



Leveraging Base of the Pyramid Entrepreneurs for ORS in India

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Abt

Abt Associates Inc. in partnership with:
Banyan Global
Dillon Allman and Partners, LLC
Family Health International
Forum One Communications
IntraHealth International
O'Hanlon Consulting
Population Services International
Tulane University School of Public Health and Tropical Medicine



Project Shakti: Overview

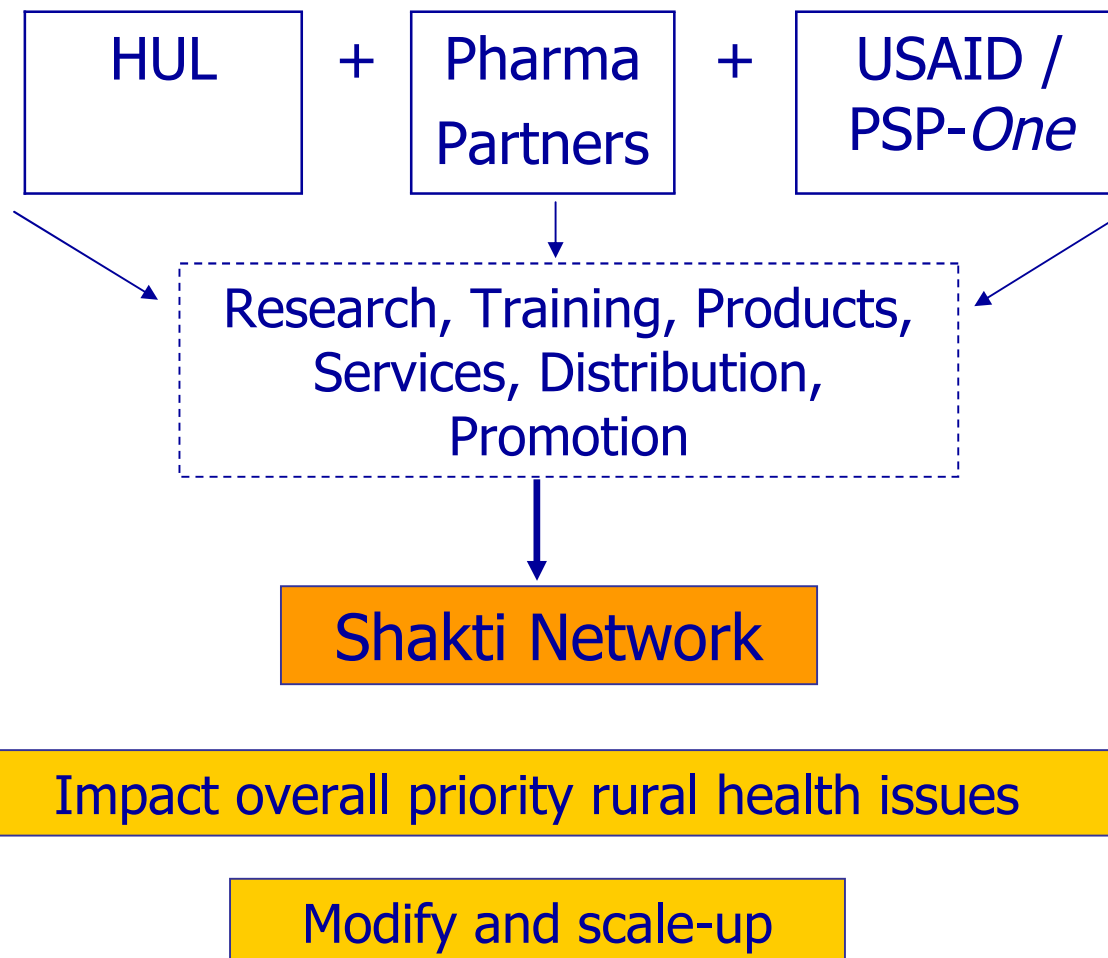
- Over 40,000 Shakti Entrepreneurs (SE) covering about 100,000 villages in 15 states throughout India
- Reach over three million rural Base of Pyramid (BoP) households
- Contributes 10-15% of Hindustan Unilever Ltd. (HUL) rural sales
 - Rural sales contribute 40% of total sales for HUL
- Caters to her own village (population size 3000-5000) and 3-5 satellite villages
- Trained to sell HUL products
- Initial investment per SE is Rs.10,000
- Average monthly earnings per SE is Rs.800 – Rs.1000
- Product margins for SE range from 11-15%
- Launched in 2000, is now a profitable channel of business



The Opportunity

- Leverage commercial investment in health
 - Hindustan Unilever Ltd. (HUL) Shakti distribution and marketing infrastructure
- Create a fully sustainable commercial health infrastructure
 - Commercial sector will be responsible for all aspects of product procurement, distribution and marketing of health products
 - Manufacturers of priority health products who will partner with HUL to expand coverage to rural areas

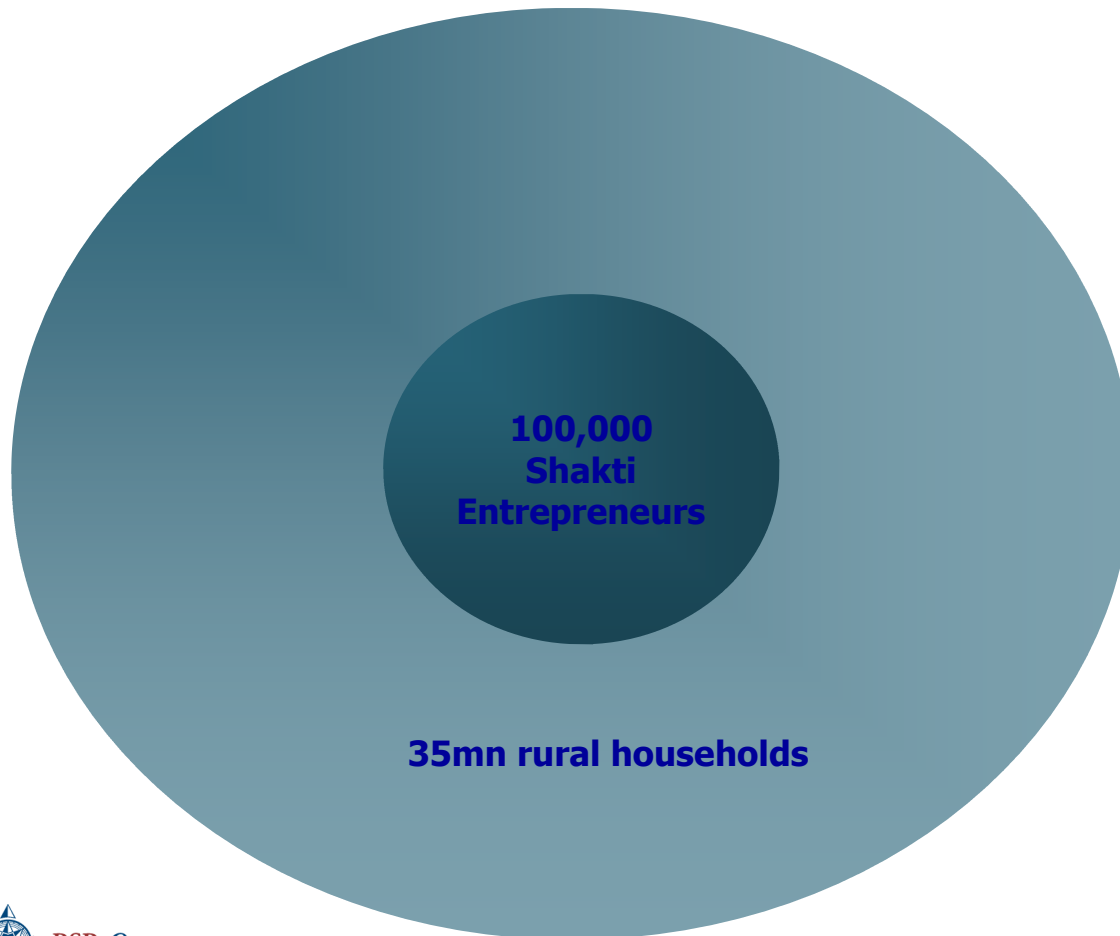
The Overall Partnership Concept



Validation by Health Experts: Health Advisory Group

- Health advisory group
 - UNFPA, WHO, FPAI, MGIMS, YRG Care, USAID
 - Recommends use of Shakti network for several health interventions
 - Diarrhea, birth spacing, malaria
 - To be validated with Shakti Council
- Shakti Council expresses interest in maternal/child health issues
 - Some concerns with contraception as it is considered to need “medical experts”
 - So agreed to start with Oral Rehydration Salt (ORS)

Preparing a Business Case for Partners: Potential of the Shakti Network



Potential Earnings from ORS (on Scale-Up)

Shakti Opportunity for ORS	Low	Medium	High
Number of SEs	100,000		
350 HH per month per SE (with 1 child below 3yr)	15,000,000		
Incidence of diarrhea (in last 2 wks)	19%	17%	15%
Children given ORS at last diarrhea	26%	35%	45%
# ORS Users	741,000	892,500	1,012,500
# ORS Packs / yr	17,784,000	21,420,000	24,300,000
ORS sales per SE per month in peak season (one liter packs)	15	18	20

- Assumptions:
1. Incidence of diarrhea would decline and ORS use increase.
 2. One child in each household under 3 yrs.
 3. One pack of ORS used at each bout of diarrhea.

Overview of the Pilot

Current SE Role	Motivators for SE	PSP- <i>One</i> Inputs	Enhanced SE Role
<p>SE-seller of FMCG goods in rural markets</p>	<p>Increased income from sale of health products</p> <p>Recognition -Improved Perception within the community</p>	<p>Training on health issue: 70 SE in 3 districts trained on Diarrhea Management</p> <p>Product Supply: Initial ORS sale, inventory management</p> <p>Soft Skills: Facilitated D2D sales: Avg of 30 D2D visits by SE in a month</p> <p>Community Buy-in: Engaging with key influencers (VHW, Drs, village head, teachers)</p>	<p>SE as health advisor and a seller of FMCG goods</p>

Three Profiles of SEs

SE Profile	Behavior	Action Standards
<i>Direct Sellers</i>	Regularly go house to house to promote and sell. Sociable and enterprising	Ideal SE. Needs start-up support and recognition
<i>Shop-keepers</i>	Usually sells from home. Not sure of how to sell.	Can be converted with continuous support and exposure to selling techniques
<i>Rural Distributor</i>	Male member runs the business as a rural wholesaler	Can greatly increase rural access to products but will need other channels for product/behavior promotion

Training the Shakti Entrepreneurs

- Comprehensive training at the launch and a refresher after a year
 - 70-80 percent attendance
 - In about 50 percent of the cases husbands attended as well
- Also focused on selling techniques and commercial aspects
 - Minimum stock (10 liters) sold to SEs after the training
 - 80-90 percent of those who attended purchased the product

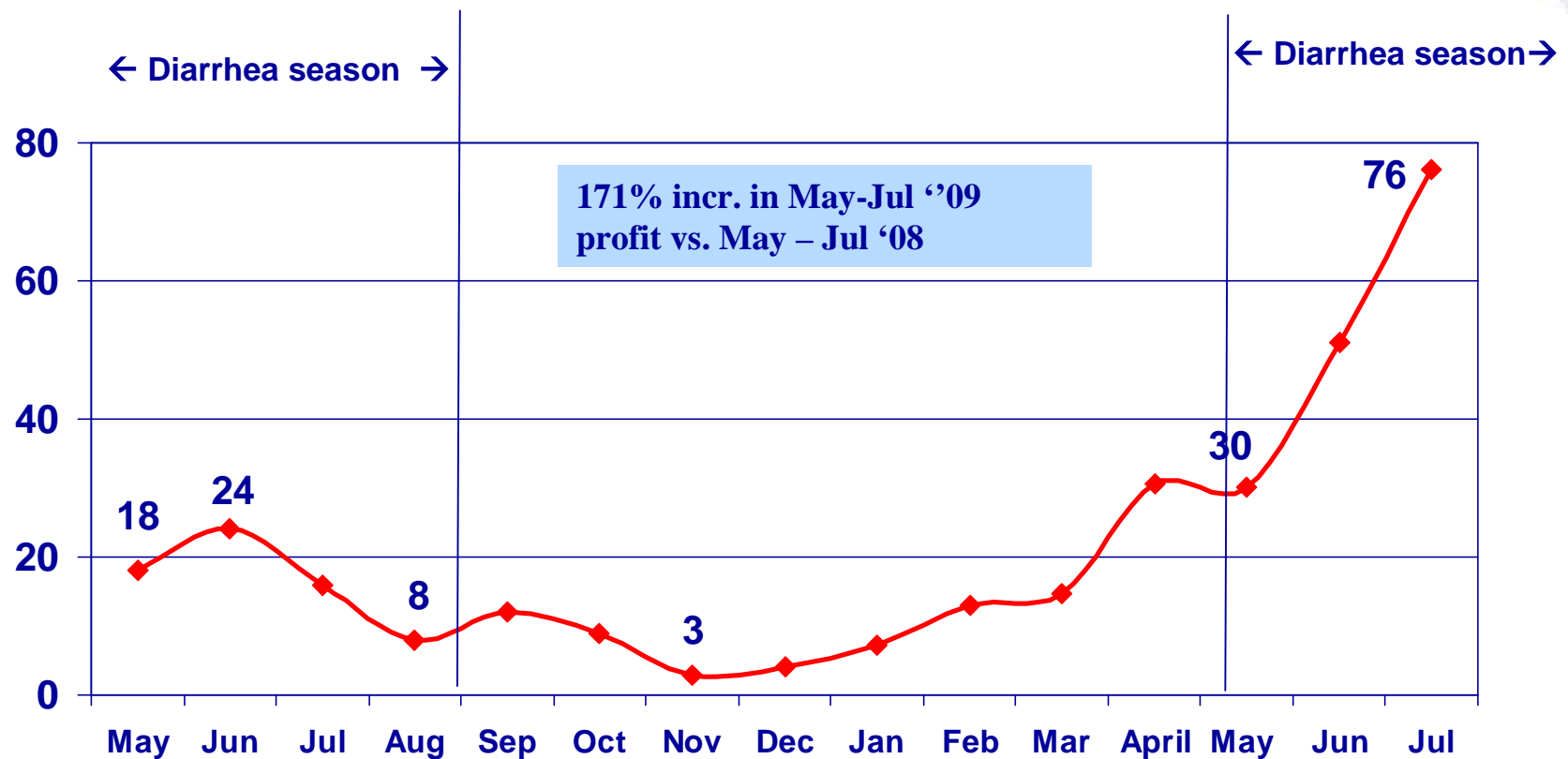


Demand Generation Activities in Shakti Villages

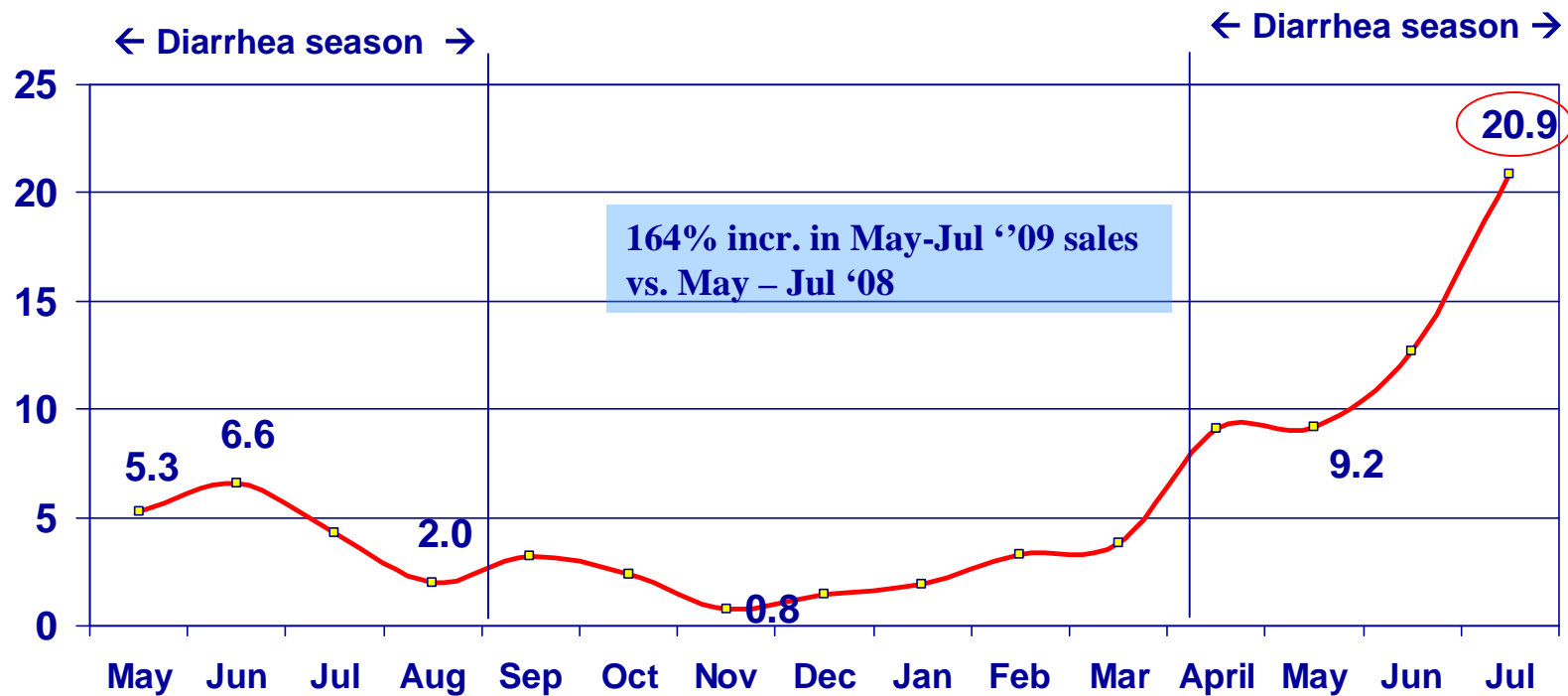
- Key community influencers (headman, local ‘doctor’, village level health workers and teachers) briefed
 - Associating with local doctors enhanced the SE’s credibility
- SEs developed monthly plans for demand generation activities which included:
 - Community meetings with women
 - School-based events highlighting the need for hand washing/diarrhea management
 - Door-to-door sales at the SE’s hamlet



Trends in SE Profit from ORS Sales (Profit / SE)



Trends in ORS Sales Volume (Liters / SE)



SE's Feedback on Selling ORS

- Believes that selling ORS enhanced her status in the community
- Feels that the product is of importance to the community and in improving overall quality of life
 - Many members of the community express their gratitude towards her for bringing ORS into their lives
- Developed innovative sales promotion techniques:
 - Trial on self / own children to demonstrate effectiveness
 - Pay later option to consumers
 - Overall wellness through ORS
- She claims that fewer children suffer from diarrhea now

Lessons Learned

- Transfers are not just a public sector problem
 - The management of Shakti changed thrice during the first year
 - Decisions made and re-made
- Sometimes it doesn't make sense to break things into baby steps
 - Distribution
 - Family Planning
- Find anchor points in the core business of partners
 - HUL is a company of brands – Shakti is not a brand
- Innovative models are not fixed; be ready for continuous changes

