

A Sustainable System for Defeating the Diseases of Poverty



Living Goods operates Avon-like networks of village-based mobile health entrepreneurs that combine the latest and best practices from the worlds of microfinance, franchising, and public health to create a truly sustainable system for defeating diseases of poverty.

Living Goods' Community Health Promoters (CHPs) reduce illness and death by delivering essential health education via home visits, and earning a modest income selling simple high-impact health products like mosquito nets, condoms and water treatment.

Living Goods is also a powerful engine of economic development, improving livelihoods by providing women a reliable source of income as Community Health Promoters, by keeping wage earners healthy and productive, and by saving poor families money on vital health products.

Low Cost – High Impact

Roughly 25,000 people die each day from a few diseases for want of health interventions that cost less than a cup of coffee. Living Goods focuses on this short list of deadly diseases: including malaria, diarrhoeal diseases, respiratory infections and worms. LG CHPs also provide basic family planning and reproductive health services with the twin aims of lowering fertility and reducing mortality for pregnant women and newborns.

The 'Avon' of Rural Health

Living Goods employs all the key characteristics of successful franchises: methodically screened agents, expert training, strict quality monitoring, uniform branding and product mix, effective promotions, low cost of goods achieved through scale, and stiff penalties for violating the rules (including expulsion). Avon employed this system to build an \$8 billion enterprise in over 100 countries through over five million agents. Avon's model succeeds in countries as diverse as the US and the Ukraine, Turkey and Thailand.

Diverse Product Mix Drives Sales and Sustainability

LG provides its agents a broad basket of items that help them increase sales and, thereby, bolster their financial sustainability so they remain effective in the long-run. This sustainable assortment is a key differentiator of the LG model. Living Goods emphasizes keeping families healthy through the promotion of water treatment, bed nets, and supplements, as well as treatments for malaria, diarrhea and worms. To drive greater sales LG CHPs also sell personal care products like soap, skin lotion and toothpaste. To maximize health impact LG's broad product mix enables it to cross subsidize essential health items with higher margin consumer products.



"A lot of programs give lip service to 'sustainability' - this is the real deal. Living Goods is one of few models with the potential for game-changing scale."

- Holly Wise, Former Secretariat Director of USAID's Global Development Alliance

Partners

- BRAC
- Poverty Action Lab
- Uganda Ministry of Health
- Procter & Gamble
- Freedom from Hunger
- PSI

Founder, Chuck Slaughter

- Yale BA and Masters in Public and Private Management
- Founded TravelSmith, a \$100 million retail business
- Pro Bono President of the HealthStore, a franchise network of health clinics in Kenya
- Affiliate of Golden Gate Capital
- Draper Richards Fellow

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LG's long term vision is to use its system to create a sustainable distribution platform for a wide range of vital products and services for the poor. Thus LG is starting to offer products in the areas of clean water, energy and agriculture. **Items like low cost solar lanterns, water filters and high efficiency cook stoves can help the poor save money, stay healthy and protect the environment.**

Leveraging Local Partners

Living Goods partners with local organizations to leverage their existing infrastructure for recruiting, financing and supporting Health Promoters. In 2007 LG initiated a joint venture to pilot its innovative model in Uganda with BRAC. BRAC is one of the world's largest microfinance organizations with over five million borrowers in Bangladesh and programs in Afghanistan, Sri Lanka, Tanzania and Sudan. BRAC initiated efforts to replicate its integrated development model in Uganda in 2006. In just two years in Uganda BRAC opened 85 branch offices in 20+ districts, and made loans to over 50,000 women.

BRAC Uganda recruits Health Promoters from its existing borrowers. The advantages of this are potent. These borrowers are pre-screened by local officials and BRAC. The BRAC village group also provides both a starting customer base for the HP as well as an imprimatur in the community. Field staff work out of existing BRAC branch offices to train, support and monitor the Health Promoters. LG also leverages BRAC's existing branch offices as supply depots.

Five Goals in Five Years

Living Goods aims to accomplish the following goals in the next five years:

- Improve access to and adoption of affordable health products in underserved communities by deploying 4,000 well-trained, well-stocked mobile Health Promoters serving a total population of three million. Target sustainable income per Health Promoter of US\$ 200-500 per year.
- Reduce mortality and morbidity rates, especially for children under 5 and their mothers by 15% - 30% proven through university quality randomized control studies.
- Save poor families money on health care and keep wage earners healthy and productive.
- Become self-sufficient on a run rate basis, demonstrating the model is commercially viable.
- Propagate the replication of the micro-franchising model by creating an advisory division to help social entrepreneurs, NGOs, companies, and governments duplicate the model in other countries.

Sustaining, Scaling and Replicating

Living Goods aims to become fully financially self sufficient in five to six years. To accomplish this, LG will leverage existing infrastructure and partnerships wherever possible, build significant scale economies, maintain tight cost discipline, and most important of all, focus on the productivity and livelihoods of its Health Promoters.

The Living Goods model is not a 'cure-all', but rather a 'cure most'. It can't reach every village at the very end of every road, nor can it address every medical need. But Living Goods holds the potential to prove out a new sustainable model for village based healthcare that can improve access to critical health products for millions of Africans, gainfully employ thousands of village based health workers, significantly reduce lost productivity, and save an untold number of lives. Building a scalable, replicable business model will be one measure of Living Goods success. The far greater success will be counted in the many diseases prevented, the many children saved, and the many healthy productive years families will enjoy by virtue of having affordable medicines within reach.