



**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

www.healthstore.org

Many Lack Access to Essential Drugs



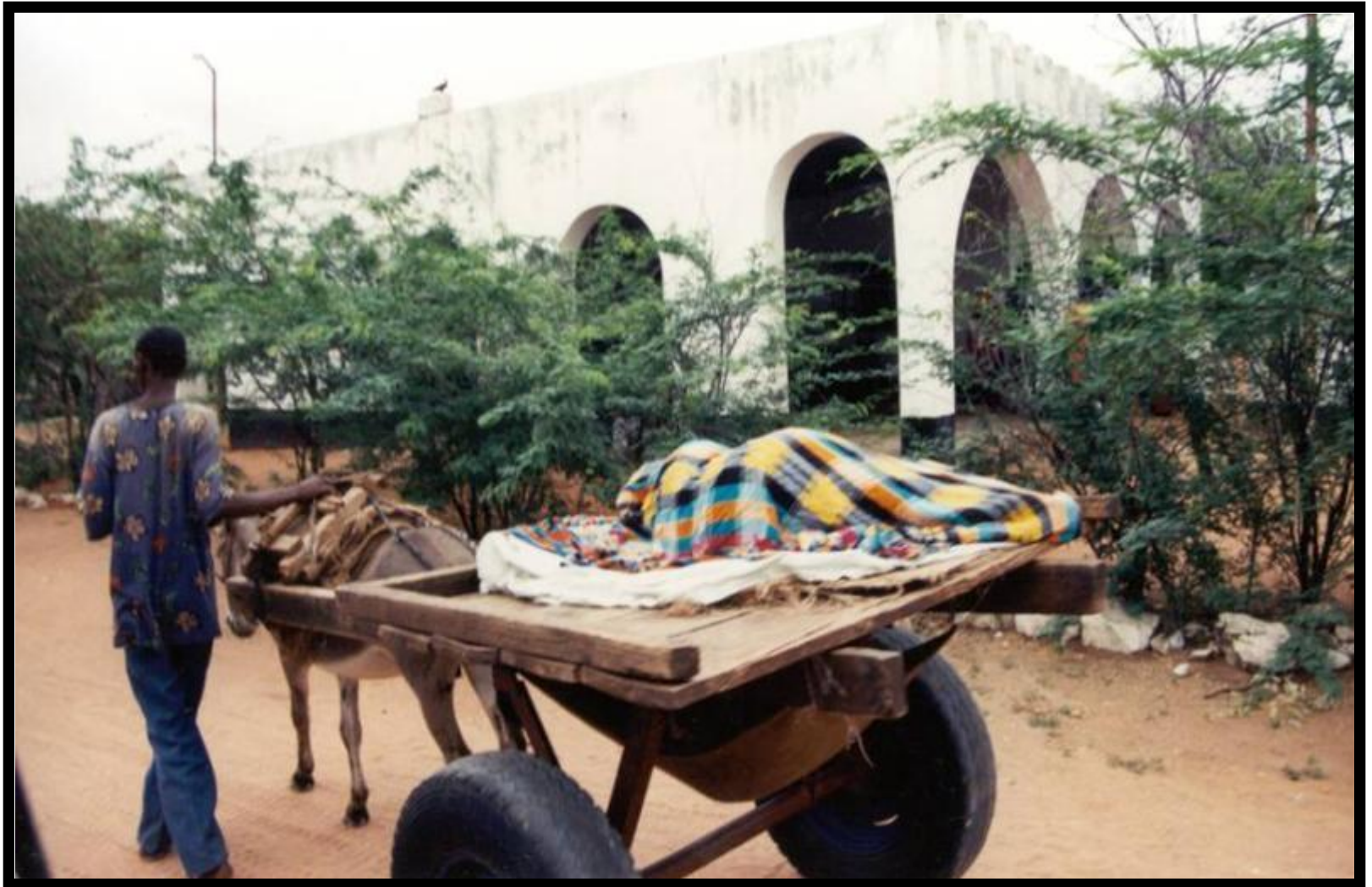
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Some Have Substandard Access



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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®

- 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 using business models that maintain standards, are geometrically scalable, and achieve economies of scale.

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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

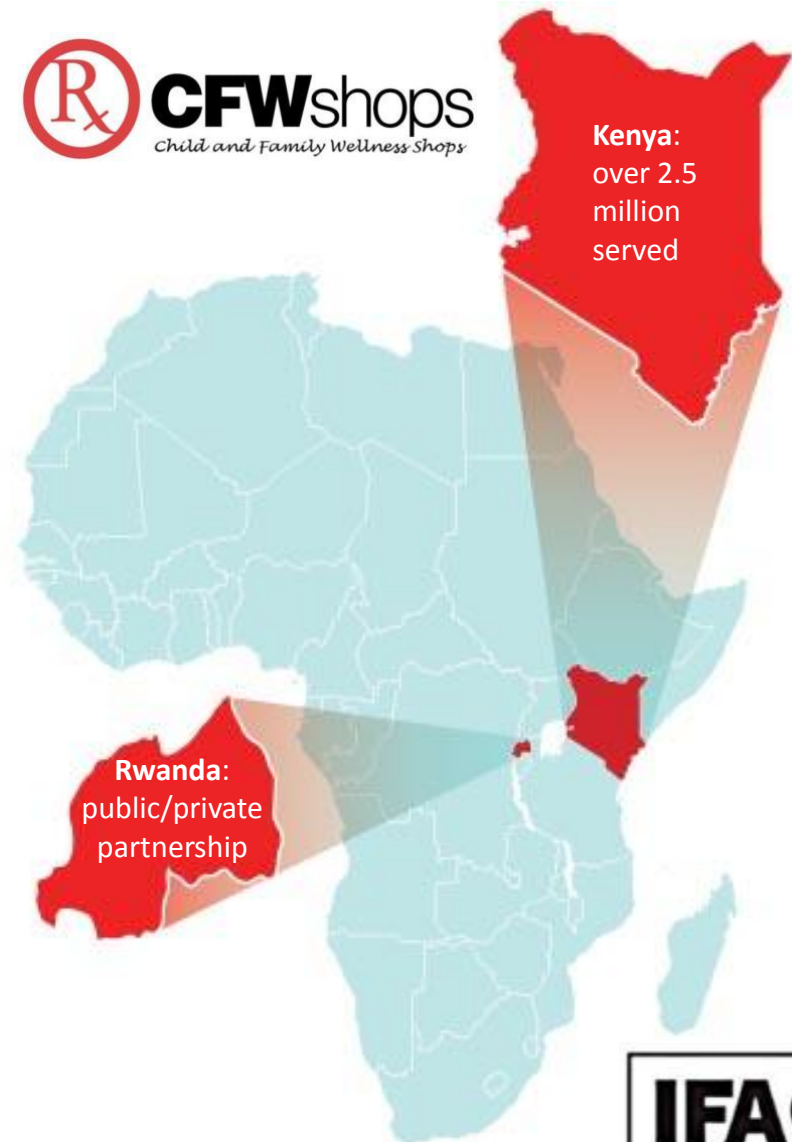
Business Format Franchise Organizations Pass the Three Point Test

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

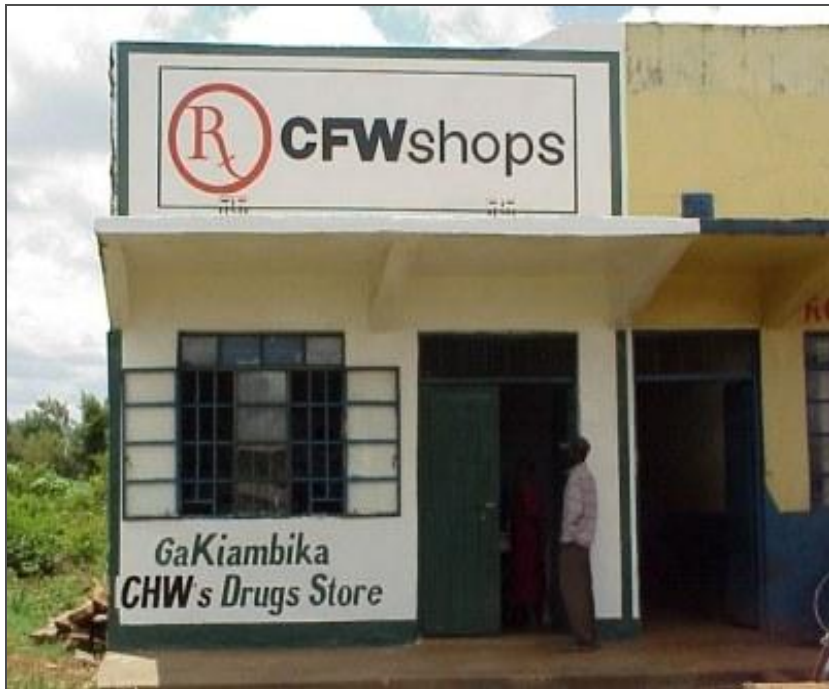
- **Standardize the business format and operations** to ensure consistent quality throughout their networks
- **Scale geometrically** to thousands of locations serving millions of people each year
- **Achieve economies of scale** so that the larger they grow the lower the cost to serve each person

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 **proved successful** when applied in dozens of industries throughout the world
- The CFW network has **served over 2.5 million people in Kenya** and is now beginning work in Rwanda in **partnership with the Rwandan Ministry of Health**



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



Summary Statistics--Kenya	2010
Total Patients and Customers	494,090
In Store	313,243
Outreach	180,847
Prevalent Diseases Addressed	
Malaria Treated	30,546
Respiratory Infections Treated	51,487
Worms and Deworming	32,980
Diarrheal Disease/Vomiting	8,749
Bednets Sold	11,169

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Board of Directors – Executive Committee

- **Board of Directors with combined total of over 100 years of franchising 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
- **Sid Feltenstein** – Founder & Former Chairman, Sagittarius Brands; Former Chairman, International Franchise Association
- **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, The HealthStore Foundation®; Managing Director, Premier Mounts
- **R. Eric McCarthy** – VP Commercial Execution Group, The Coca-Cola Company
- **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

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- 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[®] is a US 501(c)(3) nonprofit corporation; all donations are tax-deductible.

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Thanks for Listening



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