

SEAM Ghana

Essential Medicines Franchise: A Private Sector Approach to Public Health Services

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Background

An initial country assessment of the Ghanaian pharmaceutical sector, carried out in June 2001 and co-sponsored by the Ministry of Health (MOH) and Management Sciences for Health, identified gaps in access to medicines caused by poor quality of services, unreliable availability of essential drugs, and a lack of affordability for much of the population. Following the assessment, a unique program was created to establish a network of franchise retail drug outlets to provide essential medicines and high-quality services to rural and peri-urban communities. The network would be built through the conversion of existing private retail drug shops, known as chemical sellers, into franchise shops.

Distribution of Pharmaceutical Services in Ghana

Much of the population buys medicines at the licensed chemical seller shops, especially in rural and peri-urban areas, where pharmacies are few.

- There are about 964 private pharmacies and 7,961 registered chemical sellers in Ghana.
- The distribution of pharmacies varies significantly among regions, ranging from 1 store per 1,611 people to 1 store per 4,793 people.
- Pharmacies are most abundant in Greater Accra, where there is 1 pharmacy per 4,700 people, while the Northern region has a ratio of 1 pharmacy per 309,166 people.
- The density of chemical shops is highest in the Eastern region, with 1 chemical shop per 1,648 people, while the Northern region has a ratio of 1 chemical shop per 4,869 people.
- Chemical shops account for 66 percent of total visits to private pharmaceutical outlets in Ghana.

Building Blocks for a Franchise Program

Because chemical shops represent a large and diverse segment of the retail pharmaceutical sector, it is important to incorporate a range of issues and partners in efforts to improve the quality of services. For this reason, SEAM Ghana has consulted with key stakeholders and developed their support for the franchise initiative. In addition, after careful research, GSMF (formerly the Ghana Social Marketing Foundation), an established nonprofit organization with special expertise in social marketing and logistics, was selected as the organization responsible for managing the franchise, under the auspices of its new, for-profit subsidiary, GSMF Enterprises Limited (GSMFEL).

Program Objectives and Strategy

The following major objectives were defined—

- To promote a high standard for quality of service
- To enable shops to sell medicines at more affordable prices through the development of a group purchasing program for the network

GSMFEL and SEAM Ghana developed a strategy for building the franchise network—

- Motivate chemical sellers to improve the quality of their services
- Create and reinforce a higher service standard through training, management, and regular supervision
- Provide quality products with lower prices through group purchasing
- Motivate nonfranchised chemical sellers to reduce prices and improve services through the element of competition



Owner training sessions

Implementation

The franchise project is being implemented in selected regions and districts, including rural and peri-urban districts of Greater Accra and the Eastern, Volta, and Brong Ahafo regions. The first 41 franchise shops opened in June 2003. Thirty-eight additional shops have completed the application and training process and are now remodeling to meet franchise requirements. It is planned that 700 outlets under the brand name CAREshops will be opened across the target regions over the next five years.