Organizational longevity:
Lessons for social franchises from a systematic review of sustainability in the business and public health literature

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What is Social Franchising?

“A model that uses franchising methods to achieve social rather than financial goals, influencing the service delivery systems of the private sector”
Social Franchising

• Private providers in LMICs:
  • Play significant role in giving health services
  • Inconsistent quality & engagement in population-wide initiatives
    • Often no engagement with accreditation, regulatory mechanisms, or other providers

• Social franchising
  • The poor can access quality health services at a lower cost
  • Represents a powerful tool to harness these networks to implement population-wide health initiatives

• Changing donor climate
  • Conditions change for the development agenda of donors and funding will not always be guaranteed for social franchising
  • Social franchises mainly depend on donors based on a 2015 survey
A systematic review on sustainability

Due the changing donor climate, how can social franchising remain sustainable?

Methods:

• Background reading in seminal business literature for themes

• Systematic review of business and public health literature
  • Articles must hypothesize causality or reasons for sustainability of the organization, or
  • Articles included metrics of sustainability

• Reviewed definitions of sustainability
  • Articles must have chosen one definition and not offer multiple without a conclusive definition
Background: Seminal business readings

• **Jim Collins** (*Built to Last & Good to Great*)
  - Try many things, and keep what works
  - Strong mission and organizational culture
  - Autonomy to experiment
  - Disciplined culture
  - Confront challenges honestly and persevere with faith

• **Arie De Geus** (*The Living Company*)
  - Learning is crucial to surviving in an unpredictable world
  - Autonomy to experiment is essential to adaptation

• **Larry Greiner** (”Evolution and Revolution as Organizations Grow”)
  - Organizations will survive if they can change ineffective practices that worked in the past to adapt to the current situation
Common Business Themes

• **Collins** and **De Geus** emphasize the value of:
  • Organization’s identity (mission and guiding principles)
  • Autonomy to experiment (of employees who are loyal to the mission and principles)
  • Importance of leadership and organizational culture

• **All three authors**
  • Agree that adaptability as responsiveness to environmental changes and a culture of discipline complemented by a decentralized organization are consistently found in for profit and social sector organizations
  • May have useful insights for non-profit organizations and social franchises in particular
1,255 total

1,229 excluded

26 included

13 definitions

Literature Review
Definitions
(Conceptual Foci)

Mission/Social Value Creation
• 6 articles
  (2 of those articles mention Triple Bottom Line—ecological bent)

Financial/Operational Independence
• 5 articles
  (most mention financial monitoring/sound management is key)

Adaptability
• 2 articles
  (ongoing, dynamic process of adapting to the environment)
### INTERNAL CHARACTERISTICS

<table>
<thead>
<tr>
<th><strong>Mission/Social Value Creation</strong></th>
<th>Public health citations</th>
<th>OECD Business Citations</th>
<th>Total citations</th>
</tr>
</thead>
</table>


### EXTERNAL ENVIRONMENT

| **Adaptability** | All except: Zietlow 2012 | All except: Bogan 2012, Koleda 2010, Maletic 2012, Moizer 2010 | 21 |


### BUSINESS MINDSET

| **Financial viability** | Beyeler 2014, Koleda 2010, Zietlow 2012 | Bogan 2012 | 4 |


<table>
<thead>
<tr>
<th>Specific Indicators</th>
<th>Reference</th>
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<tbody>
<tr>
<td>Financial self-sufficiency</td>
<td>IPPF/WHR 1997b</td>
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<td>Replacement of USAID funds</td>
<td>IPPF/WHR 1997b</td>
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<td>Solvency</td>
<td>Zietlow 2012</td>
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<td>Liquidity</td>
<td>Zietlow 2012</td>
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<td>Financial flexibility</td>
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<td>Debt-to-equity ratio</td>
<td>Koleda 2010</td>
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<tr>
<td>Profitability of assets</td>
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<td>Profitability of sales</td>
<td>Koleda 2012</td>
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<tr>
<td>Interest coverage ratio</td>
<td>Koleda 2013</td>
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<tr>
<td>Survival through organizational change*</td>
<td>Lee 1999a</td>
</tr>
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Discussion/Conclusion

• There a handful of
  • sustainability definitions in the literature, all of which have a different focus
  • articles hypothesizing causality or reasons for sustainability

• Adaptability
  • The seminal business readings collectively identify adaptability as essential to sustainability
  • Our systematic review of themes also identified adaptability as the most represented sustainability theme
    • Financial themes and indicators are not the most commonly identified factor

• Common elements in both business and public health literature

• Needs to be more research on sustainability—indicators, attributes, and dynamics