PN-ACE-837

101189

CIES/Bolivia
CI92 26A & CI94 25A

A Comparative Study of Three Strategies to Improve the Sustainability of a Bolivian Family Planning Provider

FINAL REPORT

July 1, 1992 – July 31, 1994

This project was funded by the U S Agency for International Development Office of Population, under Contract No AID/DPE-3030-Z-00-9019-00 Strategies for Improving Service Delivery/Operations Research and Technical Assistance in Latin America and the Caribbean (INOPAL II) Project Number 936-3030, and by USAID/Bolivia under Project Number 511-0568

A

FINAL REPORT

A COMPARATIVE STUDY OF THREE STRATEGIES TO IMPROVE THE SUSTAINABILITY OF A BOLIVIAN FAMILY PLANNING PROVIDER

CENTRO DE INVESTIGACION, EDUCACION Y SALUD (CIES)

Contract number CI92 26A and CI94 25A

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" CIES "

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EXECUTIVE SUMMARY

Since its creation in 1983, CIES (Centro de Investigacion, Educación y Salud) has provided health and family planning services to a target population whose limited economic resources have effectively placed them outside the national public and private health care systems It is, however, the very poverty of this population that has limited CIES' options in responding quickly and creatively to its previous cuts in financial assistance from its principal donors, Pathfinder, IPPF, and FPIA

In July, 1992 CIES, with financial and technical assistance from The Population Council, through the INOPAL II/Bolivia Program, launched an operations research project, "Three Strategies to Improve the Financial Sustainability of CIES", in order to develop income generating strategies that will enable it to become more financially self-sufficient, thereby facilitating the cross-subsidization of quality health and family planning services to its primary target population The results of this study will provide CIES and other donor-dependent service providers throughout Bolivia with a solid empirical basis for evaluating the feasibility the appropriateness of different income generating strategies

The project consists of three components a market study, to determine the feasibility of three potential income-generating strategies, the design, implementation, and evaluation of the strategies themselves, and the development of a promotional program for the upper-middle class women's health and counseling center

To examine the feasibility of the three strategies, a market study was carried out among middle-upper class women and health providers in Bolivia The study examined the current and desired availability of health care services, information services, and quality of care of services The results of the study revealed an overwhelming dissatisfaction with women's health services in La Paz The study also identified a high demand for services generally perceived as falling outside of the traditional domain of the gynecologist These include professional counseling, individualized crisis management for victims of sexual or other abuse, as well as, educational seminars on a variety of women's health issues

Over a two year period, CIES implemented two income-generating strategies in Bolivia, the opening of an up-scale clinic in a upper-middle class neighborhood of La Paz, and the establishment of

a laboratory in Oruro [1] Due to the fact that there were delays in implementing the two income generating strategies, only eight months of data have been collected Thus, is not sufficient data for extensive comparative analysis, however, these strategies were analyzed in terms of current increases in service delivery and projected ability to generate income, as well as replicability In the case of the up-scale clinic, effectiveness of different promotional and advertising strategies were analyzed

The study results regarding the eight months of service provided at the middle class women's clinic **Vitalidad** and the laboratory reveal a slow but steady increase in use of services and income generated

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[1] The third income generating strategy initially proposed, the triage strategy, was eliminated based on results from the feasibility study The women interviewed stated that they would not accept medical attention from a nurse and that they preferred to be seen by a doctor

I. INTRODUCTION

A. Socio-demographic Situation in Bolivia

Bolivia currently has one of the highest rates in infant and maternal mortality in Latin America, yet the use of family planning, which could reduce these rates dramatically, remains alarmingly low

According to the 1989 Demographic and Health Survey (DHS), only 30 percent of women of reproductive age practice some form of contraception Less than 12 percent use a modern method But even these figures exaggerate contraceptive use among large subsector of the Bolivian population In the Altiplano (Departments of La Paz, Oruro and Potosi), for example, overall contraceptive prevalence barely reaches 25 percent (RTI 1991) Moreover, this region, which represents over half the country's total population, manifests little awareness of modern contraceptive methods According to the 1989 DHS, only 8% of the women reported any knowledge of condoms, while the IUD--the most widely used modern method in the Altiplano -- was only recognized by less than 24 percent of women

B Background on CIES

Since its creation in 1983, CIES, a Bolivian NGO, has provided health and family planning services to men and women whose limited economic resources have effectively placed them outside the national public and private health care services Yet it is the very poverty of this population that limits CIES' options in responding quickly and creatively to cuts in financial assistance from its principal overseas donors

Providing health and family planning services to the urban and periurban poor of the Altiplano has been a major goal of CIES since its creation in 1983 Today, CIES continues to meet that goal by providing services to more than 30,000 people annually Through its network of eight urban-based clinics four in metropolitan La Paz, one in Oruro, one in Sucre, one in Potosi and one in Santa Cruz CIES serves a population that, if employed at all is predominantly self-employed in the informal sector and whose household income levels average between Bs 80 and Bs 600 per month (equivalent of US $20 and $125)

Due to their target population's income CIES' clinic-based program of health and family planning services had, since its inception, relied almost exclusively on outside donor funding CIES' principal donors, Pathfinder, FPIA and IPPF, contributed more than $650,000 during the three year period 1989-1991 -- all of which was

used for the provision of medical, laboratory and IEC services

Given the long-term reliance on donor funding, CIES was hard hit by the decisions of all three donors to reduce substantially their 1991-1992 funding levels Confronting these dramatic cuts with little experience in either cost recovery or income generation, CIES has tended to focus its efforts almost entirely on reducing costs What CIES needed was a strategy for generating income that could compensate for cuts in donor funding yet at the same time enable the institution to continue serving its primary target population But CIES faces at least three major constraints in its effort to generate additional income The first is the limited resource base of its principal target population, the second is its inability to increase client load under its clinics' present management system, the third is the limited scale of its fee for services laboratory

Research over the past few years has demonstrated the extent to which family planning providers can increase financial self-sufficiency through cost recovery strategies Much of this experience, however, suggests that economic success depends on maximizing economies of scale, such as through employment-based programs with sizeable worker populations or through umbrella programs that provide services to multiple recipient organizations Unfortunately, such scales are rarely present in smaller countries such as Bolivia

In July, 1992 The Population Council, through its INOPAL II Program, launched an operations research project to assist CIES develop, implement and assess the sustainability and economic impact of introducing high quality middle class women's health on a small scale basis, but at prices considerably above those normally charged by CIES, and of the establishment of a laboratory at CIES' clinic in Oruro The Population Council assisted this Bolivian family planning provider to develop and compare income generating strategies in order to become more financially self-sufficient and thereby cross-subsidize the provision of quality health and family planning services to its primarily low-income target population

This report summarizes INOPAL II's assistance to CIES in the design and implementation of this project and details the major findings and conclusions of this operations research project

II. Operations Research Project

The long term objective of the present operations research project was to assist CIES develop income generating strategies that will enable it to become more financially self-sufficient, thereby facilitating the cross-subsidization of quality health and family planning services to its primary low-income target population

The immediate goal of this study was to design and implement the three independent income generating strategies, in order to compare the relative cost effectiveness of each

1 The establishment of an up-scale clinic for middle and upper class women

2 The introduction of a triage system within CIES' San Pedro clinic

3 The establishment of a laboratory at CIES' clinic in Oruro

Each of these strategies responded to the three institutional constraints identified by CIES (as stated in the introduction), yet each is broadly applicable to any donor dependent family planning service provider whose target population consists primarily of urban and periurban poor

A. Study Design

The study was initially designed to be carried out in 17 months, however, due to over a year delay in completing the market study and implementing the two strategies, the project was extended for 8 additional months The project was divided into two phases, the first phase consisted of the market and feasibility study of the three proposed strategies and the second phase was the design and implementation of these income generating strategies

The study adopted a time series design providing data on each of the two strategies that were implemented The data was collect from the following,

Laboratory in Oruro

1) Market feasibility study carried out in Oruro that assessed local demand for a laboratory facility and identified strategies for marketing laboratory services to local clinics

2) Routinely collected data on costs per laboratory analysis, total caseload and overall revenues to data

3) Routinely collected data on the cost-effectiveness of different promotional strategies

Middle-Upper Class Women's Clinic

1) Market feasibility study which assessed and/or defined the demand for an upscale clinic The study identified the target population to be served by the clinic, an appropriate location for the clinic, type of service provision desired by the target population, and a suitable image for promoting the clinic to higher fee paying clients

2) Routinely collected data on the costs of the upscale clinic, numbers of patients, numbers of clients per service offered, and revenue

3) Routinely collected data on effectiveness of different promotional strategies All new clients were asked to identify how they learned about the clinic and which promotional medium (if any) prompted them to visit

4) Anecdotal information collected from the staff of the clinic (and from the client opinion surveys) regarding patient attitudes towards the new clinic, start-up difficulties, changes in initial design, etc This information will also provide other family planning providers with a qualitative understanding of the feasibility of introducing and upscale clinic as a income generating strategy

B. Description of Interventions

The project consists of three components a market study, to determine the market and feasibility of three potential income-generating strategies and a business plan, the design, implementation, and evaluation of the strategies themselves, and the development of a promotional program for an upper-middle class women's integrated health center

1) Market Feasibility Study and Business Plan

Under the direction of the Project's Principal Investigator, CIES carried out market feasibility studies for the middle-upper class clinic, the triage system and the laboratory The objective of the studies was to assess market demand for each intervention and determine how best to maximize that demand (through promotional materials, location and services offered)

To assess demand for the upscale clinic, the market study identified the potential target populations, estimated their capacity to sustain the clinic by paying higher fees, and develop a profile of the target populations with regards to interests, exposure to media and satisfaction/dissatisfaction with previous health facilities, etc The same strategy was used in determining the potential success for the laboratory in Oruro

Based on the results of each market study, the Principal Investigator along with the Assistant Investigator prepared a business plan for the clinic and laboratory interventions The goal of this exercise was to set caseload targets and pricing schedules so that each venture is able to reach break-even within one year The business plan also identified, based on the market feasibility study, strategies for promoting the clinic and laboratory The plan included timetables of events and cost estimates for the development and implementation of the strategies Unfortunately, the business plan was somewhat optimistic and the estimate for break-even with in one year will not be obtained

During the first phase of this OR project, the Principal Investigator also carried out a patient flow analysis at the San Pedro clinic He identified the bottlenecks in the current system and assessed the impact of clinic policies and procedures regarding operating hours and use of staff resources Data gathered during the patient flow analysis demonstrated that a triage system would not be feasible at the San Pedro clinic Apparently, clients wanted to receive medical services from the doctor and that the nurse providing care would not be acceptable

2) Design and Implementation of the Strategies

The selection of the location for the middle class women's clinic was based on several prerequisites such as, residential zone and centrally located in the city of La Paz, at least three rooms and one bathroom, rent not higher than was originally budgeted, parking available to clients

Before implementing the strategy, CIES along with a professional design company discussed and created a corporate identity for the clinic The middle upper class clinic's design was different from the CIES clinics in that it has its own name and image CIES subcontracted a professional design company, Grupo Design, to design the image (logo, corporate colors, etc), decorate the clinic and create promotional activities This company also assisted in the design of all the promotional strategies

The location for the laboratory in Oruro was selected due to the fact that it was close to the CIES clinic, it completed the requirement of at least two rooms and a bathroom and the rent coincided with the originally budgeted amount

In the project budget, money was given for furniture and a few pieces of equipment Both strategies also received some donated equipment from Direct Relief International Unfortunately, many of the items needed repair or were too old to be utilized Thus, CIES had to pay for the repairs or replace the needed equipment from their own budget This added to the delays in the opening of the clinic and the laboratory as initially scheduled

CIES was also responsible for contracting and training the staff for the clinic and the laboratory in Oruro As proposed in the project paper a female ob/gyn, a female counselor (psychologist), a female nurse with experience in women's health and a secretary/receptionist were contracted to work in the middle class women's health center in La Paz and trained by the Principal Investigator and the Medical Advisor of CIES The personnel contracted for the laboratory were a qualified biochemist, with experience and an assistant, who were trained in La Paz in CIES's laboratory in El Alto

3) Promotional Strategies

Once the decision was made to proceed with the clinic and laboratory interventions, the Principal Investigator and Research Assistant initiated the development of promotional strategies Due to (political) problems of the laboratory, it was decided that mass media would not be used in promoting the laboratory in Oruro Thus, printed materials/propaganda of services offered were distributed

The Population Communications Services (PCS) of The Johns Hopkins University Center for Communication Programs provided technical and financial assistance to the project in the development and production of promotional materials Along with assistance from PCS, the Vitalidad staff prepared a promotional strategy (Appendix 3) The messages emphasized quality care and personalized and individualized attention Furthermore, messages included services that are not traditionally offered in women's health clinics in La Paz, such as, dermatology, nutrition (endocrinology), cardiology, as well as counseling services and educational talks

III STUDY RESULTS

A Market/Feasibility Study

To gauge the demand and price elasticity of high quality women's health care and laboratory services, CIES completed a market study among 400 middle and upper-middle class women in La Paz, the site of proposed service delivery point The market study examined the current and desired availability of contraceptive methods and information services, the technical competence of medical staff, the quality of interpersonal relations between clients and medical staff, and the mechanisms available to ensure a continuity of convenient and acceptable services

The results of the CIES' market study reveal an overwhelming dissatisfaction with the women's health services in La Paz Indeed, during the 12 months prior to the study, one out of every five women interviewed had switched gynecologists -- the main provider of women's health care services in Bolivia In the vast majority of cases, the decision was prompted by incorrect diagnoses (60 percent) or by a lack of confidence in the treatment proscribed (25 percent) -- findings consistent with the overall importance placed by the respondents on the technical competence and personalized attention of medical staff

In addition to highlighting overall dissatisfaction, the study identified a high demand for services generally perceived as falling outside the traditional domain of the gynecologist These include professional counseling (especially for adolescents), individualized crisis management for victims of sexual or other abuse, as well as accurate, objective information on a broad range of contraceptive options

The study identified a series of measures designed to enhance the accessibility of health care services to women
All include simple, but still uncommon features among Bolivian health specialist such as flexible operating hours on Saturdays, evenings and during the mid-day break when most Bolivian business close, reliable telephone appointments, and a convenient clinic location accessible to public transport, parking facilities and places of work

Based on the market feasibility study, a business plan was developed which included strategies for promoting the clinic and laboratory The plan also included timetables of events and cost estimates for the development and implementation of the strategies

From this study it was estimated that the clinic could have as many as 2,212 visits and generate approximately Bs 140,241 00 in the first year These figures were based on the clinics ability to capture 5% of the targeted population - middle or upper class women in reproductive age The service they expected to provided were, 1,168 gynecological visits, 864 sonagrams, 180 IUD insertions and other additional services

The laboratory services were estimated at 2,296 exams during the first year of service provision This total was based on 578 Papanicolaou exams, 280 pregnancy tests and 1,440 other laboratory exams The estimate income generated from these services was approximately Bs 18,340 00 Based on these projections it was calculated that the clinic would reach its break-even point in the third year with an estimated 7,971 exams

Unfortunately, the business plan was somewhat optimistic and furthermore due to delays in implementing the strategies, the women's center and the laboratory were only in operation for eight months, not nearly enough time to reach the break-even

During the first phase of this OR project, the Principal Investigator also carried out a patient flow analysis at the San Pedro clinic He identified the bottlenecks in the current system and assessed the impact of clinic policies and procedures regarding operating hours and use of staff resources Data gathered during the patient flow analysis demonstrated that a triage system would not be feasible at the San Pedro clinic Apparently, clients wanted to receive medical services from the doctor and they stated that they would not accept service provision from the nurse

B Vitalidad Women's Clinic

In October 1993, CIES opened La Paz's first integrated women's health center, **Vitalidad** Interest in the project attracted financial and technical support from other reproductive health collaborating agencies such as Population Communication Services (PCS), Management Sciences for Health (MSH), and International Planned Parenthood Federation/Western Hemisphere (IPPF) Designed to offer high quality health care, **Vitalidad** represents an important first step in providing women with the services and attention they desire The lessons learned from the market study were applied to the design of the women's center **Vitalidad.**

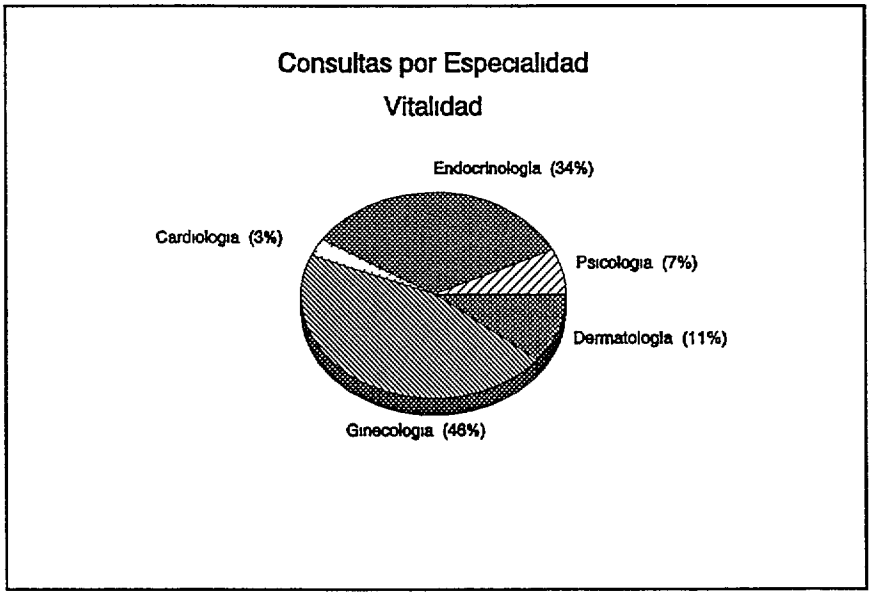
The preliminary results have demonstrated the need for entrepreneurial behavior and business-like operations of NGOs if they are to compete with for-profit providers This project has shown, however, that it is often not easy for NGOs to change their administrative and management styles which typically reflect the

requirements of foreign donors more than the demands of entrepreneurial efficiency

Additionally, it has been made apparent that the interests of upper-middle class Bolivian women differ from those of the lower-income clients traditionally served by NGOs In providing quality services for the upper-middle class, **Vitalidad** has found it important to provide an integrated package of health services including ob/gyn, cardiology, dermatology, cosmetology, nutrition, as well as counseling services and educational seminars This integrated approach to providing services has proven successful in large part because it has allowed **Vitalidad** to avoid competing directly with well-established ob/gyn physicians In effect, **Vitalidad** has created its own unique market niche by offering services not found through traditional channels

Data analysis of the first eight months found that women used services other than gynecology As demonstrated in Figure 1, 46% of the women attended Vitalidad for gynecological/obstetrical visits, while the remaining visits were as follows, 34% endocrinology, 11% dermatology, 7% counseling, and 3% cardiology

FIGURE 1



From this study it was estimated that the clinic could would have as many as 2,212 visits and generate approximately Bs 140, 241 00 in the first year These figures were based on the clinics ability to capture 5% of the targeted population - middle or upper class women in reproductive age The service they expected to provided were, 1,168 gynecological visits, 864 sonograms, 180 IUD insertions and other additional services

An initial analysis of the information generated during the first eight months of service delivery in **Vitalidad** was carried out in order to monitor the projects progress against the programmed goals During the first eight months of services, **Vitalidad**, provided medical services to 178 patients (81 gynecological and 87 other), and 124 complimentary services, [2] which generated approximately Bs 10,318 - (See graphs X and Y) According to the original market study and business plan Vitalidad was expected to have 2,212 visits, however, in total only 302 visits were carried out Vitalidad has only reached 21% of the expected goal for the initial eight month period (1475 visits were to be expected in the first 8 months)

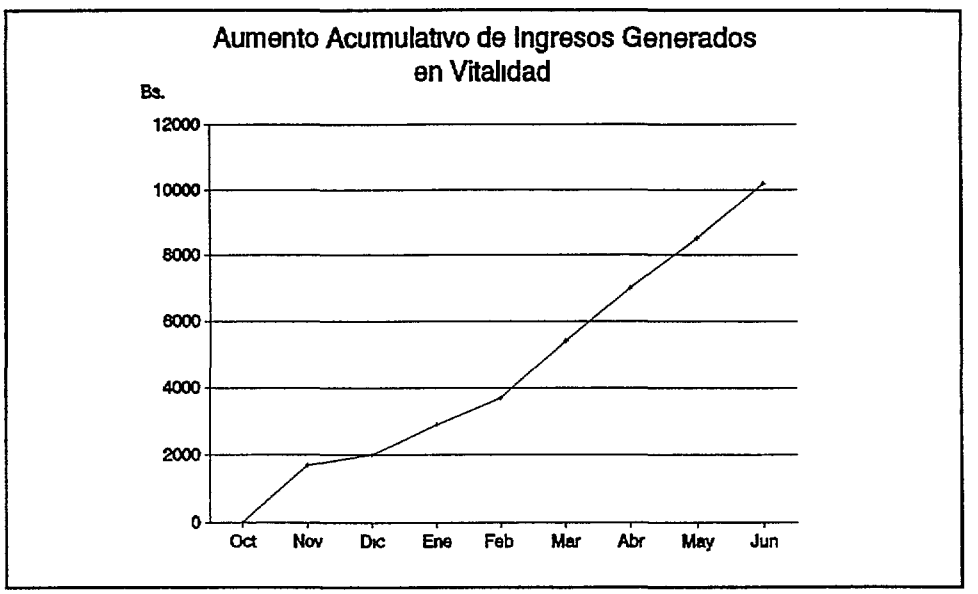
After a couple months of service provision the CIES technical staff, Vitalidad personnel and an economist reviewed and modified the very ambitious original market study and business plan According to the revised business plan the goal for the first year of services was 451 medical visits and 341 other visits (laboratory, physical therapy, cardiogram, sonogram, fetal monitoring, etc) During the first eight months of service provision Vitalidad received 302 patients Based on these new goals from the modified business plan, Vitalidad has generated 60% of what was programmed for medical attentions in eight months and 57% of all activities programmed in eight months (this includes all complimentary services)

FIGURE 2
CUMULATIVE NUMBER OF VISITS/SERVICES PROVIDED BY VITALIDAD

[2] Complimentary services consists of fetal monitoring, electrocardiogram, biopsy, sonogram, physical therapy and dermatological therapy

Although the amount of income generated by Vitalidad is much lower than expected according to the market study, the monthly income has been steadily increasing since the inauguration of the health center As seen in Figure 3, Vitalidad has experienced a stable increase in the income generated by its activities over the last eight months, with the exception of the month of December which is normally a slow month in Bolivia

FIGURE 3
CUMULATIVE INCOME GENERATED BY VITALIDAD



In terms of the income generating goal set in the original business plan, Vitalidad has not been very successful in the first 8 months Vitalidad's income for the first 8 months was Bs 10,318 or 11% of what was expected The main reason for this low percentage is due to the fact that they were charging lower fees that what was programmed In addition, the service such as IUD insertion were almost nonexistent The market study assumed that more than 20% of the income generated by Vitalidad would be dependent on IUD insertions, which has not proven to be true In addition, CIES originally set prices lower than what was stated in the business plan CIES also initiated a cost sharing policy with other specialist Although this policy has brought clients into the health center, it has not generated the expected income necessary for the goals of Vitalidad

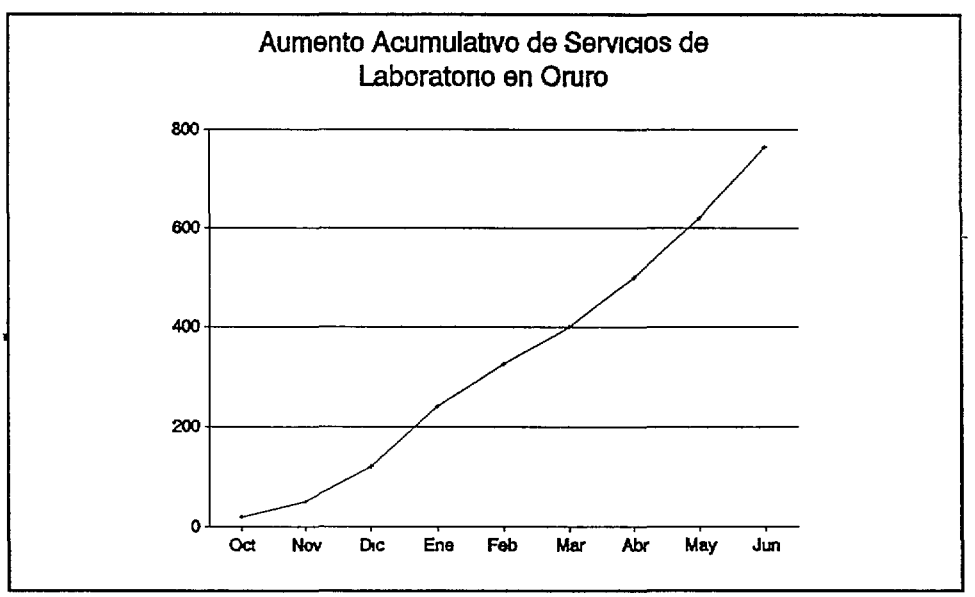
C Laboratory in Oruro

The laboratory services were estimated at 2,296 exams during the first year of service provision This total was based on 578 Papanicolaou exams, 280 pregnancy tests and 1,440 other laboratory exams The estimate income generated from these services was approximately Bs 18,340 00 Based on these projections it was calculated that the clinic would reach its break-even point in the third year with an estimated 7,971 exams

Services have been increasing on a monthly bases as demonstrated in Figure 4 The laboratory has analyzed over 760 exams since its inauguration in November Now that the laboratory has been moved to the clinic in Oruro, service provision have increased even more than the previous months

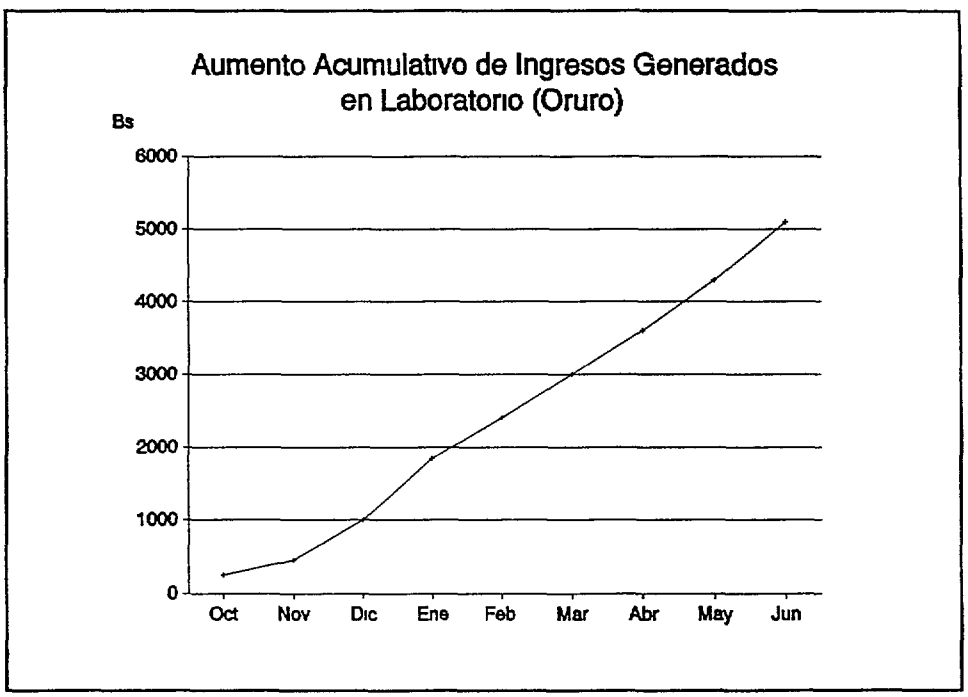
The laboratory in Oruro reached 50% of their programmed goal The laboratory has carried out 760 laboratory analysis from November 1993 to June 1994 According to the market study and business plan they were expected to analyze 1530 exams in the first eight months This lower than expected number of attentions is due in large part to a slow start caused by unexpected political problems

FIGURE 4
CUMULATIVE INCREASE IN SERVICE



In terms of income generated, the laboratory as well as in the case of Vitalidad is lower than what was expected according to the original market study In the first eight months the laboratory has generated Bs 5,196, or 57% of what was estimated The laboratory, however, has seen a large increase in income generated in the last couple months, which is due to the relocation of the laboratory to the CIES clinic in Oruro More clients are being referred from the CIES clinic and utilizing the laboratory than at its old location Figure 5 demonstrates this steady increase in income generate, however, it does not show the last months (July, August, and September)

FIGURE 5
CUMULATIVE INCOME GENERATED BY THE LABORATORY IN ORURO



D Comparison of Vitalidad and Laboratory in Oruro

Due to the delays in the project implementation stage, CIES will be unable to draw definite conclusions or to determine which one of the strategies (the women' clinic or the laboratory in Oruro) implemented will contribute with more efficiency to improvement of CIES's financial sustainability In order to obtain definitive results a minimum of 2 years of data would be needed, however, one can look at the trends of the two strategies in order to see which appears to be doing better

An initial analysis of the information generated during the first months of service delivery in both **Vitalidad** and the laboratory in Oruro, was carried out in order to monitor the projects progress against the programmed goals During the first eight months of services, **Vitalidad**, provided medical services to 178 patients (81 gynecological and 87 other), and 124 complimentary services, [3] which generated approximately Bs 10,318 - (See graphs X and Y) Vitalidad has generated 60% of what was programmed for medical attentions in eight months and 57% of all activities programmed in eight months (this includes all complimentary services)

The laboratory in Oruro reached 50% of their programmed goal The laboratory has carried out 760 laboratory analysis from November 1993 to June 1994 According to the market study and business plan they were expected to analyze 1530 exams in the first eight months This lower than expected number of attentions is due in large part to a slow start caused by unexpected political problems

In terms of income generated by the two strategies, the laboratory has generated a greater percentage of income as programmed in the business plan than Vitalidad In the first eight months the laboratory has generated Bs 5,196, or 57% of what was estimated Whereas, Vitalidad income for the first 8 months was Bs 10,318 or 11% of what was expected The main reason for this low percentage is due to the fact that they were charging lower fees that what was programmed In addition, the service such as IUD insertion were almost nonexistent And also time sharing, which was not initially considered in the business plan

E Promotional Strategies

Initially, the promotional strategy emphasized interpersonal communication techniques, with promoter who went house to house and also visited beauty salons, banks, etc promoting the clinic This strategy, however, did not prove to be as successful as mass media Thus, the Vitalidad staff, along with PCS modified the promotional strategy to include less one-to-one and more mass media

Although there is no previous history in Bolivia of using mass media to promote health services, it is significant that the use of this medium (newspaper, television and radio) has been more

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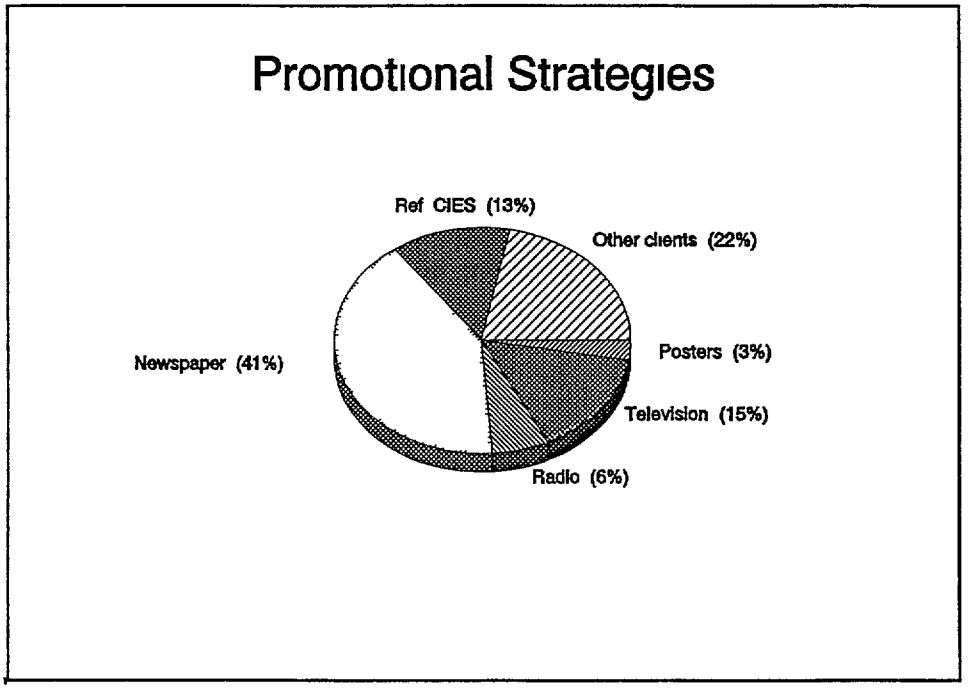
[3] Complimentary services consists of fetal monitoring, electrocardiogram, biopsy, sonogram, physical therapy and dermatological therapy

effective in reaching **Vitalidad's** target population than the "word of mouth" approaches, more typical of the Bolivian health sector in general Sixty-five percent of all women calling for information or an appointment at **Vitalidad** had heard of the center via mass media, 41 percent of these through newspaper advertisement alone

It is also important to note that twenty-two percent of the women who utilized Vitalidad's service heard about the center through other Vitalidad clients This is an impressive percentage, especially due to the fact that at the time this data was analyzed Vitalidad had been open for less than eight months

FIGURE 6
PROMOTIONAL STRATEGIES



IV. CONCLUSIONS AND RECOMMENDATIONS

A Conclusions and Impact on CIES Programming

The preliminary results have demonstrated the need for entrepreneurial behavior and business-like operations of NGOs if they are to compete with for-profit providers This project has shown, however, that it is often not easy for NGOs to change their administrative and management styles which typically reflect the requirements of foreign donors more than the demands of entrepreneurial efficiency

CIES had to make several organizational changes in order to be able to carry out this income generating project CIES, as a non-profit institution changed their attitude towards income generation and sustainability, which was not easy There was resistance not only from the staff, but also from their Board of Directors CIES realized that they had to first accept the importance of income generating in order to be able to continue their work in Bolivia as a family planning providing institution Thus, the CIES technical staff as well as the Board of Directors worked together to incorporate the various strategies for income generating activities into the CIES Operational Plan and considered the project as an institutional mandate

Most importantly, top management must be convinced that the long-term viability of the NGO depends on increased financial self reliance, and they must encourage and enter As was seen in this project NGO business ventures cannot work well without strong leadership and commitment from the top Most income generating projects involve some kind of risk, ranging from a financial investment to altering the image of the organization They also invariably involve change The commitment of top managers to financial sustainability requires that they fully understand how business and the marketplace work

CIES also underwent organizational changes including restructuring, altering management styles, and strengthening financial and administrative system in order to be able to incorporate income generating activities into their administrative system Operational change, particularly in the areas of marketing, feasibility studies and pricing, were the most difficult for the non-profit institution Very few institutions in Bolivia have ever carried these activities out It is important to note that these changes were very slow in occurring and often caused delays in the ambitious timeline for the project

In addition, the lessons learned were also incorporated into other CIES clinics They carried out costing studies for all medical services and complimentary services such as laboratory tests and

diagnosis, dental care, sonograms which are provided at their popular clinics They began to look at ways to make their current services, which attend the poor and very poor of Bolivia, more cost effective They also initiated a cost sharing program with some of the doctors in their popular clinics, in order to motivate the medical staff

CIES learned that the top managers must also be convinced that the long-term viability of the NGO depends on increased financial self-reliance, and they must encourage an entrepreneurial spirit within the staff Where these conditions do not exist, as was the case in the beginning of this project, the prospects for successful revenue generating ventures will most likely not succeed (be promising)

B Recommendations

The most important lesson learned and recommendation for other NGOs interested in income generating projects is that entrepreneurial behavior and business-like operations are essential if an NGO is to compete with for-profit providers

More importantly, this Bolivia INOPAL II project with CIES has demonstrated that realistic and specific financial targets need to be an integral part of the project design After reviewing the initial financial targets and market study, CIES revised their goals in order to be more realistic in terms of the strategies break-even points Unfortunately, the original targets were far too ambitious and the middle-upper class target was overestimated

In addition, to realistic target setting, a realistic timeline must be set in order for the project to function In terms of time frame, most subprojects designs assumed a "best case" scenario and allowed an average of only two years to achieve sustainability objectives Adopting the best case scenario resulted in overly optimistic timeframes as subproject designs did not account for the wide variety of factors that can affect project implementation (Enterprise Final Report, 1991) The factors that CIES had to deal with included changing economic environment, changing markets, increased competition, inability to train staff rapidly in income generating strategies, delays in acquiring equipment or refurbishing facilities and a variety of personality factors Hence, this subproject failed to reach sustainability objectives during its subcontract period, and had to find additional funding in order to continue Experience has shown that a three to five year timeframe for subproject implementation is more realistic

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