

# Using Business Format Franchising to Save the World

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**48<sup>TH</sup>** ANNUAL  
CONVENTION

FEBRUARY 9-12, 2008  
MARRIOTT WORLD CENTER  
ORLANDO, FLORIDA



# Panel

**Scott D. Hillstrom, J.D.** - Founder, Chairman, CEO,  
The HealthStore Foundation®

**Sid Feltenstein** - Chairman, Sagittarius Brands

**Jim H. Amos, Jr., CFE** - CEO, Tasti D-Lite LLC

**Steve Greenbaum, CFE** - President and CEO,  
PostNet International Franchise Corporation

**Moderator: Michael H. Seid, CFE** - Managing  
Director, Michael H. Seid & Associates

# The Public Health Crisis

- **A short list** of **preventable and treatable diseases** accounts for **70%** of childhood illness and death
- Globally, it is estimated that 10.8 million children die annually from preventable causes. These are:
  - Neonatal causes
  - Pneumonia
  - Diarrhea
  - Malaria
  - Measles
  - AIDS
  - Others

# The Public Health Crisis

- **25,000 children die each day** in the developing world from lack of drugs and basic healthcare that cost *less than a cup of coffee*



# Distribution Failures

- 2 billion people are without basic goods and services worldwide
  - Healthcare
  - Prescriptive Drugs
  - Potable water
  - Food
  - Agricultural and veterinary supplies
  - Education
- Millions suffer and die needlessly each year
- Resources are plentiful but execution is lacking



# The Promise of Franchising

- Business Format Franchising
  - Consistency
  - Quality
  - Cost Efficiency
  - Effectiveness



# The HealthStore Foundation's CFWshops Franchise Health Network



# The HealthStore Foundation's Vision

- To set an example of how Business Format Franchising can be the **Solution** to endemic world wide problems
- In Kenya we have created a franchised system of small independently owned clinics that deliver high quality, accessible, affordable care
- **Imagine the possibilities – on a Global Scale**
- Franchising offers **a new, more effective way forward**



# The Three Essential Criteria

- Standards
- Scalability
- Economies of scale



# An Introduction to CFWshops

- Started in 2000
- CFWshops is our pioneering application of the franchise model
- 65 clinics and drug shops owned and operated by Kenyan nurses and health workers
- 225 locations planned



# An Introduction to CFWshops



- **Rented storefronts** in rural and peri-urban areas
- Operating under the **CFWshops Brand**
- **Standardized** design & equipment
- **Standardized** services and products
- **Authentic** prescriptive drugs
- **Easily accessible** to patients

# An Introduction to CFWshops

- Franchisees are Kenyan nurses and health workers
- Locations are either drug shops or medical clinics
- Franchisees provided with four-weeks of training
  - Clinical Standards
  - Customer Service
  - Business Operations
  - Merchandising
  - Bookkeeping, etc.

# An Introduction to CFWshops

- Franchisees provided with **initial and continual** support
- Franchisor enforces **clinical and business standards**
- Franchisor controls the **supply chain**
- Community **outreach programs**
  - Educates the community on health care
  - Provides marketing exposure for location and brand

# Expanding the System

- We have served well over **One Million** patients in Kenya
- **Rwanda** will open in 2008
- Five to ten additional countries set for 2009 to 2012
- Each will use franchising

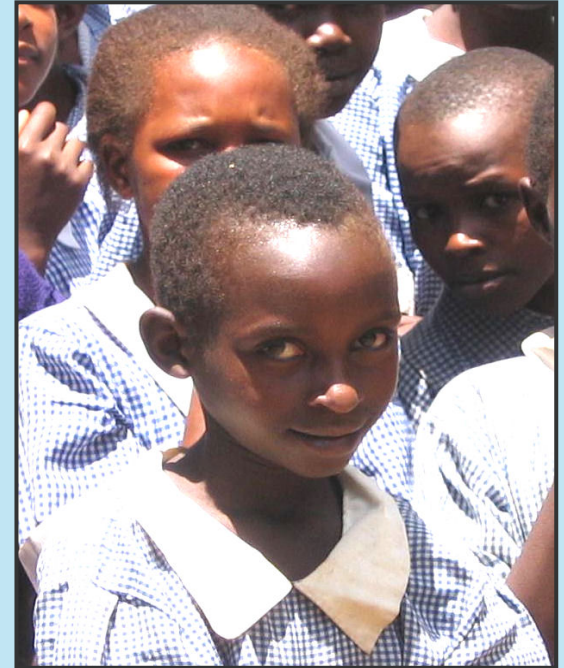


# CFWshops in 2006

• Malaria	53,311
• Respiratory Infections	77,763
• Worming and De-Worming	40,033
• Diarrheal Diseases	18,064
• Bed Nets Sold	14,542
• Other	145,305
• Total Patient Treatments	349,018

# The Power of Franchising

- Business format franchising is beginning to be used in the developing world.
- Most franchise systems lack the **experience and understanding of franchising**
- This represents **a tremendous opportunity to set the right example for others to follow**





# CFWshops a Standard For Excellence



Photo courtesy Scott Davis



# Our Key Partners

- **Oswald Family Foundation**
- **Procter & Gamble**
- **ExxonMobil Foundation**
- **International Finance Corporation**
- **Acumen Fund**
- **Rockefeller Foundation**
- **David Weekley Family Foundation**
- **USAID**



# The HealthStore Foundation®

- Our Web site:
  - [www.cfwshops.org](http://www.cfwshops.org)
- PBS/NOW Emmy-Award Winning Documentary
  - [www.pbs.org/now/shows/321/index.html](http://www.pbs.org/now/shows/321/index.html)
- Franchise Times
- Harvard Business Review

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Managing Director MSA

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Member of the Board IFA



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# FRANCHISING

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BUILDING THE FUTURE TOGETHER