

2016

Year-End
Stakeholder
Report



 **LivingGoods**
Community Health Promoter



LivingGoods



Esther's Story

Esther's one-year old, Frank, has just had diarrhea for the second time in his young life, and her three-year-old daughter, Doreen, gets it about three times a year. "They mostly get sick at the same time," says Esther, "and it affects us all a lot."

Esther used to have to take her children all the way to the health center—a two-hour walk each way, carrying a sick child. With the waiting time at the clinic it would easily take up her whole day and, although the exam would be free, she would have to spend around two dollars on treatment.

"Sometimes I would fail to go," Esther says quietly. "I know it's serious, that children can die from the disease, but sometimes, I just didn't have the money.... It really breaks me, it affects me so, so much, I cannot express it."

The somber mood quickly lifts when Living Goods Community Health Promoter Josephine is mentioned. "[Josephine] treats the whole family when we get sick," Esther says with a big smile on her face. Instead of walking for two hours, it's now two minutes, and I never have to wait for her to see me. Her treatments are almost half the price than at the health center. She is like a mother to me!"



The Vision

Living Goods strives for a world in which:

- **Every family has access to basic healthcare in their own community;**
- **Mothers have support for a healthy pregnancy;**
- **Families like Esther's don't need to travel all day for medicine and care; and**
- **Children not only survive, but also thrive.**

We live in an age of medical and technological miracles. Yet six million children still die each year—many of them from simple causes that could be prevented for less than the price of a cup of coffee. Community health has vast potential to help end this problem.

Living Goods wants every mother and child to have access to a skilled, equipped, and motivated Community Health Promoter (CHP). And thanks to our partners, funders, supporters, and team, we're making real headway.

In 2016, together with our partners, we:

- ✓ Increased total Living Goods and BRAC coverage to reach over **five million people**;
- ✓ Treated over **680,000 children** under five for malaria, pneumonia, and diarrhea;
- ✓ Rolled-out our powerful mobile system across much of the network;
- ✓ Increased Living Goods' reach by over **300 percent** in Kenya and nearly **70 percent** in Uganda;
- ✓ Took substantial steps toward working with national and local government; and
- ✓ Decreased the cost for Living Goods Uganda CHPs to deliver high-quality health care to **\$1.72 per person per year**.

We're making exciting progress, but we still have a ways to go.

So, we will think big, build our influence, experiment with potential breakthroughs, and push harder than ever before. Because every child—no matter where they are born—deserves a chance at a healthy and productive life. And because every day's delay is a day too many.

Thank you for joining us on this journey,

The Living Goods Team

A Year in Review: 2016

January: Introduction of assessments as primary health metric to measure Community Health Promoters' success

February: Participated in the Wilton Park Health Dialogue to raise visibility of community health on a global scale

April: Chuck Slaughter and Living Goods receive the Skoll Award for Social Entrepreneurship

May: Shaun Church becomes president of Living Goods, and founder Chuck Slaughter remains a dedicated board director

May: Living Goods celebrates our 10-year anniversary!

August: We met with Uganda Prime Minister Rugunda, a strong proponent of Living Goods

August: Living Goods and BRAC Community Health Promoters treat over 1.5 million people since our inception

September: Living Goods receives a Stage Three Award from USAID's Development Innovations Ventures to scale in Kenya

September: We rolled-out our new upgraded mobile tools to all 1,600 Living Goods Uganda Community Health Promoters

September: Launched the Financing Alliance for Health in partnership with Last Mile Health, Partners in Health, the Government of Ethiopia, and more to promote sustainable financing for community health

November: Researchers publish working paper showing a 27 percent decrease in child mortality in areas where Living Goods and BRAC Community Health Promoters work

December: Living Goods and BRAC reach over 5 million people!



Transforming Community Health

Scale

In 2016, Living Goods grew our network of CHPs, while maintaining—and in some cases, exceeding—many of our key health metrics. In collaboration with BRAC Uganda, we increased CHP reach in Kenya and Uganda by more than 60 percent in 2016. As a result, over five million people now have access to affordable, high-quality, and personalized health care where they need it most.

Living Goods Uganda opened seven new branches and exceeded their target of 1,600 CHPs. Additionally, BRAC Uganda trained and deployed over 1,200 new CHPs, nearly reaching their target of 4,000 total CHPs. BRAC will now pause expansion efforts in 2017 to focus on improving health performance. In Kenya, our network of CHPs more than quadrupled—from 170 to almost 750—with the opening of six new branches in two new counties.

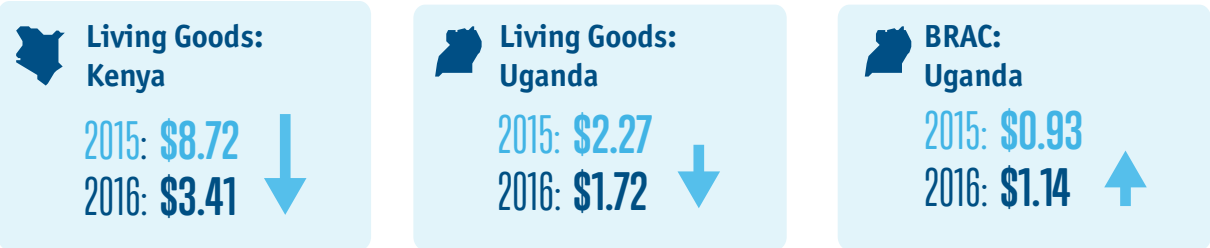
Notably, Living Goods Kenya and Uganda decreased cost per capita in 2016 to \$3.41 in Kenya and \$1.72 in Uganda. BRAC Uganda’s cost per capita, which has historically been exceptionally low, increased to \$1.14. In Q4, BRAC’s wide network of CHPs in Uganda began transitioning to a mobile system for the first time, requiring additional operational support and driving up costs.

Over five million people now have access to affordable, high-quality, and personalized health care.

Population Reached



Cost Per Capita





Spotlight: Kenya



Belief Breeds Success in Kenya

When Living Goods launched in Kenya in June 2015, the team was focused on building the logistics, operations, and staff for our then-nascent operations. With a strong operational foundation in place, we headed into 2016 with a goal of improving the health performance of Kenya's fast-growing network of CHPs.

Thanks to a relentless focus on performance management, we hit our sick child assessments targets in both Q2 and Q3 and saw improvements in on-time referral follow-ups. While performance dipped in Q4—due to intense training focused on the roll-out of the updated mobile app and the rapid expansion of the CHP network—we are confident that we can consistently reach our targets in 2017. Throughout the year, the Kenya team tested, evaluated, and deployed a range of performance-enhancing initiatives that contributed to this turnaround. Our most important learning: Responsive, personalized support and training can yield life-saving results.

Mentored CHPs showed an average 30 percent improvement in under-five assessments, 40 percent improvement in pregnancy registrations, and 18 percent improvement in sales.

To provide strong support to CHPs and branch staff right from the start, Living Goods Kenya adapted the “fast start” approach used in Uganda. As part of this approach, the team introduced new motivating incentives, provided additional trainers in the field, embedded branch trainees in new branches, and introduced a full 30-day check-in to share stories, praise success, and listen to the concerns and challenges of CHPs and branch staff.

To boost support and confidence among CHPs even further, the team piloted a mentorship program at the suggestion of one of our board directors, Bradford Richardson, who

has extensive experience in direct sales. High-performing CHPs were matched up with both low-performing and randomly-selected CHPs with impressive initial results: Mentored CHPs showed an average 30 percent improvement in under-

five assessments, 40 percent improvement in pregnancy registrations, and 18 percent improvement in sales. As described by Living Goods Kenya Country Director Liz Jarman, “belief breeds success.”

Health Impact

Despite a national election in February—resulting in a slowdown in operations during Q1—and the extensive roll-out of our robust, updated version of our SmartHealth mobile tools, Living Goods Uganda consistently met its assessment target and increased on-time referral follow-ups from 30 percent in Q4 2015 to over 75 percent in Q4 2016. Increased supervision and training, supported by access to robust performance data through the mobile app, bolstered these improvements.

Living Goods and BRAC Uganda worked closely throughout the year, sharing challenges, learnings, and insights to improve the performance. BRAC Uganda's on-time postnatal visits remained high, consistently exceeding their target of 85 percent. With the rapid expansion of their network, the team was focused on training, deploying, and supporting new CHPs. In 2017, BRAC Uganda will focus on improving other key health metrics, supported by the roll-out of the mobile app.

Living Goods Kenya saw improvements in key health metrics due to the simplified focus on assessments, and a range of performance-enhancing initiatives—including a mentorship program—to provide additional support to CHPs. While health performance dipped in Q4 with the roll-out of the new mobile app and the rapid expansion of the CHP network by 40 percent, incremental improvements over the course of the year provided valuable insight into how we can strengthen Living Goods Kenya's performance heading into 2017.

A randomized controlled trial evaluation found that Living Goods and BRAC Community Health Promoters are decreasing under-five child mortality by **27 percent** for under \$2 per person per year



Total pregnancies supported

213,891



Total sick children under one treated



192,977



Total sick children under five treated



681,003



Spotlight: Uganda



Leveraging Data to Deepen Impact

Over the course of three months, our heroic tech team trained and supported more than 1,600 Living Goods Uganda CHPs on the new Android SmartHealth tools. The flexible and scalable app, developed with Medic Mobile, was designed around families and households—enabling CHPs to accurately diagnose and treat patients, support pregnant mothers and newborns, and conduct follow-ups.

The impact-driving benefits of the app have been two-fold. From a CHP perspective, the user-centered, step-by-step diagnostic guidance provides an additional level of support and reassurance in the field. From a performance management perspective, the accurate, real-time data enables supervisors to quickly pinpoint and support CHPs who are under-performing. The technology has been nothing short of transformative for our Living Goods Uganda operations—driving improvements in sick child assessments as well as on-time referral follow-ups.

The technology has been nothing short of transformative for our Living Goods Uganda operations—driving improvements in sick child assessments as well as on-time referral follow-ups.

Access to expanded health data has also enabled our team to unearth some critical—and sometimes unexpected—insights. After delving into the data on our new mobile dashboard, we realized that our postnatal visit metric needed to be adjusted. It was not taking into account all of the pregnancies registered by CHPs—only the pregnancies that had received a follow-up visit. As a result, the team restructured incentives, training, and methodology surrounding both pregnancy registrations and postnatal visits. While the methodology change

has resulted in a seemingly lower percentage of postnatal visits within 48 hours, it encourages more holistic pregnancy and newborn care across the organization.

In Q4, BRAC Uganda began their transition from a paper to mobile systems—with all 4,000 of their CHPs expected to be trained and using the SmartHealth mobile tools by mid-2017. We are eager to see how the introduction of mobile tools will benefit BRAC's learnings and performance.

Spreading Impact Through Partners

Deepening Partnership with Government


In 2016, Living Goods deepened partnerships with government more than ever before in Kenya and Uganda—participating in technical working groups, supporting the integration of data into government health information systems, expanding into new territories under formal MOUs and earning the trust of government leaders at all levels.

Living Goods signed two new MOUs in Kenya and 15 MOUs in Uganda, ensuring that we're working in unison with government to provide impactful, sustainable, and cost-effective community health services to those who need it most. Additionally, BRAC signed over 60 MOUs in Uganda.

"We have never had this level of data from a partner before. You are doing what you said you would do."

Busia County Public Health Officer, Ambrose Fwamba

In August, Living Goods met with Uganda Prime Minister Rugunda, a long-time supporter and proponent of the model. He remains enthusiastic about Living Goods and is well-aligned with our long-term strategy. In Kenya, where the health system is devolved to the county level, Living Goods strengthened our partnership with all of the counties we work in—especially Busia County in rural Western Kenya. Operating in four out of seven of Busia's sub-counties—and striving for over 70 percent coverage in the next two years—the partnership provides ample opportunity to improve access to health services in rural regions and demonstrate the vast potential of public private-like partnerships to deliver quality community care.



In November, researchers published a working paper summarizing the findings of a randomized controlled trial evaluating Living Goods and BRAC's community health model in Uganda. The study showed a **27 percent reduction in child mortality among children under five years old**. The findings were widely disseminated and mentioned in The Financial Times, The Washington Post, Quartz, The Monitor, and more. In December, Living Goods teamed up with the Uganda Ministry of Health to host an event in Kampala, convening government leaders, funders, researchers, NGOs, and other implementers in an engaging conversation surrounding community health models.

Read the full working paper here: bit.ly/LivingGoodsRCT.

Adapting the Model in Zambia and Myanmar

Living Goods worked with CARE International in Zambia to hire, onboard, and train a full staff to support the growing Live Well network, which became a registered legal entity in August. With a full operations team in place, sales quadrupled and the network of trained agents grew to over 430, a seven-fold increase from 2015. Importantly, the team made big strides toward gaining government support, receiving a written endorsement from the Ministry of Health and partnering with 20 Ministry of Health clinics to support deeper integration with the national health system. The team also met with Zambia Medicines Regulatory Authority to help expand regulatory permission to promote and distribute other high-impact products including de-worming medicines and anti-malarials.

In Myanmar, Living Goods worked with PSI's 'Win-Win' network to launch essential medicines for cough, cold, and fever management, as well as vitamins for children and pregnant women. With support from PATH, the team also began distributing nutritious fortified rice and porridges—products that were previously unavailable in rural areas. While shadowing an agent in the rural Irrawady Delta region in August, Living Goods Partnership Manager Henriette Ceyrac observed that nearly every person in the village knew the agent, and wanted to try the newly-offered fortified rice she was promoting. The agent needed to go back to her house four times in the span of an hour to restock. Over the course of the year, the 'Win-Win' network tripled in size, while sales of health products per agent increased by 50 percent.

“This partnership is, quite frankly, the most successful, open, and sharing partnership that I have ever experienced in my 30 years of development work. CARE and Living Goods keep to a shared vision of providing poor people with the same life saving and health improving services that more privileged members of our shared societies enjoy.”

Geraldine Zwack, CARE Zambia Country Director

Our Partners



4,000 CHPs in Uganda



150 Trained Agents in Myanmar



430 Trained Agents in Zambia



Spotlight: Partnerships

As we continue to build our network of implementers into 2017 and beyond, our partnerships team shares insights and learnings gleaned from successful collaborations with leading NGOs:

- ✓ **Work Toward the Same End Game.** Approaches and strategies will change over time, but alignment on long-term objectives will serve as a trusty compass.
- ✓ **Get Beyond Operations.** In addition to operational support, we must provide wider advisory services to strengthen government relationships, advocate for regulatory permissions, and promote broader support for community health.
- ✓ **Engage Government From Day One.** Dedicating the upfront resources to secure government support from day one can help pave the way for deeper impact and growth down the road.
- ✓ **Clarify Roles and Responsibilities.** Clear partnership agreements and governance structures delineating roles and responsibilities, over both the short and long term, help instill a sense of ownership, as well as mutual success.
- ✓ **Cultivate Strong Champions.** We need champions at partner organizations who are committed to our vision, share the willingness to put boots on the ground, and have the capacity to drive performance at a strategic and operational level.
- ✓ **On-the-Ground Presence.** On-the-ground support is an essential part of every partnership—whether it's embedding a Living Goods manager with CARE and PSI to adapt the model in new countries, or regularly sharing two-way learnings with BRAC to strengthen our collective impact and scale in Uganda.

Leading a large-scale community health partnership? We'd love to hear from you! What's working? What's your biggest challenge? Email us at partnerships@livinggoods.org.

Living Goods Updates

A Successful Leadership Transition

In May, Living Goods entered a new phase in our journey with Shaun Church becoming the new president of Living Goods. After nearly a decade of dedicated and visionary service as founder and president, Chuck Slaughter passed the torch onto Shaun, the former chief operations officer of Living Goods. Chuck remains deeply committed to Living Goods, continuing to serve on the board of directors and serving as chair of the advocacy committee. Half a year later, we're happy to share that this big transition went even more smoothly than we could have hoped! Here are a few observations on what worked:



- ✓ **Do your homework.** To guide our strategy, Chuck and Shaun spent time talking to and learning from other organizations who had gone through similar transitions.
- ✓ **Get on the same page.** Chuck and Shaun thoroughly discussed, agreed on, and documented their clear separate roles early on.
- ✓ **Timing matters.** We landed on a month-long transition overlap, which turned out to be perfect—not too long, not too short!
- ✓ **Familiarity with the organization.** Shaun knew the organization well and had previously hired many of the senior managers.
- ✓ **Importance of respect & trust.** Chuck and Shaun had already worked closely together and developed a foundation of trust. Most importantly, they share a deep, unwavering passion for Living Goods and our mission.

Employee Spotlight

Aubrey Phiri, Chief Financial Officer



“We analyze and synthesize numbers, and translate them into a narrative that everybody across the organization can understand. Equipping staff and partners with these powerful facts and figures can help them make financially-informed decisions and arguments that support Living Goods, as well as promote broader investment in community health. We strive to help others embrace, not fear, financial analysis—and use this information to strengthen community health systems at large.”

Growing the Governance and Advisory Boards

Living Goods welcomes **Cheryl Scott** as the newest director of the Living Goods board. Cheryl has served as a senior advisor at the Bill and Melinda Gates Foundation and as the chief executive officer and chief operating officer of Group Health. We also welcome to our advisory board **Mitch Besser**, co-founder of mothers2mothers; **William Kalema**, member of the Commission for Africa and managing partner of BDO East Africa; **Gustav Preakelt**, founder and president of Praekelt Foundation; and **Andrew Youn**, founder and president of One Acre Fund.



Looking Ahead

Here at Living Goods, we make no small plans. We're looking to change the way community health care is delivered for generations to come. To do this, we're thinking bigger and pushing harder than ever before.

We believe that the potential for community health to save lives is vast. As we celebrate successes from 2016, we look ahead to the future. Together with governments, funders, NGOs, and partners, we can change the way community health is delivered across the globe. Achieving this will be no small feat. But we have the right results, partners, experience, team—and now a road map—to guide us in the right direction.

Over the past six months, we've been hard at work on our four-year strategic plan covering 2017-2020. It will be widely distributed to our stakeholders and partners in early 2017. Among many things, the plan outlines ways that we, in collaboration with partners, can rapidly grow the network of CHPs, broaden and deepen our impact, and multiply impact through innovative partnerships and policy.

Our goals are big, but our drive is even bigger. We hope you'll join us on the next phase of the journey!

Impact Dashboard

Living Goods Full Year 2016 Key Metrics

	Living Goods-Uganda			BRAC-Uganda			Living Goods-Kenya		
	2016 Target	2016 Actual	2015	2016 Target	2016 Actual	2015	2016 Target	2016 Actual	2015
Impact Metrics							malaria endemic / non		
Pregnancies Registered / CHP per month	4.0	7.9	10.1	4.0	2.8	3.3	3.0	2.1	2.9
Under-1 Assessments / CHP per month	4.0	5.0					4 / 3	4.1 / 3.2	
Under-1 Treatments / CHP per month	4.0	3.8	4.1	4.0	3.6	4.1	4 / 3	2.5 / 1.5	1.1 / 0.3
Under-5 Assessments / CHP per month	18.0	18.7					18 / 12	15.8 / 9.1	
Under-5 Treatments / CHP per month*	17.0	15.3	22.0	17.0	11.8	16.6	17 / 9	10.8 / 3.9	10.2 / 1.6
Active CHPs	1,632	1,682	1,005	4,000	3,908	2,733	750	744	170
Total Pregnancies Registered	54,269	101,578	78,368	148,451	103,898	73,251	12,392	8,415	1,480
Total Under-1 Assessments	54,269	69,742					15,700	15,888	
Total Under-1 Treatments	54,269	48,308	31,657	148,451	135,894	86,081	15,700	8,775	487
Total Under-5 Assessments	244,212	264,083					69,415	58,365	
Total Under-5 Treatments	230,644	202,031	169,616	630,916	443,923	347,812	63,638	35,049	4,516
% On-Time Referral Follow-Up	65%	60%	19%				65%	41%	28%
% Postnatal Care Visit in first 48 hours**	85%	51%	70%	85%	89%	86%	85%	43%	51%
% of 'High Impact' Items in stock	100%	100%	100%	100%	96%	87%	100%	99%	98%
Sustainability Metrics									
Wholesale Sales (USD)	\$716,236	\$505,427	\$150,126	\$2,042,700	\$722,474	\$604,195	\$205,747	\$108,908	\$50,855
Sales / CHP per month (USD)	\$52.50	\$34.75	\$43.89	\$50.00	\$19.39	\$26.49	\$47.25	\$27.29	\$48.83
Sales / CHP per month (local)	173,250	117,110	140,614	165,000	65,280	84,852	4,725	2,731	4,721
Initial Wholesale Margin	22.0%	24.0%	24.2%	8.6%	7.5%	5.7%	21.0%	19.9%	20.2%
Final Wholesale Margin	20.0%	22.1%	21.9%	7.6%	7.5%	5.7%	19.0%	17.4%	19.5%
Population Served	1,305,336	1,345,600	804,000	3,200,000	3,126,400	2,186,400	572,250	595,200	136,000
Net Cost per Capita Served (annualized at year-end)***	\$1.76	\$1.72	\$2.27	\$1.24	\$1.14	\$0.93	\$3.58	\$3.41	\$8.72

* Under-5 treatments in Uganda have dropped year-over-year in large part due to the introduction of mRDT's, which enables more accurate diagnosis of malaria.

** The new mobile system calculates on-time PNC visits differently to better capture all pregnancies, and so results to previous periods and across mobile/non-mobile users are not comparable.

***BRAC's Q4 and year-end cost/capita uses full-year net expenses, as it gives a better indicator of their 2016 spend and average population served.

Living Goods Q4 2016 Key Metrics

	Living Goods-Uganda			BRAC- Uganda			Living Goods-Kenya		
	Q4 2016 Target	Q4 2016 Actual	Q4 2015	Q4 2016 Target	Q4 2016 Actual	Q4 2015	Q4 2016 Target	Q4 2016 Actual	Q4 2015
Impact Metrics							<i>malaria endemic / non</i>		
Pregnancies Registered / CHP per month	4.0	4.4	10.8	4.0	2.3	3.6	3.0	2.1	2.1
Under-1 Assessments / CHP per month	4.0	5.4					4 / 3	3.6 / 3.1	
Under-1 Treatments / CHP per month	4.0	2.7	4.1	4.0	3.2	3.4	4 / 3	1.2 / 1.7	1.4 / 0.3
Under-5 Assessments / CHP per month	18.0	21.9					18 / 12	13.3 / 8.1	
Under-5 Treatments / CHP per month*	17.0	12.7	20.7	17.0	9.8	13.3	17 / 9	6.4 / 2.8	12.8 / 1.6
Active CHPs	1,632	1,682	1,005	4,000	3,908	2,733	750	744	170
Total Pregnancies Registered	16,156	20,106	27,744	43,343	26,893	29,800	5,148	3,454	669
Total Under-1 Assessments	16,156	24,859					6,599	5,815	
Total Under-1 Treatments	16,156	12,464	10,630	43,343	36,891	28,217	6,599	2,472	301
Total Under-5 Assessments	72,702	100,158					29,300	21,422	
Total Under-5 Treatments	68,663	57,951	53,165	184,207	113,928	109,094	27,053	10,122	2,932
% On-Time Referral Follow-Up	65%	77%	31%				65%	54%	35%
% Postnatal Care Visit in first 48 hours**	85%	31%	74%	85%	91%	87%	85%	39%	49%
% of 'High Impact' Items in stock	100%	100%	100%	100%	98%	93%	100%	100%	96%
Sustainability Metrics									
Wholesale Sales (USD)	\$222,144	\$160,305	\$102,629	\$600,000	\$128,859	\$200,006	\$85,833	\$42,023	\$14,634
Sales / CHP per month (USD)	\$55.00	\$34.53	\$40.83	\$50.00	\$11.12	\$23.55	\$49.50	\$25.31	\$40.66
Sales / CHP per month (local)	181,500	120,555	140,529	165,000	38,734	81,048	4,950	2,530	4,094
Initial Wholesale Margin	22.0%	23.9%	24.9%	10.0%	11.5%	6.1%	21.0%	21.3%	20.1%
Final Wholesale Margin	20.0%	22.2%	22.1%	9.0%	11.4%	6.1%	19.0%	20.0%	18.1%
Population Served	1,305,336	1,345,600	804,000	3,200,000	3,126,400	2,186,400	572,250	595,200	136,000
Net Cost per Capita Served (annualized)***	\$1.76	\$1.72	\$2.27	\$1.24	\$1.14	\$0.93	\$3.58	\$3.41	\$8.72

* See notes on previous table.



“ This job has helped me and my family so much. The extra income helps with school fees, rent, and food; it makes a big difference to us. On a personal level, I enjoy the health work very much. It makes me very happy that I am able to nurse my own family, friends, and neighbors. People now address me as ‘Health Worker’—I like that very much, it gives me respect in the community.”

Pouline, Community Health Promoter



LivingGoods