

# Social franchising

reaching the underserved



Marie Stopes International (MSI) has established social franchise networks in nine countries. More than 1,000 MSI franchisees exist across Asia and Africa. MSI's social franchise networks engage existing private providers to deliver high quality sexual reproductive health services in underserved areas. These franchisees are successfully meeting unmet need for effective sexual reproductive health services. They are also successfully serving underserved communities whilst maintaining a high level of client satisfaction. This case study outlines the key components of MSI's social franchising approach and shows how it can successfully be replicated in other settings.

### Introduction

A significant and growing need for essential sexual reproductive health services persists in many parts of the world. Approximately 200 million women currently have an unmet need for contraception<sup>1</sup> and an estimated 20 million unsafe abortions occur every year<sup>2</sup>.

Meeting this unmet need for effective sexual reproductive health services would prevent thousands of needless deaths. Nearly 200 women die each day from haemorrhage, infection or poisoning from substances used to induce abortion<sup>3</sup>, for example. Globally, more than half a million maternal deaths occurred in 2005<sup>4</sup>. Preliminary data for new maternal mortality estimates being developed by the World Health Organisation and others suggest that whilst some progress is being made globally, the number of maternal deaths remains high<sup>5</sup>.

Social franchising can significantly help sexual and reproductive health organisations meet this unmet need. Social franchising provides a service delivery channel through which sexual and reproductive health organisations can significantly increase coverage of high quality and effective sexual reproductive health services. Private health providers represent a major source of health care in the developing world and there is a strong likelihood of continued growth in the next decade<sup>6</sup>. Several studies indicate that a significant proportion of poor people use private health providers for most of their health care needs. By engaging the private sector, social franchising enables sexual and reproductive health organisations to introduce services in underserved areas rapidly and cost-effectively. Social franchising also enables sexual and reproductive health organisations to increase the use of existing services by improving their quality or marketing them appropriately.

Social franchising was introduced to the sexual reproductive health sector in the 1990's; Greenstar in Pakistan launched a franchise network in 1995. Social franchising has been a growing feature of the sexual reproductive health sector since. Population Services International launched franchise networks in Cambodia and Togo in 2002, for example. ProFam followed in 2004, launching franchise networks in Cameroon and Benin. Now, more than 20 social franchise networks exist in Africa, Asia and Latin America.

#### **BOX 1.** What is a social franchise?

A social franchise is based upon a model of franchising commonly used within the commercial sector. It typically involves the granting of a license by a social enterprise (the franchisor, often an NGO) to another person or company (the franchisee) to allow them to create demand using the branding of the social enterprise.

The resulting franchise enables the franchisee to market the franchisor's products or services from their own outlets. In turn, the franchisee must follow standard operating procedures following training and accreditation.



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MSI first launched a social franchise network in Kenya in 2004. As of September 2010, MSI had franchised over 1,100 health service providers in nine countries: Ethiopia, Ghana, Kenya, Madagascar, Malawi, Pakistan, the Philippines, Sierra Leone and Viet Nam. MSI plan to launch a tenth franchise network in South Africa by the end of 2010.

#### Marie Stopes International's social franchise model

MSI has adopted a 'partial franchising' model for its social franchise networks. This means that only some of the franchisees' services and commodities are regulated by MSI and that the franchisee may offer additional health services that are not regulated by MSI. Each franchise network has tailored this flexible model to best meet local needs. MSI has utilised different cadres of providers in each country and regulated different services or targeted different population groups (see Table 1), for example. MSI in Viet Nam and China is also assisting the government to apply principles of partial franchising to the public sector, the first time this has ever been done.

In each country, MSI first raised awareness of its social franchise network through national health associations, local presentations and visits to some private providers. In most countries, candidates were then selected to become franchisees according to set criteria, including geographical location, professional experience and their capacity to meet certain quality standards (e.g. sanitation). MSI selected private providers who serve low-income areas.

Upon joining a franchise network, franchisees are required to sign a contract or make a formal agreement with MSI. Franchisees are also required to pay an annual fee to cover support costs. In Ghana for example, annual membership costs US\$70 for clinics, US\$50 for pharmacies and US\$30 for chemical shops. In Ethiopia, an annual fee up to US\$12 is paid by franchisees.

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In return, franchisees receive high quality but reduced-price commodities from MSI which they sell to clients according to an agreed pricing structure. They also receive extensive and ongoing training; on client care, the provision of relevant services and stock control, for example.

In most countries, MSI's social franchises have been branded as part of a BlueStar Healthcare Network. In Kenya and Pakistan, where there was an existing network of providers, different brand names are used. Kenya and Pakistan use the AMUA and SURAJ brands respectively. In each case, MSI markets the brand through demand generation events (e.g. free services for a day), radio campaigns, leaflets, posters, and other activities. MSI has also provided onsite branding for every franchisee and in most cases, refurbished each franchisee.

MSI provides ongoing coordination, technical support and advice to each franchisee. MSI also monitors and evaluates services delivered by franchisees to help improve each network.

MSI's social franchising model differs slightly where it has been applied to the public sector. In such cases, services are standardised and marketed under a single brand. Each facility is refurbished and public sector employees at each facility receive extensive training on social franchising and marketing, financial sustainability, care quality, branding, and customer service. Public facilities do not directly pay an annual fee to MSI though and they do not necessarily receive commodities from MSI.

### Results

MSI's social franchise networks are delivering a high number of sexual reproductive health services. MSI's social franchise network in the Philippines provided almost 23,000 intrauterine devices between January and August of 2010 for example, just two years after the network was launched. Total client numbers of each MSI franchise network are also growing.

**TABLE 1.** Summary of MSI's social franchises

Country	Package of services offered <sup>7</sup>	Providers implementing franchised services
<b>Ethiopia</b>	Marie Stopes Ligation (MSL), implants, intrauterine devices (IUD), injectables, condoms, pills and emergency contraception (EC)	Doctors, clinical officers, midwives
<b>Ghana</b>	Implants, IUD, injectables, condoms, pills and EC	Midwives, nurses, (pharmacies are referral points) and doctors
<b>Kenya</b>	Implants, IUD, injectables, condoms, pills and EC	Nurses, clinical officers and midwives
<b>Madagascar</b>	Implants, IUD, injectables, condoms, pills and EC	Doctors
<b>Malawi</b>	IUD, pills and MSL	Clinical officers, medical assistants, midwives and nurses
<b>Pakistan</b>	IUD, pills, injectables, condoms and EC	Doctors and midwives
<b>Philippines</b>	IUD, injectables, pills, pap smears, family planning counselling, MSL referrals and delivery services	Private midwives
<b>Sierra Leone</b>	Implants and injectables	Doctors, nurses, clinical officers, (pharmacies and chemical sellers as referral points)
<b>Viet Nam</b>	IUDs, injectables, pills and condoms	Doctors

MSI's social franchise networks are successfully meeting unmet need for effective sexual reproductive health services. In Pakistan and Sierra Leone for example, almost 60% of clients visiting MSI's franchisees in 2010 were first time users or any family planning method<sup>8</sup>.

MSI's social franchise networks are also successfully serving the underserved; the poor. A valuable indicator of a client's socio-economic status is their level of education; people who have little or no education typically have a low socio-economic status. In Pakistan, 48% of clients visiting MSI's franchisees in 2010 had received no education<sup>9</sup>. In Malawi and Sierra Leone respectively, 40% and 37% of clients visiting MSI's franchisees in 2010 had received no education<sup>10</sup>.

Additional data from other countries is needed, but MSI's social franchise networks seem to enhance MSI's access to poor communities. In Pakistan, Sierra Leone and Malawi, more social franchise clients than clients of MSI clinics had no education<sup>11</sup>, for example.

Clients visiting MSI's franchisees also appear to be highly satisfied with the services provided in terms of price, treatment, service and environment, regardless of their educational background, socio-economic status or location<sup>12</sup>.

### Conclusion

MSI's social franchise networks successfully deliver essential sexual reproductive health services to the underserved. MSI's franchisees subsequently play a crucial role in reducing unmet need for contraception and high quality sexual reproductive health services. Furthermore, client satisfaction with the services delivered by MSI's franchisees is high.

MSI plans to expand and strengthen its social franchising networks, given this success. MSI plans to increase the number, quality and range of services provided by franchisees to the poorest populations, in particular. In doing so, MSI anticipates implementing social franchise networks in additional countries as well as enhancing existing networks.

#### Population targeted by the franchises

Peri-urban and rural low income earners

Peri-urban low income earners

Peri-urban low income earners

Peri-urban and rural low income earners

Peri-urban poor and low income earners

Rural low income earners

Low income earners in peri-urban areas

Urban poor and low income earners

Low income earners in peri-urban areas;  
garment factory workers



### Recommendations

MSI's social franchise networks can be adapted to other settings. Countries that want to establish a social franchise network are encouraged to consider the following recommendations:

- all franchisees should receive extensive training that ensures appropriate clinical or technical expertise as well as good customer service
- all branding, social marketing and communication activities should respond to barriers to the uptake of services and be pre-tested with the target audience to ensure they are culturally and contextually relevant
- the quality of care must be ensured at all times through ongoing monitoring and evaluation as well as refresher training courses for all franchisees
- any pricing structure should reflect local circumstances; encouraging clients to seek certain services whilst increasing franchisees' income.

Finally, social franchise networks could increase their client-base by delivering government-contracted services, being accredited by a national social health insurance scheme if one exists or establishing a voucher scheme that offers clients subsidised services. Some MSI franchisees are already working with a voucher scheme, for example. Further research is needed, but the number of clients seen by these franchisees did increase, particularly amongst underserved communities.

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### Suggested further reading

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3. WHO, UNICEF, UNFPA and the World Bank, Maternal mortality in 2005: estimates developed by WHO, UNICEF, UNFPA, and the World Bank (2007).
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5. United Nations, The Millennium Development Goals Report 2010 (2010).
6. International Finance Corporation, The Business of Health in Africa: Partnering with the private sector to improve people's lives (2008).
7. Abortion and / or post abortion care is included in the package of services of franchise networks in some countries, depending upon national legislation.
- 8-12. Based upon MSI client exit interview data, 2010.

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Marie Stopes International delivers quality family planning and reproductive healthcare to millions of the world's poorest and most vulnerable women.