HANSHEP Health Enterprise Fund Research Study: Year 1 Findings

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About SHOPS Plus: Sustaining Health Outcomes through the Private Sector (SHOPS) Plus is USAID's flagship initiative in private sector health. The project seeks to harness the full potential of the private sector and catalyze public-private engagement to improve health outcomes in family planning, HIV/AIDS, maternal and child health, and other health areas. SHOPS Plus supports the achievement of US government priorities, including ending preventable child and maternal deaths, an AIDS-free generation, and FP2020. The project improves the equity and quality of the total health system, accelerating progress toward universal health coverage.

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HANSHEP Health Enterprise Fund Research Study: Year 1 Findings

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Acronyms

AOR	Agreement officer representative
BoP	Base of the pyramid
DFID	Department for International Development
HANSHEP	Harnessing Non-State Actors for Better Health for the Poor
HHEF	HANSHEP Health Enterprise Fund
LARC	Long-acting reversible contraceptive
IUD	Intrauterine device
SHOPS	Strengthening Health Outcomes through the Private Sector
USAID	United States Agency for International Development

Introduction

The HANSHEP Health Enterprise Fund (HHEF) was implemented as part of the Strengthening Health Outcomes through the Private Sector (SHOPS) project from January 2013–June 2015. The HHEF selected enterprises through a competitive, challenge fund style process and provided them with grant funding, technical assistance, and facilitated connections to onward investors and other partners. The aim of these interventions was to increase the financial, knowledge, human, and social capital of the grantees, as a means of facilitating their transition to scale.

The HHEF supported a wide range of enterprises in Kenya and Ethiopia.[1] These enterprises focused on priority health areas including family planning, reproductive health, maternal health, child health, and HIV/AIDS. There were a wide variety of enterprise types including direct service provision, provision of health information and behavior change communications, manufacturing of medical devices and equipment, and operating services that support health-seeking behavior such as emergency transportation.

While challenge fund models such as the HHEF are a popular mechanism to support innovative approaches to development challenges, not enough has been learned about which types of support work, which do not, and why. Defining success for challenge funds has also been difficult given that the impact in question may not be measurable for many years after the intervention and given the challenges with attributing impact to just one of possibly many activities that occurred during the intervention period.

This study focuses specifically on how HHEF grantees have increased access to family planning products and services since the end of the project. While the enterprises selected by the HHEF provide services across multiple priority health areas, focusing on one technical topic such as family planning is a helpful mechanism to examine enterprise capacities and to understand how the HHEF contributed to developing these capacities. With a better understanding of enterprise capacities and how they are developed, future interventions such as the HHEF will be better equipped to support enterprises in their efforts to achieve sustainability at scale and measure their progress towards this goal.

To answer these questions, this study analyzes qualitative and quantitative data from a subset of three grantee enterprises, some of which was submitted by the enterprises and captured in interviews during the HHEF and some of which has been newly collected for this study. These data will continue to be collected on an annual basis for the duration of the SHOPS Plus project to provide a longitudinal view of how these enterprises have increased access to family planning products and services by examining the number of people served, the capacities that are important in achieving increased family planning access, and the role the HHEF played in developing said capacities.

The subset of grantees selected for this study are those that have had a measurable increase in access to family planning products and services. All three enterprises selected have increased the number of people accessing family planning products and services during the HHEF intervention period and have continued to increase the number of people accessing family planning products and services since the HHEF ended.

[1] An additional challenge fund window was launched in Nigeria known as the Health Enterprise Fund, which did not have support from the HANSHEP consortium and was entirely funded by USAID through SHOPS.

This report details the first year of the study and focuses on exploring the technical and managerial capacities that were important for enterprise performance as well as the role that the HHEF interventions played in developing those capacities. Questions regarding implementation effectiveness, the relative contribution of the HHEF interventions to the scaling results achieved by grantees, and remaining gaps in the ecosystem of support for these enterprises may be addressed in later years of the study.

In addition to providing insights on how enterprise capacities developed and contributed to achieving increased access to family planning products and services, this report provides a set of implications for the design of future programs that aim to facilitate health enterprises' transition to scale. These findings will continue to be updated through future years of this research.

Methodology

This study selected three HHEF grantee enterprises as participants. Selected enterprises have achieved increases in access to family planning products and services. Focusing on enterprise performance in one technical area provided the research team with a tangible mechanism to understand how the HHEF interventions facilitated enterprise performance. In addition, it more easily allowed for comparison across the participating enterprises.

Sampling criteria

Enterprises selected to participate were those that met the following criteria:

1. Demonstrated increased access to family planning since the beginning of the HHEF support period, as measured by the number of people receiving family planning products and services.

2. Able to provide high quality data on the number of people served across all services and the number of people receiving family planning products and services specifically. This was determined by reviewing the quality and completeness of data submitted on a quarterly basis as part of the HHEF monitoring and evaluation activities.

3. Willingness to share service statistics with the research team.

4. Willingness to participate in interviews and share insights with the research team on how HHEF interventions facilitated enterprise performance.

Selected enterprises

This research aimed to examine enterprises from both Kenya and Ethiopia. With that objective in mind and based on the sampling criteria above, the enterprises selected are listed in Table 1, followed by a brief description of each.

Table 1. Selected enterprises

	Vision	Innovation Type	Health Focus	Target Population	Country
Afya Research Africa[2]	Improve access to quality healthcare and create wealth for low-income communities	Accessible and affordable health kiosks co-owned by the community	Family planning and reproductive health, maternal and child health, non-communicable diseases	Low-income populations in hard-to-reach areas	Kenya
Jacaranda[3]	Create a sustainable model that transforms maternal and newborn health outcomes in East Africa	Sustainable model that transforms maternal and newborn health outcomes in East Africa	Low-cost, high quality emergency obstetric care and caesarian sections	Mothers and children	Kenya
Telemed[4]	3 million users provided with timely medical advice and information	m-Enabled healthcare delivery that decreases barriers and improves quality of care	Maternal and child health, family planning and reproductive health, HIV and AIDS, tuberculosis	Rural residents	Ethiopia

Afya Research Africa

Rural populations in Kenya lack convenient access to health facilities, and the cost of seeking care is a substantial barrier for these communities. Afya Research Africa (ARA) applied to the HHEF[5] with the aim to launch a network of 12 kiosk clinics ('M-Afya' clinics, since rebranded to Ubuntu Afya) in rural areas in three counties in Kenya.[6] Ubuntu Afya[7] is a social enterprise which aims to provide affordable care to communities that are outside the catchment area of existing health facilities and offer a range of health services including family planning, reproductive health, and maternal and child health services, including antenatal and well-baby

[2] Abt Associates. 2015. Afya Research Africa: Accessible and Affordable Health Kiosks
[3] Abt Associates. 2015. Jacaranda Health: Available and Affordable Emergency Obstetric Care
[4] Abt Associates. 2015. Telemed Medical Services: m-Enabled Health Care Delivery
[5] The M-Afya Kiosk Project: Devolving Basic Reproductive Health and Maternal and Child Health Services through Community Health Kiosks. Application to the HANSHEP Health Enterprise Fund in Response to RFA No. HEF-EK1-2013. May 3rd, 2013.
[6] By the end of the HHEF 9 clinics had been established. By July 2017, a total of 12 clinics were operational.
[7] http://www.afyaresearch.org/index.php?page=Projects&sph=121

assessments.[8] The clinics also provide care for non-communicable diseases and sell medicines and other healthfhmi products.

Ubuntu Afya clinics are a collaboration with the local community, and the community itself invests both labor and capital to help develop the physical infrastructure. ARA invests capital for additional startup costs for the necessary equipment and supplies, and ARA's own proprietary technology infrastructure for health management information systems and telemedicine. The clinic is staffed by a full-time clinician, and some clinics also have a trained community health worker or nurse. To offer these priority health services sustainably, each clinic also engages in additional revenue generation activities chosen by the community, such as provision of transportation or financial services. The clinics aim for full cost recovery, with excess revenue being redistributed to the community as a dividend. Sixty percent of Ubuntu clinics break even within the first 12 months.

Jacaranda Healthcare

Despite the Kenyan government's commitment to provide delivery services free of charge to every expectant mother in public sector facilities, Kenya's maternal mortality remains high at 488 deaths per 100,000 live births. In the private sector, the cost of delivery, especially in cases requiring emergency c-sections, can be very high.[9]

Jacaranda addresses this need through a network of low-cost, full-service maternity clinics that can provide the full continuum of care, including care for obstetric emergencies and provision of postpartum family planning services. Jacaranda aims to provide higher quality at lower cost through process innovations, more efficient use of resources including human capital, and through a variety of behavior change and consumer financing innovations. Such innovations aim to increase the number of client touchpoints and increase uptake of services such as family planning and antenatal care.

Telemed ("Hello Doctor")

Ethiopia's health workforce is significantly constrained, with just three doctors, nurses, and midwives per 10,000 people.[10] Health infrastructure is similarly constrained, which makes it expensive to access healthcare, particularly for the 80 percent of the population who live in rural areas. This also results in limited awareness of available health services.

Telemed implements the "Hello Doctor" health care platform, which makes information and medical advice from health professionals available to users over the phone, 24 hours per day, 7 days per week. The service also provides information on the location of proximate provider and has referral links to ambulance and home visit services. Users pay a per minute fee through credit loaded on their phone.

In addition to providing a low-cost option for accessing health expertise, the Hello Doctor platform enables more privacy than in-person clinical visits. This is of particular importance concern for health areas that have associated stigmas such as HIV/AIDS or for populations that

[8] https://www.shopsplusproject.org/sites/default/files/resources/Afya%20Research%20Africa%20-%20Accessible%20and%20Affordable%20Health%20Kiosks_0.pdf
[9] https://www.shopsplusproject.org/sites/default/files/resources/Jacaranda%20Health%20-%20Available%20and%20Affordable%20Emergency%20Obstetric%20Care.pdf
[10] https://www.shopsplusproject.org/sites/default/files/resources/Telemed%20Medical%20Services%20-%20m-Enabled%20Health%20Care%20Delivery_0.pdf

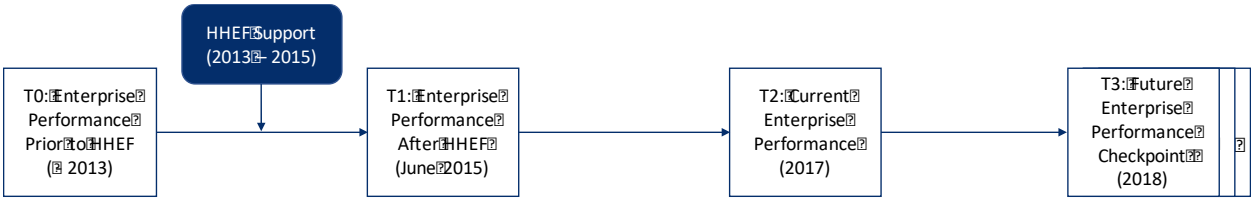
experience discrimination such as young people. Indeed, a large portion of Hello Doctor's users are adolescents and young adults, who appreciate the privacy provided by the service.

Desk research

During the desk research phase, secondary quantitative and qualitative data was compiled from existing sources. This included baseline service statistics available from grantee records, application materials, and other data collected by the HHEF project on enterprise family planning performance prior to the HHEF interventions (T0 in Figure 1). Also included were quarterly service statistics reported to the HHEF through the end of the grant period in June 2015 (T1 in Figure 1). These data were compiled to produce annual service statistics for 1) all services provided by the enterprise, and 2) family planning products and services provided by the enterprise. These annual totals were calculated for the year prior to the implementation of the HHEF and for the two years that the grantees were supported by the HHEF. These data are included in Figures 2–7 below.

Additionally, enterprise quarterly reports and other qualitative data collected prior to the end of the HHEF project (T1 in Figure 1) were reviewed to understand the scope of each enterprise's activities and the range of support that each received. This review ensured that the research team was familiar with the context and the activities that were carried out during the HHEF, ensuring that data collection focused on the capacities that were built as a result.

Figure 1. Study timeline



Data collection

Primary data collection—quantitative

This phase collected additional primary quantitative data on the type and volume of products and services provided, covering the period since the HHEF ended in June 2015 (T1 in Figure 1) to July 2017 (T2 in Figure 1). These data were collected via a survey distributed to participating grantees prior to qualitative interviews. Total annual data for each enterprise for the two years since the end of the HHEF are included in Figures 6 – 11 below.

This research study will continue to track these service statistics for the duration of the SHOPS Plus project.

Primary data collection—qualitative

Qualitative interviews were also conducted with enterprise leaders. These interviews identified the ways in which the enterprises increased access to family planning products and services, the capacities that were important in achieving this, and the role that external support, including the HHEF, played in facilitating these efforts. This data was collected through semi-structured

phone interviews with individuals from each of the three participating enterprises. The interview guide is included in Annex A of this report.

This research study will continue to conduct qualitative interviews with key informants from each of these enterprises for the duration of the SHOPS Plus project.

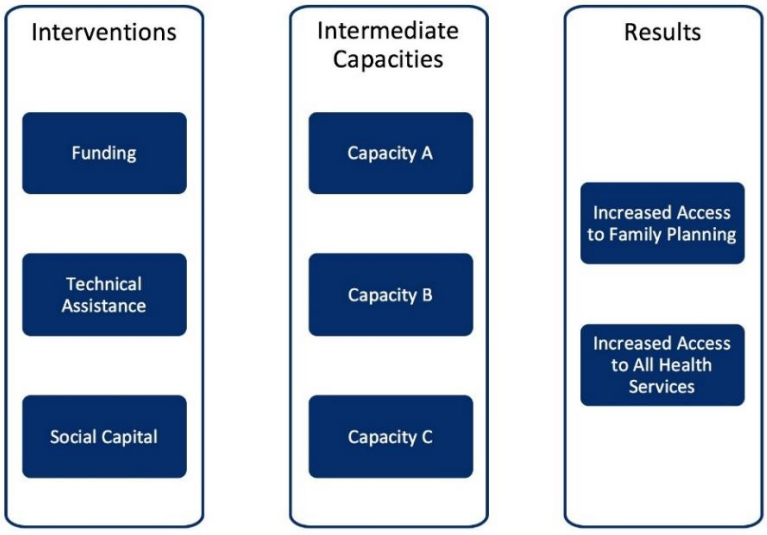
Table 2. Interviewees

Organization	Name	Position/Title
Afya Research Africa	Samson Gwer	Executive Director
	Titus Ogello	Programme Coordinator, Statistics and Standards Lead
Jacaranda	Nick Pearson	Founder & CEO
Telemed	Dr. Yohans Wodaje	Founder & CEO
	Dr. Adefris Beyene	Chief Medical Officer

Analysis approach

This research study sought to explore the conceptual model in Figure 2 through collection of both quantitative data and qualitative interviews. First, we explored how enterprises have achieved increases in access to family planning products and services ("Results" in Figure 2). We then explored the intermediate capacities, which had not been previously identified, that were important in facilitating increased family planning access. Finally, we explored how the interventions provided by the HHEF influenced the development of these capacities. All qualitative data was analyzed by coding interview notes by hand.

Figure 2. Original conceptual model



Understanding how enterprises increase access to family planning products and services

The first set of interview questions identified the ways in which the participating enterprises perceived that they contributed to increasing family planning access. In advance of data collection, the research team developed a set of response categories based on how enterprises may improve the awareness, availability, accessibility, affordability, or quality assurance of family planning products.[11,12] While the enterprise responses do indeed fit into this categorization, an additional level of analytic coding after data collection identified a higher-level categorization of the enterprise's activities. This coding includes two approaches that capture how enterprise activities increase access to family planning products and services: 1) by addressing the issue of high transaction costs for users to access family planning products and services, and 2) by addressing the issue of information asymmetries at the point of service delivery.

Identifying enterprise capacities required to increase access to family planning products and services

The intermediate capacities outlined below (see Figure 3) emerged from coding key informant interview responses. During this coding process, an additional key factor emerged: the strategy or structure of the enterprise's business model was important to increase access to family planning products and services. Rather than the capacity to develop such a business model, it was the model per se that was considered important, and, as such, the conceptual model was extended to include this additional component.

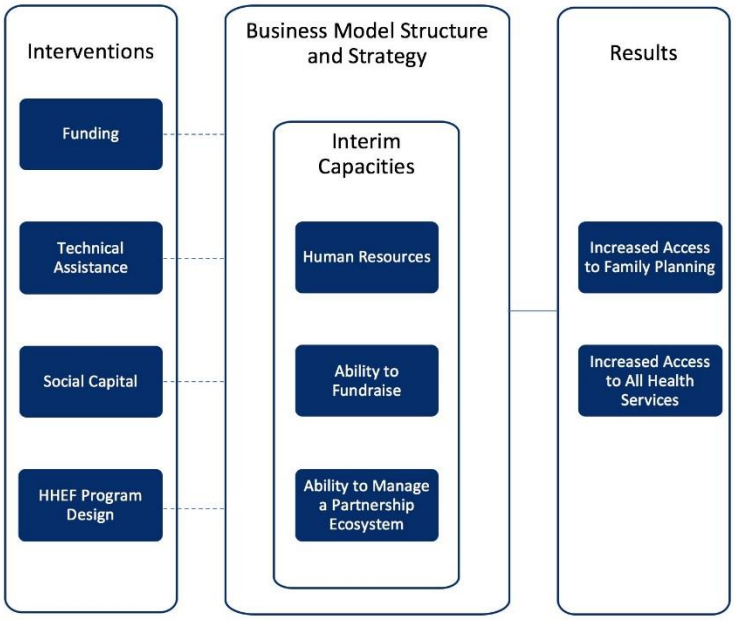
Understanding role of HHEF support in facilitating enterprise efforts to develop capacities

Finally, interviewees were asked how the HHEF interventions related to developing their intermediate capacities. The initial range of responses was known in advance, as the HHEF interventions had already occurred. However, after coding interview responses, an additional factor emerged, which was the enterprise's participation in the HHEF process, which we consider as an additional intervention and added to the conceptual model.

Following this analysis, hypotheses were developed about how each of the interventions might influence the development of intermediate capacities. While all interventions could have contributed in some way to the development of all capacities, further research will be required to determine the precise nature of these relationships, the relative contribution of each, whether this set of relationships is complete, and the importance of each intervention relative to other inputs. Figure 3 demonstrates a revised conceptual model based on this study.

[11] https://www.usaid.gov/sites/default/files/documents/1864/healthymarkets_primer.pdf
[12] Prahalad, C. K. (2011). Bottom of the Pyramid as a Source of Breakthrough Innovations. Journal of Product Innovation Management.

Figure 3. Revised conceptual model



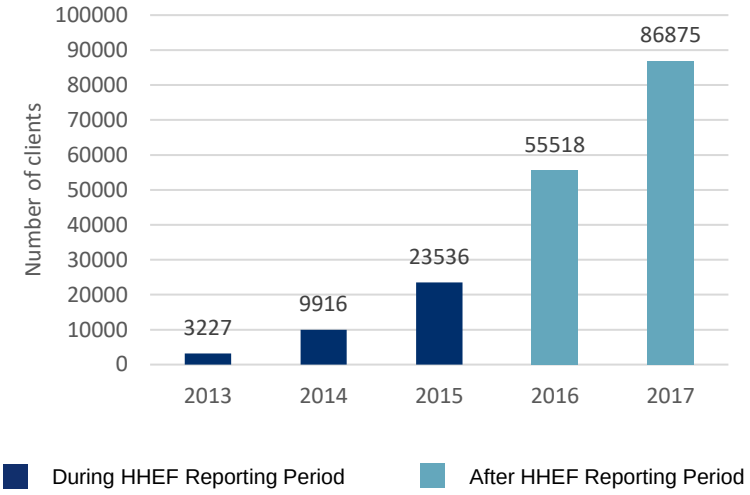
In the discussion of the findings below, specific examples from both secondary and primary sources are included to demonstrate how these insights apply to the individual enterprises.

Findings

Tracking increases in service statistics

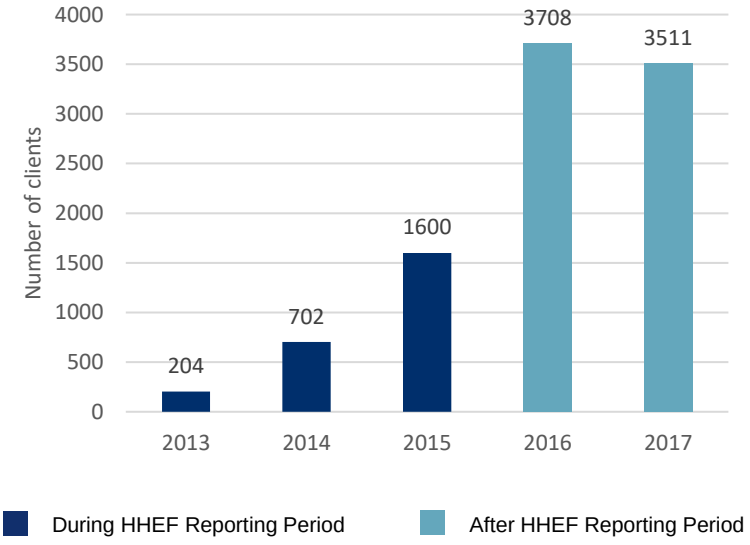
Collectively, the number of people accessing any service provided by the three enterprises included in this study increased over the course of the HHEF, and this trajectory has continued in the intervening period. These services include family planning, but all three enterprises provide a range of services such as reproductive health, maternal and child health, HIV/AIDS, and services related to chronic conditions or general wellness. In 2013, the three enterprises provided services to a combined total of 3,227 clients. For the year ended June 2017, these enterprises were providing services to 86,875 people. Individual service statistics for each of the three participating enterprises are included in Annex B. All three enterprises experienced significant growth in the period since the HHEF was launched, with compound annual growth rates ranging from 67 percent to 124 percent.

Figure 4. Service statistics (all services)



Similarly, the number of people accessing family planning products and services also increased over the course of the HHEF. This increase continued in 2016. However, the number of people accessing family planning services decreased slightly in 2017. Future data collection will aim to determine if this is the beginning of a trend or a temporary phenomenon, and whether the reduction is explained by an increase in the use of long-acting reversible contraceptives (LARCs). Individual family planning service statistics for each of the three participating enterprises are included in Annex B.

Figure 5. Service statistics (family planning)



Qualitative findings

How enterprises increase access to family planning products and services

Due to the public health benefits of improved access to family planning products and services, many countries, including Kenya[13] and Ethiopia,[14] make some products and services available free of charge, often across multiple socio-economic segments. Despite this, barriers to access continue to exist, especially for those at the Base of the Pyramid (BoP)—the approximately 4.5 billion poorest people on the planet.[15] As a result, markets have a key role to play in increasing access to family planning products and services in the world's poorest countries.[16] However, like many other markets in low- and middle-income countries, family planning is subject to market shortcomings that limit the efficiency with which demand can be addressed. These enterprises increased access to family planning products and services by addressing two of these market shortcomings at their local levels, those of high transaction costs and information asymmetries.

High transaction costs

While the price of family planning products may be covered by country governments, bilateral and multilateral donors, or foundations, there are still many costs associated with acquiring these products. Clients may need to travel long distances to government clinics for counseling and service delivery, may need to miss work or need to arrange for childcare, there may be long waiting times at the health facility they choose to attend, and products may not necessarily be available when they arrive. This may limit clients' choice or result in additional costs. Addressing the transaction costs involved in acquiring family planning products and services makes them more accessible to clients and increases the efficiency with which they can be obtained.

Information asymmetries

Multiple information asymmetries exist within the family planning sector. Clients either may not be aware of the economic and health benefits of family planning, and, if they are, they may not be aware of the range of modern contraceptive methods or which method is most suitable for them. Physicians may also not have full information on the range of contraceptive products and services available, practices for effective counseling, or may not have the skills and training to provide high quality service to their clients. Addressing the information asymmetries in the provision of family planning products and services, either between the provider and the client or among providers, increases the quality of service provided to clients and the overall effectiveness of investments in the family planning industry.

The HHEF grantees included in this study aim to improve access to family planning products and services, and by doing so, have addressed both high transaction costs and information asymmetries. Table 3 provides a description of how the enterprises addressed market shortcomings. Additionally, Annex B provides descriptions of these three enterprises' business models and value propositions, along with data on how the efforts described in Table 3

[13] http://www.familyplanning2020.org/entities/77/commitments
[14] https://www.dktinternational.org/wp-content/uploads/2012/02/DKT-Ethiopia-PostPill-White-Paper.pdf
[15] For more on the size of the BoP market, see research from the International Finance Corporation, including the global consumption database: http://datatopics.worldbank.org/consumption/ and Hammond, A. L., Kramer, W. J., Katz, R. S., Tran, J. T., & Walker, C. (2007). *The Next Four Billion: Market Size and Business Strategy at the Base of the Pyramid*. Washington, DC: World Resources Institute and International Finance Corporation.
[16] Weinberger, Michelle and Sean Callahan. 2017. *The Private Sector: Key to Achieving Family Planning 2020 Goals*. Brief. Bethesda, MD: Sustaining Health Outcomes through the Private Sector Project, Abt Associates.

translated to increased access to health and family planning products. The next section will explore the intermediate capacities that were important in achieving these results.

Table 3. How the three enterprises addressed market shortcomings

	High Transaction Costs	Information Asymmetries
Afya Research Africa	• Provides public sector purchased family planning products and services through clinics in rural areas that reduce transaction costs for those communities that previously would have to travel long distances to public sector clinics	• Developed procedures and clinical standards to provide family planning products and services to populations that require bespoke treatment (such as those with hypertension and epilepsy) to ensure appropriate handling and ease of access that is often not provided through traditional channels
Jacaranda	• Ensures family planning products and services are available on a more consistent and reliable basis than public sector clinics through better stock management and avoiding stock outs • Experimented with providing vouchers to clients to encourage greater uptake of family planning products and services	• Women that deliver in Jacaranda facilities are provided with information on postpartum family planning options • Experimented with several behavior change communication strategies, such as using SMS messages to nudge behavior and encourage women to consider postpartum family planning • Seeks to increase knowledge of clinical staff to improve the quality of counseling and service provision, particularly in relation to postpartum family planning
Telemed	• Reduces the time and expense associated with traveling to a health clinic by providing users with counseling and information on family planning products and services over the phone	• Provides clients seeking information on reproductive health and STDs with additional information and education on family planning products and services • Provides clients with information on the nearest providers of family planning products and services • Provides information and education to young people who are often discriminated against when attempting to access family planning products and services through traditional channels

Enterprise capacities required to increase access to family planning products and services

Technical family planning skills

The technical capabilities required to provide family planning services, including counseling clients on the available methods and which ones are most suitable, as well as the technical skills required to perform procedures associated with some methods such as intrauterine devices (IUDs) required investment in all three enterprises' workforces to ensure a high quality of service.

- Since the end of the HHEF, ARA has continued to invest in building clinic capabilities by hiring a full-time clinician that has the technical skills to provide family planning services in every clinic.

- Since the end of the HHEF, Jacaranda has recruited and trained "super users," who are specialists in the provision of family planning services. Super users work in facilities with high family planning service delivery volume and build the skills and capacity of other staff. This can include upskilling nurses to perform more complex procedures, thereby enabling task shifting/sharing for family planning services. This has helped Jacaranda develop a specialty in the provision of postpartum family planning.
- During the HHEF, Telemed invested in developing technical expertise among its staff to provide phone-based counseling on family planning choices and appropriate methods for its clients.

Ability to fundraise

The ability to attract resources to the enterprise has been a key capacity for the participating enterprises, whether to support the development of a business model that can sustain the provision of family planning services or to invest in the behavior change communication activities that are necessary to create awareness and to encourage clients to seek modern methods of contraception.

- During the HHEF, the technical assistance provided to ARA helped it to develop a better understanding of the business and operating models required to reach scale and how to value the business. Understanding which strategies for generating revenue from non-health services (financial services, transportation, etc.) are most effective has been a key part of this learning. ARA has further developed and leveraged this capacity since the end of the HHEF, which has enabled the enterprise to seek and secure additional funding from new investors.
- Jacaranda raised money prior to their participation in the HHEF and did not cite the ability to fundraise as an important intermediate capacity during this round of data collection.
- As part of engaging in the HHEF, Telemed developed the capacity to build financial projections, develop business plans, and better articulate its value proposition to potential supporters. Since then, these capacities have been important in attracting support and resources from both investors such as The Africa Group, and other supporters such as Echoing Green and the Global Social Benefit Incubator.

Ability to manage a partnership ecosystem

Each of the participating enterprises depends on an ecosystem of partnerships, whether highly structured and formalized, such as integrating with the wider health system or more informal partnerships with collaborators. Managing this ecosystem effectively has been an important capacity for these enterprises.

- During the HHEF, ARA invested in proactively developing partnerships, including a partnership with county governments to provide access to free family planning commodities through its network of kiosk clinics.
- Jacaranda has sought to develop best practices in behavior change communication, staff training, and patient centered care. The enterprise has implemented these best practices in public sector facilities through a set of public-private partnerships.
- Since the end of the HHEF, Telemed has developed a fluency in navigating the policy and regulatory environment as well as the ability to engage with partners such as Ethio Telecom and the Ministry of Health. An important strategy, particularly with the Ministry of Health, has

been to ensure regular visits by Telemed staff to maintain the relationship, even if there are no immediately pressing issues to discuss. Actively managing these partnerships and maintaining good relationships with both organizations has been important for the enterprise to ensure it can deliver its value proposition.

Business model innovation required to deliver increases in access to family planning

Since family planning commodities are provided freely by the public sector, there is often reduced willingness to pay for these products and services. Both ARA and Telemed cited the perception that their services should be provided free of charge as a barrier to increasing access to family planning. All three of the enterprises integrate the provision of family planning products and services into a broad business model that provides a range of other services:

- ARA provides a wide range of services at its clinics, including non-health services such as financial services and transportation, to generate sufficient revenue to sustain a platform that can deliver family planning. This strategy was identified from the outset to make the kiosk clinics more sustainable. However, during the HHEF period, the enterprise experimented to determine which types of services to co-locate at the kiosk clinics based on demand in individual communities.
- Since applying for the HHEF, Jacaranda has widened its value proposition to provide services across the continuum of care. With its initial grant, Jacaranda expanded one clinic by opening an operating theatre to treat obstetric emergencies, with the expectation that more women would choose to deliver at a facility that could handle these scenarios on site, which has proven to be the case. The value proposition has been extended further by the addition of postpartum family planning.
- Telemed provides information and counseling services for a wide range of health areas, including referral to offline services, such as ambulance providers and health facilities, in addition to providing family planning information and counseling. Customers pay a per minute rate to access a medical professional through the service, regardless of the health topic being discussed. Telemed is a one-stop shop for expertise and referrals, which allows them to fund their technical competence in a broad range of health areas.

Role of HHEF support in facilitating enterprise efforts to develop capacities

Funding

Funding provided by the HHEF primarily helped the participating grantees to develop business model innovations. As noted above, these enhanced business models enabled the enterprises to improve access to family planning products and services. These innovations may have been in the form of direct investments in assets that allows for the delivery of products and services or may have provided the space for enterprises to experiment with variations in their value proposition.

- ARA used HHEF funding to launch a network of kiosk clinics that reached previously underserved communities, including those not conveniently served by public sector facilities. ARA also benefited from the ability to conduct more robust experiments to better understand which revenue generation business models were most effective (e.g., co-locating financial or transportation services with the clinics) and how best to engage with partner communities.
- Jacaranda used HHEF funding to build an operating theatre to handle obstetric emergencies, which helped to extend the business model to offer services across the

continuum of care. This increased the number of women who chose to deliver at Jacaranda facilities and helped to increase the number of women who received postpartum family planning services, a service that Jacaranda had already offered prior to the HHEF.

- Telemed used HHEF funding to increase awareness of their services through marketing activities and to enhance its technical infrastructure to ensure the service remained online, which improved the brand's reputation. While not specifically focused on the provision of family planning services, these activities were critical in making the entire platform viable.

Technical assistance

The technical assistance provided by the HHEF helped to build the technical capability of the enterprises to improve the range and quality of service delivery as well as build and manage new capacities and assets. This included group business training that all grantees participated in, specialized training and support in areas such as human centered design and marketing, and individualized advice and consultation for specific enterprises. This technical assistance was supplemented by ongoing coaching and mentorship from the HHEF project team. Technical assistance primarily helped the enterprises to develop financial and managerial capabilities, which indirectly contributed to their ability to increase access to family planning products and services.

- ARA benefited significantly from the technical assistance provided by Matchboxology in marketing and communications, particularly in developing a better understanding of its customer segments. While the opportunity to implement the ideas generated through this support didn't materialize during the HHEF, ARA has since found partners to help it better target specific customer segments with tailored value propositions.
- Jacaranda benefited from technical assistance in several areas to increase the capacity of the organization to deliver a continuum of services and to improve marketing, finance, and human resources.[17] In reflecting on how this support has been valuable to the organization since the HHEF ended, enterprise leadership recognized the value of making this support available to middle management, instead of just to the leadership team as is often the case.
- Telemed benefited from technical assistance that increased the organization's ability to manage finances and develop financial projections and plans that were important in engaging new investors and attracting further resources.[18]

Social capital

Social capital was not emphasized as an important part of the HHEF support model by the three enterprises studied. While HHEF efforts were undertaken to connect enterprises to supporters and each other as well as to facilitate partnerships with the public sector, this does not appear to have a significant effect on building the intermediate capacities that were deemed to be most important.

- ARA have leveraged the fact that they were selected by the HHEF and referenced the associated endorsement by USAID and DFID in applications for support from other sources. Since the end of the HHEF program, ARA has continued to use the HHEF experience as a credential in its discussions with and applications to investors and supporters.

[17] Jacaranda Health. 2015. HANSHEP Health Enterprise Fund Quarterly Report.
[18] Telemed. 2015. HANSHEP Health Enterprise Fund Quarterly Report.

- Jacaranda did not identify any specific value from the HHEF in terms of social capital.
- Telemed appreciated efforts in Ethiopia to generate a discussion between the public and private sectors; however, it felt that the timing may not have been right for this to be successful.

HHEF program design

The design of the HHEF itself required enterprises to go through several steps, both as applicants and subsequently as grantees, that enterprises considered beneficial to developing key capacities.

- The process of applying for the HHEF was the first time that ARA considered what they were doing as an enterprise. The application process required them to develop a business plan for the first time and articulate their value proposition through the development of an investor pitch.
- During the HHEF grant period, ARA developed partnerships with county governments and recognized the value of HHEF technical assistance to build the internal structures required to better manage partnerships.[19] These partnerships have remained in place since the end of the program. While reflecting on this during interviews, the ARA leadership highlighted the requirement to report on the number of partnerships they had developed as a motivator to prioritize partnership development for the first time. Because of this requirement, the enterprise became more accountable for developing this capacity to manage its partnership ecosystem.
- When applying to the HHEF, Jacaranda had prior experience working with grant programs and investors and did not cite any specific benefit from the structure or design of the HHEF program.
- Applying to the HHEF was the first time that Telemed had raised money, which motivated the enterprise's leadership to subsequently seek support from other sources, including investors and enterprise accelerators such as Echoing Green and GSBI.[20]

Implications and Next Steps

Implications of the findings

The findings from Year 1 of this study provide important implications for the design of support interventions such as the HHEF as well as interesting pathways for future research.

Promoting innovation and market-based solutions

Increasing access to family planning is commonly thought of in terms of increasing awareness, availability, accessibility, affordability, or assured quality. However, when considering private enterprises in these terms, it may be difficult to distinguish their role from that of the public sector or of donor funded projects. The market failure perspective included in this report focuses on how the participating enterprises addressed two *root causes* of limited access to family planning products and services, rather than the *symptoms*. In addition to identifying more

[19] Afya Research Africa. 2015. HANSHEP Health Enterprise Fund Quarterly Report
[20] Telemed. 2015. HANSHEP Health Enterprise Fund Quarterly Report.

effective solutions, this approach may also allow for greater creativity in shaping roles for private enterprises and may highlight the programmatic value in innovations that are cross-cutting, which benefit from specialization and the economies of scale that come with it.

For example, Telemed, while not delivering any services directly, is lowering the transaction cost for people to access family planning products and services by reducing the need to travel for consultations and by providing information on where the chosen method can be accessed. By specializing in phone-based medical consultation, Telemed is addressing this root cause of limited accessibility in a way that could not be done as effectively or efficiently by service providers themselves, including in the public sector. Further, Telemed's model allows the enterprise to specialize in the provision of phone-based medical expertise and referrals across multiple health areas, providing a one-stop shop to its clients.

As future interventions like the HHEF seek solutions to development challenges such as increasing access to family planning, framing the challenge in terms of market shortcomings, or root causes, may lead to more effective solutions and greater opportunities for sustainable and scalable enterprise models that address them.

Building capabilities through program design and reporting

The HHEF was designed to primarily assist enterprises through grants, technical assistance, and connections to investors or partners. However, in our analysis, it emerged that the HHEF design and process required participation, which had an important influence on grantee behavior. This motivated, or in some cases required, grantees to develop capacities that they consider to be important contributions to achieving increases in access to family planning products and services. For example, the requirement to report on the number of partnerships developed acted as a signal to enterprises that the development of partnerships was a valuable capacity to develop. While the HHEF's efforts to directly facilitate partnerships was considered by the participating enterprises to be only somewhat successful, the emphasis on the importance of partnerships in the program overall helped to develop this capacity.

Future interventions should more intentionally consider the effect that the structure of the program, the application requirements, and the metrics reported have on enterprise behavior. These decisions about program design and requirements indicate to enterprises what capacities are important, and in some cases, may be more effective in developing these capacities than direct interventions.

Future research

The first year of this study identified how the participating enterprises increase access to family planning products and services, the set of capacities that are important in achieving these results, and the HHEF interventions that facilitated this capacity development. The deeper understanding of the effect that interventions like the HHEF have on the participating enterprises enables us to pose further research questions.

What is the relationship between individual interventions and individual capacities?

While it is plausible that most of the HHEF interventions contributed in some way to developing enterprise capacities, understanding the role of each of these interventions will be helpful in designing support programs that better match individual support components with specific enterprise needs.

During interviews, some initial relationships between HHEF activities and enterprise capacities emerged:

- Funding may be most directly related to the development of business model innovations, either through direct investments in assets, such as an operating theatre or vehicles, or by creating the space to experiment with business model variations, as ARA did with its health kiosks.
- Technical assistance may be most directly related to building the technical capacity of staff and the ability to fundraise.
- Social capital may be most related to the ability to fundraise and manage a partnership ecosystem.
- The design and structure of the HHEF program and its reporting may be most related to the ability to fundraise and manage a partnership ecosystem.

Understanding how different sources and types of support interact with each other, and either enhance or detract from each other, will enable more effective partnering between organizations that seek to facilitate these enterprises' transition to scale, enable greater integration of investments, and increase value for money. Future research should seek to validate these initial hypotheses, and further understand the contribution of HHEF support interventions relative to other sources of support that these enterprises benefited from.

How do we identify key capacities for enterprise success, design interventions to more effectively build them, and measure their development?

Interventions such as the HHEF support enterprises that are aiming to be sustainable at scale; however, depending on the design of the program, scale may not be achieved for some time or may be curtailed by external barriers. Understanding the capacities that contribute to impact at scale, and how to measure these capacities, can inform program improvements for the HHEF or similar interventions and provide better indicators of enterprise performance.

What are the remaining gaps in the ecosystem of support for health enterprises?

A better understanding of the relationship between support interventions and enterprise capacities will clarify what additional support might be missing within the ecosystem. This may entail identifying new types of support that are not already provided or providing more support that develops the capacities that are most important. While the HHEF focused on providing capacity building support to the participating enterprises through grants, technical assistance and social capital, further gaps may remain. Further gaps may include facilitating enterprise operations through better market intelligence, market access, or understanding of impact; facilitating market transactions through demand creation and supply enhancement; and enhancing the market environment through improving the value chain infrastructure, the legal structure, and the institutional infrastructure.[21]

What business model archetypes are most effective in increasing access to family planning products and services?

The three enterprises participating in this study provide family planning products and services as part of their broader business model. Particularly in scenarios where the public sector provides free or heavily subsidized commodities, these services have limited revenue potential

[21] For more see: London, T. (2016) *The Base of the Pyramid Promise: Building Businesses with Impact and Scale*. Stanford University Press.

and may require cross subsidization by other products and services. However, there are other ways in which the provision of these services may drive value for the enterprise, such as by acting as a loss leader whereby clients come to a facility to avail of subsidized services and, while there, consume additional revenue generating services. In this way, offering family planning products and services may contribute to creating a wide value proposition that enables the enterprise to be considered a 'one-stop shop'. In cases where there is a formal partnership with the public sector, potential clients may consider this an implicit approval by the government, and it may drive additional clients to that facility, thereby reducing the cost of customer acquisition. Understanding these business model innovations further in terms of how family planning service provision contributes to the overall unit economics of the business through marginal revenue or reductions in the cost of customer acquisition will have implications regarding the contexts under which these business models can be successful. These insights will contribute important learnings about how to sustainably scale up private sector provision of family planning products and services.

Year 2 research scope

In Year 2 of this study, the research team will conduct field visits with each of the participating enterprises and their partners in order to identify additional sources and types of support received by the enterprises that were important in developing the intermediate capacities identified above. The research team will also examine gaps that remain in the ecosystem of support for such enterprises.

This work will seek to understand how these capacities have evolved over time, the relationship between individual support interventions and individual capacities, and how this differs across the participating enterprises. By improving our understanding of how these capacities develop, the types of support that work best, and remaining gaps, future programs like the HHEF can be designed to better support enterprises in their transition to scale.

Annex A. Interview Guide

HHEF study questions

1. How would you say the enterprise contributes to making family planning more accessible?

   PROBE:
   - Consider ways in which the enterprise addresses barriers BoP consumers face in accessing family planning.

2. What is the portfolio of family planning products or services that the enterprise provides?

   PROBE: Have the enterprise's family planning products or services changed since the beginning of the HHEF? How so?

3. At the time you applied to the HHEF, what were the challenges the enterprise faced in increasing access to family planning?
   a. How did the enterprise address these?

   PROBE:
   - Consider both internal challenges and external barriers
   - In what ways are these barriers specific to providing family planning products and services?

If internal challenges are cited as a response to Q3

4. What were the internal capacities/capabilities that were most important in achieving increases in access to family planning?

   PROBE: Has the enterprise further developed these capacities since the HHEF ended?
   PROBE: How did each of these contribute to increasing access to family planning?

5. What contributed to building that capacity within the enterprise?

   PROBE:
   - Did the HHEF contribute to developing these capacities?
   - If so, what were the most important ways in which it did this?
     - Consider financial capital, knowledge capital, human capital, social capital

6. Can you talk about how HHEF support focused on internal capacities helped you to more effectively implement existing activities compared to developing new activities?

If external barriers are cited as a response to Q3

7. What were the most important interventions that contributed to addressing external barriers?

PROBE:

- Did the HHEF contribute to addressing these barriers?
- If so, what were the most important ways in which it did this?

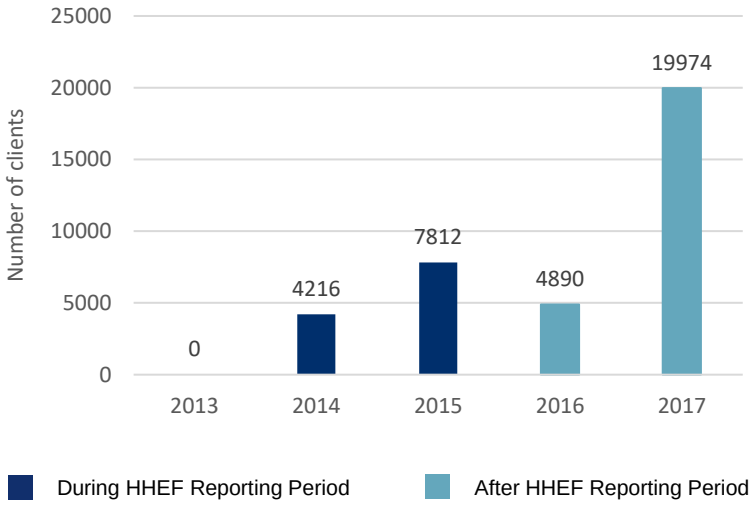
  PROBE:
  - Were there interventions that operated at the level of the enterprise?
  - Were there interventions that operated at the level of the grantee cohort?
  - Were there interventions that operated at the level of the market?

8. Can you talk about how HHEF support focused on external barriers helped you to more effectively implement existing activities compared to developing new activities?

Annex B. Enterprise Results

Afya Research Africa service statistics

Figure 6. Afya Research Africa service statistics (all services)



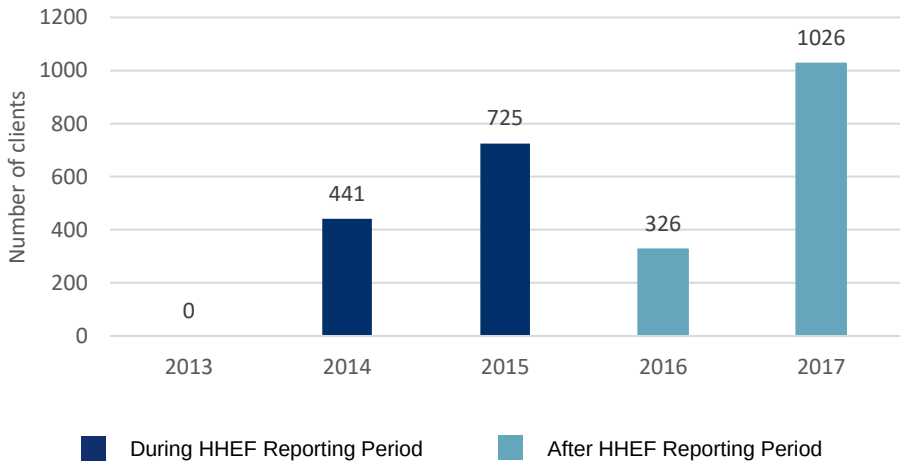
Note: Data was unavailable for the period July 2015–December 2015 resulting in underreporting of service statistics for period T3.

Family planning services

Ubuntu clinics provide family planning counseling and provide condoms, oral contraceptives, injectables, IUDs, and implants to clients on site.

Ubuntu clinics have also developed protocols to provide family planning products and services to groups that require more tailored care, such as those with epilepsy or hypertension, to ease access for these often-underserved groups.

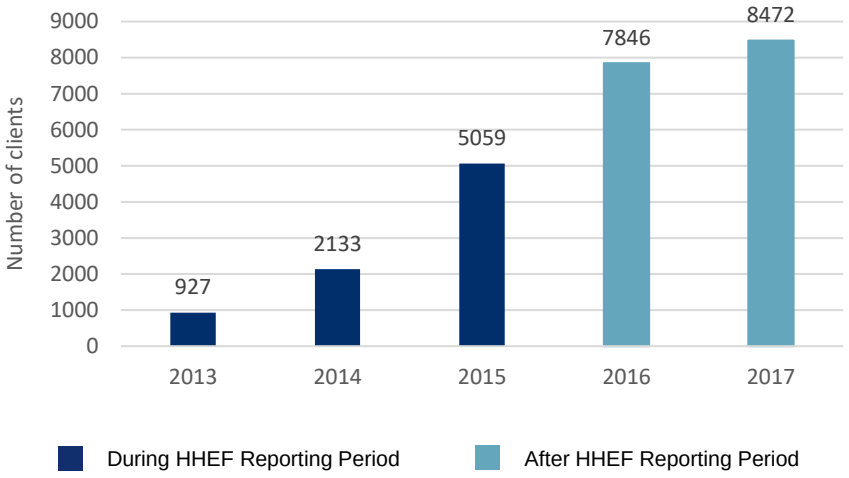
Figure 7. Afya Research Africa service statistics (family planning)



Note: Data was unavailable for the period July 2015–December 2015 resulting in underreporting of service statistics for period T3.

Jacaranda service statistics

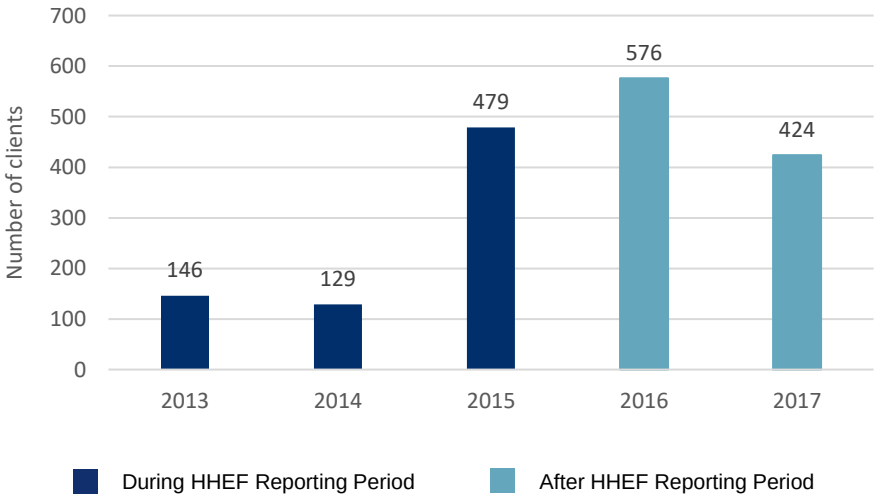
Figure 8. Jacaranda service statistics (all services)



Family planning services

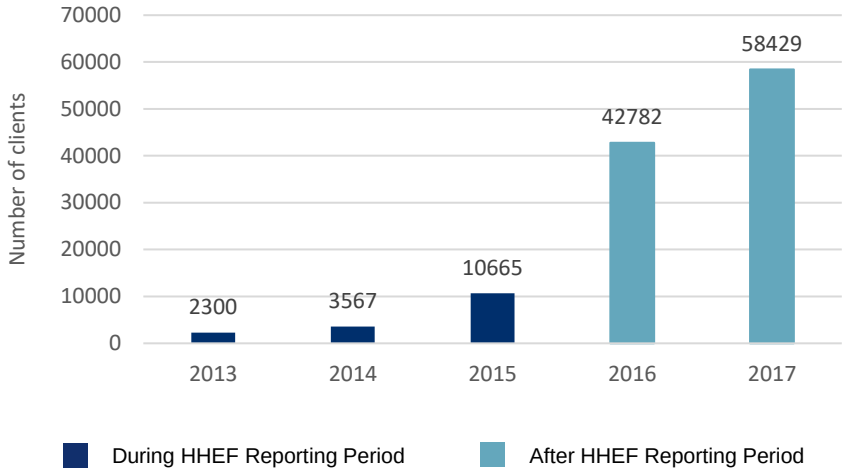
Jacaranda provides a full range of short- and long-term contraceptive methods, with a specialty in postpartum family planning, which has a strong emphasis on long-term methods. Jacaranda facilities also provide standalone family planning services; however, this is low volume compared to postpartum family planning services.

Figure 9. Jacaranda service statistics (family planning)



Telemed service statistics

Figure 10. Telemed service statistics (all services)



Family planning services

Telemed provides family planning counseling to clients, answering questions about family planning methods, and recommending the most suitable methods for individual users. The service can also provide users with information on where to access contraceptive products and services. They have users that ask directly about family planning, and provide information and education in the context of discussions about reproductive health, STDs, emergency contraception and pregnancy testing.

Figure 11. Telemed service statistics (family planning)