



Background Information

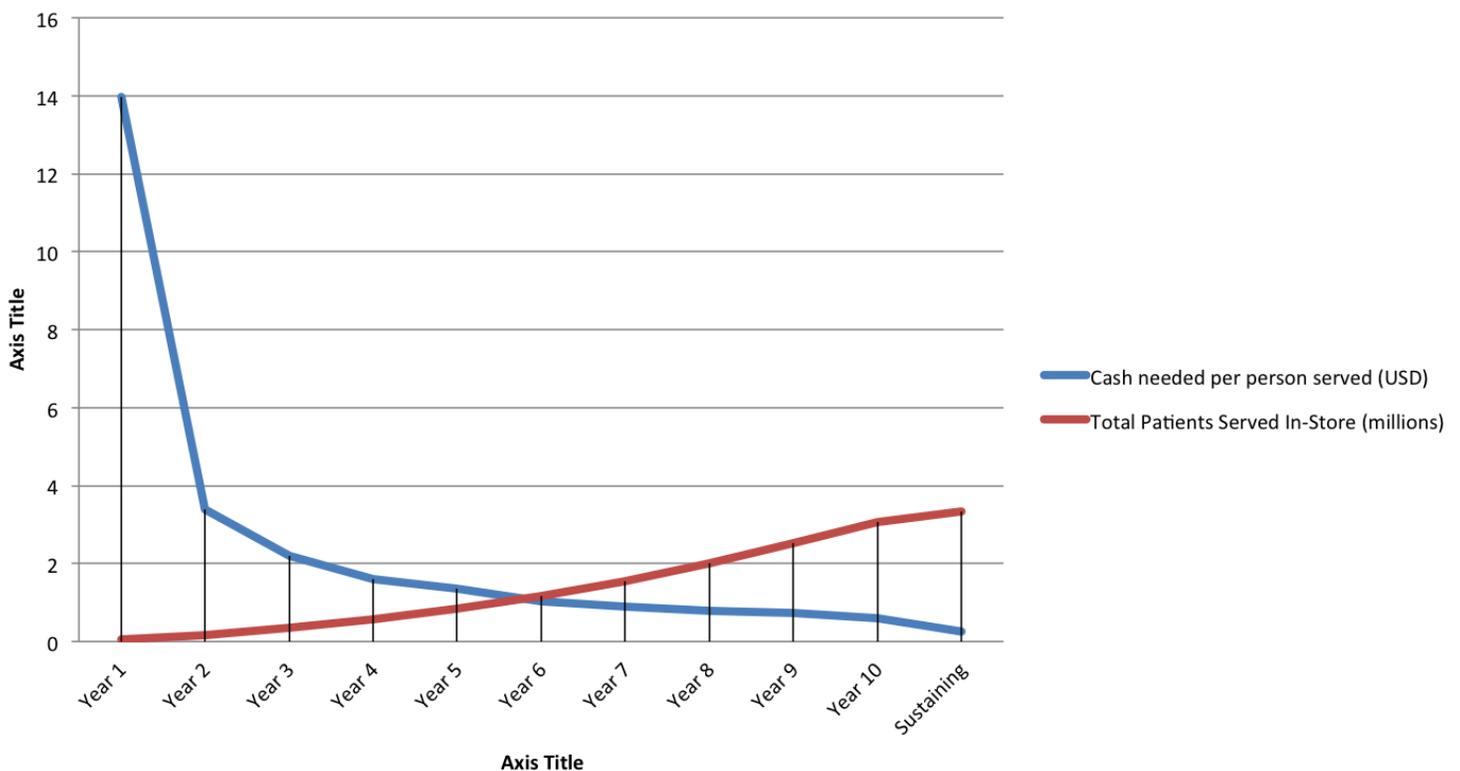
www.healthstore.org

HealthStore's Future at a Glance

This chart depicts projected annual results of HSEA's CFW franchise network in Kenya.

The **red line** shows the growth in projected patients served in CFWclinics in Kenya – growing from 0 patients at inception to 3,000,000 patients per year after year 10.

The **blue line** shows the cash needed per person served, decreasing from \$13.96 in Year 1 to \$0.26 after Year 10 of the plan.



A paradigm shift in delivering healthcare to the world's poor



Promotional Video –

Produced by Blue Marble Media, this informative and evocative video explains our model and shows the most important element of our work – human stories.

https://www.youtube.com/watch?v=_oKFv-LL-tU



PBS documentaries –

Emmy Award-winning PBS NOW documentary on our CFWclinics network in Kenya:

<http://www.pbs.org/now/shows/321/index.html>

Second PBS NOW documentary about how CFWclinics survived political violence: <http://www.pbs.org/now/shows/433/index.html>

Harvard Business School case study –



HARVARD | BUSINESS | SCHOOL

9-512-006

REV: JANUARY 19, 2012

V. KASTURI RANGAN

KATHERINE LEE

CFW Clinics in Kenya: To Profit or Not for Profit

In March 2011 Scott Hillstrom boarded a plane bound for Nairobi, Kenya. Fourteen years ago Hillstrom had co-founded The HealthStore Foundation (HSF), a non-profit organization with a mission “to improve access to medicine and basic healthcare services for children and families in the developing world.” HSF had adapted the traditional business format franchising model to the problem of distributing essential medicines in remote communities and established the Child and Family Wellness (CFW) brand - a franchise network of for-profit clinics and drug shops. While the CFW brand was owned by HSF it was operated through the Sustainable Healthcare Foundation (SHF), a non-profit in Kenya.

*please email lauren@healthstore.org for the full text

British Medical Journal study –

A graduate student and faculty member at Yale University conducted an independent study recently published on the open access side of the British Medical Journal. This study concludes (among other positive conclusions) that acutely ill people near a CFW outlet in Kenya (within 30 km) are significantly more likely to seek treatment than those not near a CFW outlet.

<http://bmjopen.bmj.com/content/2/4/e000589.full.pdf+html>

CORPORATE CONNECTIONS

GSK

In 2006, HSF leaders visited Rwanda with Pastor Rick Warren and decided to launch a clinic network. HSF encountered and surmounted many difficult circumstances and built the network to 25 locations. In 2013, it transferred the business to One Family Health (OFH), a sister nonprofit that HSF helped its former CEO to form. Since then the network has grown rapidly to 90 clinics with financing supplied by GlaxoSmithKline (GSK), one of the world's leading pharmaceutical companies. OFH and GSK have announced plans to invest \$2.8 million to scale the network to 180 clinics over three years, with an eventual intention for the network to grow to 500 clinics.

Sanford Health

HSF organized the leadership and planning of the project and HSF leaders provided extensive hands-on support to the launch of a clinic network in Ghana. This network was later acquired by Sanford Health, America's largest rural healthcare provider. Sanford reports that since 2012, it has opened an additional four clinics and that its five clinics in Ghana have served 180,000 patients as of August 2014.

ExxonMobil Foundation

In 2006 with funding from ExxonMobil Foundation, HealthStore began a pilot project to convert nine nurse-run clinics in its CFW network in Kenya to new-line malaria diagnostic and treatment protocols, including testing all suspected malaria cases with rapid diagnostic tests and treating all confirmed cases with new-line malaria medicines. Since the success of the pilot, and with funding from ExxonMobil Foundation, Global Fund, and UNICEF, we upgraded all the clinics in our CFW network to these new malaria protocols, as well as conducted over 200 malaria prevention/outreach events. These events, as well as routine patient education in our CFW clinics, reinforced for patients the importance to their families—and to the wider community—of taking full courses of ACTs, of using malaria drugs only upon positive diagnosis (either through rapid diagnostic tests or microscopy at nearby laboratories), etc.

Procter & Gamble

With P&G's support in the late 2000s, the CFW network explored new ways to market health and hygiene products through the CFW network in Kenya using mobile health workers based at CFW clinics. In addition, we provided over 5 million liters of clean water to people living with HIV/AIDS and to diarrheal-prone children who live within catchment areas of CFWclinics, thanks to an initiative shared with P&G.

MEDIA COVERAGE

Forbes Magazine, Harvard Business Review, Stanford Social Innovation Review, the UN, Franchise Times Magazine, Fast Company, The Economist, Franchising World magazine, and two Emmy-Award-Winning PBS documentaries.

For more coverage of HealthStore's work, visit our website:

<http://www.healthstore.org/inprint.html>

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-Co-Chairman, Social Enterprise Initiative, Harvard Business School

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Greg Starbird*

-CEO, The HealthStore Foundation

-Co-founder, One Family Health

N. Taylor Thompson

-Co-Founder, PharmaSecure

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-Partner and Global Head of Event Strategies, Whitebox Advisors LLC

Mark Zdeblick

-Co-founder and CTO, Proteus

* Member of Executive Committee

Read more about HSF Board Members at our website:

http://www.healthstore.org/about_board.html

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- Brainstorm Design
- Bridgeway Foundation
- Chiron Foundation
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- Mark Gordon Family Foundation
- Michael Seid & Associates
- Mulago Foundation
- Oswald Family Foundation
- Postnet
- Procter & Gamble
- Rockefeller Foundation
- Rotary International
- UNICEF
- USAID
- Virgin Unite
- Weiss Communications

HEALTHSTORE LEADERSHIP

Scott Hillstrom

Co-Founder and Chairman, The HealthStore Foundation

Mr. Hillstrom is a semi-retired attorney. After practicing business law as Managing Partner of Hillstrom & Bale, Ltd., in the 1980s, he became co-founder and Managing Director of Rehab One, Inc., a multi-state network of hospital-based medical clinics in the 1990s. Since then, he has advised and invested in businesses involved in computer networking, software, entertainment, intellectual property and other fields in the U.S., Europe, Africa and New Zealand. Mr. Hillstrom was also voluntary president of Steiger International for ten years, a Christian organization serving teenagers and young adults throughout the world. Mr. Hillstrom is married with three adult daughters.

Greg Starbird

CEO, The HealthStore Foundation

Mr. Starbird has deep, long-term involvement in franchised healthcare enterprises since 2005, including new market entry, nonprofit / for-profit hybrids, supply chain, unit-level profitability, etc. Mr. Starbird has assumed progressive responsibility at The HealthStore Foundation® since 2005.

In his current role as CEO, Mr. Starbird is overseeing the restructuring of the CFW franchise network in Kenya, guiding the implementation of key innovations, and is a leader in HealthStore's efforts to advise external groups on launching and operating their own franchised healthcare networks. Mr. Starbird serves as Chairman and Managing Director of HealthStore's nonprofit and for-profit affiliate organizations in Kenya.

Mr. Starbird also co-founded One Family Health (an independent offshoot organization founded in 2011 which operates a franchised medical network in Rwanda), and was involved advising the startup of the Asili enterprise (in the eastern DR Congo) for two years starting in 2012. Prior to joining The HealthStore Foundation®, he directed a program at Star Education, an innovative and award-winning private organization working in Los Angeles public schools. Mr. Starbird attended Cornell University and UC Santa Barbara (B.A.) as well as Fuller Theological Seminary (M.Div.).

Steve Dahl

Chief Financial Officer, The HealthStore Foundation

Steve Dahl is an international executive and consultant with a strong background in managing multi-unit retail, franchise, manufacturing and marketing companies in both the USA and emerging markets. His career includes several years of senior management experience with Fortune 500 companies as well as intensive operational and financial responsibility for start-up and turnaround companies of significant size and complexity.

After ten years in financial management and planning positions at General Mills, he served as Director of Planning for Musicland, Vice President and Controller of BMC Industries, Inc., President and Chief Financial Officer for Jonathan Dental (a healthcare franchising start-up), and Vice President and Controller and Assistant Treasurer at Tonka Corporation as its sales grew from \$85 million to \$1.0 billion.

Steve interrupted his business career in 1993 to serve as a volunteer in the Peace Corps in Poland for three years before returning to the private sector as Chief Financial Officer of American Retail Concepts, a diversified restaurant and real estate company that grew from three to one-hundred franchised restaurants throughout Poland and the Czech Republic, where he also served as President. He consults with emerging companies in emerging markets where his experience includes the development of franchise and multi-unit retail systems, and training in and implementation of managerial control and planning disciplines.

Steve has spent extended stints in Kenya (CFW clinics), Rwanda (One Family Health clinics), and Ghana (MicroClinics / Sanford World Health Clinics), helping each brand of franchised healthcare facilities establish and improve their operations. He is a Certified Management Accountant and has served as Chief Financial Officer, Treasurer, Executive Director, and Corporate Secretary for The HealthStore Foundation since joining the organization as a volunteer in 2004.

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