Defining growth at a for-profit clinic in Kampala

Michelle: Alright today we’re in the studio with Krishna [Venugopalan] and Ted [Chan]. They’re representatives of the MAdeA G-Lab project in Tanzania, welcome. Maybe you could start off telling us a little bit about the project itself, the goals for the project?

Krishna: It’s a interesting project in that when we initially saw the write up in the G-Lab team we, it looked like the project was more to help people afflicted with AIDS and the caregivers of people afflicted with AIDS, or children. And it had more of a health care tilt to it. As we started engaging more in the project we identified it was more about economic empowerment of these individuals and somewhat franchising them to be able to make decisions in their lives. And it moved more in that direction than it was essentially being a health care project.

Ted: Yeah and a great, a significant part of it was this microfinance proposal that they’d written and wanted us to help them get off the ground. And it was a very interesting project I think because as soon as we got on the ground there we really got the details of the plan and we realized that it wasn’t feasible almost right away. And that shifted the scope of the project to help them figure out what would be sustainable for them and for the people that they were trying to help.

Michelle: So when you were doing your homework so to speak, back before you went to Tanzania, had you already started to see a little bit that maybe the scope was different or did that really only hit you once you were on the ground.

Ted: The first two days we spent there were absolutely eye-opening. I mean I never even, I’d never seen an AIDS victim before so we basically spent the first two days going out and meeting people. And they did a great job. MAdeA did a great job showing us people, because they showed us people that were so sick that they couldn’t get out of bed, and they were alone. They showed us people who had caretakers so not, they were sick and they were taking the rest of the family down with them because somebody had to take care of them and that, you know, it was a sick son and the mother had to take care, so she couldn’t work either. And we saw people who were HIV victims who seem completely healthy and could work. So it was such a, we really saw the diversity of the problem. You know, you think, when you sit here in Cambridge you think of one person lying on a cot like you know groaning and that’s not what’s really happening there.

Krishna: We had some concerns I would say with their ability to execute the way they foresaw it. But we wanted to really get onto the ground, meet the people, and really
see the reality on the ground before we drove towards any direction or decisions.

**Michael:** The emotional impact was clearly powerful but how did you find the business itself to be operating?

**Ted:** We saw a lot of the skill set that’s necessary to make an impact in the community. Just when we arrived there we didn’t see any of the risk management and financial administration skill that’s necessary to run a microfinance program. And really it’s not that any microfinance is good microfinance. Bad microfinance is legitimately bad for the client and it means that the fund just won’t be sustainable, that money will be gone.

**Krishna:** I think how they look at it as the funding to do these kind of activities tightened. They looked at microfinance as an opportunity for them to not only help the local community, but they looked at it as a potential to generate some revenue that would fund their operations. But I don’t think they realized what it would mean to them as an organization if they have to start doing this. And it’s a question of identity where we asked them very simply are you an NGO that wants to help everybody that comes into your door, are you a for-profit entity that is going to tell people that you fit the profile of a person that I find valuable for my business actions. If they really because a microfinance organization, they will need the discipline to look at people who come in asking for help and tell them you know what we really agree that you need help, but I’m doing this to really sustain the fund and I won’t be able to help out because you don’t fit my profile of people that would allow me to manage risk.

**Michael:** How receptive was the client to this sort of change and mindset?

**Ted:** I’d say our project really had two arms to it, which meshed together. One was strategic, so we had to get them off this microfinance idea and slot them into any area where they could really help and they could get funding. The second was competitive because they had to be competitive in these areas in order to get the funding. So in a way our team was, since we had five people, we were split. Krishna and Oladapo working very hard on sort of the strategic aims. And then Hadiza, Ellan, and myself doing a lot of work to make them competitive. Like we had to teach them how to do an elevator pitch, rework their grand proposal writing, and their targets, and their metrics. These were things that they were making a lot of impact in, in the community but they weren’t measuring and articulating.

**Krishna:** And another part of it that would had to do is we recognized that one part of making them competitive was their internal capabilities. Another part was that how connected are they to the funding communities. And what we realized were that they weren’t as, well they were kind of in an odd size in the sense I think they’re very capable ground up organization but they don’t have the scale to where they can go to large things like Gates foundation or even the U.S. Africa fund and say I’m trying to do this project. They’re about two others of magnitude smaller than those kinds of funding opportunities. So they need to work with larger NGO’s that can actually seek funding from these large sources of funding. And we had to figure out a way to open
up doors to engagements and contacts with those organizations and I think what we found very valuable was the fact that we were this team from MIT that was here to help them. And that opened up a lot of doors and meetings and I think what we did in the second part of the trip was really take them to a lot of those meetings, connected them to those people in those organizations, and then we took the next step which was really, Ted, Ellan, and Hadiza did a phenomenal job of training them on improving their competencies. But we then said well you know what a lot of areas that you guys are still not going to be good at. And the really help you be successful in writing a grand proposal you need an external advisory board. And Dapo and myself winding up forming an external advisory board with some key people from the local community that come from these larger funding organizations. We also connected them to people here in the U.S. that have expertise in woman center, woman issues and areas around how do you franchise people to economically empower them. And now they basically, every proposal that they put together is actually floating through this group of five or six people and we have the opportunity to provide them input on the scope of how well it is written, is the funding audience that they’re going to the appropriate target, what can they do to make it more effective, and are there other people that they need to partner with to really make the effort more successful. So it allows us to kind of slowly build and shape them. And we feel we need to have this continued engagement with them if we want them to meaningfully do better.

Michelle: I know that you had a very diverse team of five people, you had some Sloan fellows, PhD different backgrounds, how did that kind of help you make inroads in the project and with the team on the ground? And did any of you have previous background in either microfinance or any work like this?

Ted: Yeah I felt super fortunate to get to work on this type of team. You know, being an MBA you work with a lot of MBAs and I thought this was a great opportunity to work with some folks outside of that. And this is an interesting project because it was a global health, it was finance related, and we really, and in some ways it was even, Ellan is a textile scientist who just recently joined the PhD program and science and technology studies at MIT. And textiles are a huge business in Tanzania and that was one of the ways MAdeA was helping empower women in that country by funding people for sewing machines and such. So here, even that really strange background was super valuable. So I mean the team was, Ellan who’s a PhD, myself I’m and MBA and entrepreneur, Krishna is a chief scientist for Johnson & Johnson, Dapo he’s a medical doctor, and Hadiza who’s vice president of banking services for a bank in Nigeria. So we had two people who had spent time, significant time in Africa, Hadiza being born and raised and working there, Krishna who’s from India and certainly that’ll give you a developing world context, and you know Ellan and I just go to draft on all the knowledge and expertise that the Sloan fellows brought.

Krishna: I think it was amazing because I think that the backgrounds were, we were able to I think look at it from very different perspectives in the sense that I think it also seemed that the team a lot of the times what you struggle with is who does what. And because of the diversity of the backgrounds when we hit the ground in Tanzania it almost was a natural play where different people assume different roles. And I think
that was extremely important for us in this project because when you looked at these people based on your economic as well as educational development, what could we offer to them as a solution. We really needed to understand that sometimes you can have a very big solution you throw at people and it would never stick. And I think this was a, just an interesting play at it because I think I’ve always thought about it as okay how do you make a commercial product for somebody who’s at the bottom of the pyramid. And really this was a real life experience for me in seeing what is the bottom of the pyramid like. I think in all it was just, you see the magnitude of the problem that I think that part of the world faces, but what we also learn from it is even the small things you can do actually helps address one part of the problem and we have to learn to look at the whole problem, but then focus in on one thing that we can help out with. And not say oh the problem was so big we’ll never have any impact and walk away from it.

**Michelle:** Well thank you very much for coming into share it was very educational and eye-opening and best of luck in the rest of the academic year for you both.