A conversation with Lisa McCandless and Molly Christiansen, July 7, 2016

Participants

- Lisa McCandless – Director of Business Development, Living Goods
- Molly Christiansen – Director of Impact and Advocacy, Living Goods
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Note: These notes were compiled by GiveWell and give an overview of the major points made by Ms. McCandless and Ms. Christiansen.

Summary

GiveWell spoke with Ms. McCandless and Ms. Christiansen of Living Goods (LG) as part of its ongoing charity review process. Conversation topics included updates on LG's program scale up, monitoring methods, randomized controlled trials, budget, and room for more funding.

Program scale up

LG is working to identify the different growth and coverage levels it needs to achieve to become a national model in its countries of operation. Each country might require a different balance of breadth and depth; for example, in Kenya, an appropriate model might involve establishing either in-depth programming in fewer counties or lighter operations in more counties. Over the last year, LG has shifted towards favoring depth over breadth in its programming approach; for example, it might now prioritize deeper engagement in a few specific locations over supporting multiple partners running small-scale programs in multiple countries. It believes that this focus will help increase its impact on under-five mortality rates.

LG is also seeking to increase its integration and harmonization with country governments; this might require making additional strategic investments in its government relations work.

LG does not believe that these efforts will lead to any substantial changes in its current scale-up plan or budget. While it might hire additional personnel, this will not have a significant budgetary impact. The primary drivers of LG's budget are numbers of branches and Community Health Promoters (CHPs); it has not changed the expected numbers of CHPs over the next couple of years.

LG has begun preliminary discussions regarding the launch of a direct implementation model in a new country, although this likely would not occur in the next few years. The model might be similar to LG's Uganda program, in which LG provides both direct program implementation in a specific geographical area as well as logistical support to an implementing partner. This type of model helps cultivate fidelity in its partnerships. Apart from these discussions, LG has no concrete plans to establish new country programs or partnerships.

Monitoring methods

Drug quality assurance checks

LG's product team has implemented a new thin layer chromatography testing protocol for drug quality assurance checks. The tests are conducted in an accredited lab, and results are analyzed on a quarterly basis.

Verification of CHP-reported health metrics

All of LG's CHPs use a mobile app to collect and report health data to their respective branches. Branch management teams are developing analytics dashboards and data analysis protocols and are being trained to analyze data and follow up on quality flags.

LG has hired a quality manager to verify this data. To date, the manager has called a random sample of customers from approximately half of the branches, and has authenticated data for approximately 86% of cases that CHPs reported. Challenges with this system include incorrectly reported or recorded phone numbers. LG is considering piloting the use of an external firm, such as the Medical Concierge Group, to carry out this task later in the third quarter of 2016.

Sampling methodology

Previous iterations of LG's sampling methodology were CHP-based; at one point, verification calls were made to at least four clients per CHP. Given the volume of assessments done by CHPs, this approach can be time-consuming. As a result, LG will likely transition to a branch-based sampling methodology.

Branch manager field visits

There have been no significant changes to the checklists or methods used by LG branch managers during their field visits with CHPs. In the third quarter of 2016, managers are expected to transition from a paper-based checklist to a mobile version which LG feels will greatly help them aggregate and act on the data to drive quality and efficiency through its operations.

CHP recertification process

In November 2015, LG launched a CHP recertification testing process. The test includes case-based and knowledge questions on a variety of subjects, including pregnancy, newborn care, and nutrition. The test is currently paper-based, though LG would like to develop an electronic version. CHPs have three chances to pass. If they fail the first or second time, they receive additional training. If they fail a third time, they are replaced. Often, those who do not pass are older CHPs who were trained several years ago, or those with lower literacy levels.

86% of CHPs who were eligible to take the November 2015 test passed. CHPs who graduated in the first half of 2015 will take the test in July 2016, and those who graduated in the second half of 2015 will take it in November 2016.

BRAC CHPs also undergo repeat testing; LG and BRAC are considering aligning their recertification processes.

Android data collection platform

LG is currently rolling out an updated version of the Medic Mobile Android app to CHPs in its Uganda program. It will be rolled out in BRAC's Uganda program at the end of 2016. LG Kenya's program begins rolling out the updated version in Q4 2016.

Monitoring work in BRAC branches

Currently, LG faces some challenges in its verification of BRAC data reports. For example, BRAC still uses a paper-based system, and LG often must consult with BRAC to clarify confusing data points. In contrast to LG, BRAC's monitors focus on particular issues to monitor each quarter. They also complete an annual review of BRAC's program.

CHPs at three BRAC branches are piloting a customized version of the Medic Mobile app. Once this mobile monitoring system is in place, the data viewing, analysis, and verification processes will become easier and more accurate, and LG and BRAC will be able to conduct verification calls with BRAC clients and CHPs.

Randomized controlled trials

First randomized controlled trial

The researchers that conducted LG's first randomized controlled trial (RCT) are economists affiliated with Innovations for Poverty Action (IPA) and the Abdul Latif Jameel Poverty Action Lab (J-PAL). Their attempts to publish the study's results in top global health journals were unsuccessful; a factor in one journal's refusal was the absence of a local researcher on the team. They are now approaching top economics journals, and are also preparing a working paper that will be published online in Fall 2016.

Current randomized controlled trial

LG is collaborating with IPA on a new RCT funded by the Children's Investment Fund Foundation (CIFF). The primary research question is whether LG can continue to drive substantial reductions in under-five mortality and secondarily stunting rates in Uganda as it increases the scale of its operations. The three main methods of investigation are:

1. CHP surveys.
2. Household surveys focusing on under-five mortality and stunting rate outcomes. The previous RCT surveyed different samples of households at different stages. However, in this RCT the same 25 randomly selected households in each village will be surveyed at each stage.
3. Analysis of counterfeit drugs – The study will examine the quality and price of malaria and pneumonia medications and determine whether there is an externality effect.

Baseline data collection took place between January and June 2016, and involved 12,500 households in 500 treatment and control villages.

There will be one midline survey midway through, to generate preliminary mortality figures and assess the extent of household interaction with the CHP program.

Due to initial delays, endline data collection has been pushed to 2019 in order for the study to span three years of implementation.

Budget and room for more funding

2016 budget

LG's 2016 fundraising target is $12.2 million. 85% of that amount has either been received or committed to by funders. LG expects to receive at least $1 million of the additional $2 million in its 2016 fundraising pipeline.

4-year budget

There have been no significant changes to LG's 4-year budget. Its current fundraising pipeline takes into account in-progress conversations with funders, submitted funding applications, and funding, calculated with an expected return rate, that is renewed on a yearly basis. LG expects that while some funders will continue to renew their annual funding, those that prioritize organizations in earlier stages of development may not. Based on discounted projections from this pipeline, LG expects to reach approximately 50% of its 4-year budget, which would leave a 50% gap. The gap increases significantly in the later years. For example, LG has only secured 30% of its funding needs for 2017 and 2018.

In order to help fill future funding gaps, LG has approached and begun discussions with the innovation branches of several institutional funders. As this type of fundraising requires a relatively long lead time, these efforts are taking longer.

Concerns about the availability of future funding are not currently affecting LG's activities. However, as its current scale up plan is contingent on raising the projected budget, a shortfall would require slowing down and adjusting its strategy.

Currently, sustaining and growing its CHP operations (recruiting, training, and supporting CHPs) represents the majority of LG's costs. It might also require unrestricted funding for other activities, such as innovating around reducing costs, piloting new products or services, or government relations, influence and advocacy activities.

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