



BUSINESS PLANNING FOR STRONGER HEALTH SYSTEMS

Stronger health systems. Greater health impact.



PARTNERING WITH LOCAL ORGANIZATIONS

For over 40 years, **Management Sciences for Health (MSH)** has been working in partnership with nongovernmental organizations (NGOs) around the world to support the delivery of community-based health services to underserved populations. As NGOs and civil society become more prominent in the delivery of health care and related services, such as advocacy and health education, local organizations have grown significantly in countries from Afghanistan to Zambia.

At the same time, institutional and private donors are requiring more accountability from these organizations. Funding sources such as the Global Fund to Fight AIDS, Tuberculosis and Malaria and the Millennium Challenge Account require local organizations and governments to demonstrate potential or projected impact when competing for funding, and donor governments, foundations, and private investors are using more stringent results-oriented contracting and grants instruments such as performance-based financing to ensure a social return on investment.

In response to these challenges, MSH created the **Business Planning for Health (BPH)** program in 2001. The BPH builds the capacity of NGOs worldwide to prepare and present income-generating business opportunities to a variety of public and private funders and investors, enabling them to independently seek out and secure funding for their work. NGO ideas that have received funding as a result of the BPH include an advanced training program for nurses in Bolivia and a revolving development fund that makes small loans to physicians in Kenya.

More recently, the BPH has been offered to staff of national institutions that are funded by donor governments. To date, the BPH has been delivered throughout Africa, Asia, and Latin and North America, and has yielded over \$5 million in new funding for promising business plans. The executive director of a Guyana-based HIV and AIDS NGO called the program “invaluable, particularly in this time when international funding [commitments are] changing so much.”





A BUSINESS APPROACH TOWARD ORGANIZATIONAL SUSTAINABILITY

The BPH builds upon three critical observations:

- 1. Money follows good ideas.** Funders and investors want to fund innovative ideas that will make a difference. The first NGO to ever receive funding following a BPH was the *Asociacion de Promotores de Salud de Area Rural* (APROSAR), a community-focused Bolivian NGO that works with indigenous populations, which participated in the BPH launch in 2001. From 2002 through 2006, APROSAR developed business plans that funded 10 different ideas to address health priorities in their target communities, including the extension of primary health care services through a mobile outreach program and equipping an outpatient dental clinic, to name just two.
- 2. Funders and investors want their money to make a difference in the lives of the underserved.** Every funder wants to see a return on investment. For example, those who fund NGOs teaching income-generating activities to people living with HIV want to see that their contribution has a direct impact on the lives of those in need. Following a business planning program in Kyrgyzstan, a Bishkek-based NGO decided to open a printing press run by men who have sex with men to service all of the international funders that come to the city to run meetings. Profits from this venture will be used to develop new services for the NGO's clients.
- 3. The best ideas are the ones generated by an organization to respond to client needs.** Often, ideas proposed by NGOs are initiated by donors and other external parties and adapted by an organization to obtain funds. The BPH requires organizations to generate ideas based on client needs, rather than adapt ideas based on donor priorities. As one NGO leader says, "We are closer to our clients... our focus has changed; now we adapt to their needs."

BUSINESS PLANNING FOR HEALTH PROGRAM OVERVIEW

The BPH is a three- to five-month program that uses a blended-learning approach, consisting of a face-to-face orientation followed by virtual support and review. Experienced facilitators guide participants through a six-module process:

- Establishing the organization's mission and vision
- Identifying the new business opportunity
- Identifying the target markets and marketing strategies
- Creating a business team, work plan, and budget
- Projecting your social returns
- Developing a strategy for approaching funders and donors.

The tools, techniques, and worksheets supplied during this learning experience simplify the business planning process and help participants balance their enthusiasm with facts. Throughout the program, participants are supported as they study, document, and share the components of each module and, ultimately, deliver a compelling business plan.

BPH participants who complete the program come away with a new way of thinking about how to sustain their organization's funding. As one noted, "The program has contributed to changing our concepts. It is not the same to finance or implement a project, which has the connotation of a gift, than it is to offer a service with shared responsibility and empowerment."



BUSINESS PLAN YIELDS \$2.5 MILLION FOR TANZANIA'S NATIONAL HEALTH LABORATORY

The National Quality Assurance and Training Centre (NHLQATC) was launched in 2008 with the mandate to oversee implementation of quality systems at all levels of Tanzania's National Health Laboratory Services—and to provide some of the public health lab functions at the country level, including disease surveillance and specialized and reference testing. Three years later, demand for services was so great that the NHLQATC advocated for the creation of a National Public Health Laboratory that would provide a wider range of laboratory services throughout Tanzania. There was just one problem: there was no funding to support the construction of such a facility.

Then, MSH delivered the **Business Planning for Health (BPH)** program to the NHLQATC through the Tanzania Institutional Capacity Building Project (TZ-ICB), a project funded by PEPFAR and United States Centers for Disease Control and Prevention (CDC) that is building the institutional capacity of national institutions in response to the HIV epidemic and other health demands. TZ-ICB's trained BPH facilitators encouraged the NHLQATC to systematically assess its existing services, management systems, and organizational practices; and to think creatively and realistically about how to fund their dream lab. The five NHLQATC staff targeted the World Bank's East Africa Public Health Laboratory Networking Project as a potential funder. The team completed the training in September 2013 with a business plan and a prospectus, which outlined three specific areas in which the laboratory could provide services that would recoup the Bank's initial funding and provide a return on investment that would make the lab sustainable.

In January 2014, the World Bank informed TZ-ICB that it would grant \$2,205,756 for the construction of Tanzania's National Public Health Laboratory. The new facility will be part of the East Africa Public Health Laboratory Networking Project, which aims to establish a network of cross-country, high-quality public health laboratories within Kenya, Uganda, Tanzania, and Rwanda that will serve as surveillance sites to monitor hot spots for disease transmission.



PHOTO: MSH

HEALTH NGO LEARNS FINANCIAL PLANNING FOR SUSTAINABILITY

Many health-related NGOs face resource challenges, including difficulty attracting new funding and a lack of capacity to plan, program, and account for increases in resources. MSH, in collaboration with the PEPFAR-funded, USAID project, Guyana HIV/AIDS Reduction and Prevention Program Phase II (GHARP II), helped six organizations in Guyana begin to confront these challenges through its **Business Planning for Health (BPH)** program in 2011-2012.

The program helps NGO staff—particularly those working in organizations in need of financial self-sustainability—to think like entrepreneurs. Through the BPH, they learn to develop plans that, if funded, would allow them to offer new or existing products or services at a low cost to their clients. Participants learn how to demonstrate their organization’s financial stability, create a proposed budget, and make projections regarding the expected revenue they will generate over time from the new venture.

“I never really knew in detail what these organizations did in our communities until now.”
— LOCAL FUNDER

In Guyana, the NGO Hope for All wanted to offer a vocational training service that would also provide clinical services for out-of-school youth. Hope for All and five other organizations began the BPH program at a five-day workshop in Georgetown, where facilitators presented an extensive overview of the program and introduced participants to the business plan concept. Then, for the next six months, the teams collaborated virtually with MSH facilitators to complete their business plans.

In May 2012, the NGOs regrouped at a BPH closing workshop, where they developed marketing brochures and presentations and made their businesses pitches to potential funders. “I never really knew in detail what these organizations did in our communities until now,” said one of the local funders who attended the event. Through their efforts, Hope for All secured a venue for the vocational training center, rent free, from the local government.

As one participant noted at the program’s end, “The ultimate benefit [of these business plans] is really going to be felt, [not only in our organizations financially], but in the lives of the children and families in the communities [we] serve.”



For more information on MSH’s Business Planning for Health Program, please visit www.msh.org/our-work/health-system/leadership-management-governance

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