



## Solving Grand Societal Challenges Through Creative Organisation Design



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**Combining for-profit entrepreneurship with a non-profit social mission through novel organisation design can achieve scale and impact.**

When commercial enterprises want to replicate a product or service at scale, they often turn to franchising as a path to growth. This involves recruiting independent partners, or franchisees, who grow the business as independent yet interlinked entities. McDonald's, 7-Eleven and Marriott Hotels are among numerous companies to pursue such a model.

It should come as no surprise that social enterprises are taking a page from the same rulebook. Indeed, the hope is that social franchising will enable the non-profit sector to fill critical gaps in reach and resources while retaining

essential control over the product or service delivery.

But one organisation in South Africa has gone a step further. Combining non-profit and for-profit models, **Unjani Clinics** – a network of clinics owned and operated by local nurses – is growing rapidly by **pursuing its mission to bring affordable healthcare to the masses**. What’s more, it is empowering professional nurses to become entrepreneurs in the process.

In a **paper** published in the *Journal of Organization Design*, we take a closer look at Unjani Clinics to glean critical insights on how organisations driven by a social mission can sustainably scale through creative organisation design.

### **Clinic in a container**

Founded in 2014, Unjani Clinics aims to meet the basic medical needs of South Africans in a country where the public sector is underfunded, and private care or health insurance is inaccessible for most people. Unjani – which means “how are you” in Zulu and Xhosa – is the brainchild of Dr Iain Barton, the then-Managing Director of the consumer healthcare supply chain services company Imperial Health Sciences. His unique insight was that doctors– an expensive and rare resource – could be replaced with trained nurses. Not only would this increase access to affordable, standardised baseline health services in local communities, but it would reduce the burden on public healthcare providers.

The clinics are housed in converted shipping containers and run by professional nurses embedded in each locality. They offer affordable, easy-to-access local services such as basic health screening, antenatal and postnatal care, and **HIV** testing and counselling. The non-profit company (NPC) oversees a network of clinics owned and run by carefully selected independent nurse-entrepreneurs.

Here’s how the scheme works: Unjani NPC recruits and trains experienced nurses to run primary healthcare clinics set-up by the NPC in locations identified by the nurses during the recruitment process as the most “in need”. The nurses sign a five-year agreement that obliges them to meet financial targets, submit regular financial reports to Unjani NPC and comply with regulations and procedures. They also pay an upfront fee – giving them “skin in the game”, as the organisation’s CEO, Lynda Toussaint, puts it – as well as a monthly network fee.

In return, the nurse-entrepreneur gets the container clinics with the necessary equipment and funding for the first 24 months of operations, during which the clinic is expected to become financially sustainable (i.e., profitable). The nurse covers all operating expenses but keeps the revenue from consultations and sales of over-the-counter products and nutritional supplements.

After five years (when the clinic is expected to be profitable or at least break even) the nurse-owner can choose whether or not to remain in the network. If they decide to go, the clinic is theirs to keep.

Under a novel funding scheme being piloted, ownership of the clinic will be partially secured through a loan to be repaid to the NPC before the nurse can take full ownership of the clinic.

To date, Unjani Clinics has logged more than 1.6 million consultations. By mid-2022 the network had grown to more than 100 clinics and aims to reach 650 by 2030.

### **Recipe for a successful social franchise**

What sets Unjani apart is its hybrid organisational design – a creative blend of central authority with entrepreneurial autonomy, its recruitment process and a supportive culture.

#### *Hybrid organisation design*

Instead of a classic franchising model of cookie-cutter clinics run by managers, Unjani recruits professional nurses and trains them to become nurse-entrepreneurs. In line with its mission of providing quality care at affordable prices to the underserved, it offers a standard menu of services at uniform prices across its network. Regular financial audits help Unjani keep tabs on the clinics' performance and operational sustainability, making sure that struggling nurses are given the help they need. If a nurse breaches the franchising agreement (for instance by deviating from standardised pricing), they risk being replaced and even excluded from the network.

Beyond the norms on prices, premises and standards of care, in all other matters the “nursepreneur” is in charge. They are free to hire staff, assistants and guards, run marketing campaigns and is responsible for the clinic's profit and loss. In short, they develop into a fully-fledged entrepreneur. Some of the nurses have grown into the role so well that they

have opened a second clinic.

### *Talent discovery and incubation*

Besides bringing affordable healthcare to the masses, Unjani supports South African women who want to become entrepreneurs. Applicants are required to submit a business plan that includes securing a suitable site for a clinic and conducting a community survey to assess the healthcare needs of the local community. They are also asked to set out their business and financial plans for the clinic. This helps Unjani assess applicants' entrepreneurial ambitions and resourcefulness, how well they engage with local communities and their commitment to the mission.

Only a select few make the cut. One out of five applications are invited for interviews, and about one in three interviewees join the network. By taking on only the best and most committed, Unjani has an enviably low attrition rate: Only seven nurses have decided to run their clinics outside the network after completing the five-year stint, and a handful of other clinics have closed for other reasons.

### *Supportive culture*

A strong **organisation culture** characterised by common objectives, values and norms helps to boost employee engagement, reduce turnover rates and enhance performance. At Unjani, members are almost like a family. Nurses are encouraged to have frequent and informal contact with the CEO and the Network General Manager to raise any questions or concerns (even private ones) that might affect their obligations. Regular conferences are organised for members to discuss and give feedback on practices such as price controls. A strong sense of community and mutual support among the nurses means they are accompanied in their individual journey by peers at a similar stage. That's also a great wellspring of motivation.

### **Becoming self-reliant**

The Unjani model remains a work in progress. For one thing, it aims to become financially sustainable rather than relying on donations from foreign corporations. The network fees that each nurse pays are crucial in achieving that objective, and so is the ability of the entire organisation to scale up. The organisation has piloted a new financing scheme with the help of INSEAD students, which will see incoming nurses take out a loan as part of the set-up

cost in addition to paying the upfront and annual network fees.

Unjani Clinics demonstrates that a creative organisation design – combining for-profit and non-profit elements in a novel way – can go a long way to address today’s societal challenges such as providing affordable primary care. Moreover, it may play a role in mitigating the inevitable tensions related to social impact and financial sustainability as an organisation grows.

This model of building on the untapped entrepreneurial ambitions of professional nurses and aligning incentives through organisation design may serve as an inspiration for social entrepreneurs worldwide seeking to address societal needs at scale.

*INSEAD collaborated with Unjani to develop a [case study](#) on the organisation for [Master Strategist Day](#). This work was supported by the [INSEAD Healthcare Management Initiative](#).*

#### **Find article at**

<https://knowledge.insead.edu/entrepreneurship/solving-grand-societal-challenges-through-creative-organisation-design>

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#### **About the research**

["Unjani Clinics: meeting the need for scale through social franchising"](#) is published in the *Journal of Organization Design*.

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