



CASE STUDY: KENYA

CHILD & FAMILY WELLNESS SHOPS: A MODEL OF SUSTAINABLE HEALTH CARE FOR THE MOST VULNERABLE

Summary

To prevent needless deaths and illnesses such as malaria and diarrhea by sustainably improving access to essential medicines, an American lawyer and a Kenyan pharmacist founded the HealthStore Foundation, a franchisor of for-profit child and family wellness (CFW) micro-drugstores and clinics located in underserved rural areas and urban slums in Kenya. The Foundation operates similarly to a typical franchisor, selecting franchise owners (nurses and community health workers), providing a common brand and logistics network, offering professional development and training and enforcing compliance with rules and regulations through regular monitoring. CFW shops and clinics provide access to much needed and affordable health care, while generating enough revenue to pay their nurse-owners and staff competitive annual salaries.



Positive Outcomes for the Poor

- CFW outlets fill a gap in the government healthcare delivery system by providing accessible, affordable, quality drugs and health treatments
- By collaborating with the Ministry of Health, the clinics organize outreach activities such as immunizations in previously underserved areas
- CFW outlets improve customer access to healthcare and health education through their outreach programs
- CFW outlets generate a sustainable and comfortable income for their owners and employees, while allowing them to serve their communities
- CFW outlets alleviate significant barriers to access such as distance, price, product quality, diagnostic quality and consistency of drug supplies

Positive Outcomes for the Business

- Through the franchises, owner-operators can earn higher salaries (\$1,000-\$1,280/ month) while providing valuable and affordable services.



Key Constraints

- *Physical infrastructure:* Lack of pharmacists/drugstores in rural Kenya.
- *Knowledge and skills:* Lack of adequate healthcare knowledge by local community.
- *Access to financial services:* Lack of access to financing for the start-up costs of a franchise in slum areas.

Key Strategies

- *Invest in removing constraints:* The HealthStore Foundation makes soft loans to franchisees, and charges 5 percent of the wholesale drug price as franchising fees.
- *Leverage the strengths of the poor:*
 - The Foundation franchises the CFW shops to nurses and community health workers from the local community. The Foundation provides a common brand and logistics network, offers professional development and training and enforces compliance with rules and regulations.
 - The Foundation organizes courses on topics such as palliative care, tuberculosis and HIV/AIDS care and malaria.



Strategy Matrix

		Strategies				
		Adapt Products and Processes	Invest in removing market constraints	Leverage the strengths of the poor	Combine resources and capabilities with others	Engage in policy dialogue with government
Constraints	HealthStore					
	Market information					
	Regulatory environment					
	Physical Infrastructure					
	Knowledge and skills					
	Access to financial services					

Sustainability & Replicability

The HealthStore Foundation's hybrid (NGO and private micro-enterprise) franchise model holds great potential for scalability within Kenya and replication in other countries in Africa and the developing world. Within Kenya, once the systems for servicing the current franchisees are running smoothly, the Foundation has drawn up plans to scale up its network to over 250 locations serving 1.5 million patients per year within a few years time, with subsequent expansion to 400 shops. The HealthStore Foundation has also had requests to replicate its model in Ghana and India to work with experienced local business leaders to develop their own national independently branded health franchise networks.