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SMP COMMUNITY BASED SALES PROJECT

DRAFT PROJECT PLAN

1988-1992

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I. EXECUTIVE SUMMARY

A. Introduction

- * PRITECH consultants David Walker and Rose Schneider traveled to Bangladesh in November 1987 to provide technical assistance to the Social Marketing Program SMP/Bangladesh in the design of the women's entrepreneurial village sales agent program to sell contraceptives, ORS, and other supplies in remote rural villages.
- * David Walker, marketing and commercial sales specialist and Rose Schneider, training and manpower specialist met with SMP, AID PSI consultants and others to develop the design which included operational, manpower, training, research and management considerations.
- * Extensive discussions with SMP allowed current, pertinent information, specific to the rural Bangladesh to be incorporated into the text of the report and into the recommendations. Although the consultancy was shortened due to the political unrest, Walker and Schneider addressed, in considerable detail, the major options (for product mix, logistical systems, incentive schemes, project sites, etc.) and issues (on training, support systems, supervision and supplies, etc.). Some of the finer points will need to be decided at the operational level by SMP as the operations research plan is being done and SMP management identifies the minor adjustments needed. This report summarized the content and recommendations. It is meant to complement the discussions and technical assistance given to SMP during the consultancy by Walker and Schneider.

B. Background

- * The consultants had previously evaluated the feasibility of a community based sales scheme to be operated by the Women's Affairs Department of the Women's Ministry, Government of Bangladesh. They had rejected this approach and recommended that SMP was the most appropriate agency for a sales based scheme.
- * It was agreed by USAID Dhaka that the proposed project should focus on sales rather than education and that it should be entrepreneurial rather than salaried based.
- * In view of their previous consultancy in November 1986, the consultants concentrated on discussing the many issues involved with SMP management rather than discussing the option with those NGOs involved in community depot holders schemes. Two weeks were spent in Dhaka.
- * Throughout the report, the women to be recruited in the villages are referred to as Village Sales Agents (VSAs).
- * The project design, though subject to both SMP and USAID Dhaka approval, is effectively an extension of the current SMP activity amongst retailers. It aims to take social marketing into remote rural areas of Bangladesh.
- * At this stage, the consultants were obligated to design a pilot scheme utilizing operational research techniques. However, in such a pilot all the inputs of a full scheme need to be included.

C. Conclusions

SUPPLY

- * A major consideration is setting up a supply logistics system which will both ensure supplies to the VSA's but at the same time be cost effective.
- * Two supply routes were designated. The first relies on the current retailer network and would imply that the VSA's (or their husbands) travel to collect their supplies from the nearest retailer. They would purchase their supplies and would pay the current retail price. Their project margin would derive from increased retail prices to the consumer at the village level or by a refund from SMP.
- * Identifying the most convenient retailer for a VSA will be difficult and it is possible that SMP will need to establish a sub-retailer who in turn would buy his stocks directly from the nearest retailer or stockist.
- * The alternative supply option would be for the VSA's (organized in groups of 20) to be supplied directly by a supervisor who would collect them from the SMP regional depots.

PRODUCT MIX

- * An entrepreneurial system needs to inject sufficient profit into the venture to make it worthwhile. Because of the low margins involved with contraceptives and ORS in the social marketing system this makes it extremely difficult to achieve.

- * Most accept that within a restricted territory (say 300 households) the profit will be inadequate and hence it may be necessary to incorporate other products into the product basket offered by the VSAs.
- * The extension of the product line can, of course, put the key products at risk since they may be easier to sell, have better margins and be of higher volumes. To assess this is clearly one objective of the operational research.
- * All parties were in agreement that the VSA should have the complete range of SMP products (excluding injectible contraceptives). At this stage no new brands are to be introduced. Thus the SMP products on offer from the VSAs will be Maya and Ovacon (OCs), Raja, Majestic and Panther (Condoms), Joy (foam tablets), Orsaline (ORS) and safe delivery kits.
- * Three products mixes are to be considered. These are SMP products alone, SMP plus medicinal products and SMP, medicinal and household products (eg. candles).

Compensation/Incentives

- * Without salary, the income generated by the system is derived from sales margins or bonus schemes. How this operates ultimately will depend on the supply route (retailers vs. direct).
- * One principle involved is whether the consumer should bear the burden of increased margins or whether these increases should be subsidized by the project. There were no objections to the former and hence it was felt appropriate to try out both.

- * Under the retailer supplied system, the VSA will in effect pay the recommended retail price and assuming she charges the consumer this price she would make no profit. Thus one option is to charge the consumer an agreed extra margin. The consumer is therefore paying an additional price for the convenience of supply.
- * The other option under the retailer supply system is to charge the consumers the recommended retail price (i.e. the price paid by the VSA) and then for the VSA to obtain a refund from SMP.

Training and Manpower Development

- * The training of the VSA and VSA "supervisor" is a crucial part of the SMP scheme. Recruitment, selection and training will be based on the definition of the tasks to be done by these two groups and the knowledge and skills needed to carry them out. Sociological considerations such as leadership, standing in the community, will also be incorporated in the selection process.
- * Recruitment will be a joint effort of SMP and the community. SMP will explain the selection criteria and tasks and ask the community to offer candidates. SMP will make the selection after interviewing clients using exercises to assess skills.
- * Training curriculum will be developed and/or adapted emphasizing skills in product promotion, communication and person to person information exchange, product storage and inventory. Training curriculum development could be assisted by a technical advisory group providing guidance from their hands-on experiences. Short initial training (1-2 weeks) with periodic updates/refreshers

is planned. A more intensive training will be developed for training supervisors who will, in turn, train VSAs.

- * SMP support to the VSA is most directly through the "supervisor" who provides support in product information, communication, inventory and stock record keeping. The supervisor may also be responsible for meeting with community leaders and civic groups to encourage support for the VSA's work. She/he may also have the task of providing input into media and promotional messages development in support of the VSA's work. The direct supply of products to the VSA through the supervisor is being considered as part of the research design. The specific communication and support needs would indicate the likelihood of the need for female supervisors who can work closely with the VSA. Less direct but equally important management support will need to be given to the VSA effort by all SMP divisions (finance, administration, sales, etc).
- * For the development of promotional messages, operations research strategies/options issues, marketing analysis, etc., overall support from the top management levels at SMP should be apparent and actively guide the project's development, especially in the early stages.
- * The training scheme is built on the primary motivation of a profit incentive to the VSA for the promotion and sale of SMP products.

First Phase Operational Research - Options

- * This phase is intended to establish the "best" option from a range of choices available in terms of supply, product mix and compensation.
- * During the OR phase 183 VSA's will need to be recruited and thoroughly trained. They will be located in remote rural areas and if feasible within three regional groupings.
- * Each of three components (supply, product mix and compensation) will be tested in a controlled situation i.e. for each supply option, the other components are fixed.
- * Two supply options will be tested:
 - A1 Retailer supplied VSA's
 - A2 Depot supplied VSA's
- * Three product mix options will be tested:
 - B1 SMP products only
 - B2 SMP and medicinal
 - B3 SMP and medicinal and household
- * Two compensation methods will be tested:
 - C1 Increased price to consumer
 - C2 Same price to consumer/SMP pays margin
- * The evaluation of the options will simply be on relative sales volume and possibly on a cost per sale basis. There is no requirement to pre-set targets since it will be necessary only to establish the best option within each of the three project components.
- * It is anticipated that this phase will require eight months operating time.

Second Phase Operational Research - Feasibility

- * Having established the best option within each of the three component categories (eg. A1+B2+C1), all VSA's will be put onto this system.
- * The second phase will then be to determine whether this "best scheme" achieves a success level adequate to the project objectives in volume and cost terms.
- * The evaluation will be aimed at a Go/No-Go situation and hence it is essential that the target achieved is pre-set. Success beyond that target means a Go decision; falling short means a No Go.
- * The targets set will be dependent on how optimistic or modest are the objectives. They should be based on factual data available in the pilot areas. Hence a pre-project benchmark of contraceptives and ORS usage will be required.
- * It is anticipated that this phase will require six months operating time.

Management

- * The pilot scheme will take two years. The management of the project will need to be arranged such that a "Go No Go" decision can be accommodated smoothly.
- * However, the dedication to detail and hands-on management will to some extent be a factor in determining whether the project is continued. Hence, the initial stages cannot be approached in a half-hearted manner.

- * During the first two years, the project will need to be managed by a full-time project manager who ideally should be female. Reporting to her will be the VSA supervisors (also female).
- * At the OR stage, SMP plans that the project manager will be under the direction of the marketing director. In view of the heavy research component and the fact that it is still a feasibility study this makes good business sense.
- * The situation, assuming the project is to be extended nationally, is somewhat different. Under these circumstances, the project is one more arm of SMP sales and accordingly logically the project manager could hence be moved under the direct control of the sales director.
- * It is premature at this stage to reach any conclusions about whether the project should be established as a completely separate organization outside of SMP. However, the SMP plan to have it under a separate physical location from the start is sound.
- * The physical separation of the project gives it an identity but it can be counter-productive without the appropriate management support. Top management needs to ensure that the project is not left in a vacuum without full support of all SMP line activities. All SMP must be informed of the importance of the project and to be prepared to allocate time and resources to help it succeed.
- * The project schedule overall is as follows:

Jan-April	'88 Planning Phase
May-Dec	'88 Operations Research - Options
Jan-March	'89 Evaluation of Options
April-Sept	'89 Operations Research - Feasibility
Oct-Dec	'89 Go/No-Go Decision

TAG Group

- * A technical advisory group could be formed to provide to SMP some outside technical input especially during the initial months of the project. Representatives from the MOH, BRAC, IIDRB could advise on aspects of selection, recruitment, training, mass media support, supervision, etc. Private commercial experts could review and advise on logistics and supply, accounting and management.

- * In order for the TAG group to function, SMP should be able to clearly articulate the specific purposes and the design of the operations research plan to the TAG group and be able to focus the inputs to refining the design and its implementation and overcoming obstacles. A free floating discussion would not be of assistance, therefore, the SMP should be prepared in advance with the issues of which it needs additional technical input.

- * The TAG recommendations are not binding. The group should remain small, be carefully chosen, and be able to provide technical expertise to supplement SMP staff talents. The group should be asked to apply their expertise to a new idea, i.e. a rural women's entrepreneurial network supplying rural remote villages. The TAG meetings could serve the additional purpose of providing a reason for review of activities, an informal internal evaluation by SMP in preparation for the meetings.

Overall Recommendation

- * This report has provided the framework for the implementation of a CBS project. Many of the issues raised could be pursued further and alternatives presented. However, the team strongly recommends that SMP in consultation with USAID Dhaka reach agreement in principle by the end of December 1987. SMP thereafter should make every effort to fulfill the schedule even if some adjustment to the plan itself are thought appropriate.

II. INTRODUCTION

PRITECH consultants David Walker and Rose Schneider traveled to Bangladesh in November 1987 to provide technical assistance to the Social Marketing Program SMP/Bangladesh in the design of the women's entrepreneurial village sales agent program to sell contraceptives, ORS, and other supplies in remote rural villages.

David Walker, marketing and commercial sales specialist and Rose Schneider, training and manpower specialist met with SMP, AID PSI consultants and others to develop the design which included operational, manpower, training, research and management considerations.

Extensive discussions with SMP allowed current, pertinent information, specific to the rural Bangladesh to be incorporated into the text of the report and into the recommendations. Although the consultancy was shortened due to the political unrest, Walker and Schneider addressed, in considerable detail, the major options (for product mix, logistical systems, incentive schemes, project sites, etc.) and issues (on training, support systems, supervision and supplies, etc.). Some of the finer points will need to be decided at the operational level by SMP as the operations research plan is being done and SMP management identifies the minor adjustments needed. This report summarized the content and recommendations. It is meant to complement the discussions and technical assistance give to SMP during the consultancy by Walker and Schneider.

A. Background

This consultancy provided technical assistance to SMP identified as the most logical implementing agency for a community based sales

project. The recommendation was made by PRITECH consultancy team (Walker and Schneider) in the report "The feasibility of a female village depot holder sub-project implemented by the Ministry of Social Welfare and Women's Affairs" (AID-DPE 5927-C-00-3083-00) during their consultant visit in December 1986.

Even during the period leading up to that consultancy, SMP themselves had been considering the feasibility and implications of a community based scheme. Indeed the establishment of such a scheme was included in the 1986 revision of SMP's ORS project paper.

Because of the issues raised by the consulting team, USAID Dhaka requested that the team return to assist SMP in the design and planning of such a community based schemes. Largely due to availability, almost one year has elapsed between the previous consultancy (December 1986) and the implementation scheme has taken on an urgent status.

Nevertheless, during the interview period, some progress has been made by SMP both in acting upon some of the earlier suggestions made by the team and in establishing the issues involved. Quite reasonably, once this current consultancy was agreed, SMP held back from advancing the scheme until such a time as the current consultancy was reported and considered by USAID.

B. Scope of Work

Whilst family planning had been envisaged as a key element in the scheme, the initial focus was on child survival and the consultancy was funded through PRITECH. As agreed upon in the initial Scope of Work, the consultants worked with the Ministry of Social Welfare and Women's Affairs to design a subproject to the Mission's Family Planning and

Health Services Project. The subproject will establish a system of Female Village Depot Holders for effective distribution of ORT and health supplies. As a result of the previous consultancy, it would have been perfectly feasible for SMP to prepare their own project design without outside consultant advice. SMP accepted the appropriateness of such assistance. However, the Scope of Work makes it abundantly clear that this consultancy is "to assist SMP management in the development of a comprehensive action plan for a community based sales project."

The implication of the "assistance" role is significant. Clearly, SMP has the option to reject the plan or any components of the plan. Thus at the outset it was made clear by the team that their recommendations would result from detailed discussions with SMP so that, if possible, the resultant plan would be a design by consensus. If such were achieved, the matter would then rest with the mission itself to determine its concurrence.

It must, however, be noted that consensus is not always possible. In these situations, where major or minor disagreements emerge, the consultants are obligated by their own professional standing to remain committed to their particular view but in so doing pointing out the areas of disagreement. Under such circumstances, the final decision would be a matter between USAID and SMP. It should be noted that on most of the major issues SMP was in accord with the consultants as soon as the objectives had been confirmed.

The precise terms of reference are set out below:

- a. Scope of effort: Criteria for pilot test area selection; projectibility of pilot test results; expansion to regional/national scope; timetables.
- b. Project considerations: Contraceptives (OC's only v. OC's and condoms); health products (ORS and Safe delivery kits); other health or non-health products, existing SMP brands or new brands; pricing; promotional materials.
- c. Field operations: Recruitment/selection criteria, training; motivation and supervision of field sales force (SMP vs. sub-contractor); targets (caseload, frequency of contact); compensation (salary vs. commission); re-supply logistics, collection of sales revenue; linkage with other organizations or institutions; referrals to other health providers; identification of likely/potential field problems and means of dealing with them.
- d. Management: Management and administration requirements; organization chart; integration of CBS management with SMP management; pros and cons of physical separation between CBS and current SMP staff.

In drawing up this detailed Scope of Work, it was recognized that an operational research program would be required to provide the scheme with the "most opportune" options across a variety of issues. Thus the team's prior objective was to establish what needed to be tested by operation research techniques and how this fitted in with the overall project planning.

C. Conceptual Framework

The Scope of Work of the consultancy was well defined. However, there was some initial uncertainty about the objectives and coverage of the community based sales project itself. A complete understanding of this was a prerequisite to setting up the project design.

The key issue was related to the role of the village sales agent herself. The previous consultancy had established that the objective was to "implement a community based system of sales on the concept of a female depot holder who through her sales activity could improve access to FP and ORS and to promote the proper and continued use of these products."

The team concluded that agreement had to be reached in respect of whether the emphasis should be on sales or on education (i.e. proper, continued use). They concluded that, since SMP had been selected as the potential implementing agency, the project objectives and design should reflect their capabilities and strengths. These essentially lie in the area of promotion, distribution, and sales. They further concluded that, had a "traditional" community based health worker scheme been needed, then it was unlikely that SMP would be the most appropriate agency. Furthermore, USAID Dhaka were reluctant to approve a scheme which relied on a cadre of salaried community workers. From the outset, the scheme had been envisaged as entrepreneurial and driven by the profit-incentive or income generation.

However, USAID Dhaka was reluctant to abandon elements of consumer education and, in particular, the "proper and correct use" aspects. The team concluded that this was feasible to some degree even with a

profit based scheme. The basis of this conclusion is that it is in the best interests of the salesman to encourage proper use particularly in the case of consumable, as opposed to durable, goods. A dissatisfied customer will not buy the product again. Thus as part of the sales pitch, the salesman will explain to the consumer how to use the product, problems associated with mis-use and so on. A satisfied consumer becomes a repeat customer which is the essence of continued use.

Thus under the sales/profit orientation the salesman will promote both proper and continued use at the point of sale. Hereby lies the difference between such a scheme and a typical community based project. The former "educates" primarily those who are making a purchase; the latter "educates" all those in the community who are interested.

The consultants view that the project was entrepreneurial, non-salaried, focusing on availability and sales and in which education was limited to point of sale was confirmed by the Mission. The project design as a consequence is based on this understanding. In effect, this means that the project could be perceived as a natural extension of SMP's sales and distribution activities rather than a major change in focus. It is taking social marketing into remote rural areas which are currently poorly served by retailing activity.

Throughout this report the community based depot holders has been referred to as the Village Sales Agent (VSA). This terminology best

describes the role and status of the designated women. Thus they are agents rather than employees. Discussions with SMP indicated that the term "agent" may not be the best to use because of some negative connotations. It is suggested that, in the vernacular translation, a more suitable Bengali word be substituted. However, for present purposes, the term VSA is utilized. The VSA's will be in direct contact with an SMP salaried appointee. Strictly speaking, free-lance entrepreneurs cannot be "supervised". However, in the absence of more appropriate terminology, these VSA contacts will be referred to as VSA supervisors.

D. Consultant Activities

By virtue of the fact that both consultants had previously examined the feasibility of such a community based sales scheme much of the investigative work has already been completed. Thus it was unnecessary to retread the normal route of meeting with those connected with community based distribution. This indeed was most fortuitous as the timing of the consultancy coincided with a period of civic unrest in Dhaka which restricted normal movements.

Thus the consultancy consisted of a heavy program of intense discussion with SMP management and those staff already allocated to the project. These sessions involved a two-way dialogue (between SMP and consultants) on numerous issues so that a level of consensus could be reached. The consultants also met USAID staff on a number of occasions so as to clarify certain aspects. Thereafter, much of the effort was directed at an interchange of views between the two

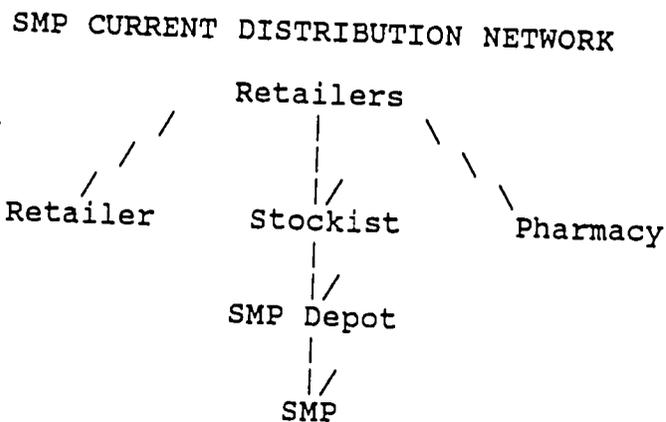
consultants so that they themselves were in full agreement. This report and recommendations therefore represents the joint opinion of both.

III. OPERATIONAL CONSIDERATIONS

A. Supply Logistics

It is clear that any scheme aimed at remote rural areas is highly dependent on the maintenance of continuous supplies. In general this is always possible but at what cost. There needs to be a logistics support which is both successful in delivery but at the same time cost effective.

SMP operates an effective distribution system out of its regional depots. The basis of this is that a team of salesmen take orders and deliver product to stockists (wholesalers) and pharmacists. This delivery system centers on the major markets. Thereafter, with some exceptions distribution is effected by a demand driven system. Thus retailers outside of the markets visits and collect products from the stockists. OC's are currently only available from pharmacists who obtain supplies either through pharmacy supply wholesalers or directly from SMP salesmen.



In determining which method of supply is best suited to the VSA's, two options will be considered.

Option 1:

One supply option would involve an extension of the demand driven system which currently operates. It assumes that the VSA or her husband would be prepared to travel outside of her village to collect supplies. The major problem is distance or access. The current retailer pull to the stockists is not extended into the remoter areas either because demand does not exist or because it is not practical to meet the demand which does exist. Furthermore, SMP does not as yet have any data on the extent of non-direct supplied retailers.

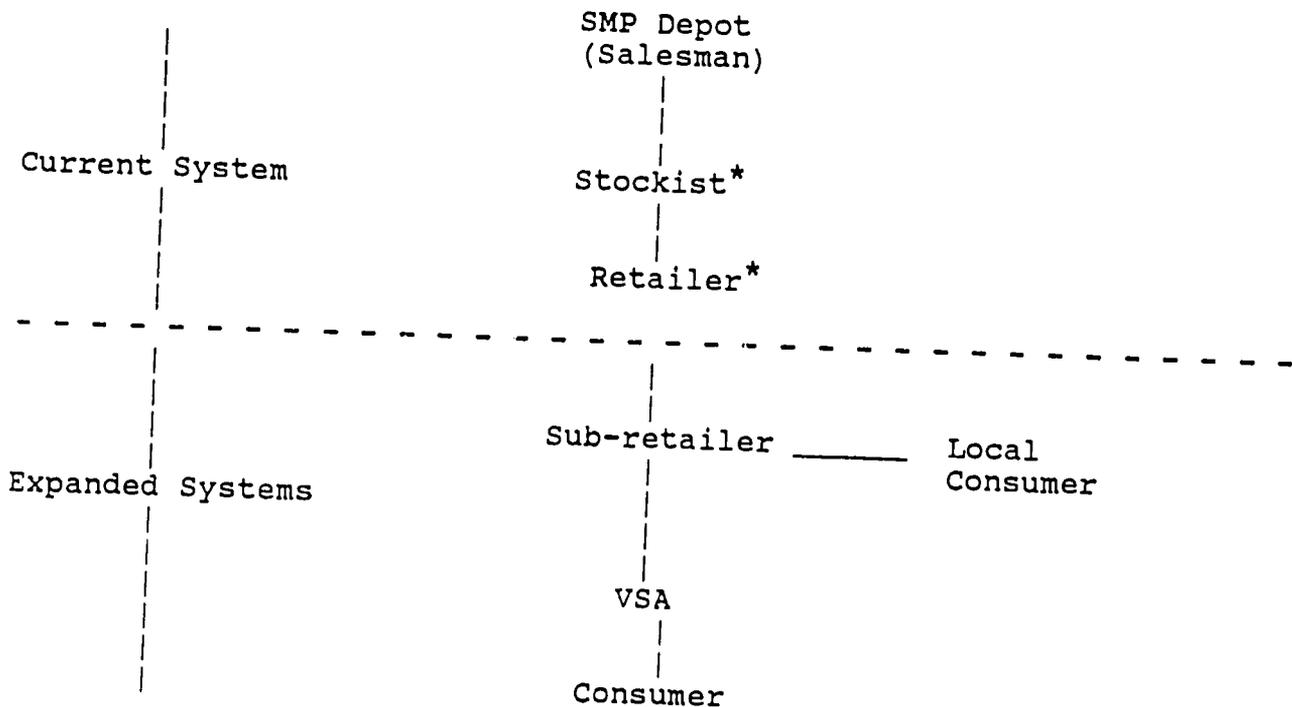
It is possible that the nearest retailer or stockist may be too far away to be a practical source of supply for the VSA. Therefore it would be necessary for SMP to first establish a sub-retailer who would be within reasonable striking distance. This sub-retailer could be the supply source of a number of VSA's and hence much attention would need to be given to the optimum location. Thus preparatory to recruiting a group of VSA's, an SMP person (possibly the VSA supervisor) would make a reconnaissance visit to the area to identify the current SMP retailers/pharmacies and hence, if necessary, to persuade a more local retailer to stock SMP products. The sub-retailer, of course, would supply himself directly from the nearest retailer so he would need to be told where they are located.

The encouragement given to the sub-retailer would be that he would have a ready made customer list (that is the VSA's) as well as the

opportunity to develop his own local customer sales. In reality, it is likely that he would obtain his supplies at the recommended retail price, and, hence, would need to sell both to the VSA's and local customers at a price in excess. The margin could be fixed by SMP.

A major problem in the system which could affect the outcome is that OC's are not currently available through the retailer network. Thus to be successful, SMP would need to ensure that the infrastructure supporting each group of VSA's would need to be in stock of all SMP products. Since the system emanates from the stockist in the main markets the implication is that the current SMP policy would need to be relaxed to permit this. A further problem is that certain SMP products are currently in short supply (ORS and SDK's). This should not be permitted to affect the VSA's supply.

SUPPLY LOGISTICS CBS -- OPTION 1



* Each will need to be in stock of complete range of supplies.

Option 2

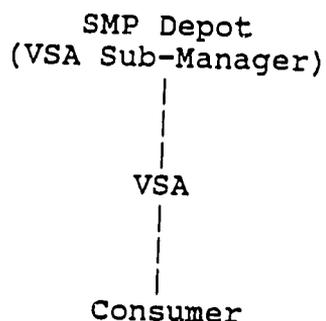
Whilst Option 1 may well be the SMP preference, it is beset with possible failings and an alternative strategy needs to be considered. Option 2 is similar to the distribution systems set up by Avon, Amway and Mary Kaye. Through each of these have points of difference, each offer a direct source of supply to their agents. This is achieved by the setting up of a sub-manager responsible for all agents within a defined territory. The sub-manager meets regularly with her agents and keeps them in supply. She is paid a salary plus a commission in sales volume of her team.

Thus the second supply option for the CBS is to recruit such persons. The VSA supervisors would be mobile, be provided with transport and act as the go-between with SMP. The nature of the work implies that most likely it would be male appointment. This creates some difficulties since he will be required to visit the VSA's in their homes. Thus it may be necessary for each VSA to obtain her husband's permission for such direct dealing. Alternatively the "supervisor" could visit the house when the husband is around. It should be noted that Option 1 also requires a supervisor (female) who will not however be responsible for supplies.

In effect, this second option is no more expensive than the first in manpower terms since Option 1 also requires a supervisor. However, it is more costly in that vehicles (motorcycles) would need to be provided. Another disadvantage is that Option 1 could not reduce the earnings of retailers since they make their margins on sales to the VSA's. Option 2 however could theoretically take the earnings

away at least in part and so the scheme runs the risk of retailer resentment. The main advantage of Option 2 is that it better guarantees the VSA supply and permits a more flexible approach to margins.

SUPPLY LOGISTICS CBS -- OPTION 2



It is recommended that the operational research test these two options as part of the determinants of the best components of the system. This phase will be described in the section relating to operational research as project component A - Supply Logistics.

- A1 Supply through retail channels
- A2 Supply through supervisors*

* It should be noted that strictly speaking the terminology "supervisor" is inappropriate since the VSA's are not on the payroll.

B. Product Mix

In determining the product mix to be available through the VSA's three factors need to be considered. Firstly, these products have to be compatible with project objectives. Secondly, they need to ensure that they generate a reasonable and sustainable income. In reality these two factors may conflict with each other. An additional factor would be that the product mix is sensible,

practical and viable in the context of SMP's procurement or supply capability.

Both USAID Dhaka and SMP would prefer to include both contraceptive and ORS in the product offers. There has been some concern that the combination of the two may have some negative connotations. However, indications suggest that this is not the case and in fact the combination has a positive association. In any event, it would be exceedingly difficult, if not impossible, to research the interactive effect of the two. Thus it is recommended that both are included without further research being required.

Which contraceptive methods to be available through the VSA is a more complex issue. All temporary non-clinical methods are possibilities. OC's are clearly a priority and certainly from SMP's point of view. This is despite the fact that currently SMP restrict their sales to include only pharmacies and to exclude retailers. The restriction is for marketing rather than regulatory reasons.

It could be argued that condoms would be inappropriate since the current SMP strategy targets males who are supplied through retailers. The CBS project adopts a woman to woman approach and hence condoms could be out of scope. However, condoms are supplied to women through both government and NGO schemes and hence there appears to be no valid reason to preclude them from the CBS scheme. SMP also advocates the inclusion of foams. The availability of injectibles could create some problems and hence, for the short term, it is better that they be excluded. Thus it is recommended that all temporary methods available to SMP, excluding injectibles, are included. This also requires no further research.

Having established which temporary methods should be available, questions relating to brands need to be resolved. Assuming that their existing business with retailers or pharmacies is unlikely to be adversely affected, SMP are firmly of the view that all their current range of brands are to be included. The development of new brands and the communication of awareness, image and trial would be a lengthy process and would delay the project implementation considerably. The risk to existing business, particularly if the retail channels were used as supply points, is minimal.

It is recommended that all the current SMP brands of contraceptives are made available. There is no logical case for limiting them. In fact, any restriction would inhibit VSA potential sales and could inhibit prevalence if sufficient choice is not available. Thus all current SMP brands of contraceptives and health products (ORS and SDK) are recommended to be included even without further research.

The Walker Schneider previous consultancy of December 1986 calculated that even if any SMP products were available to the VSA free of charge, the total income generation would be inadequate to sustain a viable business. It is clear that the wider range of products at the disposal of the VSA, the greater her income potential.

Most agree that the ideal situation would be to limit the VSA to SMP products alone. This limitation would require the most financial support. However, with an expanded product line operating under an entrepreneurial system, there are fears that the VSA would switch her product emphasis to those products generating the most income. This fear, of course, is a hypothesis and needs to be tested. Three product options have been determined.

PRODUCT MIX CBS -- OPTIONS

	Option 1	Option 2	Option 3
All SMP Products	All	All	All
Medical products (eg analgesics)	None	Some	Some
Household products (eg candles)	None	None	Some

Potential income	Low	Medium	High
Potential risk (abuse)	Low	Medium	High

Option 1 has the advantage that the VSA will not switch her selling emphasis since her sales income is entirely dependent on the desired product range. However, under the entrepreneurial system there is no guarantee that she would not extend the range by her own accord. The main concern is that of ensuring she receives adequate return will cost more in terms of higher prices to the consumer or subsidies from SMP.

Option 2 includes medical products as well as the SMP range. These could be such products as bandages, plasters, analgesics, de-worming tables etc. There appears to be little risk that the VSA would switch unduly away from SMP products. The cost support would be less than under Option 1.

Option 3 provides the greatest potential but at risk since the VSA may concentrate on fast moving household goods.

It is recommended that these three options be tested under controlled operational research conditions. To ensure that the evaluation is on sales volumes of desired products, it is essential

that margins, prices etc within each option are adjusted to give a theoretically equal income generating opportunity. Assuming that the hypothesis is correct (that sales of desired products decrease as range of products decrease as range of products increase) the cost effectiveness of each scheme needs to be considered. This phase will be described in the section on operations research dealing with Component B product mix.

- B1 SMP only
- B2 SMP + Medical
- B3 SMP + Medical + Household

Preparatory to the operational research it is recommended that SMP conduct an "informal" research study amongst rural women (in areas similar to the project areas) to establish which would be the most appropriate medical and household products to include in Options 2 and 3. This investigation can be in-depth and need not be statistically reliable. It can be used qualitatively to ensure that decisions are made on some factual basis rather than on hypothesis.

It is recommended that each VSA be provided with an opening stock of all products within her particular option. This working capital could be treated as an investment (free of charge) or a loan repayable later. The sales from stock will create cash to replenish her stock from the retailers. Under the most suitable conditions, stocks would be replaced monthly to the level of the initial stock. The actual size of the basket needs to be calculated.

EXAMPLE OF STOCK REPLENISHMENT FROM GENERATED INCOME

Initial stock Maya	30 cycles
Cost to VSA	Zero
Monthly Sales	10 cycles
Sales Volume	15.00 taka
Purchase Volume	10 cycles
Purchase Cost	11.00 taka
Retained Profit	4.00 taka

nb. This example is a system whereby a pre-set margin is agreed. The system would operate differently if cost and sale price are the same and where SMP provides the margin.

It is strongly recommended that this standard accountancy practice of replenishment to the initial stock level is established. It is anticipated that each selected VSA will have a contract defining all the conditions of her agency and its relationship with SMP. One condition would be the maintenance of monthly or bi-monthly stock replenishment.

It is possible that SMP could act as the procurement agency (in addition to the initial stock basket) for non-SMP products. How this would operate would be depended on the supply option selected. If VSA's were supplied directly through the supervisor via the depot, it would be feasible for SMP to procure a range of products. However, the consultants believe that such procurement assistance should not be undertaken.

C. Compensation/Incentives

Discussions with USAID established that salary either wholly or partially was not an option. For the present scheme, much consideration needs to be given as to how the VSA's should be adequately compensated. SMP's initial scheme involved a salary of around 750 taka plus monthly sales revenue of 300 taka. Thus a full-time salaried, heavily supervised system was geared to be a VSA income of 1000 taka per month. To achieve this income level under a strictly entrepreneurial system would be extremely difficult. In any event these estimates are probably overly optimistic. The WAD trainees are understood to earn between 300-500 taka per month in their entrepreneurial capacity.

The decision regarding the expected income level is extremely critical because it will determine margins, subsidies and so on. For practical purposes, the lowest level should be considered. This could well limit the choice of VSA's to those who are keen for additional income but are not going to be dependent upon it. This may well be the reality of the rural situation because the women in the villages have commitments to their family need and possibly to assisting their husbands in the fields. Under these circumstances, an additional income of 300 taka could well be a proposition of interest. In any event, the recruits would need to be told that income will be slow to yield and yet the opportunities (for example by the VSA setting up her own network of sub-agents) is considerable. In effect she is being given a start-up capital and a previously non-existent opportunity for which the development will be a function of her success. Thus the project will need to "sold" to the VSA.

Stockists and retailers earn their income through pre-set margins. There is some evidence that, by and large, they maintain the recommended margins and consumer prices. Under a supply situation whereby the VSA's deal directly with the retailer it has to be assumed that they would be charged the current retail price offered by that channel to the consumer. As has already been indicated the sub-retailer may have to charge a price higher than the standard retail price because that may well be the price he paid and he needs some margin. Under these conditions, the VSA can earn her margin in two ways. The first is by charging the consumer a price (agreed) in

excess of the price she (VSA) paid the retailer. The second is to charge the price paid to the retailer and to receive a margin directly from SMP. Thus in the first instance the consumer provides the profit of the VSA and in the second SMP provides.

MARGINS UNDER RETAIL SUPPLY SYSTEM

(Maya as example)

Option 1	Buy Price	1.50
	<u>Sell Price</u>	<u>2.00</u>
	Margin	0.50
Option 2	Buy Price	1.50
	<u>Sell Price</u>	<u>1.50</u>
	Margin	0.00
	<u>SMP Refund</u>	<u>0.50</u>
	Margin	0.50

The VSA could also be supplied directly from the depots via the VSA supervisor delivery system. Under these circumstances the margins could be controlled precisely. Theoretically the VSA could pay anything from zero to 1.10 (e.g. the stockist price for Maya). There is some risk in that if she receives the product too cheaply she could set up business in supplying retailers rather than consumers.

MARGINS UNDER DIRECT DELIVERY

(Maya as example)

Option 3	Buy price	1.00
	<u>Sell price</u>	<u>1.50</u>
	Margin	0.50

It should be noted that these examples are for illustration purposes only. SMP would need to consider each very carefully in the light of a variety of implications. What is very important is that in a controlled experiment the margins achieved under the three options should be the same, otherwise the test is not strictly comparable.

It should also be noted that under the direct delivery system it would be possible to supply the products free and then to have a remittance of sales value less profit back to SMP. This is considered administratively difficult and a system of purchase price to the VSA is preferred.

It is recommended that only options 1 and 2 be tested under controlled operational research conditions. This test only applies to VSA's operations under retail supply conditions. There is no need to test Option 3 since it is the only choice (unless variable selling prices were required) available.

However, it is recommended that Option 3 be accorded a margin equivalent to that of 1 and 2. This phase will be described in the section on operational research dealing with component C incentive scheme.

C1 Retail Supply - Margin via consumer
C2 Retail Supply - Margin via SMP referral
C3 Direct Supply - Controlled margin (not tested)
nb When the operations research is testing Option A1 vs. A2
(i.e. the supply logistics), the same compensation scheme
must be adopted - recommend Option C1.

nb When the operations research in testing Option C1 vs. C2
(i.e. the compensation options), the same supply scheme is
required - that is Option A1.

As mentioned previously, ideally each option would in theory generate the same monthly income potential for the VSA. This will require manipulation of margins under different product mixes (B1, B2, B3) and incentive schemes (C1, C2, C3). What is critical to the

whole scheme is to determine what is an achievable sales target for each VSA. It is generally understood that the VSA territory will be around 300 households. This will certainly be the case in the initial days during which the VSA will be active in making promotional house calls. Once this stage is over she will be able to become more static (retailer style) for this territory but could expand her territory either by herself or by using a network of sub-agents.

Nevertheless, it is relevant to look at her likely targets within a 300 household situation. No detailed information regarding prevalence is available for the remote rural areas to be covered so the data shown below are "guestimates".

"GUESTIMATES" OF RURAL HOUSEHOLDS

	%	No.	Target
Total territory	100	300	

Currently contracepting	10	30	
OC's	4	12	12
Condoms/foams	1	3	3
IUD/sterilization	5	15	
Non-contracepting	90	270	
Husband objects	40	120	
Work child etc	20	60	
Potential	30	90	
OC's	15	45	45
Condoms/foams	5	15	15
IUD/sterilization	10	30	

nb. SMP should substitute more factual dates if known. These figures are used illustratively.

According to these data, the maximum opportunity for sales is a 300 household territory would be 57 OC users and 18 condom users. However, half that figure would be an extremely optimistic number.

The potential for ORS is greater since the users can be the total population (adults and children say 1500). Again SMP may have data available concerning incidence of diarrheal disease but assuming an average of 2 session per annum, this would imply 250 monthly sessions amongst the population from which treatment by ORS could be one half. The potential for safe delivery kits is limited to the average number of births per month (say 5). Thus the total realisable sales could be as follows:

EXPECTED MONTHLY INCOME FROM SALES -- INITIAL

	Consultant Estimate TK	SMP Estimate TK
Pills 30 cycles		
Condoms		
10X12 pieces = 120	24	40
ORS 125 sachets	6	15
SDK 5 pieces	44	35
Referrals 5 cases	19	50
	<u>25</u>	<u>50</u>
	<u>118</u>	<u>190</u>
Sales of medicines (no data)	100	110
Sales of household goods (no data)	<u>82</u>	
	<u>300</u>	<u>300</u>

Thus under Product Option 1, the standard margins would yield an income of only TK 118, Option 2 an income of TK 218 and Option 3 the desired TK 300. Theoretically, therefore margins would need to be tripled to achieve the necessary TK 300 under Option 1. Clearly this is not feasible since it would open up the system to abuse (sales to retailers etc). An alternative would be to increase the margins by say 70% (to give TK 200) and to pay an expense allowance of TK 100. Option 2 would thus require the same margin increase but no expense allowance. Option 3 would require no adjustment to margins nor expense allowance.

PROJECTED MONTHLY INCOME VSA SALES

PRODUCT MIX

	<u>B1</u> TK	<u>B2</u> TK	<u>B3</u> TK
Profit from SMP sales	118	118	118
Profit from increased margin	82	82	-
Profit from medicines	-	100	100
Profit from household goods	-	-	82
Expense allowance	<u>100</u>	-	-
Total income/profit	300	300	300

IV. MANPOWER CONSIDERATIONS

A. Selection Criteria

The criteria for selection of village sales agents (VSA's) should be primarily based on a careful analysis of the tasks they will perform. As part of the overall planning of the project, the tasks of the VSAs will be defined in considerable detail. Based on these tasks the criteria/qualities will be defined. This approach relating tasks to criteria avoids the temptation to select members of a "known" group (traditional birth attendant, Woman's Affairs Division Trainees) who may or may not have the criteria/qualities related to the performance of the needed tasks.

Although SMP will need to define in detail the VSA's job description our preliminary discussions defined some of the tasks such as: keeping stock records, simple recording and adding tasks, making house calls, discussions with village women (singly or in groups) regarding products and their use, counseling of women on proper sustained product use, simple stock inventory, storage and control, etc.

In addition to the definition of tasks to define selection criteria, certain sociological criteria were taken into account in candidate selection. These include leadership qualities, standing in the community, awareness of community organization, relationships, structures.

Based on a combination of these two sets of criteria, therefore, some preliminary standards for VSA candidate selection are offered:

- o The capability to keep basic stock inventory and inventory records.
- o Capability and available time to visit, house to house, in community; this may entail that she have adequate care for her small children.
- o Persuasion and communication skills to introduce and sell SMP products to develop a number of new and later to sustain users.
- o May also need communication skills to meet with community groups to introduce new products and provide specific information for their use.
- o Capability to understand and use, to an adequate level, the product information, client use and sales promotion information; must be able to learn to carry out adequate storage, inventory and reporting requirements.
- o Residence geographically accessible to client area; with adequate periodic accessibility to supply sources.

A pre-established level of literacy was not established as a requirement. The focus of discussions with SMP was to relate selection criteria to the skills needed to carry out defined tasks. Factors

such as leadership, standing in the community, level of interest are also important to selection of a good candidate and are less able to be related directly to a particular skill or task.

Although the tasks/responsibilities of the VSA differ from those of the community health workers of the Ministry of Health, BRAC, ICCDRB and other schemes, it could be helpful for SMP to meet and interchange with these groups while in the process of defining the VSA's selection criteria. SMP could also contact USAID and other agencies working with women's micro-enterprise projects to discuss their experiences and incorporate useful information on training into the VSA project.

B. Recruitment Methods - Process

SMP will work to involve the communities in the process of recruitment and selection of VSA's. It is planned that, to initiate the process, SMP will meet with leaders and community groups in selected areas to introduce the sales distribution scheme. The proposed criteria for the identification of candidates will be presented and discussed and the community will help to identify appropriate candidates.

SMP will interview proposed candidates explaining fully the requirements of the VSA role and using techniques and exercises to assess the candidate's qualifications and factors such as leadership.

C. Training

The training and retraining of VSAs is a crucial part of the entire SMP rural sales and distribution effort. The competency - based training curriculum should be developed by SMP, based on a clear analysis and definition of the VSA's tasks. The training model will be participative, involving VSAs actively in their own learning.

Training information covered will include major content areas such as: product information, "clinical" information related to the products; techniques of person-to-person communication, promotion and sales methods; product storage, inventory and record keeping.

Training curriculum, resource and training materials, training exercises, informal pre and post testing will be developed and/or adapted to meet the specific needs of the VSA's training. Interchange with other agencies with similar training and experienced trainers should be done to strengthen the development of VSA training.

Trainers will be identified and receive in-depth preparation to develop the curriculum, carry out training and periodic retraining and later monitor performance of trainees as part of the monitoring/supervisory staff.

The initial training course should be of short duration (1-2 weeks) in two regional/local settings to minimize the time trainees need to be away from their homes and villages. Local training also helps to promote a reality based approach. It also allows practice sessions during training to be held in areas resembling the VSA's village setting.

Retraining should be periodic and should serve to increase the VSA's sales and inventory capabilities, help them solve problems and provide new product and technical information. This retraining also indirectly provides feedback of information to SMP management on the progress of the program. These monthly or bimonthly retraining sessions of 1-2 days also helps promote continued motivation of VSAs.

D. Functions of VSA's

Under the section on Selection Criteria a number of the tasks of the VSA were discussed. Some of these included record and stock keeping, making household visits, discussions of products and their proper use with clients, etc. The functions will have to be developed in detail by SMP during the preparation phase as a basis for the development of training and an appropriate management and monitoring system.

Direct contact with the village settings by supervisors, trainers and others who will develop the curriculum will give a reality base to the writing of tasks and curriculum. Visits to NGOs and commercial rural sales ventures to learn from their experiences should be programmed for the initial weeks of the preparation phase (January 1988).

E. SMP Support/Supervision

To be consistent with the sales model projected for this program, the SMP support and supervision should be seen as providing (perhaps) product, product information, promotional support and material, (leaflets) and motivation to women village entrepreneurs who promote and market SMP products.

This type of support, therefore, differs in principle from the supervisory model of community workers who are paid employees, responsible for meeting agency defined quotas, and subject to agency rules and discipline.

SMP has a good track record of providing support to stockists and retailers. This system of support will need to be extended and strengthened to meet the needs of women in rural villages who, for perhaps the first time, will be promoting and marketing certain products, providing information, and counseling, keeping stock records and inventory control, etc.

The support/supervision element is crucial to the success of the VSA operation. The tasks of the supervisor should be defined in detail in the same way as was done for the VSA. Tasks such as the oversight/review and performance, of VSA product inventory and record keeping procedures, reinforcement of product information, providing in-depth product information for client counseling, motivating and stimulating VSA for improved performance, all need to be defined.

SMP may also decide that the supervisor should assume tasks in the face-to-face promotion of the VSA's activities, i.e. meeting with community groups, groups of husbands, groups of men and women. The supervisors may also have a role in bridging the gap between retailers and VSAs. The supervisor could also contribute to the development of mass media and promotional materials. The supervisor is also crucial in providing feedback of project information to senior SMP management to allow them to assess the progress of the project and to recommend changes.

"Sociological" criteria important for the supervisors' performance would include: in-depth awareness and interest in rural client's needs, knowledge of geographical and sociological aspects of rural communities, ability to communicate effectively in rural groups and during individual interchanges. The need to travel extensively and to interact with rural women needs to be focused on to define specific communication aspects of the supervisor's role.

Ideally, the supervisors would participate actively in the development of the VSA training curriculum and serve as trainers of the VSA's. This process builds an understanding of the project, an awareness of the VSA's needs, their training and capabilities, and allows the supervisor to develop the capability to support the VSAs work and provide feedback on the progress and needed changes in the system.

In developing the project direction and the roles, training and responsibilities of VSA and supervisors, SMP should take a fresh careful look to define the specific approach which will best support the VSA project. The approach should build on information from SMPs experiences in social marketing to date, staff's other experience, new and renewed face to face interchange with women in remote rural village leaders, groups and individual women. Interchange with agencies having with solid rural development and micro-enterprise experience especially involving women should be carried out. The experience by commercial companies of sales promotion of basic products in remote rural areas should be examined for its implications for the VSA program.

This preparatory exploration will need to be done early in the pretest phase. The clarification of the SMP/VSA approach will give clear direction to establish the objectives and strategy to be followed in the development of the project.

F. Links with Central SMP Management

The VSA effort is an extension of the SMP sales effort beyond the retailer to the more distant remote rural villages. Organizationally, therefore, it should be positioned within the marketing or sales arm of SMP. This implies that the VSA effort does not require a totally separate management structure but rather develops as a part of the SMP organizational structure. This issue is discussed further in the management section.

The VSAs are the most numerous members of the project. They are supported and "managed" by a supervisors in a ratio of approximately 20:1. These supervisors make observations and collect anecdotal information to provide information to central management on the progress of the VSAs and the project. This information serves as the basis for management decision making.

Given the geographical expanse of the effort, SMP should give thought to decentralized decision making when and where possible. This may imply more training of supervisors in the review and analysis of information and in basic decision making.

G. Motivation Of VSA and Product User

TO VSA:

The intent of the project design is that the primary motivation of the VSA in her work is the profit made from the promotion and sale of SMP products. With the payment incentives built into the margin of the product costs, it is anticipated that this amount will be sufficient to motivate the VSA to stock, promote and sell SMP products. As part of the initial motivation, and until the rural women make sufficient profit to feel an adequate return, SMP should establish a well supported promotion and motivation campaign in order to create regional, local/community, and rural women's interest in the products and support the VSA's activities. The explanation of the project and its benefits to the women as sales agents should be designed to intrigue and convince prospective women agents to be involved without offering benefits and conditions which SMP cannot reasonably deliver. The possible spin off benefits (a larger eventual inventory of products as mini-retailers) should be emphasized within its reasonable opportunities for these rural women. The system of support/supervision should be as generous as possible on the aspect of support to this new cadre of VSAs. Innovative, motivational and support techniques should be sought/ developed which are specifically appropriate to the selected project area women agents. The VSA's should be interviewed frequently during the early months to solicit their needs, first hand, to improve on their support system. Technical information on products, inventory controls, stock records, etc. may need to be adapted by SMP to the literacy and understanding level of the VSAs.

To Product User:

Before introducing the product in the selected remote rural areas, a well designed promotional campaign should be mounted using local mass media (if available), printed material and meetings with community groups to create awareness of the products' availability through the VSA.

The beliefs and informational needs of the potential users should be clearly identified. User motivation should be developed to encompass not only motivation for the initial sale but include information and support for proper and continued use. This motivational support appears to be especially needed in for oral contraceptives where motivational information can help women continue through the uncomfortable and anxiety producing first months of OC use. Motivational support to explain that ORS "refills" the child's liquid level (rehydrates) but that diarrhea continues for a short time and the child will improve, will need to be considered as part of the motivational support to ORS users.

H. Media and Promotional Support

SMP will need to mount a strong media and promotional effort to support and enhance the credibility of the VSA's work. In preparation, SMP should review their media messages currently in use to evaluate their appropriateness for VSA support. New messages may be needed which would target VSA local areas and customs and "advertise" the onset of availability of products through the VSA. The development of new messages implies a detailed process of message design and testing which must be begun early. The use of Regional

radio messages and spots (if feasible) may best support the VSA effort and be less costly than a national media campaign.

Other promotional material will also need to be developed. Innovative approaches should be considered but should be based on the assessment of village attitudes, awareness, literacy levels, etc. Posters, leaflets, fliers, flags, etc. should be developed to support the VSA effort. As part of the promotion, SMP could develop a logo for a flag/sign at the VSA's house, a shield/badge for the VSA's carry bag, and a logo for the supervisor's vehicle. Current National SMP promotion materials currently in use could be amended to include a reference to VSA outlets thus serving to promote VSA outlets.

V. OPERATIONAL RESEARCH PLAN

A. Selection of Test Sites

The objective of the project in terms of coverage is to extend the availability of contraceptives and ORS to remote rural areas. This requires some clarification. Essentially the desire is to target those areas which, because of poor communications and distance are disadvantaged in terms of retailer access and hence by implication, are outside the current social marketing activity.

Clearly, it will not be easy to define in specific location terms such remote villages. To some extent it will be subjective and judgemental. It will require plotting the major markets and relating existing infrastructure conditions (road, rail, rivers) to these. It may be necessary to define a remote village as being a

minimum of, say, 10 miles from a market. There are approximately 70,000 villages in Bangladesh and, possibly, 20% of these could be classified as remote. Thus national coverage of remote village would involve as many as 15,000. As a very rough guess this would involve 3 million households out of the 16 million in Bangladesh. Working on the basis of 300 households per territory, national coverage of remote villages would therefore require 10,000 VSA's.

The SMP scheme (as originally proposed) has been agreed in principle by the Government of Bangladesh. They were anxious that the project be limited to those areas which were not adequately covered by the Government's own program. In other words, SMP have been requested to tackle the extremely difficult and remote areas. This may be too stringent a condition and SMP will need to clarify the situation with the Government. SMP accepts that they should preclude those remote areas which have an intensive NGO program.

Whilst the geographic coverage for the project ultimately should be all remote villages throughout Bangladesh, for the purposes of the operations research a selective approach is called for. It is recommended that three distinct regions be selected for the research. This will, to some extent at least, ensure that geographical bias is limited. The actual selection of the survey village sites within the selected regions can be purposive - not selected by random probability techniques. So far as is possible, they should be "average" in respect of their levels of remoteness. It would serve little purpose to concentrate on the extremely difficult or extremely easy villages within the remote village

universe. The actual number of villages is a function of the scale of the pilot to be described in the next sub-section.

B. Testing the Component Options

As described previously, the initial phase of the operations research will be to test and evaluate the options relating to supply, product mix and compensation. Each of these VSA components should be tested independently of other components. For example, the VSA team operating under A1 supply conditions should have the same precise component mixture (product mix, compensation) as those operating under A2 supply conditions. This ensures that the comparative data is a realistic comparison of A1 vs. A2 since the other items are fixed.

Ultimately on completion of the option testing phase, the best set of options will be established for all VSA's irrespective of which set they were trained on for the research. Thus when comparing A1 vs. A2 the fixed Options B, C have been set at those expected to come out on top. Thus the options testing component mixture is as follows:

OPERATIONAL RESEARCH - OPTIONS MIX

<u>Test Option</u>	<u>Fixed Option</u>
A1	B2 C1
A2	B2 C1
-----	-----
B1	A1 C1
B2	A1 C1
B3	A1 C1
-----	-----
C1	A1 B2
C2	A1 B2

Since the VSA's activity and success will need to be monitored (supervised), it is recommended that they be organized in groups of 10 such that the supervisor can be responsible for two groups. Thus is the above scheme, a single supervisor would be in charge of two groups - one testing A2 and the other testing A1. For the "B" options, it is recommended that the VSA group composition should be 7 rather than 10 so that one supervisor can control all three option groups. Since three regions are to be covered, 9 supervisors (3x3) and 183 VSA's (61x3) will be required for the option testing phase. The precise recruitment needs are shown below:

RECRUITMENT NEEDS - OR PHASE

	Area 1		Area 2		Area 3	
	Sup.	VSA	Sup.	VSA	Sup.	VSA
A1	1	10				
A2		10	1	10	1	10

B1	1	7				
B2		7	1	7	1	7
B3		7		7		7

C1	1	10				
C2		10	1	10	1	10
				10		10

Thus the evaluation of each option will be based on 30 VSA's within each. Since the proposed evaluation will simply be a relative one, this pilot sample should be adequate to the need. Unlike a sample survey, increasing the sample size is no easy matter and, already, the scheme involves almost 200 VSAs. Each of these have to be recruited, fully trained and managed to ensure a valid evaluation.

EXAMPLE OF OPTION EVALUATION

	Option A1	Option A2
<u>Average Monthly Sales</u>		
OC's cycles	30	20
Condoms pieces	120	100
Foams packets	5	10
ORS sachets	125	150
SDK pieces	5	4
 <u>Indexed Volume (example)</u>		
OC's Month protection	30	20
Condoms Month protection	10	8
Foams Month protection	2	5
ORS H'H protection	25	30
SDK pieces	<u>5</u>	<u>4</u>
	<u>72</u>	<u>67</u>

nb A more relevant index could be constructed. To some extent so long as the index is applied to all options, the relative success can be measured irrespective of how the index is devised.

In the example above, Option A1 is the most successful and, though the difference is small it would be selected as the best option for the "ideal" CBS scheme. In some cases it may not be so easy since the cost of each option may be very relevant. In those instances where cost is a definable measure, it would be appropriate to compare the options on a basis of cost effectiveness (eg. cost per sale). In these circumstances, the decision as to the "best" option may be a trade-off between actual volume and cost. For example, if the highest volume is very expensive the choice may end up with a lower volume but lower cost.

C. Project Feasibility Under Best Options

The establishment of the best options for the project's success is the first stage of the operations research program. What has yet to be determined is whether the project once operating under those best options is viable or not. Thus a period of operating under these conditions is needed so that the level of success can be compared to a previously determined benchmark. This will then give a Go/No-Go evaluation.

On completion of the options evaluation, all VSA's will be allocated to the same operating conditions in terms of supply, product mix and compensation method. It is probably useful to forewarn them of this change in the contract agreement so that they understand the changed conditions. It should be borne in mind that during the interim evaluation phase they will continue to work under their existing scheme.

It is essential that the success criteria are determined prior to the end of the feasibility stage. This is no easy matter particularly when no benchmark is available relating to contraceptive prevalence or ORS usage for the remote areas in question. The setting of target objectives are clearly more meaningful when there is a clear knowledge of the status quo. It is therefore recommended that a local CPS/ORS survey benchmark be conducted in the study areas prior even to the first operations research stage. Once the pilot is in operation, the usage pattern will already be affected and hence any benchmark needs to be conducted before any impact takes place.

The local benchmark study need focus only on those data relevant to the issue in hand. It would include method usage, brand usage for contraceptives and usage of ORS (ever, most recent, user profiles etc.). Awareness questions should also be included. No attitudinal data is required. The sample design should be such as to reflect the areas covered rather than to act as a benchmark for separate evaluation of each VSA locality. Thus it is not necessary to include all 183 VSA areas in the sample. The sample design is flexible but the following would be adequate.

SAMPLE DESIGN RURAL BENCHMARK

Area	Universe VSA	Sample Areas	Sample Size	
1	61	10	300	(1:10 households)
2	61	10	300	(1:10 households)
	<u>61</u>	<u>10</u>	<u>300</u>	(1:10 households)
	183	30	900	

It is not the intention to repeat the study on completion of the second stage of the operations research. The benchmark is designed to establish the levels of usage which can then be related to a typical territory of 300 households. In effect it will determine the pre-project levels of utilization on which the target for the project can be based. Because the way the project is designed and the management information systems set up, the targets will be volume sales not prevalence and hence a repeat survey is not necessary.

The setting of targets is always a difficult task and particularly when that target is the benchmark by which a Go/No-Go decision is reached. Much depends on the attitude of the project initiator who may range from a pessimistic to an optimistic view.

Whatever, both SMP and USAID need to agree on the target. As for the options, it is difficult to find a single measure but it is assumed that the volume benchmark can be indexed as before.

EXAMPLE OF TARGET SETTING FOR CBS

	Local Benchmark Survey	Monthly Users (300 h/h)	Benchmark Monthly Volume (300 h/h)	Target* Monthly Volume (300 h/L)
	%	No.	No.	No.
OC's	5	15	15	30
Condoms	2	6	72	144
Foams	1	3	12	24
ORS	10	30	60	120
SDK	1	3	3	6

* eg. double sales volume

Thus the average monthly sales volume during the whole of the six months evaluation phase can be compared with the target objectives. Where the results are well in excess of the target the project should be on a "go" course; if well below the project should be abandoned in its current form. Where the results are marginally worse, there may be a case for continuing but looking for improvements. Clearly, the target setting aspect need to be looked at in much greater detail. So long as the benchmark is done there is no urgency to resolve what those targets would be.

D. Evaluation

Ultimately, in the event of the project being implemented after a "Go" decision, consideration will need to be given to its evaluation. The way it has been established, the objective is primarily volume or prevalence related and no monitoring of increased awareness or better use of product is anticipated. It is possible that the current CPS and

ORS regular studies would be sufficient to track the performance of the project since details are collected regarding source of purchase. However, at this stage the consultants do not feel the need to pursue the matter in any great detail.

VI. MANAGEMENT CONSIDERATIONS

A. Timetable

A provisional work plan for the first year is shown in the Appendix. It is recommended that this be subject to regular reviews and it is anticipated that frequent progress meeting will be convened to ensure that the timetable objectives have been achieved.

During the first two years of the project's life there will be various phases which follow on a continuum. These have been summarized below (for details see Appendix).

<u>PHASE 1</u>	<u>Project Planning</u>	<u>4 months</u>	<u>Jan-April 1988</u>
	Finalization of options/components, selection of sites, recruitment/training of VSA's, recruitment/training supervisors, reconnaissance of retailers, design of MIS, benchmark study of prevalence and usage of ORS, community activities, promotional support.		
<u>PHASE 2</u>	<u>OR Options Phase</u>	<u>8 months</u>	<u>May-Dec 1988</u>
<u>PHASE 3</u>	<u>OR Options Evaluation</u>	<u>3 months</u>	<u>Jan-Mar 1989</u>
	Determination of best options, re-training of VSA's		
<u>PHASE 4</u>	<u>OR Feasibility Phase</u>	<u>6 months</u>	<u>April-Sep 1989</u>
	Operating 183 VSA's on best options scheme		
<u>PHASE 5</u>	<u>Project Go/No-Go</u>	<u>3 months</u>	<u>Oct-Dec 1989</u>
	Decision on expansion based on pre-set targets		

B. Management During Pilot Phase (2 Years)

The five phases of the pilot scheme will take two years during which time a final decision will be taken regarding whether the project is to be continued on a national basis into 1990 and beyond. Under these circumstances, it is natural to be cautious in establishing a management structure since, at a given point in time, that structure may need to be dismantled. Thus, whilst the long-term objectives need always to be a consideration, the reality of the short-term cannot be forgotten.

Nevertheless, a too conservative or pessimistic approach could be calamitous. The project's success will undoubtedly be conditional on the attitude of senior management to it. Management at all levels will need to adopt a hands-on approach to the project and to keep a firm grip on its progress. The project has to be seen throughout SMP as a unique and challenging opportunity to take social marketing to under-privileged rural areas and to make a real impact on prevalence and use of ORS. Without this interest and enthusiasm, the project would be doomed from the outset. Like it or not, it is a project which will be exceedingly difficult to execute and therefore every support is required.

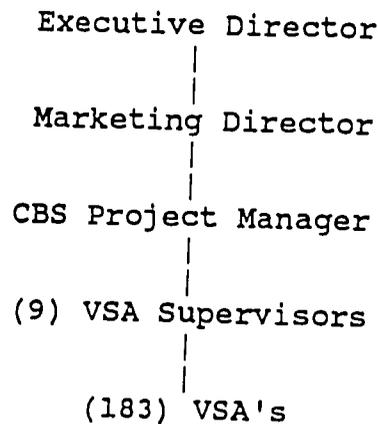
Clearly, at the very outset a project manager has to be identified. This will be a full-time activity and ideally would be a female appointment. She will need to have an excellent grasp of village life and, in particular, the role and influence of women. She will be required to spend a considerable amount of time in the field particularly during the initial phases. Yet at the same time she will need all the qualities

of a good manager. In a male dominated environment, she will need the ability to communicate with other managers in the organization and to have the ability to "fight for her project".

In this pilot phase, the CBS project manager will have direct responsibility for the VSA supervisors who will report and communicate with her. She will need to be an "available" manager who is completely up-to-date with progress in each of the pilot sites.

SMP plan that the CBS project manager initially will report to the Marketing Director. The basis of this decision is that whilst the project is still at the feasibility stage and considering the research component it is more appropriate to have it under marketing rather than sales. This appears to be sound reasoning.

INITIAL PILOT ORGANIZATION CBS



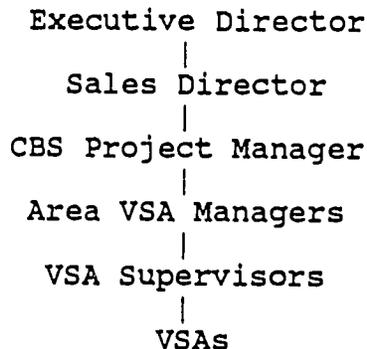
C. Management During Full Implementation Phase

The management structure under circumstances whereby the project is given the go ahead is somewhat different. There is first of all the the scale of the operation to consider. As has been described, national coverage of remote rural areas could involve up to 10,000 VSAs

and 500 VSA supervisors. Such a scale imposes a tremendous burden on any organization. At the moment, SMP are of the opinion that such a scale would require that the CBS be hired off as a separate organization. That may well be so. However, at the present time it is premature and unnecessary to react to such a decision.

Even under the extended situation, in the short term the project could most likely remain within the current organization structure. At this point the project has shifted from a feasibility study to an on-going activity. The nature of it would be an extension of the SMP sales activity and logically CBS would hence come under the direction of the sales director.

Implementation Stage Organizations



SMP have already determined that the VSA project should be located in a separate building. The advantage of this approach is that it gives the project its separate identity. There is, however, some risk that it could be counter-productive. The CBS team should not feel isolated and away from support activities. Top management structure (sales, finance, administration and so on) are supportive and allocate time and resources to assist the project manager.

APPENDICES

1. o Draft Work Plan - SMP
2. o Documents Reviewed
3. o Map of Bangladesh
4. o Organizational Chart of Sales Agent Project
5. o Proposed Format for Development of Learning Units

APPENDIX #1

PHASE I

PHASE II

ACTIVITIES	J	F	M	A	M	J	J	A	S	O	N	I
<u>Management</u>												
Define mgmt structure	—											
Write job description												
Recruit & hire P. Mgr.												
Orient and train Mgr.												
Design MIS System			—									
Develop reporting system		—										
Establish mgmt. meeting sch	—											
Hold regular reviews	—	—	—	—	—	—	—	—	—	—	—	—
<u>Operations Research</u>												
Select survey sites												
Refine options	—											
Consult with OR specialist	—											
Implement first phase												
Identify retailers		—										
<u>Other Research</u>												
Informal research	—											
CPs/Benchmark Design												
CPs/Benchmark Field		—	—									
CPs/Benchmark Processing					—	—	—					
<u>Training & Manpower</u>												
Visit select Ngos												
Collect & review training curriculum, NGO, MOH, Comm.												
Develop task list VSA & supervisor												
Recruit & select supervisor	—											
Train supervisors		—										
Recruit & train VSA				—								
Develop curriculum sup.	—											
Develop curriculum VSA	—											
Develop periodic re-training		—	—									
Retrain VSA-1 day												

2

APPENDIX # 1

PHASE I

PHASE II

ACTIVITIES	J	F	M	A	M	J	J	A	S	O	N
<u>Liaison Activities</u>											
Visit selected Ngo's											
Review lessons learned											
Review selected materials											
Visit selected local site											
<u>Establish TAG (Technical Advisory Group)</u>											
Schedule regular TAG meet	-										
Prepare & present progress		-									
<u>Community Activities</u>											
Meet with community leaders/groups	-										
Meet with VSA's and community											
Candidate pre-selection for VSA		-									
Establish VSA as vendor community		-									
<u>Promotional Support</u>											
Review current SMP messages, materials											
Conduct survey of needs	-										
Analyze survey		-									
Develop messages		-									
Test messages, materials			-								
Evaluate/Revise				-							
Begin distribution					-						

MONTH: DECEMBER

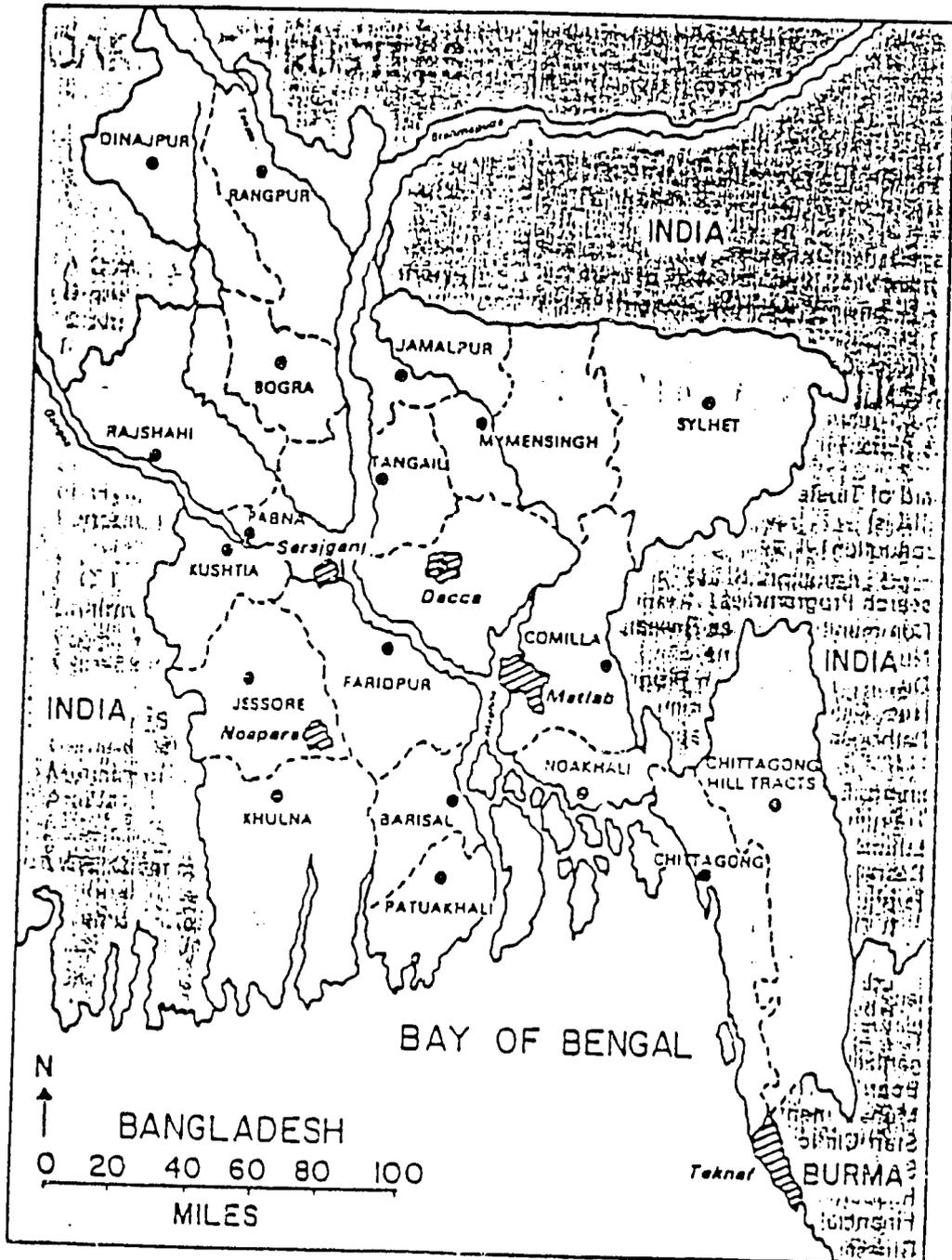
DRAFT WORK PLAN VSA

5/1

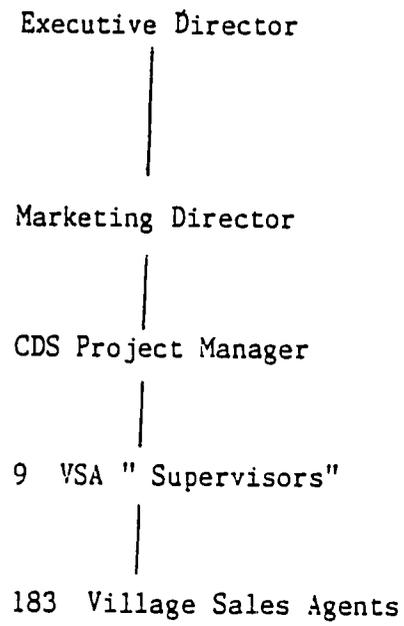
DOCUMENTS REVIEWED

- o Progress of CBS Programme - Trunk ladies - SMP/Bangladesh
- o Proposed CBS Project of SMP - SMP/Bangladesh
- o Preliminary Draft Proposal for community based sales project of SMP, FY 1987-91 - SMP/Bangladesh
- o The feasibility of a female village depot holder sub-project implemented by the Ministry of Social Welfare and Womens' Affairs of Bangladesh
David Walker, Rose Schneider/PRITECH
- o Reassessment of the Bangladesh USAID social marketing project's objectives and information needs
John E. Laing and David Walker, ISTI

APPENDIX 3



Organizational Chart
Sales Agent Project



Proposed Format for Development of Learning Units

Objective:

Tasks
Skills
Knowledge

Objective

Sub Objectives

Date & Time
Duration of Learning Unit
Content
Methods Utilized
Materials Needed
Person Responsible
Preparation
Resource Materials
Evaluation