

The Living Goods Story

Scaling to Improve the Health and Wealth of 50 Million People by 2025



QUICK FACTS

NAME Living Goods

FOUNDED 2007

IMPACT AREAS Health, Livelihoods

LEGAL STRUCTURE Nonprofit

2017 REVENUE USD\$22 million

WEBSITE livinggoods.org

HQ Nairobi, Kenya

REGIONS SERVED Africa, Asia

PROBLEM

Millions of children and adults needlessly die each year from diseases that are treatable for less than USD\$2. In the poorest countries, health systems are chronically under-funded, under-stocked, and under-managed.

SOLUTION

Living Goods bolsters community health outcomes by harnessing the power of technology to transform women and men into high-impact community health workers (CHWs). Working with country governments, Living Goods helps CHWs reach their full potential by providing them with a suite of tools, training, performance-based pay, and reliable access to needed medicines.

IMPACT

A major study in Uganda showed the Living Goods approach costing less than \$2 per person each year, and reducing under-5 child mortality by 27%. By end of 2018 it was supporting 9,000 CHWs across Uganda and Kenya, serving a swath of over 7 million people.

AUDACIOUS GOAL

Living Goods aims to transform the way health care is delivered for generations to come, ensuring that every mother and child has access to quality health care where they live. Specifically, Living Goods aims to deploy more than 30,000 CHWs to reach 25 million people by 2021 by growing its direct operations and by strengthening and expanding the community health networks of governments and other partners.

MODEL-IN-BRIEF

Living Goods blends best practices from business and public health to help overcome a major challenge in community health: how to keep community health workers (CHWs) motivated, accountable, and funded. Living Goods recruits local CHWs from existing government health cadres and, working with local government partners, strengthens the CHWs' ability to positively impact health in their communities. It ensures that the CHWs receive ongoing training and coaching, are stocked with life-saving essential medicines, and are equipped with cutting-edge mobile technology to maximize their effectiveness and increase accountability. Within their communities, the CHWs go door-to-door supporting pregnant mothers and newborns, assessing and treating sick children, targeting early nutrition, offering family planning guidance, and selling health focused products. In return, they receive recognition, earned income from medications and health-focused product sales, and the benefit of improving the health of the communities in which they live.

CORE INNOVATION

Data and performance management

Living Goods uses data to optimize the way health workers are selected, trained, monitored, and financially subsidized, all while maintaining high quality health outcomes.

SNAPSHOT OF KEY SCALING STRATEGIES

additional detail on following pages

DIRECT



Expand through direct implementation and growth of CHW programs



Enable governments and other implementers to adapt and adopt a robust CHW approach



Contribute data and experience to national and global advocacy efforts

INDIRECT

¹ Björkman Nyqvist, Martina, Andrea Guariso, Jakob Svensson, and David Yanagizawa-Drott. "Entrepreneurial community health delivery in Uganda: a cluster-randomized controlled trial." AEA RCT Registry. October 21. <https://www.socialsciscenceregistry.org/trials/530/history/2958>

SCALING JOURNEY

GETTING READY FOR SCALE (2008 – 2014)

Living Goods was founded in 2007 by Chuck Slaughter, a successful serial entrepreneur. As a Board member of a company with franchise pharmaceutical shops in Kenya, Slaughter saw an opportunity to bypass a storefront model for one that uses community-based agents. He launched Living Goods with this model in mind, training community members (community health workers, or CHWs) to promote and improve maternal and child health in their communities and earn an income by selling from a “basket” of health-related products.

Key Success Factors in Positioning for Scale:

PROVING DEMAND: LEAN START-UP. With an unproven but promising approach, Living Goods initially decided to work with and through an existing international NGO (BRAC, which has an extensive network of CHWs). This initial partnership in Uganda allowed Living Goods to test its approach, limit up-front capital investments, and prove end-user demand before investing in fully implementing the model itself.

ESTABLISHING FINANCIAL FOOTING: FLEXIBLE CAPITAL. Slaughter’s reputation, approach, and ability to raise flexible grant capital allowed Living Goods to quickly build, test, and modify its model.²

REFINING THE MODEL: ITERATING AND TESTING. After the first year of implementation in partnership with BRAC, Living Goods began its own direct implementation—managing a Living Goods-run network of CHWs in a different region of Uganda. This direct implementation allowed Living Goods more control and flexibility to quickly test variables, collect data, and tweak the approach. A few years later Living Goods began to test a lighter, less costly model in Kenya with less focus on diagnosis and treatment—therefore requiring less training and oversight. These early iterations allowed Living Goods to home in on the efficiency, effectiveness, and feasibility of its approach.

PROVING THE MODEL: COLLECTING EVIDENCE EARLY. From the outset, Living Goods invested in building best-in-class evidence to inform model implementation and scale. In 2010, Living Goods secured funding from the Children’s Investment Fund Foundation (CIFF) to undertake a multi-year randomized control trial (RCT) on the CHW model in Uganda. The RCT provided evidence that the model reduced under-5 child mortality by 27% while costing less than \$2 per capita per year for such impact. Around the same time, Living Goods’ data from the lighter-touch Kenya experiment showed significantly less health impact than the Uganda model. Based on this data, Living Goods quickly responded—shutting down the lighter model and establishing the Ugandan model as the core approach for scaling in Kenya and beyond.

“We established a nimble culture from the start, focused on testing ideas fast and cheap and using real-world feedback to refine our strategies. Our unorthodox funding model is an essential component of that. By and large, we’re funded by successful entrepreneurs who believe in the power of applying business models to solve social problems... Instead of funding specific projects and outcomes, they provide core undesignated funding that allows us to be agile and respond to challenges and opportunities as they emerge” – Chuck Slaughter, Ashoka Interview on Forbes³

² For more information on Living Goods’ success raising flexible capital, see: Catherine Clark, Kimberly Langsam, Ellen Martin, and Erin Worsham, “Financing for Scaled Impact,” Innovation Investment Alliance and CASE at Duke, Scaling Pathways Series (2018): 16, <https://scalingpathways.globalinnovationexchange.org/>.

³ Ashoka contributor, “Q&A with Chuck Slaughter, Living Goods Founder and CEO,” Forbes.com, 17 Jun 2013.

<https://www.forbes.com/sites/ashoka/2013/06/17/qa-with-chuck-slaughter-living-goods-founder-and-ceo/#3cab815d56e1>

PRIMARY STRATEGIES FOR SCALING IMPACT (2014- PRESENT)

Following initial testing and refinement of its core model and the compelling RCT results, Living Goods pursued an aggressive scaling plan. As detailed below, Living Goods' scaling pathways have ranged over time from direct implementation of the CHW model, to enabling others to implement the approach, to influencing systems leaders to approach delivery and financing of community healthcare differently.



STRATEGY: **DIRECT EXPANSION.**

Living Goods maintains some direct implementation of its model, which ranges from the organization implementing the model itself to the organization closely managing and/or supporting implementation through a partner.

As it scales, Living Goods continues direct implementation for two core reasons. First, direct implementation allows Living Goods to operate “learning labs” to test innovations and identify efficiencies. Second, Living Goods has found that in some places and contexts it is the partner best positioned to deliver programming due to factors such as absence of other well-suited partners. In both Kenya and Uganda, Living Goods directly implements and manages networks of CHWs who, importantly, come from within the governments' own systems.

It also continues its relationship with BRAC, with Living Goods providing the funding, direction and performance management tracking while BRAC implements through its own network of CHWs. The resulting model closely resembles Living Goods' own directly managed CHW network. Living Goods' direct implementation and work with BRAC has continued to grow over time. In 2009, Living Goods managed 56 CHWs and BRAC managed 440; in sum these CHWs served a population size of 400,000. By end of 2018, Living Goods managed 5,100 CHWs and BRAC managed 4,000; together these CHWs served a population of more than 7 million. In addition, Living Goods has partnered with other international NGOs, CARE and Population Services International (PSI), to support them in developing CHW models similar to Living Goods'.

USE OF TECHNOLOGY Over the past several years, Living Goods has explored how technology can improve reach, quality, and cost of delivery. Initially, Living Goods hired local developers and developed its own feature and smart phone tools. As its scale and ambitions grew, it then worked closely with NGO Medic Mobile to co-create Android-based mobile tools and performance dashboards, such as the Smart Health app which automates diagnosis and captures real-time data to manage geographically dispersed workers. Initially, Living Goods leveraged Medic Mobile's existing technological staff and expertise. Over time, as Living Goods has decided to invest more in technology solutions, it has hired its own developers to be able to manage some of this work in-house.

In another implementation partnership example, Living Goods and NGO Last Mile Health announced in 2018 that they are partnering to deploy thousands of digitally-empowered community health workers to deliver quality care—at a fraction of the cost of training doctors or nurses. Living Goods will bring to bear its deployment expertise and Smart Health app, while Last Mile Health will run the Community Health Academy to train the CHWs.⁴

⁴ “The Audacious Project,” Ted Conferences LLC, 2019, <https://audaciousproject.org/ideas/2018/living-goods-last-mile-health/>.

WHAT YOU SHOULD KNOW: IMPLICATIONS OF DIRECT EXPANSION

- **Ease of Fundraising:** To date, Living Goods has found it easier to fundraise for its direct implementation work than for advisory or advocacy work. When utilizing partners to implement—and therefore ceding some control—Living Goods sometimes receives pushback from funders who question why it does not do the work directly.
- **Learning Lab:** Maintaining some directly controlled implementation allows Living Goods to maintain credibility and continue to test new aspects of the model.
- **Impact:** In the programs it directly implements, Living Goods maintains control over all metrics and data collection, allowing it to apply the rigor it needs to continue to evaluate impact. Additionally, Living Goods finds that its impact is often highest in the programs it directly implements.
- **Resource Needs:** Direct implementation is resource-intensive for Living Goods, requiring significant on-the-ground presence to manage all aspects of the program.
- **Scalability:** Although Living Goods has been able to scale the direct implementation model (as evidenced above), it recognizes that this cannot be the only scaling strategy given the massive size of the problem it is trying to solve—which it estimates will require over two million CHWs as well as policy and financing initiatives.



STRATEGY: ENABLING PARTNERS.

Living Goods provides technical assistance to other community health organizations, and increasingly to local and national governments, to help them adapt and implement robust CHW programs.

Living Goods realizes that it cannot scale its impact through direct, controlled implementation alone; its vision is to have multiple partners engaged in implementation to help meet the size of the problem. Through provision of technical advising to other community health implementing organizations, and through deep engagement with government, Living Goods works to enable partners to extend the reach of proven community health worker approaches.

ENABLING OTHER IMPLEMENTING ORGANIZATIONS

To aid other implementing organizations in adapting a robust CHW approach, Living Goods provides long-term technical assistance within their regions and operational structures. For example, Living Goods supported NGO CARE in Zambia to set up a social venture, LiveWell, which aligns with Living Goods' CHW model. In Myanmar, Living Goods supported NGO PSI in designing a CHW entrepreneur network and adapting Living Goods' learnings to that setting. In both cases, Living Goods helped the organizations secure funding and seconded a full-time staff person to each organization for at least a year to support adaptation and training with a focus on performance management. Implementing this model—where Living Goods provides support but does not control the program—was a shift for Living Goods, as it had to move from a “here is what you have to do exactly” type of partnership to a “here is what you have to do at a minimum” partnership. These new partnerships allowed other implementers to adapt the model to their context and constraints, requiring Living Goods to distill the approach down to a set of core principles.

SUPPORTING A COMPREHENSIVE GOVERNMENT APPROACH

Following a number of years in which Living Goods' partnerships with implementing organizations were initiated by the organizations themselves, its current partnerships are informed by strategies that Living Goods first develops with host country governments. In its earliest days, as it was developing its model, Living Goods pursued only limited government engagement. However, as it proved its model and increased its aspirations, Living Goods knew that impact would be limited without engaging government more deeply. As Living Goods' Chief Development Officer, Lisa McCandless, shared, "When you think about solving the problem at the size of the problem, government has to be part of the conversation."

As a result, Living Goods sees its "north star" as government adoption, meaning government is either financing and implementing, or financing and guiding implementation by others. Living Goods engages with government to co-create a model that works for that particular context, and to identify and support the mix of NGO partners and government departments that can implement the program in the country. In November 2018, Living Goods and Kenya's Isiolo County Government signed a four-year contract in which the government will outsource operations to Living Goods, paying it to refine and implement its model in Isiolo, with the eventual goal of transitioning ownership to the government body.⁵ Living Goods also works with the government to strengthen and support CHWs—including advocating for policy change in areas such as task shifting—and to explore increased public financing.

WHAT YOU SHOULD KNOW: IMPLICATIONS OF ENABLING PARTNERS

- **Organization Size:** Living Goods does not have to expand its size in line with increased reach when supporting other partners to implement the approach. However, it has found it important to provide a seconded Living Goods staff member (or longer-term resources) to translate learnings, at least in the beginning.
- **Staffing:** Providing technical assistance and supporting program adaptation requires a broader and different skillset than that which is required for direct implementation.
- **Control & Impact:** Allowing others to adopt and adapt the model means that Living Goods has less control over decisions and outcomes. For example, partners track different key performance indicators (KPIs), use different baskets, and hew to their own restrictions from funding partners, among other things.
- **Fundraising:** Living Goods has found it more difficult to raise money for the "softer" work of technical assistance (versus the work of direct implementation).
- **Branding:** Partnerships are branded through the partners, with Living Goods' brand usually invisible. While this is an intentional decision for Living Goods, not all organizations may be comfortable with their brands not visible.
- **Impact:** It can be difficult to determine or aggregate impact across these partners because they employ different KPIs and data collection practices.

⁵ "Innovative Partnership between Living Goods and Kenya's Isiolo County Government to Transform Access to and Quality of Community Health Care," Living Goods, November 7, 2018, <https://globenewswire.com/news-release/2018/11/07/1647253/0/en/Innovative-Partnership-between-Living-Goods-and-Kenya-s-Isiolo-County-Government-to-Transform-Access-to-and-Quality-of-Community-Health-Care.html>.



STRATEGY: INFLUENCING COMMUNITY HEALTH DELIVERY GLOBALLY. Living Goods seeks broader influence by helping change the conversation about community health globally, engaging with donors and standard-setting organizations.

Over time, Living Goods has seen an opportunity to inform community health care practice on a country and global level and seeks to contribute to that discussion with the evidence it has collected about various approaches. Living Goods works with global stakeholders such as USAID, the World Health Organization (WHO), and The Global Fund to share knowledge on quality community health care provision and advocate for investments into such quality programs. Living Goods does not directly advocate for use of its specific approach, but rather brings its experience, core principles and approaches, and data to the broader conversation.

In another example of its broader network and advocacy work, Living Goods is involved in a coalition of leading CHW organizations called the Community Health Impact Coalition (CHIC). These organizations—including NGOs Last Mile Health, Partners in Health, and VillageReach—compared community health models and discerned eight “Design Principles”; some of these principles were ultimately incorporated into the WHO’s updated CHW guidelines. CHIC continues to work together to share knowledge and advocate for adoption of the principles by other stakeholders.

WHAT YOU SHOULD KNOW: IMPLICATIONS OF NATIONAL AND GLOBAL ADVOCACY

- **Staffing:** Living Goods created a specific position, Director of Advocacy, to take on this area work, given the need for a different skillset and mindset to implement. Living Goods also built out its government relations/advocacy teams in-country. It recognized that being an implementing organization is a very different role than being an influencing organization.
- **Fundraising:** Living Goods primarily uses unrestricted core funds to cover its advocacy and influence work, as it finds it challenging to fundraise for such work.
- **Comparative Advantage:** Living Goods has found it important to determine where it has a comparative advantage and a unique voice to lend to the conversation; otherwise, it runs the risk of repeating what others are doing.
- **Long Time Horizons:** Advocacy work can be very time consuming and the path to results can be long. Time spent in meetings and “playing the long game” can be frustrating for an organization used to implementation and faster feedback loops.
- **Leverage Effects:** Living Goods has found that this work has a positive effect on its other strategies, creating a more enabling environment for robust community health approaches.

Scaling Pearls of Wisdom from Living Goods:

1

PROTECT YOUR IMPACT DRIVERS BUT BE FLEXIBLE ON THE REST. As you scale with other partners and in different contexts, you will need to be flexible on many aspects of your approach. Therefore, it is critical that you, as an organization, understand the key elements that drive your impact—and that you protect those elements as you scale. Once you've established these non-negotiables, be open to adapt and learn from the experience of other partners on all other pieces. For Living Goods, our non-negotiables are ensuring that CHWs are digitally-enabled, are paid (ideally, linked to their performance), and have access to medicines. But, when it comes to decisions around selling products to supplement their incomes, we are more flexible.

2

STAY TRUE TO YOUR IMPACT FOCUS AS YOU BRING ON PARTNERS, AS THEY MAY BRING CONFLICTING PRIORITIES. Partnerships—especially our partnerships with governments—have been critical to our ability to scale. You should bring your partners on your journey: understand their needs and priorities, find champions among them, ask their advice, and learn from their expertise. But, keep in mind that each partner is juggling multiple demands and priorities—some of which could dilute your key drivers of impact—so be prudent about which pieces of advice you take. As an example, Living Goods has been asked by partners to add on more health services, such as managing non-communicable diseases. Yet we believed that adding on too many services, especially early in our evolution, could dilute what we believed was our greatest need: our focus on child mortality reduction and family planning. We also understood that we needed to effectively refine and scale our basic model first, before adding too many additional elements.

3

DON'T BECOME OVER RELIANT ON JUST ONE OR TWO PEOPLE WITHIN YOUR ORGANIZATION. It can be easy to rely heavily on just a handful of people in your organization who can drive the depth and breadth of your work. However, especially as you scale, you need to build a more robust talent structure and processes, including succession planning and talent development programs. Build on the expertise you already have and ensure that any new recruits buy into your values and will help you get ahead of where you are going.

4

BE WILLING—AND PREPARED—TO PIVOT AND/OR PAUSE. Many organizations pivot at earlier stages, but pivoting during scale is just as critical. If something is not working, be willing to pivot and be prepared to try something new. Living Goods has robust data collection tools to monitor and evaluate all aspects of our program, so we quickly know when something may not be working and can get ahead of the curve with preparations if a negative trend continues. When we initially rolled out family planning services, we soon realized that the CHWs were not achieving great results in this area—and that the time they were taking to counsel women was reducing the impact on child health. Even though we were running a large program, we stopped the rollout and spent time refining our family planning approach (to what we now believe is best-in-class). Our pause for refinement resulted in a longer rollout, but the increased impact was worth it. Note, however, that when you pause or pivot, you may have close partners that do not have the flexibility (or will) to pivot quickly. Keep this reality in mind as you move forward in your planning and partnership agreements.

5

MAKE TIME FOR THE BORING STUFF. As you move from a startup culture to a scaling organization, systems and processes that were not initially priorities soon become ones. We recognized the importance of putting time into the administrative aspects of our organization—even though the programmatic work felt most urgent. As you build these systems and processes, such as HR, financial, and supply chain, ensure that they are forward-looking to fit future needs, as you envision them, for the organization.



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