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# Report Dissemination: Commercial Prospects for Donor-Funded Namibian Nongovernmental Organizations

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On behalf of the SHOPS team

23 August 2013



SHOPS is funded by the U.S. Agency for International Development.  
Abt Associates leads the project in collaboration with  
Banyan Global  
Jhpiego  
Marie Stopes International  
Monitor Group  
O'Hanlon Health Consulting

# Agenda

**Introduction**

**Namibia's Corporate Health Services Landscape**

**CSO Opportunities**

**Key Challenges to CSO-Corporate Partnerships**

**Implications and Recommendations**

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# Introduction

- With Namibia being **reclassified** as an **upper-middle income country**, there has been a **reduction in CSO funding**, including for CSOs providing HIV/AIDS-related services (HARS)
- CSOs are therefore likely to need to **consider alternative revenue streams**
- It was hypothesized that **providing services to the private sector** may form **part of the solution**
- **The SHOPS/Namibia team** worked with a team from **The Monitor Group** (now Monitor Deloitte) on a ~6 month project to investigate this hypothesis

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**Namibia's Corporate Health Services Landscape**

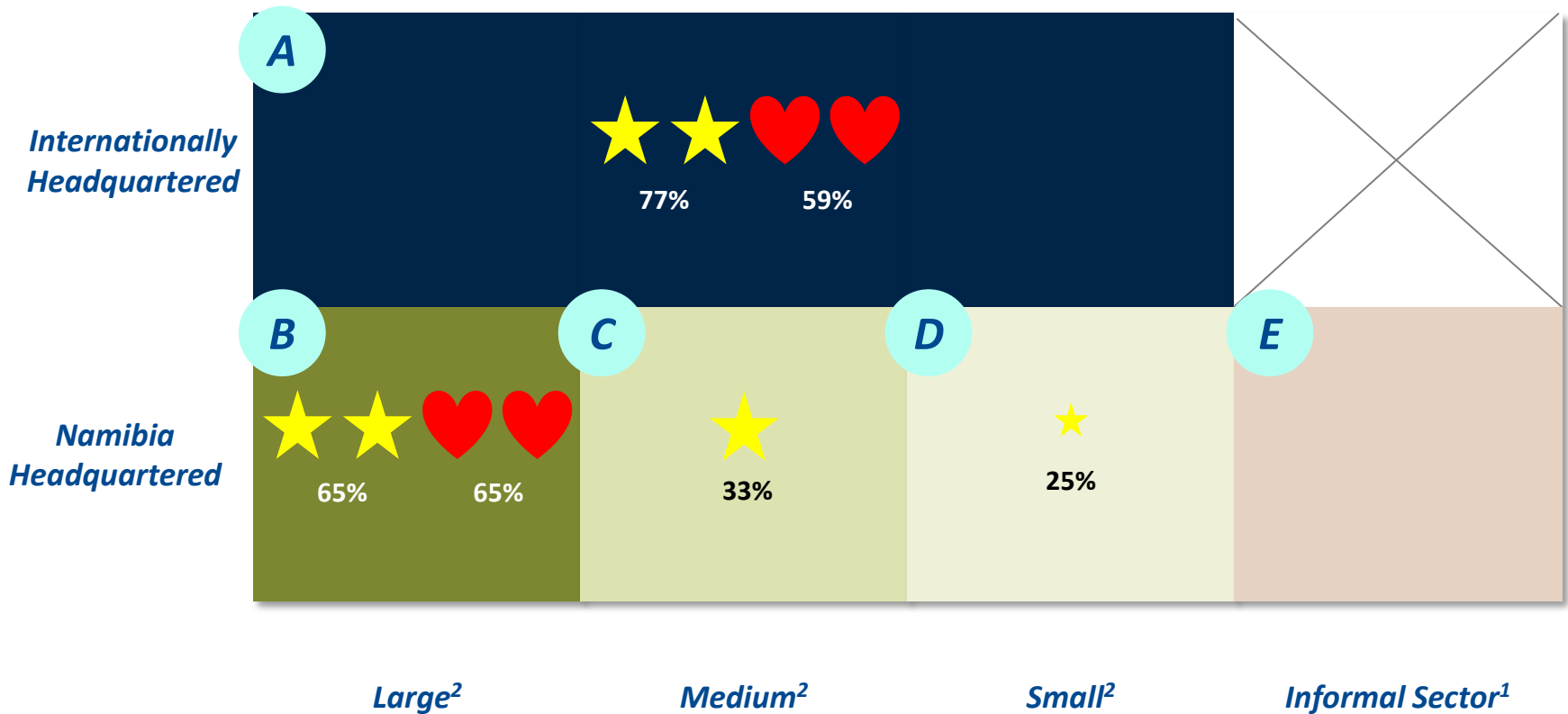
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# Corporate Provision of Health Services

Provision of health services varies by corporate type, with Namibia based corporates and multinationals tending to provide both medical aid / insurance and wellness services to their employees



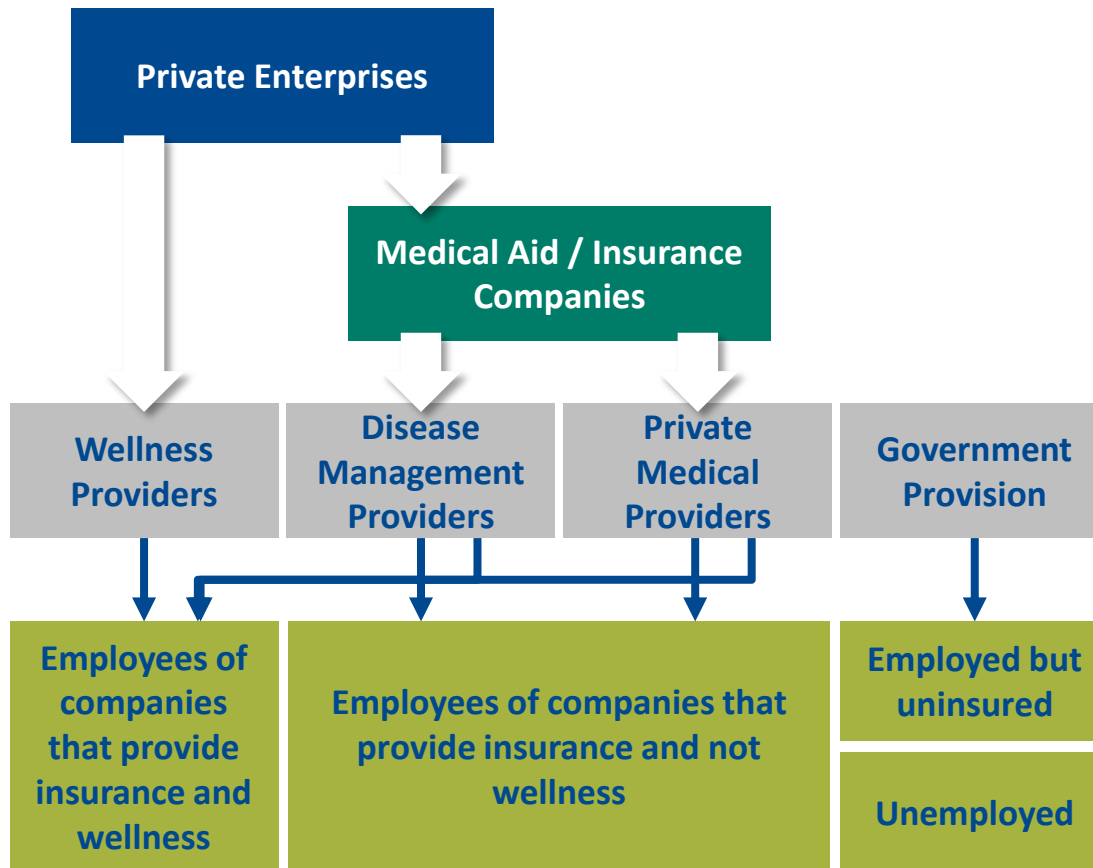
Note: Data based on 124 corporates identified by Survey Warehouse; <sup>1</sup>The informal sector refers to employment that is not regulated; <sup>2</sup> We define corporate size as follows: <50 employees is small, 50–100 employees is medium, and 100+ employees is large

Source: Monitor Analysis

 Provide Medical Aid / Insurance  
 Provide Wellness

# Challenges in Health Provision

*There are challenges in the Namibian health landscape for private enterprises, medical aid / insurance companies, and individuals who access public health services*



## Challenges

- Providers of wellness services are often scarce, expensive, limited in scope of provision, inexperienced, one of many perceived alternatives

- There has been an increased cost of covering service provision, driven by:
  - Poor patient behaviour
  - Service providers' high prices

- Public health services are over-stretched
- Service delivery is inefficient
- There are major implications for employers
- The indirect costs of accessing services is high

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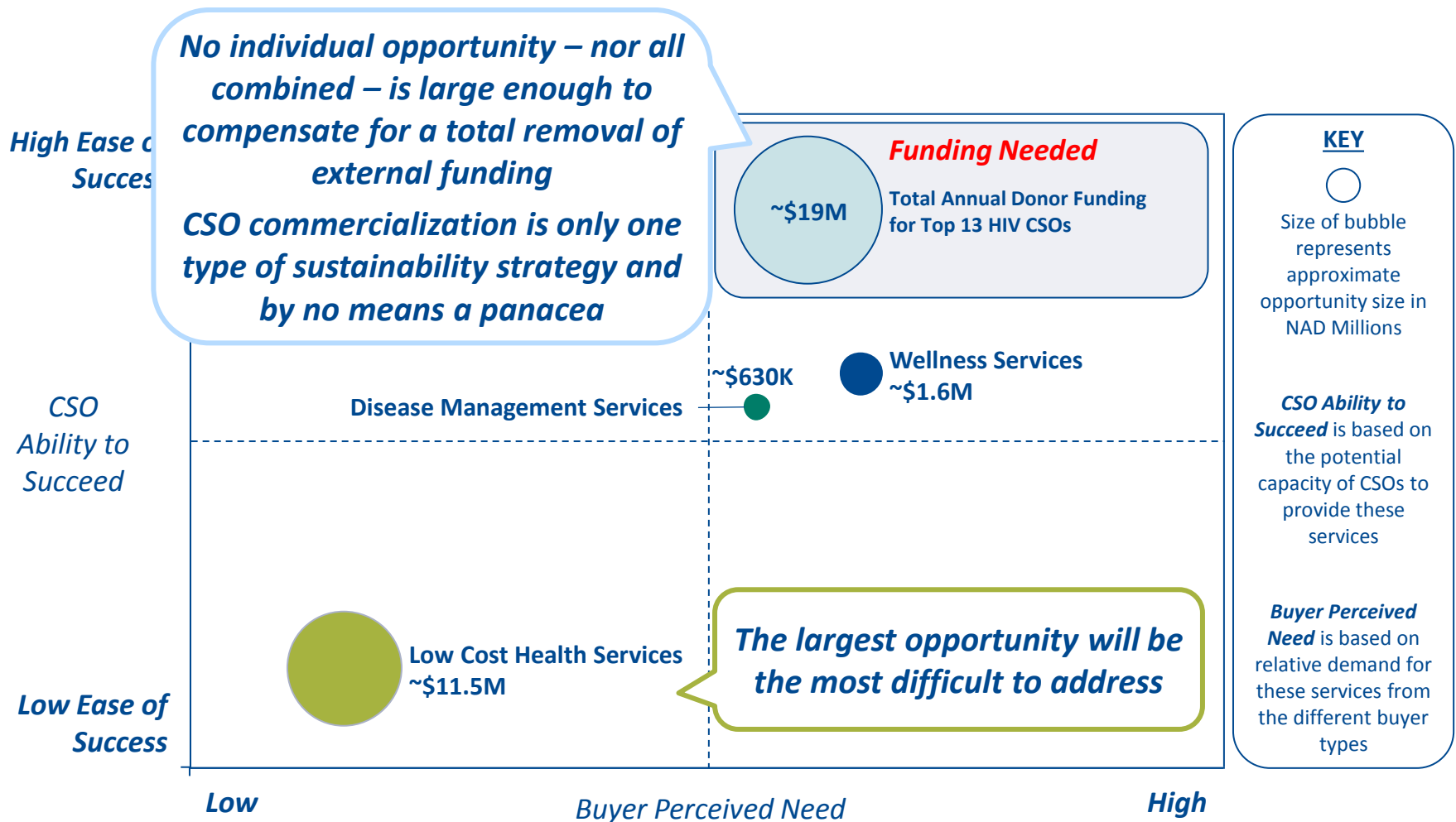


# Opportunity Identification

	1 Disease Management	2 Wellness Services	3 Low Cost Health Clinics
Buyer	<ul style="list-style-type: none"> <li>Medical Aid / insurance providers</li> </ul>	<ul style="list-style-type: none"> <li>Private corporates</li> </ul>	<ul style="list-style-type: none"> <li>Individuals employed by those corporates that do not provide access to healthcare services; and informally<sup>1</sup> / unemployed with buying power</li> </ul>
Rationale for Purchase	<ul style="list-style-type: none"> <li>Improving patient behaviour can potentially cut the cost of coverage for medical aid / insurance providers for chronic diseases</li> </ul>	<ul style="list-style-type: none"> <li>Wellness services are becoming increasingly popular, and there appear to be insufficient affordable, reliable service providers</li> </ul>	<ul style="list-style-type: none"> <li>There is a service provision gap between private providers and government provision, particularly for the employed but uninsured population</li> </ul>
Potential Solution	<ul style="list-style-type: none"> <li>Provide disease management / counselling services to medical aid / insurance members</li> </ul>	<ul style="list-style-type: none"> <li>Provide wellness services to corporate employees</li> </ul>	<ul style="list-style-type: none"> <li>Provide primary low cost health services, through either fixed / mobile clinics</li> </ul>

<sup>1</sup> The informal sector refers to employment that is not regulated  
 Source: Corporate Interviews; Monitor Analysis

# Assessment of CSO Opportunities



# Summary of CSO Opportunities

1

## Disease Management Services

- There is **demand for disease management providers**, with current providers typically being **expensive** with **limited rural reach**, particularly relating to **language capabilities**
- However, the opportunity is **small** and **not expected to grow significantly going forward**
- Additionally, CSOs have **limited experience** providing disease management services, and may **lack the capacity to meet service delivery parameters**
- Finally, CSOs face **extremely intense competition from existing providers**, who are able to **subsidize their costs using administration fees**

2

## Wellness Services

- Wellness services represent a **sizeable opportunity**
- **CSOs have the capacity and the broad experience to provide aspects of wellness services**
- Additionally, there is an **increasing corporate demand** for these services

3

## Low Cost Health Clinics

- **Low Cost Health Clinics**, filling the **provision gap between public and private** health services, represent the **largest opportunity**
- However, **CSOs have limited experience** in this space and it will be **operationally complex to execute against**
- Moreover, it **cannot be anchored on corporate demand**

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# Key Challenges to CSO-Corporate Partnerships

## Technical and Delivery Challenges

- CSOs often have **rural** experience (v. **urban** experience) and **limited experience customizing prices**
- **New capacity development** may be required, along with **specialized marketing and commercial skills** (that CSOs often lack)

## Human Resources Challenges

- CSOs expressed a skills shortage and noted the difficulty in staff retention
- CSOs often **rely heavily on volunteers**

## Management System Challenges

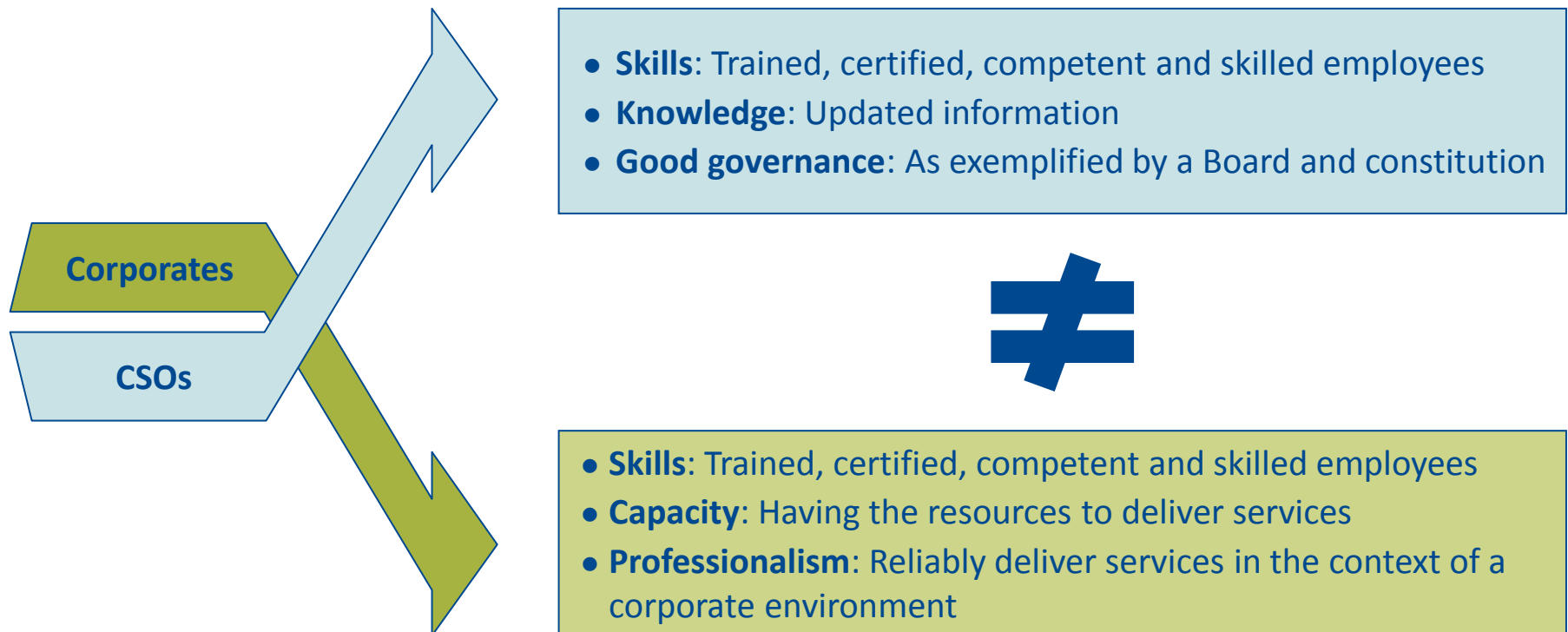
- To meet corporate requirements, CSOs may require upgrading of their monitoring and evaluation, billing, and invoicing systems

## Misaligned Perceptions Challenges

- CSOs need to overcome the **negative perception of their capabilities**
- In addition, CSOs and corporates have **misaligned perceptions on the key success factors in establishing partnerships**
- Companies noted that they would **treat CSOs like any other private provider**

# Perceptions on the Key Success Factors in Establishing Partnerships

## Most Important CSO Characteristics, from the Perspective of Each Stakeholder



Note: Corporates and CSOs selected the most important characteristics from a list of ten: skills, capacity, professionalism, knowledge, affordability, good governance, quality, commercial viability, suitability / flexibility, and integrity

Source: CSO Interviews; Corporate Interviews; Medical Aid / Insurance Provider Interviews; Service Provider Interviews; Monitor Analysis

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# Implications

- Commercialization can only be **one element of a comprehensive diversified revenue strategy** for **CSOs**
  - Commercialization in itself is **not a replacement for reductions in funding**
  - The **highest market value opportunity is the most difficult to operationalize**; lower market value opportunities are easier
  - Most CSOs will need to **acquire new skills to meet corporate requirements**, particularly in marketing capacity, monitoring systems, invoicing and billing systems, and customer relationship management
- **Donors** should encourage CSOs to think about **revenue diversification** and may need to make **substantial investments in technical assistance (TA)** to address CSO requirements
  - However, **not all projects have strong commercial prospects** (eg, CSOs serving orphans) – **commercialization is not universally an option**
- **Corporates** should become aware of the **range of services** – particularly wellness-related – offered by CSOs and be cognizant of the **potential for a ‘double bottom line’**

***Based on the study findings, two pilots were set up to test the wellness opportunity***



# Key Service Provision Gaps

There are many gaps in service provision, as identified by corporates; in order to be able to serve multinationals or large Namibian corporates, CSOs need to target these

Wellness Services						Key:
	Counseling	Training	Communication and Awareness	Care-giving	Testing	
Physical						
Mental / Emotional / Psycho-Social						
Financial						
Professional						

Multinationals are more likely to require a range of these services, while large Namibian corporates are more likely to seek to address specific gaps in provision

**Provision gaps reported by all corporates include:**

- Limited counseling services, particularly in local languages
- Inadequate employee education and training