



**FACILITATING CORPORATE INVESTMENTS IN
FAMILY PLANNING AND MATERNAL CHILD HEALTH SERVICES:
THE TIPPS EXPERIENCE**

Prepared By:

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Contents

List of Acronyms	1
1 EXECUTIVE SUMMARY	3
1.1 Introduction	3
1.2 Outcomes	4
1.3 Summary of Lessons Learned	5
1.3.1 General Policy Issues	5
1.3.2 The For-Profit Sector	5
1.3.3 Service Providers	6
1.4 Summary of Recommendations	7
2 INTRODUCTION	8
3 A METHODOLOGY TO FACILITATE CORPORATE INVESTMENTS IN FAMILY PLANNING/MCH SERVICES	10
3.1 Country Assessments	10
3.2 Business Analyses	10
3.2.1 Selecting Companies to Participate in the Project	10
3.2.2 Gaining Access to the "Right" Person in the Company	12
3.2.3 Convincing Top Management to Participate in a Business Analysis	13
3.2.4 Selecting Local Research Organizations to Conduct the Business Analysis	15
3.2.5 Conducting a Modified Cost-Benefit Analysis ⁹	16
3.3 Information Dissemination	20
3.3.1 Presenting Findings and Results of the Analyses	20
3.3.2 Making Presentations to Additional Companies	21
3.4 Technical Assistance	22
3.4.1 Technical Assistance in Organizing Company Service Delivery Capabilities	22
3.4.2 Technical Assistance to FP/MCH Service Providers	23
4 PRINCIPAL FINDINGS AND RECOMMENDATIONS	26
4.1 Findings and Conclusions	26
4.1.1 General Policy Issues	26
4.1.2 The For-Profit Sector	27
4.1.3 Service Providers	29
4.2 Recommendations	30

Appendix A Investments (in U.S.\$) and Acceptors Generated From Private
Companies

- Appendix B Example of Benefits Provided by Companies
- Appendix C Examples of Costs Averted by an MCH Program
- Appendix D Sample List of Expenditures Required for Developing and Operating FP/MCH Services
- Appendix E Summary of the TIPPS Cost-Benefit Model Methodology
- Appendix F Sample Handout
- Appendix G LDC Population That Can Be Reached By TIPPS-Like Activities

LIST OF ACRONYMS

A.I.D.	Agency for International Development
AIDS	Acquired Immune Deficiency Syndrome
CBA	Cost-Benefit Analysis
CEO	Chief Executive Officer
CPA	Certified Public Accountant
CPS	Contraceptive Prevalence Survey
CS	Child Survival
CYP	Couple Years of Protection
DHS	Demographic & Health Surveys
FP	Family Planning
HMO	Health Maintenance Organization
IE&C	Information, Education & Communication
IPA	Independent Practice Association
IPPF	International Planned Parenthood Federation
JSA	JSA Healthcare Corporation
KAP	Knowledge, Attitude, and Practice
LDC	Less Developed Country
MCH	Maternal and Child Health
PPO	Preferred Provider Organization
PVO	Private Voluntary Organization
SSI	Social Security Institute

STDSexually Transmitted Disease
TA Technical Assistance
TIPPS..... Technical Information on Population for the Private Sector

1 EXECUTIVE SUMMARY

1.1 Introduction

In September 1985, the U.S. Agency for International Development (A.I.D.) contracted with JSA Healthcare Corporation (formerly John Short & Associates) to develop and implement a five-year¹ entitled "Technical Information on Population for the Private Sector" (TIPPS).² The primary purpose of the TIPPS project was to convince private companies in less developed countries (LDCs) to invest their resources in family planning services for company employees and dependents. With respect to policy objectives, TIPPS sought to demonstrate that the private sector's interest and support of FP programs could strengthen arguments for regulatory and policy actions, which in turn would create a favorable environment for the private sector's participation in family planning.

The TIPPS project developed a unique and successful approach to convincing corporations to invest in family planning (FP) and/or family planning/maternal child health (FP/MCH) services. This approach focused on both the supply side (service providers) and the demand side (companies). The TIPPS approach incorporated the following principal activities:

- Conducting assessments to target and qualify participating countries. Countries participating in the TIPPS project included: Bolivia, Brazil, Costa Rica, El Salvador, Guatemala, Haiti, Honduras, India, Indonesia, Jamaica, Mexico, Nigeria, Peru, Philippines, Swaziland, Thailand, Zaire, and Zimbabwe.
- Selecting appropriate companies, research organizations and service providers.
- Meeting with decision-makers in selected companies.
- Conducting cost-benefit analyses utilizing KAP surveys and a cost-benefit model to develop critical data on the benefits and costs of providing services.
- Designing and delivering professional, business-like presentations to corporate management.
- Planning and organizing information dissemination luncheons and workshops for business leaders to achieve a multiplier effect.
- Providing technical assistance to public and private service providers and to private sector companies.

To convince employers to invest in and offer family planning services to their employees and dependents, TIPPS focused on demonstrating how these services could result in cost savings to the companies and improvements in employees' health status. Family planning was presented to corporate management as an integral part of a broader preventive health package. In addition,

¹ As a result of contract extensions, the project actually concluded on March 31, 1991.

² The "private sector" includes for-profit companies, parastatal companies, private clinics, and Private Voluntary Organizations (PVOs). The terms "company", "corporate", and "commercial" all refer to the same type of for-profit organization.

since the capability to deliver FP/MCH services was inadequate to meet the new corporate demand in most LDCs, TIPPS offered expert technical assistance (TA) to both companies and private sector service providers in developing the required services. TIPPS' technical assistance emphasized cost recovery and self sufficiency, and the resulting corporate business created an important new source of revenue for private voluntary organizations (PVOs) and private clinics.

TIPPS' focus on expanding FP service delivery capability additionally extended beyond PVOs and private facilities. Since increasing numbers of people in many LDCs are entering the formal labor force, they are eligible to receive medical benefits from social security or from employer-sponsored insurance schemes or company clinics. The TIPPS project demonstrated that both insurance companies and social security institutes are willing to add or expand their family planning/preventive health benefits.

1.2 Outcomes

The outcomes and results of the JSA TIPPS project clearly demonstrate the potential of the private sector to meet the expanding demand for FP/MCH services worldwide. The project's significant accomplishments include:

- Designing, developing and applying an innovative methodology to convince private sector companies to invest resources in family planning. A major component of this methodology was the business analysis.
- Training 16 local institutions in eight LDCs to implement the TIPPS business analyses. Eight business/trade associations in six LDCs were informed about the benefits of FP/MCH services and are promoting these services among their members.
- Convincing 20 companies in ten countries within Latin America, the Caribbean, Africa, and Asia to establish or enhance FP/MCH services based upon results of the TIPPS business analyses performed at those companies.
- Disseminating information about the costs and benefits of providing FP/MCH services to an additional 198 companies. Of these, 70% or 140 companies took the positive step of adding or enhancing FP/MCH services or requesting TIPPS technical assistance to enable them to do so.
- Initiating services for 16,081 new and continuing users in ten countries (including users in six countries who shifted to company-based services) after the second year of the project.
- Convincing selected provider organizations in seven LDCs to began charging for their services.
- Convincing four social security institutes, three insurance companies and two self-insured banks to add or plan for the inclusion of family planning services in their benefits packages.
- Convincing 12 companies in six countries to invest an estimated \$236,000 in FP/MCH services. TIPPS estimates that over \$6,000,000 (cash and in-kind) will be invested by approximately 140 companies over a five-year period (see Appendix A).

1.3 Summary of Lessons Learned

Lessons learned from the TIPPS project may be broadly categorized as those relating to public policy, the for-profit sector, service providers, and their interrelationships.

1.3.1 General Policy Issues

The project's underlying assumption was that companies possessed resources that could help expand the reach of national family planning program efforts. It was believed that, through awareness-raising activities, company policies could be altered in favor of family planning as a means of improving employee benefits. Further, governments would recognize the advantage of having the for-profit sector as an ally in health interventions traditionally reserved for the public sector, and would therefore actively encourage private sector participation. TIPPS found that:

- In countries where there were ongoing efforts to formulate national population policies and implementation plans, project activities concretely demonstrated how the private sector contributes to the achievement of national population policy objectives.
- Government policy was not a major obstacle to private sector investment in family planning, since company investment requirements were relatively modest and the advantages demonstrated by the cost-benefit analysis were sufficient to convince management to invest.
- Explicit approval and encouragement from governments to enhance worker and dependent benefits were extremely useful in convincing the business community to add family planning and MCH services.
- In many instances, donor policies were in direct conflict with objectives to promote investments from the private sector.
- Cost-benefit analysis results can also influence and convince Social Security Institutes (SSIs) to enhance their existing coverage to include family planning services.

1.3.2 The For-Profit Sector

The TIPPS project most actively pursued changes in corporate policy regarding employee benefits. Lessons learned include the following:

- FP/MCH services were easier to sell than stand-alone FP services, both by TIPPS to management and by top management to their boards, employees and unions, and at times to the church and the government.
- Management was interested in the overall health status of its employees and families, with reduced family size being only one of the determinants of improved health.
- Companies will invest in family planning services for their employees if arguments effectively present both the financial and health benefits.

- Case studies were helpful in convincing other business leaders to invest in FP/MCH services.
- In general, those companies most likely to invest in FP/MCH services for employees and dependents were financially sound, had reliable and accessible cost data, had a relatively progressive outlook toward employee and dependent benefits, and had a significant female labor force or benefits that covered female dependents.
- Most companies required some degree of technical assistance to establish a FP/MCH service or to develop linkages with organizations that provided such services.
- Insurance companies are extremely conservative and will add family planning only when convinced that it will reduce the payout for other health interventions and improve profitability. Added benefits are generally initiated by policy holders, who are the principal catalysts in influencing insurance companies to include FP coverage under conventional health insurance policies.
- National political and economic conditions were important factors in determining the actions taken by companies.

1.3.3 Service Providers

FP/MCH service provision in LDCs was often inadequate or inappropriate to meet the new corporate demand for services that TIPPS activities generated. The project focused much of its technical assistance on ensuring that the supply of services for the for-profit sector was sufficient to meet demand.

- TIPPS was unable to identify providers that could meet all the needs of a company. Significant technical assistance was required from project staff to develop service providers' capabilities to package and market their services.
- Generally, PVOs were not experienced in dealing with the commercial sector. They were often ignorant of the special needs of companies and had difficulty in adapting their services.
- Private clinic providers could easily grasp the business opportunity presented to them, but often lacked the preventive health orientation that companies were interested in offering.
- Referrals were an important aspect of employment-based services because not all the appropriate methods could be made available at the workplace.
- Since company employees and dependents expressed strong interest in obtaining information about family planning, it was critical to effectively incorporate IE&C into company-based services.

1.4 Summary of Recommendations

The continuation of TIPPS-like activities should be carried out in a more cost-effective manner. With less effort and fewer resources, many more companies can be convinced to invest their resources in family planning. Although it is clear that the private sector should continue to expand its investment in FP/MCH services, it is unlikely to do so unless an approach is maintained which encourages and facilitates decisions and actions.

The following recommendations are proposed for similar or follow-on projects:

1. Promote family planning as part of an integrated preventive healthcare package.
2. Involve national business associations at the outset of in-country activities.
3. Implement simplified company analyses.
4. Develop and/or ensure the availability of FP/MCH services at the time of service demand creation.
5. Assess existing family planning utilization and sources within each company prior to proposing a service delivery strategy.
6. Plan services to appropriately meet employees' needs.
7. Include a substantial IE&C component in company-based family planning services.
8. Include Social Security Institutes and the health insurance industry in their roles as third-party payors and service providers.
9. Ensure coordination by donor agencies of policies and strategies that have a direct and indirect impact on the issues of cost-recovery and private sector investments in FP/MCH.
10. Limit corporate subsidies to \$5,000-\$20,000, and provide them only to companies with limited resources that will serve as good demonstration models.
11. Emphasize the following outputs in evaluating TIPPS-like activities: (a) Number of companies which have added FP/MCH services; (b) Corporate resources (cash and in-kind) invested in new services and; (c) Number of employees and dependents covered by the new benefits. Longer term indicators traditionally used to measure program impact, such as number of new and continuing users and CYPs, should also be evaluated.

Both the recommendations and lessons learned from the TIPPS project are expanded upon in Section IV.

2 INTRODUCTION

The U.S. Agency for International Development (A.I.D.) has for many years recognized the critical importance of family planning in improving living standards and in enhancing the well-being of families throughout the developing world. In most LDCs, the resources available for family planning are limited. Public health services are overburdened and continue to focus primarily on curative health services. Moreover, LDC governments frequently require assistance in educating their populations about family planning and in making FP services more widely available. As a result, A.I.D. has initiated numerous projects that are designed to assist the public sector in meeting these countries' growing demand for family planning and MCH services.

A.I.D. soon realized, however, that an assistance strategy which focused solely on public sector resources was insufficient to solve the problems of rapid population growth, expanding demand for services, and the poor health status of women and children throughout the developing world. In addition, despite increased funding for family planning from international donors, the projected resources available fell far short of what was needed. In response, A.I.D. -- the major bi-lateral FP donor -- began exploring alternative funding sources. One such promising source was private business.

Because A.I.D.'s previous health and family planning projects had had limited experience in working with the private sector in developing countries, an approach to private businesses represented a new and exciting challenge. A.I.D. hypothesized that the private sector could be motivated to invest in family planning services for employees and dependents, thereby increasing the total resources available for family planning and reducing the burden on the public sector.

To test this hypothesis, A.I.D. allocated funds for the development and implementation of three private sector projects: TIPPS (Technical Information on Population For the Private Sector), SOMARC (Social Marketing for Change), and the Family Planning Enterprise Program (Employee-based FP Service Delivery). This monograph focuses on the TIPPS project only. It explains how TIPPS addressed the aforementioned problems and attempted to expand the resources allocated to family planning and to shift FP users from the public to the private sector.

The objectives of the TIPPS project were to:

- Convince private businesses to invest in family planning services for their employees and dependents.
- Demonstrate that the private sector could find in its interest to support FP programs which would strengthen arguments for regulatory and other policy actions that would create a favorable environment for private sector participation in FP.
- Increase the resources, cost recovery and service delivery capabilities of PVOs.³

³. This was not an original objective of the project, but became a key objective in the early stages of project implementation.

The project's policy-related objective originally focused on changing policies toward FP of both private businesses and LDC governments. For businesses, this would have involved changing company policies relating to employee benefits. For governments, it would have meant promoting policies to enhance private sector involvement in family planning.

As TIPPS progressed, project staff focused their efforts on changing the policies of private businesses by convincing them to invest in family planning and maternal-child health (MCH)/preventive health services.⁴ This focus occurred largely because in most countries where TIPPS worked, government policies did not deter private business investment in family planning. In countries where government policies were a hindrance, TIPPS collaborated with another A.I.D. project, OPTIONS, which had the mandate to assist LDC governments in researching, formulating and implementing policies in favor of family planning.

To accomplish the project's objectives, the principal task of TIPPS became the development and implementation of a methodology that would successfully test the hypothesis that private businesses would invest their own resources in providing FP/MCH services for company employees and dependents.

⁴ Although the initial design of the TIPPS project was focused exclusively on family planning, it quickly became obvious that with private business, an integrated FP/MCH or FP/Preventive health approach was required. As a result, the TIPPS focus was changed to include MCH and/or broader preventive health services whenever it was appropriate and possible. (In this paper, child survival is incorporated into MCH.)

3 A METHODOLOGY TO FACILITATE CORPORATE INVESTMENTS IN FAMILY PLANNING/MCH SERVICES

The TIPPS methodology incorporated four major components: (1) Country Assessments; (2) Business Analyses; (3) Information Dissemination; and (4) Technical Assistance. Table 1 on the following page summarizes the project-related activities undertaken in each participating country.

3.1 Country Assessments

The country assessments were designed to identify and qualify target countries to participate in the TIPPS project. To accomplish this task, project staff performed research in the U.S. and traveled to each country to collect and analyze vital information concerning the country's demographic situation, government policies related to family planning, the potential for private sector family planning and/or MCH initiatives, current situations and trends in health care financing and service delivery, leading industrial sectors and potential participating companies, and potential sub-contractors, i.e., local research organizations.

Concurrently, TIPPS staff discussed the project with the host government (usually the Ministry of Health and the National Population policy body), and with USAID Mission officials in order to secure their support for private sector family planning initiatives.

3.2 Business Analyses

Once an initial country assessment was completed and support obtained from the host government and USAID, TIPPS initiated activities relating to the project's business analysis component. These included:

- Selecting companies to participate in the project.
- Gaining access to the "right" person in each company.
- Convincing top management to participate in a business analysis.
- Selecting local research organizations to conduct the business analyses.
- Conducting a modified cost-benefit analysis.

3.2.1 Selecting Companies to Participate in the Project

TIPPS was convinced that its success was dependent upon its ability to identify and work with the leading companies in each selected country. To accomplish this objective, project staff first identified the countries' leading industrial sectors and the leading companies within each sector. This enabled TIPPS to identify companies whose characteristics were compatible with the

TABLE 1
SUMMARY OF COUNTRIES AND MAJOR ACTIVITIES

COUNTRY	ACTIVITY										
	Country Assesmer	Business Analysis	TA to Companies	TA to Svc Prvdrs	Svc Del Involvement	CEO Dissemntn	Mid-Mgmt Dissemntn	Methodology Transfer	Collabrtn w/ Soc Sec insts	Other	
Boliva	x	x						x	x		
Brazil	x	x				x					
Costa Rica						x					
El Salvador						x		@			
Guatemala				x		x		@			
Haiti	x			x		x		x			
Hondur	x	x		x	x	x		@	x		
India	x					x				Brochure preparation & publication	
Indonesia	x	x				x		x		Pre-Assessment	
Jamaica											
Mexico	x	x		x		x			x		
Nigeria	x	x									
Peru	x	x		x	x	x		x	x		
Philippines										Pre-Assessment	
Swaziland										Pre-Assessment/TA to USAID/Swaziland	
Thailand										Pre-Assessment	
Zair	x	x				x					
Zimbabwe	x	x		x		x					
ILO Handbook										Book preparation & publication	

(@) during Central American Regional Conference, April 1990

project's approach. In reviewing potential participating companies, TIPPS determined that it would select those which:

- Represented a key industrial sector within the country.
- Were leading and profitable businesses within that sector.
- Were highly respected throughout the business community.
- Offered significant benefits for company employees and dependents (ideally including health and maternity benefits).
- Had a large percentage of female employees (particularly if benefits were not extended to dependents).
- Were directed by a well-known, highly-regarded and accessible CEO and board.
- Had adequate, accessible cost information and personnel records.

Within each country, TIPPS identified 10-20 companies that met most of these criteria. Of these, the two or three most appropriate companies were selected for the conduct of the TIPPS cost-benefit analysis. Companies in which top management proved inaccessible were eliminated, since TIPPS believed strongly that the best way to convince companies to participate in the business analysis was to convince the chief decision-maker directly.

3.2.2 Gaining Access to the "Right" Person in the Company

Within each company, the "right" person was usually the Chief Executive Officer (CEO), and in some cases, a key board member. Once the appropriate individual was identified, TIPPS was faced with the challenge of arranging a meeting with that person. Project staff developed two techniques to meet this challenge: "Networking", the method of choice, and "cold calls".

Prior to departing to each selected country, TIPPS advisors compiled a comprehensive listing of the country's business and trade associations, U.S. Chamber of Commerce members, CPA firms, USAID or Embassy commercial sector staff, and family planning influentials such as local IPPF affiliate board members. Once in-country, the TIPPS team spent the first few days explaining the project and "networking" with the listed firms and/or individuals to obtain referrals and introductions to one or more of the selected company CEOs.

In instances where such networking produced limited results, the second method, the "cold-call", was used. This required TIPPS to employ innovative techniques to achieve actual face-to-face meetings with company CEOs by recognizing that front-gate guards, receptionists, and secretaries also needed to be convinced of the importance of the visit.

The judicious application of both of these techniques was surprisingly successful: in nearly all instances, TIPPS was able to arrange these important initial meetings with the CEO or other significant individual(s).

3.2.3 Convincing Top Management to Participate in a Business Analysis

One of the most important and challenging activities of the TIPPS approach involved convincing the top management of selected companies to invest their resources in family planning services. Business leaders of major corporations in developing countries experience all the typical problems and concerns of managing large organizations. These are compounded by the problems of unskilled labor, inadequate credit, outdated equipment, inefficient information and financial systems, currency controls, detrimental government regulations, and government officials who may not be favorable to big business.

Frequently, companies within the LDCs are plagued with high rates of absenteeism, on-the-job accidents, high turnover, and low morale. Maintaining production schedules, obtaining adequate raw materials, training personnel, meeting payrolls, and producing quality products are overwhelming tasks under these conditions. The costs of doing business are usually high, the profit margins inconsistent, and the overall business climate so insecure that business is unwilling to invest in expansion, which could lead to more jobs and better benefits.

In most countries, the larger businesses are required to provide health and other benefits to employees, and many such companies extend these benefits to dependents. However, family planning/MCH is generally not of concern to these organizations, and the concept was essentially unknown to the CEOs. Moreover, TIPPS was concerned that CEOs' negative personal views might outweigh the positive arguments presented. In approaching these top corporate officials, TIPPS utilized a carefully planned strategy that focused on the organization's need to reduce costs and improve health care, which would in turn lead to improvements in employee productivity, and reductions in absenteeism and turnover.

TIPPS learned early in the project that CEOs were very interested in the health and well-being of their employees and families. They were also intrigued with the possibility of improved productivity and decreased absenteeism and turnover.

Because most CEOs are busy individuals with tight schedules, the TIPPS strategy allocated approximately 30 minutes for an initial meeting with each CEO. It was therefore essential that key points be made quickly. Although the concept of reduced costs and improved health sparked the CEO's interest, it was important that TIPPS make the transition to speaking about family planning in a manner such that his interest would not be lost. Once family planning had been mentioned, TIPPS moved quickly to explain clearly the linkage between family planning and health. This was accomplished by describing the potential benefits of FP to the company, reviewing the country's overall population problem and the government's interest in family planning, explaining the cost-benefit analysis and what was required of the company in order to provide FP services, and reiterating the benefits and savings that FP could provide.

It was also important during this initial meeting to determine the appropriateness of the company for a TIPPS analysis, as well as to convince the CEO of its significance and value. To accomplish these objectives, the following listing of "Key Factors For a Company to Consider" was reviewed with the CEO. This review aided the CEO in understanding the program, and his responses enabled TIPPS to evaluate the company.

**KEY FACTORS FOR THE COMPANY TO CONSIDER
IN DECIDING TO PROVIDE FP SERVICES TO EMPLOYEES**

- Health of employees and dependents.
- Age of employees.
- Benefits provided by the company.
- Benefits to dependents, if any.
- Costs of benefits provided by the company, immediate/
delayed.
- Number of female employees.
- Level of absenteeism and reasons.
- Turnover.
- Training and retraining costs.
- Worker productivity.
- On-the-job accidents.
- Employee and spouse interest in and demand for FP
services.
- Future growth of the company.
- Current availability and accessibility of FP services for
employees and dependents.
- Costs of providing FP services.
- Existing company infrastructure for providing FP services.

If it became obvious from this review that a company was not appropriate or was not as good a prospect as others that had been assessed, the TIPPS team explained to the CEO and others who may have joined the meeting the reasons why the analysis might not be appropriate or useful to them. At the same time, an offer was made to share the results of other company analyses.

Companies were usually deemed inappropriate if:

- There were few female employees.
- The company's benefits package did not extend to dependents.
- Private health and maternity benefits were available only to senior management.
- The company's financial and personnel records contained inadequate or incomplete information.
- TIPPS would be unable to conduct a reliable cost-benefit analysis due to insufficient access to the company's employees and dependents.
- The company expressed an unwillingness to participate in dissemination activities following the business analysis.

TIPPS also tried to determine whether a company was financially sound and well-managed, and to anticipate major financial problems and/or turnover of top management -- problems which might undermine the business analysis. In some instances, these efforts did not forestall breakdowns in achieving results after management was changed or when financial difficulties prevented the implementation of service delivery.

- Family planning was considered a "political risk" for the company usually where there was no clear or positive government policy on FP.⁵
- The survey of employees and dependents was too great an inconvenience to the company.
- The company was experiencing serious labor problems and the timing for TIPPS activities was poor.
- The company was overburdened with economic and other problems.

TIPPS' meetings with top management usually resulted in the latter's qualified support of the business analysis, particularly since no out-of-pocket costs were required by the company. Project staff were also introduced to other key company officials who would be directly involved in the analysis and who would meet with the CEO before a final decision was made to conduct the analysis.

In subsequent meetings with these officials, details of the analysis were explained to them, along with an explanation of the requirements and assistance necessary for its successful completion. TIPPS stressed the importance of the need for the company to assist the team in gaining access to the firm's employees and dependents, as well as to company records related to benefits and benefit costs, employee personnel information (e.g., age of spouse, number and age of children, telephone and/or address of spouse, education, etc.), and employee absenteeism and turnover data and reasons, if available. Whenever possible, TIPPS obtained a letter from the CEO or other top company official which provided authorization for the team to access the needed information.

3.2.4 Selecting Local Research Organizations to Conduct the Business Analysis

One of the project's secondary objectives was to develop local capability to follow-up on TIPPS activities and to undertake new corporate analyses once the project was completed. To accomplish this objective as well as to ensure the successful conduct of the cost-benefit analysis in a given country, it was necessary for TIPPS to identify capable local research firms to which the project's methodology and technology could be transferred.

The TIPPS cost-benefit analysis (described in detail in the next section) included a survey of company employees and dependents, as well as an analysis of corporate benefits and costs. Both of these activities were labor-intensive and required in-country capability.

During the country assessment phase, TIPPS had identified three types of organizations which could potentially carry out the project's research activities: (1) CPA/management consulting firms; (2) family planning PVOs; and (3) university research groups. TIPPS determined that the selected organization should ideally possess expertise in business, finance, and economics, as well as experience in FP/MCH service design and implementation. Unfortunately, in most countries, none of the three types of organizations met all of these requirements.

⁵ e.g., Honduras, Nigeria, Zaire.

An additional factor in selecting a research organization was its credibility with the corporations to be studied. Because much of the information required for the analysis was considered confidential, management was reluctant to release the data to an organization with which it did not feel comfortable. Other important factors considered by TIPPS in the selection process were the fees charged by the research organizations, their availability to carry out the work, and their interest in undertaking follow-up activities.

For most of the TIPPS analyses, the selected research organizations had to supplement their capabilities with outside consultants in order to provide all of the required expertise. For PVOs, these outside experts were usually economists or financial analysts, while management firms (which were used least) frequently utilized the services of outside demographers and/or FP specialists. In contrast, university research groups often "borrowed" various faculty members from different departments from within the university. In all instances, however, TIPPS played a key role in the composition of the research team.

3.2.5 Conducting a Modified Cost-Benefit Analysis ⁶

Once a company had made the decision to participate in a business analysis, TIPPS was responsible for providing the firm with information that would help convince top management to invest in FP/MCH services. Such information included that related to contraceptive behavior, health status, attitudes and desires of employees and dependents, and the costs and benefits to the company resulting from the implementation of a FP/MCH program.

To assure reliability of the information, TIPPS designed and developed a sophisticated survey and cost-benefit model which served as the basis of the project's cost-benefit analysis. The stated goal was to carry out a limited number of these analyses, convince the surveyed companies to invest in FP or FP/MCH services, and to use these analyses as case studies in conjunction with testimonials to convince additional companies to make similar investments.

It was TIPPS' belief that if company management was presented with valid arguments based on reliable, comprehensive data, there was a good chance that the proposed program of services would be accepted. The following sources were utilized by TIPPS to obtain the data necessary for analyses:

- Company personnel and financial records.
- Knowledge, attitude and practice (KAP) surveys of company employees and dependents.
- Demographic data sources such as DHS, CPS, National Census, and various other demographic and health surveys.
- Focus groups composed of company employees.
- Meetings with company management.
- Discussions with company health clinic staff.

⁶. "Modified" in this case meant that the cost-benefit analysis did not include all the components of a more rigorous and traditional cost-benefit analysis, and was adapted to the specific needs of the project. This monograph does not attempt to provide detail on the workings of the cost-benefit model, but simply reviews the information required, and the model's key elements and outputs.

- National labor codes and regulations.
- Discussions with local health service providers.
- Appropriate government officials from Ministries of Health, Social Security, Labor, Social Affairs, etc..
- Medical regulatory bodies, colleges of physicians, associations of nurses and pharmacists, etc..
- CPA/management consulting/research firms.

Cost data proved to be the most difficult to obtain since, in general, management was reluctant to share its financial records with outsiders. Although the identification of employee benefits and the accurate assignment of costs to these benefits was a necessary element of the analysis, TIPPS found that company accounting systems did not always distinguish between employee benefits and other expenses. TIPPS staff therefore worked closely with company management to extract the required financial information. An illustrative example of the range of benefits provided by selected project companies is presented in Appendix B.

Although absenteeism and turnover represented significant costs to most companies, they were very difficult to accurately assess. In some cases, TIPPS estimated these costs and highlighted the relationship between FP/MCH and excessive absenteeism and turnover. Management was often positively influenced by this information.

The KAP survey was perhaps the most labor-intensive and time-consuming component of the analysis. It was also the most problematic both in terms of logistics and the demands that it placed on the companies. Most surveys included male and female employees and female spouses, and every effort was made to avoid a biased survey sample. Employees were interviewed during the workday, at the worksite, to ensure a sufficient turnout. Spouses were interviewed either at home (which in many cases was logistically difficult) or at the worksite (which was inconvenient for both the company and the spouse).

In addition to overcoming these and other logistical problems, TIPPS was faced with the need to conduct a significant amount of training of local interviewers and supervisors. In many cases, companies found the subject of the survey awkward and intrusive. Surveying employees and spouses about family planning was a delicate process, and project staff played a major role in assuring that each survey was conducted professionally and with minimal disruption of company activities.

Despite its inherent difficulties, the KAP survey not only provided much of the data required for the analysis, but also provided other information that was extremely useful to the companies. For example, in many cases, management learned how employees felt about the company's benefits package and the organization's clinic and staff. Management also became aware of employees' interests and concerns regarding preventive health. More importantly, company officials often gleaned valuable information about the health status of their employees and families. All of this information was important for managers whose primary goal was to increase worker productivity and output. In some cases, the results of KAP survey was the prevailing factor in the company's decision to invest in FP/MCH services.

Overall, the TIPPS cost-benefit analysis was both complicated and time-consuming, requiring a great deal of staff input in-country. The presence of an in-country monitor to oversee data collection and analysis implementation was extremely valuable. It was usually during the data collection phase that decisions were made about whether a particular study would be limited to family planning or whether it would include an MCH/preventive health component. This decision was influenced by the needs and concerns expressed by employees and spouses in the survey and during focus groups; the interest expressed by management and company medical staff; TIPPS staff visits to the workplace and to employee residential areas; the severity of various health problems such as AIDS, STDs, diarrhea, respiratory illness, malnutrition, etc.; and the status of related factors such as sanitation, vaccination coverage, and potable water.

It is important to note that regardless of whether or not the focus included MCH, the principal cost savings to the companies resulted from averting pregnancies and the subsequent costs of pre-natal, peri-natal and post-natal care, abortions,⁷ and abortion complications. The arguments for MCH services made to company managers by TIPPS were based on information concerning the poor health status of women and children, and assumptions about the cost savings that would result from improvements in absenteeism, low morale, and productivity. Consequently, the decision by management to offer MCH services was usually taken out of concern for employee welfare rather than potential cost savings.

Once the survey was completed and other relevant data obtained, TIPPS was able to estimate the following:

- Current fertility behavior of employees and spouses.
- Current health status of mothers and children.
- Demand for family planning and MCH services, based on information learned about employees'/spouses' knowledge of contraceptive methods, method preference, fertility intentions, contraceptive behavior, and health status of mothers and children.
- Impact of providing family planning services, e.g., increase in contraceptive prevalence, reduction in fertility, births, abortions, and other health interventions averted.
- Impact of providing MCH services, e.g., reduction in infant, child and maternal morbidity and mortality, aversion of curative health interventions. (See Appendix C for one example of costs averted by an MCH program.)
- Costs of existing company benefits that would be averted (see Appendix B).
- Costs associated with FP and MCH service delivery.

These costs were a function of the mix of services selected, the service delivery option chosen (in-house clinic, purchase of services from outside providers, or a combination of both), and decisions regarding coverage (employees only or employees and dependents). TIPPS found that management decisions regarding services, delivery options, and coverage were usually based on employee and spouse preference and company policy and accessibility, rather than cost.

⁷. The potential ability to avert abortions was particularly interesting to many companies.

Appendix D lists the different types of expenditures required for developing and operating FP/MCH services.

Once the cost estimates were completed, TIPPS proceeded to the final technical activity of the cost-benefit analysis: the projection of cost-savings to the company resulting from the implementation of FP/MCH services. The primary emphasis of this analysis was on family planning and savings resulting from births averted, since the cost-benefit model was designed specifically to project those savings.

In its simplest form, this analysis can be described in two steps. First, the benefits, or costs averted by the company as a result of a reduction in births, abortions, abortion complications and other health conditions were calculated according to the following equation:

$$\begin{array}{l} \text{Cost of each birth} \\ \text{abortion, abortion} \\ \text{complications, and} \\ \text{health condition.} \end{array} \quad \times \quad \begin{array}{l} \text{Number of births,} \\ \text{abortions, abortion} \\ \text{complications, and} \\ \text{health conditions averted.} \end{array} \quad = \quad \begin{array}{l} \text{Costs} \\ \text{averted.} \end{array}$$

Second, the costs of providing the family planning or FP/MCH services were subtracted from the costs averted to determine the net savings:

$$\begin{array}{l} \text{Costs averted} \end{array} \quad - \quad \begin{array}{l} \text{Costs of Program(s)} \end{array} \quad = \quad \begin{array}{l} \text{Net Cost Savings} \end{array}$$

A basic technical discussion of the cost-benefit model methodology is included in Appendix E. Upon completion of the analysis, TIPPS utilized a variety of measures to present the financial results to companies:

- **Benefit-to-cost ratio:** A comparison of the costs of a program for X years and the resultant benefits or savings for Y years, discounted to present value.⁸ Usually costs were estimated over a five-year period of the family planning program and consequent benefits of each birth averted were projected for up to 18 years.
- **Break-even analysis:** The analysis defined the point in time at which savings resulting from FP/MCH programs equal (or exceed) the costs of the programs. In the TIPPS analyses, this point occurred on the average within three years of program initiation. At the end of the third year, savings were equal to or greater than costs.
- **Payback:** The analysis looked at cumulative costs and cumulative savings over a period of years and demonstrated when the company would recoup its investment. On average, this occurred within six years. After six years, the total savings from the program were equal to or greater than the total company investment in the program over the six year period.

⁸ Since costs and benefits accrue over time, the TIPPS analysis included a discounting approach whereby future costs and benefits were discounted back to a present value by use of a discount rate. Since one monetary unit recovered in the future is worth less than one monetary unit spent in the present, this discounting approach is necessary to account for the impact of inflation on future cash streams.

- **Comparison of the costs of FP or FP/MCH services with the overall medical costs of the company:** This was effective in pointing out the relatively low cost of the proposed services, as well as the large amount that was currently being spent primarily on curative care. In most cases, the preventive FP/MCH services proposed usually represented three to five percent of total medical costs to the company.

3.3 Information Dissemination

The project's information dissemination component involved two major activities: (1) Presenting findings and results of the analyses to top management; and (2) Making presentations to additional companies to achieve a multiplier effect.

3.3.1 Presenting Findings and Results of the Analyses

TIPPS approached its presentations of findings and results to top management in a very professional and business-like manner, emphasizing both the presentation technique as well as its content. This task was accomplished through the development of a sophisticated storyboard computerized graphics presentation. It involved linking a color projector to a computer to display the results of the cost-benefit analysis as these results were presented to company management, board members or larger groups.

A local expert who was familiar with the business analysis and respected by the business community was chosen to make the presentation. Frequently, this presenter was the head of the research organization that had performed the analysis. In some instances, the presenter headed the local businessmen's association or was a prominent health expert.

The presentation was designed to cover key points swiftly, re-emphasize these points, not dwell on numerous details, and allow ample time for discussion. Highlights of the presentation included: Project objectives, methodology (to emphasize the thoroughness of the analysis), profile of company employees and dependents (e.g., age, education, current and desired number of children, knowledge and use of FP methods, interest in FP information, desired birth-spacing methods, health status of mothers and children), demand for FP and MCH services; analysis of costs and benefits, supplementary benefits to the company, and conclusions and recommendations.

At the conclusion of the formal presentation, the CEO, board members and other managers met with the TIPPS team for perhaps the last time. At that meeting, TIPPS strove to obtain a commitment from the company to invest in a FP or FP/MCH program. If the company was unable to make an immediate decision, the TIPPS team attempted to obtain a strong expression of interest, a decision on the part of the company to continue investigating service delivery options, and the assignment of a key staff person to work with TIPPS on follow-up activities.

In about 80 percent of all cases, the CEO and/or Board of Directors decided at the meeting to make some kind of investment in family planning and/or FP/MCH. Efforts were also made during these meetings to elicit the CEO's participation in a future conference for CEOs of other leading companies in the country. Again, TIPPS' success rate was very high, as virtually all company CEOs committed themselves or another member of the senior staff to participate in a future conference.

In conducting these presentations, TIPPS found that company decision-makers were influenced by results that indicated high demand, employee requests for additional health information, modest implementation costs, and rapid payback. TIPPS also found that it was vital to emphasize health benefits as well as financial benefits; that management recognized the importance of enhancing the company's image by demonstrating its concern for employee welfare rather than focusing solely on cost containment; that all service delivery options should be presented with cost estimates for each; that FP/MCH PVOs were in many cases considered credible service providers by corporate management; and that brief written summaries of major findings and recommendations were very important.

3.3.2 Making Presentations to Additional Companies

Once companies decided to invest in FP or FP/MCH services, TIPPS attempted to engage them to help convince other leading organizations to make similar investments. This was perhaps the most important stage of the project, since it determined the impact that the business analysis approach would have in the country.

Initially TIPPS proposed to bring 20-30 leading CEOs together for a three-day conference. Project staff quickly learned, however, that CEOs' schedules necessitated limiting this activity to a luncheon or reception lasting only a few hours. This change in plans resulted in a strategy to interest as many CEOs as possible at the luncheon and secure their commitment to send a key corporate manager to a later conference of up to three days' duration.

The first challenge was to convince the 20-30 leading CEOs to participate in such a luncheon or reception where family planning and preventive health would be the major topics of discussion. TIPPS identified several activities that were critical to accomplishing this task: Selecting a leading business organization to co-sponsor the luncheon and to send the invitation letter; convincing the CEOs who participated in the business analyses to invite their colleagues (other CEOs) to the luncheon; Selecting a luncheon site that was popular with leading business executives and which offered high-quality facilities, food, and excellent security; identifying a respected, interesting, and relevant keynote speaker; emphasizing cost-savings and improved employee health in the invitation letter; following-up the invitations with telephone calls to confirm attendance; and assuring that all materials, i.e., letters, agendas, handouts, etc., were of high professional quality.

The luncheons were usually conducted in a relaxed atmosphere, since most of the business leaders knew each other and shared a common curiosity about the focus and purpose of the meeting. TIPPS' perception was that the luncheons' success was largely due to the sincere testimonials given by the CEOs whose companies had participated in the TIPPS analysis.

Presentations of demographic and economic factors and their relevance to the growth and profitability of the private sector were included as part of the luncheon agenda. Particularly effective were the high-tech, professional, and succinct summary presentations of the cost-benefit analyses carried out in the country. Overall, the well-organized agendas developed by TIPPS were extremely useful in facilitating positive actions by the attending CEOs. Brief forms, such as the example shown in Appendix F, were often provided to the executives to elicit information on potential follow-up or other activities.

TIPPS found that government officials were important to the luncheon presentation when business leaders were uncertain of the government's attitude toward family planning. In such

cases, TIPPS invited a high-level official from the appropriate ministry to explain that family planning was in fact a high priority of the government, and that the government would look favorably on businesses that invested in FP and/or MCH activities. Government officials were also invited to participate in the next stage of the TIPPS process, the three-day workshop.

Once a CEO had agreed to institute follow-up activities, TIPPS found that it was not a difficult task to motivate the company representative attending the workshop. The CEOs usually selected managers from the finance, personnel departments, labor, or medical departments to represent the company at the workshop. These individuals were key to the project because it was with and through them that future activities were planned and implemented. If the workshop was effective and achieved its objectives, the representative subsequently became the "TIPPS person" or contact inside the company.

The purposes of the TIPPS workshops were numerous. First, company representatives received information on the benefits of FP and/or FP/MCH; the components of a FP/MCH program; the necessity for, and type of, IE&C campaigns; FP/MCH service delivery options; the low costs of providing FP/MCH services; and the resources available to assist in the development of a FP and/or FP/MCH program within their companies. This was done to solidify corporate decisions to invest in FP/MCH. Second, TIPPS felt that it was important to bring company representatives together with government officials to discuss common concerns. Lastly, the workshop served to bring company representatives together with service providers to develop relationships that would later be required for the actual planning of service delivery.

In most cases, the companies attending the workshops had not yet made a final commitment to invest in FP or FP/MCH services. In nearly all cases, the representatives attending the workshop were not the individuals who would ultimately make this decision. Nevertheless, their recommendations to the CEOs or boards had considerable influence, since these representatives had acquired substantial knowledge about the services.

Finally, because FP/MCH service delivery was a relatively unknown activity for the companies, the availability of TIPPS technical assistance to help them make the necessary linkages and implement the new program was very appealing.

3.4 Technical Assistance

The technical assistance provided by TIPPS included: (1) TA in organizing company service delivery capabilities for employees and dependents; and (2) TA to FP/MCH service providers in working with private sector companies.

3.4.1 Technical Assistance in Organizing Company Service Delivery Capabilities

The project's technical assistance component took on much greater significance as TIPPS progressed and the staff learned how to move companies from a positive decision to actual implementation. Regardless of whether the companies decided to provide the services in-house, purchase them from local service providers, or use a combination of these options, some type of assistance was always required. Usually such assistance was technical in nature, but in the case of small companies, financial assistance was sometimes required.

TIPPS quickly expanded its own capability to include technical expertise in FP/MCH service delivery. Project staff also identified local organizations that could supplement TIPPS' expertise and continue to provide technical assistance after the project had ceased in the country. In conjunction with local experts, project staff reviewed the activities involved in implementing FP/MCH services, and identified those which were appropriate to the particular company with which TIPPS was working. These activities were subsequently discussed with corporate personnel, including the Medical Director, Director of Personnel or Social Services and/or any other key managers who were delegated with the responsibility for implementing management's decision to invest in FP/MCH.

Although the principal linkages with providers had been developed during the workshop, TIPPS was frequently called upon to broker, negotiate, facilitate, or mediate between the provider and the company. Following the cost-benefit analysis and workshop, the buyer of services (the company) was convinced that the services were important and beneficial, but was not sure how to organize them or from whom they should be acquired.

In instances where companies decided to purchase FP/MCH services from outside providers, the best package often proved to be a combination of services provided by a PVO and private clinic. The PVOs were able to provide cost-effective IE&C and training, and private clinics had the potential to develop efficient FP/MCH services that were appropriate to company needs within their existing clinic settings.

When companies decided to add FP/MCH to an existing company clinic, technical assistance was usually required in one or more of the following areas: Planning and implementing an IE&C campaign for employees; adding FP or FP/MCH to company clinic services; procuring contraceptives; recruiting company clinic staff; training company clinic staff; and conducting focus groups among employees and dependents.

TIPPS often relied on PVOs to assist in the provision of technical assistance to companies. Convincing these PVOs to develop and market their clinical and technical services to private companies for a fee was a major project activity, as described below.

3.4.2 Technical Assistance to FP/MCH Service Providers

In most developing countries, two types of service organizations were identified as potential providers of FP/MCH services to companies: (1) private voluntary organizations; and (2) private clinics. Typically, PVOs provided services free of charge or at minimal rates. Private clinics primarily offered curative services to individuals who could afford to pay for them. Once the potential of providing services to interested companies was described to these providers, they were often eager to pursue the new opportunities. Neither type of provider, however, was prepared to offer the services required in the manner that was desired by TIPPS and the companies.

Private Voluntary Organizations

During the early stages of the TIPPS project, it was determined that a specific project objective should be to increase the cost-recovery capability of PVOs in order to reduce the funding burden of international donors. PVOs did not usually share this desire to reduce funding from donors, nor did they believe that it was likely to occur, based on previous experience.

Typically, PVOs were not commercially motivated. A decision to expand their market and sell their services at market rates required additional thought and effort on their part. While PVOs were often rewarded by their funding agencies for new acceptors, new users, and/or additional CYPs (couple years of protection), they were generally not rewarded for bringing in additional revenues. Because it was easier to get new acceptors and users when services were provided free of charge, PVOs preferred to provide their services at no charge or at subsidized rates (rather than market rates), and thus avoid the problems of costing, pricing, and marketing the services.

Convincing PVOs to participate usually required a combination of encouragement, explanations of potential benefits, and provision of technical assistance in developing their capabilities to market FP and/or MCH services. TIPPS actively encouraged donors to urge their grantees to consider ways to recover costs. The project also provided assistance to PVOs in developing marketing strategies and marketing plans which would:

- Analyze PVOs' existing marketing capabilities.
- Specify what the PVO would sell.
- Identify the market.
- Determine the required resources.
- Determine how to approach the private sector.
- Develop a promotion and advertising campaign.

The development of a marketing strategy proved to be a relatively easy task. A more difficult task involved identifying PVO staff who were capable and motivated to actually market and sell the services. (Selling is typically as foreign to PVOs as giving things away is to for-profit companies.) It was hoped that the contacts made by the PVOs during the TIPPS company workshops would facilitate the necessary follow-up marketing visits. This was, to a certain extent, successful.

TIPPS also assisted the PVOs in determining how to price their services. This task was difficult for most PVOs, since they previously had no requirements to maintain detailed cost information on the delivery of individual services, and lacked adequate cost accounting systems. Creating a pricing structure also proved to be a problematic task. The challenge for TIPPS was first, to convince the PVO to charge a fee; and second, to charge market rates. In one country, a PVO worked with TIPPS to develop both a fee-for-service scheme and a prepaid scheme to offer to potential corporate clients.

The development of appropriate training programs was less difficult for the PVOs because they usually had in-place training programs that could be adapted to the needs of private companies.

Finally, if PVOs wanted to develop the necessary capabilities to service corporate clients, they usually required assistance in recruiting capable marketing personnel.

Private Clinics

Private clinics were commercially motivated but were rarely capable of delivering FP/MCH services. They had to be convinced, in much the same way as the companies, that providing FP and/or MCH services was good business. Private clinics were particularly interested in the demand for services and the potential revenues that could accrue to them.

In most cases, a private health clinic's involvement required an initial investment in space, equipment, supplies, and staff. Because demand was being developed, it was difficult to project future demand accurately and clinics were hesitant to make the initial investment without some assistance, seed money, or both. TIPPS attempted to broker arrangements between providers and companies that would satisfy the former's concerns regarding demand and start-up funding. In one or two cases, where the risk of establishing a new service appeared too great to clinic management, TIPPS provided minimal seed money on a shared basis with the clinic.

Initially, the lack of FP/MCH expertise seemed to be an overwhelming obstacle. However, given the lack of FP/MCH services available to the new corporate market in most developing countries, there was good reason for motivated private clinics to consider the potential. TIPPS first had to convince clinic management that there was demand for FP or FP/MCH services.

The appeal of utilizing private clinics was that they approached the decision to implement a new service in a business-like fashion. They recognized that even if FP/MCH did not make a profit on its own, it would generate additional business for the clinic's other departments or specialties. FP/MCH might also provide an entree into a number of large corporations that had healthcare contracts with other clinics. These private facilities were also willing and able to market their services and felt comfortable with corporate clients.

For the private clinics, it was often a question of weighing one new service (FP and/or MCH) against another (e.g., radiology). However, once clinic management was convinced that FP/MCH offered the best potential return to the facility, they generally opted to include it in their existing service package.

Technical assistance was necessary in developing the FP/MCH services to be provided by the clinics. TIPPS advisors were asked by clinic management to assist in all or some of the following tasks: Evaluating the demand for services; projecting utilization by type of service, FP method, etc.; developing requirements for staffing, equipment, supplies, contraceptives, etc.; organizing the FP/MCH clinic; recruiting staff; organizing a training program; and procuring or developing promotional materials.

In order to provide assistance, TIPPS identified and recruited local experts. These were often PVOs with capabilities in IE&C, training, clinical services, quality control, procurement, and logistics.

Although not a significant part of the original project design, TIPPS' assistance to service providers became critical in order to assure both technical assistance and services to companies that had decided to invest in FP or FP/MCH. In most countries, TIPPS' success was dependent on its ability to work out suitable arrangements between companies that had decided to offer FP and/or FP/MCH services to employees and dependents, and the providers of these services.

4 PRINCIPAL FINDINGS AND RECOMMENDATIONS

The TIPPS project sought to develop an approach to increase the financial commitment of the private sector in family planning service delivery. Over the course of the project, considerable information was gathered about public policy, the for-profit sector, service providers, and the interrelationships that exist among them. This section of the monograph attempts to provide the reader with the principal findings and conclusions drawn from the experience of the TIPPS project. In addition, a series of recommendations are presented that hopefully will be of use to organizations interested in stimulating the for-profit sector to support preventive health interventions for employed populations.

4.1 Findings and Conclusions

4.1.1 General Policy Issues

As noted, the objective of the TIPPS project was to increase the availability of resources from private companies for family planning. The underlying assumption was that companies possessed resources that could serve to expand the reach of national family planning program efforts. It was believed that, through awareness-raising activities, company policies could be altered in favor of family planning as a means of improving employee benefits. Furthermore, governments would recognize the advantage of having the for-profit sector as an ally in health interventions traditionally reserved for the public sector, and would therefore actively encourage private sector participation.

The TIPPS project found that:

- **Government policy was not a major obstacle to convincing companies to invest in family planning.** TIPPS was designed in part to change or influence government policy affecting private sector involvement in family planning. In large measure, this meant that the project was to promote public policies which would encourage private and parastatal companies to invest resources in family planning. It was believed that tax breaks, relaxed import controls, reductions in social security payments, etc., would be useful, if not critical, in getting companies to invest in family planning services for their employees and dependents.
- **Explicit approval and encouragement from governments to enhance worker and dependent benefits were extremely useful in convincing the business community to add family planning and MCH services.** In countries where there were ongoing efforts to formulate national population policies and implementation plans, TIPPS project activities concretely served to demonstrate how the private sector contributes to the achievement of national population policy objectives.
- **Donor policies were frequently in direct conflict with objectives to promote investments from the private sector.** Most often, companies looked to local PVOs when deciding to provide family planning services. The majority of these PVOs were geared to providing subsidized services and little was being done by the major family planning donors to encourage them to be more discriminating in allocating their resources. The tendency of donors to measure success of the family planning programs they fund almost

exclusively in terms of the couple years of protection (CYP) these programs generate, has made PVOs fearful of losing acceptors by charging for services. This inevitably reduced their motivation to recover costs.

- **Public policy changes relevant to public resource allocations to family planning were achieved by convincing social security institutes (SSIs) to enhance their existing coverage to include family planning services.** To accomplish this, TIPPS cost-benefit analyses were conducted and, as in the case of private business, SSIs were influenced by the cost-savings argument. Savings to SSIs were generated in two ways. First, as a major medical service provider for salaried populations, especially in Latin America, SSIs bear the burden for most of the medical costs associated with pre- and peri-natal care, as well as care for infants and children. Secondly, as providers of social entitlement, SSIs also cover the costs of benefits, such as maternity leave. Therefore, reductions in the numbers of births and maternity-related illness were shown to have a significant and positive impact on the limited budgets of social security services.

4.1.2 The For-Profit Sector

The TIPPS project most actively pursued changes in corporate policy regarding employee benefits. In so doing, valuable lessons were learned about company attitudes vis-a-vis employee benefits and the factors that influence company decision-makers to invest in additional benefits.

- **FP/MCH services were easier to sell than stand-alone FP services,** both by TIPPS to management and by top management to their boards, employees, unions, and sometimes the church and the government. During the project's initial stages, the pros and cons of emphasizing both the health benefits of family planning and integrating family planning into a larger preventive health package were analyzed. Events dictated the course of action. TIPPS found that management was interested in the overall health status of its employees and families, with reduced family size being only one of the determinants of improved health.
- **Companies invested in family planning services for their employees when arguments effectively presented both the financial and health benefits.** In most cases, these investments are modest and future projects applying a TIPPS approach should realize that the amounts invested will not and need not be large. In order to convince selected companies to invest, it was necessary to influence top and mid-level management, highlight cost savings, and emphasize preventive health services, including family planning.
- **A business-like approach and style was important in working with the private sector, as was a flexible, open attitude toward what is needed and what will work.** Confidence in the "product" and an ability to demonstrate its usefulness in a professional manner were essential. To accomplish this, a business analysis methodology was developed and tested. A cost-benefit model was developed, refined, and simplified. Numerous analyses (case studies) were completed that on their own or in conjunction with simplified cost-benefit analyses helped convince other business leaders to invest in FP/MCH services.
- **The corporations most likely to invest in FP/MCH services for employees and dependents had identifiable characteristics.** Based on TIPPS' work with more than 100

companies in a dozen countries, these characteristics included: financial soundness combined with reliable and accessible cost data; a relatively progressive outlook toward employee and dependent benefits; and a significant female labor force or benefits that cover female dependents.

- **The investments required of companies were relatively modest, and the advantages demonstrated by the cost-benefit analysis were sufficient to convince management to invest.** One important reason that company investments were small was that, with a few exceptions, the companies had access to subsidized commodities. Even though companies paid for these commodities, the amount was usually below market price.
- **National political and economic conditions were important factors in determining the actions taken by companies.** For example, in Peru, inflation rates, strikes and terrorism; in Zaire, importation costs; in Zimbabwe, price and wage freezes; and in India, foreign currency limitations were all factors which significantly affected TIPPS analyses and the recommendations made to management.
- **Most companies required technical assistance to establish a FP/MCH service or to develop linkages with organizations that provide such services.** Because the cost to companies of offering the services was minimal, many companies could afford the investment. The TIPPS approach was unique to every company in order to take into consideration all of the varying needs and circumstances of each. Some companies clearly had the financial ability to act independently once they decided to offer FP or FP/MCH services. Companies with more limited resources needed to collaborate with other small companies to develop the services or seek some type of assistance, either direct financial aid to cover start-up costs or subsidized commodities and services.
- **Different factors and variables must be taken into account, and a different approach used in dealing with private insurance companies.** To a limited extent, TIPPS experimented successfully with private insurers. The objective was to convince these companies to modify health policies by adding family planning services to conventional group coverage. Insurance companies are extremely conservative and will add family planning only when convinced that FP will reduce the payout for other health interventions and improve profitability. Traditionally, health insurers are driven by client demand. Policy holders, whether they are companies or individuals, are the ones to initiate added benefits and would be the principal catalysts to influence insurance companies to include family planning coverage under conventional health insurance policies.
- **A prosperous and stable economic environment is a prerequisite to the survival of a health insurance industry.** Insurance companies have been particularly affected by rising health care costs associated with changing epidemiological profiles and the emergence of Acquired Immune Deficiency Syndrome (AIDS). Their profits are shrinking and many foreign-based insurance companies (so far the major insurers) are reconsidering their involvement in LDCs, resulting in their withdrawal from specific countries or abandoning their health products. Alternative payment mechanisms are surfacing as well. Use of blocked currencies, buyouts from local investors, and conversion from third-party payers to service providers are examples of the directions currently being considered by insurance companies. Some of the larger insurance companies are expanding their traditional role of third party payer to include managed care in the forms of health maintenance organizations (HMOs), preferred provider

organizations (PPOs), and independent practice associations (IPAs). These types of provider organizations are dedicated to implementing successful cost-containment measures such as preventive health services, including family planning.

4.1.3 Service Providers

Early in the TIPPS project, it was thought that once companies were convinced to invest in services, there would be an adequate supply of services and resources available to develop and implement these services in-house with very little outside technical assistance. In fact, FP/MCH service provision in LDCs was often inadequate or inappropriate to meet the new corporate demand for services that TIPPS activities generated. Increasingly, TIPPS focused much of its technical assistance on ensuring that the supply of services for the for-profit sector was sufficient to meet demand.

- **Existing providers were unable to meet all the needs of a company.** Significant technical assistance was required from TIPPS staff to develop the capability among service providers to package and market their services. Generally, PVOs were not experienced in dealing with the commercial sector. Often, they were ignorant of companies' special needs and had difficulty in adapting their services. In many cases TIPPS was asked to assist in costing and pricing services, developing marketing strategies, and other requisite business skills to enter into contractual relationships with companies to provide appropriate, quality services. Private clinic providers could easily grasp the business opportunity presented to them, but often lacked the preventive health skills the companies were interested in offering.
- **Referrals are an important aspect of employment-based services because all appropriate methods could not be made available at the workplace.** It was not uncommon to find that clinic services were not available to employees beyond normal working hours and many employees, especially those in factories, often were not free to seek clinic-based services during working hours.
- **Employees and dependents had a strong interest in obtaining information about family planning.** The effective incorporation of IE&C into company-based services was critical, since the sole availability of commodities and services did not guarantee their use. Outside assistance was required, usually from PVOs, to develop and implement an IE&C campaign that would lure employees into using the services and commodities.

4.2 Recommendations

The following recommendations are presented to assist similar or follow-on projects in achieving their objectives:

Recommendation 1: Promote family planning as part of an integrated preventive healthcare package. Because company management is concerned with the broader health problems of their employees and dependents, they can be convinced to invest in a preventive health benefits package. An approach that takes other health needs into account will more likely result in enhancing employee benefits.

Recommendation 2: Involve national business associations at the outset of in-country activities. The involvement and participation of recognized business associations will help ensure contact with a wide audience of companies.

Recommendation 3: Implement simplified company analyses. Collection of secondary fertility and limited cost data are sufficient to perform effective cost-benefit analyses. Case studies developed under TIPPS and other similar projects can also be used to effectively demonstrate the cost-savings argument.

Recommendation 4: Develop and/or ensure the availability of FP/MCH services at the time of service demand creation. In addition to working with private business, employee-based activities must focus on ensuring the availability and capability of local service providers to service the demand from private companies.

Recommendation 5: Assess existing family planning utilization and sources within each company prior to proposing a service delivery strategy. It is important that existing private service providers not be undermined when and if new services are promoted and/or created.

Recommendation 6: Plan services to appropriately meet employees' needs. On-site distribution and counseling, for example, should take the company's work schedule and corporate culture into account. High employee turnover rates that can potentially result in high rates of service abandonment must be considered.

Recommendation 7: Include a substantial IE&C component in company-based family planning services. This will encourage contraceptive continuation and improve method mix. Since contraceptive prevalence rates of employed populations tend to be higher than national rates, a major objective should be to shift contraceptive use from less effective to more effective methods and to reduce FP discontinuation rates.

Recommendation 8: Include Social Security Institutes and the health insurance industry in their roles as third-party payors and service providers. More in-depth analyses of SSIs and the insurance industry should be carried out than was done under the TIPPS project. Such analyses should focus on relevant government policies that affect these institutions.

Recommendation 9: Ensure coordination by donor agencies of policies and strategies that have a direct and indirect impact on the issues of cost-recovery and private sector investments in FP/MCH. This issue should also be addressed by host country policy-makers.

Recommendation 10: Limit corporate subsidies to \$5,000-\$20,000. Provide subsidies only to companies with limited resources that will serve as good demonstration models.

Recommendation 11: Emphasize the following outputs in evaluating TIPPS-like activities: (a) Number of companies which have added FP/MCH services; (b) Corporate resources (cash and in-kind) invested in new services and; (c) Number of employees and dependents covered by the new benefits. Longer term indicators traditionally used to measure program impact, such as number of new and continuing users and CYPs, should also be evaluated. This will require developing a specialized record-keeping system.

In conclusion, with all of the knowledge and experience gained over the life of the project, the obvious question is "where should the philosophy, the approach, the methodology developed during the TIPPS project go from here?" The TIPPS project succeeded in getting corporations to invest scarce resources in FP/MCH services for their employees and dependents. It sensitized PVOs to issues of cost-recovery and self-sufficiency, thereby expanding private FP service delivery capability. Useful skills and technology were transferred to local institutions.

Employed populations are usually above national averages in terms of income, education, knowledge and use of family planning. Therefore, this sub-population's contribution to increasing a country's overall contraceptive prevalence rate will be limited. The most important result from a project such as TIPPS will be to shift users from the public sector to the private sector and shifting contraceptive utilization from less effective to more effective methods.

The use of existing case studies in conjunction with testimonials of CEOs and a computerized model able to answer individual corporate questions during meetings, seminars and conferences will expand corporate investments in FP/MCH at an even faster pace. The capability to offer technical assistance and in some cases, limited financial assistance, in the design and implementation of FP/MCH services will facilitate both a positive corporate decision and subsequent action while the motivation is fresh.

As current users of subsidized services switch to company-financed sources, government and foreign donor resources will be free to serve those populations unable to pay. In the long run, self-sufficient family planning service outlets will increase the sustainability of national family planning programs and offer new markets for local contraceptive manufacturers, wholesale and retail distributors, commercial health providers and PVOs.

The TIPPS project only touched the tip of the iceberg. Continuation of TIPPS-like activities should be considerably more cost-effective. As shown in Appendix B, many more employees can be reached with less effort and fewer resources. Clearly, the private sector should continue to expand its investment in FP/MCH services. It is unlikely to do so unless an approach is maintained which encourages and facilitates decisions and actions.

APPENDICES

APPENDIX A

INVESTMENTS (in US\$) AND ACCEPTORS GENERATED FROM PRIVATE COMPANIES

COUNTRY	COMPANY CONTRIBUTIONS (\$) TO:				TOTAL # OF ACCEPTORS new & continuing
	Business Analysis	Annual FP Svc Delivery	# of Years	TOTAL	
<u>MEXICO</u>					
Gigante	4,200	16,300	1	20,500	4,000
<u>PERU</u>					
MILPO	17,500	18,000	3	71,500	300
ATACOCHA	8,200	12,500	1	20,700	420
ELECTROLIMA	13,700	-	1	13,700	870
<u>HONDURAS</u>					
MISA	1,665	4,900	1	6,565	300
LOVABLE	3,500	1,250	1	4,750	*
<u>NIGERIA</u>					
GOCON	13,100	*	1	13,100	*
LEVER BROS.	4,200	*	1	4,200	*
<u>ZAIRE</u>					
UTEX	17,500	2,500	3	25,000	120
BCZ	12,900	4,500	2	21,900	272
Cie Sucriere	6,000	*	1	6,000	875
<u>ZIMBABWE</u>					
CIMAS	5,000	15,000	1	20,000	8,000
<u>INDONESIA</u>					
Atma Jaya	<u>5,000</u>	<u>3,000</u>	1	<u>8,000</u>	<u>924</u>
TOTALS	\$112,465	\$77,950		\$235,915	16,081

(*) DATA NOT AVAILABLE

APPENDIX B

EXAMPLE OF BENEFITS PROVIDED BY COMPANIES

COSTS	COMPANY			
	MILPO MINING PERU	ELECTROLIMA PERU	GULF OIL NIGERIA	UTEXAFRICA ZAIRE
<u>Prenatal leave</u>				
<u>Prenatal care</u>	x	x		x
<u>Delivery</u>	x	x		x
- vaginal	x	x		x
- caesarean	x	x		x
<u>Post-natal care</u>	x	x		x
<u>Day care</u>		x		
<u>Pediatric care</u>	x	x	x	x
<u>Full health care for children to age 18</u>	x	x	x	x
- hospitalization	x	x		x
- outpatient	x	x		x
<u>Maternal care</u>	x	x		x
- pregnancy related	x	x		x
- abortion related	x	x		x
<u>Salary supplements</u>	x	x		x
- birth		x		x
- each year to 18 years	x	x		x
<u>Lactation supplement and time-off</u>		x		x
<u>Maternity leave</u>	x	x	x	x
<u>Educational supplement to age 18</u>	x	x		x
- tuition	x	x		(thru age 26)
- uniforms	x			
- supplies	x			
<u>Pharmaceuticals</u>	x	x	x	x
<u>Housing</u>	x			
<u>Utilities</u>	x			
<u>Death benefit</u>				x
<u>Christening</u>				x
<u>Transportation</u>				x
<u>Gift for each newborn</u>		x		

APPENDIX F SAMPLE HANDOUT

WHICH OF THE FOLLOWING ACTIVITIES WOULD BE MOST APPROPRIATE FOR YOUR COMPANY?

- Assisting in implementing a FP/MCH program
- Training in FP/MCH for existing clinic personnel
- An assessment (simplified business analysis)
- A follow-up meeting between TIPPS and company management
- More information on the TIPPS project

PLEASE DESIGNATE THE KEY MANAGERS IN YOUR ORGANIZATION WHO WILL ATTEND THE THREE-DAY WORKSHOP SCHEDULED FOR APRIL 5-7 AT THE SHERATON HOTEL.

Name: _____

Position: _____

Work Telephone No.: _____

APPENDIX E

SUMMARY OF THE TIPPS COST-BENEFIT MODEL METHODOLOGY

To calculate the potential costs and benefits of providing family planning services, *TIPPS* used a detailed mathematical model. The researcher furnishes information about the company's employees and their dependents, the number of births, the use of family planning, and the costs to the company for each child born or abortion complication treated, as well as anticipated costs of providing family planning. Other input variables, such as use-effectiveness of the various contraceptive methods, commodities needed for family planning acceptors, etc., have default values provided with the Model. While these values should be retained at least in the initial projections, they can be varied to reflect local conditions.

The basic elements in a cost-benefit analysis are:

1. The direct cost to a company for each child born to any employee or employee's spouse, treatment of abortion complications, and other maternity-related health costs, along with indirect and possibly continuing costs such as child medical insurance, health care, educational assistance, and housing allowances. These costs, when averted, are the "benefits" to the company;
2. The estimated number of births, abortion complications and other health conditions that can be averted through use of family planning or, for current users, a change to more effective methods; and,
3. The cost to the company of providing family planning services.

Costs and benefits are calculated on a year-by-year basis. Because of the nine-month gestation period between conception and birth, it is assumed that first-year family planning acceptors do not begin averting births until the second year, however, it is possible that the program will avert some abortion complications in its first year of operation. Thus, most corporate family planning programs can expect to lose money, or be out-of-pocket, in the first year. Depending on the kinds of maternity-related benefits paid by the company, first-year costs may begin to be recovered in the second year.

A complete cost-benefit analysis should include not only the costs and benefits incurred during the years of family planning program operation, but future benefits as well.

Because many companies cover the costs associated with not only the birth of an employee's child, but his schooling, medical care, and other expenses, for up to 18 years or more, one averted birth may save the company money not only during the year of the birth, but in future years as well. Therefore, births averted by the family planning program will continue to save the company money in the future, even after the program is discontinued. For example, if a company pays for schooling and medical care for dependent children up to 18 years of age, and funds a family planning program for five years, it continues to receive benefits for 24 years (program efforts in the fifth year will avert births in the sixth year; these averted births will generate benefits for 18 additional years.) If the family planning services include long-lasting contraceptive methods such as IUDs and voluntary sterilization, program benefits will continue to accrue for an even longer period to time.

For more complete information on the cost-benefit model and how it can be used, refer to "The TIPPS Model for Projecting Costs and Benefits of Family Planning Services Delivery: A User's Manual" by K.G. Foreit and J. Bennett, JSA Healthcare Corporation, Columbia, MD 21044.

APPENDIX D

SAMPLE LIST OF EXPENDITURES REQUIRED FOR DEVELOPING AND OPERATING FP/MCH SERVICES

COSTS	COMPANY		
	MILPO MINING	GULF OIL	UTEXAFRICA
Start-up & Operating Costs:			
Salaries			
- Physicians	o x		
- Nurse	o x		x
- Midwives			
- Health Educator	o x		x
- Other support			
Training	o	o	o
Space/Facility			
Equipment	o	o	o
Supplies			
- Clinical	o x	o x	o x
- Office	x	o x	x
- IE&C	o x	o x	o x
Contraceptives/Pharmaceuticals	o x	o x	o x
Maintenance	x	x	x
Administration	x	x	x
Referrals			
- Specialists	x	x	x

o = start-up

x = operating

APPENDIX C

EXAMPLE OF COSTS AVERTED BY AN MCH PROGRAM (Milpo Mining Company, Peru)

SYMPTOMS	APPROPRIATE TREATMENT	COST. APP TREATMENT	CURRENT COST (MEAN)	ANNUAL SAVINGS
Light diarrhea No resp infec	No pharmaceuticals	0.00	3.51	411
Moder diarrhea No resp infec	Oral rehydration*	0.34-1.1	3.24	1132-1533
Diarrhea with blood or mucus No resp infec	Oral rehydration* Ampicillin	1.31-2.07	3.33	147-236
Light resp infec No light diarrhea	Acetaminophen	0.19	3.17	2621
Light resp infec Moder diarrhea	Acetaminophen Oral rehydration*	.53-1.29	3.36	1453-1987
Light resp infec Diarrhea with blood or mucus	Acetaminophen Oral rehydration* Ampicillin	1.50-2.26	3.66	904-1395
Moder resp infec No light diarrhea	Acetaminophen Benz. penicillin Oral rehydration*	.91-1.67	3.65	584-808
Moder resp infec Diarrhea with blood or mucus	Acetaminophen Sulfamethoxazole Oral rehydration*	1.30-2.06	3.70	484-708
ESTIMATED TOTAL ANNUAL SAVINGS ON PHARMACEUTICALS				10,677-12,640

* NOTE: Oral rehydration salts come in two formulations:
non-flavored (.11 per envelope) and flavored (.37 per envelope)

DATA SOURCES

1. ILO Estimates of Economically Active Persons by Country
2. ILO Estimates of Reproductive Age males and Females who are Economically Active
3. Dun and Bradstreet Survey of Selected Private Businesses in LDCs
4. Europa Publication on Sub-Saharan Africa

FORMULAS APPLIED

1. 18% of economically active persons in Africa are formally employed, i.e., wage earning
2. 35% of economically active persons in Asia and Latin America/Caribbean are formally employed, i.e., wage earning
3. 50% of formally employed persons in all regions are employed by private business

EXCLUSIONS APPLIED

The agricultural sector is not included in these calculations because the employed population, though organized, is generally not easily accessible for provision of social services by comparison with the industrial and service sectors.

APPENDIX G

ESTIMATED NUMBER OF PERSONS OF REPRODUCTIVE YEARS EMPLOYED BY PRIVATE BUSINESS IN SELECTED LDCs OF AFRICA, ASIA, and LATIN AMERICA/CARIBBEAN '(000) Females 15-49; Males 15-59

Region	No. of Persons Economically Active	No. of Persons Employed			% of Persons Economically Active
		Total	Male	Female	
Africa	134,589	12,653	8,481	4,172	9.4
Asia	514,957	88,061	68,736	19,327	17.1
LA/C	<u>118,556</u>	<u>24,576</u>	<u>18,631</u>	<u>5,963</u>	<u>20.7</u>
Total	768,102	125,290	95,848	29,462	15.7

78 COUNTRIES ASSESSED

Afghanistan
 Bangladesh
 Barbados
 Benin
 Bolivia
 Botswana
 Brazil
 Burkina
 Cameroon
 Cape Verde
 Central African Republic
 Chad
 Chile
 Columbia
 Comoros
 Congo
 Costa Rica
 Côte d'Ivoire
 Dominican Republic
 Ecuador
 Egypt
 El Salvador
 Equatorial Guinea
 Fiji
 Gambia

Ghana
 Guatemala
 Guinea
 Guinea-Bissau
 Guyana
 Haiti
 Honduras
 Hungary
 India
 Indonesia
 Israel
 Jamaica
 Jordan
 Kenya
 Lebanon
 Lesotho
 Liberia
 Madagascar
 Malawi
 Mali
 Mauritania
 Mauritius
 Mexico
 Morocco
 Mozambique
 Namibia

Nepal
 Niger
 Nigeria
 Oman
 Pakistan
 Panama
 Peru
 Philippines
 Poland
 Rwanda
 Senegal
 Sierra Leone
 Somalia
 Sri Lanka
 Swaziland
 Tanzania
 Thailand
 Togo
 Tunisia
 Turkey
 Uganda
 Uruguay
 Yemen
 Zaire
 Zambia
 Zaire