



## Private Sector Impact in Promoting Public Health Goals and Needs: The Future of Franchising

---

A. Banful, Presenter  
GSMF International, Ghana

Recently, concerns have been raised covering issues of equity in access to high-quality and affordable health care services. The most affected is the rural population that is deprived of basic health care services. This situation is the result of inadequacies on the part of the public sector, which is faced with limited resources and management issues.

In view of the immense challenges faced by the government in providing health care, the private sector has been called upon to assist with the provision of health care and also to help with efforts aimed at promoting healthy behaviors and disease prevention.

The private sector makes a direct impact on health promotion, standards, and products. It has made significant influence and is a leading influence on the marketplace and has produced ripple effect on society.

The private sector has responded to these challenges through several interventions, which includes but is not limited to the management of tuberculosis, malaria, HIV/AIDS, and IMCI. However, suspicion that there are commercial and other profit motives has led to questioning the sincerity of the private sector in the provision of public health. This suspicion has to be overcome through transparency and understanding.

Recently, an approach that has been used in Ghana to arrest the situation and to improve access to medicines, particularly in the rural population, is through the franchising of existing licensed chemical sellers (LCSs) for the reasons that they have high prevalence in the deprived and remote areas and possess the potential to deliver quality primary care if well resourced. Also, franchising offers instant recognition to these small businesses, which leads to increased market share and ensures a predictable high quality of services.

There are currently more than 220 franchised LCS shops (called CAREshops) in underserved areas in Ghana. The LCSs undergo intensive initial and continuous training after recruitment and are subsequently supported by regular supervision and a centralized procurement system managed by technical experts to obtain quantity discounts.

This approach is the first of its kind in the health care delivery system of Ghana and has proven to be an effective strategy to increase access to primary health care services in resource-challenged settings. A recent survey conducted in November 2004 on the CAREshops reported significant improvement in service domains assessed since their inception in 2002.

Other health facilities such as pharmacies, hospitals, clinics, and health centers can be franchised to deliver precise interventions to improve access. Franchising will help in building entrepreneurial knowledge and skills, as well as competition among entrepreneurs that will help make goods and services available at competitive prices.



It is worth noting that economically, franchising stimulates the growth and development of Small and Medium -scale Enterprises (SMEs). This is because as franchise systems increase, franchisers and franchisees increase, which results in increased sales, jobs creation, and poverty reduction, thereby contributing to the attainment of the Millennium Development Goals as well as Ghana's Poverty Reduction Strategies.

Even though franchising as a business format is fast gaining popularity, especially in the health sector, because it has proven to be an effective approach that has the potential to alleviate access problems in the health care delivery systems in developing countries, there are also significant challenges that require immediate solutions to protect the future of franchising.

There are some specific needs to sustain and build upon the franchising concept. Apart from the need to study all aspects of franchising with respect to its establishment and regulatory matters, there is also the need for public education, legal framework development, and government support to tap the full benefits of franchising.

There is also the need for an effective regulation of the market to ensure that agreed conditions consistent with franchising are followed. In addition, there is the need for mutual respect for franchiser and franchisee, as well as respect for agreements to enable a stronger growth partnership in the business process. Another need that cannot be overemphasized is for more favorable financing conditions from financial institutions to reflect the social goals of such interventions.

Information and education is required to build advocacy for this innovation. The targets for education are policy makers, legislators, health care professionals, regulators, and the general public.

As information is a key success factor in business, the use of information, communication, and technology (ICT) will make client-provider and provider-provider interaction faster and cheaper. Access to innovative ideas and research will be made easier through the Internet.

In conclusion, it is worthy to note that the growth and expansion of franchising in the health sector will not occur overnight. It will take careful planning, prudent management of resources, and a tremendous effort.