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Alternative Distribution Point (ADP) Operators' Training Trainer's Guide



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ACRONYMS

ADP	Alternative Distribution Point
BnB	Botika ng Barangay
DOH	Department of Health
FP-MCH	Family Planning-Maternal and Child Health
LGU	Local Government Unit
MNCHN	Maternal, Newborn, Child Health, and Nutrition
PPM	Private Practicing Midwives
SDN	Service Delivery Network

INTRODUCTION

A series of inception workshops and partners consultative meetings conducted by the USAID Private Sector Mobilization for Family Health – Phase 2 (PRISM2) project at the regional level posed the challenge of improving and securing the availability of contraceptives in the regions. It also generated an indicative direction towards organized provision of contraceptive supplies in the local markets while at the same time expanding the total contraceptive market through public-private partnerships (PPP).

Alternative Distribution Points (ADPs) as a project strategy was conceptualized to strengthen the said market approach aimed at improving efforts in securing local access to contraceptives. With the implementation of ADP initiatives in Years 4 and 5 in various PRISM2 sites, there has been a continuing need among private sector partners, particularly the Private Practicing Midwives (PPMs) and *Botika ng Barangays* (BnBs) operated by cooperatives/non-government organizations, for capacity-building and ADP management trainings. This need pushed for the conduct of the ADP Operators Training.

This guide was developed to help future trainers from the Department of Health-Regional Offices and other USAID regional projects in conducting trainings to ensure ADP sustainability as a strategy towards continuing provision of contraceptives in their communities.

ADP Operator's Training Orientation

General Objective

This training is designed to help trainers and facilitators conduct the six-module sessions contained in this guide, namely: The Market Situationer, The Financial Perspective; The Growth Perspective; The Customer Perspective; The Internal Business Process Perspective; and, The Sustainability Perspective.

The training aims to equip participants with basic information and guidance on how to operate and/or scale up a more sustainable ADP that can then provide communities with increased access to maternal, newborn, child health and nutrition (MNCHN) supplies.

Learning Objectives:

At the end of the six session modules the participants will:

- Gain basic understanding of how the supply point in their birthing clinic can be a sustainable ADP
- Be able to analyze basic financial statements of their operations
- Be able to assess their current capacity to operate and scale up their ADP to benefit the women in their community
- Be able to do a simple business plan that can guide them in how best to sustain their ADP's operations

Methodology:

Learning methods such as lectures, role playing and workshops will be used as needed. Visual Aids shall also be used to facilitate learning.

Requirements for a certification of completion in the ADP training course:

1. Attendance in all six sessions
2. Participation in the workshops

Training Duration: Two days

Advance Preparations:

1. Trainers should agree with co-trainers to provide relevant and practical inputs to participants backed up by the trainers' relevant industry experience.
2. Organizers must secure a suitable training venue for participants. The following factors must be considered in choosing a venue:
 - a. Location must be accessible
 - b. Suitable size for the number of participants
 - c. With basic amenities and facilities needed for the training
 - d. Reasonable price and service
3. Conduct an ocular inspection of the venue before the training.
4. Secure early confirmation from interested pharmaceutical partners so they can prepare their logistics, exhibits and family planning products to be sold at a discount at the venue.
5. Secure confirmation from relevant public sector partners such as Department of Health-Regional Offices (DOH-ROs), Provincial Health Office (PHO), City Health Office (CHO), other local government units (LGUs) and private sector organizations relevant to the training.
6. Secure and prepare the needed logistical support such as printers, certificates of participation, training materials (e.g., papers, metacards), writing pens and training kits for the participants.

Training Flow:

Day 1	
9:00-10:00 AM	Registration
10:00-11:00 AM	Preliminaries Overview and Objectives ADP in the Context of a SDN
11:00-12:00 NN	Module 1: The Market Situation The Philippine Pharma Supply Chain and Distribution Overview: Community-based Distribution – Alternative Distribution Points (ADPs) – The Difference
12:00-1:00 PM	Lunch
1:00 – 3:00 PM	Module 2: The Financial Perspective
3:00 – 4:00 PM	Module 3: The Growth Perspective: Growing Your Business in the Community
4:00 – 5:00 PM	On-site sourcing from participating pharma partners
Day 2	
8:00 – 8:30 AM	Recap and feedback of first day's sessions
8:30 – 9:30 AM	Module 4: The Customer Perspective: Romancing the Client Essentials of Consultative Selling Skills Delighting the Client
9:30 – 10:15 AM	Module 5: The Internal Business Process Perspective: Ensuring Everything is in Order Basics in Drugstore Operations <ul style="list-style-type: none"> ○ Procurement ○ Inventory Management ○ Stockroom/Warehouse Management
10:15-12:00 NN	Module 6: The Sustainability Perspective: Sustaining your ADPs through understanding of basic financial analysis of your business operations
12:00-1:00 PM	Lunch
1:00 – 3:00 PM	Workshop: ADP Sustainability Planning and Presentation of Workshop Outputs
3:15 – 4:15 PM	Complementing ADP's Method Mix with SDM Beads
4:15 – 4:30 PM	Closing Message

MODULE SESSIONS

MODULE I | The Market Situationer

This module aims to provide the trainers a basic understanding of how contraceptive products get to reach communities as demonstrated through an overview of the current pharmaceutical supply chain in the Philippines.

By updating them on the different pathways (channels) of family planning products before they reach the target clients of their trainees, i.e., the ADP Operators, it is expected that trainers will be able to relate where and how ADPs emerged and became part of the value-chain of family planning products.

Learning Objectives

The participants will learn about:

- The different channels of pharmaceutical distribution in the Philippines
- How ADPs can bring the private sector into the Service Delivery Network
- The potential business generated from offering contraceptives in regions/communities where ADPs are located and where the supply is low

Topics Flow

The Goals: Improve Maternal and Child Health Outcomes



Discussions:

- Open the discussion with a question: “How do you start your day? At home or in your birthing clinic?”
- The popular answers are: “With a prayer, with a smile, organizing my day, etc”
- Follow through with a question: “Don’t we at times start our day revisiting our goals in life? What about your business goals?”
- Finish the discussion by relating the conversation to the Millennium Development Goal (MDG) 5. “As midwives, I (the trainer) am sure that you (the audience) would want to contribute towards the goal of improving maternal and child health. We are here because we are the providers of community-level family planning services and products.”



The Philippine Pharmaceutical Supply Chain

ims iView

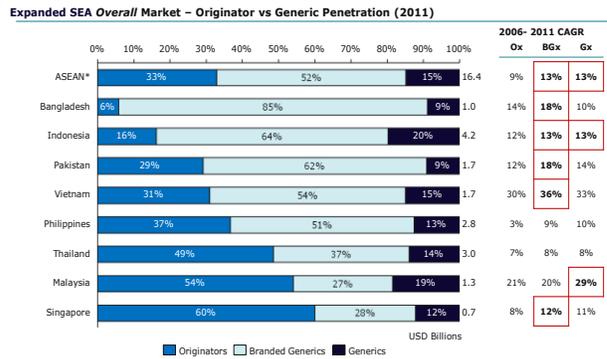


Discussions:

- Open the discussion with: “As ADP operators, it is critical that you know the Philippine contraceptive supply chain.”
- Ask: “Where do you usually buy your family planning products?”

Dynamics and Trends in SEA

Generic dispersion varies across SEA and has increased across all countries



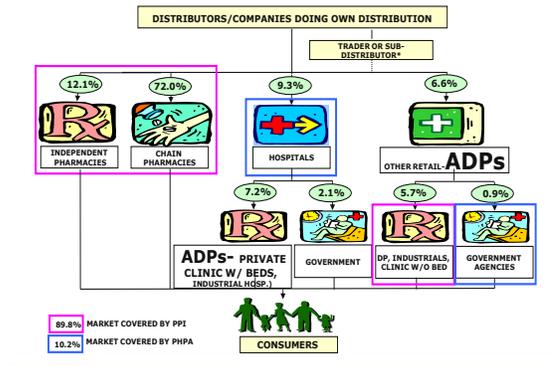
IMS Health Q4 2012 IView
4

ims

Discussions:

- Ask: “What family planning products/brands have you been recommending/ dispensing to your clients/patients?”
- The popular answers are: Lady, Daphne, Famila 28, Norifam
- Follow up with: “Would you know the generic formulations of your chosen or most popular family planning products?”
- Get responses then summarize with: “So the influx into the contraceptives market of branded generics made the choices for women easier, less costly than it used to be dominated by originator brands of family planning products.”
- **Originators** refer to products originating from its first manufacturers who, due to their investment in research, tend to price their products at a premium.
- **Branded generics** are those products marketed from formulation whose patents expired. So distributors, local companies registered them with the Food and Drug Administration (FDA) under their brand. For example, the current generation of pills and injectables are mostly branded generics.
- Finish the discussion with: “The Philippines, as well as most other Asian countries, use branded generics which can be seen on the above slide. The contraceptives you have been using are actually generics.”

ADPs (14% share) - One of the Emerging Channels of Distribution in the Philippines

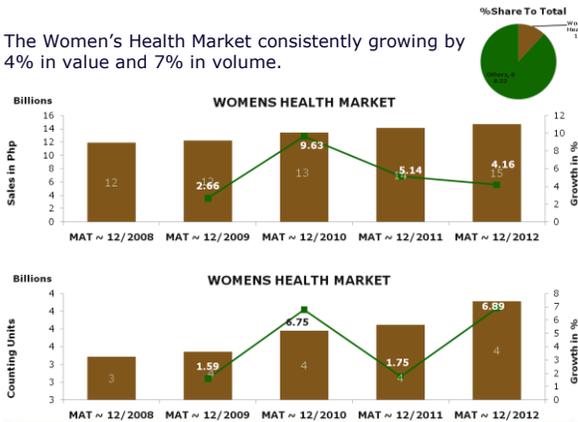


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Discussions:

- Discuss contraceptive distribution by asking: “Would you know how family planning products are distributed in the Philippines or in your provinces, regions or communities?”
- This slide reveals that there are multiple channels by which to distribute pharmaceutical products, including contraceptives, in the Philippines.

The Women’s Health Market consistently growing by 4% in value and 7% in volume.



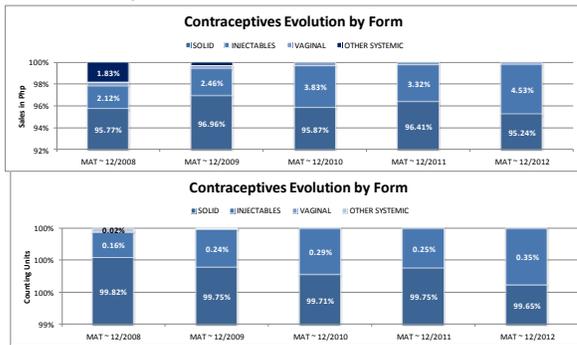
**Derived market for Women's Health

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Discussions:

- Start by asking: “As midwives who attend to the daily needs of the women in your community, would you know what products are available in the market for women?”
- Expect the audience to share: Enervon for women, Feminine wash, etc.
- Respond by saying: “You are right, and did you know that the women’s health market has been growing? Contraceptives are part of this market, along with multi-vitamins marketed specifically for women.”
- Direct the discussion to the next slide. “What about contraceptives? Which available contraceptives have a greater market share?”

Oral Contraceptives is still far the best form while an increase in share of Injectables is seen over time.



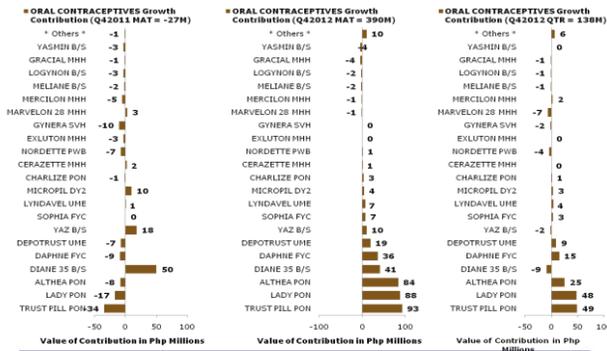
IMS Health Q4 2012 View
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Discussions:

- Start the discussion: “Did you know that among modern methods, oral/solid contraceptives have a 95.24 percent share in market sales, which is equivalent to 99.65% in unit shares?”
- Follow-up question: “Does this mean that pills are the most frequently used method?”
- Expect the audience to share: “Yes, at the health center, women who were counseled with different methods often prefer pills.”
- Follow through statement: “According to the National Demographic Health Survey (NDHS), a DOH-supported reference, the pill is the most popular choice of family method in the Philippines.
- The increasing use of injectables is also reflected by the increase in percentage from 3.32% to 4.53% (as shown in the green shaded bar).
- Follow through question: “Why do you think pills are more popular than injectables?”
- Expect audience to share: “Pill resupply can be purchased in most drugstores and even from midwives.” Or, “Injectables require a trained midwife or a doctor to administer, while a current user can easily go to a drugstore and buy pills.” Or even, “New users who have been counseled and opted to use pills or injectables can get them from their midwives, doctor or, with a prescription, from a nearby drugstore.”

Women's Health – Oral Contraceptives



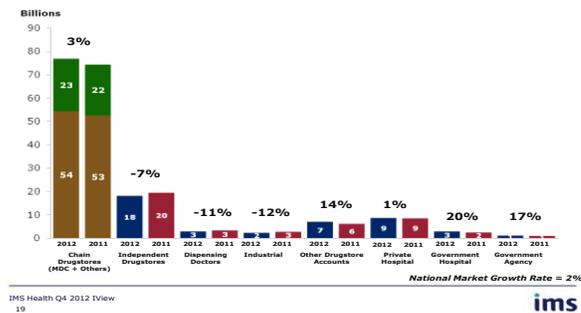
Discussions:

- Guide audience: “Take a look at the family planning products in the market. Did you know that there are over 23 brands of pills in the market? Eight of these are lower priced brands that you can offer to your clients. Likewise, there are now five affordable injectables from which to choose?”

- Follow through statement: “USAID, through the PRISM project, mobilized private sector partners and collaborated with pharma companies to introduce and sustain a wide array of family planning products at different price points.”

- Firm up discussion: “Clients will be able to access family planning products at an affordable price from your ADP. This is an attractive option for those who otherwise would have to pay extra for transportation to and from a central distributing point. More importantly, you will be able to teach clients the benefits of using modern family planning services and products.”

National Drug Distribution



Discussions

- Discuss the figures in the slides: “Let us take a closer look at the different distribution channels in the country and in your province, city, or town.”

- Ask: “What are the popular drugstores in your province? Are there Mercury or Rose Pharmacies? Those are chain drugstores, meaning they have branches all over the country. What about doctors in your community, including OB-Gynecologists, General Practitioners or Family Physicians who distribute contraceptives?”

Challenges for Mothers in Trying to Access Health Care *

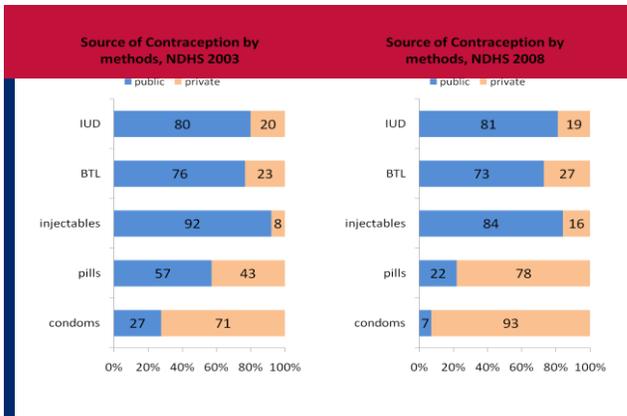
Problem	NCR	Phil
Getting permission to go for treatment	5.6	8.4%
Getting money for treatment	48.2	55.1%
Distance to the health facility	12.4	27.4%
Having to take transportation	13.0	26.5%
Not wanting to go alone	10.8	19.8%
Concern no <u>female</u> provider available	6.6	17.3%
Concern no provider available	19.1	36.8%
Concern no drugs available	26.7	47.2%
At least one problem accessing health care	59.0	74.6%

*Refers to mothers with children under five years. Source: NSO and ORC Macro, 2008 NDHS

- Firm up by saying: “As private practicing midwives with clinics, you are categorized under “Other Accounts.” “Other accounts” is a terminology of the market research firm called IMS Health that means: other than traditional chain pharmacies, hospitals, government agencies, or other channels of distribution.”
- BnBs are also categorized as “other retail accounts.” Thus, being based in the community servicing your clients’ need for family planning products, we thought it best to capacitate you with this particular training as you can be classified as ADPs.”

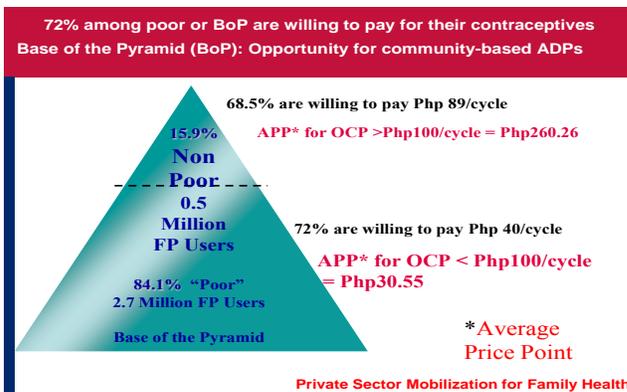
Discussions:

- Capture the attention of the audience by asking: “What do you think “percentage (%)” means in this slide? Does it mean that the higher the percentage the better the performance? Or, the higher the percentage the higher the problem?”
- Direct the audience to line #8 in the slide by saying: “Did you know that nationwide, the greatest concern of women, at 47.2%, is that no drugs are available.”
- If a training is done in a particular region (i.e., NCR), compare the percentage of women in that region that have the same concern as the 47.2 percent mentioned in the slide.



Discussions:

- Discuss places in the community where women can access contraceptives.
- Follow through: “The availability of contraceptives in the private sector rose from 43 percent in 2003 to 78 percent in 2008, according to the NDHS, which is a significant improvement in accessibility.”
- “What about injectables? The 2008 NDHS showed that the public sector is the main source for injectables at 84 percent compared to the private sector at 16 percent. While accessibility in the private sector is still low, the percentage doubled from 2003 to 2008.”
- Firm up statement: “Does this mean that more operators have realized the value of stocking up on injectables in their clinics?”
- Ask: “How many of you here regularly procure injectables?”
- Say: “I see a few hands” or, “It is nice to see that many of you realize the potential revenue that injectables and pills can generate for your business.”



Discussions:

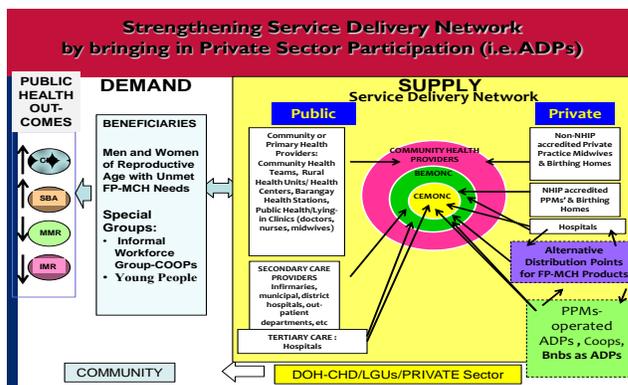
- Ask: “Up to 2007, USAID provided contraceptives to health centers which many women were able to get for free. Did any of you benefit from this?”
- Mention: “Based on a study done in the Philippines by the Guttmacher Institute (a New York City NGO), 77 percent of these women now buy their family planning products from drugstores.”

- Firm up by relating to slide: “According to the Family Planning Survey, 72 percent of the 2.7 million poor who use family planning products, or those at the base of the pyramid, are willing to pay Php 40/cycle for oral contraceptives.”

- Close by saying: “By offering family planning services and products at an affordable price, your ADP can access this market and increase its revenue.”

“USAID collaborated with pharma partners to provide affordable contraceptives. This training can connect you to these pharma suppliers.”

- Refer to invited pharma partners: “In fact, some of them are here to provide you with special terms or discounts for cash purchases completed at the training venue.”



Discussions:

- Trigger audience interest by directing their attention to the slide and ask: “As ADPs, would you limit your business by serving only current clients? Or, would you welcome new, young clients from referrals or cooperatives?”
- Follow through: “As a community-level provider, your ADP can benefit from being part of a Service Delivery Network or SDN.”
- Firm up: “SDNs help stabilize your ADP. SDNs include thousands of members who are referred to recognize ADPs for family planning services and supplies. For example, community health centers and public 3333hospitals that do not supply family planning products can refer clients to your business to meet their needs.”

MODULE 2 | The Financial Perspective

One of the challenges among earlier community-based distribution programs was managing operations finances because, oftentimes, business income gets mixed with personal income. This module is designed to help participants, as trainers, to better explain the value of simple financial statements to their trainees as business owners.

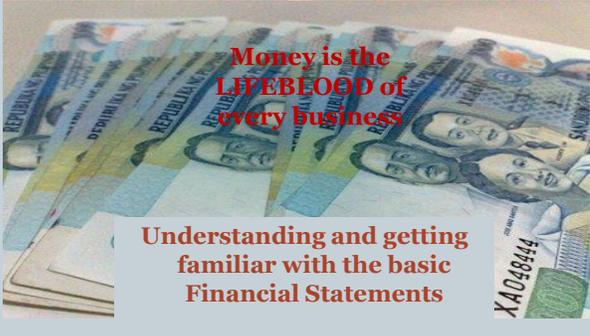
This module comes with a workshop to immerse the trainers in doing a simple cash flow so they can easily guide their trainees in improving their current cash management practice.

Learning Objectives:

The trainers will be able to:

- Understand the importance of accurate, timely and updated financial records to good business management.
- Appreciate how accounting and financial information can be used by their trainees (ADP operators) in making informed decisions.
- Understand how the information that is found on a Balance Sheet relates to ADP business management.
- Become familiar with basic Income Statement and understand how it is used in the business of their trainees.
- Appreciate the value of Cash Flow and understand how a cash flow plan can be useful in the business planning of trainees

The Financial Perspective



**Money is the
LIFE BLOOD of
every business**

**Understanding and getting
familiar with the basic
Financial Statements**

Discussions

- Say: “This module is aimed at the audience, mostly private practicing midwives, who get excited by the color of money. The above is the first slide in this module.”
- Ask: “Who would like to become a millionaire as a result of successfully managing the finances of your birthing clinic or ADP?”

Objectives of this Module

At the end of Module 2, you should be able to:

- 1. Understand the importance of **accurate, timely** and **updated** financial records to good business management
- 2. Appreciate how accounting and financial information can be used in making **informed decisions** about your business
- 3. Understand how the information found on a **BALANCE SHEET** relates to ADP (Alternative Distribution Points) business management
- 4. Become familiar with the **INCOME STATEMENT** and understand how to use it.
- 5. Appreciate the value of **CASH FLOW** and understand how to use a cash flow plan for your business planning
- 6. Keep **simple** financial records

Discussions

- Set the tone with the objectives (refer to slide).
- Make the approach clear to audience members, most of whom are not familiar with financial documents.

Critical Operating Activities in Financial Management

Basic Financial Management

- Managing a Budget
- Managing Cash Flow (including managing your bank account)
- Credit and Collections
- Budget Deviation Analysis
- Preventing Employee Theft and Fraud
- Determining Break Even Point



- Advise the audience where to find the corresponding section in the Participant's Manual.
- Follow through on key terminologies using the succeeding slides.

MONTHLY BUDGET VARIANCE REPORT

	<u>Actual Costs</u>	<u>Budgeted Costs</u>	<u>Variance</u>	
Rental	Php101,000	Php100,000	Php 1,000	U
Emp. benefits	80,000	80,000	---	
Maintenance	55,000	64,000	9,000	F
Travel	29,000	31,000	2,000	F
Trainings	125,500	132,500	7,000	F
Office supplies	46,500	45,000	1,500	U
Salaries	<u>220,000</u>	<u>226,000</u>	<u>6,000</u>	F
Total	Php657,000	Php678,500	Php21,500	F

Discussions:

- Clarify by showing a sample budget template.
- Firm up with a sample of a monthly budget variance report.
- Ask the audience to list their actual costs and corresponding budgets for their birthing clinics and ADPs.

Budget Deviation Analysis

Planned for Month	Actual for Month	Difference (planned minus actual)	% Deviation (Difference x 100)
P52,000	P60,000	52,000 – 60,000 = P8,000	.13 x 100 = 13.3%

Discussions:

- Discuss a simple example of a midwife deviating from her budget. Use the example of a midwife using the money received from a PhilHealth reimbursement for a foreign trip or for personal shopping, instead of for the earlier budgeted ultrasound equipment that could have generated more revenue for her clinic.
- The next slides will show how to achieve positive cash management.

Cash Flow Management

Cash flow refers to the movement of cash into and out of a business.

- A. **Positive Cash Flow** - cash inflow > outflow. A positive cash flow is a good sign of financial health, but is by no means the only one.
- B. **Negative Cash Flow** - cash outflow > inflow. Reasons for negative cash flow include:
 - too much or obsolete inventory
 - poor collections on accounts receivable
 - If the company can't borrow additional cash at this point, it may be in serious trouble

- Read from slide.

Managing Cash Flow

- **Good cash management involves:**
 - Knowing when, where, and how your cash needs will occur
 - Knowing the best sources for meeting additional cash needs
 - Being prepared to meet these needs when they occur, by keeping good relationships with bankers and other creditors
- **Developing a cash flow projection:**
 - short-term (weekly, monthly) to help manage daily cash
 - long-term (annual, 3-5 year) projections to help develop the necessary capital strategy to meet business needs
 - historical cash flow statements to understand how money has been used in the past

- Read from slides.

*If you are not careful, your
Cash Flow might turn to
"Cash Flu"*



Well -Managed Cash Flow



CASH FLOW PROJECTION



Discussions:

- Discuss the benefits of good cash flow management vs. bad cash flow management.
- Ask for volunteers from among participants to share experiences of bad cash flow management.
- Relate to the next slide.

Credit and Collection

- Decide up-front who gets credit and who doesn't. (ADP Credit Line)
- Never accept a verbal order
- Be sure your customer clearly understands your terms of sale
- Send invoices on a set schedule especially when serving local government units
- Contact your customers regularly
- Routinely monitor your customers' payment habits
- Immediately follow-up on delinquencies
- Gradually increase the pressure for payment
- Stay professional in all instances (or interactions)
- If all else fails, hire an outside collection agency

<http://www.credit-to-cash-advisor.com/Home/Articles/CreditManagement/>

- The succeeding slides show how credit and collection can impact cash flow standing.

Preventing Employee Theft and Fraud

- Screen prospective employees (NBI, police, and Barangay clearance is a must)
- Institute a check-and-balance system
- Make sure inventory records are always updated (FIFO)
- Be present in your place of business. Check records frequently and randomly
- Be very careful with your checkbook
- Have written and well-defined responsibilities and accountabilities for each employee

Discussions:

- Discuss FIFO or the "First in, First out" Method.

Preventing Employee Theft and Fraud

- Theft is a crime of opportunity! Do not provide it to your employees
- Do not sign checks to pay a vendor or supplier without supporting documents
- As much as possible, do not pay anything in cash
- Always start and end your day with an inventory count. The difference in count should equal the sale for the day in the cash box
- All bank accounts must be reconciled every month

Discussions:

- Highlight the importance of basic internal control systems for payment collection and to help prevent employee theft or fraud.
- Ask the participants if they have ever experienced mismanaged clinic resources.
- If so, ask why this happened. This way you are able to drive home the importance of internal control systems.

Basic Financial Statements:
You Can Take These To The Bank!

•PROFIT AND LOSS STATEMENT
OR INCOME STATEMENT
•BALANCE SHEET

Discussions:

- Simplify discussion.
- Remember that the participants are not financial wizards. Use simple descriptions and practical examples of financial statements which will help the audience understand their financials.
- Go to the next slide.

Profit & Loss Statement or Income Statement

General Format:

Gross Sales	P 50,000	
Less: Returns	<u>(10,000)</u>	
Net sales	40,000	
Less: Cost of Goods (direct costs)	<u>(20,000)</u>	
Gross Profit	P 20,000	
Less : General and Admin Costs	<u>(10,000)</u>	
Net Profit Before Tax	P 10,000 or 20% profit	
	=====	

Profit & Loss Statement

- Know your Cost of Goods
- The Truth is in the Percentages
- Gross Profit Margins
- Year-to-Year and Quarter-to-Quarter Comparisons
 - Are your Direct Costs stable as you grow?
 - Overhead (Indirect) Costs should be a smaller percentage than both direct cost and expected income from operating the ADP within her clinic as a business

- Read from slides.

Profit & Loss Statement

- Compare with Industry Average
 - Quarterly comparisons
 - Little things add up to big ones
- Depreciation: A non-cash item (equipments, etc.)
- Loan Principal: A non-expensed item



Income Statement Example

	January	February	March
Gross Sales	35,000	38,500	42,000
Less: Cost of goods (60%)	21,000	23,100	25,200
Less: Incentives for Referral	1,000	2,000	3,000
Gross Profit	13,000	13,400	13,800
Salaries (Fixed)	6,500	6,500	6,500
Electricity & Water	2,200	2,200	2,200
Rent of Drugstore space	5,000	5,000	5,000
Telephone	1,000	1,000	1,000
"Office" Supplies	100	200	300
Total Expenses	14,800	14,900	15,000
Net Monthly Income	-1,800	-1,500	-1,200
Taxes 32%			
Net Income after Tax			

Determining Break Even Point

• What is Break Even?

- It is when your GROSS Profit = Operational Cost
- No Income; no loss
- Breakeven point prevents breakdown of your business – because once you reached break even that means you recovered all costs (both fixed and variables) related to producing your products.
- Anything above breakeven point is Profit already

- Read from slides.

Determining Break Even Point

• What is Break Even?

- As an equation, break even point is defined as:

$$\text{Break even Point} = \text{Fixed Costs} / (\text{Unit Selling Price} - \text{Variable Cost})$$

This simple formula will let you know how many units of a product you will need to sell to break even.

Above the break even point, every additional unit sold increases your business profit

Determining break even point

• What is Break Even?

- Let's illustrate. Suppose your Maternity Clinic is now in operation

Maternity Package Fee per patient	P 5,000
Less : Total Cost of Materials & Medicine	(3,000)

Gross Profit or Gross Margin per patient	P 2,000
Monthly Fixed Expenses:	
Rent	P 12,000
Electricity	5,000
Salary of owner	20,000
Water	1,000

Total Fixed Expenses	P 38,000

Determining break even point

• What is Break Even?

- Break even point = Total Fixed Expenses / Gross Profit
 - = P 38,000/ 2000
 - = 19 patients in a month

Therefore, you will need to serve 19 clients per month to break even. Any service provided to clients 20 and above is your income/profit.

Discussions:

- Guide them through the slides by highlighting when, in their opinion, can they say that they are recovering their investment, losing money or generating profit.
- Refer participants to their manuals for the corresponding write up.
- Briefly discuss balance sheets and support with an example from the succeeding slides.

The Balance Sheet

- Identify and analyze trends, particularly in the area of receivables and payables.
- Is the receivables cycle lengthening?
- Can receivables be collected more aggressively?
- Is some debt uncollectable?
- Has the business been delaying payables in order to forestall a cash shortage.
- Consider replacement costs

- *Note: receivables are the amounts owed to a business from sales of products.*
- *Note: receivables cycle is the time it takes for them to get the amount due them as receivables from their clients. Sometimes this takes so long that it becomes a cycle with a receivable overlapping another receivable due from either the same client or other clients. So it has an impact on the business cash position.*

ASSETS		LIABILITIES	
Current Assets		Current Liabilities	
Cash in bank	P2,000	Short-term borrowings	4,100
Accounts Receivable	2,000	Accounts Payable	
Interest-bearing deposits		Income Tax Payable	
Inventory	3,750	Other Current Liabilities	
Supplies	3,500		
Other Current Assets			
A. Sub-total Current Assets	11,250	C. Subtotal Current Liabilities	4,100
Non-Current Assets		Long-term liabilities	
Equipment (cost)		Long term Debt	
(Less: Accumulated Depreciation)		Other liabilities	
Net Fixed Assets and equipment	165,000	D. Sub-total long-term liabilities	0
Building(s)			
Land		E. TOTAL LIABILITIES (C + D)	4,100
Other Assets		EQUITY	
B. Sub-total Non-Current Assets	165,000	Contributions from owner	30,000
		Previous years' accumulated profit/loss	127,150
		Current year profit/loss	30,000
		Withdrawals for personal use	(15,000)
		TOTAL EQUITY	172,150
TOTAL ASSETS (A + B)	P176,250	TOTAL LIABILITIES +EQUITY (E + F)	P176,250

Discussions:

- Ask participants: As operators of a birthing clinic, do you identify your assets? How high are your liabilities? What is your total equity?
- Direct them to the participants' manual for other terminologies.

WORKSHOP ACTIVITY

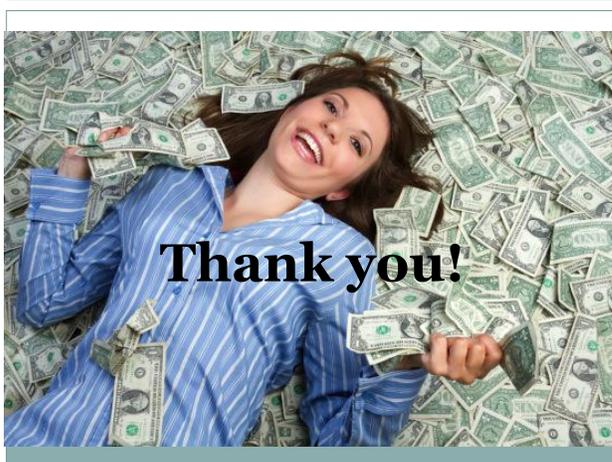
- Make your company's monthly projected budget (refer to your handout for an example)
- Make your Cash Flow Schedule – determine your semi-monthly or monthly cash needs
- Determine how many patients you need to serve to break even.

Discussions:

- Start the workshop using the above slides as guide:
- Group audience members according to their geographic area or type of facility.
- Instruct them to decide who will present for the group.
- Allot 30 minutes for group discussion.
- Provide an extra 30 minutes for them to prepare their presentation.
- Encourage the audience to provide feedback about each presentation.

	Month 1	Month 2	Month 3	Month 4
A. BEGINNING BALANCE	P1,500	P11,450	P1,500	P10,230
B. CASH IN:				
Cash from owner				
Cash from debtors	9,000	9,000		
Loan		36,000		
Cash in from services	37,000	32,500	50,000	50,000
Cash in from sales	4,500	3,100	8,000	8,000
C. TOTAL CASH IN (A+B)	52,000	92,050	59,500	68,230
CASH OUT:				
Cash Out for Investment		50,000		
Cash Out for Labor	30,000	30,000	34,000	34,000
Cash Out for Materials	10,550	10,550	10,550	10,550
Cash Out for Operations				
Loan Repayment- Principal			3,000	3,000
Loan Repayment- Interest			720	720
D. TOTAL CASH OUT	40,550	90,550	48,270	48,270
E. CASH END OF MONTH (Total Cash In- Total Cash out) (C-D)	11,450	1,500	11,230	29,960
F. FUNDS FOR FAMILY	-	-	(1,000)	(1,000)
G. CASH END OF MONTH (after family expenses, becomes beginning for the next month) (E-F)	P11,450	P1,500	P10,230	19,960

NOTE: This table represents real inflows and outflows taking place to and from your ENTIRE business.



MODULE 3 | The Growth Perspective

This module aims to walk the trainers through the gamut of simple marketing as the lifeblood not only of any business but also of their trainees, the ADP Operators.

This will also help the trainers situate basic marketing concepts as they are highlighted so they can relate better to the participants experiences or in their local practice, both as a PPM with a birthing clinic and as an ADP operator.

Trainers will be introduced to the importance of knowing who the market of their trainees are in relation to the use of 'Marketing Mix' where particular emphasis is on offering the right combination of the Five Basic Ps in Marketing.

Learning Objectives

The trainers will be able to:

- Appreciate the importance of marketing for the success of their trainees' business.
- Understand the basic five Ps of Marketing and how it can impact their trainee's business;
- Relate their experiences in analyzing internal and external factors that can impact the business-ADPs of their trainees;
- Guide their trainees in segmenting and approaching their target market and how *Usapan* as a marketing tool can help them generate more demand, more clients and therefore, more revenue that can make their practice and ADPs more sustainable

Marketing is about managing profitable client relationships



Private Sector Mobilization for Family Health

Discussions:

- Start off the session with a focus question: “What is your idea of marketing? How do you market your clinic services?”
- When presenting the above slide, reveal only the heading first; after a few seconds, reveal the two approaches.
- When presenting the box, **Attracting New Clients**, ask the audience the following questions: “What is the best way to grow your business? Is it not that you always welcome new clients?”
- With the discussion on **Retaining and Growing Current Clients Base**: ask the following questions: “Would you prefer to have your clients, who availed of pre-natal services from your clinic, to have their birth delivery in other clinics instead? Would you like it when after counseling a client on different family methods, they would instead opt to buy their family planning supplies from nearby drugstores because they find that family planning products in your clinic-ADP cost more than in the community BnB? How do you keep and grow your current client base?”



Analyze your business and the market
Decide on what you need to achieve & how you will attain it
Put it in writing and execute

Discussions:

- Encourage audience participation by asking: “What words starting with the letter ‘A’ best describe how to create value for customers, and build better relationship with them?”
- A popular response would be: “A as in Approachable midwife and clinic staff...”
- Do the same for the description of midwives’ traits that delight customers

that start with the letter D and with the letter P.

- Popular responses would be: D as in Dedicated service to clients, etc., and P for Putting customers first.
- Show the ADP description on the slide.
- Emphasize the letter P – Putting your plan in writing and executing it.
“Towards the end of this training, you will have to put your plan of how best to sustain your clinic and ADP operations in writing to help guide you through the implementation of your plan.”

Analyze

What are the factors that can affect your business?



Private Sector Mobilization for Family Health

Discussions:

- Assert: “Let us analyze the external and internal factors that can affect your business operations – that is your clinic/ADP.”
- Proceed to the next slide.

External Analysis

As marketers of your ADPs, YOU must understand how the community environment affects your business

External Factors
Marketers must understand how the environment affects their business

Political Environment	
Social Values	
Customer Behavior	
Economic Capability	
Suppliers	
Competition	

Discussions:

- State the facts: “While managing your business, there will be drivers, factors that will drive your business to grow.” (Cite examples)
- Continue with: “What are possible barriers to your business growth?”
- Follow through: “Your business attitude or that of your clinic staff can be a barrier to your business growth. Why should women in the community continue to patronize your business when they can get better service from another clinic? When customers feel they are not treated properly by you or your staff, they will most likely transfer to another clinic. In this instance, you and your staff’s attitude may become a barrier to retaining current clients and gaining new customers.”
- “What are possible opportunities for your business? PhilHealth accreditation? How about setting up a branch in another town or being a service provider-partner for cooperatives with thousands of paying members?”
- Close discussion by citing threats as external factors that can affect a midwife’s business. Give examples.

Looking Within: In relation to PPM Clinic & ADP’s operations

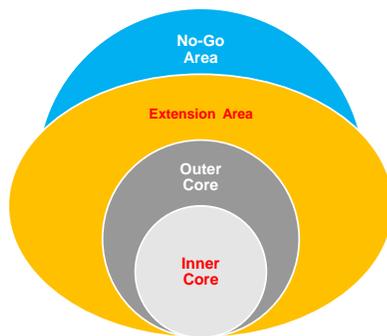
McKinsey 7S	Strengths	Weaknesses
Skills		
Staff		
Style		
Structure		
System		
Strategy		
Shared Values		

Discussions:

- Start the slide with a question: “Have you tried looking internally to determine what your strengths and weaknesses are as a business owner, as an ADP Operator?”
- Go through the 7S citing examples from midwives’ experiences or industry standard.

- Firm up by saying: “As midwives’ you and your staff should have already developed the skills of providing quality services to your clients. With this, you also need to have a functional operating structure with efficient systems (cite accounting, procurement) in place. Most of all, you need a strategy to sustain business operations.”

Looking within: What business today? Looking Ahead: Other related business?



Discussions:

- Begin the discussion by connecting the inner core section of the illustration to clinic services such as delivering babies and family planning services.
- Continue the discussion: Ask what other businesses they currently operate or plan to open. Ask them what area this falls under in the slide.
- Cite a specific example. “Operating a funeral home would be considered a No-Go for midwives who deliver babies because it can have a negative association within the community.”

Analyze

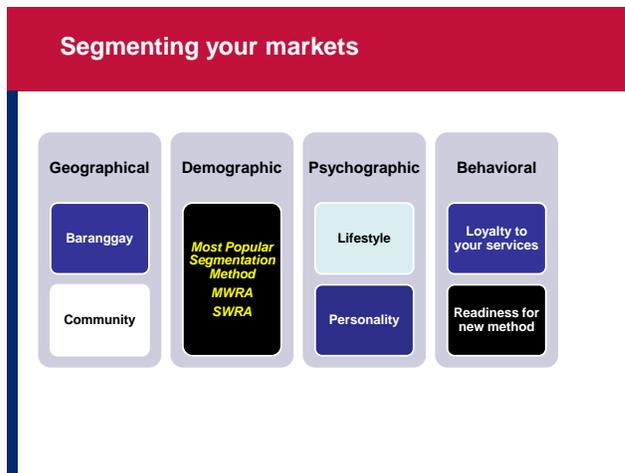
What segments of the market you will target?



“Nielsen says - Filipino consumers are apparently the most optimistic in the whole Southeast Asia, and second most in the world, a study claims”.

Discussions:

- Segue into market segmentation with the slide.
- Begin the discussion. Cite a local study that states that Filipino consumers are the most optimistic in Southeast Asia.
- Ask: “In what market segment should midwives aim?”
- Proceed to the next slide.



Discussions:

- Discuss each of the four segmentations in the slide citing an example from a midwife practice perspective for each.
- Examples for the discussion: “Are there women vendors who can be included in this market segment for your barangay? What about in your community? Are there cooperative members you can target to bring in as new clients?”

Segmenting by Client's Preferred FP Method Source

Source	Female Sterilization		Pill	
	2003	2008	2003	2008
Public sector	75.8	73.0	56.6	22.2
Government hospital	68.3	64.7	1.0	0.2
Rural/urban health center	7.0	8.2	19.8	6.9
Barangay health center/clinic	0.0	0.0	0.0	0.0
Private sector	24.2	27.0	43.4	77.8
Hospital or clinic	0.0	0.0	0.0	0.0
Pharmacy	0.0	0.0	0.0	0.0
Private doctor	0.0	0.0	0.0	0.0
Pharmacist	0.0	0.0	0.0	0.0
Private nurse/health aide	0.0	0.0	0.0	0.0
Private vendor	24.2	27.0	43.4	77.8
Hospital or clinic	0.0	0.0	0.0	0.0
Pharmacy	0.0	0.0	0.0	0.0
Private doctor	0.0	0.0	0.0	0.0
Pharmacist	0.0	0.0	0.0	0.0
Private nurse/health aide	0.0	0.0	0.0	0.0
Private vendor	24.2	27.0	43.4	77.8
Hospital or clinic	0.0	0.0	0.0	0.0
Pharmacy	0.0	0.0	0.0	0.0
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Private doctor	0.0	0.0	0.0	0.0
Pharmacist	0.0	0.0	0.0	0.0
Private nurse/health aide	0.0	0.0	0.0	0.0
Private vendor	24.2	27.0	43.4	77.8
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Pharmacy	0.0	0.0	0.0	0.0
Private doctor	0.0	0.0	0.0	0.0
Pharmacist	0.0	0.0	0.0	0.0
Private nurse/health aide	0.0	0.0	0.0	0.0
Private vendor	24.2	27.0	43.4	77.8

Discussions:

- Begin discussion. Describe the slide by explaining that the market can be segmented by clients' preferred family planning methods.
- Follow through: “Note that midwives are the least popular choice at 0.4 percent. Instead, clients prefer to get their family planning products from pharmacies.”
- Finish the discussion by saying: “Imagine the additional income you could generate if your clients could access family planning products from your clinic/ADP. Drugstore owners have a solid business; why not share in their market by selling family planning products to your current clients?”

Decide

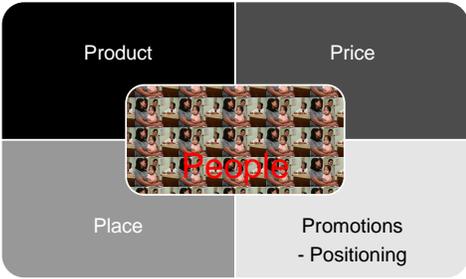
When and how you will handle the 5Ps of Marketing?



Discussions:

- Begin discussion and ask participants: “What 5Ps do you use to market your clinic services and ADP?”
- Proceed to the next slide.

5Ps of Marketing



Discussions:

- Begin discussion by asking: “In your ADP, what are your products? What products can you place at affordable rates and where can this be strategically placed? If you have an unrealistic promotions strategy, marketing may not instantly produce clients.”

<p>MATERNAL & CHILD HEALTH SERVICES</p> <ul style="list-style-type: none"> • Blood Pressure taking • Pregnancy test • Pre-natal check-up • Normal delivery • Postpartum care • Pap smear • Weight taking • Newborn care • Newborn Screening • Immunization • Child Health care • Ear piercing <p>FAMILY PLANNING SERVICES</p> <ul style="list-style-type: none"> • Family Planning Counseling • Natural method • Condom dispensing • Pills dispensing • DMPA Injection • IUD insertion/check-up/removal <p>OTHER SERVICES</p> <p><i>PC. ABUJILE OUA MIDWIFE</i></p>	<p>NORMAL SPONTANEOUS DELIVERY</p> <p>Package A <i>For Philhealth Members</i></p> <ul style="list-style-type: none"> • Handled by Ob-Gyne or a Registered Midwife • Recovery room, fully air-conditioned with TV • With take home meds good for one week • With BCG and Hepa B vaccine upon birth • Newborn Screening test • Birth registration • Postpartum follow up <p>Package B <i>For Non-Philhealth Members</i></p> <ul style="list-style-type: none"> • Handled by Ob-Gyne or a Registered Midwife • Recovery room, with electric fan and TV • With take home meds good for one week • Birth registration • Postpartum follow up 	<p>CLINIC SCHEDULE</p> <p>OB-GYNE</p> <p>LIBETH MENDOZA, MD Mon & Wed: 12-2 PM Sat: 3-5 PM</p> <p>SUZETTE SERRANILLO, MD Tues, Thurs & Sat: 10-12 NN</p> <p>MA. LIZZA LUMUBOS, MD Wed & Fri: 4-6 PM</p> <p>CYNTHIA CORREO, MD Thurs: 6-7 PM</p> <p>PEDIATRICIAN</p> <p>LUIS ARROYO, MD Sun & Mon: 5:30-7 PM</p> <p>INTERNAL MEDICINE</p> <p>IRENEO LUMUBOS JR., MD On Call</p> <p>PNP MEDICO-LEGAL OFFICER</p> <p>PCI JONATHAN SERRANILLO, MD On Call</p>
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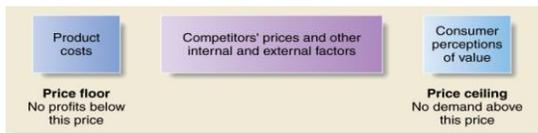
Discussions:

- Begin the discussion. Relate the products and services provided by your clinic to the ones provided in the slide, highlighting one or two services and family planning products as examples.

Price

- Most flexible element of the Marketing Mix
 - Can be changed quickly
- Common Pricing Mistakes
 - Reducing prices too quickly to get sales
 - Pricing based on costs, not customer value

Major considerations on Price



Discussions:

- Discuss the slide by asking: “How do you price your services and family planning products? Are they affordable, too pricey, or dictated by your competitors?”
- Close by saying: “Ensure that in pricing your services and family planning products, your margins (your cost of operations) are being considered. Consider offering a fair price to you and your clients when thinking about a long-term business approach.”

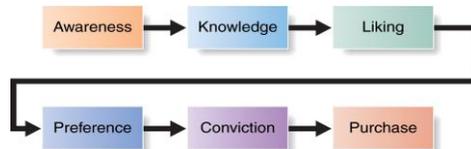
Promotions

Step 1: Identifying the Target Audience

Affects decisions related to what, how, when, and where message will be said, as well as who will say it

Step 2: Determining Communication Objectives

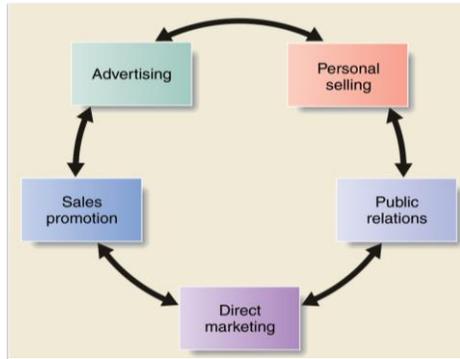
Six buyer/customer readiness stages



Discussions:

- Begin the discussion. Introduce the slide by specifically relating the Six Customer Readiness Stages to the midwives' practice and mentioning practical examples.
- Follow-up: “Your promotions/ positioning are critical in making people in your community aware that **XYZ Birthing Clinic** exists. But do they know what unique services and products your clinic offers?”
- Get the audience's attention: “As in Facebook, think about what clients might “Like” or “Not like” in your clinic. If they “Like” your clinic, will they prefer to use your services? Will your targeted market segment have the desire to purchase family planning products and services from your clinic?”

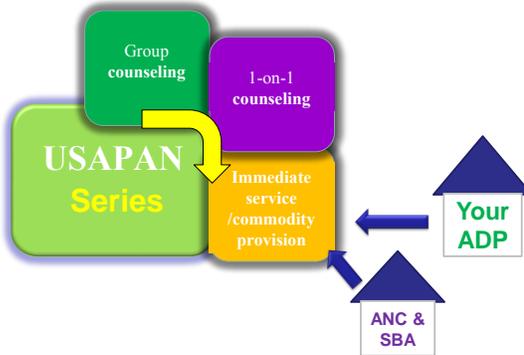
Promotions Mix



Discussions:

- Begin with a question: “Which of these promotional mixes do you currently practice in marketing your clinic to the community?”
- Audience involvement: Advertising through radio, tarp signage, etc.
- Follow through: “What about *Usapan*? Would you consider it as a demand-generation tool to market your business?”
- Proceed to the next slide.

USAPAN: A marketing tool for PPMs (& coops) in generating more demand



Discussions:

- Begin discussion by asking: How many of you have been trained on conducting *Usapan* sessions?
- Do you think *Usapan* will help generate more clients for your clinic?
- Finish by sharing: “Demand-generation activities like the *Usapan* (counseling) sessions that you conduct in your clinic will be useless if your clinic does not have the available family planning products. If new users are informed that their preferred family planning supplies are not available, they will most likely switch to another clinic which will supply them with these products.”
- Highlight the following: “Conducting *Usapan* (counseling) sessions without the available family planning commodities in your clinic can be a missed opportunity for your business and you can lose revenue from potential family planning commodity sales from new or existing clients.”

Positioning your ADP

Identify possible competitive advantages

Choose the right competitive advantage

Choose a positioning strategy

Differentiation can be based on:

- Products
- Services
- Channels
- People
- Image

How many differences to promote?

Which differences to promote?

Value propositions represent the full positioning of the brand

Discussions:

- Start the discussion: “Advertising that your clinic/ADP is open for 24 hours will be beneficial. At least one staff should always be awake to meet client needs, and to wake the midwife if their services are required.”
- Proceed to the next slide.

Probable Value Propositions

More for more

More for the same

More for less

Same for less

Less for much less

Discussions:

- Start the discussion by asking: “Which of the shown value proposition reflects the current positioning of your clinic services to your target market segments?”
- “Do you offer more discounts for more services, or do you offer more friendly services for a lesser price?”
- Ask for a volunteer to share his/her individual value propositions. Expect members of the audience to share their version.
- Proceed to the next slide which shows examples of value propositions.
- Finish discussion: Emphasize that understanding the 5Ps of Marketing is useless if they do not apply this in their own practice, starting with writing their own business/marketing plan or sustainability plan that can be realistically implemented.

Put in writing & Execute

- Write and implement your ADP sustainability plan



Nanay Teody, a midwife with more than 40 years of experience, has trained 55 midwives and helped accredit 27 birthing clinics.

Nanay Teody says she has dispensed close to 6,100 pills, 7,300 injectables, and 2,300 condoms to the clinics. Through PRISM2, she was introduced to Alphamed Pharma Corporation, a partner pharmaceutical company, and its new grants program called Access to Contraceptives and Commodities by Enhancing Sustainable System (A.C.C.E.S.S.).

Private Sector Mobilization for Family Health

- Follow up with an example to motivate the members of the audience: Share the success story of Midwife Teody who started out as an informal ADP in Cebu, supplying just her clients, then later expanding to supply other midwives. Now she has become a Department of Trade and Industry (DTI) registered distributor and has expanded her family planning supply distribution in the province of Cebu, adding new clients like cooperatives and local government units.
- Finish the discussion: “So why not start now by becoming an ADP Operator? The additional income from your ADP can contribute towards your clinic’s success and sustainability?”

MODULE 4 | **The Customer's Perspective: Delighting the Client**

This module aims to help the trainers see beyond the traditional way of selling family planning products through a case study that aspires behavior change by revealing their attitude towards clients and personal approaches that becomes their style in building customer relationship.

Learning Objectives:

The trainers will be able to:

- Situate the trainees in their current style of engaging customers
- Learn how to adapt proven selling skills and techniques that can help trainees improve and generate more customers in their business

CASE STUDY: ANG KWENTO NI NENET COMMUNITY-BASED BNB



Discussions:

- Start the discussion with a case study:
Ask participants to share what they see in this slide.
- Bring the audience's attention to the upper right hand corner and tell the story of Nenet, a community-based BnB operator. Her BnB is situated strategically in a busy street in the community. Several times, people visit her BnB to ask for directions to the nearest birthing clinic in the community. As a business-minded woman, Nenet realized how much staff time was wasted in responding to these queries, so she posted a sign showing her fees:
 - Php5 fee for asking directions:
 - Php10 fee for receiving directions
 - Php20 fee if to be accompanied to their destination by a staff member
- Finish the discussion: Now that you have grabbed the audience's attention introduce the case study comparing Nenet's BnB with competitors in the next slides.

NENET'S BNB

- ⦿ Biggest, most complete Bnb
- ⦿ Had no serious competition
- ⦿ Operated by:
 - Nenet, a BHW, a popular person
 - Husband, "unmindful of her Bnb operations"
 - Staff, "moody"

- Read from slides.

ENTER THE COMPETITION

- ◉ A new BnB located in the nearby Barangay
- ◉ Cooperative-operated
- ◉ Operator and staff are friendly and polite
- ◉ Prices of commodities are several centavos cheaper



NENET'S BNB VS COMPETITION

- ◉ Nenet's old customers were bypassing her to buy at the new Bnb in another street
- ◉ Nenet nag taray na sa community not patronizing her
- ◉ In 2 years time her Bnb closed
- ◉ Competition added a midwife birthing clinic, and they are currently in the process of expanding

Segue from this slide to the next slide.

Note: Both offered family planning products. Customers start to bypass her due to the presence of competition – another BnB operated by a cooperative, which if you noticed in the preceding slide, mentioned that the said competitor is friendlier to customers and offered products at prices lower than what Nenet offers.

1. CHOOSING THE RIGHT STAFF WHO CAN ENGAGE CUSTOMERS

- ◉ Exercise: Please share top 3 qualities of staff you believe you should have
 - 1.
 - 2.
 - 3.

Who are your "suki" commercial outlets? (ex. Your favorite grocery, resort, spa, bakery)

Discussions:

- Ask volunteers from the audience to share the top three qualities of staff that they believe they should have, using examples from experiences in their favorite shops, salon, or spa that keeps them coming back.
- Close audience discussion and then transition to the next slide.

1. CHOOSING THE RIGHT STAFF WHO CAN ENGAGE CUSTOMERS

- ◉ Lively, bright disposition
- ◉ Strong sense of responsibility and loyalty
- ◉ Not very self-conscious
- ◉ Communicates well
- ◉ Respectful, modest

2. ESSENTIALS OF CONSULTATIVE SELLING SKILLS

- ◉ Establishing rapport
- ◉ Asking questions
- ◉ Listening
- ◉ Stating your understanding by summarizing your client's needs
- ◉ Advising your clients about their options
- ◉ Offering something unique over the competition

Create healthcare packages that meet your clients' needs!

Discussions:

- Stimulate discussion by introducing the story of a midwife who purchased a trained talking bird. All the talking bird could say was: "Your payment is due please." The bird repeated the same line to everyone who came in to the clinic, irritating her customers.
- Follow up: "Midwives, as business owners, and their clinic staff should understand the value of having good people skills. Focus on the step-by-step interactive processes to engage clients."
- Relate the current discussion to succeeding slides.

ESTABLISHING RAPPORT

- ◉ Ice breaker line...
- ◉ Not a critical parent facial expression
- ◉ Polite greetings

ASKING QUESTIONS

- ◉ Kamusta ka Misis? How is your child?
- ◉ How can I be of service to you today?
- ◉ Never say: Ano na naman ang kailangan mo!

LISTENING

- ◉ Are you attentive enough? Or pretending to listen to your walk-in customer while busy texting!
- ◉ Active listening is key to uncovering your customer's needs and can lead to more sales

STATING YOUR UNDERSTANDING

By summarizing your clients needs:

- ◉ Tama po ba na kayo ay naga breast feed sa baby nyo?
- ◉ Gusto nyo po ba regular pa rin ang pagreregla nyo sa gagamitin nyong contraceptive method?

ADVISING YOUR CLIENTS

You have a choice Mrs.:

- For a method with iron?
- Gusto nyo po ba ng 1 month or 3 months injectable?
- Gusto nyo po ba ng method na nakakakinis ng kutis?

OFFERING SOMETHING UNIQUE

What is your (BnBs, birthing clinic, health facility) Unique Selling Proposition?

- Discount scheme - worry free for three?
- Free delivery for cash payment for a minimum order

EXERCISE- HOW WILL YOU ROMANCE YOUR CLIENTS?

Share what are your top 2 techniques to make your clients feel special and feel like coming back to your clinic/BnB:

- 1.
- 2.

Discussions:

- Ask the audience to share their top two techniques for making clients feel special and wanting to return for future services.
- Go to the next slide.

3. HOW TO DELIGHT YOUR CLIENTS

- ◉ A - attention undivided
- ◉ D - delight your customers
 - develop partnership
- ◉ P - personal approach

Discussions:

- Introduce the above slide: Before showing the meaning of ADP, ask the audience what words that start with the letters A, D and P best describe an effective technique to romance/delight their client.
- Proceed through the exercises and role plays using the succeeding slides as a guide.

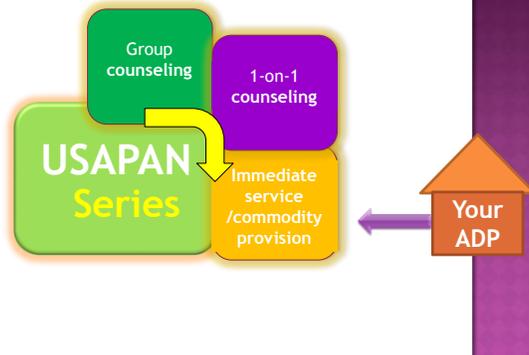
EXERCISE - HOW WILL YOU ROMANCE YOUR CLIENTS?

2. **Plan your steps how to romance:**
 - Prospective clients
 - 1.
 - 2.
 - 3.
 - Long time/loyal clients
 - 1.
 - 2.
 - 3.

ROLE PLAYING - HOW WILL YOU ROMANCE YOUR CLIENTS USING ESSENTIALS OF CONSULTATIVE SELLING SKILLS?

- ◉ By volunteer participants
- ◉ To be facilitated by: Ms Loida Episcopo

USAPAN: PRISM2-DEVELOPED “CONSULTATIVE SELLING” APPROACH



Discussions:

- Wrap up the discussion. Remind the audience's about the value of using *Usapan* as a marketing tool to help them generate demand.
- Close the module with the next slide.

WHY THOSE AT BASE OF THE ECONOMIC PYRAMID ARE AN IMPORTANT MARKET



- Chances are your communities have become a magnet for the poor.
- BoP market is connected
- Your clinic can be a solution to service FP-MCH supplies need of the BoP market.

Discussions:

- Discuss this slide: “Operators should not decide which clients to delight based on the client’s social status. They need to understand the value of those in the Base of the Economic Pyramid (BoP) as a potential market segment that are still capable of giving them good business.”

MODULE 5 | **The Internal Business Process Perspective**

Module Description

This module aims to remind the trainers how key business processes are critical in the operations of the business of their trainees.

This business processes encompass logistics requirements such as procurement, inventory management, stockroom/warehouse management, and physical delivery.

Learning Objectives

The trainers will be able to:

- Appreciate the importance of logistics management in the operations of ADP Operators, i.e., their trainees.
- Communicate effectively to trainees why efficient inventory management is helpful in attaining business sustainability.

Presentation outline

- Different drugstore models
- Procurement process
- Accepting deliveries from suppliers
- Stockroom management
- Common challenges of small independent drugstore operators
- Inventory management

Discussions:

- Start this module with an overview of the topics related to basic drugstore operations.
- Highlight the procurement process, stockroom management, inventory management and common challenges.
- Follow up with the discussion in the succeeding slides.

Procurement Process

Procurement

is defined as the act of buying goods or services. The process includes preparation and processing of a demand as well as the end receipt and approval of payment. It often involves

1. Purchase planning
2. Standards determination
3. Supplier research and selection
4. Value analysis
5. Financing
6. Price negotiation
7. Making the purchase
8. Inventory control

The process of procurement is often part of the drugstore owner's strategy because the ability to purchase certain products will determine if the operation will continue. A business will not be able to survive if its price of procurement is more than the profit it makes on selling the actual product.

- Read from slide.

Procurement Process

Things that I need to know before making a purchase.....

- What are my requirements in terms of stocks needed for my drugstore?
- Who will be my supplier/s? (my supplier must be reliable. eg. DDC is one stop supplier with complete product range)
- What are the requirements that I need to prepare for me to be accredited by a supplier?
- Do I get the best offer or deal? (discounts, payment term, fast delivery, etc.)

Discussions:

This slide is best discussed by asking the following questions:

- How many times have you procured family planning products?
- Why is there a large gap of time between procurements?

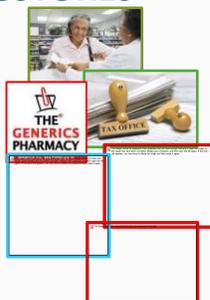
Things to consider before accepting deliveries from suppliers

1. Make sure that the products in the invoice are the products that you ordered.
2. Make sure that the boxes are sealed ,check quantity, quality of packaging and expiry date.
3. Check the terms of payment in the invoice, and that any relevant deals or discounts are applied.
4. Only issue payment once you have checked and okayed all inventory. Make sure you request an official receipt.

- Read from slide.

COMMON CHALLENGES OF INDEPENDENT DRUGSTORES

- Senior Citizen Discounts
- Strict compliance on payment of taxes
- Emergence of Generic Chain Drugstores
- Escalating Rentals and cost of infrastructure
- Competing with big chain stores
- Inventory Control



Discussions:

- Lead discussion with a question: “Will senior citizens need contraceptives?” It will elicit some laughter, but may lead to opening their minds about the market.
- Proceed to other challenges, such as inventory control/management.

INVENTORY MANAGEMENT IN DRUGSTORE BUSINESS

Efficient Inventory Management (EIM) is essential to the profitability of your pharmacy.



High Inventory is a major cause of insufficient cash flow.



This results to mismanagement of your personal Cash and pumping up thru credit line to fulfill your financial obligation.

- Read from slide.

INVENTORY MANAGEMENT IN DRUGSTORE BUSINESS

Inventory is the amount of stock or merchandise that is available for sale to present and future clientele.

Adequate inventory is generally defined as basic stock + safety stock.

Basic Stock= amount of inventory carried to meet average demand level.

Safety Stock =amount of inventory carried to account for fluctuation in demand and order cycles

- Read from slides.

INVENTORY MANAGEMENT IN DRUGSTORE BUSINESS



- 1) Review inventory levels every quarter to adjust for seasonal dispensing trends.
- 2) Assign a point person eg. Pharmacist and or salesclerk to manage slow moving stocks and you must also be aware of the returns policy of your supplier.
- 3) Build good customer-patient relationship. Patients may guide you On cycles (refills) when he needs the medicine. This is the only time you will keep your inventory.
- 4) Keep good business relation to suppliers. They may assist you when to have Safety Stocks and religiously observe your order cycle time.

INVENTORY MANAGEMENT IN DRUGSTORE BUSINESS



- 5) Improved Procurement /Ordering Technology and next deliveries should limit the size of order and keeping your inventory cost down.
- 6) Avoid Out of Stock for basic items like paracetamol, cough and cold remedies, first line antibiotic. It is embarrassing to explain to customer sometimes that pharmacy is out of stock of basic drugs. This will create a negative consumer impression, resulting to loss of future purchases.
- 7) Pilferage has effect in your inventory and cash flow. Assign secured place in your pharmacy where you can keep expensive medicine.
- 8) Controls with the aid of Technology is helpful as it provides fast information on product movement, average demand, cost, sales and profit for a particular inventory. However, **Diligence** in keeping the business is still the key for its **SUCCESS**.

REFERENCE: WWW.NCPANET.ORG

Discussions:

- Follow through with a question: “After defining inventory, adequate inventory, etc., ask the following: How many of you currently make regular inventory of your stock? How regular? What are the tools you use to perform a simple, efficient inventory?”
- Proceed to the next slide.

Workshop Doing Efficient Inventory Management

Product	Beginning Inventory	Sales 2 weeks	Ending Inventory	Basic Stock	Safety Stock (change in delivery sched)
SDM beads	100	50	50	50	25
Norifam	12	6	6	6	3
Famila 28	12	6	6	6	3
Beracah prod	24	12	12	12	6
Beracah prod	24	12	12	12	6
Beracah prod	100	50	50	50	25
	12	6	6	6	3
	12	6	6	6	3
	100	50	50	50	25
	100	50	50	50	25
	24	12	12	12	6

Discussions:

- Issue handouts of the printed template for the audience to fill up. The handout's first two columns should have pre-printed figures, while the other five columns should be blank. This exercise will help them relate to their current way of doing inventory.
- Guide them on how Efficient Inventory Management or EIM can be achieved in their clinics as ADPs.

Stockroom Management

Stockroom

it is where the supply of goods kept on hand for sale to customers, it is a key part of the supply chain and primarily aims to control the movement and storage of products.

Tips on how to maintain a stockroom for small drugstores

1. The stockroom must be accessible, ideally should be adjacent to the drugstore
2. The space must be good enough to store the safety stocks and your movement must not be restricted, meaning that there is enough room for you to move.
3. Must be clean and dry and secure from pests like rats, cockroach or insects that may destroy and contaminate the stocks.
4. Must be well ventilated, lighted and ideally the room temperature must not exceed 25% celcius or as prescribed by FDA
5. There must be elevated storage racks or cabinets where the stocks are placed
6. Make sure that water or any form of liquid will not sip in the stockroom.
7. Make sure that the stocks are arranged well (by type of medication) for easy access and inventory.
8. Practice first in first out to avoid losses from expiring or expired products.

Discussions:

- End Module 5: Share tips with the audience on managing their stockrooms. Make sure they understand by asking the following questions: "What does your stockroom look like? Are your clinic's stock kept in just one cabinet, or do you keep your stock in different locations?"

MODULE 6 | **The Sustainability Perspective**

This module aims to impart to the participants, being trainers, the importance of sustainability to the business of their trainees. The flow will enable the trainers to identify replicable business practices so that their trainees will realize how important it is to have a sustainable business

Learning Objectives:

The trainers will be able to:

- Understand the concept and elements of sustainability.
- Communicate to their trainees how to adapt systematic and sustainable approaches for the ADP's business operations.

Session Objectives

By the end of this session, the participants are expected to:

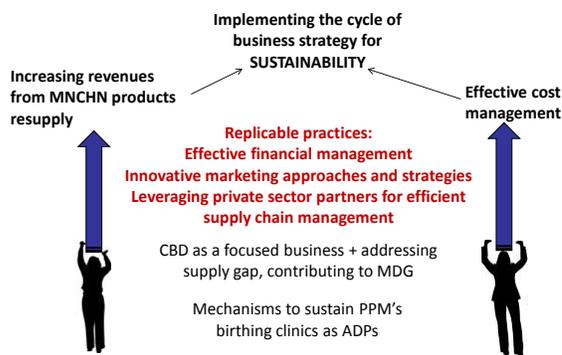
1. Understand the concept and elements of sustainability.
2. Learn the impact of basic financial analysis to scale up and sustain ADPs.
3. Be guided by a systematic approach in analyzing ADPs' business operations.



Discussions:

- Among the topics discussed, sustainability is the one that is the hardest to understand, so the trainer should approach this topic first using the session objectives from the above slide.
- Make sure to link sustainability to the objectives of operating ADPs in midwives clinics and the basic financial requirement necessary to become sustainable.

ADPs-Sustainability Perspective



Discussions:

- Audience participation: Ask for participants' insights on what they think are the basics to a sustainable ADP or birthing clinic.
- Discuss the slide on the Sustainability Perspective for ADPs by highlighting the value of replicable practices, such as effective financial management (profitable), innovative marketing strategies utilizing *Usapan* sessions as a demand-generation tool, and optimizing their leverage with other partners, both public and private, in their communities, such as cooperatives, companies and the public sector as part of their target market segment.

Sustainability – a relevant business case

Sustainability has transitioned towards being a **serious business consideration**.

- **SUSTAINABILITY ISSUES** are reshaping the rules of business, driving new business models, redefining markets, and creating new opportunities (i.e. ADPs as part of a community-based distribution).

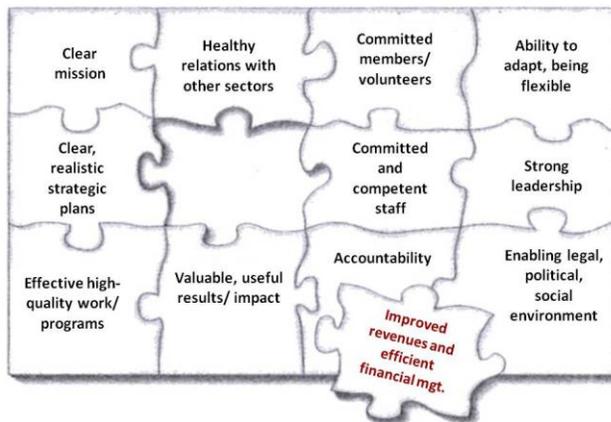


Nanay Teody, a midwife with more than 40 years of experience, has trained 55 midwives and helped accredit 27 birthing clinics. Currently operating a sustainable distribution network supplying other ADPs, coops, LGUs in Cebu

Discussions:

- Motivate the audience using a success story of one Cebu Midwife-ADP Operator, Teody Calzada, who managed to sustain her ADP and moved on to become one of the local distributors, sustaining her business with a wider client base supplying FP-MCH products to other midwives clinics and other market segments such as LGUs and cooperatives.

Sustainability Puzzle Pieces



Discussions:

- Segue to the sustainability planning workshop and introduce the slide.
- Ask participants if there are other pieces in the puzzle that they wish to add. Are there puzzle pieces that can address the needs of their business practice or help them in managing their business better?
- Proceed to the next slide.

Framework for Sustainability Planning

My Alternative Distribution Point (ADP) Sustainability Plan

Name of ADP: _____		Plan Period: _____		
Key Steps	Indicative activities	Resources needed	Community partners to be tapped	Timeline
Source products	-Name your supplier - Secure supply arrangements			
Identify market segment/network	-Coops -4Ps/NHTS - LGU	Additional Questions: • What are your sustainability concerns/ issues given your present operations? • How to address?		
Define your marketing strategy	-Pricing strategy (introductory pricing, loyal customers pricing? -Reaching more clients thru Usapan			
Manage your inventory	-First in , first out for stocks received			
Identify financing mechanism	-Find investor partner -As sub distributor to LGU/s			
Record and report sales/services/ accomplishments	-Coordinate with LGU in reporting using FHSIS			
Formalize partnerships/plan scale-up	-MOAs with extension outlets for resupply; MOA with SDN/referrals			

Discussions:

- Lead the participants through a workshop using the template shown in this slide.
- Cite each key step as a condensed/ simplified guide from the modules discussed earlier.
- Show an example from the indicative activities and make sure to highlight the need to enumerate activities, resource needs, community partners to tap, and a 3-6 month timeline based on their own experience to be more realistic in their planning.

- Request for volunteers to present their sustainability plan in plenary.
- Help the audience process the presentations and ask non-presenters to provide feedback on the presentations made.

Reminders for Organizers/Trainers

- There should be at least one trainer per module whose experience is relevant to, and is knowledgeable about the topics to be discussed.
- Trainers should be able to talk in the local language/dialects as participants coming from the provinces tend to respond using their local dialects.
- Organizers and trainers should encourage openness and develop an effective feedback mechanism from participants after each module or at the end of the six-module sessions.