

Saving lives that might otherwise be lost to treatable diseases like malaria and diarrhea



CFWshops in Kenya Admitted to IFA

The International Franchise Association, the world's leading association of franchisors, franchisees, and suppliers, has accepted CFWshops as a franchisor member. We are very proud of this remarkable achievement!

SHF Featured at the Global Philanthropy Forum

Liza Kimbo, Director for Sustainable Healthcare Foundation, was invited to speak at the Global Philanthropy Forum this past April, alongside Bill Foege of the Gates Foundation, Peter Piot of UNAIDS and Richard Feachem of the Global Fund to Fight AIDS, Tuberculosis and Malaria.

Visit Our New Website!

www.cfwshopskenya.org

Did You Know?

- 10.5 million children under the age of five die each year, nearly half of them in Africa
- Treatable diseases like diarrhea and malaria account for nearly half of all deaths in developing countries
- Less than half of Africa's population has access to doctors and hospitals
- 90% of malaria deaths occur in Africa, more than 1 million each year.

IN 2006, WE SERVED OVER 450,000 PATIENTS THROUGH COMMUNITY OUTREACH AND CLINIC VISITS!

At the close of 2006, our network of business-format franchised health clinics topped our record-breaking year in 2005 and we are on track to serve over 500,000 patients in 2007. Since beginning in 2000, we have served **over 1,000,000 patients**, increasing our patient base six times over in the last four years.

For an average rural community of 5,000 to 10,000 people, CFW shops and clinics are making a substantial impact on the health and lives of the community members.

With our 65 nurse-owned clinics and shops, we have proven the same economics that works throughout the developed world—superior local performance to brand standards translates into economic opportunities at lower costs of delivery than other methods used. Our model of business-format franchising takes the lessons learned from over 70 years of modern-day franchising and successfully provides critically necessary health care services to rural markets.

Average Annual Patient Visits Per CFW clinic in Kenya	6,300
Average Patient Cost Per Transaction	\$0.51
Annual Outreach Programs Per CFW clinic in Kenya	6
Average Community Outreach Participants Per CFW clinic in Kenya	1,302

Experience has shown us that CFWshops clinics perform better than CFWshops medicine shops because the clinic is owned or staffed by a registered nurse and is therefore able to provide a greater range of diagnosis and treatment. In order to increase our impact and efficiency, our goal has been to convert shops to clinics. With support from the West Foundation, we have made substantial progress. In 2006, we decreased the number of shops by 49% and increased the number of clinics by 75%.

ONE YEAR TO SUCCESS...St. Nicholas Community Clinic

Opened just one year ago by nurse Margaret Mumu Njeru, St. Nicholas Community Clinic has become a resounding success. With her 29 years of nursing experience and her dedication to community health, Margaret has been embraced by the community of Kibugu in the district of Embu. She and her staff see an average of 1,200 patients per month and in the first nine months of operation, served a total of 10,882 patients! For 2007, Margaret is on track to serve 14,000 patients.



Margaret's success has translated into employment opportunities for community health workers to assist with community outreach. In conjunction with CFWshops franchise staff, they are able to host four outreach programs per month in which they educate the community about malaria prevention, water purification, child health, and hygiene.

Margaret is able to earn a salary of 10,000 Kenya Shillings per month. That's about U.S. \$136 per month and in a community where the average wage is U.S. \$30 per month, Margaret is doing very well indeed. As a mother of 8 children, Margaret's success is no small matter.

In the true entrepreneurial spirit of CFWshops franchisees, Margaret has big plans for the future of St. Nicholas Community Clinic, including expanding into a nursing home. And we say to her, "Go, Margaret, go!"





Become a Clinic Sponsor!

By supporting the up-front costs of starting a new clinic, you will help us expand into new communities, reaching our goal 10,000 people at a time.

Your sponsorship gives a nurse-owner the support she needs to turn a new clinic into a successful, stable part of the community.



A Bid for Good Health

This fall, we are hosting a silent auction in Washington, DC. The proceeds will support the growth of the CFWshops network of franchise health clinics in Kenya, increasing our impact on the health of rural Kenya. We hope to see you there!

Check back with our website or contact us for the date and time.



A donation of \$2,000 will cover the start-up costs for a new clinic.

CFWshops IN KENYA IS EXPANDING TOWARD GREATER EFFICIENCY

Our five-year goal is to reach close to 300 clinics by 2011. Over the last six years, CFWshops in Kenya has proven that the franchise model is a successful and sustainable method for delivering health care services to the poor in Kenya. We have maintained increasingly successful operation on a modest budget of less than one million dollars per year. CFW clinics function well in even the poorest communities. We are ready to grow toward achieving economies of scale—greater growth at lower unit cost.

The expansion of the network will be focused on increasing the market density of CFW clinics in existing service areas and increasing the number of patients seen at each clinic. Our goals are to increase our clinical reach into rural Kenya, meet our brand promise to the communities we serve, and increase the opportunities for business ownership and financial success for our franchisees—all done in a cost-effective manner using the best examples of business-format franchising. Going forward, our presence in the rural regions of Kisumu and Embu will increase steadily.



Increasing Returns to Scale

Once CFWshops in Kenya reaches around 250 clinics, we will be serving over **2 million patients each year** at reduced costs per patient that are much lower than other systems.

MEET A CFWshops SUPER STAR!

Credence Kariuki is a legend in CFWshops Kenya. She is one of our original franchisees and has become a model for success these last six years. Credence is a community health worker with extensive experience treating and educating rural communities. In 2001, she opened Kiburu CFWshop. Within one year, her success allowed her to hire a nurse and convert the shop into a clinic. Jesmah Kiburu CFWshops clinic is consistently our top performer. In 2006, Credence treated over 23,000 patients! That's more than 3 times the network average.



With a nurse working at the clinic full time, Credence has more time to reach out to the community, making home healthcare visits and teaching people about malaria prevention and water purification. Her goal is to reach 250 people each month through her community outreach efforts.

After educating her children and supporting her family, Credence has made enough profit to open a second CFWshops clinic. Her success as our first multi-unit franchisee is proof that our approach toward delivering high-quality health care through a business-format franchise system is working and in fact, exceeding our expectations.

We are very proud of Credence and the work that she has accomplished to bring health care to the rural poor. She is a shining example of the kind of reliable, high-quality care that the CFWshops network in Kenya provides.



Did You Know?

The presence of HIV/AIDS and malaria increases susceptibility to both diseases. Studies have shown that when someone with HIV contracts malaria, the amount of the virus increases, making them 10 times more likely to infect another person with HIV.

Likewise, people with HIV are more susceptible to contracting malaria. The result is an increase in the incidence of both diseases. Scientists estimate that the interaction between HIV and malaria has contributed to an additional tens of thousands of HIV cases and millions of malaria cases.



How does the franchise model work?

- CFWshops in Kenya recruits and screens qualified franchisees to own and operate their own CFW clinic under the CFWshops brand and standards of operation.
- SHF provides up to 88% of the required **start-up capital**. The nurse-franchisee usually makes a minimum cash payment of \$300 and finances the remainder through a micro-loan.
- CFWshops in Kenya assists the franchisee in **identifying the location** of the new clinic in a local market accessible to 5,000 to 10,000 people.
- CFWshops in Kenya **evaluates and trains** the new franchisee over four weeks, improving her business skills and familiarizing her with CFWshops standards and protocol.
- The franchisee provides services at **prices set by CFWshops in Kenya** and maintains detailed records, describing each patient visit in the patient register.
- Our clinics **open early, close late and reach out** to the community with home visits and health education events.
- Our personnel visit franchisees often, frequently unannounced, **providing guidance and ensuring compliance to our standards**.
- CFWshops in Kenya provides each clinic with **high-quality and consistent medicine stock** using the buying power of the full network.
- After paying monthly operating costs, the **franchisee keeps the profit** to support her family and reinvest in the clinic.
- Using the **incentives of ownership** and the **expert guidance** and support of the CFWshops franchise system, CFWshops clinics become successfully established in the community.

CFWshops in Kenya is a beneficiary of the Global Fund to Fight AIDS, Tuberculosis and Malaria.

In conjunction with the Kenyan Ministry of Health, we are receiving funds distributed by the Global Fund which was created to support aggressive interventions against AIDS, tuberculosis and malaria. The funds CFWshops in Kenya receives from the Global Fund will support our programs for the treatment and prevention of malaria.

As all of the die-hard American Idol fans will know, FOX television network recently put a spotlight on the health crisis in sub-Saharan Africa. With the Idol Gives Back benefit, FOX raised millions of dollars to fight the effects of poverty. Global Fund will receive funds from that effort, increasing their ability to provide necessary funding to the organizations fighting poverty on the ground in Africa and other developing countries.

We support and extend the reach of government and NGO health initiatives by seeing patients earlier and more frequently and educating them about prevention. In so doing, we reduce the burden on the government, freeing them up to focus more attention on the illnesses which require specialized care and treatment.



Republic of Kenya



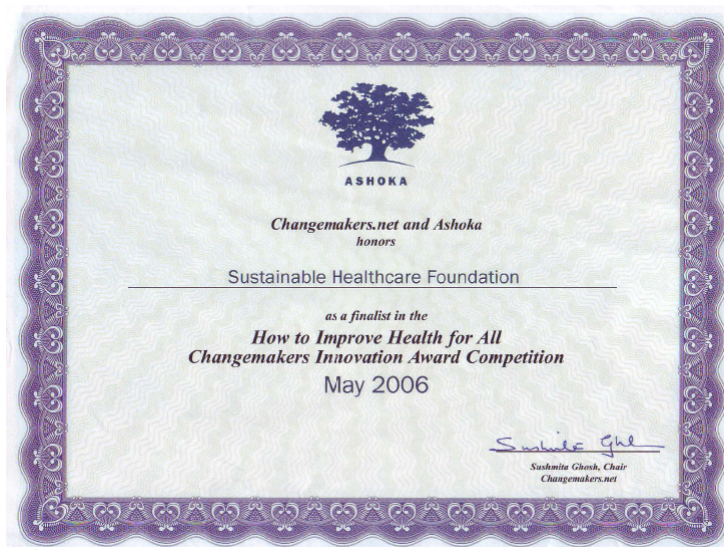
Ministry of Health



LOOKING BACK

This time last year, SHF received a prestigious award, honoring our ability to improve the health of the communities we serve in the CFWshops network of franchise health clinics in Kenya. The Changemakers Competition is an initiative of Ashoka that is focused on identifying and supporting the best in social innovation. SHF was one of ten finalists selected from a pool of 139 nominees for the category of "improving health for all."

CFWshops in Kenya continues to live up to the honor bestowed by Ashoka. On a budget of less than 1 million dollars, we operate a growing network of 65 franchised health clinics serving over 450,000 people each year. You could fill a football stadium seven times with our patients each year, all of whom come to us for treatment because CFWshops clinics are accessible, consistent, and reliable.



Your Support Makes a Real Difference Every Day

Thank You!

On behalf of the children and families served by CFWshops in Kenya, we would like to thank our supporters, donors, and clinic sponsors. Your help saves lives!

The Oswald Foundation

The West Foundation

The Gordon Foundation

Mulago Foundation

USAID

Global Fund

IFC Grassroots Business Initiative

ExxonMobil Foundation

Procter and Gamble

Acumen Fund

CFWshops featured on PBS!

The NOW show aired May 25th featuring Michael Seid's trip to CFWshops in Kenya. See the video online at www.pbs.org/now/

Putting It in Perspective

IMAGINE that every person in Los Angeles, San Francisco, Boston, Washington DC, San Diego, Miami, and Chicago died, all in one year.

KNOW that the population of those cities represents the 10.5 million children dying every year from easily treatable diseases.

IMAGINE a line of children that spans the entire breadth of the United States.

KNOW that the 10.5 million children who die each year from easily treatable diseases would more than span the distance between the coasts of the U.S.

IMAGINE that every child in the U.S. in 2006 who was prescribed an antibiotic died in that same year.

KNOW that the 10.5 million children dying in the developing world each year lack access to the kinds of affordable medicines, like antibiotics, that easily save lives.

IMAGINE that the mothers and fathers of rural Kenya could take for granted that essential and affordable medicine will be available to their children.

KNOW that you can help us make it happen!

WELCOME TO OUR NEW EXECUTIVE DIRECTOR...

We are excited to have **Esther Njuguna** joining CFWshops in Kenya as Executive Director. Esther has substantial business leadership experience, including management of multi-million dollar endeavors. She holds an MBA from the University of Nairobi. With nearly 20 years of professional experience, Esther is just the person to lead CFWshops in Kenya as we scale up toward greater efficiency.

AND TWO NEW BOARD MEMBERS!



Our long-time Executive Director, **Liza Kimbo**, has joined our board of directors. Her commitment and experience will continue to bring CFWshops in Kenya greater and greater success as we expand health care delivery throughout rural Kenya.



Internationally recognized franchise expert, **Michael Seid**, has also joined our board of directors. Michael is the founder and managing director of MSA, the leading franchise advisory firm in the United States, and a board member of the International Franchise Association. Michael visited CFWshops in Kenya extensively in April of this year, a trip which he described as "life-altering."

In conjunction with our founder, The HealthStore Foundation®, Michael will be helping us improve upon the impressive performance of our franchise program. Along with Michael, we will be further assisted in our efforts by Steve Greenbaum, next year's chairman of the IFA and two former chairmen, Sid Feltenstein and Jim Amos. *The complete account of Michael's visit to CFWshops in Kenya appears in the May issue of Franchise Times Magazine.*

WE NEED YOUR SUPPORT NOW MORE THAN EVER BEFORE

As we prepare to expand our network of micro-franchise health clinics, your support brings us ever closer to our goal of providing essential and affordable medicines to over 2 million people each year.

Your donation makes a real and measurable difference every day.

- \$100 provides 1,960 treatment transactions
- \$500 sponsors a malaria prevention outreach event
- \$1,000 provides the initial medicine stock for a new CFWshops clinic
- \$2,000 covers the start-up costs for a new CFWshops clinic
- **\$4,700 sponsors a clinic for an entire year**, providing:
 - A qualified nurse-franchisee to deliver on our brand promise
 - Regular deliveries of high-quality medicine to ensure the clinic is always in stock
 - Outreach and promotion to maximize health-seeking behavior
 - Ongoing health and business training to support the best care and service
 - Frequent quality assurance inspections to ensure compliance with health protocol
 - Data collection to track treatment and financial performance at the clinic

Mail your tax-deductible contribution to our U.S. office, payable to our U.S. founder and affiliate, The HealthStore Foundation®, who will send it on to us. Thank You!

CONTACT US WITH QUESTIONS, COMMENTS, AND SUPPORT

CFWshops in Kenya - U.S. Office
A Program of Sustainable Healthcare Foundation
6833 3rd Street - Lanham, MD 20706 - 202-558-6923

Email the Development Director, Gina Malloy, at gina.malloy@cfwkenya.org