

CycleTel™ Business Analysis

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The Institute for Reproductive Health
Georgetown University



USAID
FROM THE AMERICAN PEOPLE



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The Institute for Reproductive Health (IRH) is part of the Georgetown University Medical Center, an internationally recognized academic medical center with a three-part mission of research, teaching and patient care. IRH is a leading technical resource and learning center committed to developing and increasing the availability of effective, easy-to-use, fertility awareness-based methods (FAM) of family planning.

IRH was awarded the 5-year Fertility Awareness-Based Methods (FAM) Project by the United States Agency for International Development (USAID) in September 2007. This 5-year project aims to increase access and use of FAM within a broad range of service delivery programs using systems-oriented scaling up approaches.

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The FAM Project

Institute for Reproductive Health
Georgetown University
4301 Connecticut Avenue, N.W., Suite 310
Washington, D.C. 20008 USA

irhinfo@georgetown.edu
www.irh.org

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Acronyms

BCG	Boston Consulting Group
IRH	Institute for Reproductive Health, Georgetown University
SDM	Standard Days Method
SMS	Short Messaging Service

1. Introduction

Georgetown University's Institute for Reproductive Health (IRH) developed a mobile phone service called CycleTel™ that facilitates use of a family planning method with Short Messaging Service (SMS). CycleTel is based on the Standard Days Method® (SDM), a fertility awareness-based method of family planning, which was also developed by IRH. In early 2012, IRH hired a business strategy consultancy firm in India, The Boston Consulting Group (BCG), to develop a viable business plan for how to commercialize and launch CycleTel in India, with the goal of making it financially sustainable within a three- to five-year timeframe. The plan includes an analysis of CycleTel's market potential, potential go-to-market strategies, and a financial model.

2. Background

With nearly 1.2 billion people, India is the world's second-most populous country and has significant need for family planning options. Some 39 million Indian women of reproductive age want to avoid a pregnancy but do not use family planning because they do not have access to a method they want to use. Indian family planning programs have been dominated for decades by permanent methods—female and male sterilization—with little emphasis on the need to delay first births and achieve healthy birth spacing. Although pills, condoms and IUDs are offered, availability is low and they are used by only about 10% of women of reproductive age. Additionally, while contraceptive prevalence is higher in urban areas, national surveys show that even women of higher income quintiles are not using modern methods consistently and some rely on traditional methods instead (NFHS 3).

SDM, a modern, effective fertility awareness-based method of family planning, is helping to meet the demand for family planning both in India and worldwide. Developed and tested through rigorous field trials by IRH with support from the U.S. Agency for International Development in 2000-2002, it has been introduced in over 30 countries, including India, and is recognized as an evidence-based practice by WHO. As a knowledge-based method, SDM does not necessitate a visit to a health provider or purchase of a commodity—as long as a woman can learn to track her fertile days and has a means for doing so, she is equipped to use the method correctly. Research shows that offering SDM is directly linked with reducing unmet family planning need (Leon, 2011). The data shows that given ease of use and lack of side effects, SDM appeals to couples who currently are not using any method, use condoms inconsistently, rely on the rhythm method or withdrawal, or cannot use hormonal methods. Additionally, almost a decade of IRH research indicates that SDM empowers women—including supporting their ability to negotiate with their partners about whether/when to have sex and use condoms—and involves men in FP use (Gribble, et al. 2008).

CycleTel™: Expanding family planning to mobile phone owners

SDM is commonly used with CycleBeads®, a color-coded string of beads that facilitates SDM use. This tool has been introduced successfully into a range of public and non-profit family planning

programs in India since 2002, with efforts limited to selected districts in the states of Jharkhand and Uttar Pradesh. When SDM is provided through these programs, it involves trained service providers, a commodity (CycleBeads®), and other supportive systems, the costs and timing of which are exacerbated by fragile health systems, lack of emphasis on birth spacing methods in public programs, and contraceptive procurement and distribution barriers. To expand the benefits of SDM to women across the country, cost-effective approaches that bypass these inefficiencies are required. As such, offering SDM on a mobile phone—CycleTel™—emerged as a direct-to-consumer family planning approach that could directly address the above challenges.

The CycleTel premise is simple: a woman learns about CycleTel and opts to join the service by sending an SMS to a designated number. She is then screened for method use, and if she is eligible, she sends the date of her last period. The service then alerts her of her fertile days during her cycle. Additional messages support correct use of the method, help her monitor her cycle length, and offer information on other reproductive health issues, such as the importance of optimal birth spacing. A user is reminded to re-enroll each cycle by sending in the date of her period.

With mobile penetration at more than 60% of the Indian market and 766 million mobile subscribers, India has the world's second largest telecom market and will continue to grow. As early adopters of mobile technology tend to be of reproductive age, mobile phones are positioned to directly reach the population that needs family planning information most.

CycleTel: Successful Proof-of-Concept Results

Funded by USAID, IRH conducted CycleTel proof-of-concept testing through focus group discussions, cognitive interviews and manual testing of the service with approximately 100 men and women in Lucknow, India. The lessons learned—ranging from message content and frequency, to mobile phone usage trends and identifying the target audience and their potential interest—were extremely valuable in designing the CycleTel service. Of women who manually tested CycleTel on their mobiles, all wanted to continue using the service, reported improved communication with their partners in regards to family planning, and would recommend the service to friends.

Manual testing of CycleTel was facilitated by the use of FrontlineSMS, an open source software that was manually operated by an IRH staff member during the study. As a next step, IRH partnered with ThoughtWorks, Inc., a global software development company with offices in India, to develop an automated CycleTel platform. As of April 2011, IRH and ThoughtWorks launched and have been improving upon automated software for CycleTel.

CycleTel: Automated Testing

IRH piloted the automated technology with 715 users of the target audience to ensure that the technology operated as designed. It was necessary to test the technology with a select number of

users to ensure that the technology works correctly, that women are able to interact with the technology correctly, and so as to collect user feedback to improve the technology before it became available to the public. Overall, the Automated Testing was successful in (1) validating that the technology generally worked as expected, (2) integrating a helpline into the service, and (3) determining processes for monitoring the service.

3. Project Methodology

To complete the business analysis, BCG divided the analysis into three areas and relied on the following methodology:

1. First, BCG defined the CycleTel **value proposition and target market** through using secondary research, analyzing the pilot data, and conducting interviews with a variety of stakeholders.
2. Second, to identify the CycleTel **go-to-market model**, they used company expertise and industry knowledge to set assumptions and met with potential partners to explore the feasibility of the hypothesized model.
3. Third, using a financial model and inputs from industry experts and partners, BCG developed a **business plan** to assess if CycleTel could be a viable self-sustaining social venture in 5 years. They developed two scenarios—high achievement and moderate achievement cases—based on varying levels of donor funding secured to launch the initiative.

The consultancy was completed within 7 weeks, and involved bi-weekly check-in meetings during which BCG presented key findings and engaged IRH in strategy discussions.

4. Summary of Results

The business analysis summary is as follows:

1. CycleTel should target ~16 million young Indian women (20-34 years old) with high birth spacing needs, and independent access to mobile phones in 2 phases:
 - Phase 1 will target ~10 million women with >\$3K per annual household income;
 - Phase 2 will target remaining ~5.5 million bottom-of-the pyramid segment with a voice-based offering.
2. Given its value proposition, CycleTel should aspire to build a 500,000 to 1 million user base by 2017. The financial model depends on revenue-generation to cover operating costs, based on two revenue streams: 1) a "users-as-payers" subscription model, priced at Rs 30 (~\$0.40) per month per user and 2) a commercial advertising model, with sponsored SMS messages that

offer relevant information/services/products to women. This will ensure self-sustainability of the business model after reaching critical scale.

3. Achieving this scale would require a substantive go-to-market effort, building on IRH capacity and mobilizing USD \$2.5 to 4 million in donor funding from multiple sources to drive awareness in the adoption phase. Initial discussions with potential partners indicate several willing partners for core delivery architecture as well as awareness building efforts.

Accomplishing the “high achievement” case would require IRH to meet 5 key criteria:

- Partner with an aggregator to enable the core delivery and drive lean promotion;
- Outsource the high engagement (face-to-face) effort to drive customer adoption to an outreach agency, supervised by IRH;
- Secure USD \$2.5 to 4 million in funding from donors to serve as anchor funding for the initiative;
- Attract go-to-market sponsors, such as Nokia or Johnson & Johnson, to bundle CycleTel information with their products to help support retail awareness; and
- Further build IRH’s capacity to orchestrate private-sector partnerships and oversee the face-to-face awareness building effort.

From a partnership perspective, initial discussions with potential go-to-market partners suggest that the “high achievement” case is possible. There were several aggregators that indicated they would be ready and willing to partner to bring the innovation to market. Other stakeholders, including commercial and social sector partners, were open to further discussions.

BCG also presented a “moderate achievement” case, in the event that any of the project risks compromised reaching the high achievement goal. In the moderate achievement scenario, IRH could hand over the innovation to an aggregator, who would own the CycleTel business. Through a lean digital go-to-market strategy, an aggregator may be able to attract a ~90K subscriber base by 2017. In this case, IRH’s role would be limited to supervising the effort and enabling additional funding. To accomplish the moderate achievement case, CycleTel would need an estimated funding requirement of USD ~\$0.7-1 million.

The complete business analysis is available in PDF format as Appendix 1.

5. Dissemination of Study Results

IRH disseminated the full CycleTel business analysis to USAID/India in April of 2012 and USAID/Washington in July 2012. Topline results were also discussed in presentations to the mHealth Working Group (May 2012), the American Public Health Association (APHA) Conference (October 2012), and the Global Symposium on Health Systems Research (November 2012). The

business plan has been instrumental in new business development efforts to attract the appropriate financial resources to launch CycleTel in India.

6. Conclusion/Discussion

The business analysis was a critical step in the development of CycleTel's scale-up and sustainability plan. The analysis found that CycleTel has the potential to be self-sustaining within a five-year period if certain conditions are met, including if IRH-CycleTel can attract anchor funding from donors and specific go-to-market partnerships to accelerate customer awareness and adoption. The analysis is instrumental in supporting conversations with, and formal proposals to, donors and partners who are interested in the innovation.

The business analysis provides a blueprint for taking CycleTel to scale, but it must be noted that the business plan is based on assumptions. If one assumption is not met, the business plan will need to adapt to deal with the impact of that change. In the next phases of CycleTel's development cycle, IRH will work to test the business plan's assumptions and further hone the plan based on market validation.

Appendix 1: Final CycleTel™ Business Analysis Slidedeck, submitted by Boston Consulting Group on February 28, 2012

IRH – CycleTel

Final Steering Committee Meeting

28th Feb 2012



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EXPANDING FAMILY PLANNING OPTIONS

Summary of key messages (1/3)

CycleTel will be most valuable to ~16 million young women (20-34 years old) with high birth spacing needs, and independent access to mobile phones

- First preference would be ~10 million women with high SMS usage. Even within this sub-segment, ~3.5 million women in 20-24 years age group would be more amenable
- Next preference would be ~6 million women with low SMS usage, who could potentially be targeted in phase 2 via voice / IVR offering

A successful CycleTel business (Aspiration case) can aspire to build 500 K to 1 million subscriber base by 2017 and be self-sustainable. This would require significant GTM effort in driving high engagement awareness program and the total funding requirement could be USD 2.5 to 4.0 million.

In Low effort case, CycleTel could partner with an aggregator, who will own the business, adopt lean digital GTM route and help reach ~90K subscriber base by 2017. In this case, IRH-CycleTel's role would be limited to supervising the effort and enabling funding for phase 2 - voice application development. Estimated funding requirement would be USD ~ 0.7 - 1 Million .

2



Summary of key messages (2/3)

Achieving Aspiration case, would require IRH to accomplish 5 key things:

- Partner with an aggregator to enable core delivery and drive lean (VAS, digital, ATL) promotion
- Outsource high engagement (face to face) effort to an outreach agency, supervised by IRH
- Secure USD 2.5-4 million in funding, from social donors / CSR funds / government support to enable awareness in adoption phase
- Get on board GTM sponsors e.g. Nokia, J&J to bundle CycleTel information / coupons with their products and help support retail awareness
- Build the IRH organization to orchestrate sponsorship and oversee face to face awareness effort

Discussions with GTM partners, suggest achieving Aspiration case is possible

- Several aggregator partners ready and willing: market interactions suggest mDhil, and Nokia Life Tools as most plausible candidates (but need to continue dialogue). Also allow for multiple concurrent approaches (e.g. in parallel with Nokia) to secure rapid scale-up
- Several stake-holders might be willing to support awareness program e.g. celebrities endorsing on social / digital media; distributors like Nokia, J&J bundling information and coupons with appropriate SKUs
- Social / CSR donors focused on women / reproductive health, especially technology oriented funds e.g. BMGF, Religare Tech, Intel, CA Tech might be interested to support awareness effort

Summary of key messages (3/3)

However, there are key risks in achieving Aspiration case

- IRH being able to build organization capacity to orchestrate the sponsors and oversee a high engagement awareness effort
- Signing in social / corporate donors to fund seed capital requirement (USD 2.5 Million)
- Signing in capable outreach agency to enable high quality, high engagement effort
- Slower customer adoption of new offering (CycleTel)
- Most of risks can be assessed at the start of the project / early on e.g. accessibility to donor funds, IRH org build out, partner commitment. Some like customer adoption, effectiveness of awareness program will play out over the course of the project

If the risks do materialize, IRH- CycleTel could still fall back to Low effort case, get aggregator to drive the business and help reach ~90 K customers by 2017.

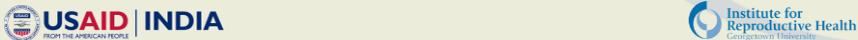
Key decision required are:

- Choice of GTM case (Aspiration case, Low effort case) and alignment around 2017 aspiration
- Plan to build out IRH organization to execute chosen GTM scenario
- Discussion on immediate term milestones
- Plan to engage with USAID to discuss funding and help to solicit other donors

Agenda

- Context and project objectives**
- CycleTel GTM model recommendations**
 - Target segment sizing
 - GTM path options and plan
- CycleTel Business Plan and Risks**
- Key decisions required**

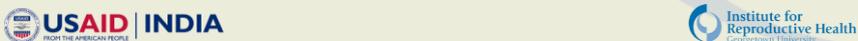
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CycleTel context and key objectives

CycleTel™ context and aspirations

SDM® has a strong value proposition with proven record across emerging markets

- Scientifically proven method with high efficacy
- Preferred because of 'no side effects'
- Good acceptability across emerging markets

CycleTel™ aims to leverage mobile access and scale up SDM® reach via text (sms) based application

Application designed and tested, project objective to commercialize it and make it self-sustainable

Next steps include global roll out and design voice based application to reach bottom of pyramid subscribers

Key project deliverables

Articulate CycleTel value proposition and estimate size of potential target segment

- Identify core target customer segment
- Size addressable segment with mobile access
- Align on CycleTel penetration aspirations

Design GTM model to enable CycleTel aspirations

- Define GTM path and key roles
- Identify potential partner options
- Define partner selection criteria
- Undertake select partner discussions to test interest levels
- Align on a preferred workable model

Finalise overall business plan

- Model overall CycleTel revenues and costs
- Define implications under possible penetration scenarios
- Identify funding requirement by stages

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Agenda

Context and project objectives

CycleTel GTM model recommendations

- **Target segment sizing**
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CycleTel Business Plan and Risks

Key decisions required

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Recap on key issues being addressed

- Who are our priority customers? Who would have higher affinity to CycleTel?
- How big is our priority segment? What revenues can CycleTel expect?
- How do these customers behave? What is the best way to reach them? How much does this cost?
- What will it take to acquire and hold these customers? What does it mean in terms of costs incurred?

Recap on methodology deployed to size CycleTel target segment

Key findings from analysis and interviews

- **Women in early stages of life cycle could have higher propensity to use CycleTel for spacing needs**
 - High usage of temporary methods and unmet spacing needs in age group 20 – 34
 - Natural family planning methods with no side effects preferred – qualitative interviews
- **High incidence of mobile penetration and data usage in women with HHI¹ > 1.5 lakh p.a. (\$ 3,000)**
 - ARPH² – Rs 1300-2100 (\$26- 42) in Affluent and Rs 310-490 (\$6- 10) in Aspirers + Next Billion
 - Mobile penetration of ~85-95% in Affluent and ~50-55% in Aspirers + Next Billion
- **Young women more likely to have higher life time value driven by higher age on service and lower marketing cost (on-line targeting)**

2 axes prioritization adopted

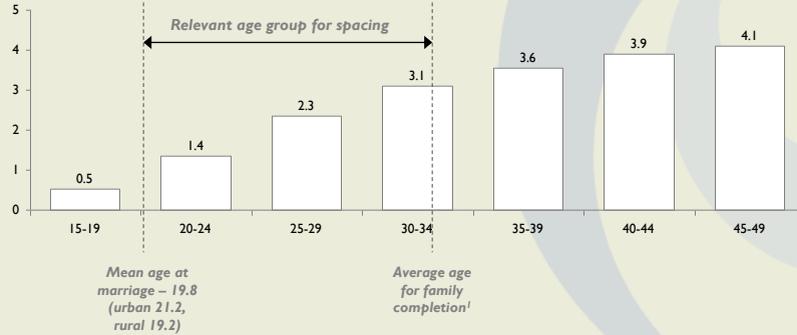
- **Age axes**
 - proxy for propensity to use driven by need for spacing
- **Income axes**
 - proxy for mobile penetration and data usage, indicative of propensity to subscribe and pay for CycleTel

1. HHI: Household Income
2. ARPH is average spend per household on mobile and internet usage per month (in Rs)
Source: BCG analysis

Birth spacing an important need for young women in 20-34 years age group

Married women in 20-34 years age group most likely users for birth spacing methods

Number of children per married women by age groups

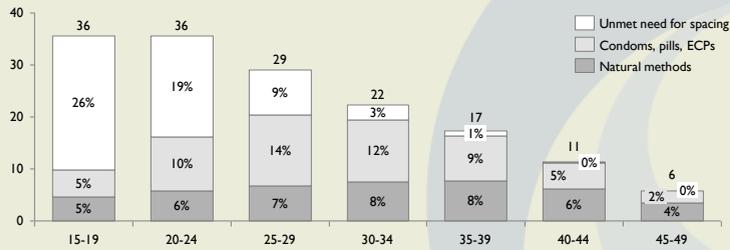


¹ Most women complete family in 30-34 age group (India average 2.8 children per family)
Source: District Level Household and Facility Survey (DLHS-3), 2007-08



High use of birth spacing methods observed in early lifecycle (20-34 years)

% Estimated women with birth spacing needs



# Women (mn)	57	53	49	44	39	35	30
Married women(%)	21.5%	69.7%	90.0%	98.0%	98.0%	98.0%	99.1%
Birth spacing users (%)	36%	36%	29%	22%	17%	11%	6%
# Addressable (mn)	4	13	13	10	7	4	2

Large part (~70%) of addressable target segment within early life cycle - age group of 20-34 years

Source: District Level Household and Facility Survey (DLHS-3), 2007-08



~150 mn women in 20-34 years, ~35 mn with birth spacing needs, ~16 mn with mobile access

	Age group: 15-19	Age group: 20-24	Age group: 25-34	Age group: 35-49
Affluent HH income > 8.4 lakh p.a. ARPH – Rs 1300-2100	<ul style="list-style-type: none"> Population: 3 mn Married: 1 mn Birth spacing : 0.2 mn Mobile access: 0.1 mn 	<ul style="list-style-type: none"> Population: 3 mn Married: 2 mn Birth spacing :1 mn Mobile access: 0.6 mn 	<ul style="list-style-type: none"> Population: 5 mn Married: 5 mn Birth spacing : 1.2 mn Mobile access: 1.2 mn 	<ul style="list-style-type: none"> Population: 6 mn Married: 6 mn Birth spacing : 0.7 mn Mobile access: 0.5 mn
Aspirers + Next billion HH income 1.5 – 8.4 lakh p.a. ARPH : Rs 310-490	<ul style="list-style-type: none"> Population: 25 mn Married: 5 mn Birth spacing : 2 mn Mobile access: 1 mn 	<ul style="list-style-type: none"> Population: 23 mn Married: 16 mn Birth spacing : 6 mn Mobile access: 2.9 mn 	<ul style="list-style-type: none"> Population: 41 mn Married: 38 mn Birth spacing : 10 mn Mobile access: 5.5 mn 	<ul style="list-style-type: none"> Population: 46 mn Married: 45 mn Birth spacing :5 mn Mobile access: 2 mn
Strugglers HH income < 1.5 lakh p.a. ARPH: Rs 120-130	<ul style="list-style-type: none"> Population: 29 mn Married: 6 mn Birth spacing : 2 mn Mobile access: 0.4 mn 	<ul style="list-style-type: none"> Population: 27 mn Married: 19 mn Birth spacing : 7 mn Mobile access: 1.9 mn 	<ul style="list-style-type: none"> Population: 47 mn Married: 44 mn Birth spacing :11 mn Mobile access: 3.6 mn 	<ul style="list-style-type: none"> Population: 53 mn Married: 52 mn Birth spacing : 6 mn Mobile access: 2 mn

Population: Total population of women in this segment
 Birth Spacing: Women currently using temporary methods or have unmet spacing need in this segment
 Mobile: Women with birth spacing need with mobile phones in this segment

Note: Spacing needs mentioned are for married women; ARPH is average spend per household on mobile and internet usage per month (in Rs)
 Source: DLHS-3, Euromonitor, BCG analysis



~10 mn potential target for phase I (SMS offering) and additional ~6 mn for phase 2 (Voice offering)

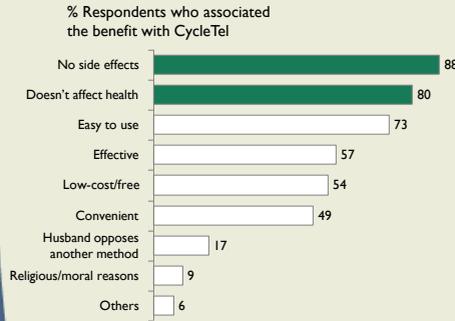
	Age group	15 - 19	20 - 24	25 - 34	35 - 49
Propensity to subscribe and pay Income segments	<ul style="list-style-type: none"> Addressable potential Propensity to use 	- Medium	36% High	26% Med-High	12% Low
Affluents <ul style="list-style-type: none"> HHI > Rs 8.4 lakh (\$ 17K) p.a. Mobile penetration: 78% HH mobile spend: Rs 1,300 -2100 (\$26-42) 		2a 0.1 mn	1a 0.6 mn	1b 1.2 mn	0.5 mn
Aspirers + Next Billion <ul style="list-style-type: none"> HHI 1.5 – 8.4 lakh p.a (\$3K -17K) p.a. Mobile penetration: 46% HH mobile spend: Rs 310- 490 (\$6- 10) 		1 mn	2.9 mn	5.5 mn	2 mn
Strugglers <ul style="list-style-type: none"> HHI < Rs 1.5 lakh (\$ 3K) p.a. Mobile penetration: 25% HH mobile spend: Rs 120 – 130 (\$2.4-2.6) 		0.4 mn	2b 1.9 mn	3.6 mn	2 mn

1. Addressable potential calculated as the sum of current users of temporary methods and unmet need for spacing
 Note: Family planning methods usage % is for married women
 Source: DLHS-3, Euromonitor, BCG analysis



CycleTel could be preferred by young women for spacing due to perception of 'no side effects'

Strong perception of 'no-side effects' observed in pilot - exit survey



Survey respondents explicitly mentioned 'no-side effects' benefits of CycleTel

"It does not harm health in any way..I get all the information on the phone...it is a safe method"

"It does not have any side effects...the method does not affect my health in any way"

"It does not have any negative effects on health like other methods which have some or the other side effects on health...no side effects of this method"

CycleTel with no perceived harmful effects on fertility could be preferred for spacing by young women

Source: CycleTel Automated Testing Pilot

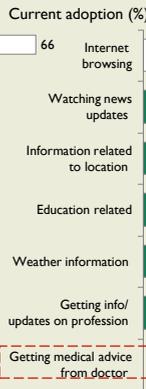
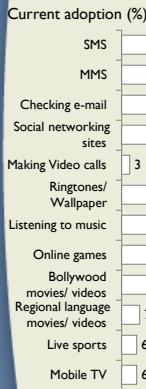


Penetration of several m-services at more than 5-6%

Communication & Entertainment VAS

Information VAS

mCommerce VAS



Getting medical advice from doctor 0

"Although entertainment VAS will continue to be most popular VAS even in future, medical advice on mobile also offers a large untapped opportunity"

Source: Published research reports, BCG Analysis



Agenda

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CycleTel™ GTM model recommendations

- Target segment sizing
- **GTM path options and plan**

CycleTel Business Plan and Risks

Key decisions required



Key learnings from GTM discussions and global cases

Extensive GTM discussions undertaken covering all key stake-holders

Discussions Undertaken

CycleTel™ Stakeholders	<ul style="list-style-type: none"> • USAID, India - Loveleen, Sheena, Vijay and Moni • USAID, Washington – Mihira, Imran and Jewel • Cycle Technologies – Leslie • Abt Associates – Sanjeev, Ram, Gaurav and Suma • ThoughtWorks – Rohit • ISHP – Anuradha and Pankaj 	<ul style="list-style-type: none"> • USAID, Washington – Peggy D'Adamo
Industry experts / Content aggregators	<ul style="list-style-type: none"> • Nandu Madhava, CEO, mDhil • Aseem, Head BU, One97 • Siddharth Sharma, National Sales Head, On-Mobile • Chetan Uberoy, India Head, MphRx 	<ul style="list-style-type: none"> • Dr. Ruchi Dass, Founder, Healthcursor Consulting • Dr Viral Shah, Promoter, CheenyKum • Srivathsan Aparajithan, MD, Healthways • Akash Ganju, MD, A-Square Healthcare Ventures
Telcos/Other GTM partners	<ul style="list-style-type: none"> • Himmat Rana, m-health POC, Airtel • Sergey Korobov, Director - VAS & Product Development, MTS • Rohit Gupta, VP, Tata DoCoMo 	<ul style="list-style-type: none"> • Natesh B.V., Director – Emerging Market Services, Nokia • Pranshu, Head – Sustainability, Nokia • Mohit Beotra, Head - Emerging Business, Airtel • Bill Pinckney, MD & CEO, Amway
Corporate/ Social Donors/ PE-VC Fund	<ul style="list-style-type: none"> • Siddharth Tata, Portfolio Manager, Acumen Fund • Sarah, Partner & MD, BCG – BCG relationship owner with BMGF • Ashu Sikri, Analyst, Omdiyar Network • Maheshwar Reddy, Development Authority, Vizag (In-charge of women health groups) 	<ul style="list-style-type: none"> • Anand Sinha, BMGF - India • Alok Mittal, MD, Canaan Partners • Pankaj Vaish, President, Religare • Atal Sanket, SVP, CA technologies • L Agarwal, District Magistrate, Vizag (key person in starting SHGs in AP)



Key learnings from GTM discussions (1/2)

- 1a Core delivery architecture for m-health offering comprises 5 main activities**
 - Ongoing content/application development
 - Integration with multiple Telco networks
 - High quality VAS promotion to drive conversions/ adoption
 - Customer analytics, CLM and contact centre to manage drop-offs
 - Billing, revenue collection from customers (via Telcos)
- 1b Telcos may not be preferred partners for CycleTel**
 - Access limited to captive base/ multiple Telco relationships required
 - Very limited to nil investment behind promotion (even VAS) and hand-holding (contact centre)
- 1c Several capable aggregators with m-health focus keen to partner with CycleTel e.g.**
 - mDhil, a m-health focused VAS aggregator, keen to partner and aggressively drive CycleTel
 - Nokia Life Tools with ~17 mn subscriber base and strong m-health focus, keen to include CycleTel in its portfolio
 - Big aggregators, such as One97, interested to include CycleTel

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Key learnings from GTM discussions (2/2)

- 2a Success would require investment in broad based promotion via mix of channels**
 - Lean cost digital/ social media (twitter, blogs, paid searches) endorsed (sponsored) by celebrities
 - Lean ATL e.g. Radio, cable scrolls to drive broad based awareness
 - High engagement (face to face) programs to build awareness and trust around SDM/ CycleTel
- 2b High mix of high engagement (face to face) methods at start key to success**

- 3a Business case with high uncertainties unlikely to be funded by social funds like Acumen, Omidyar**
- 3b Social donors like USAID, BMGF, BBC World Service Trust, could be interested due to focus on women health and technology orientation (interested in m-health)**
- 3c Potential to reach out to set of corporates for CSR/ GTM support**
- 3d Opportunity to access government for long term program support and field awareness (ANMs, ASHA)**

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GTM path options

GTM effort would comprise 2 major activity sets

CycleTel GTM path

1 CycleTel – core delivery architecture

Content Design

➔

Telco Aggregation

➔

VAS promotion – awareness

➔

Customer hand-holding

➔

Collection, revenue share

2 CycleTel – awareness and promotion

Media Agency Led			Face to Face	
Lean ATL <ul style="list-style-type: none"> Radio slots Local cable scrolls Vernacular magazines 	Social/digital marketing <ul style="list-style-type: none"> Twitter, blogs, paid searches Internet videos 	Retail programs, tie-ups <ul style="list-style-type: none"> Kiosks Bundled offers 	BTL outreach <ul style="list-style-type: none"> Health providers Beauty parlors, etc. 	Govt. Infrs <ul style="list-style-type: none"> ANMs ASHA

Findings

- Several existing capable players in Telco-VAS chain, multiple choices for IRH-CycleTel
- Oversight required by IRH to ensure quality promotion and sustenance effort
- Currently not done by players in Telco VAS chain
- Would require enabling (substantive) funding and supervision by IRH
- Can be divided into 2 parts
 - Lean ATL/ Social Media. Outsourceable and requires less supervision
 - High engagement, face to face programs. Outsourceable but requires significant planning and supervision effort

Currently done by many players in Telco VAS chain, several choices available
 Not currently done by Telco VAS players, can be outsourced to agencies at costs and managed via aggregator
 Not currently done by Telco VAS players, can be outsourced, substantive costs and supervision required

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GTM path options

Core delivery would need to be supplemented with strong awareness effort to achieve aspirations

CycleTel GTM path

One lead partner - aggregator

Content Design

➔

Telco Aggregation

➔

VAS promotion – awareness

➔

Customer hand-holding

➔

Collection, revenue share

Managed by IRH

Media Agency Led			Face to Face	
Lean ATL <ul style="list-style-type: none"> Radio slots Local cable scrolls Vernacular magazines 	Social/digital marketing <ul style="list-style-type: none"> Twitter, blogs, paid searches Internet videos 	Retail programs, tie-ups <ul style="list-style-type: none"> Kiosks Bundled offers 	BTL outreach <ul style="list-style-type: none"> Health providers Beauty parlors, etc. 	Govt. Infra <ul style="list-style-type: none"> ANMs ASHA

Execution plan

- One lead partner managing core delivery and lean awareness programs
- Intensive (face to face) awareness programs, outsourced to agency, managed by IRH
- Funding support orchestrated by IRH

How would IRH manage the face to face, high engagement program?
On it own vs. via an entrepreneur?

Currently done by many players in Telco VAS chain, several choices available
 Not currently done by Telco VAS players, can be outsourced to agencies at costs and managed via aggregator
 Not currently done by Telco VAS players, can be outsourced, substantive costs and supervision required

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GTM path – partner choices

Major activities	Primary partners – choices	Secondary partners - choices
Core CycleTel delivery <ul style="list-style-type: none"> Content design Telco aggregation VAS promotion Contact centre Collection 	Lead partner – aggregator e.g. <ul style="list-style-type: none"> mDhil Nokia Life Tools 	<ul style="list-style-type: none"> ISHP/ Religare
Lean promotion/ awareness <ul style="list-style-type: none"> Lean ATL Social/ digital marketing Retail programs 		Media Agency e.g. <ul style="list-style-type: none"> Percept Eggfirst
Face to face programs <ul style="list-style-type: none"> Targeted BTL outreach Government resources 	IRH	<ul style="list-style-type: none"> Outreach agency Govt. resources e.g. ANMs

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Mix of channels shall be required to drive awareness and build trust in initial years

Select ATL			Social/digital marketing		
Radio slots 	Local cable scrolls 	Vernacular magazines 	Twitter/blogs 	Paid searches 	Internet videos
Build broad based awareness			Leverage network effect to build trust		
Targeted BTL			Retail programs , tie-ups		
Health providers 	Beauty parlors 	College 	Organized retail 	Distribution tie-ups 	Bundled offers
Face to face contact to drive awareness and adoption			Bundle pamphlets, coupons with well distributed brands		

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Cost per acquisition likely to decline from ~ 240-250 per acquisition to ~ 120-130 per acquisition overtime

Channels for acquisition	< 100 K subs		100 K - 500K subs		> 500K subs		
	Mix ¹ (%)	COA ² (Rs/sub)	Mix (%)	COA ¹ (Rs/sub)	Mix (%)	COA ¹ (Rs/sub)	
ATL	Radio						
	Press	10-15%	Rs 225 – 275	15-20%	Rs 150 – 200	20-25%	Rs 80 – 100
	Cable						
Digital	TV						
	Twitter/Blog						
	Paid searches	5-10%	Rs 225 – 275	10-15%	Rs 150 – 200	15-20%	Rs 80 – 100
Targeted BTL	Internet videos						
	Public health						
	Beauty clinics	60-75%	Rs 250 – 300	45-60%	Rs 200 – 250	35-50%	Rs 150 – 200
Retail tie-ups	A&M, SHG						
	Colleges						
	Kiosks in organized retail						
	POS tie ups	10-15%	Rs 90 – 110	15-20%	Rs 90 – 110	15-20%	Rs 90 – 110
	Bundled offer						
Average cost for acquisition		Rs. 240 – 250	Rs. 180 – 190	Rs. 120 – 130			

1. Percentage of acquisitions through each channel 2. Cost of acquisition per subscriber
Source: Discussions with media managers and GTM experts

Agenda

Context and project objectives

CycleTel GTM model recommendations

- Target segment sizing
- GTM path options and plan

CycleTel Business Plan and Risks

Key decisions required

CycleTel: Possible business scenarios

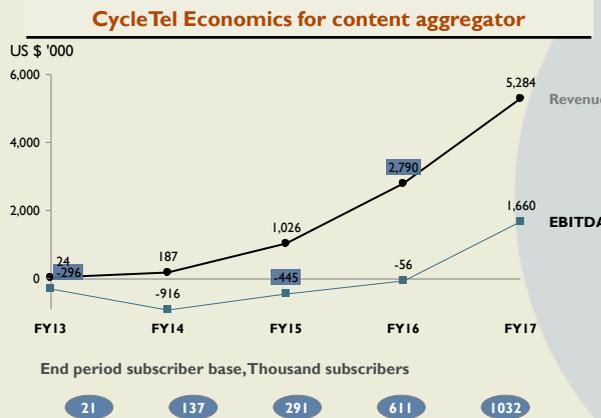
Business scenarios	Description	Business implications
Aspiration Case	Robust core delivery architecture established. Content aggregator on-boarded with application design, aggregator, VAS promotion capabilities	<ul style="list-style-type: none"> ~ 1 million subs by FY17 (5 – 6% penetration) Breakeven by FY16-17 Total funding of USD 2.5 to 4.0 million
	Effective awareness program set in motion (entrepreneur signed in, media agency / outreach agency signed in, government infrastructure leverage tied up). IRH organization build out to oversee outreach effort.	
Low Effort Case	Social donors / sponsors funding lined up for high engagement program	<ul style="list-style-type: none"> Reaching ~90 K subs by FY17 Breakeven by FY16-17 Total funding of USD ~0.7 -1 million
	Business led by an aggregator / ICT player enabling core delivery and lean digital promotion (VAS, digital, lean ATL)	
	Limited high engagement awareness (face to face) effort supported by government / sponsors	

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CycleTel Aspiration Case - breakeven in FY16-17 with more than one million subscribers end FY17

Aspiration case – for discussion



Funding requirement

- Total funding requirement USD ~2.5 to 4.0 Million¹**
- Yr 1, USD 1 million
 - Yr 2-4, USD ~500 K to 1 million pa
 - Year 4 (2016) breakeven

1. Total fund requirement driven by two key sensitivities – i. Revenue share to content aggregator varying from 30% in FY13 to 70% in FY17 ii. Cost of acquisition varying from – Rs 250 in FY13 to Rs 125 in FY17.
Source: CycleTel Business Case, BCG analysis

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CycleTel Low Effort Case - breakeven in FY16-17 with ~ 90K subscribers end FY17

Low Effort Case – for discussion

CycleTel Economics for content aggregator



End period subscriber base, Thousand subscribers



Aggregator amortises cost over a larger overall subs base, thereby achieving break-even

Funding requirement

- Total funding requirement USD ~ 0.7 - 1 Million**
- Yr 1, USD ~500 K
 - Yr 2-4, USD ~100 K pa
 - Year 4 (2016) breakeven

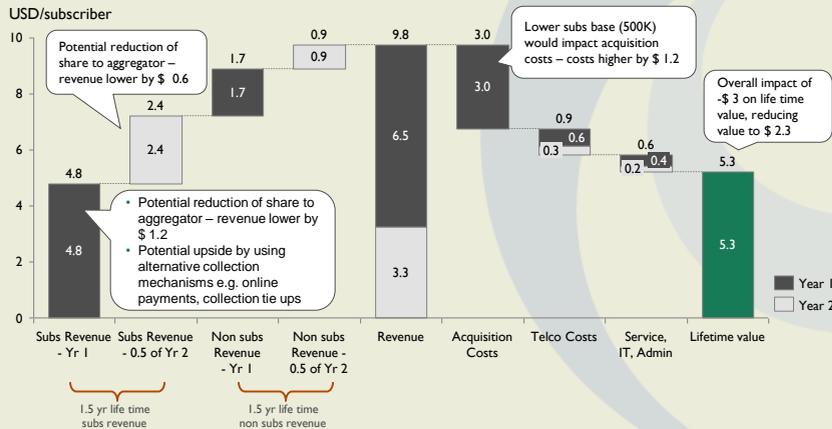
Source: CycleTel Business Case, BCG analysis



CycleTel customer economics - Aspiration case 2017

USD per sub

Life time contribution of customer in aspiration case



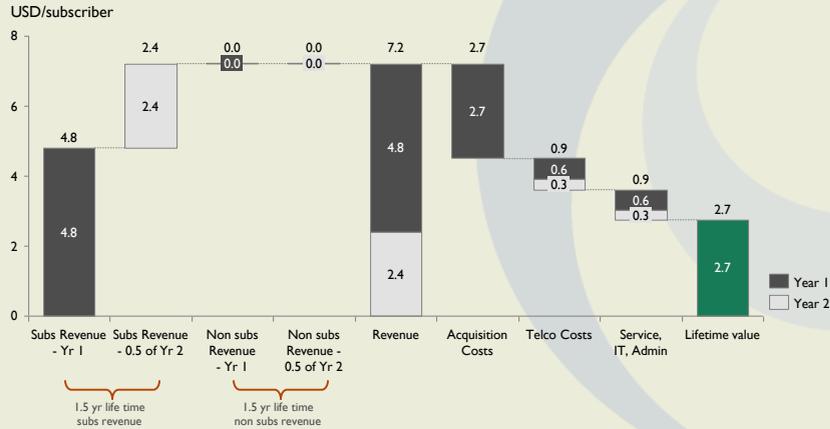
Note 1: Per sub analysis for subscribers added in FY17
 Note 2: average lifetime of subscriber on service of 1 year



CycleTel customer economics – Low Effort Case 2017

USD per sub

Life time contribution of customer in low effort case



Note 1: Per sub analysis for subscribers added in FY17
 Note 2: average lifetime of subscriber on service of 1 year



CycleTel economics aspiration case - Overall

Thousand USD

Summary financials	Units	FY 13	FY 14	FY 15	FY 16	FY 17
EOP Subs	000 #	21	137	291	611	1032
Revenue	000 USD	24	187	1026	2790	5284
Revenue - SMS - Subscription	000 USD	24	153	601	1659	2854
Revenue - Voice - Subscription	000 USD	0	35	169	483	1050
Revenue - Non Subscription	000 USD	0	0	257	649	1380
Total recurring costs	000 USD	321	1104	1471	2846	3275
Acquisition costs	000 USD	136	839	1105	2317	2827
Telco costs	000 USD	4	39	111	235	455
Service, IT, Admin costs	000 USD	181	226	256	294	342
EBITDA	000 USD	-296	-916	-445	-56	1660
One time spend	000 USD	600	0	0	0	0
Funding required	000 USD	-896	-916	-445	-56	0

Total funding requirement would be between USD 2.5 to 4.0 million, depending upon revenue share between telco and aggregator

Source: CycleTel Business Case, BCG analysis



CycleTel economics aspiration case – per sub basis

USD per sub

Summary financials	Units	FY 13	FY 14	FY 15	FY 16	FY 17
EOP Subs	000 #	21	137	291	611	1032
Revenue	USD/sub	2.4	2.4	4.8	6.2	6.4
Revenue - SMS - Subscription	USD/sub	2.4	2.4	3.6	4.8	4.8
Revenue - Voice - Subscription	USD/sub	2.4	2.4	3.6	4.8	4.8
Revenue - Non Subscription	USD/sub	0.0	0.0	1.2	1.4	1.7
Total recurring costs	USD/sub	31.2	14.0	6.9	6.3	4.0
Acquisition costs	USD/sub	13.2	10.6	5.2	5.1	3.4
Telco costs	USD/sub	0.4	0.5	0.5	0.5	0.6
Service, IT, Admin costs	USD/sub	17.6	2.9	1.2	0.7	0.4
EBITDA	USD/sub	-28.8	-11.6	-2.1	-0.1	2.0
One time spend	USD/sub	58	0	0	0	0
Funding required	USD/sub	-87	-12	-2	0	0

Source: CycleTel Business Case, BCG analysis

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CycleTel economics aspiration case - Phase I and 2

Thousand USD

Phase I Summary financials	Units	FY13	FY14	FY15	FY16	FY17
EOP Subscribers	000 #	21	108	226	472	729
Revenue	000 USD	24	153	801	2162	3863
Total costs	000 USD	321	899	1149	2205	2649
FCF (Funding required)	000 USD	-536	-747	-348	-43	1214
Phase II Summary financials	Units	FY13	FY14	FY15	FY16	FY17
EOP Subscribers	000 #	0	29	65	138	303
Revenue	000 USD	0	35	225	629	1,421
Total costs	000 USD	0	204	323	641	974
FCF (Funding required)	000 USD	-360	-170	-98	-13	446

Source: CycleTel Business Case, BCG analysis

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Business model assumptions – subs and revenues

Category	Assumption	Basis
Subscriber growth		
Gross adds - SMS	~50 K per month in end state	Penetration ramp up to 5 – 6% in 5 years in areas covered with awareness drive (GTM interviews, trends observed)
Gross adds –Voice	~25 K per month in end state	
Churn - SMS	67% per annum	Average expected life of 1.5 years
Churn - Voice	67% per annum	
Revenue		
SMS – Subscription	2.4 – 4.8 USD / sub / annum	Customer paying Rs 30 (USD 0.6)/month. 70% revenue share to telco initially; reducing to 30% overtime
Voice - Subscription	2.4 – 4.8 USD / sub / annum	
Non Subscription	1.2 – 1.7 USD / sub / annum	Share of content aggregator increasing from Rs 5 (USD 0.1) to Rs 7 (USD 0.14) over 4 - 5 years

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Source: CycleTel Business Case

ealth

Business model assumptions – costs

Category	Assumption	Basis
Telco, Sustenance, IT, Admin costs		
Telco costs	0.4 – 0.6 USD/sub/year	SMS offering: 15 SMSs/month; Cost/SMS at 10 paise (0.2 cents) Voice offering: 15 calls/month; Cost/call at 30 paise (0.6 cents)
Sustenance costs	~ 0.1 USD/sub/year	Calls per base: 15% overall base; cost per call ~ Rs 15 – 25 (USD 0.3 – 0.5)
IT costs	USD 80K – 180K per annum	Discussion with ThoughtWorks, other IT providers
Admin costs	USD 100K per annum	5 employees at ~ USD 20K per annum per discussions with IRH
One time costs		
SMS application	USD 300K	Discussion with ThoughtWorks, other IT providers
Voice application	USD 500K	Discussion with ThoughtWorks, other IT providers

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Source: CycleTel Business Case

ealth

Main residual risk shall be slower adoption delaying scale and breakeven

Risks	Description	Potential impact
IRH organization build out	<ul style="list-style-type: none"> IRH being un-able to build organization capacity to orchestrate the sponsors and oversee a high engagement awareness effort 	<ul style="list-style-type: none"> Lower emphasis on promotion / awareness will significantly slow down penetration levels
Social / corporate funds	<ul style="list-style-type: none"> Inability to sign-in social / corporate donors to fund seed capital requirement (USD 2.5 Million) 	<ul style="list-style-type: none"> Reduced investment behind promotion will drive down adoption levels
Execution risk	<ul style="list-style-type: none"> limited capability of key partners - outreach agency, aggregator, in promotion / engagement effort 	<ul style="list-style-type: none"> Reduced adoption levels and higher churn
Low customer adoption	<ul style="list-style-type: none"> Slower demand - customer adoption of new offering (CycleTel) 	<ul style="list-style-type: none"> Reduced adoption / scale delaying scale benefits and breakeven

Most risks would mean slower adoption and delayed self sustainability, unlikely to impact overall funding requirement

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Appendices



Large incumbent Telcos unlikely to provide promotion support to drive awareness

Views on potential scale and economics

- Scale**
 - Entire m-health portfolio at ~8,000 subscribers after 1-2 years of launch
 - Low adoption, high drop-off observed
- Offer /Pricing**
 - 'Products such as skin care tips sell more than call a doctor service'
 - Most VAS offers priced at INR 20-30 per month
- Operating model/ Costs to serve**
 - Happy to add CycleTel to its m-health portfolio
 - Exclusivity not required
 - Revenue share agreement with content aggregator¹
 - No mechanism for non-subscription revenues (advertisement, cross-sales)

Potential support to CycleTel

- IT delivery architecture**
 - Will provide short code SMS
 - Enable access to its subscriber base
 - No support for content development/ aggregation
 - No access to other Telcos
- Distribution²**
 - No ATU/ additional BTL support likely³
 - Very limited online acquisition support (SMS, OBD)
 - No call centre support
 - Very limited CLM analytical support
- Funding**
 - No funding support for GTM awareness likely by business unit

CycleTel shall be one of the offerings in large VAS portfolio of a leading Telco with insignificant contribution to total revenues – promotion support shall be limited

1. Typically Telco receives 60-70% revenue – rest is shared between content agg. and content provider
 2. To enable awareness and adoption
 3. Decision driven by revenue contribution of business line to Telco's portfolio
 Source: Interview with VAS head of incumbent Telco

Attacker Telcos could provide limited distribution support to drive awareness

Views on potential scale and economics

- Scale**
 - Very high penetration of independent mobile phones among urban women - ~100% in metros/tier 1 towns
 - Its call a doctor service has < 2-3K subscriber base after 2 years – 50% new acquisitions drop off after first 2-3 months
 - Overall penetration for most VAS offerings is 10-15% in target segment
- Offer/ Pricing**
 - For CycleTel, INR 15-20 per month could be considered?
 - Making offer comprehensive drives adoption e.g. not on medical advice but also tie-ups with labs/doctors
- Operating model/ Costs to serve**
 - ATL drives surge in acquisition initially but is followed by high attrition
 - BTL promotions, face to face interactions work
 - SMS/CLM promotions should be precise
 - Leverage doctor/gynaecologist recommendations and plant promoters in premises to reach target segment

Potential support to CycleTel

- IT delivery architecture**
 - Access to its subscriber base
 - Access to other telcos at termination cost
 - Limited CLM promotion support (SMS, OBD)
- Distribution¹**
 - Would invest BTL effort e.g. vans promos to help CycleTel awareness
- Funding**
 - No discussion on CSR funding support

'Attacker' Telcos might be willing to bet on m-health and provide limited support (e.g. BTL campaigns) to enable awareness

1. To enable awareness and adoption
 Source: Interview with VP, Wireless Industry Solutions of attacker Telco



GTM – discussion with One97

Key takeaways from GTM discussions

Large aggregators, like One97, would enable CycleTel GTM; however, promotion effort would be limited

Views on potential scale and economics	Potential support to CycleTel
<p>Scale</p> <ul style="list-style-type: none"> Applications like Cricket have 5mn paying users and at low end applications have a base of 20-40K subscribers 	<p>IT delivery architecture</p> <ul style="list-style-type: none"> Provide shot code free of cost Enable on-going application development free of cost Invest to develop voice/IVR application (free of cost?) – would take 1-3 months to launch SMS gateway access to all telcos – cost shall be covered in revenue share
<p>Offer /Pricing</p> <ul style="list-style-type: none"> Pricing possible for CycleTel (INR 20-30 per month) – penetration might be limited 	<p>Distribution!</p> <ul style="list-style-type: none"> Online promotion effort would incur lean costs – 2p per SMS, Hit rate is ~0.25% OBD costs – 15-20p, Hit rate is ~2% Promotion at clinics would help drive CycleTel adoption - GTM cost would need to be funded
<p>Operating model/ Costs to serve</p> <ul style="list-style-type: none"> Revenue share with Telcos – Telco keeps 70%, One97 keeps 20% and pass on ~10% to content providers Non-subscription revenue monetization models do not exist currently 	<p>Funding</p> <ul style="list-style-type: none"> Not possible

Large aggregators shall enable CycleTel aggregation and GTM; however, they do not have distribution capability to enable awareness. Also, focus on digital promotion would be limited

I. To enable awareness and adoption
Source: Interview with Aseem Aggarwal (Head – Business Unit, One 97)






GTM – discussion with mDhil

Key takeaways from GTM discussions

M-health focused aggregators likely to enable end to end CycleTel GTM with digital promotion

Views on potential scale and economics	Potential support to CycleTel
<p>Scale</p> <ul style="list-style-type: none"> ~ 100,000 SMS users for mDhil's health VAS offerings Innovative use of online channels to drive reach and adoption 	<p>IT delivery architecture</p> <ul style="list-style-type: none"> On-going content design and application Design/enable online promotion and CLM analytics SMS gateways connect with all leading Telcos
<p>Offer /Pricing</p> <ul style="list-style-type: none"> Standalone CycleTel offering too niche, complementing with adjacent use cases would drive penetration Extend offer on mobile web/smart phones which are likely to see high adoption Pricing should be possible for CycleTel 	<p>Distribution!</p> <ul style="list-style-type: none"> No ATL/BTL marketing capabilities/support
<p>Operating model/ Costs to serve</p> <ul style="list-style-type: none"> Keen to include CycleTel in m-health portfolio Revenue share with support (capabilities, funding) to drive GTM awareness (ATL, BTL, etc.) 	<p>Funding</p> <ul style="list-style-type: none"> No funding for external GTM marketing

Likely to focus effort in driving digital promotion; however, they do not have distribution capacity to drive on-going awareness

I. To enable awareness and adoption
Source: Interview with Nandu (CEO, mDhil)




NOKIA Connecting People

GTM – discussion with Nokia

Key takeaways from GTM discussions

Large device manufacturers, like Nokia, could enable end to end GTM and provide limited distribution support

Views on potential scale and economics		Potential support to CycleTel	
Scale	<ul style="list-style-type: none"> Nokia Life Tools - 17 mn subscribers (TBC) generated since launch in 2009 (~2 years) Multiple offers sold to most of the subscribers (cross sales) 	IT delivery architecture	<ul style="list-style-type: none"> On-going content design and up-gradation Device widget development and embedding for user friendly display on Nokia devices SMS gateway access to telcos
Offer /Pricing	<ul style="list-style-type: none"> SMS based service for information on agriculture, education and entertainment in multiple languages on vanilla handsets Priced for user between INR 30-60 per month 	Distribution¹	<ul style="list-style-type: none"> Help create awareness through retail presence, bundled SKUs and web based videos/ knowledge Insights team to follow up on consumer usage
Operating model/ Costs to serve	<ul style="list-style-type: none"> Extensive network of content suppliers Strong ecosystem of donors/sponsors Keen to add CycleTel to its m-health portfolio 	Funding	<ul style="list-style-type: none"> Can refer to potential donors/ sponsors/ govt. agencies

Nokia Life Tools can enable end to end CycleTel GTM and provide limited distribution support; however, reach would be limited to Nokia device users

1. To enable awareness and adoption
Source: Interview with Natesh (India Head, Nokia Life Tools)

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Institute for Reproductive Health
Georgetown University

MAMA Mobile Alliance for Maternal Action

Case example – J&J led MAMA alliance

Key learnings from global examples

MAMA launched with big global aspirations and strong ecosystem of committed sponsors at the start

Mobile Alliance for Maternal Action (MAMA) – Context		Key learnings	
Service description	<ul style="list-style-type: none"> Deliver vital health information to new and expectant mothers via mobile messages to ensure safe pregnancies and healthy babies 	Offer design	<ul style="list-style-type: none"> Voice messages preferred over SMS Simple messages with non-technical vocabulary preferred User fees with subsidy for poor users Advertising revenues Self sustainable model after 3 years of start
Scale / Reach	<ul style="list-style-type: none"> To reach 15mn new and expectant mothers in the developing world through 2015 	Distribution / Operating model	<ul style="list-style-type: none"> On-ground ICT partner, D-Net responsible for managing sponsorship and GTM path Awareness and adoption enabled by big health outreach organizations – BRAC and Save via their CHWs
Operating model / Partnerships	<ul style="list-style-type: none"> Alliance – USAID, Johnson & Johnson, United Nations Foundation, mHealth Alliance and BabyCenter LLCd Partnership, expected to mobilize US\$10 million (To be confirmed) 	Partnership / Funding	<ul style="list-style-type: none"> Huge global effort to tie-up corporate and government sponsorship driven by national scale targets National mass media campaigns via top media company planned

Source: Literature search

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Georgetown University

Case example – m-health initiative at Abu-Dhabi Key learnings from global examples

Government mandated 'Weqaya' program enabled 97% adoption in Abu-Dhabi

Abu Dhabi m-health initiative - Context		Key learnings	
Service description	<ul style="list-style-type: none"> Screening and management of Diabetes 	Offer design	<ul style="list-style-type: none"> Significant awareness and encouragement Mandatory screening enforcement Enablement for resolution – clinic/ lifestyle support
Scale/ Reach	<ul style="list-style-type: none"> 97% adoption in Abu Dhabi 	Distribution/ Operating model	<ul style="list-style-type: none"> Pre-requisite to issuance of new health insurance card
Operating model/ Partnerships	<ul style="list-style-type: none"> Mandatory screening via Health Authority Confidential Health Report Personalized advice and access to clinic/ lifestyle change interventions (diet, exercise etc.) 	Partnership / Funding	<ul style="list-style-type: none"> Sponsored and supported by government

Source: Deloitte – ASSOCHAM m-VAS report (2011)




Case example – SMSONE newsletter in Maharashtra Key learnings from global examples

Face to face awareness and zero fee subscription enabled SMSONE create self-sustainable base of 1.3mn users

Local SMS Community Newsletter - Context		Key learnings	
Service description	<ul style="list-style-type: none"> SMS service - local news and updates ~1 message per week is sent to the community 	Offer design	<ul style="list-style-type: none"> Localized, relevant SMS services as per the community demands/ preferences
Scale/ Reach	<ul style="list-style-type: none"> Subscriber base at ~1.3mn in Maharashtra 	Distribution/ Operating model	<ul style="list-style-type: none"> Local influencers enable awareness and adoption Lean cost model supported by non-subscription (advertising) revenues
Operating model/ Partnerships	<ul style="list-style-type: none"> Unemployed youth is selected as the Community Leader (CL); paid INR 3-6K per month One CL recruits ~1000 mobile users in a local area (few villages) Service is free for the users Non-subscription revenues from local advertisers 	Partnership / Funding	<ul style="list-style-type: none"> Self-sustainable commercial model

Source: SMSONE website, Interview with Ravi – Director, SMSONE.




Case example – IFFCO m-agri initiative, India Key learnings from global examples

Strong face to face awareness enabled IKSL achieve 10mn base in 3 years

IFFCO Kisan Sanchar Limited (IKSL) - Context		Key learnings	
Service description	<ul style="list-style-type: none"> Voice messages to provide localized information related to weather forecast, real time mandi prices, farming tips etc. Experts Farmers' Helpline 	Offer design	<ul style="list-style-type: none"> High relevance of service for the target segment Helpline support critical for queries and feedback Quality audit of messages One minute precise message
Scale / Reach	<ul style="list-style-type: none"> 10.8 mn user base in 3 years 18 states, ~40,000 cooperative retailers 	Distribution / Operating model	<ul style="list-style-type: none"> Special tie-ups for localized content e.g. CABI, MSSRF, local agri-universities, others Subsidized calling by Airtel – Telco partner Awareness, adoption enabled via huge IFFCO distribution network and retailers
Operating model / Partnerships	<ul style="list-style-type: none"> JV between Bharti Airtel, IFFCO and Star Global Resources Special branding "Green SIM card" First 5 messages a day free Enabled via IFFCO distribution and retail network (40,000 cooperatives) 	Partnership / Funding	<ul style="list-style-type: none"> Cost funded by JV partners

Source: Business Standard, IKSL website

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Case example - S.A. m-health initiative – HIV awareness Key learnings from global examples

Popular social networking site enabled m-health initiative enroll ~400K youth subs in S. Africa

HIV awareness m-health initiative - Context		Key learnings	
Service description	<ul style="list-style-type: none"> Provide HIV related information and access to nearest doctor/physician 	Offer design	<ul style="list-style-type: none"> Leveraging popular social networking site for driving awareness/ adoption Relevant information provided Counseling supported by access to resolution - clinics
Scale/ Reach	<ul style="list-style-type: none"> 400K mobile subscribers and 80K members on social networking site 	Distribution / Operating model	<ul style="list-style-type: none"> Social networking led awareness Telco distribution enabled awareness program
Operating model/ Partnerships	<ul style="list-style-type: none"> Sponsored by Vodacom Awareness by social networking site - MXit 	Partnership / Funding	<ul style="list-style-type: none"> Sponsored and supported by leading Telco and social networking site as a social cause

Source: Deloitte – ASSOCHAM m-VAS report (2011)

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