offer great potential for marketing strategy and profit, the authors examine marketing cases from around the world to identify solid practices and how to incorporate them into relevant marketing plans. Included recommendations are purchasing power pricing, building a multilayered

distribution system, harnessing channel power and selling product to both users and non-users. For products that consumers are not familiar with, the products need to be aligned with broader customer needs.

Leatherman, Sheila, Marcia Metcalfe, Kimberley Geissler and Christopher Dunford. "Integrating Microfinance and Health Strategies: Examining the Evidence to Inform Policy and Practice." *Health Policy and Planning* 2012 Feb; 27:85-101. Print.

Making a case for the involvement of microfinance organizations in health delivery systems, the authors points to the extended networks, penetration capabilities and ability to serve the remote poor as indicators of the potential importance microfinance institutions could have in the health delivery industry. Equally important the author points to the clients' needs for both financial support and health education as a reason why models of "independent" or -single service models are not optimal in the battle against poverty or illness. Recently, some microfinance organizations have begun integrating health education and basic clinic care into the services they offer as well as health financing and connections to health providers. While there is not much research on the intersection of these two disciplines, some data points to collaboration as a way of decreasing the number of barriers the poor experience when soliciting help and increasing frequency of access.

Gupta, V.; Perepu, I. *Living Goods- Developing a Sustainable Business Model to Provide Healthcare Services in Uganda*. ICMR Center for Management Research. 2010.

This case study explores the Living Goods model of care delivery in Uganda. Based on the Avon model prevalent in the USA, Living Goods developed a trusted network of women healthcare workers to disseminate medical and home goods to in-need community members. Living Goods facilitated much of their growth and

development through the BRAC network. LG partnered with BRAC, and used their extended network on the ground in Uganda to screen community health providers. Workers received micro loans from BRAC to purchase the medicines and supplies necessary to be community health workers. Lastly, BRAC locations served as storage and replenishment sites for LG, helping to decrease the overall costs of health care delivery. Through diversified product delivery, LG has cross-subsidized its healthcare work. Community health providers sold household goods, such as soap and lanterns, to create higher profits and better margins for the workers. While it is still unclear if the model is self-sufficient or can be, the case provides information on methodologies used to keep costs down, grow a client base, and empower female employees through income potential and social value.

Pricing

Bertini, Marco and John T. Gourville. "Pricing to Create Shared Value: Rethinking the Way Prices are Set Can Expand the Pie for Everyone." Harvard Business Review 2012 June: 1-10. Online.

The authors argue that current pricing models are broken. Pointing to companies such as Netflix and Marks& Spencer, who both lost significant market share after changing their pricing models as cautionary tales, the authors recommend that companies look at pricing not as an exercise in maximizing profits but in creating relationships. It is an exercise in creating opportunities by pricing with a shared-value approach in mind based on consumer needs, and priorities as well as fairness. Pricing is not a transaction but a way for companies to create new opportunities to add value to their products and services as ways of increasing revenue. Amazon Prime—a membership club for shoppers, which provides free shipping in exchange for an \$80 fee -- is used as an example of value pricing and proactivity, Prime provides an additional service for a customer pain point, but through providing that service it also encourages customers to do a larger portion of their shopping

through the site essentially changing buying behaviors and increasing the importance and relevance of Amazon in its consumer's lives. This model of pricing requires transparency, flexibility and fairness. Ikea, and JC Penny are also examined.

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