resonance
Frontier Market Solutions

OpenLMIS Sustainability
Project Overview
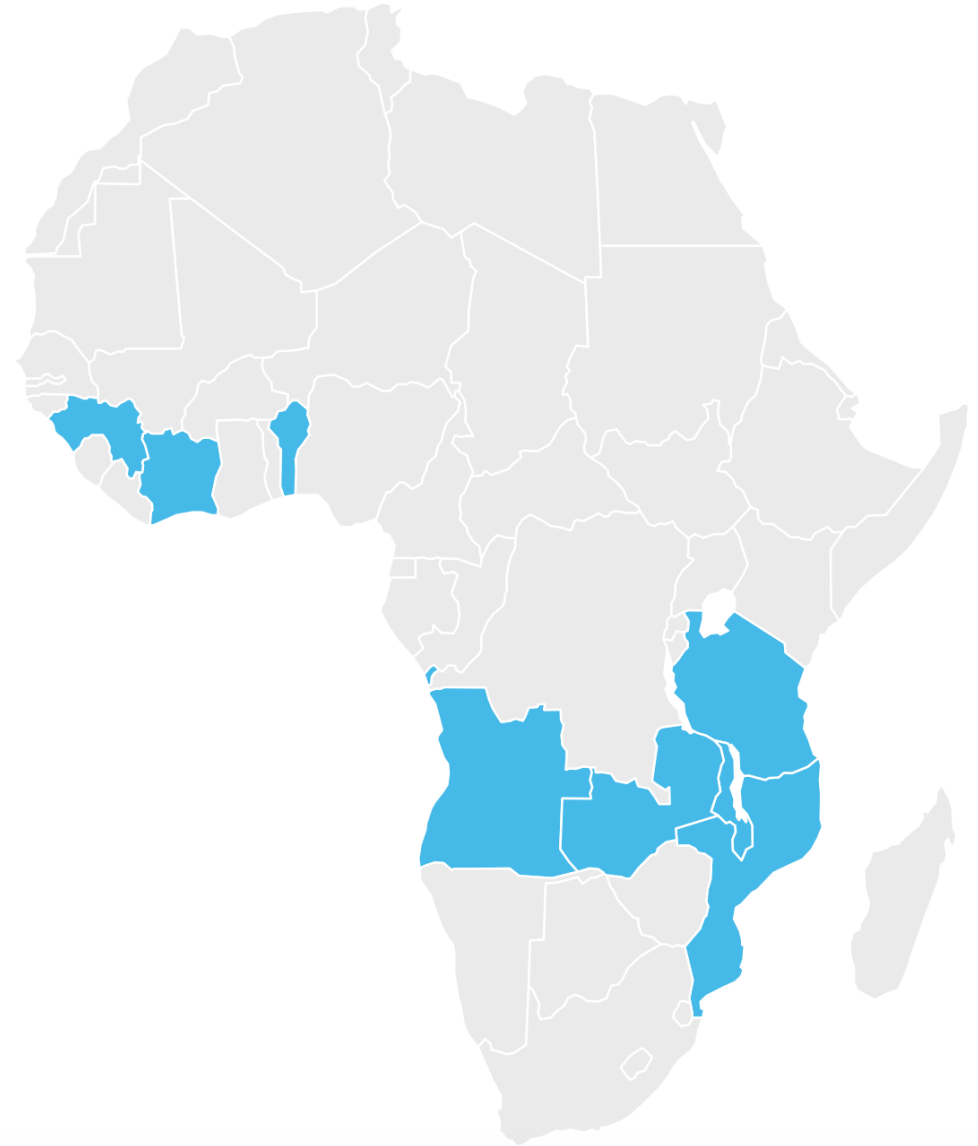**Community Meeting – November 18, 2019**

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3. OpenLMIS in Private Health

4. Where We Are Today
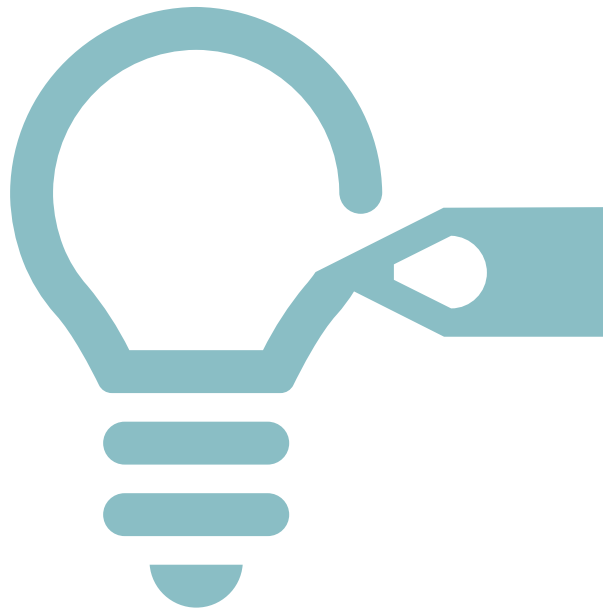
5. Questions & Discussion

Filling a Gap
Celebrating the Journey of OpenLMIS

Emily Bancroft | VillageReach

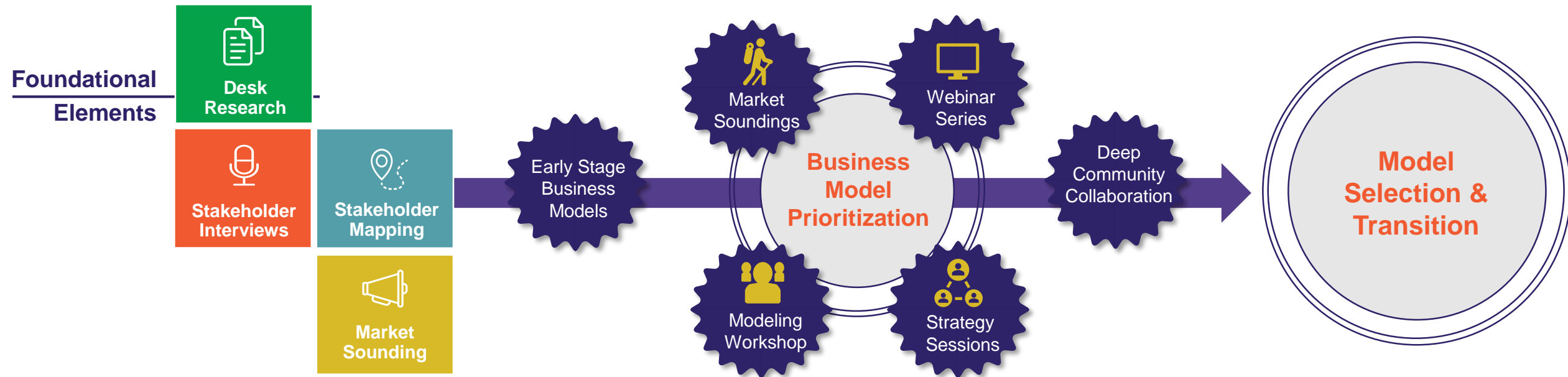# Overview of Sustainability Research

Resonance's Role

- Reimagine **OpenLMIS**

- **Explore** avenues for sustainability, including options for **product expansion** within and outside of the global health market

- Evaluate **opportunities** for revenue and financing, including new channels, partnerships, donor funding, and impact investing

- Support decision making and the pivot to a **long-term plan**

One Year of Analysis

Foundational Elements

Desk Research

Stakeholder Interviews

Stakeholder Mapping

Market Sounding

Early Stage Business Models

Market Soundings

Webinar Series

Business Model Prioritization

Modeling Workshop

Strategy Sessions

Deep Community Collaboration

Model Selection & Transition

Transform Research into Insights **>** Discover, Build Out, & Prioritize Models **>** Select, Validate, Test, & Transition

Community Engagement

We have consistently collaborated, exchanged ideas, and held strategy sessions with key partners.
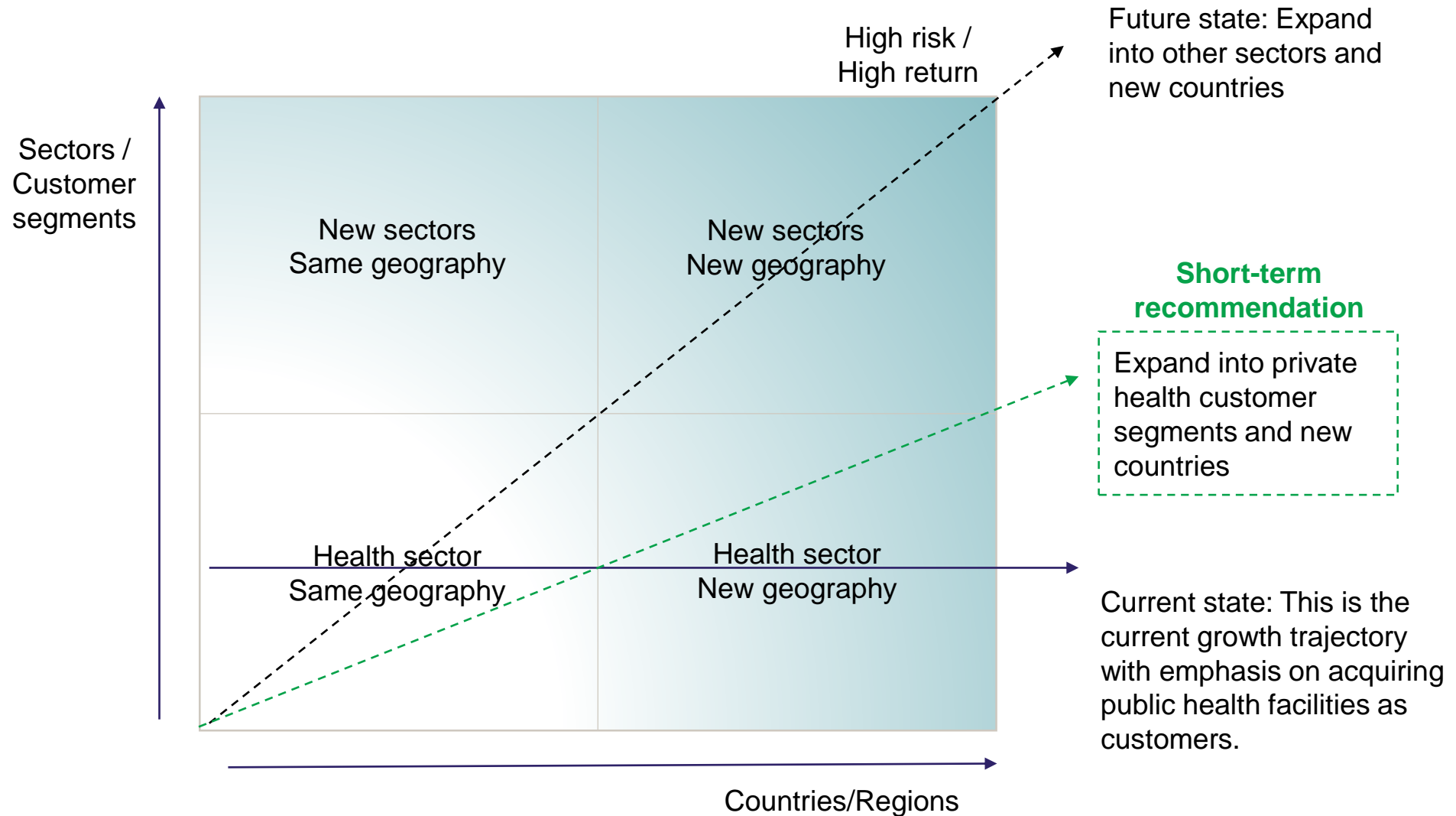
External Stakeholders

We have conducted dozens of interviews to dig into feasibility of the future-state opportunities.

| Interview Type	Examples	Value of the conversation
Other Global Goods	OpenCRVS, OpenMRS	Benchmarking and best practices; case studies
Customer possibilities within & outside of health	Medical Teams International, Sigma Pharmacy, MoH	Customer needs, willingness to pay, decision-making
Potential partners	IQVIA, Jembi, Mezzanine	Business proposition, value of OpenLMIS
Technology innovators	mPedigree, Living Goods, Kasha, mPower	Innovative product and revenue models
Donors and funders	USAID, BMGF	Available bridge and future funding, impact measures

Long-Term Expansion Strategy

High risk /
High return

Future state: Expand
into other sectors and
new countries

Sectors /
Customer
segments

New sectors
Same geography

New sectors
New geography

**Short-term
recommendation**

Expand into private
health customer
segments and new
countries

Health sector
Same geography

Health sector
New geography

Current state: This is the
current growth trajectory
with emphasis on acquiring
public health facilities as
customers.

Countries/Regions

OpenLMIS in Private Health

OpenLMIS for Private Health

- As part of its broader effort to **reimagine** OpenLMIS, Resonance identified opportunities to **expand its footprint** from public health to private health in target markets

- While keeping the **core product open source** and the **public implementations active**, a **parallel product** would be created to serve private clinic networks, hospitals, and pharmacy retail networks

- This SaaS product would help **subsidize the cost** of public health implementations and create a path for long-term **revenue generation**

- Over time, **synergies** between the two products would help **elevate** its offering in both sectors; and product tiers could be created, providing options for different levels of local engagement and **support**
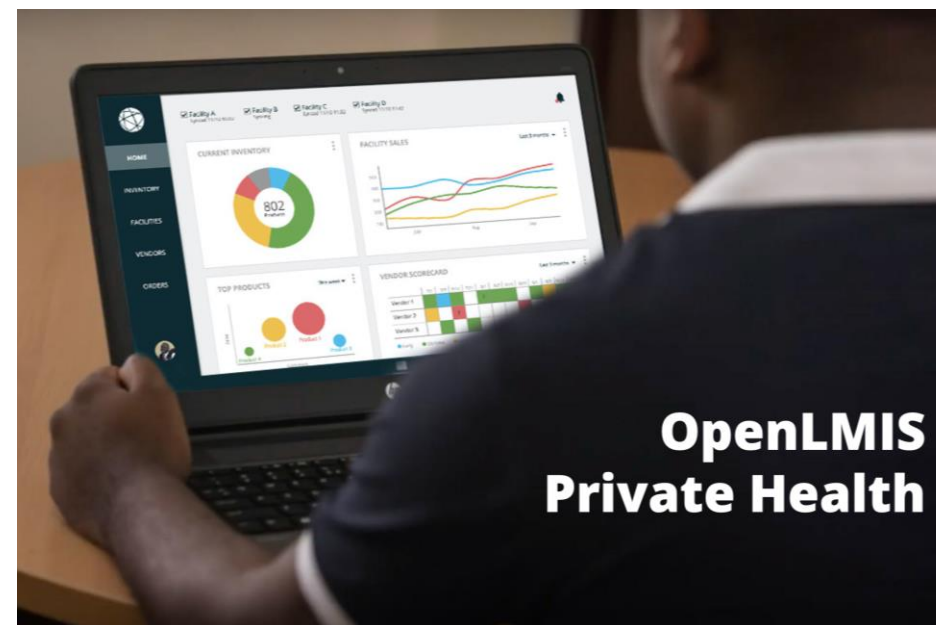
A series of interviews were conducted with **health and last mile supply chain** subject matter experts, potential customers, and we socialized a **product prototype** with select potential customers.

The Problem

- Most private health networks in developing countries track inventory – either fully or partially – on paper because they don't have a digital tool that meets their needs

- Networks that have digital tools will often combine multiple types of software or develop a home grown solution that is either inefficient, too expensive to maintain, or still requires manual processes to operate

- These challenges have created a gap in the private health market that is not currently filled by commercial solutions

Target Markets

Most promising markets are **large economies in Sub-Saharan Africa** (e.g. Ghana, Nigeria, Kenya) with dynamic private health sectors

Opportunities also exist in smaller, somewhat limited private health economies (e.g. Zimbabwe, Senegal), east/south Asia.

Less promising markets are Latin America and the Caribbean with few potential customers and/or national software restrictions; and more mature/saturated markets (e.g. South Africa, Thailand).

Key: Interviewee Type

★ Subject Matter Expert (15)
★ Clinic Network (6)
★ Hospital Network (5)
★ Pharmacy Network (1)
★ Investor (2)

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Target Customers

There are opportunities to support private clinic, hospital, and pharmacy retail networks.

- In a fragmented market, there are growing customer segments in low- and middle-income countries

- Needs are similar (but not identical) to current OpenLMIS users

- Target customers are eager to address common supply chain challenges, which are major pain points for their organization

- They understand the need for software investment alongside growth and are looking for a suitable solution

	Clinic Network	Hospital Network	Pharmacy Retail Network
Defining feature	Out-patient facilities	In-patient facilities	Standalone dispensaries
May include	Pharmacies, laboratories	Clinics, pharmacies and/or laboratories	Distribution/ wholesaler component

Sample Customer Profile

	Growing Private Clinic Network *Actively seeking appropriate, user-friendly supply chain management solution on a limited budget*
About	Private company/organization operating a network of 5-20 clinics in a low-resource setting
Goals/Mission	Ambitious expansion of clinic facilities and/or service offerings
Supply Chain Management	Current solution: Partially paper-based with facilities/employees combining multiple solutions (e.g. clinic management system + Excel) • *Unreliable and inefficient, leading to errors, stockouts, delays, waste, and higher costs* • *Holding back company growth/expansion*
Software Use and Orientation	Some software use: Locally built clinic management system, basic accounting system • *Current system(s) offer only partial solution(s) to supply chain needs* • *System(s) not user-friendly or designed for their needs/circumstances*
OpenLMIS as a Solution	Requisitions, inventory management, and reporting/analytics support that interoperates with existing clinic management and accounting systems to address supply chain management gaps

Pain points identified in italics.

Prototype Interview Feedback

Most Valuable Features and Characteristics
- Inventory visibility from supplier to customer
- Data/reporting dashboards
- Health sector focus
- Offline sync capabilities
- User-friendly and intuitive
- Configurable with existing systems

Questions and Concerns
- Timeline: Customers are looking for this product now
- Integration and interoperability with existing or future EMR/HIS, financial/accounting, point of sale, and mobile systems

Perceived Value
- Customers are willing to pay up to $25,000 annually for this product

" I wish we could get better visibility into our supply chain and the data we need. It's hurting our business and we're losing money, which makes it difficult to serve patients and take collective action. "

- Private Clinic Network, Kenya

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Click to begin:

OpenLMIS Private Health

A Product Prototype | VillageReach

OpenLMIS
Paths Forward

While we consider OpenLMIS for private health to be a strong contributor to sustainability, there are a couple of paths and decisions that need to be made to get there…

Where We Are Today

Governance Committee Meeting (Today)

Donor Check-In, Part I (October 17)

Donor Check-In, Part II (November 6)

Governance Committee Meeting (November 12)

Future State Partner Engagement Survey (November 12-15)

OpenLMIS Community Meeting (November 18-20)

Share project update and demonstration of private health prototype

Build options and create a package of information to share with the Governance Committee

Present options for path forward and take a temperature check-style poll during the call

Collect responses of voting members about ways to engage in the future state

Engage with the OpenLMIS community for transition and future-state planning

OpenLMIS Paths Forward

1 Independent Entity

- Create a new non-profit entity to manage software & stewardship
- Keep public health implementations active and pursue a parallel product in private health
- Transition public health to include routine contributions
- Seek initial seed stage funding followed by impact investor funding

2 Partnership to Handover

- Partner with a private organization and gradually transition software & stewardship over 1-2 years
- Keep public health implementations active and product open source
- Let partner drive which business opportunities to pursue
- Collaborate on contract terms
- Seek initial seed stage funding

3 Unsupported Release

- Release the IP and licensing
- Leave future software enhancements and stewardship up to the open source community
- No funding for core community, product management, or maintenance
- No mechanism for partners to guide the future of OpenLMIS

Comparing Paths Forward

	1 Independent Entity	**2** Partnership to Handover	**3** Unsupported Release
Risk	High	High	Low
Cost	$$$	$$	Free
Control	High (for partners involved)	Low (enforce contract terms)	None
Stability for current public user base	High	Medium	Low

Future State Partner Engagement Survey

Open November 12 – 15, 2019

Following the Governance Committee Meeting

- Survey sent via email to voting members

- Participants were encouraged to consult with others at their organizations to inform responses

- Purpose was to gauge interest in the various roles that could be played by partner organizations

- While non-binding, the survey has informed today's discussion

- 4 responses to date from BMGF, VillageReach, SolDevelo, & JSI

Community Sentiment on Options

Number of Votes (y-axis, scaled 0 to 5)

Legend:
- **Very Concerned** (dark red)
- **Slightly Concerned** (pink)
- **Unsure/need more information** (grey)
- **Somewhat excited** (light green)
- **Very excited** (dark green)

Option 1: Independent Entity
Option 2: Partnership to Handover
Option 3: Unsupported Release
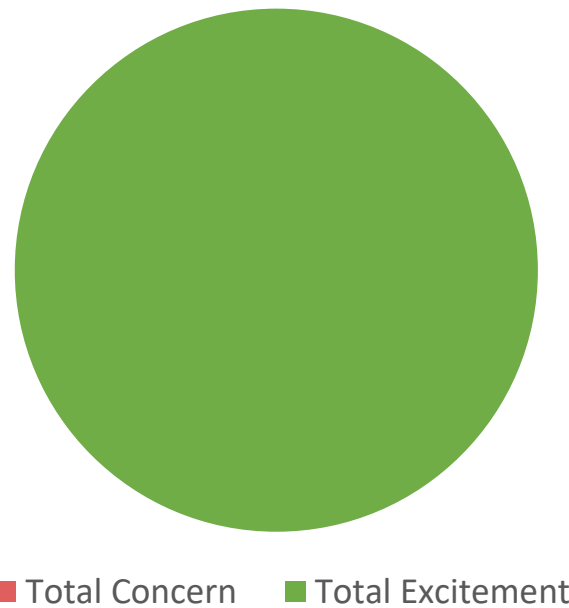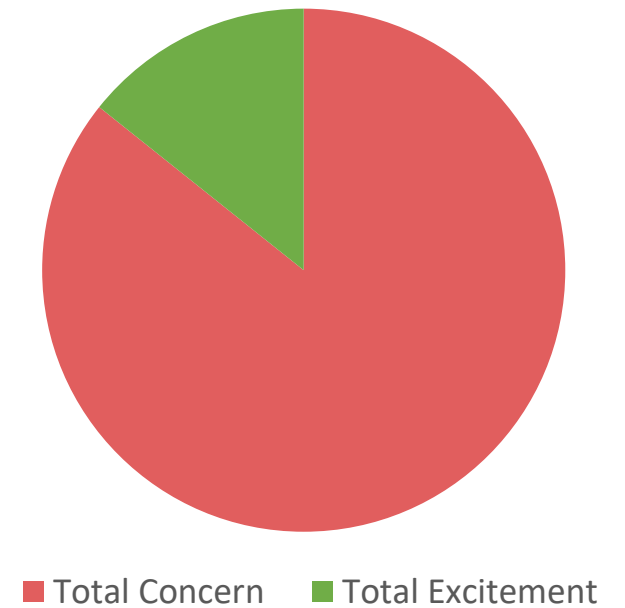
Please express how you feel about each of the 3 options outlined above.
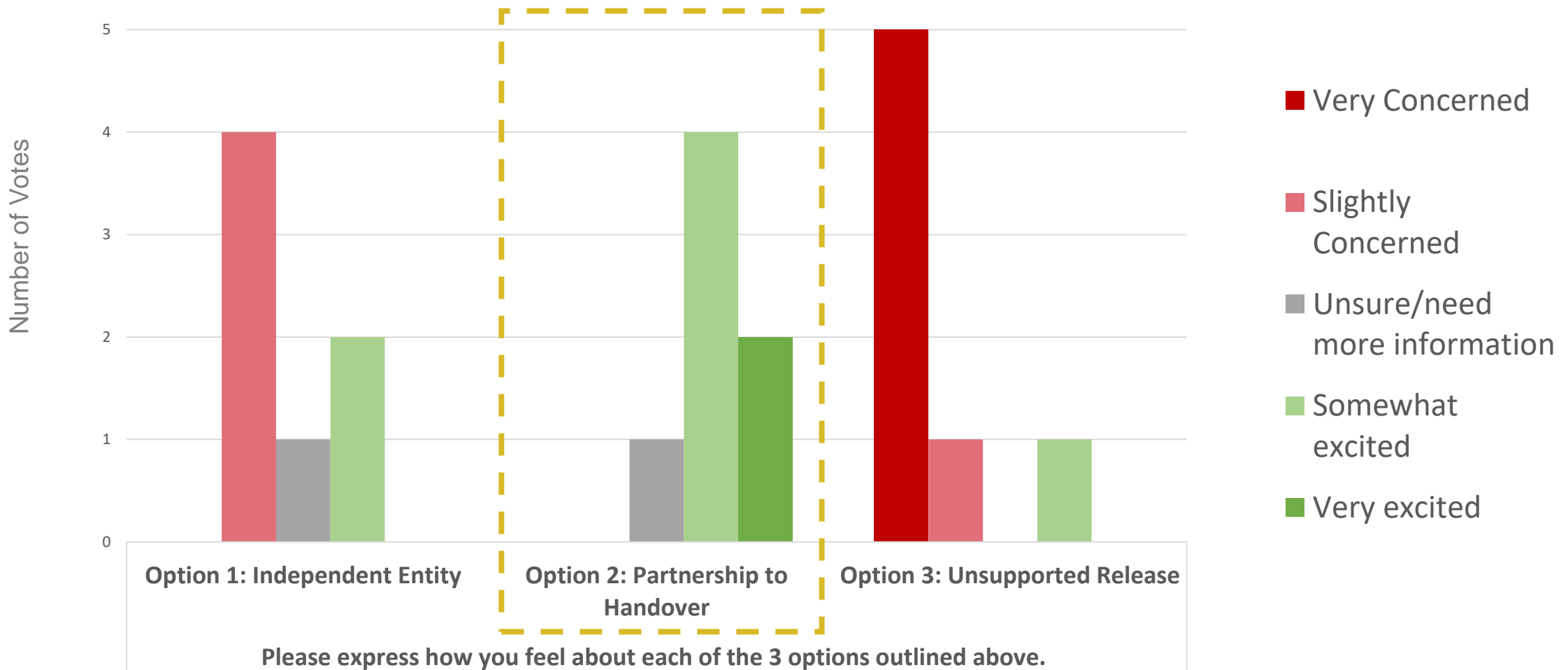
Total Concern vs. Excitement

Option 1: Independent Entity

■ Total Concern ■ Total Excitement

Option 2: Partnership to Handover

■ Total Concern ■ Total Excitement

Option 3: Unsupported Release

■ Total Concern ■ Total Excitement
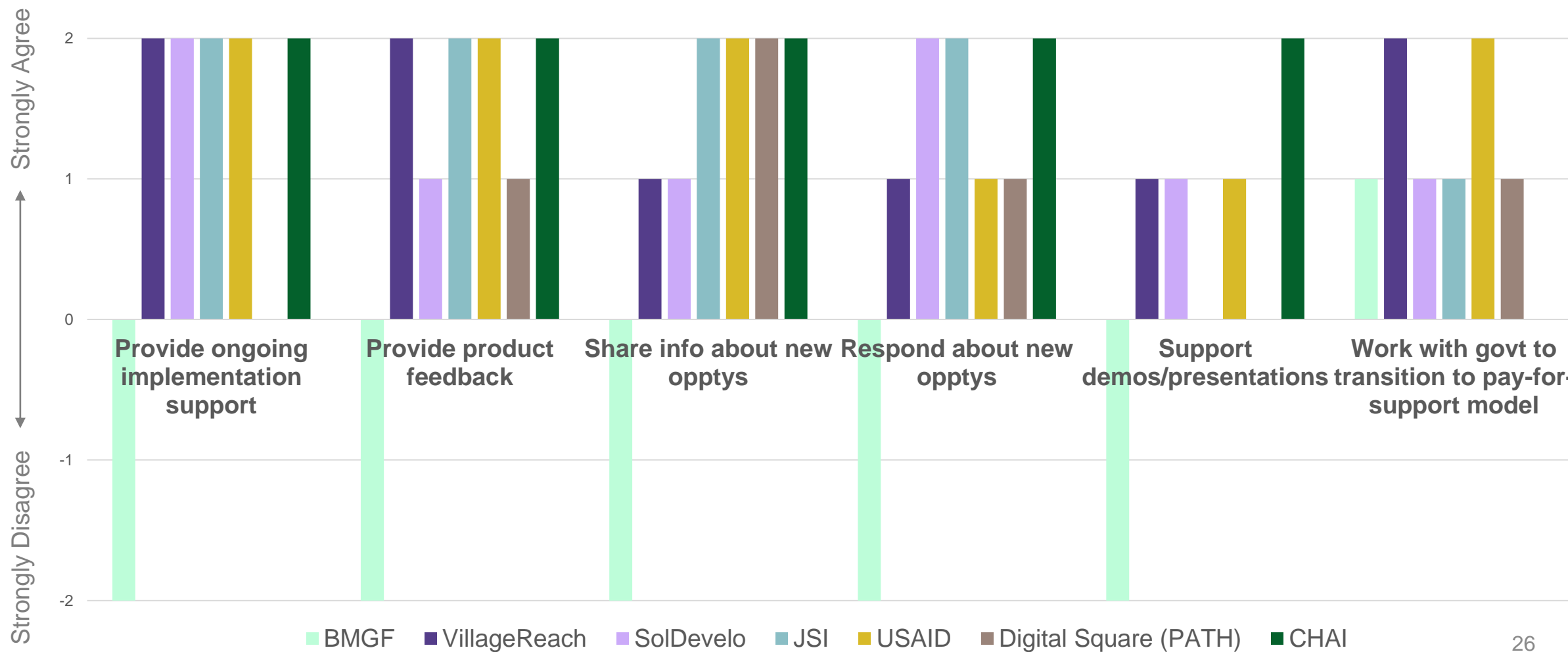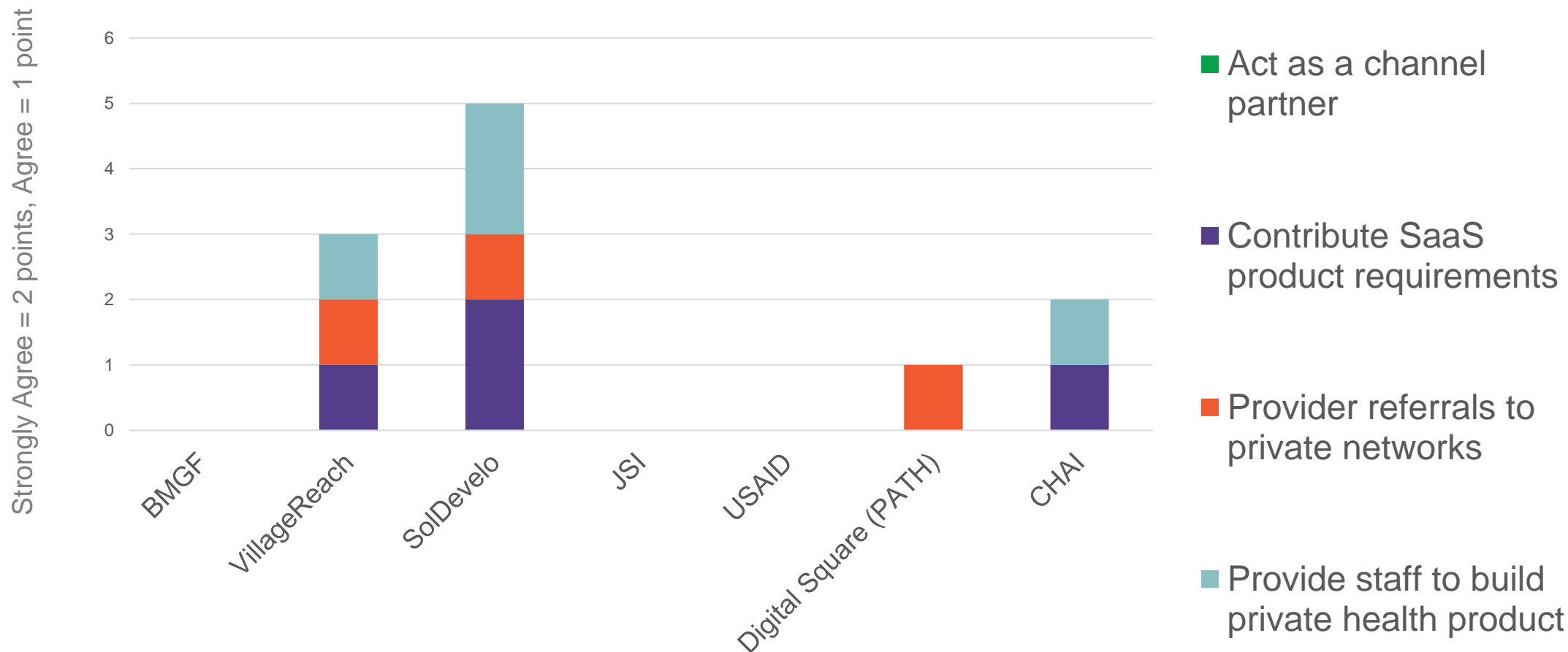
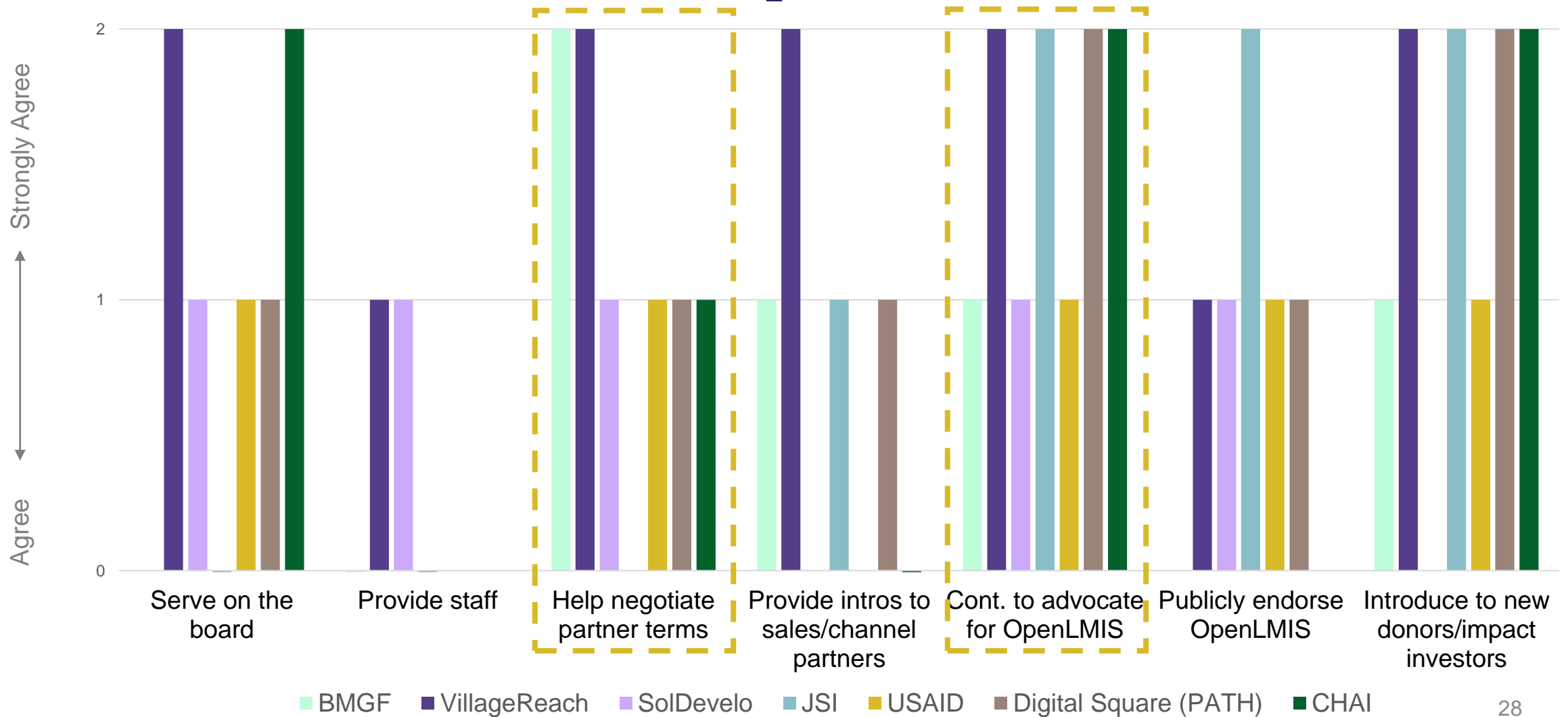*How does this resonate with you?*

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Level of Interest in Public Health Roles

Interest in Active Private Health Roles

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Interest in Leadership & Governance

Moving Toward a Decision

What has been decided?

- Up until today, we have 3 active options:
  #1 Independent Entity
  #2 Partnership to Handover
  #3 Unsupported Release

- Based on the survey results, we have decided to focus these next two days on the terms and requirements that our community needs to <u>make #2 work.</u>

- We will also engage with two potential partners to understand their terms and requirements.

Funding

- Donor support - tentatively Gates Foundation - is needed for a transition to either #1 or #2. By the end of these two days, we hope to have an outline of what support is needed over the next 12-24 months to support this transition.

What Are the Next Steps:

1. Community Input on Terms/Future State Criteria

At this community meeting, we will define the requirements and nice-to-haves for Partnership to Handover or Independent Entity. We will also define what success looks like after 12-18 months.

2. Negotiation

Those community members who want to be engaged in Option 2 will share these terms with potential partners to understand the partners requirements.

3. Concept Note

Assuming enough alignment to proceed, we will draft a concept note outlining the support needed to further test and move towards the Partnership to Handover model. This concept note will be refined after the Community Meeting.

4. Transition to Future State

We expect a 12- to 24-month period to launch the future state. After March 2020 (when current VR stewardship ends), the Governance Committee may change membership and/or a new board may be formed to support the transition.

Reactions & Discussion

Led by Resonance

1 Independent Entity

2 Partnership to Handover

3 Unsupported Release
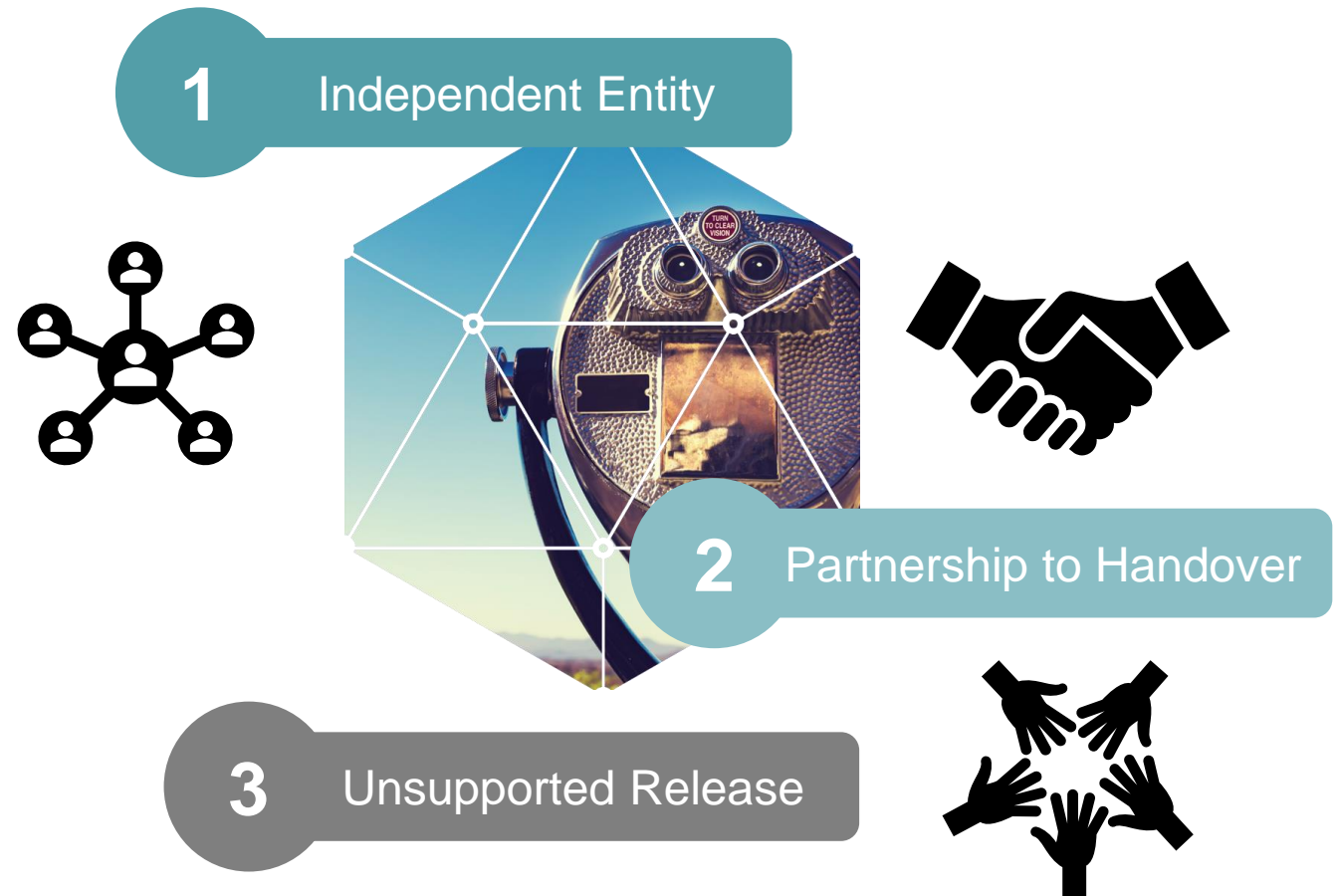
Thank You!

JAMES BERNARD
Director, Global Partnerships
jbernard@resonanceglobal.com

EMILY CLAYTON
Senior Manager
eclayton@resonanceglobal.com

KIM COURI
Senior Consultant
kcouri@resonanceglobal.com

DIPA SHARIF
Consultant
dsharif_ct@resonanceglobal.com