Key Global Lessons on Social Franchising

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Plenary 1: Social franchising and social marketing with regard to reproductive health

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Introduction (1/2)

- Social franchises - and more broadly ‘networks’ of health service providers - are an increasingly popular approach that can potentially expand the scale and sustainability of health services
- Goals: social franchising of health services
  - Increasing health impact
  - Improving quality by assuring adherence to clinical standards
  - Reducing out-of-pocket expenditures
  - Supporting health market expansion with limited investments
  - Enhancing cost effectiveness
  - Strengthening client satisfaction

Introduction (2/2)

Measuring and proving impact

Though evidence is increasing, it does not yet demonstrate the effect of social franchising on access and quality of health services in low and middle income countries*

Objective of the presentation

Share key lessons from experiences to strengthen on-going and future social franchising efforts for the provision of health services

Source: The effect of social franchising on access and quality of health services in low and middle-income countries (Review) Copyright 2009 The Cochrane Collaboration Published by John Wiley & Sons Ltd.

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Scale of social franchising globally (2012)

- Rapidly changing landscape
  - 74 clinical social franchising programs operational in 40 countries; up from 15 countries in 2003
- Franchises for family planning, maternal and child health, tuberculosis, sexually transmitted infections and HIV services
- Family planning most predominant service included
- In 2012 (approximately):
  - 75,000 health work force enrolled (60 programs)
  - 15 million client visits (39 programs)
  - 10 million Couple Years Protection (CYPs) from 32 countries

Source: Viswanathan, R. and Schatzkin, E. (2013). *Clinical Social Franchising Compendium: An Annual Survey of Findings from 2012. San Francisco:* The Global Health Group, Global Health Sciences, University of California, San Francisco.

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Key Lessons

Provide adequate time to build and scale up

Long-term commitment needed to develop a successful social franchising model:

- Thorough market analysis of supply and demand
- Close examination of policy and regulatory issues
- Development of a strong business plan
- Establishment of linkages with financial institutions
- Careful testing of the business model - franchise management, payment mechanisms and service delivery - prior to scaling-up

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Offer Broader Package of Services

- Provide diversified package of products and services
  - FP/RH services *alone* are often not sufficient to sustain the network
- Rationale:
  - Increases ability to exercise control over franchisee quality
  - More touch-points with clients optimizes marketing costs
  - Improves financial viability
  - Provides opportunity for cross-subsidization
- Many examples: Janani (India); PROFAMILIA (Nicaragua); Prosalud (Bolivia); Merrygold (India), Child and Family Welfare Shops/Healthstore (Kenya); Greenstar (Pakistan); Well Family Midwife Clinics (Phillipines)

Select right franchisees: achieving a double bottom-line

- Selection of franchisees critical to growth and sustaining the network
- Health professionals need extensive business training to operate franchises efficiently
  - Examples: TANGO project (Philippines), Greenstar (Pakistan)
- Key characteristics:
  - Alignment with the social mission (e.g. Sun Quality - Myanmar)
  - An entrepreneurial orientation, but not an obsessive business motive
  - Willingness to comply with quality standards and invest time in counselling clients
- RedPlan Salud (Peru): clear financial profitability goals and public health objectives

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Retention of franchisees in the network is critical

- Ability of the operating model to retain franchisees is critical to impact and sustainability
  - High investment required for setting up a new franchisee; impact and financial returns come after 2-3 years
  - Dissatisfied franchisees weaken brand image
- Franchisor strategies to add value beyond initial training is critical
  - Janani (India): Gradually diminishing number of franchisees

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Build strong quality assurance (QA) systems

- Identify cost-effective monitoring and supervision approaches that will benefit from scale
- Monitor quantifiable indicators
- Some promising alternative mechanisms:
  - Partnering with professional associations for QA: Biruh Tesfa network (Ethiopia)
  - Empowering consumers to respond signals high-quality service provision: Janani (India)
  - Scoring providers using “quality metric” based on quarterly medical audits (Merrygold)
  - Outsourced verification backchecks and recruitment of “stand-by” provider (Janani)

Invest in creating demand for social franchising services

- Effective information, education, communication and outreach services
  - Increases utilization by creating awareness of the brand, the franchisee clinics, and services offered (including costs)
  - Creates excitement among providers and enhances their image (e.g. Saadhan Network)
  - Helps to retain franchisees in the network

Plural Franchise Models Work

- Plural franchises: A mix of parent-owned and franchised outlets
- Benefits:
  - Increases a franchise's financial sustainability, generating consistent revenues
  - Model / benchmark clinics for franchisees to emulate
  - A training site for franchisees, an entry-point for testing new processes and technologies
- Examples
  - Greenstar (Pakistan), Janani (India)

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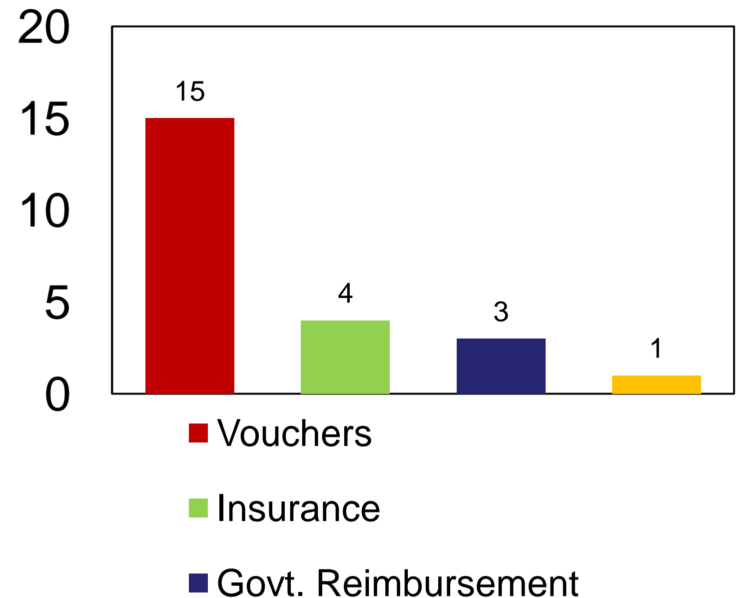
Consider appropriate demand-side financing options

- Vouchers are the most commonly used mechanism
- Use of demand-side mechanisms can help to expand network and cater to broader clientele
  - Total Health Trust (Nigeria) increased networked providers from 280 to 1,000 in 2005
  - Merrygold: linkages with RSBY and Sambhav Vouchers Scheme
  - Suraj (Pakistan): 32% service cost with vouchers; Red Segura (El Salvador) - 5% service cost with vouchers and 5% insurance*

No. of programs using demand-side financing (n=60 programs)



* **Source:** Viswanathan, R. and Schatzkin, E. (2013). *Clinical Social Franchising Compendium: An Annual Survey of Findings from 2012. San Francisco:* The Global Health Group, Global Health Sciences, University of California, San Francisco.

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Robust metrics needed: a work in progress

Goal	Metric
Health Impact	Disability-adjusted life years (DALYs) averted
Equity	Proportion of clients within the lowest two national wealth quintiles
Quality	Infection prevention compliance; supply and availability of key “tracer” commodities; ability to treat or refer clients with complications, and adherence to overall program protocols
Cost effectiveness	Cost per DALY averted
Health market expansion	Under development

Source: Viswanathan, R. and Schatzkin, E. (2013). *Clinical Social Franchising Compendium: An Annual Survey of Findings from 2012. San Francisco:* The Global Health Group, Global Health Sciences, University of California, San Francisco.

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Key take-aways (1/2)

- Conducive policy environment for private sector engagement is necessary
- Offering broader package of services improves cost recovery
- Several levels of providers help to diversify service mix and expand market
- Cost-effective monitoring and supervision approaches are important for viability
- Realistic, long-term business plan based on thorough market research improves chances of success

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Key take-aways (2/2)

- Scale-up must be based on tested and perfected model
- Double bottom-line of achieving health objectives and attaining financial viability is possible
- Creating a network is much easier than sustaining it
- Robust metrics needed to track impact

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Thank you