CARE 2 COMMUNITIES

Business Plan 2015-2020

Care 2 Communities (C2C) saves lives by bringing high-quality, financially sustainable primary health care to communities in the developing world.

Need for High-Quality, Affordable Primary Care

Haiti is the Western Hemisphere's poorest nation, suffering from a chronic cycle of economic, social, and governance crises. Despite decades of foreign aid intervention in health and other sectors, Haiti's infant and maternal mortality rates remain stubbornly high, life expectancy is the lowest in Latin America and the Caribbean, and only 45% of children are fully vaccinated. USAID's $100 million health infrastructure program in Haiti was audited in 2014, and the key finding was the lack of sustainable financing models for health institutions.

Health care quality, service offerings, and costs vary widely between regions and facilities. Most Haitians seek care from public sector clinics (Ministry of Health facilities) and/or private facilities operated by aid organizations and churches. Facilities are often centralized in urban areas, and service quality and reliability suffers as the system extends into less populated areas. As a result, patients often bypass local facilities in favor of already-overburdened central facilities. Further, health service pricing is inconsistent and driven by fluctuations in donor-sponsored aid packages. Families are unable to gauge value and make the most appropriate decisions for their limited resources because pricing, service mix, and quality are constantly shifting. This confusion and difficulty often mean that patients delay seeking care for treatable conditions until they become costly medical emergencies.

A primary health care approach is the most efficient, fair, and cost-effective way to organize a health system. It can prevent much of the disease burden, and it can also prevent people with minor complaints from flooding the emergency wards of hospitals. Decades of experience tell us that primary health care produces better outcomes, at lower costs, and with higher user satisfaction.

Let me stress this last point: higher user satisfaction. I personally find this one of the most striking findings in the report. Social expectations for health are rising all around the world. People want care that is fair as well as efficient and affordable.

Margaret Chan, Director-General, World Health Organization

Opportunity for C2C: The Power of a Social Business Model

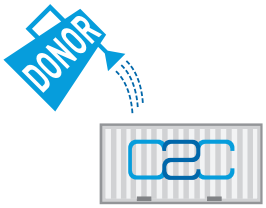
Pioneered by Nobel Laureate Mohammed Yunus, founder of the Grameen Bank and an early innovator of social business concepts, a social business model seeks to solve a social problem using business principles. Social businesses operate at the intersection of the nonprofit and private sectors; they empower populations in need, transforming them from beneficiaries of charity to independent consumers who have a choice and a stake in their own futures (Boston Consulting Group).

Donor dependent models are subject to the risks of the current philanthropic climate; Haiti's government system is chronically under-funded, and fees do not guarantee quality services. For these reasons, poor people in Haiti are spending their limited funds on sub-standard care. A social business model for health services has the potential to solve the biggest challenges facing Haiti's healthcare system today: the quality of services and long-term financial sustainability. Low prices for patients that still cover unit operating costs AND a focus on high-quality services is key.

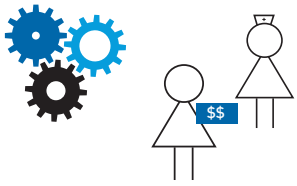
C2C's Social Impact Model - Our Difference

Haitian Clinicians and Haitian Supply Chains

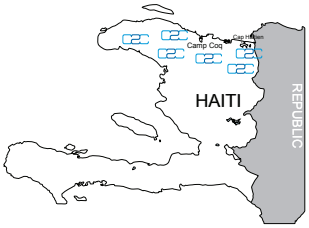
Primary Care Clinics Founded by Philanthropy



Operations Supported Over Time by Patients Through Affordable Fees



Allowing Us to Grow More Rapidly and Serve More Families



We combine four best practices into one innovative model to ensure the best care for communities.

Primary Care

C2C focuses on proven primary care interventions that address health problems before they progress into catastrophic and expensive health events, saving money for poor families in the long run. Research from the World Bank has shown that interventions at the primary care level are able to address 90 percent of community health care demands.

Financial Sustainability

It is a common misconception that people in poor communities either cannot or will not pay for health services. In fact, more than half the people in Africa and four-fifths in South Asia are estimated to seek care from fee-based providers. Poor consumers do not always seek out the lowest possible price for goods or services.

C2C achieves unit financial sustainability by charging modest fees to patients in exchange for a high-quality, comprehensive package of care, including consultation, diagnostics and medicine.

Philanthropic gifts fund the capital costs of clinic start-up. Over three to five years, patient volume grows, and low user fees that are at or below market rates begin to cover unit operating costs. This approach engenders a sense of value and quality within each patient and allows C2C to direct future philanthropic gifts to bring clinics to new communities. In addition, this model insulates C2C's clinics from inconsistent philanthropic funding, ensuring long-term sustainability.

> *Too often, marketers to Base of the Pyramid (BoP) consumers focus on price sensitivity rather than risk sensitivity. BoP consumers don't want cheap products, they want risk-free solutions. Consumers' cash flow at the BoP doesn't leave much margin for trial and error… many are willing to pay a price premium to reduce their perceived risk.*
>
> *Chris Murphy, Director of Marketing, Living Goods*

Community Partnership

C2C's model is founded on the principle of community partnership. It features extensive community-based market research, close collaboration with local leadership, and ongoing feedback loops between the clinic and the community. Local stakeholder groups are integrated into the market research phase of clinic implementation and a local Steering Committee is formed to guide the market preparation phase of implementation, as well as ongoing operations. The Steering Committee supports the long-term success of the clinic by providing three essential functions: transparency, community participation, and accountability. By engaging local stakeholders as partners, we foster a sense of shared responsibility for the clinic's long-term success.

Flexible Infrastructure

C2C's clinics are fabricated from converted shipping containers. Over five years, we have tested and streamlined container clinic deployment. We have proven that shipping containers are cost-effective, durable, standardizable, and comfortable for patients and care providers. Clinics are designed for low-resource environments, and include space for private consultations, a full laboratory, and a well-stocked pharmacy.

Operating Model

Operations & Services

C2C recruits, hires, and trains local clinicians. Each facility employs one physician, one nurse, one auxiliary nurse, and one lab technician; two or three Community Health Agents are assigned to each clinic to augment clinical services through community-based health education and demand-creation activities. Clinics are open five days a week, and function as "one-stop-shops" for patients – offering clinical consultation, laboratory and pharmacy on-site. C2C relies on local supply chains for pharmaceuticals and supplies and has developed relationships with preferred vendors to ensure commodities are always in stock.

Services include treatment for the most common causes of premature death and disability in the developing world. We strive to treat and prevent illness at the community level, but are also part of a broad continuum of care for patients who present with acute conditions. We refer them to the nearest tertiary hospital and work with them to provide follow-up care if necessary.

Marketing for Demand Creation and Health Education

Selling services to Base of the Pyramid (BoP) customers is challenging for many reasons: consumers are risk-averse; changing pre-established behaviors is hard; income is low and cash-flow is unreliable; and BoP customers may choose to delay care in an effort to save money.

These factors inform C2C's local marketing strategy: a combination of traditional marketing techniques to engender and communicate value to potential clients and robust health education and outreach to empower families to make healthy decisions. C2C's local brand identity focuses on compassion, quality, and reliability – all reported by our clients to be important in their health-seeking decisions. C2C's Community Health Agents carry out the majority of education and demand-creation activities through household visits and door-to-door marketing, hosting weekly prevention and screening events throughout the community, providing coupons to prospective and current clients, and conducting client satisfaction surveys.

Competitive Landscape

Market Overview

The market for health services in Haiti is largely lacking in quality, reliability and value. Facilities are operated by the Ministry of Health, NGOs and aid groups, missionary organizations, and private providers. C2C has conducted significant market research in the Northern Department, where we operate, to better understand the landscape of providers.

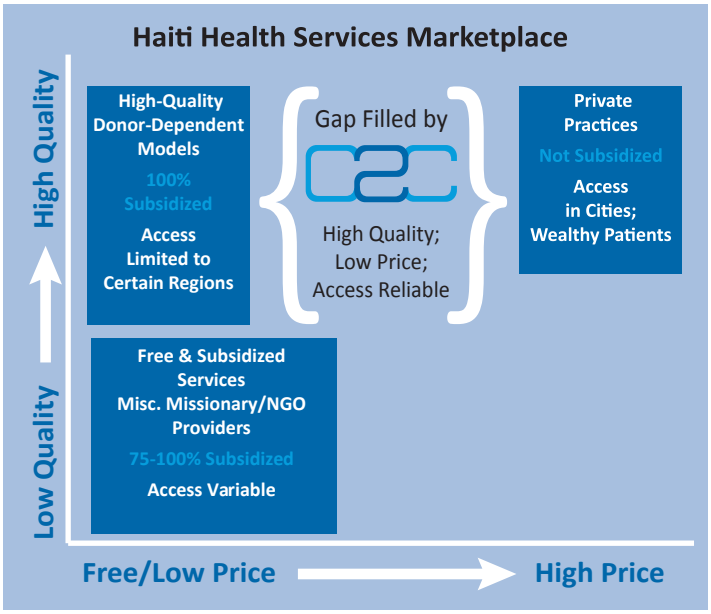
C2C's Direct Competitors	C2C's Indirect Competitors
NGO- and church-sponsored clinics • Free or subsidized pricing • Inconsistent quality • Budgets constrained by availability of donor resources • Treat patients as beneficiaries vs. clients **Government-operated facilities** • Subsidized pricing • Limited menu of primary care services • Often under-staffed and under-resourced	**Traditional healers** • Include voodoo priests • Widely practiced, motivated by spiritual beliefs and family norms as well as a profound lack of trust in medicine **Periodic missionary clinics** • Offer short-term, free care • Disrupt the local market and health-seeking patterns, as they lure otherwise loyal, satisfied patients with free products and services

Competitive Advantages

C2C's model fills a gap in the broad service delivery landscape: the highest quality and most reliable services at affordable price. We differentiate our model through a quality guarantee and unique client benefits, including follow-up phone calls or visits to 100% of patients and an offer of a free consultation for patients who aren't feeling better within three days.

Target Customer Segment

C2C focuses on low-income, working poor: people with access to modest, but inconsistent, cash flows. Just above the poorest of the poor, our patients are generally subsistence farmers, informal laborers, traders, or the economically vulnerable segment of the population relying on remittances from family members abroad and small-scale lending and borrowing. We serve approximately 35% women, 20% men and 45% children (for whom women are largely making health decisions). Women are key to C2C's customer segmentation, and we strive to offer a brand that appeals to women's unique needs and preferences.



Growth Strategy

Operating in the 'Pioneer Gap'

In a 2012 paper published by the Monitor Group and the Acumen Fund entitled, "From Blueprint to Scale" the authors outline the growth trajectories for businesses that are serving BoP populations. C2C has based our model expansion plans on this outline.

C2C's approach to cost recovery is a hybrid of a traditional charity model and a market-based enterprise. Our goal is for each clinic to break even on annual operating costs within three to five years of opening. Initial philanthropic investments to fund capital expenses are never recouped. If and when operating margins are generated, our unit pricing will be re-examined and, ideally, lowered to create greater access to more people in the community.

Model Expansion

Phase I: Proof of Concept and Market Analysis	Phase II: Validation and Preparation for Growth	Phase III: Broad Replication
2013 to 2015	**2015 to 2017**	**2017 to 2020**
Pilot social enterprise clinic launched in August 2013; second clinic opened May 2015 Currently recouping 40% - 50% of unit operating costs Refining and testing model assumptions, conducting market research, experimenting with various service and pricing strategies Serving 200+ patients per clinic, per month C2C health agents from each clinic visiting 450+ households each month Developing significant insights into how a social enterprise model can respond to poor families' needs and preferences Engaging and empowering local people to make lasting and positive health choices	Further refine pricing and economic model; test variable business sizes Develop regional efficiencies across a network of clinics, including four to five to open in Northern Haiti Extend the expertise of peer models globally; solidify the link between small, regional impact and widespread health-system strengthening to impact hundreds of thousands of poor families worldwide	Improve Health Systems Globally Provide accessible primary care regionally and beyond to prevent and treat medical problems before they become catastrophic Reduce burden on central hospitals Recover unit operating costs locally to provide care in perpetuity
C2C has demonstrated a compelling proof of concept; has been recognized by Yunus Social Business Haiti and the Center for Health Market Innovations, among others.	C2C will solidify the link between small, regional impact and widespread health-system strengthening to impact hundreds of thousands of poor families worldwide	After developing optimal ways to configure, operate, and manage a multi-clinic network, C2C will establish and optimize two broad regional networks (in Northern Haiti and a second geography); Support 12 to 15 clinics reaching more than 75,000 people each year

Performance & Social Impact Measurement

In five years, C2C intends to provide high-quality primary care and health education to hundreds of thousands of low-income people. We define and measure our success through comprehensive business and social metrics that guide our work and vision.

Organizational Performance Goals, 2015 - 2020

	2015 - 2017	2018 - 2020
Operational Clinics	7	15
Patients Served	41,043	149,666
Local Revenue Generated	$523,392	$2,282,520

Our goals extend far beyond a financial bottom line. We provide essential health services to poor people and communities while also demonstrating best-practice in sustainability: we hold as a central tenet of our work that meaningful health services for the poor must demonstrate financial viability in order to break the cycle of aid dependence and to guarantee that families have the local resources they need to live healthy and productive lives. We measure our impact through both patient care and operational efficiency indicators, which, together, ensure value to our clients and continuous operational improvements to deliver the best possible care.

Social Impact Measurement

Patient Care Indicators	Operating Indicators
Symptom and Diagnosis Tracking	Unit Financial Sustainability
Primary Care Visits	Clinic Availability
Antenatal Visits	Promotional/Discount Program Uptake
Immunizations & Family Planning	Patient Volume Growth
Follow-Up Visits	Client Savings
CHW Touch-Points	Client Retention
Pharmacy and Diagnostic Uptake	Retail Sales
Patient Satisfaction	Waiting Times and Patient Flow Efficiency

Appendices Available on Request

1. Unit Financials
2. Addressable Market
3. Detailed Product/Service Description & Competitive Comparison
4. Organizational Structure & Management Bios
5. Board of Directors Information & Bios