

GLOBAL ENTERPRISE EXPERIENCE COMPETITION 2013



RURAL PAKISTAN BIRTHING KIT

Sustainable birthing kits for mothers in rural communities

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Executive Summary

This business proposal gives a concise account of the plausibility and sustainability of a Home birth kit for rural areas of Pakistan. Within the current environment we have identified a gap in the market which Rural Pakistan Birthing Kit aims to fill. Analysing the current market we have identified the key risks and barriers and propose the following marketing and business strategy in order to facilitate the production and sale of rural birthing kits.

Business Overview

The home birth kit is designed to strengthen the existing public provincial health care system within Pakistan, in particular providing more effective and efficient services in the field of maternal and child health. Pakistan has one of the highest rates in the world for infant mortality and maternal mortality in rural areas. The distance between the expectant mothers village and provincial hospitals combined with the high costs of birthing assistance make home births the most viable and affordable option for many rural families. In rural areas of Pakistan 75% of all births take place in unhygienic conditions at home with no specialist supervision.

This product will counter the negative issues of homebirths by helping create an environment conducive to providing a safe birth for mother and child. Our product will achieve this in a profitably sustainable way by focusing on sales to provincial hospitals. Pakistan's health care system is largely privately run with strategic decision making based in these provincial centres. Midwives associated with these hospitals engage with the surrounding rural areas in order to provide health care information and provide services - for our purposes the provincial hospitals that we have sold our kit to will use these midwives to identify and assess families who are unwilling or unable to travel or have specialist assistance due to cost. Each kit will be loaned to a family for 296.50 Rs, far below the 3942.00 Rs of having a specialist assist in the birth or the costs of travelling and accommodation to provincial hospitals. Saving lives will be easier, healthier, and safer.

The Product

Under the United Nations Millennium Goals; to reduce child mortality, it is our proposal that we intend to produce cheap home birthing kits for expectant mothers. The contents of which will be reusable for multiple births with certain un-reusable items being biodegradable and environmentally friendly. Use of the women's opinions when compiling individual kits for specific communities can also help in promoting gender equality in countries which are still developing. These kits will then be distributed to local midwives who can identify the women who are most likely to need these items. At the midwives advice then the kits will be provided for loan to women who are extremely rural and unable to afford or get to a hospital.

The core product will contain the following:

- Sterile surgical scissors
- Umbilical Clamps
- Bulb Syringe (for removing excess mucus from the baby's airways)
- Biodegradable waste bag
- Cardboard Bedpan
- Feminine Maternity pads for sanitary use
- Towel
- Pack of Wet Wipes
- Pack of Sterile Antibiotic Wipes
- A Solar Powered Light Source or Torch
- Clean Water in a Bottle
- A Food source to raise Blood Sugar Levels during birth
- Waterproof Sheet
- Plastic box to contain it all
- An instructional visual based Guide on how to use all of the equipment provided

Providing a guide picturing how to use all of the equipment provided in the kit will ensure that all of the equipment is used in the correct manner. The use of pictures as opposed to full written instructions means that it will still be understood as literacy rates are 29% for women in rural Pakistan.

As the largest barrier to the women in our target audience is costs, adopting a loaning scheme is more financially viable than purchasing the kits as a community. Loaning the kits for a couple of weeks prior to and including the due date at an estimated cost of 296.50 Rs will provide a service which is for affordable women in rural areas of developing countries.

Value Proposition

Social Value

Women of the local communities in developing countries will gain access to an entire kit which can help women; specifically those who are too poor or who are located too remotely to be able to go to the hospital. Consultations will be made with the local women in these communities, to gain an insight into the most effective products which should be offered either within the kit or as a supplementary item. This should help to improve social value and gender equality for women as profits can be used to employ women into these roles, enabling a better standard of living for those willing to determine how the product can be continually improved.

Employing women in this method would provide a portion of profit from the birthing kits which can help to preserve local communities socially, resulting in the product being of value to the community as a form of income and also education. This is also supported by the fact that the products will be distributed by local midwives, which could lead to improved employment for local women as midwives. This is the most effective method for distributing the product as women in rural areas rely heavily on word of mouth and things which have been recommended to them above marketing and advertisements.

Economic Value

Economically, this product provides a link for those most remotely located and financially unstable to more developed areas of the world. The birthing kit can also help to improve gender equality by involving women and listening to their opinions on a product that will be of use to them.

Providing basic employment for women in these less developed countries will help to reduce poverty. The women involved will be representatives for all women in this type of community, and in gathering opinions to continue product development will also improve the economic growth of the company. This also improves conditions within local communities, by creating an income for women, in addition to any income made by the males in the community.

Environmental Value

Remaining strictly to the use of environmentally friendly products or those which can be reused before eventually being recycled, provides a high environmental value for this product. Ensuring that the use of this product does not deteriorate the landscape in any environment; instead protecting the local habitats for animals and communities for people. So that in essence the area can remain clean to be enjoyed for a multitude of further generations.

Market Analysis

Target Market

There is a clear demand in rural Pakistan for an alternative to the long travel time to the distant provincial hospitals, also with the relatively small number of health professionals; 127,859 doctors and 26,225 midwives to 170 million people; the opportunity for a product that reduces the stresses placed on the health sector of Pakistan is great.

Rural Pakistan has a maternal mortality rate twice as high as that in the cities, with nearly 80% of all maternal deaths being preventable. This point demonstrates the potential effect on the lives of the 51 million women living in rural Pakistan our product could have and also the potential market that our product offering could service for Pakistan's provincial health care providers.

The product offering that we have proposed will not be targeted for those expectant mothers in rural areas but will be targeted to provincial health care providers themselves. In this way we will be tapping into a market that has a greater resource base and is more willing and able to accept a tool that can alleviate pressures placed on their services, namely bedding space and nurses and doctors.

Risks and Barriers

- This is an area where new expertise is required to manage all aspects of our project. To address this issue midwives play a significant role in supplying birthing kits to the expecting mothers in these areas.
- Women in rural areas are hesitant to use new products. Thus the product is proliferated through midwives who are trusted by the locals and who understand the rural problems.

Competitive Advantage

Given the nature of our product, being highly transportable and requiring little skill to use, we can effectively undercut the costs associated with the provision of health care services in rural areas. By working with local midwives, who are understaffed in rural areas and whom care about the lives of rural women, we can maximise the perceived benefit for the provincial health care providers we are aiming to supply.

With the dissolution of the Federal Ministry of Health in 2011 the overall responsibility for health services, policy direction, and planning is conducted by the relevant provinces. Therefore decisions are likely to be cost driven and we can demonstrably show that our product offering is cost effective and efficient for providing a health service compared to the current setup of provincial health care providers.

Business Strategy

Production Strategy

We have chosen to keep production of our kits within Pakistan in order to reduce production and distribution costs, maintaining a cost based competitive advantage. By selling to provincial hospitals the distribution cost for us is low as we only need to transport to each province rather than each village (that extra point of distribution is taken on by the hospitals through the midwives). As will be discussed further in the report, we will be using the Punjab province as a pilot for future development into the Pakistani market. This will reduce costs if we need to overcome any challenges. By focusing on production in Lahore we will keep production costs down, with relatively cheap production methods, and reduced transportation; as it is one of the most infrastructurally developed areas of Pakistan.

Marketing and Sales

The marketing strategy that we will implement will focus on two distinct groups:

1. The group we are selling the kits to - Provincial hospitals
2. The group that is going to use the kits - Expectant mothers in provincial areas.

For the marketing and sales of our product that will be most successful and reduced costs for the provincial hospitals – we will suggest that by using midwives that are connected with these provincial hospitals to market the kit to rural communities in this way the product would be able to enter into a market in a way that makes our product seem reliable and trusted because midwives know how to tackle health issues and are a trusted source in regards to health related issues. Once our product was approved by one or two women within the communities, either by use or belief in the information provided by the midwife, many more will start using it because given the cultural nature of these communities – word of mouth is highly valued source for information and advice.

For the purposes of interacting and initiating sales with provincial hospitals; the source of our financial and sustainable success, we will need to contract sales and support staff within the four Pakistani provinces; Khyber Pakhtunkhwa, Balochistan, Punjab, Sindh. Given the cultural nature of the Pakistan we will employ three male staff member for sales. We will also employ four female workers in each province who will act as a liaison with rural mothers to best adapt the kit to local rural conditions.

Growth Strategy

We will implement a developmental process beginning in the Punjab province, developing to setting up bases of operations in each of the four provinces of Pakistan. We will aim to have 10% of the provincial hospitals of Punjab – targeting those who employ midwives who operate in rural areas, before we begin the process of developing our presence in the other 3 main provinces of Pakistan. We expect this target of 10% to be achievable within the first 3 years of operations in Punjab.

Financial Analysis

Finance Strategy

We will aim to keep costs to a minimum without sacrificing the quality of the components so desperately needed in rural communities. Given the nature of who we are selling to we can produce on the basis of orders received. This reduces our financial exposure and reduces any initial start-up costs.

Estimated Start-Up Costs

We will be producing on an orders received method of production rather than having stock on hand for sales. We have located a place to rent in Lahore for 110,000 Rs /monthly which will allow for the space needed for our sales and support staff within the province. This will be a major start-up cost along with the acquisition of staff to fill this space and their training of our company objectives and strategies. We expect that the costs associated with sales staff (3) will be lower with commission with 23,000 Rs /monthly (with the opportunity for a 10% profit commission on sales) and the female support staff (4) 40,000 Rs /monthly each.

We have sourced production of the kit with its production of each in its entirety for 1380 Rs, on the basis that an order for sale would average 3000 kits to main hospitals within Punjab and 1000 to lesser hospitals, with an individual sale price of 2400 Rs. Although we do not expect sales to be immediate but developmental as provincial hospitals become familiar with our product and how it can positively affect the financial and productive capacity of their hospital. In the first year when we initially break into the market we expect to only be able to only pick up contracts with a couple of lesser hospitals, over time however we expect larger hospitals will follow along with other smaller health providers. In this way we do not expect to make a profit within the first two years of operation as these years will be focused on establishing ourselves within a foreign marketplace that is not readily accustomed to the type of product offering we are selling.

Projected Cash flow Statement

<i>\$ in Pakistani Rupees</i>	Year 1(000)	Year 2 (000)	Year 3 (000)
<i>Cash Receipts from sale</i>	4,800	9,600	16,800
<i>Cash paid Rent</i>	1,320	1,320	1,320
<i>Cash paid to suppliers</i>	2,760	5,520	9,660
<i>Cash paid wages</i>	2,814	3018	3,324
<i>Net Increase/ Decrease in cash</i>	-2,094	-258	2,496
<i>Cash beginning of year</i>	0	-2,094	-2,352
<i>Cash at end of year</i>	-2,094	-2,352	144