



# Merrygold: A Sustainable, Multi-Tiered Network

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# Uttar Pradesh

**70 Districts**

**827 Blocks**

**97,928 Villages**

**704 Towns**

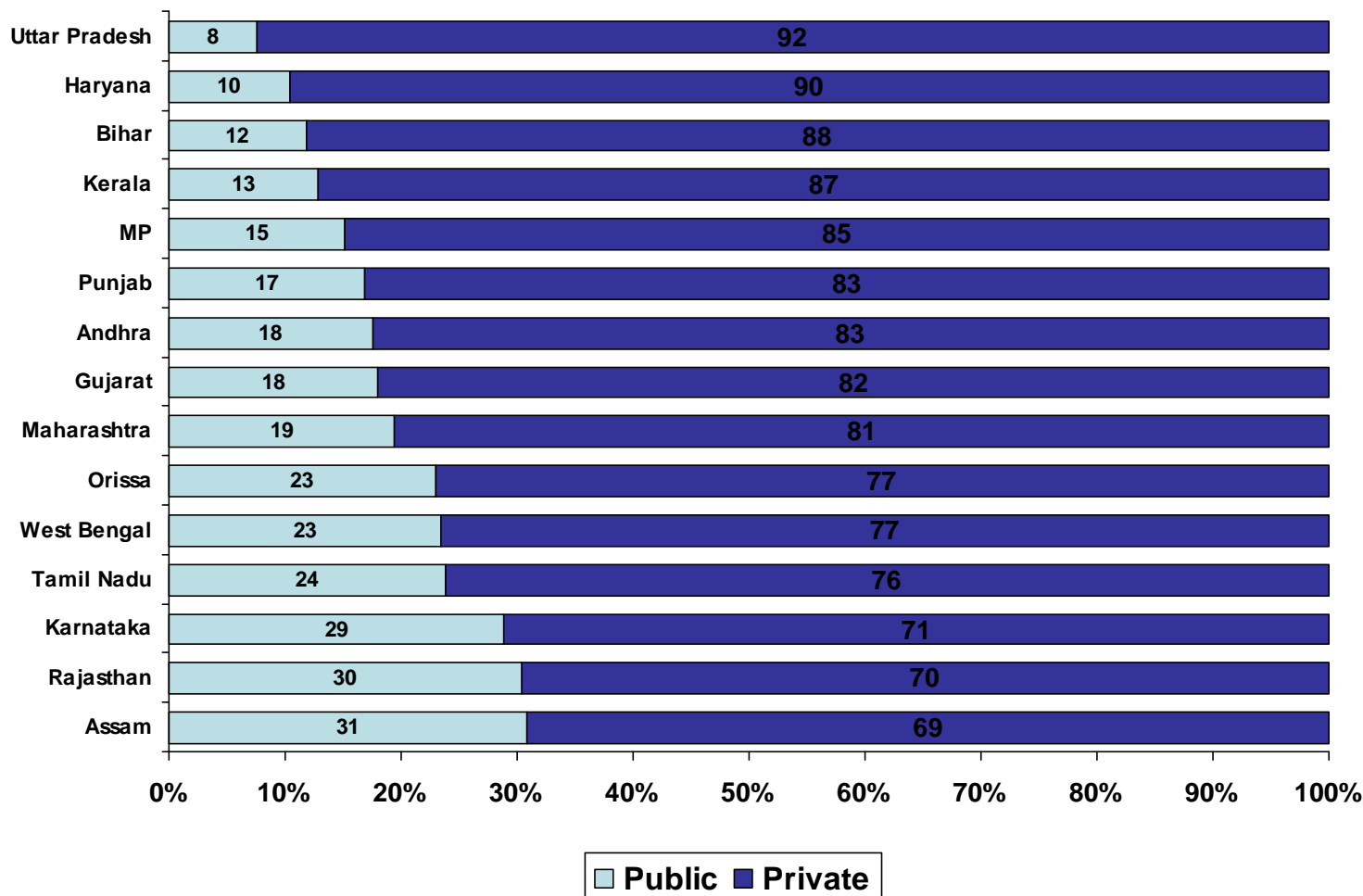
**166 Mn Population**



# Uttar Pradesh: Context

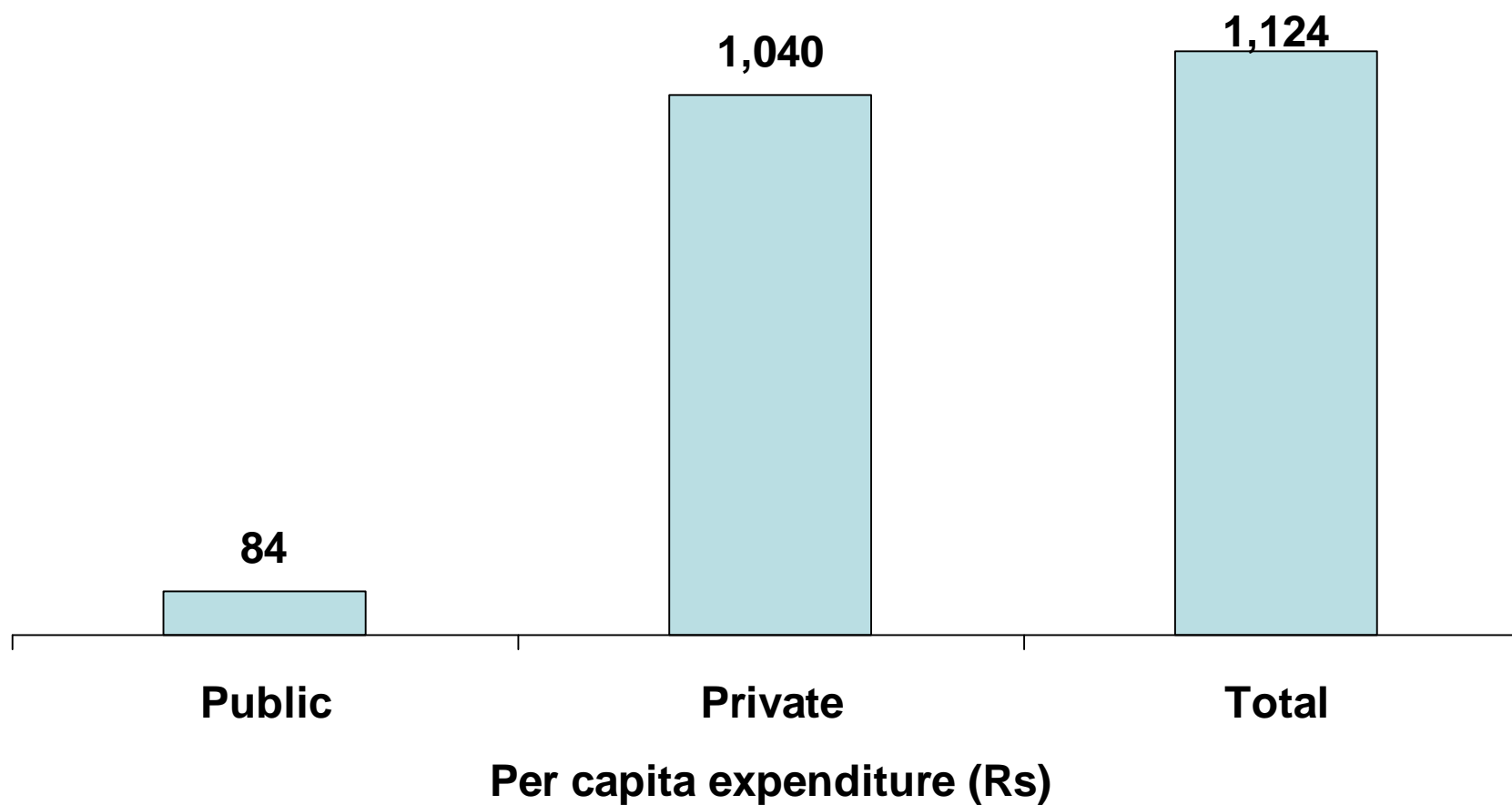
- ✿ UP has the highest MMR in the country
- ✿ IMR is the third highest in the country
- ✿ Modern FP method is low
- ✿ Use of institutional facilities for deliveries is low
- ✿ Use of FP methods and institutional facilities for deliveries is the lowest among poor
- ✿ Government health units not fully functional
- ✿ Resources required for better functioning are huge

# Public and Private Expenditure on Health in Major States: 2001-02



Source: National health accounts-India, 2006

# Per Capita Public and Private Health Expenditure in Uttar Pradesh: 2001-02



Source: National health accounts-India,2006

# Background

- ✿ ITAP-PSP IQC funded by USAID mandated to promote public private partnership (PPP) in health
- ✿ Conducted advocacy workshops on PPPs based on which social franchising selected as a model
- ✿ International workshop conducted to share experiences of social franchising in India and other countries
- ✿ UP specific model designed in strategy development workshop
- ✿ Franchisors selected through competitive bidding process
- ✿ Business model developed by KPMG along with cost benefit analysis



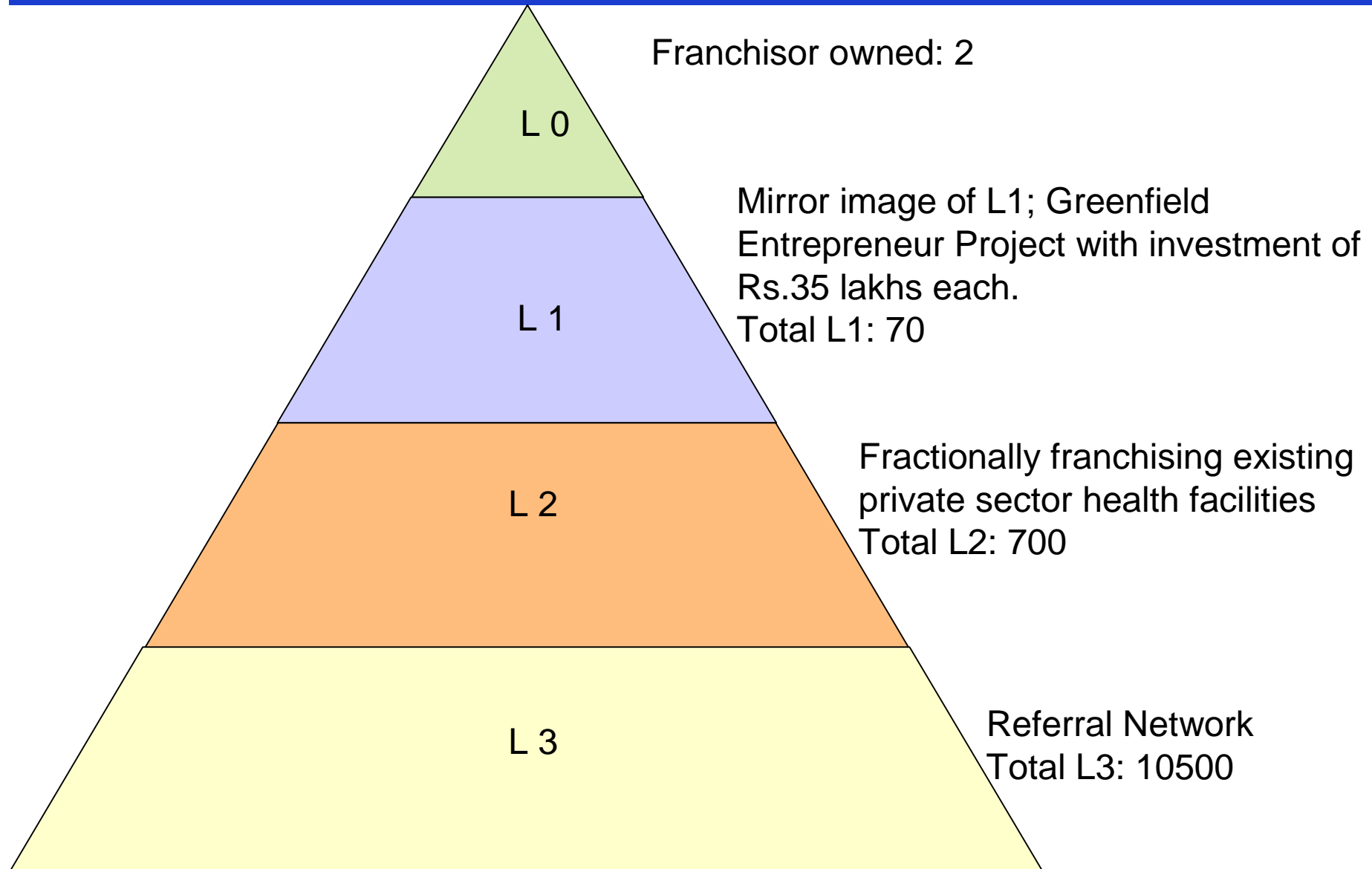
# Network Design

# Fundamentals of Model

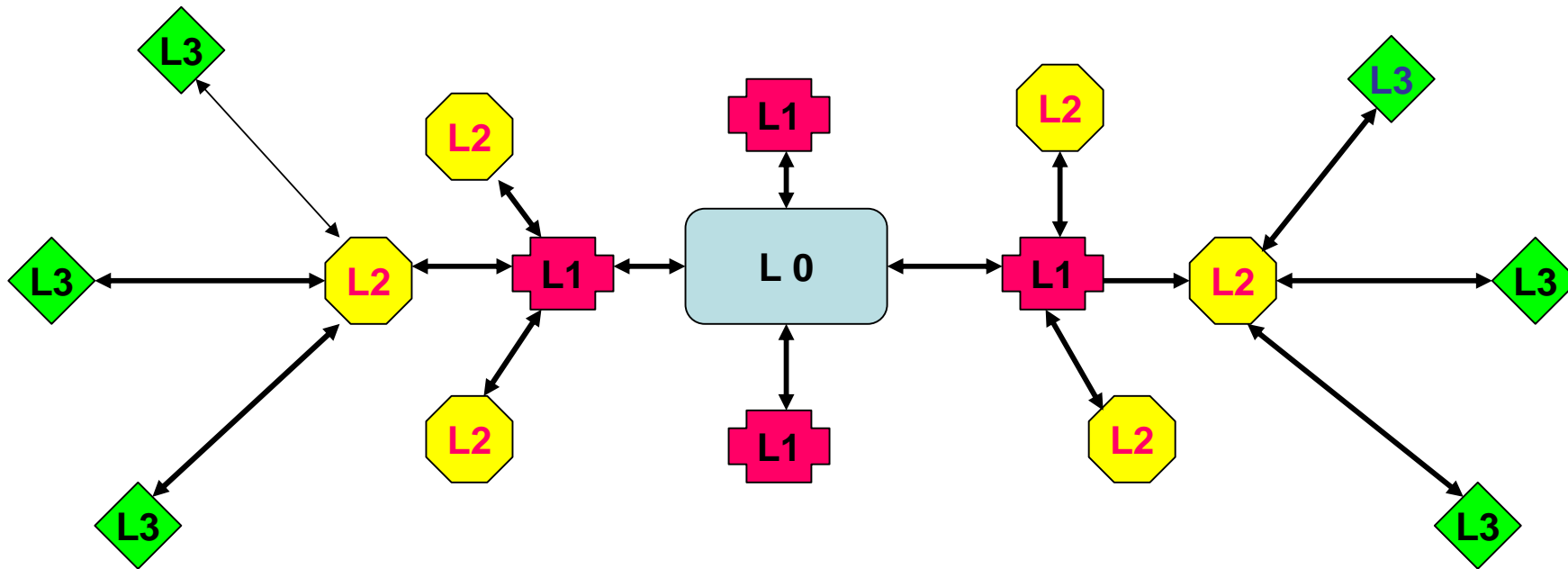
- ✿ Business approach for SUSTAINABILITY
- ✿ Each stakeholder must benefit
- ✿ Three tiered approach with a mix of full and fractional franchising
- ✿ Networks are not sustainable with only family planning services – the basket needs to be broadened
- ✿ Pricing based on ‘most frequent value’
- ✿ Branding beyond just the logos – the experience has to be branded and standardized
- ✿ Look for business model innovation – to achieve high volume and low cost operations
- ✿ Franchisor role
  - Capacity building and training
  - Development of vendors and procurement at competitive prices
  - Regulating quality assurance systems
  - Marketing of the network



# Proposed Model



# Hub and Spoke Network



L0: Franchiser hospitals

L1: Fully franchised units

L2: Fractionally franchised units

L3: Referral network

# Branding

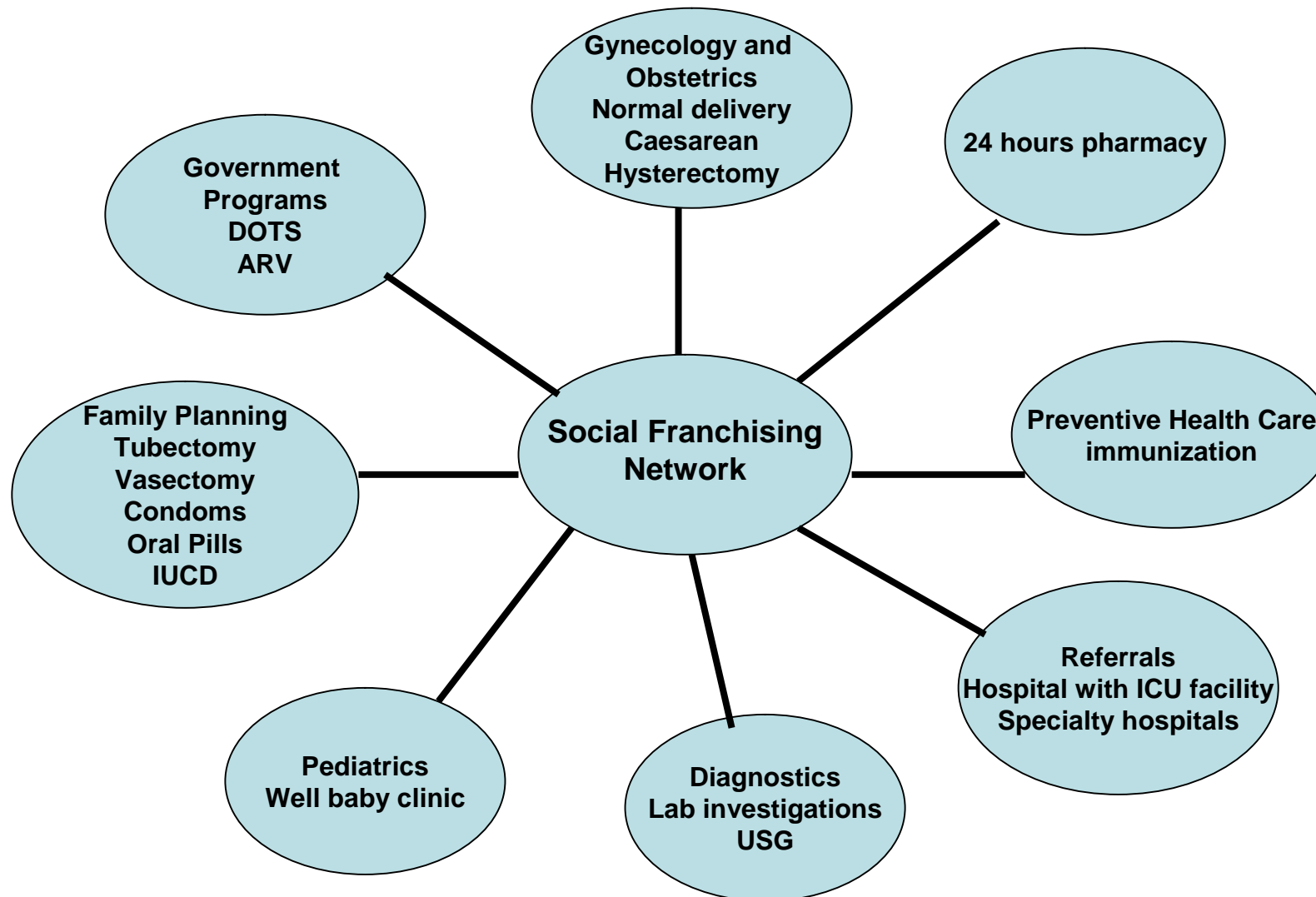
- ✿ Core product benefit : affordable, quality RCH services
- ✿ Core consumer benefit : better health and well being without compromise
- ✿ Visual Identity: leverage positive symbolism of marigold flower



# Network Branding



# Services Provided by the Network



# Merrygold Partnerships

- ❁ Diagnostics Partner- Metropolis Health Services
- ❁ Pharmacy Partner- Guardian Pharmacy
- ❁ Centralised HMIS – WIPRO
- ❁ Training – School of Management Sciences and International Health Management Research, Jaipur
- ❁ Financing of Franchisee hospitals: State Bank of India and SIDBI
- ❁ Health Insurance: United India Insurance for “MerryGold Jaccha Baccha Bima Policy’



# Health Facilities in the Network



# Services and Pricing

<b>S.No</b>	<b>Service</b>	<b>Merry Gold Price (in INR)</b>	<b>Market Price Range (Non-Metro) – in INR</b>
1	Normal delivery (2 days)	1499	3450-11050
2	Cesarean delivery (5 days)	4999	9500-22000
3	Sterilization	999	1000-3000
4	Hysterectomy	6999	3500-22000
5	Day Care	1000	Varied
6	ANC	50	100-300
7	PNC	50	100-300
8	Regular check up	50	Varied
9	IUD insertion	100	250-400



# Current Network

District	Merrygold	Merrysilver	Merrytarang
Agra	2	12	239
Kanpur	2	12	195
Varanasi	2	8	325
Gorakhpur	2	9	184
Barabanki	1	6	148
Lucknow	2	20	189
L. Kheri	1	4	100
Budaun	1	8	266
Mathura	1	5	125
Bareilly	1	5	118
Allahabad	1	6	70
Azamgarh	2	6	-
Mau	1	-	-
<b>Total</b>	<b>19</b>	<b>96</b>	<b>1859</b>

# Results

- ✿ 19 new health units with each with 15 beds established
- ✿ Over \$2m US leveraged in financing of new health units
- ✿ 96 existing health units have been added to the network
- ✿ ANC care services provided to 57,859 pregnant women
- ✿ 13,161 institutional deliveries conducted
- ✿ 2,959 new IUD acceptors
- ✿ 1,188 limiting method acceptors
- ✿ All 19 hospitals accredited by the health department

# Issues and Challenges

- ✿ Dispersed vs. concentrated approach
- ✿ Amount budgeted for BCC and marketing insufficient
- ✿ Creation of brand equity requires longer gestation period
- ✿ Willingness of franchisee to comply with contractual obligations
- ✿ Pressure on increasing prices to recover costs as quickly as possible
- ✿ Establishing referral linkages
- ✿ Expectations from government and development partners to show results in short time
- ✿ Linking Merrygold Health Network with government schemes
- ✿ Recruitment of franchisees for remote areas

# Learning from Social Franchising

- ✿ Sufficient entrepreneurs interested in health in UP
- ✿ Banks willing to provide money on relatively easy terms
- ✿ Quality of health care services can be improved through supportive quality assurance mechanisms
- ✿ Generating client volumes possible with coordination between levels
- ✿ High satisfaction level among clients who have availed services through the Network



**Thank you!**

