Access to Affordable Health and Wellness Products

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Colgate-Palmolive / MIT Sloan S-Lab Project

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2020 Sustainability Goal:
To have a positive impact by expanding access to affordable health and wellness products for millions of people in underserved communities.

The goal reflects shared value of providing community health and providing community health and business growth benefits.
Colgate’s Current Efforts

Current Colgate efforts are tactical, but should be aligned under a cohesive global strategy.
S-Lab Project Goals

1. Understand Colgate’s current global efforts towards achieving oral health care, and progress towards increasing access and affordability.
2. Gather information on competitor practices and industry standards / benchmarks.
3. Define global strategic framework for Colgate, including key metrics for tracking progress towards goal.
4. Address how Colgate can effectively communicate its strategy and progress towards achieving access and affordability.

Although Project focused on access to affordable oral health care, we developed a global strategic framework, customizable to other goals.
A Resource-Based Approach to Strategy Analysis

1. Develop a strategic vision and identify your strategic options that bridge the gap between vision and capabilities.
2. Generate broad scenarios of possible futures that your firm may encounter.
3. Conduct a competitive analysis of the industry and its segments.
4. Analyze your company's and your competitors' core capabilities.

Resources/Capabilities

vision

A Resource-Based Approach to Strategy Analysis
Evolution of a Sustainability Goal

Aspirational Goal

What do we need to do towards accomplishing this goal?

What is our strategy for delivering the goal in terms of what we are, and are not doing?

What are we expressing this progress?

How are we expressing this progress, not doing?

Strategic Goal

Goal/Metrics?

What do we need to measure to track progress towards this goal?
Aspirational Goal/Vision

Strategic Goal

Current State of 2020 Sustainability Goal

Evolution of a Sustainability Goal

How are we expressing this progress? Why is our strategy for delivering the goal? What is our strategy for delivering the goal in terms of what we are, and are not, doing?

What do we need to measure to track progress towards this goal (Metrics)?

Are we doing things towards accomplishing this goal (Current State)?

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Evolution of a Sustainability Goal

- Aspirational Goal/Vision
  - Are we doing things towards accomplishing this goal?
  - What do we need to measure to track progress towards this goal (Metrics)?

- Strategic Goal
  - What is our strategy for delivering the goal in terms of what we are, and are not, doing?
  - How are we expressing this progress?

S-Lab Project Focus

[Diagram showing the flow between the Aspirational Goal/Vision and the Strategic Goal]
Expression of Strategy

- Strengths
- Weaknesses
- Opportunities
- Threats

The Goal: Tracking & Metrics

What is delivering towards the goal?
What does not deliver towards the goal?
What is missing in delivering towards the goal?
What are the barriers towards accomplishing the goal?
Key Elements Critical to Increasing Affordability and Accessibility

Strategic Framework

Metrics

Alignment to United Nations Sustainable Development Goals (UN SDGs)

Peer Examples

Colgate's Current Initiatives

Internet

Distribution

Last mile reach and increase in sales points

Product Innovation

Innovating product and packaging at affordable price points

Education

Increasing consumer awareness and willingness to purchase

Colgate's Current Initiatives

Alignment to United Nations Sustainable Development Goals (UN SDGs)

Peer Examples
Strategic Framework

Increasing consumer awareness and willingness to purchase at affordable price points

Innovating product and packaging

Distribution:

Last mile reach and increase in sales points

2020 Sustainability Goal:
To have a positive impact by expanding access to affordable health and wellness products for millions of people in underserved communities.

Key Elements Critical to Increasing Affordability and Accessibility

Education

Increasing consumer awareness

Product Innovation

Brands That Deliver

Our World and Consumers

Partnerships That Last
Colgate's Current Initiatives

– Education

Bright Smiles, Bright Futures has reached more than 900 million children and their families in 80 countries by offering free dental screenings and BSBF educational curriculum in 30 languages.

Bright Smiles, Bright Futures has reached more than 900 million children.
Key Elements Critical to Increasing Affordability and Accessibility

Strategic Framework

2020 Sustainability Goal: To have a positive impact by expanding access to affordable health and wellness products for millions of people in underserved communities.

Education
Increasing consumer awareness and willingness to purchase

Distribution
Last mile reach and increase in sales points

Product Innovation
Innovating product and packaging at affordable price points

Colgate
To promote sustainability and enrich communities by offering affordable health and wellness products to millions of people globally.
S-Lab Project Goals

1. Understand Colgate’s current global efforts towards increasing access and affordability

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4. Address how Colgate can effectively communicate its strategy towards achieving access and affordability

Lab Project Goals

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Local considerations, such as regulations, restrictions, and policies

- Distribution
  - Infrastructure challenges
  - Limited access to sales points or distribution

- Product Innovation
  - Too expensive or product size not fit for consumer

- Education
  - Cultural practices/norms

Barriers/Challenges considered in Framework
Colgate’s global Oral Health Care programs selected based on our conversations with Colgate teams. They encompass Asia, Africa, Latin America. Does not represent all of Colgate’s Oral Health Care programs.

- Doy Packs
- Mobile Vans
- ‘Jeevika’ life

Colgate’s Current Initiatives: Access and Affordability

- Keep India smiling
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### Unilever's Five Levels for Change

<table>
<thead>
<tr>
<th>Level</th>
<th>Description</th>
<th>Measurement</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Access</strong></td>
<td>Distribution costs following promotional events, rural coverage, agents of new villages served, inventory management in their communities, # of rural sales agents, # of rural stores to double as sub-distributors who also act as activations (product demonstration + giveaways)</td>
<td></td>
</tr>
<tr>
<td><strong>Affordability</strong></td>
<td>Products, sales relative to in-store displays of Unilever, market share &amp; competitive positioning, customer traffic,</td>
<td></td>
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<tr>
<td></td>
<td><strong>Philippines</strong> – created deodorant packet at 20 cents.</td>
<td>Measurement: # of new villages served, inventory management in their communities, # of rural sales agents, # of rural stores to double as sub-distributors who also act as activations (product demonstration + giveaways)</td>
</tr>
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<td></td>
<td><strong>Philippines</strong> – trains local women as rural sales agents for Shakti initiative.</td>
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<td></td>
<td><strong>Philippines</strong> – use larger stores to double as sub-distributors who also act as activations (product demonstration + giveaways).</td>
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<td></td>
<td><strong>Pureit Water Filters</strong> – launched various models in 12 countries tailored to different income levels that bring cost of water purification below that of boiling</td>
<td>Measurement: liters of safe drinking water provided</td>
</tr>
<tr>
<td></td>
<td><strong>Thai Platinum Stores</strong> – brings urban shopping experience to rural customers, double as sub-distributors who also act as activations (product demonstration + giveaways).</td>
<td>Measurements: market share &amp; competitive positioning, customer traffic, sales relative to in-store displays of Unilever products, sales relative to in-store displays of Unilever, market share &amp; competitive positioning, customer traffic,</td>
</tr>
</tbody>
</table>
Johnson & Johnson’s Access & Reporting Highlights

- Global Access & Partnership Program - provides sustainable and affordable access to HIV medicine through “special effort” pricing
- Tiered Pricing Framework – combines country’s economic conditions & public health situation to develop pricing strategies
- Unjani Clinics - J&J supports these owner-operator mobile clinics made from shipping containers | Measurements: # of containers, # of patients reached, # of jobs created

Affordability

Access

Expression of Strategy Example

We help people be healthier by providing better access to life-saving medicine that can be a game changer in developing countries.}

- Tiered Pricing Framework - combines HIV medicine through “special effort” pricing to provide sustainable and affordable access to
- Global Access & Partnership Program -
Assessment of current strategy:

- No clear efforts to promote affordability or access
- Majority of efforts centered around environmental impact but have clear expression of metrics for reporting/tracking

Not a comparable strategy, but a compelling reporting strategy.
Non-Competitor Examples: Pfizer and Coca-Cola

Pfizer: (SDG Goal 3.0)

Commitment to SDG Goal

By 2030

Pfizer: Modeled Translating Good Health and Well-being

Coca-Cola (Distribution)

Project Last Mile

By utilizing The Coca-Cola Company’s business, route-to-market, technical and marketing expertise, Tanzania’s Medical Stores Department (MSD) reports that it has been able to improve medicine availability by 20-30 percent in some regions where new processes have been rolled out. Since the initiative launched in 2010, Tanzania’s Medical Stores Department (MSD) reports that it has been able to improve medicine availability by 20-30 percent in some regions where new processes have been rolled out. Since the initiative launched in 2010, Tanzania’s Medical Stores Department (MSD) reports that it has been able to improve medicine availability by 20-30 percent in some regions where new processes have been rolled out.
SUSTAINABILITY BENCHMARKS
United Nations Sustainable Development Goals (UN SDGs)
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S-Lab Project Goals
Key Elements Critical to Increasing Affordability and Accessibility

Strategic Framework

Metrics
- Alignment to United Nations Sustainability Development Goals (UN SDGs)

Peer Examples

Colgate’s Current Initiatives

Education
- Increasing consumer awareness and willingness to purchase

Product Innovation
- Innovating product and packaging at affordable price points

Distribution
- Last mile reach and increase in sales points

In the image, there is a slide from a presentation that outlines key elements and initiatives related to increasing affordability and accessibility. The slide is structured into three main sections: Metrics, Peer Examples, and Colgate’s Current Initiatives. Each section is further divided into sub-sections, with specific strategies and outcomes highlighted. The slide emphasizes alignment with the United Nations Sustainability Development Goals (UN SDGs).
Strategic Framework Application Example

Local Considerations: Cultural strength of women's influence as change agents in their families, communities, circles.

- Jeevika "Life" Project
- Distribution: # of additional women Community Mobilisers
- Innovation: % of increased innovation
- Education: # of attendees
- No Poverty
- Good Health & Well-being
- Gender Equality
- Mobility: Community

Peers

Colgate Current

Metrics

Alignment to SDGs

Internet

Project
Key Elements Critical to Increasing Affordability and Accessiblility

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Peer Examples

Metrics
Key Factors of Access and Affordability Metrics

Affordability

- Improved product to packaging ratio
- Innovation in production processes
- Diverse offerings for low-income price points
- Increased use of or availability to technology

Accessibility

- Improved ease of travel to/from low-income communities
- Leverage of local community members, in particular women
- Increased use of or availability to technology

Affordability

- Diverse offering for low-income price points
- Innovation in production processes
- Improved product to packaging ratio
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S-Lab Project Goals
Recommendations on Communications

Focus initially on internal stakeholders by distributing strategic framework and creative distribution tactics from around the globe, replicable in many regions.

Build upon strategic framework by gathering Colgate initiatives on product innovation and creative distribution tactics from around the globe, replicable in many regions.

Limit communication to external stakeholders about access and affordability goal to items related to oral health care products.

Standardize at least one metric that can obtain global collections where applicable.
Telling our Story: Access & Affordability

GOAL:
• Colgate is committed to upholding the 2020 target of expanding access to affordable health and wellness products for millions of people in underserved communities around the world.

APPROACH:
• Colgate is able to provide access and affordability through a strategy comprised of three parts: education (BSBF), product innovation (affordability), and distribution (access).

IMPACT ACHIEVED: Showcasing ______ Country

GOAL: To provide single use sachets priced at $XYZ to 100 rural communities in ______ Country by 2020.

PROGRESS:
We have reached X% of our goal by providing Y rural communities in ______ Country.

We have reached X% of our goal by providing Y rural communities in ______ Country by 2020.

To provide single use sachets priced at $XYZ to 100 rural communities in ______ Country by 2020.

We are able to assess our progress using SMS based tracking via our rural sales channels.

AREAS FOR CONTINUED FOCUS:
We will continue to leverage our open market distribution channels to target the remaining communities as local sales channels are hindered by distribution challenges.

For example, within ______ Country, we are able to provide access and affordability through the following strategy:

Access and Affordability
Next Steps

**Recommendations:**

- Give an internal champion of the initiative
- Create a database of current Colgate access and affordability initiatives
- Set strategic & measurable goals
- Collect metric data to create baseline of current projects
- Continue to build out S.M.A.R.T. metrics leveraging the IRIS Metrics framework developed by the Global Impact Investing Network (GIIN)
- Determine metrics to track for Access and Affordability project
- Collect metric project affordability and access for metrics to track

**Additional Recommendations:**
Thank you and Questions
Sources

1. [Link to article]
2. [Project Last Mile]
3. [Link to Unilever]
4. [Link to Johnson and Johnson]
5. [Link to Procter and Gamble]
6. [Link to Pfizer]
7. [Link to Coca-Cola]
8. [Link to Sustainable Development Goals]
9. [Link to Global Impact Investing Network IRIS Metrics]
10. [Link to Synowiec, Hayden, and Bhattacharyya's paper]
11. [Link to the Global Impact Investing Network]
12. [Link to the Center for Health Market Innovations']
13. [Link to the MIT Sloan School of Management]