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LAPROMED: THE NEXT STEPS TOWARD SUSTAINABILITY

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Guatemala City, Guatemala

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ACRONYMS

BASICS	Basic Support for Institutionalizing Child Survival
IGSS	Guatemala Social Security Administration
IPROFASA	Importadora de Productos Farmaceuticos
MSPAS	Guatemalan Ministry of Health
NGO	Non-governmental Organization
ORS	Oral Rehydration Salts
PASMO	Pan American Social Marketing Organization
PATH	Program for Appropriate Technology in Health
USAC	University of San Carlos
USAID	United States Agency for International Development

EXECUTIVE SUMMARY

Mr. Steve Brooke and Mr. Mervyn Hamer of Program for Appropriate Technology in Health (PATH) visited Guatemala City, Guatemala, October 21-25, 1997, in order to define the next steps to ensure the continued viability of LAPROMED's production, sale, and distribution of oral rehydration salts (ORS). This visit was a follow-up to a previous trip in May 1997, at which time it was determined that, while LAPROMED's technical capabilities remained at a high level, its business activities were inadequate to maintain or expand the existing customer base. Orders for ORS from the Health Areas were lower than projected, and the Guatemalan social security administration (IGSS) had switched their supply from LAPROMED to a competitive commercial company. As ORS comprises approximately 80 percent of LAPROMED's revenue, the financial sustainability of the endeavor was perceived as being threatened. Also, lack of orders for ORS resulted in periods of little or no production activity. Thus, LAPROMED was not fulfilling its mandate to provide a training opportunity for pharmacy students of the University of San Carlos (USAC).

During the most recent visit, the team found a substantial improvement in LAPROMED's sales and production volumes. Over the past four months, orders from the health areas of the Ministry of Health (MSPAS) have substantially increased, thus ensuring LAPROMED will produce and sell at near break even volumes for 1997.

After analyzing the strengths, weaknesses, opportunities, and threats facing LAPROMED, the team made two key strategic recommendations regarding long-term direction for LAPROMED:

1) **LAPROMED should retain key direct supplier/customer relationship with its primary public sector market segments, rather than turning over all sales, service, and delivery responsibilities to a distributor.**

2) **LAPROMED should focus on growing and diversifying sales and production of its existing product, ORS, rather than on offering new products or production capacities.**

The team then focused on creating an implementation plan for enhancing the sustainability of LAPROMED within this strategic context. The team distilled a list of six broad critical areas where action is needed to put LAPROMED into a competitive position in the public sector market:

1) Revising the relationship between LAPROMED and USAC;
2) Strengthening LAPROMED's capabilities in the areas of sales and customer service;
3) Understanding the needs of current customers;
4) Adding new customers;
5) Reducing product cost; and
6) Extending product shelf life.

These areas are interrelated in many ways, and all are directed at the necessity of putting LAPROMED on a sound business base. LAPROMED staff were active participants during the visit, and agreed with the assessment of the current situation, the strategic recommendations, and implementation plan developed for future action.

As pointed out in previous reports, LAPROMED would also benefit from additional local resources to assist them in carrying out the activities necessary to reestablish and expand their customer base. To that end, two potential consultants were interviewed to determine what services might be offered. PATH will evaluate the capabilities of the consultants and define a specific role for the individual or organization recommended.

PURPOSE OF VISIT

Based on the May assessment visit, several key objectives and activities were identified that, if implemented, would help to ensure LAPROMED's ongoing self-sustainability. These activities can be broadly grouped under the categories of customer service (both before and after sale service), business development (i.e., new customers), marketing, and distribution. In addition, the cost of LAPROMED's product was identified as a constraint in maintaining their existing market share and severely limiting the potential for new customers, especially in the public sector.

Therefore, the initial purpose of this visit, as defined in the scope of work (see Appendix A), was to define and develop a plan for specific implementation activities to address these limitations. Preliminary objectives were to:

1) Explore potential marketing and distribution partnerships with private sector firms.
2) Determine the need and process for becoming a government qualified provider.
3) Evaluate the current ORS cost structure and identify potential cost reduction opportunities, which in turn would lower the price to customers.
4) Define a role for a business consultant and interview potential candidates.
5) Identify any other technical or logistical constraints that are affecting sales of ORS, or could affect future sales.

Based on discussions with LAPROMED staff, examination of product cost figures and budgets, and with input from USAID and BASICS staff, an implementation plan was to be developed, which in turn would be formatted into a proposal for carrying out the plan.

It is important to note that LAPROMED's situation had, in some ways, changed substantially since the May assessment visit. The MSPAS health areas have recently been placing substantial orders for SueroVida. LAPROMED may now end 1997 with a record level of production and sales volume, a dramatically different outlook than seen earlier in the year, when orders were well below prior year levels.

This improvement in the short-term situation at LAPROMED allowed the PATH team to focus less on immediate, stop-gap interventions of quickly identifying a distributor and local consultant and more on longer term improvements to LAPROMED's self-sustainability.

BACKGROUND

Sales of ORS from LAPROMED have been uneven since the initiation of production. The primary reasons for the variability of sales have been conditions within the MSPAS. For example, in 1995, orders from MSPAS were interrupted due to changes in the government and associated budgetary restrictions. More recently in 1996, the MSPAS decentralized its procurement function, so that instead of one large customer in Guatemala City, LAPROMED now has to deal with 27 individual health areas throughout the country. LAPROMED's other primary customer, the Guatemalan social security administration (IGSS), recently switched ORS supply from LAPROMED to a competitor, a decision based primarily on price. Other sales of ORS from LAPROMED consist of one major contract manufacturing arrangement with ADAMED and sporadic small sales to a variety of NGOs. Thus, the situation observed during the May 1997 assessment visit was that:

1) Sales to the MSPAS health areas were less than in 1996, and projections for future sales were unknown.
2) LAPROMED's second largest customer (IGSS) had switched suppliers.

Immediate action was deemed necessary to solidify the relationship with the health areas, and to explore the opportunities of expanding the customer base to utilize LAPROMED's unused capacity better and reduce its dependence on one key customer. LAPROMED has an installed, one-shift annual capacity of approximately two million sachets.

On a positive note, the May visit confirmed that LAPROMED's technical capabilities remain strong. They have a professional management staff, and the product quality results are consistent. Despite the potential risk to consistent performance resulting from the periodic turnover of pharmacy students who work in the production and quality control areas, LAPROMED has instituted excellent training measures to ensure that procedures are followed and product quality is not compromised.

In summary, while LAPROMED has the physical capacity and technical capability to be a self-sustainable supplier of ORS to the Guatemalan public sector, lack of a strong, proactive business and customer service orientation has thus far prevented the achievement of consistent sales volumes.

TRIP ACTIVITIES

A series of meetings and interviews with LAPROMED staff were held to gather current information regarding LAPROMED's sales, customer relationships, perceived constraints, and current plans. Product cost, budget, and sales records were examined to substantiate and document the existing situation. Additional meetings were held with potential distribution partners and prospective consultants. A summary of these activities is presented below, with a complete list of contacts included in Appendix B.

Upon arrival, a meeting was held with LAPROMED, USAID, and BASICS staff to confirm the overall objectives of the trip and solicit input on how the objectives might best be accomplished.

Two prospective consultants were interviewed:

1) Eduardo Calderon is the president of CALTEC International. CALTEC emphasizes a structured approach to business processes, using well proven concepts and techniques of customer focus, management of change, and bench marking. Two members of LAPROMED staff had attended a bench marking seminar given by CALTEC.

2) Carlos Rafael Anzueto is a business and technical consultant to the food and nutrition industry. Mr. Anzueto has previously served as a consultant to PATH on the LAPROMED project and is familiar with the staff and operations there.

The purpose of these interviews was to determine the match of LAPROMED needs with the consultants' experience and capabilities.

Other activities included:

1) A meeting was held with LAPROMED and IPROFASA (Importadora de Productos Farmaceuticos), a private distribution company specializing in family planning products, to determine the feasibility of a distribution partnership for LAPROMED's ORS.
2) LAPROMED's sales history, budgeting process, and product cost structure were examined in detail. Mr. Luis Galvez, ORS production chief, maintains these records in an easily retrievable, electronic format.
3) A meeting was held with PASMO (Pan American Social Marketing Organization) to confirm interest in adding ORS to their product line and to discuss tentative timing and financing options.
4) Samples of several lots of LAPROMED ORS and their primary competitor were taken for comparative analysis in the United States. Results of the testing may be useful in regaining IGSS as a customer.
5) A wrap-up meeting with USAID, BASICS, and LAPROMED was held to discuss the findings and preliminary recommendations of the PATH team.

RESULTS AND CONCLUSIONS

Strategic Recommendations

Based on the thorough analysis of the current situation, and considering the historical perspective of the establishment of ORS production at LAPROMED, the following broad strategic recommendations were made to LAPROMED:

1) **LAPROMED should retain key direct supplier/customer relationship with its primary public sector market segments, as opposed to turning over all sales, service, and distribution responsibilities to an intermediary.**

   LAPROMED's principal customer has been, is now, and should always be the Guatemalan public health service (i.e., the 27 health areas of MSPAS). There are key benefits that exist, based on the quasi-governmental nature of LAPROMED, that could be lost if a third party were to take on the distribution and customer service functions. If these functions are not currently being met, LAPROMED should develop their own capabilities (customer service) or contract directly with private firms to undertake specific, limited activities such as delivery or promotion.

   It was originally thought that the decentralization of procurement to the health areas would require that a private distributor be identified to take on the overall promotion, customer service, delivery, and invoicing/billing functions. During the visit, however, the team found that the lack of "full customer service" from LAPROMED has not prevented the health areas from placing orders and obtaining the product. For example, the health areas often send vehicles to Guatemala City to pick up supplies of all kinds, and similarly, can pick up their ORS orders. Even for those Health Areas which do not do this, contracting with a commercial carrier is fairly straightforward, and the shipping costs can be passed on to the customer.

   Of even more importance, LAPROMED must be able to compete very aggressively on price to win and maintain its public sector customers. Even if provided with special preference as a public sector supplier, LAPROMED will be expected to keep its prices within close range of international benchmarks available to UNICEF, etc. Engaging a full service distributor to handle all customer service and promotion functions would require LAPROMED to provide the distributor with a price mark-up on the order of 20-30 percent above LAPROMED's current production cost. LAPROMED's already somewhat high costs of production simply do not create enough room for this added cost.

2) **LAPROMED should focus on growing and diversifying sales and production of its existing product, ORS, rather than on offering new products or production capacities**

In the past, consideration also was given to expanding LAPROMED's product line to other market segments, such as flavored sports drink mixes or contract manufacturing and filling into sachets of unrelated powder products. However, LAPROMED, to an even greater extent than a private sector organization, is constrained in its ability to respond rapidly to changing market conditions. In order to be effective in both production and customer service, given its limited resources and flexibility, LAPROMED needs to follow an overall strategy of maximizing opportunities within a narrow focus of customer/market segments. Closer examination of the current situation shows that LAPROMED, with some improvements in its product shelf life and its ability to compete on price, should be able to use essentially all of its current production capacity to serve the public sector, NGO, and international agency markets for ORS.

In addition, diversification of product offerings using the same equipment would necessitate more extensive cleaning validation protocols to ensure no cross-contamination between products. This would result in an overall negative impact on LAPROMED's capacity for ORS, and is therefore not recommended at this time.

Implementation Plan

To begin to actualize these strategic directions, the following set of six key areas of work are recommended for implementation over the next 6 to 12 months. The plan is summarized in a matrix of objectives, actions, responsible parties, and expected timing, followed by a narrative discussion of each of the key areas.

Implementation Plan Summary

Revise Relationship with USAC *Increase ability to compete against private sector* *Gain flexibility (and resources) for staffing* *Assure access to capital equipment needs*	• Prepare background document on economic and financial justification as well as potential options for revised LAPROMED/USAC relationship—PATH • Informal lobbying to understand concerns of USAC and prepare for formal presentation—LAPROMED and USAID • Formal presentation of analysis and options to USAC—LAPROMED with support from USAID and PATH	• Complete by early January 1998 • Ongoing • To Be Determined—goal of early 1998
Strengthen Customer Service Functions *Create formal function and obtain resources to implement* *Develop closer relationships with customers to reduce threat of competition*	• Obtain proposal from CALTEC consulting firm for customer service process training for LAPROMED—PATH • Implement customer service training and process improvement program—CALTEC and LAPROMED • Oversee program and monitor progress—PATH	• Early December 1997 • Ongoing in 1998 • Ongoing in 1998
Understand Needs of Current Customers *Become proactive in serving customer needs* *Gain critical information for decision making*	• Update overall ORS market assessment originally conducted in 1993—PATH with a To Be Determined (TBD) local consultant • Undertake primary market research with key customer segment (MSPAS Heath Areas)—PATH with TBD local consultant	• Complete by Q1 1998 • Complete by Q1 or Q2 1998
Increase Customer Base *Reduce dependency on MSPAS orders* *Balance production scheduling*	• Develop comprehensive sales and marketing plan which integrates outcomes of USAC revisions and product improvements into actions to retain current and add new customers—PATH and LAPROMED • Implement and monitor progress—LAPROMED and PATH	• Complete by Q2 1998 • Ongoing from Q2 1998
Reduce Product Cost *Win back orders from IGSS* *Become competitive for UNICEF orders*	• Review direct materials costs and identify opportunities for cost reduction—PATH and LAPROMED • Review indirect costs, including USAC fees, and reduce or restructure to allow more competitive pricing practices—PATH and LAPROMED	• Complete by Q1 1998 • Depends on revisions of USAC relationship
Extend Product Shelf Life *Become competitive for UNICEF orders* *Balance production scheduling*	• Clarify issues, evaluate existing data, and initiate any required technical studies—PATH and LAPROMED • Formally extend shelf life to 3+ years—LAPROMED	• Complete by Q1 1998 unless studies required • Complete by Q3 1998

Revise Relationship with USAC

LAPROMED clearly enjoys many benefits from its association with USAC. These benefits range from free student labor to rent-free use of the facility. However, the USAC relationship also imposes many constraints, the most critical of which is the retention of 20 percent of LAPROMED's revenues, which, as shown in the discussion of product cost, essentially acts as a 25 percent surcharge on LAPROMED's internal cost of production. While complete autonomy from USAC is neither likely nor desirable, some changes in the structure of the relationship are needed if LAPROMED is to be able to act in a business-like manner and compete in an open market.

For example, there needs to be a financial mechanism to allow LAPROMED to realize lower average per unit production costs for increased levels of production through the spreading of fixed expenses. The current financial relationship with USAC does not achieve this typical cycle of production economics, and ultimately puts LAPROMED at a significant competitive disadvantage when bidding on large orders. The team also is concerned that LAPROMED will not have the ability to access capital funds quickly for quick repair of production equipment should a breakdown occur, which in turn could threaten its overall self-sustainability.

LAPROMED and USAC need to work together to adopt changes that will result in better alignment of LAPROMED's performance and mandates (health service, educational, and financial). Specifically, the following should be presented for consideration by USAC, with supporting rationale:

1) Explore alternative fee structures between LAPROMED and USAC that will allow LAPROMED to act in a more price competitive manner.
2) Provide support for the customer service function within LAPROMED, either by authorizing additional staff or reorganizing existing staff responsibilities.
3) Explore mechanisms for future capital expenditures and investments, as equipment needs significant upgrading or replacement.
4) Evaluate mechanisms for streamlining procurement and other administrative functions. A manufacturing enterprise must be able to react quickly to the need for additional raw materials, emergency repairs, or unanticipated needs for replacement parts for equipment.

Strengthen Customer Service Functions

The establishment of a formal responsibility within LAPROMED for the customer service function has been a recurring recommendation. This function is mandatory if the long-term goal of sustainability is to be realized. LAPROMED currently is hampered in this regard by limited staff resources (of the existing four professional staff members, two are half-time employees) and the lack of formal business or customer service experience (all the professional staff are pharmacists). At the same time, the team has made the overall strategic assessment and recommendation that LAPROMED must retain its role as prime contact with its customers.

Based on initial impressions of PATH and LAPROMED, the CALTEC consulting firm appears to be a good choice to assist LAPROMED with institutional strengthening in the customer service area.

Therefore, it is recommended that:

1) The customer service function be formally created and assigned. It is not envisioned that this would be a full-time position, and it could be staffed through a part-time hire or by rearranging the responsibilities of existing staff and providing the necessary training (by a consultant) to the person assigned to this responsibility.
2) Simple sales, market analysis, and customer service systems be developed and put in place to give structure to the function and to provide a basis for analysis and adjustment to strategies as necessary.

Understand Needs of Current Customers

In order to strengthen the existing relationship with the 27 health areas, and to reach a position that does not depend solely on the intervention of the USAC Rector, USAID, or any other institution, LAPROMED needs to develop a deeper understanding of the health areas' needs. This should be done so that they will be in a strong competitive position compared to other ORS manufacturers who are already, or may become, qualified providers to the government. Such factors as price, delivery, availability, and lead times need to be discussed with the health areas to determine which of these are of primary importance when selecting suppliers. With regard to this critical issue, the following specific activities are recommended:

1) Update the 1993/94 broad market assessment.
2) Conduct focused market research with key MSPAS customer base.

Increase Customer Base

LAPROMED's overall goal should be to maximize the utilization of its two million sachet annual capacity. This would achieve its three mandates of:

1) Being a principal supplier of ORS to the Guatemalan health system.
2) Providing the opportunity for USAC School of Pharmacy students to gain experience in an industrial pharmaceutical manufacturing environment.
3) Achieving financial sustainability.

In order to reach this goal and to satisfy the mandates, LAPROMED needs to expand its customer base to other governmental and non-governmental entities such as IGSS, UNICEF, and PASMO. All of these organizations have expressed interest in purchasing from LAPROMED, and the combined demand, along with the MSPAS volume and the ADAMED contract manufacturing, easily would fill their unused capacity. Indeed, it might require that LAPROMED

consider expanding its capacity by adding a second shift of production in the sachet filling area. Furthermore, PASMO offers a convenient and attractive mechanism for export, as they have a Central American regional focus and distribution network. The specific recommendations related to this issue are:

1) Develop customer and sales volume objectives.
2) Formulate a marketing strategy.
3) Identify key actions.
4) Use measurement indicators and controls to track progress against the plan.

Reduce Product Cost

Product pricing always will be a critical determinant of market success, especially in the price sensitive public sector market segments in which LAPROMED operates. Therefore, it is necessary that the LAPROMED ORS product be priced competitively. Since LAPROMED is not a private company required to generate profits for its owners/investors, product cost is the major determinant of product price.

Based on this analysis, the following actions are recommended:

1) Review raw material costs, especially glucose and packaging foil, to determine if current costs compare favorably with international benchmarks. Evaluate alternate sources or different grades of materials to see if costs can be lowered without sacrificing quality.
2) Examine LAPROMED's indirect cost components to determine which are "real" costs and which may exist only as "theoretical." Revise those that should not be considered, given LAPROMED's unique status as an educational/manufacturing organization.
3) Evaluate alternative mechanisms for revenue flow to USAC.

Extend Product Shelf Life

SueroVida currently carries an expiration date of two years from the date of manufacture. This fact has two main negative consequences:

1) It prevents LAPROMED from selling to some customers which require a minimum of three years from manufacture date to minimize losses due to expiry.
2) It prevents LAPROMED from building inventory during times when orders are low, as they fear the product would be unsalable to any customer if the remaining shelf life was only 18 months or less.

Paradoxically, the ADAMED product, which is exactly the same as SueroVida in all respects, carries a four-year expiration date. It is clear that the ORS product manufactured by LAPROMED is stable and meets all specifications for more than three years. The apparent barrier to assigning this expiration period to SueroVida is the occasional finding of lots which

tend to cake or harden over time. This caking does not affect the usability of the product, as it will still readily dissolve in water, but is seen by LAPROMED as a negative customer perception issue. It is surmised that a longer expiration period would result in more batches caking in the two to three year interval; hence, this contributes to LAPROMED's reluctance to extend the dating. Therefore, the following actions should be taken:

1) Clarify the issues and requirements to extend the expiration dating.
2) Evaluate existing data to assess extent and severity of the caking problem.
3) Undertake studies of alternate material grades (e.g., granular glucose) or higher moisture barrier packaging material (if required, based on the above assessments).
4) By the end of 1998, justify extending the expiration period to at least three years.

SUMMARY

Additional orders recently placed by health areas to implement a new program have, at least temporarily, filled LAPROMED's capacity for the next few months. However, long-term viability is still subject to basic market forces, and it is recognized by LAPROMED management that the customer service aspects of the business cannot be ignored or left to chance. There remain significant additional opportunities to expand the market for SueroVida, but fundamental changes, as described above, will be needed to pursue these opportunities. In the short term, the assistance of USAID, BASICS, PATH, and local consultants will be useful and necessary, but in the long term, LAPROMED staff must take control of the key elements of customer service, as they have successfully done in the technical areas, if they are to achieve their vision.

APPENDIXES

APPENDIX A
Scope of Work

Scope of Work: Continued Assistance to LAPROMED in Business Development and Technical Improvements

Background

During an assessment visit in May 1997, it was confirmed that, while LAPROMED continues to be technically sound in manufacturing Oral Rehydration Salts, its business development capabilities are weak. Changes in government procurement policy coupled with LAPROMED's failure to cultivate additional customers have eroded sales to the point that future economic viability of the ORS production is threatened. The assessment team identified a series of technical, market development, and organizational capacity building activities which, if followed, will place LAPROMED on a firmer business foundation and restore sales volume to an acceptable level.

Proposed Scope of Work

In order to develop an implementation plan for the recommendations in the May 1997 report, a follow-up visit to Guatemala City is proposed. The visit will have two primary objectives:

1. **Develop a Detailed Implementation Plan**

   A key aspect of the implementation plan will be the development of a long-term strategic plan to ensure continued viability for LAPROMED. Options to be considered might include continuation of the status quo (if the short-term implementation plan results in lasting improvements), privatization, merger, joint venture, or contracting for services. The preliminary strategic plan recently developed by LAPROMED will serve as the basis for this exercise.

   The activities identified in the May assessment report need to be further developed and prioritized, and responsibility for each needs to be assigned. This implementation plan will be in the form of a matrix and time line, with specific objectives and target dates for each assigned activity. Likely responsibilities will be as follows:

   - Explore marketing and distribution partnerships: PATH (and local business consultant)
   - Submit documents to become a government qualified provider: LAPROMED/ University
   - Meet with IGSS to determine conditions for renewed supply: LAPROMED
   - Explore supply to PASMO and UNICEF: PATH (and local business consultant)
   - Evaluate product cost elements for cost reduction potential: PATH (and local business consultant)

   The implementation plan will focus on near-term activities (approximately six to twelve months) necessary, within the context of the strategic plan, to return LAPROMED sales to a level of sustainability. Measurement and monitoring tools will be used to assess progress toward meeting the objectives agreed upon.

2. Identify Local Business Consultant

It is clear that LAPROMED lacks the necessary resources to establish and implement a business plan. Such basic elements as sales forecasting, marketing, and distribution planning have been practically nonexistent. Attempts to obtain assistance in these areas from the University of San Carlos or informal sources have been unsuccessful. While PATH will be responsible for overall implementation of the plan, we feel it will be critical to have a local business consultant as part of the support team for LAPROMED. This approach will reduce overall project cost by reducing the need for PATH team time in country, create better day-to-day support and follow-up with LAPROMED, and create local relationships with more potential for self-sustainability. A primary objective of this PATH team visit would be agreement on a final scope of work for the business consultant, identification of the consultant, and establishment of terms and performance expectations. The consultant's scope of work will include such elements as:

6. Assist in preparation of accurate standard cost for ORS production at LAPROMED. Identify potential areas for lowering product cost.
7. Train LAPROMED staff in business management practices such as cost tracking, budget preparation, and capital asset planning.
8. Assist LAPROMED in preparing governmental paperwork to become a qualified provider.
9. Evaluate opportunities for contract manufacturing/filling of other powder products.
10. Assist LAPROMED with their tasks in the development of a comprehensive marketing plan to address both current and new customers, as well as contract manufacturing opportunities.
11. In coordination with the marketing plan, develop a distribution plan to ensure efficient, timely transport of product throughout the country.
12. Assist in development of a longer term business plan to guide overall efforts of LAPROMED.

Deliverables

- A detailed implementation plan, based on the recommendations in the May 1997 PATH Assessment Report, including objectives, responsibilities, and timeliness. Also included will be a listing of broad options for the long-term strategic plan, with advantages, disadvantages, and constraints identified for each option.
- A scope of work, terms, and performance expectations for the local business consultant.
- Cost proposal to BASICS/USAID to complete the identified activities, including PATH's role as implementing agency with support of local business consultant.

Personnel

PATH proposes a two-person team for this visit.

Mervyn Hamer is PATH's Technical Director responsible for pharmaceutical manufacturing and quality issues. Mr. Hamer's background includes responsibility for all aspects of pharmaceutical manufacturing, including production planning, product cost development and control, facility planning, and human resource development.

Steve Brooke is PATH's Program Officer responsible for financial and marketing planning for medical devices and pharmaceutical products, as well as intellectual property issues associated with those products. Mr. Brooke's background includes private sector medical product sales and marketing experience, development of new business ventures, and negotiation of complex licensing and distribution agreements.

Curricula vitae for Mr. Hamer and Mr. Brooke are available on request.

Budget

For this specific scope of work, a one-week (4 working days, 1 travel day) visit to Guatemala is proposed, with one additional day for trip planning and two additional days for report writing and follow-up.

APPENDIX B
Contacts List

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Contacts List

BASICS DC
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BASICS Guatemala
Roberto Aldana Garcia, Ph.D., Country Advisor

CALTEC International
Eduardo Calderon R., President

IPROFASA
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Lic. Luis Galvez, ORS Production Chief
Licda. Lesbia Arriaza, Liquids Production Chief
Licda. Azucena de la Roca, QC Chief

OSMOSIS
Carlos Rafael Anzueto

PASMO (Pan American Social Marketing Organization)
Ms. Michele R. Cato, Regional Representative

USAID Guatemala
Dr. Baudillio Lopez, Health and Education Officer
Patricia O'Connor
Licda. Anabella Sanchez