

Profile: Living Goods

Using female micro-entrepreneurs to provide essential health products to rural homes



Challenge

Millions of people in Uganda lack access to basic medical care. Public health facilities provide free treatment of malaria and other life-threatening diseases, but the indirect costs of care, including transport and lost work, make treatment unaffordable for many people, and drug stock-outs are common.



A team of micro-entrepreneurs offer door-to-door community health services in Ugandan underserved households

Where barriers to access exist, patients often rely on informal and unregulated private health outlets, many of which dispense counterfeit drugs. The challenge is to reach poor people with affordable medicines and basic medical care.

Innovation

In Uganda CHWs—whom Living Goods (www.livinggoods.org) calls *micro-entrepreneurs*—go door to door selling medicines, health products and services, and household goods. Services include education and counseling on family planning; registration and tracking of pregnancies by mobile app; prenatal care; and diagnosis and treatment of diarrhea, malaria, and pneumonia. Products include contraceptives, clean delivery kits, medicines for common childhood diseases, fortified foods, and household goods, such as detergent, solar lights, clean cook stoves, and water filters. To make essential medicines affordable, Living Goods sells them at up to 30 percent below market prices.

Micro-entrepreneurs must be literate in both the local language and English and live in the geographic location where they operate. They receive three weeks of training on the basics of health care provision and common diseases, as well as refresher training and supervision.

To start their micro-franchise, micro-entrepreneurs receive a below-market loan, which they pay back out of their earnings within 48 weeks. They use the loan proceeds to purchase stock from the Living Goods headquarters, which purchases in bulk from a single supplier and directly from manufacturers. Living Goods pays its micro-entrepreneurs based on performance (for identifying pregnant women and visiting newborns within the critical first 48 hours of life, for example) and allows them to retain 15–20 percent of their sales. The average micro-entrepreneur works part-time and earns a monthly income of approximately USD 15–20.

Living Goods equips micro-entrepreneurs with a smartphone with apps that help them register and support pregnant women, accurately diagnose childhood illnesses, send SMS adherence reminders, and ensure effective follow-up. Its analytics and reporting system provide real-time data to drive rapid, informed decision-making at every level of operations. The vast mobile phone coverage even in rural areas enables villagers to contact their micro-entrepreneur around the clock.

Living Goods partners with the government of Uganda in recruiting and training micro-entrepreneurs. In some areas, district health teams are engaged in the recruiting and supervision process. In other areas, Living Goods trains government CHWs.

Impact

The 1,200 micro-entrepreneurs who work for Living Goods Uganda serve nearly one million people. Their work has reduced child mortality by more than 25 percent, according to Living Goods, and decreased the sale of counterfeit drugs, by both raising awareness of the existence of such drugs and reducing the average price of legitimate antimalarial drugs by 15–20 percent.

Scaling Up

Living Goods' micro-franchisees are financially viable, and the organization is highly cost-effective, costing less than USD 2 per person per year. It continues to rely on grant funding of approximately USD 8 million to cover its operations in Uganda and Kenya and its advocacy and partnerships team.

Quality assurance and reputational risk are key challenges in growing the model. Living Goods understands that it must maintain and improve service quality as it grows rapidly so as not to undermine its credibility in the community.

Living Goods' strategy increasingly relies on working with partners to implement replications of the model at scale. Partners include social marketing organizations such as PSI and MSI, as well as large NGOs such as CARE Zambia. Working with major multinational NGOs is at the core of Living Goods, which started as a collaboration with BRAC Uganda. Although such partnerships carry significant opportunities for Living Goods, they also imply accepting a higher-risk strategy, because they involve less control and influence over operations.