

# **BASIC BUSINESS SKILLS COURSE FOR ADS OWNERS**

## **ADS Business Manual**

### **Introductory Module: General Background and Legal Aspects of Drug Sale and Use**

### **Module 1: Understanding Your ADS Business**



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# Introductory Module: General Background and Legal Aspects of Drug Sale and Use

## Background to ADS



### Uganda's Health System

Health care delivery services in Uganda are manned by both public and private sector personnel.

The government contributes 44% of all the health services offered in Uganda and the remaining 56% is met by private sector service providers.

It is within this context that the Government of Uganda recognized the need to involve private service providers in the overall provision of health services to the people of Uganda.

The health care delivery system in Uganda is composed of:

-  Government health facilities (44%)
-  Private institutions (56%)

#### *Private for profit*

- Private hospitals
- Medical centres
- Clinics
- Pharmacies
- Drug shops

#### *Private not for profit*

- Hospitals
- Medical centres founded on religious backgrounds (e.g., mission-founded health facilities)















### The Pharmaceutical Sector in Uganda

1. The Pharmacy Division of the Ministry of Health (MOH) is responsible for developing policies in the sector, such as the National Pharmaceutical Policy.
2. The National Drug Authority (NDA) is a semi-autonomous body under the MOH. It was established in 1993 by an act of Parliament. Its major activity is to control the importation, manufacture, and use of medicines in Uganda.

With its headquarters in Kampala, the NDA operates through its regional offices based in the eastern, western, northern, and central regions. The NDA is represented at the district level by the District Assistant Drug Inspector (DADI).

### 3. Professional bodies in Uganda

There are four professional health bodies in Uganda, each with a particular cadre(s) involved in the provision of health services to the community.

Professional body	Health cadres regulated
<b>Uganda Nurses and Midwives Council</b>	<ul style="list-style-type: none"> <li> Nurses</li> <li> Midwives</li> </ul>
<b>Uganda Medical and Dental Practitioners Council</b>	<ul style="list-style-type: none"> <li> Doctors</li> <li> Dentists</li> </ul>
<b>Allied Health Professionals Council</b>	<ul style="list-style-type: none"> <li> Pharmacy technicians</li> <li> Clinical officers</li> <li> Laboratory technicians</li> <li> Orthopaedic officers</li> <li> Physiotherapists</li> <li> Occupational therapist</li> <li> Radiographers</li> <li> Dental assistants</li> <li> Public health officers</li> </ul>
<b>Pharmaceutical Council/ Pharmaceutical Society of Uganda</b>	<ul style="list-style-type: none"> <li> Pharmacists</li> </ul>

## Medicines Supply and Distribution

Most of the medicines used in Uganda are imported and a small percentage are manufactured locally.

The local manufacturers in Uganda include: Kampala Pharmaceutical Industries, Rene Industries, Medipharm, Abacus, and Mavid.

### Imported pharmaceuticals

The biggest percentage of medicines imported into the country comes from India and China. A small percentage comes from Europe and the rest of Africa (mainly from Kenya and Egypt).

The European medicines available in Uganda come from the United Kingdom, Cyprus, Switzerland, and Germany, among others.

### Distribution of pharmaceuticals

The distribution of pharmaceuticals in Uganda is through either public or private sources, i.e. public and private distribution.

Public distribution is controlled by the National Medical Stores (NMS), which distributes all medicines to all government health centres and hospitals.

### Distribution in the private sector

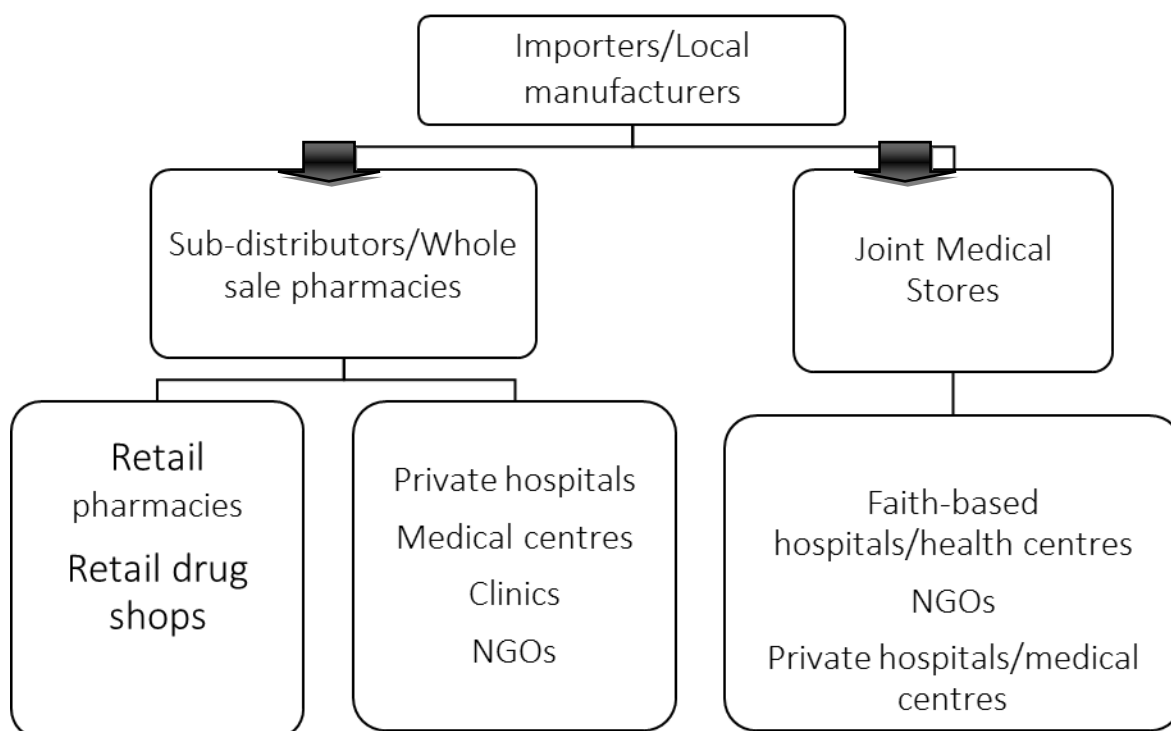
The distributors of pharmaceuticals in the private sector include direct importers and wholesalers.

The direct importers supply the wholesalers, who are located countrywide, especially in major towns like municipalities and town councils.

The wholesalers then sell the medicines to retail pharmacies, drug shops, clinics, private hospitals, nongovernmental organizations (NGO), and faith-based hospitals.

The Joint Medical Stores (JMS) mainly supplies faith-based hospitals, NGOs, and medium-sized medical centres and private hospitals.

### Distribution channels of pharmaceuticals in the private sector



### Pharmaceutical Services

Wholesale and retail pharmacies are mainly concentrated in big towns, such as Kampala, Mbarara, Jinja, Masaka, Gulu, etc.

Retail pharmacies, which are allowed to stock a wide range of both prescription and over-the-counter (OTC) medicines, mainly serve the urban community.

The Class C drug shops are allowed to stock only OTC medicines.

These shops are left to serve the rural community, which also has an equal demand for prescription medicines like the urban community.

This imbalanced distribution of pharmaceutical services has led to the development of the Accredited Drug Shop (ADS).

ADS are allowed to stock a wider range of medicines, including some prescription medicines, which are highly needed in the community.

The ADS are mainly intended to serve rural communities.

## **The Accredited Drug Shop Model**




An ADS is a drug shop that is allowed to sell a wider range of medicines, including some prescription medicines.

The ADS are medicine outlets were created by the NDA in response to poor access to medicines.

The current ADS are created from an existing class C drug shop.

The operation of the ADS is regulated by the NDA, in conjunction with the office of the District Health Officer (DHO) and the district association of accredited drug shops.

Besides the NDA, professional bodies with keen interest in the operation of the ADS include:



-  Uganda Nurses and Midwives Council
-  Allied Health Professionals Council
-  Pharmaceutical Society of Uganda (PSU)

Professional bodies, such as the PSU, are responsible for the regulation of pharmaceutical services in Uganda.

The Nurses Council and Allied Health Professionals Council are involved because of the individuals who are involved in the operation of the ADS.

### **Why ADS?**

The ADS have been created for the following reasons:

-  To improve medicines availability.
-  To improve care provided in the community.

- ✚ To reduce inappropriate practices.

### **Requirements for accreditation**

Class C drug shops (licensed) that meet specific criteria are eligible for accreditation.

Accreditation means approved by the NDA to dispense an enhanced list of medicines and manage selected diseases.

This happens when the class C shop has done the following:

- ✚ Passed inspection.
- ✚ Completed the training component and passed the examination.
- ✚ Adopted the approved ethical code.

**Note:** Once accredited, the class C shop is called an Accredited Drug Shop.

- ✚ An Accreditation Certificate is issued to the successful applicants.
- ✚ The ADS is supplied with materials, such as a dispensing coat, record books, ADS sign post, etc.
- ✚ Local monitors are trained, they supervise the ADS, and they report drug shop regulatory abuse to the NDA.
- ✚ Regular inspection is conducted by the NDA.

### **Expectations of the ADS**

- ✚ Purchasing from licensed wholesale pharmacies.
- ✚ Proper storage of medicines.
- ✚ Proper dispensing of medicines.
- ✚ Management of selected illnesses in both children above 2 months and adults.
- ✚ Early reporting of outbreaks.
- ✚ Client education and referral of clients with chronic conditions.
- ✚ Referring clients to the next level of care in case of danger signs.
- ✚ Counselling and initiating mothers for family planning (FP).
- ✚ Counselling mothers on newborn care, nutrition, and immunisation of children under 5 years.

### **What health conditions can be managed at the ADS shop?**

The following conditions can be managed at the ADS shop:

- ✚ Uncomplicated malaria in both adults and children.
- ✚ Upper respiratory tract infections.
  - Common colds, allergic rhinitis (adults and children).
  - Non-severe pneumonia **in children 2 months to 5 years only** (with no danger signs or chest in-drawing, or stridor in calm child).
- ✚ Diarrhoea and dysentery in children and adults, **except** in cases of severe diarrhoea or severe dehydration, or persistent diarrhoea.
- ✚ Ear infections, except in cases of tender swelling behind the ear (mastoiditis).
- ✚ Anaemia and malnutrition in children 2 months to 5 years only, except for severe cases as defined in the Seller's Manual.
- ✚ Sexually transmitted infections (STI).
- ✚ Minor skin conditions, like boils, ringworm, athlete's foot, scabies, chicken pox, nappy rash and minor cuts, skin allergies.
- ✚ Eye conditions only, including foreign bodies and sty.
- ✚ Treatment of lice.

### **Benefits of ADS**

- ✚ ADS will be allowed to stock medicines and other health-related commodities beyond what is generally allowed by ordinary Class C drug shops.
- ✚ Drug sellers and owners will be trained in business management, medicine management, and patient care.
- ✚ There will be a public awareness campaign so that clients will know that ADS provide good care and are a good place to seek help.
- ✚ There will be supportive supervision and regular monitoring.

## **Laws, Regulations, and Ethics in ADS**

### **Legal Requirements for Setting up and Operating an ADS**

#### **Licensing and operation**

The licensing of ADS follows the usual procedure for licensing class C drug shops.



The operation of ADS is regulated by the NDA, assisted by the DHO's office.

The requirements include:

- ✚ Suitable premises.
- ✚ Availability of qualified medical personnel.
- ✚ Minimum distance of 1.5 km away from an existing drug shop.

### Application, inspection, and accreditation process

Steps	Responsible body/reason
1. Pre-inspection of premises	✓ NDA/DADI
2. Training of ADS seller	✓ Authorized nursing schools ✓ Seller should have a minimum qualification of s.4 & nursing assistants trained for 6 months
3. Re-inspection of premises	✓ NDA/DADI ✓ It is intended to confirm /determine whether the ADS has met the minimum requirements.

### Standards for operating an ADS

Standards are minimum requirements. The following are the standards for proper running of an ADS. They apply to:

- ✚ Personnel
- ✚ Premises
- ✚ Dispensing
- ✚ Record keeping and documentation

#### *Standards for personnel*

- ✚ Trained ADS seller.
- ✚ Dress in a professional manner.
- ✚ Not to work under the influence of alcohol.
- ✚ Observe high standards of personal hygiene.
- ✚ Be of sound mind.

- ✚ Behave professionally.
- ✚ Observe the guidelines set by the NDA.
- ✚ Drug seller must have written a commitment letter to operate with a particular ADS.
- ✚ Undergo regular continuing medical education.

*Standards for dispensing*

- ✚ Availability of dispensing materials.
- ✚ All medicines stocked must be registered with the NDA.
- ✚ All the medicines in the ADS should be stored according to the manufacturer's guidelines.
- ✚ Should not dispense expired medicines.
- ✚ Should be able to identify and refer complicated cases.
- ✚ All prescription medicine to be dispensed on a written valid prescription.
- ✚ Maintain proper record of dispensed medicine.
- ✚ Medicine should be dispensed in proper containers that are clearly labelled.
- ✚ All medicines should be given with proper instructions.

*Standards for premises*

- ✚ Be of permanent nature.
- ✚ The roof should not be leaking and should have a ceiling.
- ✚ Space should be big enough (at least 16 m<sup>2</sup>) to carry out proper dispensing.
- ✚ The walls and floors should have smooth surfaces.
- ✚ The walls should be painted white or any other bright colour.
- ✚ Availability of water, latrine.
- ✚ Availability of sign post for ADS.

*Standards for recordkeeping*

- ✚ All invoices and receipts should be recorded in the purchase medicines book and the original receipts kept.
- ✚ All prescriptions should be recorded in the ADS dispensing log book and the records kept for at least two years.
- ✚ A record of expired drugs should be kept.

- ✚ Availability of the files of communications from the NDA and other regulatory authorities.

### Reference materials

- ✚ ADS Seller's Manual
- ✚ ADS medicines handbook
- ✚ Uganda Clinical Guidelines
- ✚ National medicines formulary
- ✚ Essential Medicines and Health Supplies List for Uganda
- ✚ NDA act
- ✚ ADS standards and code of ethics
- ✚ ADS Expanded Medicines List

### ADS personnel code of ethics

- ✚ Should be honest and have integrity.
- ✚ Ensure client's wellbeing at all times.
- ✚ Respect for the client.
- ✚ Should not discriminate against clients.
- ✚ Ensure confidentiality and privacy.
- ✚ Provide quality medical services.
- ✚ Collaborate with other health workers.
- ✚ Should not engage in the sale of illegal/government medicines.
- ✚ Should participate in health promotion activities.

## The ADS Expanded Medicines List

The ADS can dispense medicines from Class C as well as from the expanded medicines list below. The expanded list takes into consideration the prescribing levels in line with the Uganda clinical guidelines, malaria treatment guidelines, and STI guidelines.

A consideration has also been made to ensure that the public has reasonable access to the most essential (key) medicines needed to treat the common diseases found in the community. The medicines on this list are identical to those available at Health Centres II, except for injectable medicines.

**Note: ADS are not allowed to stock, dispense, or administer injectable medicines.**

Drug and Form	Intended ailments
<b>Anti-asthmatics &amp; cough preparations</b>	
Aminophylline tablet 100 mg	Wheezing & difficulty breathing
Salbutamol tablet 4 mg	Wheezing & difficulty breathing
Cough preparations (e.g., cough linctus, expectorants, and herbal) but <b>NOT</b> those containing codeine	Symptomatic relief of dry and productive cough
<b>Antibiotics</b>	
Amoxicillin capsules/ tablets 250 mg & 500 mg	Respiratory tract infections (RTI) & urinary tract infections (UTI)
Amoxicillin oral suspension 125 mg/5 ml & 250 mg/5 ml	RTIs, UTIs
Co-trimoxazole suspension 240 mg/5 ml	RTIs, UTIs
Co-trimoxazole tablets 480 mg and 960 mg	RTIs, UTIs
Doxycycline capsules/tablets 100 mg	Gonorrhoea, pelvic inflammatory disease
Erythromycin oral suspension 125 mg/5 ml	RTIs, bacterial skin infections
Erythromycin tablets 250 mg	RTIs, gonorrhoea, bacterial skin infections
Metronidazole tablets 200 mg	Protozoa diarrhoea, Trichomoniasis, dental infections
Metronidazole suspension 200 mg/5 ml & 125 mg/5 ml	Protozoa diarrhoea, dental infections
Nitrofurantoin tablets 100 mg	UTIs
Phenoxymethyl penicillin suspension 125 mg/5 ml	Tonsillitis
Phenoxymethyl penicillin tablets 250 mg	Tonsillitis
Ciprofloxacin 250 mg & 500 mg tablet	UTIs

<b>Drug and Form</b>	<b>Intended ailments</b>
<b><i>Dermatological products</i></b>	
Silver sulfadiazine cream 1% w/w	Wounds and burns
Iodine tincture 2%	Wounds
Calamine lotion 15%	Chicken pox, herpes zoster
Benzyl benzoate lotion 25%	Scabies
Malathion lotion aqueous 0.5%	Pediculosis
Hydrocortisone cream 1%	Eczema, nappy rash, insect bites
<b><i>Anti-helminthics</i></b>	
Mebendazole tablet 100 mg	Intestinal worms
Mebendazole suspension 100 mg/5 ml	Intestinal worms
Albendazole tablet 200 mg & 400 mg	Intestinal worms
Albendazole suspension 100 mg/5 ml and 200 mg/5 ml	Intestinal worms
<b><i>Anti-Inflammatory/analgesics</i></b>	
Diclofenac sod. tablets 50 mg & 100 mg	Pain
Ibuprofen tablet 200 mg & 400 mg	Pain and fever
Ibuprofen syrup 100 mg/5 ml	Pain and fever
Acetylsalicylic acid tablet 300 mg	Pain and fever
Paracetamol tablet 500 mg	Pain and fever
Paracetamol suspension 120 mg/5 ml	Pain and fever
<b><i>Anti-allergic</i></b>	
Chlorpheniramine tablet 4 mg	Skin itching and allergy
Chlorpheniramine syrup 2 mg/5 ml	Skin itching, common cold & allergy
Promethazine tablet 25 mg	Skin itching, common cold, allergy & vomiting
Promethazine syrup 5 mg/5 ml	Skin itching, common cold, allergy & vomiting
Cetirizine tablet 10 mg	Skin itching, common cold & allergy
Cetirizine syrup 5 mg/5 ml	Skin itching, common cold & allergy
<b><i>Anti-fungal</i></b>	

<b>Drug and Form</b>	<b>Intended ailments</b>
Nystatin oral suspension 100,000 IU/5 ml & 100,000 IU/ml	Oral candidiasis
Nystatin tablets 100,000 IU & 500,000 IU	Oral candidiasis
Nystatin lozenges 100,000 IU	Oral candidiasis
Nystatin pessaries 100,000 IU	Vaginal candidiasis
Clotrimazole pessaries 100 mg	Vaginal candidiasis
Clotrimazole cream 1%	Fungal skin infections, e.g., ringworms
Sulphur ointment 10%	Fungal skin infections, e.g., ringworms
Benzoic acid + salicylic acid ointment 6% + 3%	Fungal skin infections, e.g., ringworms
<b>Antimalarial medicines</b>	
Artemether /lumefantrine tablet 20/120 mg and 40/240 mg	Uncomplicated malaria
Artesunate/amodiaquine tablet 50/200 mg and other artemisinin-based combination therapies (ACT)	Uncomplicated malaria
Quinine tablet 300 mg	Uncomplicated malaria
Quinine suspension 100 mg/5 ml	Uncomplicated malaria
Rectal artesunate	Pre-referral for severe malaria
<b>Disinfectants and antiseptics</b>	
Cetrimide + chlorhexidine solution 0.5% + 0.05%	Skin wounds and antiseptic
Chlorhexidine gluconate solution 20%	Skin wounds
Hydrogen peroxide solution 6%	Skin wounds and mouth gargle
Calcium or sodium hypochlorite solution 5%	Disinfectant
<b>Oral contraceptives</b>	
Ethinylestradiol + Norethisterone	Family planning
Ethinylestradiol + Levonorgestrel	Family planning
<b>Anti-diarrhoea</b>	
Zinc sulphate tablets	Diarrhoea in children
Oral rehydration solution (ORS)	Diarrhoea
<b>Anti-convulsant</b>	

<b>Drug and Form</b>	<b>Intended ailments</b>
Diazepam rectal tube 2 mg/MI	Convulsions in children
<b>Antidotes</b>	
Charcoal activated tablet 250 mg	Poisoning
<b>Eye/ear/nasal preparations</b>	
Chloramphenicol eye ointment 1%	Bacterial eye infections
Chloramphenicol eye/ear drops 0.5%	Bacterial eye & ear infections
Tetracycline eye ointment 1%	Bacterial eye infections
Combined antibiotic plus steroid eye/ear drops	Allergic eye & ear diseases with bacterial infections
<b>Anti-anaemia medicines, vitamins &amp; minerals</b>	
Ferrous salt tablet 60 mg	Anaemia
Folic acid tablet 5 mg	Anaemia
Ferrous/Folic acid 200 mg/0.5 mg & 100 mg/0.5 mg	Anaemia
Multivitamin tablets and suspensions	Food supplements
Vitamin A capsules	Food supplement
Vitamin C tablets 100 mg	Food supplement (common cold)
<b>Diagnostics</b>	
Rapid diagnostic tests	Testing for malaria

# Module 1: Understanding Your ADS Business

## Session 1: The Business Entrepreneur

### What Are the Characteristics of An Entrepreneur?

An entrepreneur has the following characteristics:

- ✚ Creative
- ✚ Knowledgeable
- ✚ Open-minded
- ✚ Very careful planner
- ✚ Persistent

A business entrepreneur undertakes the following actions:

- ✚ Identifies a need in society.
- ✚ Identifies a solution to address that need.
- ✚ Takes calculated risks to invest to meet the need.
- ✚ Makes profits if he/she manages the business well.
- ✚ Provides employment to others through his/her business.
- ✚ Contributes to government revenue by paying taxes.
- ✚ Contributes to community welfare.

### An ADS owner is an entrepreneur

We will consider business person and entrepreneur to mean the same thing.

Does drug shop business fit in the above description? Yes, it does. It is therefore a business or an enterprise. ADS owners and sellers are businessmen and business women. For example:

- ✚ You identified the need in the community: people need medicines to treat illnesses and diseases.
- ✚ You took the risk to start a drug shop. We call it a risk because you are not sure whether the business will make profits or not. Thieves can break in and steal the medicines, the building can catch fire, medicines can expire without being bought and any other bad thing not expected. This is what is called a risk.
- ✚ You make profits when you manage your business well.
- ✚ You incur losses when you make mistakes in managing the business.



- ✚ You employ people in your business.
- ✚ You pay taxes either as a business (directly) or indirectly through purchasing other goods.
- ✚ You contribute to community welfare from your income, for example, by contributing to weddings, funerals, and other fundraising activities.

### **Motivations of an entrepreneur**

The motivations of an entrepreneur are central to the success of his or her business. It is useful to reflect on why you started your ADS business.

- ✚ Was it to earn profits?
- ✚ Did you desire to serve the community?
- ✚ Was it the only business opportunity out there?
- ✚ Do you have particular skills, training qualifications, or talents that are unique to this type of business?
- ✚ Were you encouraged by a friend or family member?
- ✚ Did you want to create a business opportunity for a wife or child or relative?
- ✚ Did you want to employ others?

### **Keys to business success**

Whatever your reasons are to start your ADS business, there are four key things that will lead to business success:

- ✚ The entrepreneur must love the business.
- ✚ The entrepreneur must be committed to the quality of the business.
- ✚ The entrepreneur must be driven to improve and expand the business.
- ✚ In short, the entrepreneur must be motivated to run the best business possible.

To be successful, the ADS must be “doing good and doing well.”

An ADS is a special and unique type of business. It combines making money and helping to improve – maybe even helping to save – the lives of others. One cannot succeed without the other.

- ✚ If you focus on making profits at the expense of providing affordable and effective medicines and quality customer service, your customers will not be satisfied and it will be difficult for the business to do well.
- ✚ If you focus only on improving and saving lives, and do not pay attention to making a profit, you will soon run out of business.

A successful ADS business owner must balance “doing good” (helping improve or even save the

lives of customers) and “doing well” (making some profit) to succeed in his or her business.

Remember: Customers who buy affordable quality medicines from your business are a big asset because they will market your business!

ADS shop owners require specific skills to manage medicines, clients, and their businesses so that they are profitable and sustainable.

## Summary

- ✚ An ADS is a relatively small business that has the responsibility of helping their customers have access to simple medicines.
- ✚ An ADS is still required to run profitably to ensure its survival. It therefore cannot afford to ignore the basic requirements of any profitable business.

## Session 2: Assessing Your Business

### Assessing the Status of Your Business

To understand whether your ADS has the potential to be successful, you should assess the current status of your ADS and the business environment in which it operates. Your ADS was primarily established to serve the following parts of your business environment:

- ✚ Your primary customers
- ✚ Your suppliers
- ✚ The leadership in your community
- ✚ Local government

The status of your business is best determined by examining its internal strengths and weaknesses as well as the external threats and opportunities for your ADS. The process of examining them is called a SWOT analysis. SWOT stands for:

- ✚ Strengths
- ✚ Weaknesses
- ✚ Opportunities
- ✚ Threats

### Strengths of your ADS

The strengths of your ADS are all the positive attributes that your business has. Strengths are within your control. They are all the things your ADS does really well, all the financial and non-financial resources you have, and all the advantages you may have over your competitors.

Examples of the strengths of a business can include:

- ✚ Available capital (money) and equipment
- ✚ Access to credit
- ✚ Clear and sound business structure
- ✚ Well-defined financial and non-financial systems
- ✚ Knowledgeable, experienced, skilled, and dedicated employees
- ✚ Business contacts and supportive business networks
- ✚ Existing channels of distribution of goods and services

### **Weaknesses of your ADS**

The weaknesses of your ADS are all the things your ADS does not do well (in other words, the areas that need to be improved), but are factors that are within your control. These are usually factors that affect your ability to obtain or maintain a competitive business edge.

Examples of the weaknesses of a business can include:

- ✚ Lack of skilled and competent personnel
- ✚ Limited financial and non-financial resources
- ✚ Lack of access to technology
- ✚ Lack of experience in the pharmaceutical industry
- ✚ Poor business location

### **Opportunities for your ADS**

Opportunities are external favourable circumstances, factors, and conditions that your ADS can take advantage of to continue existing and prospering. Opportunities are important contributors to why your ADS exists. For example, the need for affordable and accessible medicines created an opportunity for you to establish your ADS. Opportunities are external to your ADS business.

Opportunities for a business can be:

- ✚ Customers that need affordable and accessible medicines
- ✚ Training opportunities
- ✚ Favourable business policies
- ✚ Tax breaks
- ✚ Cheap labour
- ✚ Business networks

- ✚ Low interest rates from banks and other microfinance institutions

## Threats to your ADS

Threats are all the external factors beyond your control that can place the survival of your ADS at risk! Although you have no direct control over threats, it is important to develop plans to address them.

Examples of the threats to a business can be:

- ✚ Competition (always a threat because you are all targeting the same customers)
- ✚ Sudden price increases by producers, manufacturers, and suppliers
- ✚ Unfavourable governmental regulation and policies
- ✚ Bad economic situations
- ✚ Changes in consumer taste and preferences
- ✚ Introduction of new technologies or medicines that may make your products and services irrelevant
- ✚ Unfavourable currency fluctuations

## Summary

- ✚ Strengths are the positive aspects internal to your business, the value of your ADS.
- ✚ Strengths are your competitive advantage.
- ✚ Weaknesses are the negative aspects internal to your ADS.
- ✚ Opportunities are advantages in the environment that can contribute to your business.
- ✚ Identification of potential threats will help your ADS to proactively develop a contingency plan.
- ✚ The opportunities and threats are a description of your business environment.
- ✚ The internal strengths and weaknesses, compared to the external opportunities and threats, offer information about the current status and potential of your ADS business.
- ✚ The strengths of your ADS must be used to take advantage of the opportunities ahead and minimize the harm that threats may cause.
- ✚ Weaknesses must be minimized or eliminated.
- ✚ The value of the SWOT analysis is to assess the biggest value of your ADS (strengths), the most promising opportunities, and identify crucial inhibiting issues that can affect the profitability and growth of your ADS.

## Session 3: Stakeholders of the ADS

### Who Are Your Stakeholders?

Stakeholders are all the people, entities, organizations, and players that your ADS must relate to, either directly or indirectly, for its operations, profitable growth, and sustainability. The key stakeholders for your ADS are in eight categories:

1. Customers
2. Suppliers
3. Service providers
4. Staff
5. Bankers
6. Shareholders
7. Family
8. Community/Government

Each of these stakeholders has different expectations from your ADS business and therefore also influences your business.

### Details about your stakeholders

#### 1. Customers

Customers expect quality medicines, good prices, and quality service. They are the reason why your ADS exist! The following three factors are very important for the success of your business:

- ✚ Medicines must be of the best quality available if they are to help treat and cure disease.
- ✚ Customers expect to be able to afford the medicines that are available.
- ✚ Customers also expect to be served in a respectful, competent way.

#### 2. Suppliers

Suppliers are the people who sell you the products and services that you in turn sell to the market. They want your business to succeed because it means more business for them. They expect a good business relationship, especially timely payment when they supply medicines on credit. Suppliers are one of the sources of business finance. In summary, they expect that:

- ✚ The business succeeds
- ✚ A good business relationship
- ✚ Timely payment for goods

#### 3. Staff

Staff are the people employed to operate the business. They expect salaries, benefits, and good

treatment. Staff could be family members employed in the business or people hired from outside the family. They are an important factor in determining the success of the business. In summary, they expect:

- ✚ Salaries
- ✚ Benefits
- ✚ Respectful treatment

#### **4. Banks and microfinance institutions**

Banks and microfinance institutions are important partners to every business. They provide safe custody of your money, give you credit, handle your payments and receipts, and provide financial statements and other services. Your business needs friendly bank services. Maintaining a good image with your bank is very important. In summary, they expect:

- ✚ That your business will succeed
- ✚ Timely payment of debts

#### **5. Shareholders**

Shareholders are the people who own the business. They are the entrepreneurs. There may be:

- ✚ A sole owner who is also managing
- ✚ An owner who employs others
- ✚ More than one business owner

Most ADS are owned by individuals. They provide the capital and other key necessary things to start the business. They enjoy profits when the business is well managed but also suffer losses when the business is poorly managed. Business owners expect to make a profit and often hope that the business will grow and expand beyond where it started. In summary, they expect:

- ✚ To make a profit
- ✚ Perhaps to expand/grow the business

#### **6. Service providers**

Service providers are all the individuals and entities that service your business. These include:

- ✚ Your energy provider
- ✚ Your water and sewage provider
- ✚ Your telecommunications provider
- ✚ Your insurers
- ✚ Your auditors
- ✚ Your security services

- ✚ Your transporters

In summary, they expect:

- ✚ Timely payment for services
- ✚ Regular orders

## 7. Family

Family is another key stakeholder. Most ADS are family businesses. The family expects its living to come from the business. Children expect school fees, food, clothes, medical care, and other needs. In summary, the family expects:

- ✚ That its living will come from the business
- ✚ That the children will have school fees, food, clothes, medical care, etc.

## 8. Community or Government

Community or government are not necessarily your direct customers. They are stakeholders in the business because the contribution you make to the community comes from the business. This contribution includes support for community projects (such as water wells, boreholes, feeder roads, schools, churches, or mosques) or social events (such as weddings and funerals). The government expects taxes from your business (direct or indirect). This stakeholder category is also responsible for shaping a favourable policy for the business environment. In summary, they expect:

- ✚ Support for community projects
- ✚ Support for social events
- ✚ Taxes

## Summary

- ✚ Service providers are all the individuals and entities that service your business.
- ✚ Customers are the reason why your ADS exists! They buy your products and services.
- ✚ Suppliers are the people who provide you with the goods and services you sell to the market.
- ✚ Staff/employees are the people employed to operate the business.
- ✚ Financial institutions are important partners for every business. They provide you with financial services, like banking services.
- ✚ Shareholders are the people who own the business.
- ✚ Most ADS are family businesses.

- ✚ Governments are stakeholders in the business because the contribution you make to the community comes from the business. Government also influences the policy and business environment in which your ADS operates.