



**Saving Lives  
in Africa through  
Business Format  
Franchising**

# Crisis in the Developing World

- Approximately **30,000 children die each day**, 2/3 of them because they lack access to high quality medical care and essential drugs that often cost less than a cup of coffee.
- A short list of **preventable and treatable diseases** accounts for approximately 70% of childhood illness and death.



Photo courtesy of Scott Davis

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# Many Lack Access to Essential Drugs



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# Some Have Substandard Access



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# Many Live Too Far From Help



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# Some Have Drugs but Need Help to Use Them Properly



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# Whole Countries Have Large Amounts of Substandard Drugs that Don't Work

DAILY NATION  
Tuesday July 29, 2008

## HEALTH

# Alarm raised over illegal drug outlets

Seven out of ten  
chemists could  
be selling fake  
medicines: Board

By **ALPHONCE SHIUNDU**

Seven out of 10 drug outlets operating in the country could be selling fake drugs. This is according to the drugs regulator - The Pharmacy and Poisons Board.

Last May, Medical services minister, Prof Anyang' Nyong'o said that 16 per cent of anti-malaria drugs in the country were fake.

The government has warned pharmacists against selling counterfeit and substandard drugs to the public.

Mr Oguta said the board would publish the names of the errant premises to warn the public against buying from them.

### **Crackdown**

"The purpose of the crackdown is not to punish, but

# The HealthStore Foundation<sup>®</sup>

- The HealthStore Foundation is a Minnesota-based US501(c)(3) nonprofit corporation founded in 1997.
- **HealthStore's Mission:** To increase access to essential drugs, basic healthcare, and prevention services for children and families in the developing world.

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# HealthStore's Three Point Test

## 1. *Does it maintain standards?*

- What is standardized...
  - can consistently deliver the quality standards necessary to effective treatment
  - can be replicated

## 2. *Is it scalable?*

- What can be replicated can be scaled
- What can be scaled can deliver solutions to large populations



## 3. *Does it achieve economies of scale?*

- What can be scaled can achieve economies of scale

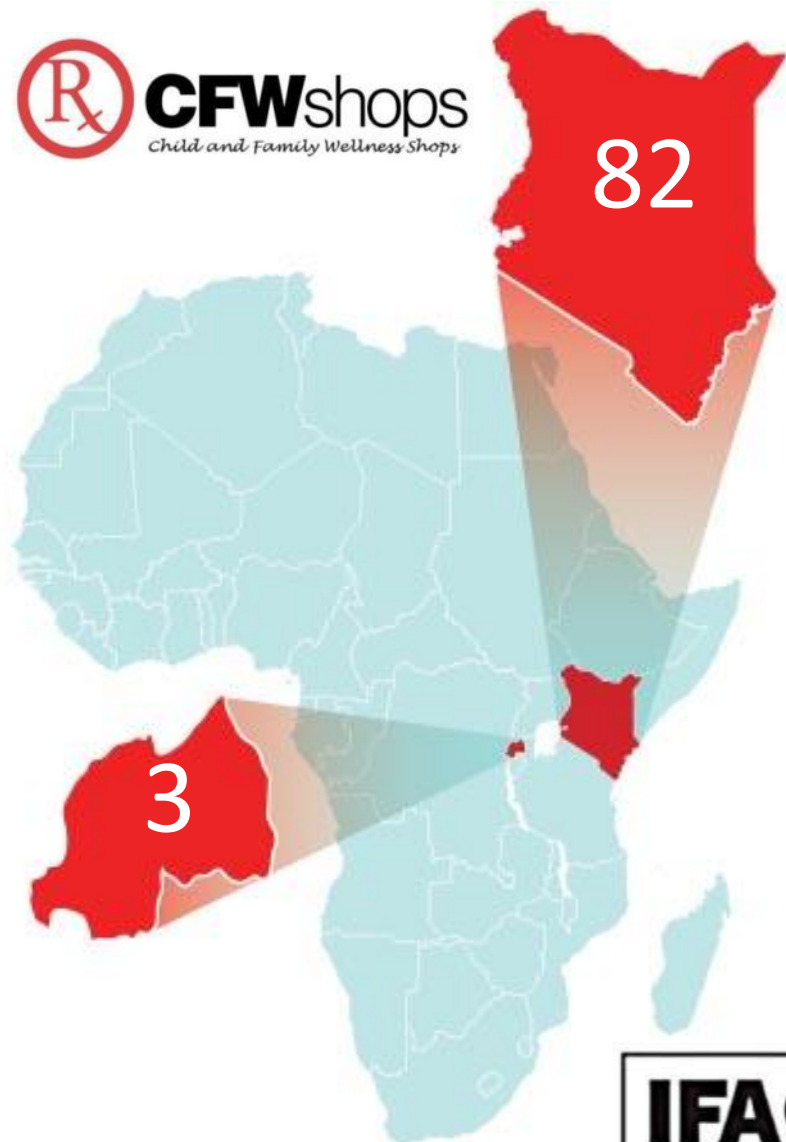
# Business Format Franchise Organizations Pass the Three Point Test

From ExxonMobil, to Marriott, to Dunkin' Donuts,  
franchise organizations

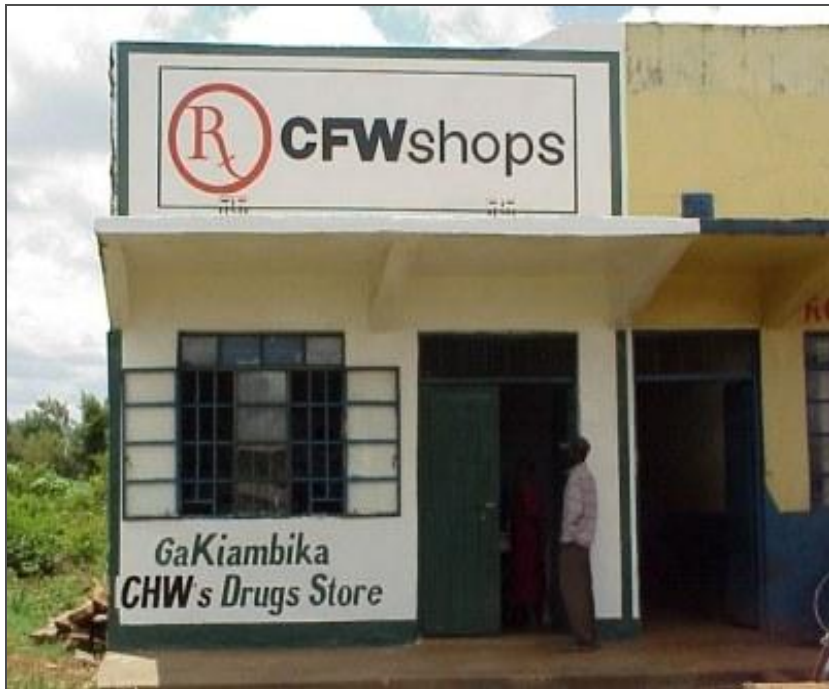
- **Standardize the business format and operations** to ensure consistent quality throughout their networks
- **Scale geometrically** to thousands of locations serving millions of people each year
- **Achieve economies of scale** so that the larger they grow the lower the cost to serve each person

# The CFW Franchise System

- In 2000, The HealthStore Foundation® launched the CFW network, a **branded business format franchise system** of clinics and drug shops
- CFW is a pioneering application of the same franchise model that has **proven successful** when applied in dozens of industries throughout the world
- The CFW network has grown to **82 clinics and drug shops** owned and operated by Kenyan nurses and health workers in rural Kenya plus **3 “company owned” clinics in Rwanda**



# The CFW Business Format and Operations



- A **standardized franchise system** with training and compliance programs
- **Assists franchisees** to perform consistently
- **Regulates** all important functions in the operation of a clinic (especially quality)
- The **CFW brand**
- Rented storefronts
- **Limited menus** of authorized services and products
- **Easily accessible** to patients and customers

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# Lifesaving Results



<b>Summary Statistics--Kenya</b>	<b>2009</b>
<b>Total Patients and Customers</b>	540,848
In Store	344,458
Outreach	196,390
<b>Prevalent Diseases Addressed</b>	
Malaria Treated	48,504
Respiratory Infections Treated	60,286
Worms and Deworming	38,157
Diarrheal Disease/Vomiting	11,144
Bednets Sold	4,893

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# Every Dollar Counts

**In 2009, for each \$2 donated, HealthStore's CFW network reached a man, a woman, or a child in Africa with high-quality basic healthcare.**

*Please consider a contribution towards this life-saving work.*

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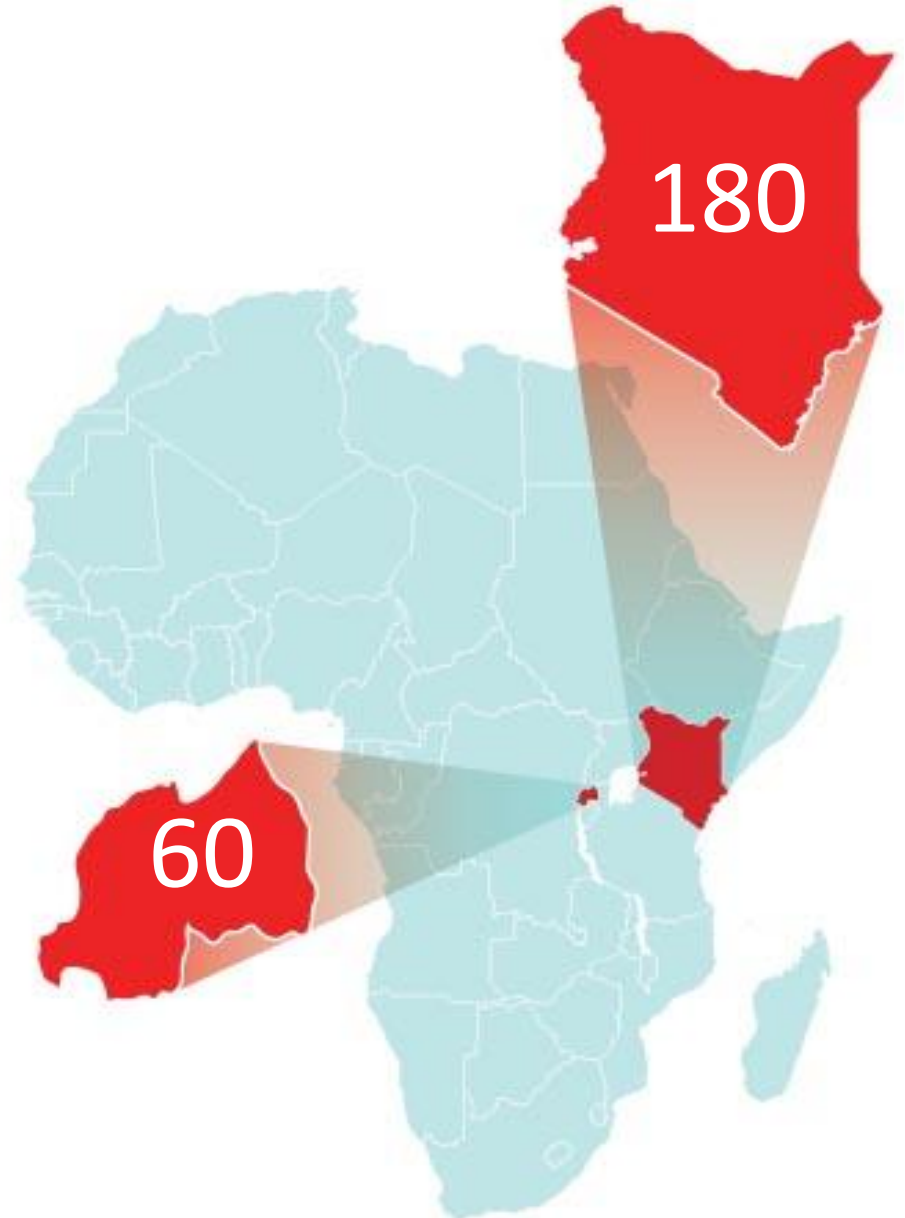
# International Vision

**VISION: Thousands of CFW clinics throughout sub-Saharan Africa serving hundreds of millions of patients and customers each year. Current portfolio of international opportunities:**

- **Kenya:** Continue growing our pioneering network in Kenya to reach more and more Kenyans (it's already reaching over 500,000 per year!).
- **Rwanda:** Recent funding commitment by GlaxoSmithKline to help grow CFW network in Rwanda from 3 to 60 clinics over three years.
- **Ghana:** World Cocoa Foundation has funded an assessment of the Ghanaian market; HealthStore intends to launch a CFW network in Ghana through a partner organization, pending large-scale funding.
- **Ethiopia:** HealthStore recently completed an assessment of the Ethiopian market, and is ready to begin work upon locating a suitable funding partner.
- **And beyond:** Our vision is pan-African.

# Expansion Plans 2013

- By 2013, Kenya is poised to have 180 locations
- With a recent major gift, Rwanda is expected to grow to 60 locations by 2013.



# Management

## World-class CEO

### Dr. Gunther Faber

brings 29 years of experience leading pharmaceutical distribution businesses in Africa. Until May 2008 was VP for Sub-Saharan Africa for GlaxoSmithKline; began leading The HealthStore Foundation® in July 2008.



# Board of Directors – Executive Committee

- **Board of Directors and Management Team with combined total of approx. 100 years of franchising experience and 100 years of developing world healthcare experience**
- **Jim Amos** – CEO, Tasti D-Lite, LLC; Chairman Emeritus, Mail Boxes, Etc.; Former Chairman, International Franchise Association
- **Dr. Denis Broun** – Director of Partnerships, UNAIDS
- **Gunther Faber** – CEO, HealthStore Foundation; Former VP for Africa, GlaxoSmithKline
- **Sid Feltenstein** – Founder & Former Chairman, Sagittarius Brands; Former Chairman, International Franchise Association

# Board of Directors – Executive Committee

- **Steve Greenbaum** – President & CEO of Post Net, a large franchise system from America with more than 200 locations in Southern Africa; Former Chairman, International Franchise Association
- **Scott Hillstrom** – Chairman, HealthStore Foundation; Managing Director, Premier Mounts
- **Eva Ombaka** – Co-Founder, HealthStore Foundation; Coordinator, Ecumenical Pharmaceutical Network
- **Michael Seid** – Managing Director and Founder, Michael H. Seid & Associates, world's leading franchise consulting firm whose clients include Exxon, 7-11, McDonalds and many of the world's top franchise companies

# Supporters

- Acumen Fund
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- Brainstorm Design
- Bridgeway Foundation
- Chiron Foundation
- David Weekley Family Foundation
- Eleos Foundation
- ExxonMobil Foundation
- Flora Family Foundation
- GlaxoSmithKline
- Goldsmith Foundation
- Global Fund
- Hot Dish Advertising
- International Finance Corporation
- Kaiser Permanente
- Mark Gordon Family Foundation
- Michael Seid & Associates
- Mulago Foundation
- Oswald Family Foundation
- Postnet
- Procter & Gamble
- Rockefeller Foundation
- Rotary International
- UNICEF
- USAID
- Virgin Unite

# Press

Emmy-Award-Winning PBS Documentary:  
<http://www.pbs.org/now/shows/321/index.html>



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*The HealthStore Foundation<sup>®</sup> is a US 501(c)(3) nonprofit corporation; all donations are tax-deductible.*

*To donate, send a check to the address above, or donate online by credit card at [www.healthstore.org/donate.html](http://www.healthstore.org/donate.html)*

# Thanks for Listening



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