



GLOBAL LEADERS PROGRAMME

HEALTH & WELL-BEING FOR THE GLOBAL SUPPLY CHAIN

VIETNAM | MAY – JUNE 2017

Table of Contents



SECTION	PAGE
Executive Summary	3
Introduction & Background	5
Current Situation & Challenges	10
Business Model	24
Products, Services & Partnerships	33
Communications, Sales & Marketing	44
Organisational Management & Operations	52
Financial Analysis & Investment	62
Community Benefit & Social Impact	68
Risk Analysis & Mitigation	74
Implementation	79
Conclusion	81
Appendix	83

Executive Summary (1/2)

Global Supply Chains

Global supply chains have become a common way of managing investment, production and trade in the global economy. In a majority of countries, they have boosted employment and created opportunities which have driven economic and social development.

The International Labour Organization (ILO) estimates that over 450 million people work in supply chain-related jobs. This represents more than one-fifth of the global workforce. However, work-related accidents and diseases are estimated to account for 2.3 million deaths every year and costs 4% of the world's GDP.

Investing in workers' well-being is in the best interest of factories and companies. Research shows that profitability and productivity are significantly higher in factories with better working conditions, greater compliance with labour standards and effective human resource management practices.

Vietnam's Manufacturing Sector

With a stable political environment, low labour and operating costs, as well as promising economic prospects, Vietnam presents a dynamic market and an attractive destination for both foreign and private investors to participate in the economy.

Among a number of rising sectors in Vietnam, manufacturing distinguishes itself with the largest share of the total investment received. Electronics and mobile phone manufacturing sectors, in particular, have shown high-potential in Vietnam in recent years. In addition, Vietnam has approximately 6,000 apparel and footwear factories. The industry directly employs over two million employees, while related businesses employ an additional one million workers — approximately 6% of the entire labour force. 80% of these workers are women who have migrated from rural to urban areas in search of better economic opportunities.

Enter iCare Benefits

Within emerging markets, the formal economy is expanding rapidly. Contracted workers in industrial zones earning a minimum wage are looking to purchase basic products and services to support their families. This population remains broadly underserved as retailers and service providers have not found a sustainable and effective way to serve them.

Moreover, the workers living in industrial zones often face barriers when purchasing essential products and services from major retailers, such as distance and cost, which are difficult for them to overcome. There are limited financing options with reasonable interest available, and the application process and repayment methods are time consuming and inconvenient for the borrowers.

iCare Benefits (iCB) is a successful Vietnam-based for-profit social enterprise addressing the healthcare, financial, educational and lifestyle needs of workers in industrial zones through an innovative employee benefits programme. To bridge the affordability gap and increasing its members spending power, iCB provides a financial solution to purchase products and services with 3-6 months interest-free, deferred payment.

In partnership with brands and corporations, labour unions and other public and civil sector stakeholders, the company provides its registered

Executive Summary (2/2)

members with access to a whole suite of lifestyle, healthcare, educational and financial services.

To date, iCB has access to 2.5 million contract workers, has partnered with 1,200 companies (brands and organisations) and has established 100 iCB centres in 4 countries (Vietnam, Laos, Cambodia and Indonesia).

Building on the success of the Comfort Living business and its potential to reach millions of factory workers, iCB is now looking to expand its portfolio to include affordable, relevant healthcare and well-being services for its members and their families through its **Healthy Living** business.

The Proposed Business Model for iCB's **Healthy Living** Business

In May 2017, 23 international executives traveled to Ho Chi Minh City to gain insights into the challenges faced by supply chain workers in acquiring access to affordable healthcare products and services; and the opportunities for iCB to explore new partnerships, distribution channels and offerings which appeal to this widely untapped customer base. Key features include:

- **Establishing a consortium of factories** to serve as a captured market for the pilot phase implementation of the Flagship **Affordable Insurance** product and subsequent healthcare and well-being offerings to follow.
- Partnerships with healthcare and insurance providers will be central to the success of the business and to providing workers with access to affordable, quality and easy to understand services and products including the proposed **Affordable Insurance**, **Day Care**, **Preventative Testing** and **Diagnostic & Treatment** services.
- iCB will provide value-adding services such as educational programmes in partnership with NGOs, international aid agencies and healthcare services providers to promoting behavior change, gain loyalty and maximise retention.

iCB is well positioned to cater to the demands and needs of this large, untapped market segment and enabling access to and delivery of critical services while collectively facilitating the improvement of quality of life of workers across the country.

Financial Highlights

iCB's **Healthy Living** business presents an excellent opportunity for investors and strategic partners who wish to create significant impact on and help to build a more inclusive healthcare sector in Vietnam.

Over 5 years, total investment of US\$ 350,000 required for deployment of **Affordable Insurance** product and the development of the iCB mobile app to further streamline processes and develop a robust mobile interface

The financial model shows that iCB's **Healthy Living** business offers investors an IRR of 3.3% over a 5 year period. The business has a Net Present Value of US\$ 551,724 with a payback period of 4.8 years.



INTRODUCTION & BACKGROUND

Global Leaders Programme



The **Global Institute For Tomorrow (GIFT)** is an independent pan-Asian think tank providing content-rich and intellectually challenging executive education from an Asian worldview.

The **Global Leaders Programme (GLP)** is GIFT's flagship leadership experiential programme designed for managers from leading global organisations to think critically about the drivers of change in the 21st century and develop new business models that address the defining challenges of our time.

Project Team

- 23 participants from 15 companies and representing 9 countries joined the 51st GLP in Hong Kong and Ho Chi Minh, Vietnam in May - June 2017.
- In partnership with **iCare Benefits (iCB)**, a successful Vietnam-based for-profit social enterprise addressing the healthcare, financial, educational and lifestyle needs of workers in industrial zones through an innovative employee benefits programme – participants worked to produce business recommendations to support the development of the company's **Healthy Living** business, aimed at providing its members with access to a whole suite of essential and affordable healthcare products and services.



Multi-sectoral cohort provides fresh perspective and new ideas to improve the health and lives of supply chain workers and their families in Vietnam

Scope of Project

The GLP is an internationally recognized two-week experiential leadership programme combining classroom and field-based learning.

Objectives of Field Project

- Explore and gain a better understanding into Vietnam's prominent manufacturing sector; the challenges faced by supply chain workers in acquiring access to affordable healthcare products and services; and the opportunities for iCB to explore new partnerships, distribution channels and offerings which appeal to this widely untapped customer base.
- Propose a financially viable business model and plan for iCB's **Healthy Living** business to support the company's objectives of providing healthcare and well-being products and services to supply chain workers and their family across Vietnam.

Methodology for Field Project

- Gain insights from iCB's management team, supply chain workers, factory management, provincial and factory Labour Unions, investors, insurance companies, NGOs, and healthcare companies on the challenges and opportunities in Vietnam's healthcare sector through stakeholder meetings, household visits and interviews to understand the customer segment and to critically evaluate the gaps in the healthcare sector.
- Information gathering and analysis, business model generation and business planning sessions in-country.



Photo credit: Better Work Vietnam

Outcome

- Development of a business plan with in-depth analysis of key areas: Business Model & Social Impact; Financial Analysis & Investment; Products & Partnership Development; Operations & Organisational Management; and Communications, Sales & Marketing.
- Presentation at a public forum in Ho Chi Minh City of business plan highlights to iCB, investors and partner organisations, international aid agencies, provincial Labour Union representatives and medical supply companies.

Country Overview: Vietnam



Background Information

Population	94.44 million
Population growth rate	1.06%
Urban Population	33.6%
GDP (2017 est.)	USD 215.8 billion
Per capita GDP (2016)	USD 2,305
Inflation Rate	4.9%
GDP growth rate (2016)	6.1%
GDP composition by sector	Agriculture: 17% Industry: 39% Services: 44%
Population below \$1.90 per day	3%

Overview of Vietnam's Health Sector & Healthcare Statistics

Total expenditure on health as % of GDP (2014)	7.2%
Total expenditure on health per capita (Intl \$, 2014)	US\$ 390
Life expectancy at birth m/f (years, 2015)	80.3/70.7
Total fertility rate (per woman, 2013)	1.7
Infant mortality rate (per 1,000 live birth)	19
Number of hospital beds per 10,000 people	23.5

Infographic source: Investing in Vietnam, KPMG 2016

The constrained healthcare sector in Vietnam is in need of innovative services and solutions to bridge gaps in the system



Photo credit: Better Work Vietnam

CURRENT SITUATION & CHALLENGES

Global Supply Chains

Global supply chains have become a common way of managing investment, production and trade in the global economy. In a majority of countries, they have boosted employment and created opportunities which have driven economic and social development.

- The International Labour Organization (ILO) estimates that over **450 million people work in supply chain-related jobs**. This represents more than one-fifth of the global workforce.
- However, work-related accidents and diseases are estimated to account for **2.3 million deaths every year and costs 4% of the world's GDP**.
- Investing in workers' well-being is in the best interest of factories and companies. Research shows that profitability and productivity are significantly higher in factories with better working conditions, greater compliance with labour standards and effective human resource management practices.



DECENT WORK & THE SUSTAINABLE DEVELOPMENT GOALS (SDGs)

“Decent work is an important component of the 2030 Agenda for Sustainable Development. The promotion of decent work in global supply chains would contribute to several of the Agenda’s goals and targets, including the global goals of promoting sustainable economic growth and productive employment, building inclusive and sustainable industries, reducing inequalities, ensuring sustainable production and consumption, and strengthening partnerships for sustainable development.”



Source: ILO Report: Decent Work in the Global Supply Chain, 2016

Vietnam's Manufacturing Sector

With a stable political environment, low labour and operating cost, as well as promising economic prospects, Vietnam presents a dynamic market and an attractive destination for both foreign and private investors to participate in the economy.

Among a number of rising sectors in Vietnam, manufacturing distinguishes itself with the largest share of the total investment received.

Electronics Manufacturing

- Electronics and mobile phone manufacturing sectors, in particular, have shown high-potential in Vietnam in recent years.
- Foreign firms are the growth engine for Vietnam's high-technology exports, which reached 27% as a percentage of its total manufactured exports in 2014.



Apparel & Footwear Manufacturing

- Vietnam has approximately 6,000 apparel and footwear factories and is the second most important source of Vietnam's exports, currently accounting for 13.9% of goods being sold overseas.
- The industry directly employs over two million employees, while related businesses employ an additional one million workers — accounting for approximately 6% of the entire labour force.
- 80% of workers are women who have migrated from rural to urban areas in search of better economic opportunities.



Manufacturing Sector in Vietnam: Worker Profile & Labour Rights

According to the International Labor Organisation, 72% of Vietnamese women participate in the labour force. While more than 50% of the total female labour force still works in agriculture, 16% are employed in manufacturing and about 30% in services (from Better Work Vietnam)

Profile of Supply Chain Workers in Vietnam



80% of factory workers in the garment sector are women.



84% of female workers and **82%** of male workers come from rural parts of the country.



Male workers have on average **one more year** of schooling than female workers.



54% of female workers are or have been married. **44%** of female workers have children.



66% of the workers who are mothers have at least one child who is younger than 5 years old.



Just over half of workers are between **18-25** years of age. 75% are below 30.



Majority of workers earn an average of **US\$ 6.70** per day (The Economist Intelligence Unit)

*Data from Better Work Vietnam
(unless otherwise noted)*

Labour Rights in Vietnam

In 2012, the Vietnamese government passed a new Labour Code, which amongst other provisions, enacted new standards for worker health. This included:

- ✓ Limiting working hours to eight hours per day or 48 hours per week.
- ✓ Overtime was limited to no more than four hours per day, 30 hours per month or 200 hours per year.
- ✓ Workers that are underage, heavily pregnant or new mothers are not permitted to work overtime, and are granted an extra hour off per day.
- ✓ Employees are also entitled to at least one rest day per week and to sick leave, though this is paid for by the government's Social Insurance Fund, which pays an allowance equal to 75% of a worker's salary.
- ✓ Workers are entitled to 30 days of sick leave per year, with an extra 15 days permitted to take care of sick children.
- ✓ Workers who suffer work-related accidents or disease are entitled to their whole salary during the treatment period; employers pay this allowance, along with all examination and treatment expenses.

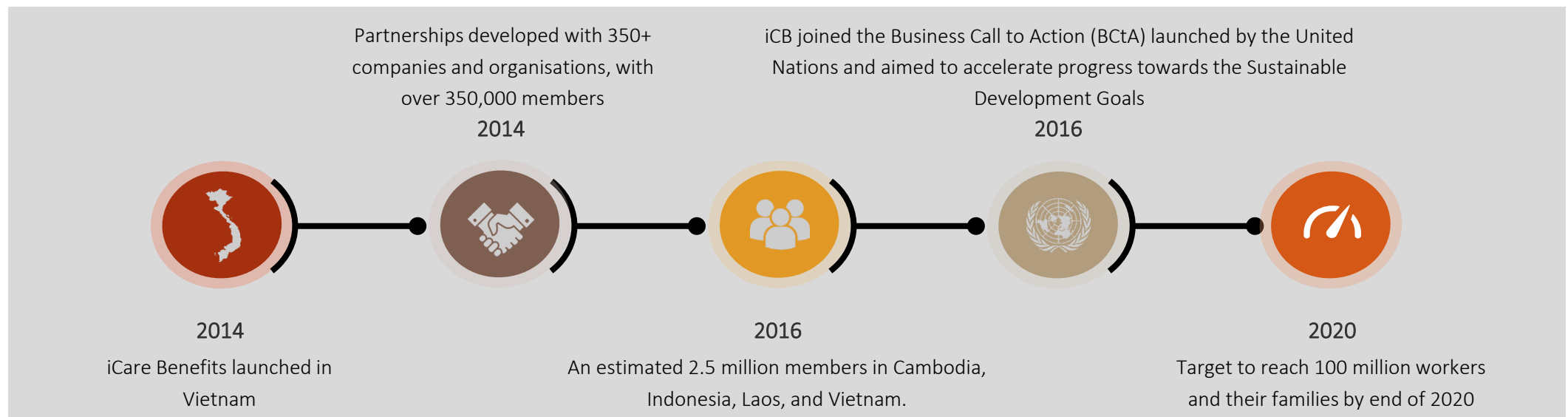
iCare Benefits (1/3)

The Challenge

- Within emerging markets, the formal economy is expanding rapidly. Contracted workers in industrial zones earning a minimum wage are looking to purchase basic products and services to support their families. This population remains broadly underserved as retailers and service providers have not found a sustainable and effective way to serve them.
- Moreover, the workers living in industrial zones often face barriers when purchasing essential products and services from major retailers, such as distance and cost, which are difficult for them to overcome. There are limited financing options with reasonable interest available, and the application process and repayment methods are time consuming and inconvenient for the borrowers.

Enter iCare Benefits

- **iCare Benefits (iCB)** is a successful Vietnam-based for-profit social enterprise addressing the healthcare, financial, educational and lifestyle needs of workers in industrial zones through an innovative employee benefits programme.
- iCB is a pioneering intervention that effectively bridges the accessibility and affordability gap between product's manufacturers, service providers and workers.
- This unique employee benefits programme enables workers to purchase essential products and services with market competitive prices paid over 3-6 monthly, interest-free payments.



iCare Benefits (2/3)

Mission

iCare Benefits' mission is to improve quality of life for workers and their families by providing them access to essential products and services.

Strategy

- To bridge the affordability gap, iCare Benefits offers two payment methods for products and services included in the platform: (1) cash payment and (2) deferred repayment with up to 6 months installments with no interest.
- In partnership with brands and corporations, labour unions and other public and civil sector stakeholders, the company provides its registered members with access to a whole suite of lifestyle, healthcare, educational and financial services.
- To date, iCB has access to 2.5 million contract workers, has partnered with 1,200 companies (brands and organisations) and has established 100 iCB centres in 4 countries (Vietnam, Laos, Cambodia and Indonesia).

Investors



- Sumitomo Mitsui Banking Corporation: Japan's second largest bank with over US\$ 1 trillion in assets worldwide.



- Experian: The world's leading provider of credit rating and data analytics, with revenue of GBP 4.8 billion in 2014.

PATAMAR | CAPITAL

- Patamar Capital: San Francisco based social impact venture capital group with 15 years experience in South and Southeast Asia.



- Kusto Tiger Fund: Kazakhstan asset management group that has invested over US\$ 200 million in Vietnam since 2006.

Development Partners

- UNICEF: The United Nations International Children's Emergency Fund is a UN programme providing humanitarian and developmental assistance to children and mothers in developing countries.
- Pact International: A nonprofit international development organisation working to improve the lives of those who are challenged by poverty and marginalisation.
- Li & Fung: A global supply chain manager offering end-to-end supply chain solutions from product design and development, raw material sourcing, factory selection, production management and quality control, to in-country logistics, global freight management and e-logistics.
- Pasteur Institute: Non-profit foundation helping to prevent and treat diseases, through research, teaching, and public health initiatives.
- IFC: Part of the World Bank Group, an international financial institution that offers investment, advisory, and asset management services to encourage private sector development in developing countries.



iCare Benefits (3/3)

iCare Benefits has made ground breaking innovation in 3 key areas:

1. Business model of making small to micro-value mass retail commerce transactions available through deferred payment at zero (or almost zero) cost of credit.
2. Go to market through Employee Benefits for Enterprises under the social-impact messaging, which helps to significantly reduce the customer acquisition cost and services; order of magnitude lower credit risks due to collection via payroll; which simultaneously helps build strong brand recognition and loyalty.
3. Use of technology combining e-commerce and micro-finance; targeting workers earning 150-400 USD a month (mass market) whose primary interaction is through mobile phones.

The Four Product & Service Pillars of iCare Benefits

COMFORT LIVING



Comfort Living provides access to essential household goods to improve the quality of life for workers and their families.

HEALTHY LIVING



Healthy Living gives access to essential healthcare products and medical services to workers and their families to improve their well being and quality of life.

SMART LIVING



Smart Living helps workers gain instant access to education products and services that enhance opportunities for self-development and career advancement for themselves and their families.

PROSPEROUS LIVING

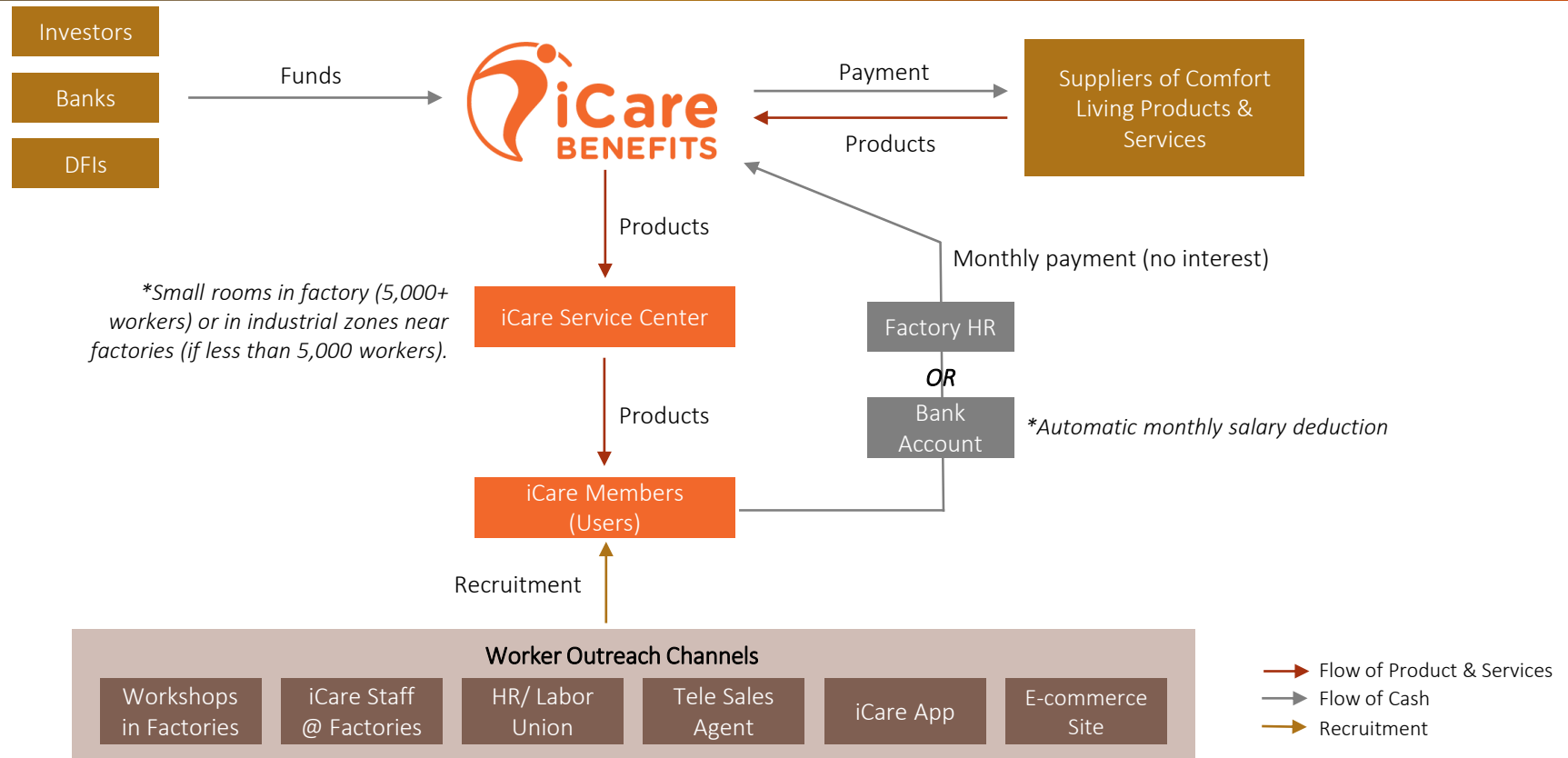


Prosperous Living allows access to personal finance tools, loans, and saving plans.

iCB Member Profile

- ✓ Up to 85% of iCB members are women and over half are domestic migrant workers.
- ✓ Typically, they work in a factory 6 days a week, 10-12 hours a day, earning from US\$70 per month in Bangladesh up to US\$500 in Thailand.
- ✓ In Vietnam, workers earn between US\$170 – US\$400 per month.

iCB's Comfort Living Business Model & Key Features



iCB current business model focuses on the company's Comfort Living business which provides workers with access to popular lifestyle and household products. Key features of the business model include:

1. Two **payment methods** for products and services included on the platform: cash payment; and deferred repayment with up to 6 month interest-free instalments with no penalties and no additional fees.
2. **Salary withholding agreements** with factories support workers in making timely payments.
3. To ensure workers are not over-leveraged iCB **reinforces responsible spending habits** through a monthly payment limit of no more than 30% of their gross monthly salary.
4. To **bridge the financing and accessibility gap**, iCB combines payment technology and distribution into one solution.
5. iCB uses a **just-in-time inventory model**, serving workers through direct sales and online, eliminating significant overhead and inventory costs.

Vietnam's Healthcare System

The healthcare administration in Vietnam is organised in a three-level system:

- At the **tertiary level** is the Ministry of Health (MoH), responsible for formulating and executing health policy and programmes in the country. The MoH is the main national authority of the healthcare sector.
- At the **provincial level** are 63 provincial health bureaus which follow MoH policies and are a part of the provincial local government under the Provincial People's Committees (PPCs).
- At the **primary level** (basic healthcare network) are district health centers, commune health stations and village health workers.

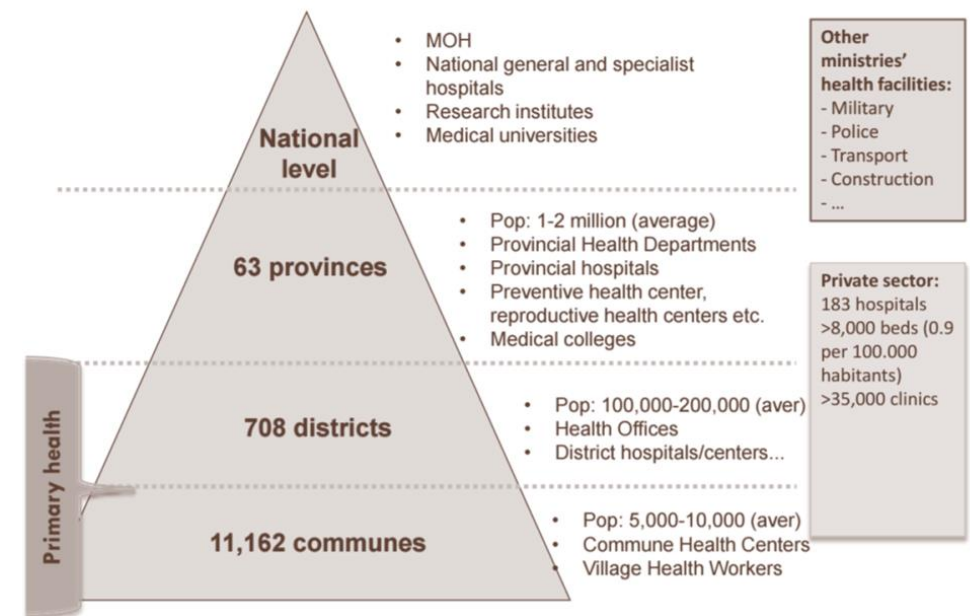
Public & Private Sector Providers

The country's health sector is a mix of public and private providers. Hospital care is mostly provided by public providers, while pharmaceuticals and ambulatory care is mostly provided by the private sector. The private hospital sector is underdeveloped, accounting for only 4% of Vietnam's total hospital beds in 2010.

Commune Health Stations (CHS)

- For much of the population, public Commune Health Stations (CHS) are the first point of medical contact. There are over 10,000 CHSs across the country, each covering approximately 10,000 people.

The Structure of Vietnam's Healthcare System



- Primary care is also provided by inter-commune clinics and district hospitals, which admit inpatients and provide both emergency services and treatment for common illnesses.
- Patients must register with a CHS or district hospital to receive health services from them. These facilities can refer patients to secondary or tertiary hospitals if more specialised treatment is required.

In spite of government initiatives, Vietnam's healthcare system has been unable to keep pace with the growing need for quality and affordable health services

Social Health Insurance (HI) Scheme (1/2)

A social health insurance (HI) scheme was introduced in Vietnam in 1992. After 25 years of operation, the HI scheme has become an important financing source for the healthcare system and contributes to improved health indicators in the country through increased access to healthcare services for the beneficiaries, especially the poor and vulnerable.

Who is covered by Social Health Insurance?

The insured population is divided by the government into five groups depending on contributive responsibility to the HI fund:

Group	Members	Premium Level	Contributive Responsibility
1	Workers in formal sectors	4.5% of monthly salary	Employers contribute 3%, employees contribute 1.5%
2	Pensioners	4.5% of pensioner salary	100% paid by the social security agency
	People on working capacity loss allowance	4.5% of working capacity loss allowance	
3	The poor, minorities, and children under 6 years of age	4.5% of monthly minimum salary	100% subsidy by the government
4	The near-poor	4.5% of monthly minimum salary	70% subsidy by the government
	Pupils and students	3% of monthly minimum salary	30% subsidy by the government
5	Workers in informal sectors	4.5% of monthly minimum salary	100% paid by covered person
	Other members of households	4.5% of monthly minimum salary for the first person; 70, 60, and 50% of the premium rate applicable to the first person, for the second, third, and fourth persons, respectively; 40% of this premium rate for the fifth or additional persons	

Source: Nguyen LH and Hoang ATD (2017) Willingness to Pay for Social Health Insurance in Central Vietnam. Frontiers in Public Health.

In 2013, almost **61.8 million Vietnamese** or **68% of the total population of Vietnam** were covered by the health insurance. 90% of them are covered by the compulsory insurance and 10% is covered by the voluntary insurance.

Social Health Insurance (HI) Scheme (2/2)

How is the HI scheme financed?

The revenues of HI funds come from different sources:

- ✓ Premiums paid by the employees and employers : 4.5% of salary (employer 3% - employee 1.5%)
- ✓ Premiums paid from the Social Insurance Funds (VVS Fund)
- ✓ Premiums paid from the State Budget
- ✓ Premiums paid by the insured individual themselves: 4.5% of minimum salary.

What is the HI benefits package and how much of the costs are covered?

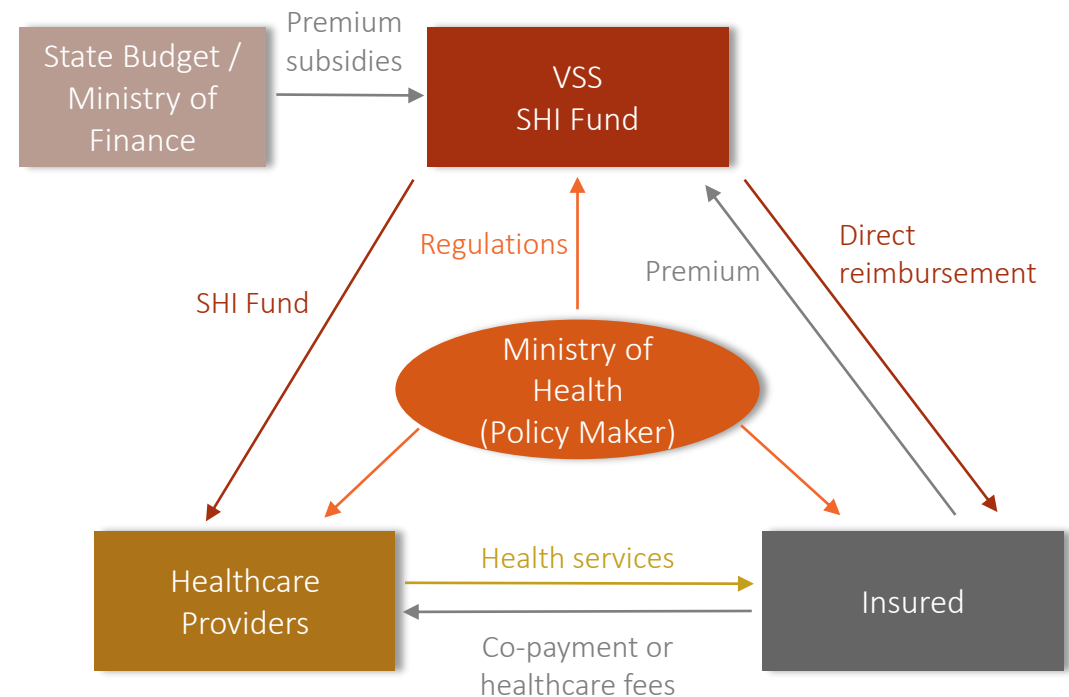
- Patients who have an identity card and HI card and seek health care services at their primary health care facilities stated in their HI cards are entitled to all benefits under the HI Law.
- In principle, all HI members are entitled to the same benefits package. The HI benefits package includes a broad range of services from ambulatory care (examination and treatment) to rehabilitation and advanced diagnostic and curative services, regular pregnancy check-ups, child birth and travelling expenses from commune or district hospitals to higher-level hospitals in some cases.

Services not covered include medical costs covered by other sources; routine health checkup; family planning services and infertility treatment; aesthetic services; occupational diseases and work related accidents; self-harm activities, substance abuse; consequences of law violation, etc.

The level of the costs covered by the HI depends on the group with a variation of 100% - 95% - 80% of the total health expenditure.

What is the institutional architecture of the HI scheme?

- The Ministry of Health is in charge of HI policy formulation and monitoring and evaluation.
- The Vietnam Social Security (VSS) is responsible for managing the Social Health Insurance (SHI) fund and implementing the programme by issuing health insurance cards and purchasing services for its members.



Access to Social HI for Supply Chain Workers

While the government works to establish universal healthcare coverage in Vietnam, enrollment among migrant workers remains low.

- Up to 90% of migrant workers in urban areas in Vietnam do not have access to social (health) protection due to their migration and the absence of “ho khai” or the household registration system.
- As the economy liberalised, it became easier for people to evade this registration system as an increasing number of people moved away from the places where they were registered.
- In theory, migrants can get official permission to change their registration. In practice, large numbers of migrants cannot do so as they are unable to fulfill the conditions required and the expense and bureaucratic complexities of accessing basic health services put them beyond the reach of many.



High Out-of-Pocket Expenditure on Healthcare

Out-of-pocket payment remains high among supply chain workers. This can be attributed to a few reasons:

1. **VSS reimbursements do not completely cover the Social HI benefits package.** As a result providers claim the balance of the total cost from patients.
2. There is **no cap on copayment expenditures**. Social HI includes caps on benefits, but no cap on copayment-related charges.
3. **Deficiencies on the supply side** lead patients to seek care outside the range of covered services. The quality of care varies dramatically from level to level and region to region. As a patients have little confidence in the CHS, the tend to seek care at private healthcare facilities which are not covered by Social HI and where they incur higher copayment rates.



Health Concerns of Supply Chain Workers in Vietnam

Vietnam has performed better in recent decades on delivering health and education services to both genders. However, cultural norms still place women at greater health risks than men as women continue to put their family's needs before their own.

The major issues and challenges affecting women – including those working in the supply chain – in Vietnam include:

Oral Health	<ul style="list-style-type: none"> According to Ministry of Health studies, over 90% of Vietnamese have dental or oral issues, however, more than half do not have regular check ups.
Anemia	<ul style="list-style-type: none"> In Vietnam, 11% of the population suffers from anemia due to female health issues including menstruation, uterine cancer and poor diet and nutrition. Anemia is a common issue faced by pregnant supply chain workers.
Non-Communicable Diseases (NCDs)	<ul style="list-style-type: none"> An estimated 75% of deaths in Vietnam are as a result of NCDs due to poor nutrition and diet, sedentary lifestyles, smoking and excessive alcohol consumption. The prevalence of diabetes is growing at alarming rates and has almost doubled within the past 10 years. Currently, it's estimated that one in every 20 Vietnamese adults has diabetes resulting from poor nutrition and diet.
Maternal Health & Child Health	<ul style="list-style-type: none"> 54 out of 100,000 women died from complications during pregnancy and childbirth in 2013. A female worker takes 14.8 days off per year due for reproductive health reasons resulting in decreasing levels of productivity. General misconceptions about breastfeeding and lack of awareness around the benefits of exclusive breastfeeding.
Family Planning	<ul style="list-style-type: none"> 18% of pregnancies among factory workers are unintended due to insufficient knowledge on contraceptive methods.
Sexually Transmitted Diseases (STDs)	<ul style="list-style-type: none"> 68% of factory workers have reproductive tract infections, among those only 50% visit health facilities for examination and treatment due to insufficient knowledge on STDs.
Breast & Cervical Cancer	<ul style="list-style-type: none"> Globally, an estimated half a million women die from cervical cancer and half a million from breast cancer each year. Regular screening and preventative methods are recommended. Cervical cancer can be prevented by taking HPV vaccination.
Infant Diseases	<ul style="list-style-type: none"> The infant mortality rate in Vietnam is 17.8 deaths/1,000 live births, which is ranked at 31 out of 191 countries. 240,000 children suffered from HIV in 2013.
Road Accidents	<ul style="list-style-type: none"> Road accidents remain the single biggest cause of fatalities in Vietnam. Road traffic accidents kill approximately 14,000 people every year and are the leading cause of death among those aged between 15 and 29 years. Motorcyclists account for more than half of the fatalities.

iCare Benefits **Healthy Living** Business



The Opportunities

- Even with labour reforms like social security and minimum wage, frontline factory workers typically earning US\$170 – US\$400 per month still struggle afford essential healthcare for themselves and their families.
- At the same time, health product producers and service providers have not found effective ways to reach this untapped market.
- Building on the success of the Comfort Living business and its potential to reach millions of factory workers, iCB is now looking to expand its portfolio to include affordable, relevant healthcare and well-being services for its members and their families through its **Healthy Living** business.

Current & Previous **Healthy Living** Initiatives of iCB

- HPV Vaccinations for workers and their families: HPV is the most common sexually transmitted infection (STI) among supply chain workers. In partnership with Institute Pasteur, iCB pioneered the access to HPV prevention for workers by organising free workshops and an vaccination programme offered at a below market price.
- Folic Acid & Iron Supplements: In response to high iron deficiency among female workers, iCB offered folic acid and iron supplements available via its online platform.
- Health check up packages with deferred payment option: Building on the existing health check up offerings which are limited in scope, iCB began offering health check up packages in partnership with 2-3 clinics in industrial zones. However, due to limited access and reluctance among workers to spend an additional US\$ 50 (or more), the service failed to gain traction.

Building on and learning from previous **Healthy Living** initiatives to meet the needs of workers and their families



BUSINESS MODEL

Summary

- The proposed business model supports iCB's vision of expanding its portfolio to provide affordable, relevant healthcare and well-being services for its members and their families through its **Healthy Living** business. The model proposes an integrated solution that will provide enhanced value to its members in partnership with healthcare, insurance and other partner organisations, allowing iCB to scale more effectively and efficiently.
- An important enabler of the proposed business model will be to establish strong strategic partnerships to effectively meet the needs of a largely underserved demographic in Vietnam. This will include:
 - Establishing a consortium of factories to serve as a captive market for the pilot phase implementation of the Flagship **Affordable Insurance** product and subsequent healthcare and well-being offerings to follow.
 - Partnerships with **healthcare and insurance providers** will be central to the success of the business and to providing workers with access to affordable, quality and easy to understand services and products including the proposed **Affordable Insurance, Day Care, Preventative Testing** and **Diagnostic & Treatment** services.
 - iCB will provide value-adding services such as **educational programmes** in partnership with NGOs, international aid agencies and healthcare services providers to promoting behavior change, gain loyalty and maximise retention.
- iCB is well positioned to cater to the demands and needs of this large, untapped market segment and enabling access to and delivery of critical services while collectively facilitating the improvement of quality of life of workers across the country.



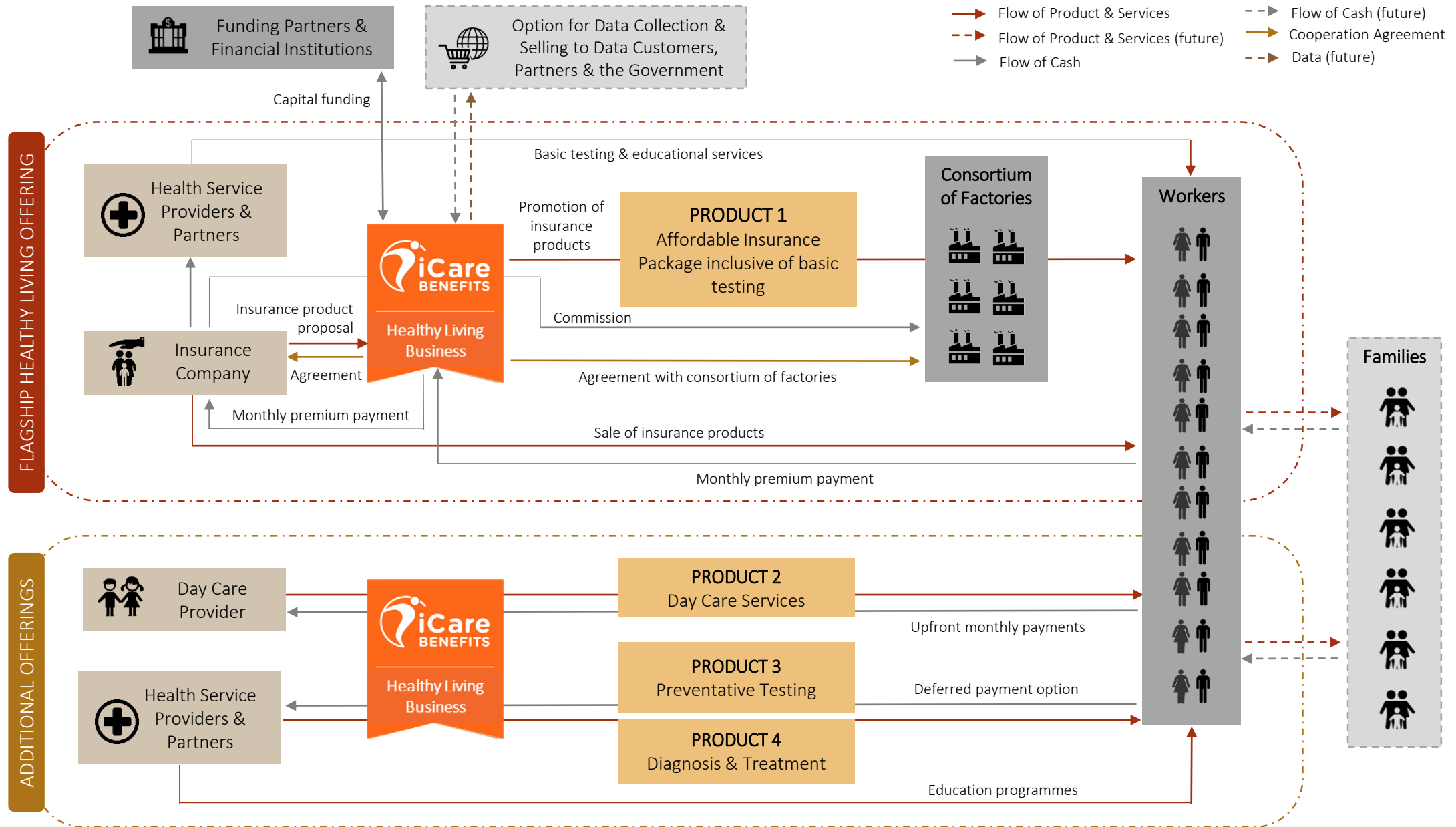
Rationale for Proposed Business Model

- Supply chain workers earning US\$ 170 – 400 per month comprise 16% (an estimated 15 million people) of Vietnam's population. These workers and their families have growing healthcare and well-being needs which are currently not being met by existing government schemes and providers. For this reason, a business model which takes into account their health needs and financial limitations is essential.
- Supply chain workers have access to state-prescribed health insurance coverage whereby employers pay 80% of the monthly premium and the employee pays 20%. However, workers find this insurance scheme limited in coverage and efficiency.
- Leveraging its extensive network of factories and partners, iCB is well positioned to cater to the demands and needs of this large, untapped market segment and enabling access to and delivery of critical services while collectively facilitating the improvement of quality of life of workers across the country.
- Strong interest and support from the government, healthcare providers and insurance companies, provincial and factory level Labour Unions, NGOs and employers present numerous opportunities for collaboration and growth across the health sector.



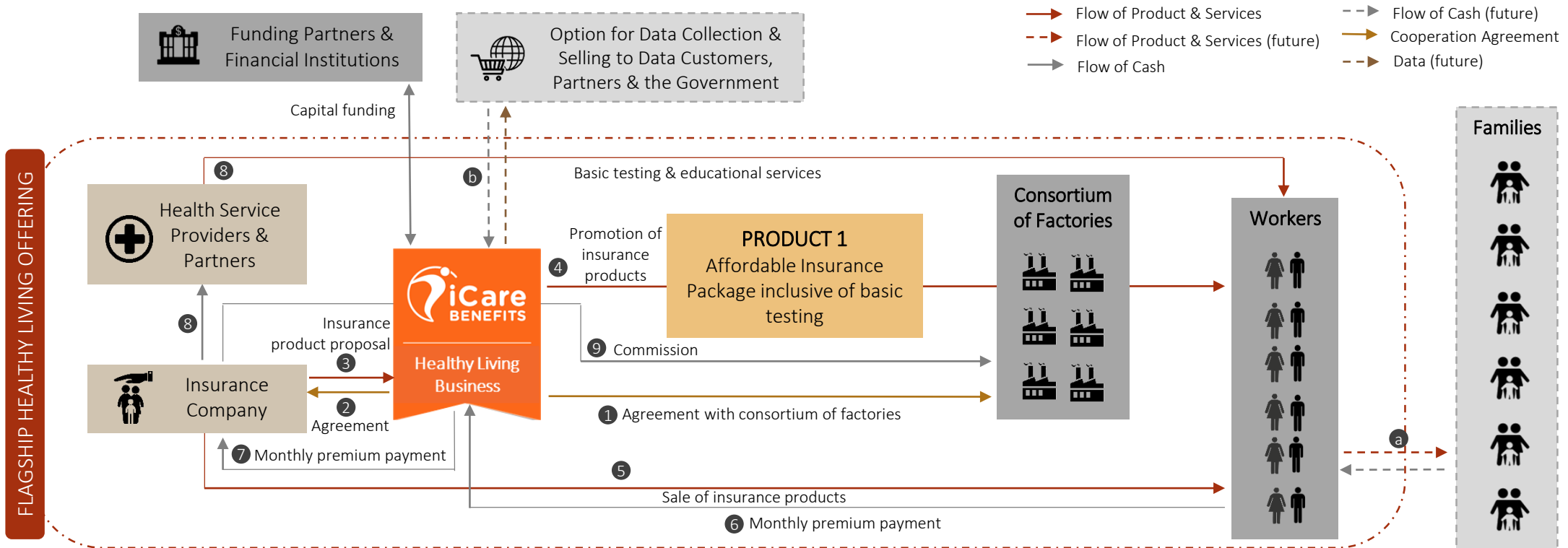
The **Healthy Living** business will leverage strategic partnerships and target to fill gaps in the current healthcare products and service offerings to supply chain workers and their families

Proposed Business Model for iCB's Healthy Living Business



*** Key elements of the model explained on the following pages ***

Affordable Insurance: The Flagship Healthy Living Product



- 1 In order to leverage the strength of iCB network, the company will sign agreements with 15 factories across Vietnam to develop a consortium of factories which will serve as a captive market.
- 2 Once the consortium has been assembled, iCB will call for a bid from insurance companies to create an applicable and price competitive insurance product for supply chain workers which has a one-time (free) basic test (urine and/or anemia) embedded in the package.
- 3 Insurance companies will submit their insurance package proposals to iCB for review and selection.
- 4 The insurance package (including basic testing) is priced by iCB (accounting for the company's operating costs and financing cost margin) and then promoted to members via the iCB mobile app, roadshows, social media campaigns and events, and in-factory promotional channels.
- 5 The insurance company's sales agents will be responsible for conducting information and sales sessions at factories and will be supported by the iCB insurance sales team. iCB will coordinate information sessions during which the insurance sales agent will be able to deliver a one-time sales pitch to a large group of potential customers. The iCB sales team will also be

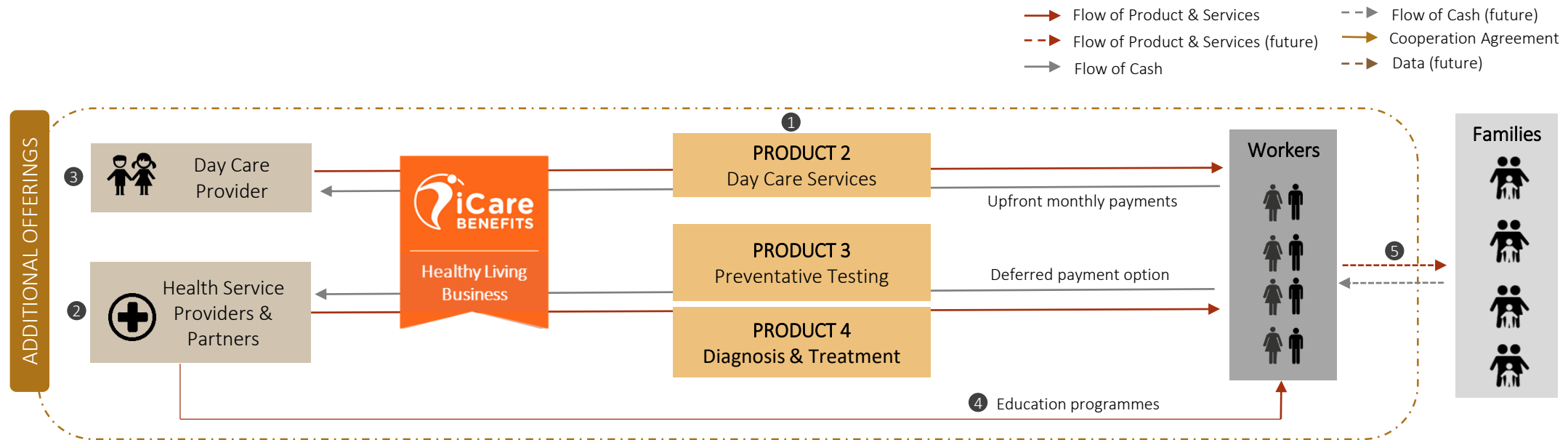
responsible for coordinating and facilitating the insurance package registration process.

- 6 Monthly premiums are paid by workers to iCB through auto deduction from their salaries.
- 7 iCB will collate and arrange for the premium payments to be forwarded to the insurance company after deducting their margin.
- 8 The insurance company will arrange and pay health service providers and partners to conduct basic testing offered in all insurance packaged for workers. Select health service providers and partners will additionally provide educational services around healthcare and well-being.
- 9 Insurance Co will pay a commission to factories to incentivise them to join the consortium. The commission payment will be facilitated via iCB.

Future Revenue Streams for Consideration & Further Development

- a A ripple effect can be generated by allowing workers to buy insurance packages for their friends and families.
- b Data on consumer behavior and healthcare practices can be sold to data consumers.

Additional Healthy Living Business Product & Service Offerings



- In addition to the Affordable Insurance Packages, it is proposed that iCB offer 3 additional products and services to its **Healthy Living** business members:
 - Day Care Services:** To support female workers to return to their jobs after having a child
 - Preventative Testing:** This will build on the basic testing offering which is embedded in the insurance package and will enable early detection of illnesses
 - Diagnosis & Treatment:** This service will be for treatment required outside of the insurance package and/or on an need basis by workers and their families
- In order to deliver Treatment and preventative testing services, iCB will establish partnerships with local healthcare providers (it is proposed that in the initial stages, the company targets 1 hospital per industrial zone(s)). The agreement with these providers will give workers the option to pay for healthcare services via deferred payment system.

- For the **Day Care** Service offering, iCB will contract an established third party operator to manage and run the facilities. Payments will be made on a monthly basis to the operator via iCB. iCB will take a percentage from the monthly fee. No deferred payment option is offered for this service.
- In Vietnam, awareness of preventative healthcare, treatment options and overall knowledge of health and well-being remains low, especially amongst supply chain workers. Educational programmes in partnerships with health service providers and NGOs are important tools for promoting behavior change, encouraging practical steps towards positive practices and the success of the **Healthy Living** business.

Future Revenue Streams for Consideration & Further Development

- To increase impact and access, future plans can include offering workers families access to Daycare services, preventative testing and Treatment offerings.

Leveraging strategic partnerships to provide an integrated suite of health and well-being products and services for supply chain workers and their families

Healthy Living Business Value Proposition

There are four main points that make iCB's **Healthy Living** business attractive to supply chain workers:



AFFORDABLE PRICE POINT

iCB's scale and extensive customer network allows for better pricing from suppliers thus providing better products that are tailored to the needs of workers at an affordable price point.



ACCESSIBILITY

Bypassing traditional sales and promotional channels, iCB and its partners are able to access a large pool of customers for the Healthy Living business via the company's existing employee benefits programme.



SIMPLE & EASY TO UNDERSTAND

Leveraging its mobile app and technology platform, iCB is able to convey its offerings to workers via a simple, attractive and easy-to-use interface overcoming the challenge that healthcare and insurance companies typically have when trying to access this demographic.



FINANCING SOLUTIONS

iCB's business model allows for workers to purchase products and services via 3-6 monthly, interest-free payments allows the company to bridge the affordability gap and increasing its members spending power.

iCB's **Healthy Living** business is highly original, effective and designed to meet the needs of a largely underserved demographic in Vietnam

Key Stakeholders & Interests

iCARE BENEFITS

- A social enterprise whose mission is to address the needs of supply chain workers
- Set a new benchmark, establishing iCB as a leaders and pioneer in providing affordable and key products and services to workers and their families
- Play an active role in supporting the betterment of workers health and quality of life
- Opportunity to diversify its product portfolio



SUPPLY CHAIN WORKERS

- Access to affordable, high-quality, convenient and efficient healthcare and well-being products and services for themselves and their families
- Access to tiered insurance products offered at an affordable price point
- Ease of application for insurance packages, monitoring, and premium payments



FACTORIES

- Increase retention and lower cost of turnover
- Healthier workers which results in an overall increase in productivity
- Provide workers with access to insurance packages and healthcare services which they would otherwise not be eligible for



BRANDS & COMPANIES

- Improvement in supplier performance as the workforce is healthier
- Enhance brand reputation
- Brands and companies have no obligation or liability to pay for transactions on behalf of employees



INSURANCE COMPANIES & HEALTHCARE PROVIDERS

- Access to a largely underserved, homogenous pool of potential customers with great growth potential
- Opportunity to add new products lines with significant social benefits to their suite of services
- Develop consistent and long term relationship with a single reliable partner in order to facilitate business in new markets



GOVERNMENT & LABOUR UNIONS

- Desire to create a more inclusive healthcare sector and support efforts to improve the health and well-being of the estimated 15 million workers in the manufacturing sector
- Make positive impact on the country both socially and economically



NGOs

- Desire to improve the health and well-being of supply chain workers and their families across Vietnam
- Promote knowledge transfer and educational services across the manufacturing sector
- Supporting the development and provision of social and community building services



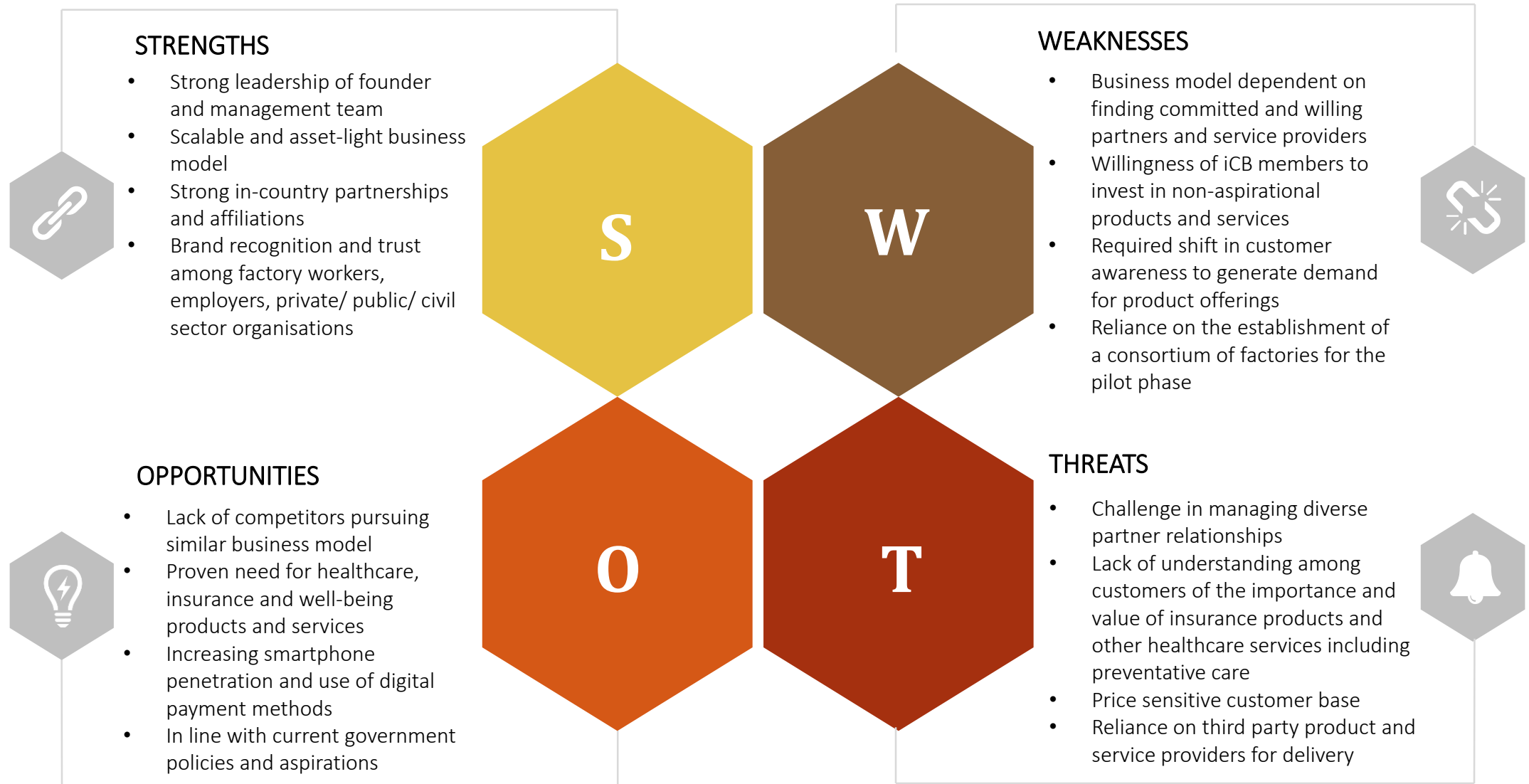
INVESTORS & FUNDING PARTNERS

- Desire to contribute to national efforts to improve access to healthcare products and services for all
- The desire to realise both social and financial returns on their investments
- Transparency and accountability of the management team



Opportunity for investors and partners to contribute to the provision of healthcare products and services through a scalable social business

SWOT Analysis



Opportunities as well as key threats related to need to create demand for new product and service category



PRODUCTS, SERVICES & PARTNERSHIPS

Summary: **Healthy Living** Product & Service Offerings

In developing economies, health shocks play a significant role in instigating and sustaining poverty. The impact of high out-of-pocket health expenditure also fosters a culture in which people decide not to use services because they cannot afford either the direct costs, such as for health check-ups or consultations, medicines or laboratory diagnostic tests, or the indirect costs, such as transportation to the care provider or special dietary requirements.

To address this challenge, fill the current gaps in the market and to reach its growth target, iCBs **Healthy Living** business will offer the following services to its members:

Affordable Insurance

- Low-cost health insurance providing financial and healthcare protection for workers and their families while offering access to affordable healthcare and well-being products and services.

Preventative Testing

- Partnerships with select healthcare providers, NGOs and international aid agencies operating in industrial zones to provide preventative health check ups and screenings which are key to early detection of and reducing risks for numerous diseases and conditions.

Diagnosis & Treatment

- Offering diagnostic and treatment services to workers and their families with installment payment options to minimize the financial catastrophe often faced as a result of expenditures for those who do seek care.

Day Care Services

- Providing reliable and quality child care while supporting new mothers to be able to return to their jobs.

Proposed Flagship Affordable Insurance Offerings

PACKAGE 1	PACKAGE 2	PACKAGE 3	Stand Alone Products
US\$ 3	US\$ 5	US\$ 12	US\$ 1 – US\$ 12
Free: Urine Test	Free: Anemia Check	Free: Urine Test & Anemia Check	Urine Test & Anemia Check
Basic Life Insurance	Basic Life Insurance	Basic Life Insurance	Basic Life Insurance
Critical Illness	Critical Illness	Critical Illness	Critical Illness
	Breast & Cervical cancer screening	Child Education	Child Education
			Personal Accident
FOR MEN & WOMEN	FOR WOMEN	FOR WOMAN + 1 CHILD	FOR MEN, WOMEN & CHILDREN

Additional Offerings



Preventative Testing



Diagnostic & Treatment



Daycare Services



Education Programmes

Affordable Insurance: Proposed Packages

	Cover	Premium
BUNDLED PRODUCTS	Basic Insurance (For Men & Women) <i>Free:</i> Urine Test (one-time, included in price of insurance package) <ol style="list-style-type: none"> 1. Basic Life Insurance for policy holder 2. Critical Illness coverage for policy holder 	US\$ 3/ month
	Insurance for Women <i>Free:</i> Anemia Test (one-time, included in price of insurance package) <ol style="list-style-type: none"> 1. Basic Life Insurance for policy holder 2. Critical Illness coverage for policy holder 3. Breast and Cervical Cancer Screening (once a year) 	US\$ 5/ month
	Insurance for Woman + 1 child <i>Free:</i> Urine test and Anemia check (one-time, included in price of insurance package) <ol style="list-style-type: none"> 1. Basic Life Insurance for policy holder 2. Critical Illness coverage for policy holder 3. Child education cover 	US\$ 12/ month
STAND ALONE PRODUCTS	Urine & Anemia Tests One-time Urine and Anemia Tests	US\$ 3
	Life Insurance Basic Life Insurance for policy holder	US\$ 1/ month
	Critical Illness Critical Illness coverage for policy holder	US\$ 3/ month
	Child Education Saving Scheme Child education saving scheme	US\$ 3/ month
	Cervical & Breast Cancer One time Breast and Cervical Cancer Screening	US\$ 10
	Personal Accident Personal accident insurance for policy holder	US\$ 12/ month

Note: The above proposed products are based on focus group sessions and stakeholder meetings with supply chain workers, factory management, insurance companies, NGOs etc. Proposed products, premiums and payouts will require further due diligence from the insurance company in consultation with actuaries and management.

Bundled and stand alone insurance products to support workers and their families in times of crisis and illness

Bundled Affordable Insurance Products: Embedded Health Check Ups

- Due to low insurance awareness and penetration, it is proposed that all **Bundled Insurance Products** include a one-time, free Urine Test and/or Anemia Check at no extra cost to the customer. It is expected that this promotional offer will encourage workers to purchase insurance packages for both themselves and their families.
- The Urine Test and Anemia Checks will be provided at the factory so workers will not need to take time off and travel to a medical facility.

Insurance Package	Embedded Health Check	Detectable Healthcare Concerns from Results Include	Estimated Cost (per person)
Basic Insurance (For Men & Women)	Rapid Urine Test A standard urine test strip may comprise up to 10 different chemical pads or reagents which react (change color) when immersed in, and then removed from, a urine sample. The test can often be read in as little as 60 to 120 seconds after dipping. Routine testing of the urine with multi-parameter strips is the first step in the diagnosis of a wide range of diseases. The analysis includes testing for the presence of proteins, glucose, ketones, haemoglobin, bilirubin, urobilinogen, acetone, nitrite and leucocytes as well as testing of pH and specific gravity or to test for infection by different pathogens.	With the aid of routine examinations early symptoms of the following four groups can be identified: <ul style="list-style-type: none"> • Diseases of the kidneys and the urinary tract • Carbohydrate metabolism disorders (diabetes mellitus) • Liver diseases and haemolytic disorders • Urinary infections 	US\$ 1
Insurance for Women	Anemia Check Many women, especially young women, suffer from anemia. Portable hemoglobin analyzers can provide fast and precise hemoglobin results in seconds using a single drop of capillary blood.	Routine checks can help early identification of: <ul style="list-style-type: none"> • Iron deficiency anemia • Aplastic anemia • Hemolytic anemia • Leukemia 	US\$ 2
Insurance for Woman + 1 child	Rapid Urine Test + Anemia Check	<i>See above</i>	US\$ 3

Bundled & Stand Alone Affordable Insurance Offering Details (1/2)



LIFE INSURANCE

What is Life Insurance?

- Protection that pays out a sum of money either on the death or total and permanent disability (TPD) of the insured person during the period of cover. Benefit to be used to compensate for loss of income that would result from an adverse life event.
- A measure of financial security for a policyholder's family.

Benefits of Life Insurance

- Easy to understand, introduce, price and manage
- Resistant to fraud and moral hazard
- Easily linked to other products and packages

Proposed Policy

Bundled Insurance: Basic life insurance (in case of death or TPD) embedded in all 3 proposed bundled insurance offerings

Policy term: 1 year

Stand Alone Insurance: Low premium of US\$ 1/ month

Policy term: 1 year



CRITICAL ILLNESS COVER

What is Critical Illness Cover?

- Protection cover that pays out a (cash) payment if the person insured is diagnosed with one of the specific illnesses listed in the insurance policy.

Proposed Policy

Bundled Insurance: Critical Illness cover for the policy holder embedded in all 3 proposed bundled insurance offerings

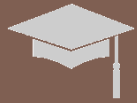
Policy Term: 1 year

Stand Alone Insurance: Low premium of US\$ 3/ month to cover the insured in case of death of Critical Illnesses, in one of 3 categories:

1. Early stage critical illness
2. Late stage critical illness
3. Gender specific diseases

Policy term: Monthly

Bundled & Stand Alone Affordable Insurance Offering Details (2/2)



CHILD EDUCATION COVER

What is Child Education Cover?

- Protection that pays out a (cash) payment if the person insured passes away or is victim of an accident.
- Designed as a savings tool to provide an amount of money for the child's education.

Proposed Policy

- Parent as the life assumed; benefit to be paid out to spouse or relative
- Educational benefits: in the event of death (natural or accident) or TPD. Benefit to be paid in installments into an educational fund or savings account for educational-related expenses.
- Designed to cover: school transportation, expenses for books, uniforms and other materials

Bundled Insurance: Embedded in proposed bundled insurance package for Woman and 1 Child

Policy term: 1 year

Stand Alone Insurance: Low premium of US\$ 3/ month

Policy term: Monthly up to 5 years



PERSONAL ACCIDENT

What is Personal Accident Insurance?

- Provides compensation in the event of injuries, disability or death caused solely by violent, accidental, external and visible events.

Proposed Policy

Stand Alone Product: Low premium of US\$ 12/ month

Policy term: Monthly



CERVICAL & BREAST CANCER SCREENING

- Clinical breast exam or mammogram to identify possible early signs of breast cancer.
- Pap test and HPV test (human papillomavirus) to help screen for abnormalities that could indicate pre or early cervical cancer.

Proposed Policy

Stand Alone Product: US\$ 10 per test (breast & cervical cancer)

Preventative Testing

- Preventative health check ups and screenings are key to assessing and reducing risks for numerous diseases and conditions. For women, regular health checkups, routine pap smears and mammograms, can help to detect and address common women's health problems such as breast cancer, ovarian cancer, HPV, STDs and more. Being educated about what causes these problems and what can be done to prevent them is the first and most important step to preventing common health issues.
- It is proposed that iCB offer **preventative testing** in partnership with select healthcare providers, NGOs and international aid agencies operating in industrial zones. Partnerships with these entities will support the delivery of services to supply chain workers and their families.
- Leveraging the same business model as iCB's Comfort Living business, workers will be able to access **preventative testing** services via an interest-free, deferred payment plan.

Proposed Women's Preventative Testing Categories

Complete Blood Count

A complete blood count (CBC) is a blood test used to get a quick snapshot of a person's overall health.

This test provides a broad range of diagnostic information to assess vascular, liver, kidney, and blood cell status.

The CBC measures the number, variety, percentage, concentration, and quality of platelets, red blood cells, and white blood cells, and thus is useful in screening for infections, anemias, and other hematological abnormalities.

Obstetrics & Gynecology Exam

Annual gynecological exam which includes three exams:

- A pelvic exam to check internal reproductive organs and can identify ovarian cysts, uterine fibroids and abnormalities.
- A pap smear which helps identify cervical dysplasia or cancer.
- A breast exam check for concerning cysts or lumps, a possible indication of breast cancer.

Counselling on contraceptives and pregnancy can additionally be provided during these exams.

Eye & Dental Exams

Annual vision exams and bi-annual dental exams are important as they help to detect vision and oral health concerns.

These exams can include screenings for vision and oral diseases, including eye cancer, glaucoma, cataracts, throat cancers, periodontal (gum) disease, etc.

Note: The above suggested preventative tests are based on trends and general studies conducted worldwide. Further due diligence and research is required in order to identify suitable products and services for the Vietnam market.

Diagnosis & Treatment

- In developing countries like Vietnam, the cost of seeking health and obtaining care can be considerable because of the prevalence of fees or charges for services both official and unofficial, and the long distances people often have to travel to obtain care. The consequent expenditures for those who do seek care can often result in financial catastrophe while at the same time, untreated illnesses can have both financial and health implications.
- To meet the demand for financing solutions for **diagnosis and treatment** services among supply chain workers in Vietnam, it is proposed that iCB consider offering healthcare **diagnosis and treatment** services for workers and their families in partnership with select healthcare providers, NGOs and international aid agencies operating in industrial zones.
- Leveraging the same business model as iCB's Comfort Living business, workers will be able to access **diagnosis and treatment** services via an interest-free, deferred payment plan.

Proposed **Diagnostic & Treatment** Services



Insulin injections and/or medication for diabetic patients.



HPV Vaccination used to prevent HPV infection which can result in health issues ranging from skin conditions to cervical cancer.



Eye drops, pills, laser surgery and/or traditional surgery to treat glaucoma and macular degeneration, two common, often age-related eye conditions.



Note: The above suggested treatments are based on trends and general studies conducted worldwide. Further due diligence and research is required in order to identify suitable products and services for the Vietnam market.

Interest-free, deferred payment plan offered for diagnostic and treatment services so as to not financially overleverage workers

Day Care Services

- In Vietnam, an estimated 40% of female supply chain workers quite their jobs after giving birth and many factories do not have child care facilities on their premises. And those workers that choose to continue working often have to send their children to the homes of family to be cared for.
- To meet the growing need for suitable, accessible and affordable child care services, it is proposed that iCB consider partnering with a local day care provider to support workers return to their jobs after giving birth. The location of these facilities is key to the success of the **Day Care Service** and iCB its day care partner can consider schools and community centres as potential sites as these are often located close to the workers homes and/or place of work.
- Members opting for this service will be required to pay a fixed fee (per child) to iCB at the beginning of the month.



iCB's **Day Care Service** will support recent mothers who are seeking to return to their jobs

Promoting Health & Well-being Through Educational Programmes

- In Vietnam, awareness of preventative healthcare, treatment options and overall knowledge of health and well-being remains low, especially amongst supply chain workers. This is a key hurdle that the **Healthy Living** business will need to address in order to be financially and socially successful and sustainable. To manage costs, it is proposed that iCB provide these services through partnerships with NGOs and other institutions.
- Educational programmes and recommendations are important tools for promoting behavior change and involve working closely with communities, studying existing beliefs, defining motivation strategies, and encouraging practical steps towards positive practices.

Key Challenges & Gaps in the Awareness

- Nutrition: Poor diet and malnourishment which affect both workers and their children which includes the lack of awareness, knowledge and general misconceptions around the benefits of breastfeeding, and balanced and nutritional meals. Studies conducted by UNICEF in Vietnam reported that most workers do not understand anemia, nutritional deficiencies or the purpose of tablets prescribed during pre-natal visits.
- Hygiene: Poor hygiene in factories can exacerbate risk of water-related diseases that affect workers & child health. Washing hands with soap at critical times, like after going to the toilet or before eating, can have a significant impact on the lives of workers and their children's health. Good hygiene practices reduce the incidence of diseases such as pneumonia, skin and eye infections and diarrhea-related diseases like cholera and dysentery.
- Reproductive Health & Family Planning: Low awareness of reproductive health risks, including HIV, STDs and contraception methods amongst workers.
- Access to Healthcare Facilities: Limited access to health care facilities and trained providers has a direct impact on the health and development of workers and their children, particularly as it leads to an overreliance on pharmacies and over the counter medication.



Workers line up for their lunch at a factory in Binh Duong Province neighboring Ho Chi Minh City. Lunch provided by factories typically consist of rice and a small portion of pork and vegetables.



In Vietnam despite widespread public awareness campaigns and billions, actual handwashing practices remain severely. Only 3% of mothers reported washing their hands with soap before preparing food and only 9% of mothers wash their hands with soap immediately before feeding a child.

Key Partnerships

In order to provide healthcare and well-being services in addition to educational offerings around the benefits of its **Healthy Living** business offerings, iCB will leverage existing partnerships in addition to identifying and developing additional key partnerships to successfully deliver and distribute the businesses offerings.

Category	Potential Partner(s)	Value Proposition
Insurance Company	<ul style="list-style-type: none"> Manulife Daichi Life Prudential MSIG AIA 	<ul style="list-style-type: none"> Access to a largely underserved, homogenous pool of potential customers with great growth potential Potential workers to purchase additional insurance products (Homeowners insurance, auto insurance, etc) in the future
Healthcare Providers	<ul style="list-style-type: none"> Hospitals located in/near industrial zones; clinics; family medical practices MSD Vietnam Marie Stopes International Pasteur Institute 	<ul style="list-style-type: none"> Access to a largely underserved, homogenous pool of potential customers with great growth potential
NGOs, International Aid Agencies and the Government	<ul style="list-style-type: none"> UNICEF Marie Stopes International Pact International Vietnam Red Cross 	<ul style="list-style-type: none"> Fulfills social development mandate of NGOs, international aid agencies and the Vietnamese government Make positive impact on the country both socially and economically
Day Care Operators, Schools & Community Centers	<ul style="list-style-type: none"> Smart Kids International Child Care Center Schools attended by children of workers Community Centers in key residential areas 	<ul style="list-style-type: none"> Potential partnership with schools to support Day Care Center offering in addition to spreading message about other products and services
Brands, Factory Owner & Labour Union	<ul style="list-style-type: none"> iCB's current and future brand partners Factories where iCB is currently deployed Provincial and factory level labour unions 	<ul style="list-style-type: none"> Improvement in supplier performance as the workforce is healthier Supporting the development and provision of social and community building services
Banks & Financial Institutions	<ul style="list-style-type: none"> IFC Techcombank 	<ul style="list-style-type: none"> Contribute to national efforts to improve access to healthcare services while gaining access to a largely untapped group of potential customers



COMMUNICATIONS, SALES & MARKETING

Summary

The significant lack of comprehensive, affordable and easy to access healthcare and well-being services for supply chain workers and their families, coupled with an increasing prevalence of chronic and lifestyle conditions is driving demand for quality and efficient services in the sector.

- Development of iCB's **Healthy Living** business that leverages its exiting relationships with factories, NGOs, international aid agencies in addition to building new relationships with insurance and healthcare service providers to expand coverage and provide supply chain workers with access to affordable healthcare services.
- Branding and marketing activities to focus on 'Affordable', 'Accessible' and 'Easy to Understand' products and services provided via a trusted and established entity providing financing solutions to ensure that workers are not financially overleveraged.
- Sales and promotion strategy will include a variety of campaigns including in-factory advertising, online advertising, promotional events, and social campaigns and events.
 - While the sales of insurance products and services will be conducted by agents from the insurance company, iCB will develop its own in-house team of licensed insurance sales agents to support insurance sales agents.
 - Attractive incentive programmes for in-house sales agents to maintain a motivated and dedicated sales team.



Mothers and caregivers in Trung Son Commune attend a workshop on nutrition provided by local health workers. Photo: Nguyen Khanh/World Bank



A health worker examines a baby at the on-site health center. Photo: Nguyen Khanh/World Bank

Growing Demand for Quality Healthcare Among Supply Chain Workers

iCB's **Healthy Living** business targets several rising healthcare industry concerns faced by supply chain workers in Vietnam.

Affordable Insurance

- Low-cost insurance providing financial protection for poor households while simultaneously improving access to healthcare products and services.

Preventative Testing

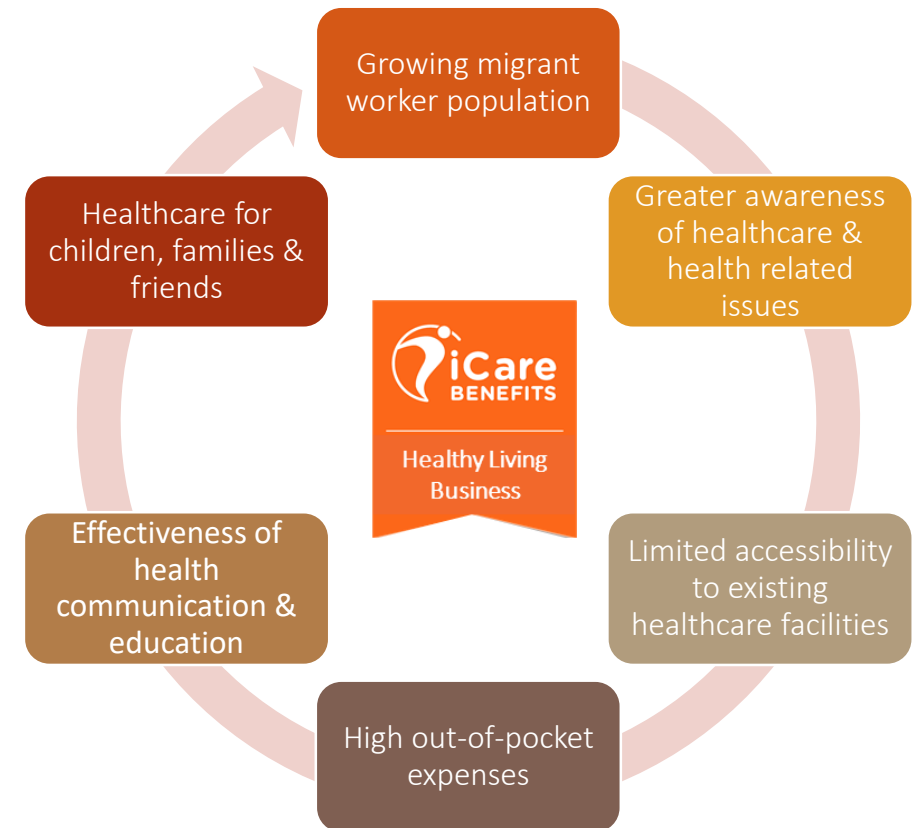
- Preventive care is key to improving health and keeping rising health costs under control.
- The benefits of preventative testing and care are broadly shared:
 - Children grow up in communities, homes, and families that nurture their healthy development,
 - Adults are productive and healthy, both inside and outside the workplace,
 - Businesses benefit because a healthier workforce reduces long term health care costs and increases stability and productivity.

Diagnosis & Treatment

- Addressing the financial challenge faced by supply chain workers due to out-of-pocket healthcare expenditures.

Day Care Services

- Supporting recent mothers to return to their jobs and decreasing factory turnover rates.

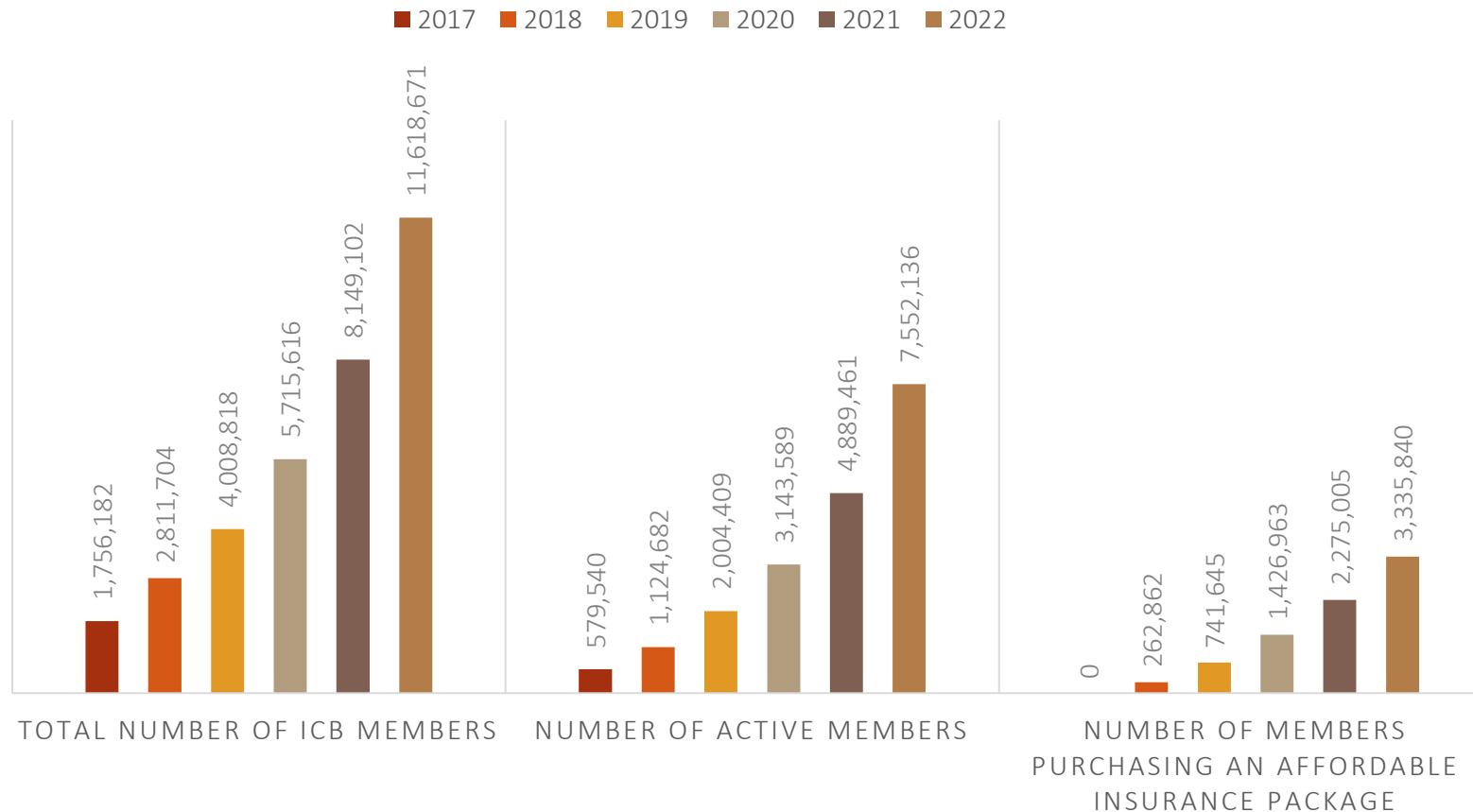


By providing affordable and more convenient options for healthcare, iCB can help to bring necessary medical services to supply chain workers across Vietnam

Market Size & Projected Growth of iCB's **Healthy Living** Business

- This 'first-of-its-kind' health insurance offering catered specifically to supply chain workers and their families has great potential to grow in the Vietnamese market with the expected number of iCB's members purchasing an **Affordable Insurance** Package to grow to 3.3 million by 2022.

PROJECTED GROWTH OF ICB'S MEMBER BASE & HEALTHY LIVING BUSINESS

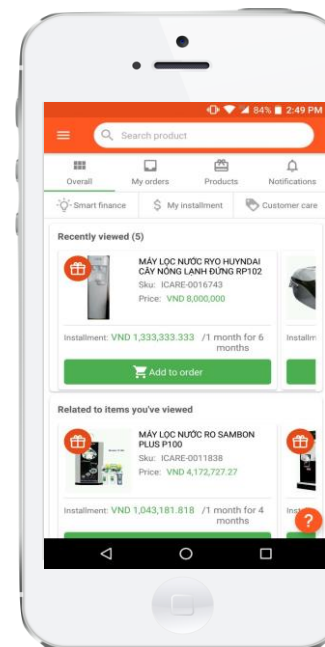


Enormous growth potential for iCB's **Healthy Living** business across Vietnam in the next 5 years

Channels for Promotion & Building Brand Awareness

In order to reach the target number of health insurance product sales and member acquisition, iCB will develop various targeted campaigns to create awareness around the **Healthy Living** business and iCB.

CHANNEL	DESCRIPTION
Social Campaigns & Events	<ul style="list-style-type: none"> Sponsorship of joint campaigns and events with partner NGOs, provincial Labour Unions and factory management that will access iCB's target communities directly and personally. These can be held once a month during the workers lunch break or on weekends in local communities so as to widen the impact and reach.
Physical Marketing & Promotional Materials	<ul style="list-style-type: none"> It is proposed that iCB leverage its access to factory workers and develop targeted marketing materials (ie. printed buntings and banners, promotional flyers, product leaflets, etc.) which can be displayed and handed out at the factory's canteen, convenience stores and clinics; at the iCB service center; and other strategic locations at the factory to enhance brand awareness. Press release and feature article in the factory newspaper to promote the launch of the health insurance product. This can include testimonials and stories of workers and their families who have benefitted from iCB's insurance offerings.
Digital Advertising	<ul style="list-style-type: none"> Targeted campaigns via the iCB mobile app and online and social media channels to generate brand awareness and reach current and potential customers across the country. Use social media and the iCB app to promote short interviews with iCB members, animated videos to explain the benefits and details of the health insurance products, and educational videos on basic healthcare do's and don'ts.
Roadshows	<ul style="list-style-type: none"> Promotion of Healthy Living business at factories and in local communities across the country.



Healthy Living Launch Event: Marketing for Demand Creation

- The launch of iCB's **Affordable Insurance** Flagship **Healthy Living** product will pave the way for the introduction of future products and services.
- In order to reach the target number of members, iCB will develop an active and engaging Road Show to market, promote and drive sales of the **Affordable Insurance** offering.

The Road Show

- A Magic Show: to attract a large crowd of workers as well as their families, and promote the **Affordable Insurance** product in a fun and interactive way.
- Free gifts: the workers will go away with a gift that they can use everyday, such as iCB branded umbrellas, raincoats, insulated lunchboxes and helmets etc.
- Short Video: Short video which can include humour in the content development that will catered to its intended audience.
- E-brochures: the e-brochure can be circulated among the workers during the road show and also will be available on factory website and iCB's mobile app.
- Other Materials: Product leaflets and pamphlets will be distributed at the road show and made available on the iCB's mobile app and website.



Partnering with Existing Healthcare & Well-being Programmes

- Numerous NGOs and development agencies around the world have a mandate to advance understanding about health and well-being and to encourage better healthcare practices through short- to long-term programmes, awareness and educational campaigns, the production of toolkits and good practice guidance materials, etc. to create impact. Companies also regularly conduct marketing activities and events that are socially-driven whilst being aligned with their business targets.
- Below are examples of existing campaigns and programmes that support preventative healthcare, maternal care, family planning and other products and services to improve the overall health and well-being of supply chain workers. There are many opportunities for iCB to align its **Healthy Living** businesses marketing and educational campaigns with existing initiatives to pool resources and reduce costs whilst adding value to each party's initiatives and mission.



Reproductive health and family planning programmes conducted at the factory by Marie Stopes International.

Existing Healthcare & Well-being Campaigns & Programmes

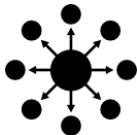
Better Work Vietnam	<ul style="list-style-type: none"> Conducts baseline assessments and offers customised advisory and training services to factories to address their respective needs. The programme works with the Vietnamese government, employers, workers and international buyers to ensure a relevant and sustainable approach.
HERProject	<ul style="list-style-type: none"> Raising awareness on critical health topics such as healthy eating, personal and menstrual hygiene, and maternal health. Addressing common myths and misconceptions around potentially harmful health practices and beliefs. Improving the capacity of the workplace clinic to respond to workers' health needs.
UNICEF	<ul style="list-style-type: none"> Programme to improve workers knowledge and positive attitude on hand washing (with soap) and exclusive breastfeeding.
Marie Stopes International	<ul style="list-style-type: none"> Mobile Clinics and Health Fair Days during which health checks are conducted at factories by qualified medical staff. Workers only have to spend 1-2 hours and do not need to travel. Interactive games and quizzes on reproductive health to help workers overcome their initial psychological barriers.

Sales Force Training, Development & Licensing

- While the sales of insurance products and services will be conducted by agents from the insurance company, it is proposed that **15 members from iCB be identified, trained and licensed to serve as an in-house health insurance sales team**. This 5 member team will be strategically distributed in industrial zones across Vietnam and will serve as support for the sale of iCB's insurance products.
- In order to incentivize the iCB in-house health insurance sales team, an attractive 1% monetary incentive (on sales commission) is proposed.
- Training and Development** will be important to prepare iCB's 15 insurance sales agents in addition to the wider iCB sales force for the implementation of the proposed business model. The new focus on **Affordable Insurance** Packages means that new strategies and partnerships will come into play and it is important to ensure that all parties involved in customer outreach understand and are aligned on iCB's vision.



Insurance
Partner



iCB Insurance
Sales Agents

- Regular training on iCB brand and vision as the insurance partners will represent the iCB brand when interacting with supply chain workers and factory management
- iCB to work closely with insurance partners to build a knowledgeable iCB Health Insurance Sales Team (5 members) to ensure that the team is aware of product information, selling techniques, operations support for claims and are trained to handle enquiries and complaints
- Ethical guidelines and enforcement training
- Operations trains related to new health insurance applications, use of iCB's mobile payment platform, etc.



Sales Team

- Regular training on iCB's brand and vision as staff members represent iCB brand when interacting with new and existing customers
- Technical training related to insurance products and updates on policy changes
- Operations training related to new health insurance applications, managing member accounts and monthly premium payments, use of iCB's mobile application, etc.
- Ethical guidelines and enforcement training
- Motivate through involving in decision making on operations and products and suitable incentives

Training and Development of both partners and the iCB sales force is essential for effective operations



ORGANISATIONAL MANAGEMENT & OPERATIONS

Summary

The mandate of iCB is to address the healthcare, financial, educational and lifestyle needs of workers in industrial zones through an innovative employee benefits programme while ensuring the interests of key stakeholders are protected, and driving overall social benefit and creating returns for investors.

Organisational Management

- As iCB expands its operations and service offerings, to protect the interests of all stakeholders, ensure operational excellence and facilitate transparent decision making, the company will streamline and embed specialisation within the management team as well as across the organisation in order to maximize profits and impact, both financial and social.

Operations & iCB's Mobile Application

- Development of the mobile technology platform is an integral part of iCB's growth and scaling objectives, and will significantly improve the ability to streamline the company operations and distribution.
- There is great potential for the collection and future use of data from the technology platform in order to better profile customers, develop future products and produce more targeted promotions.

Training & Development

- It is recommended that comprehensive training and development programme be developed and rolled out at all levels of the company and amongst key partners responsible for the Affordable Insurance product. This should include training on the use of the mobile app and technology platform, understanding its integration into the existing business model and the additional service offerings that are now made available to members through the **Healthy Living** business.



Photo credit: iCare Benefits

Proposed Organisational Framework

In order to develop and grow the **Healthy Living** business, it is recommended that more specialisation be embedded within the organisational structure to ensure sustained growth and financial.

This will include:

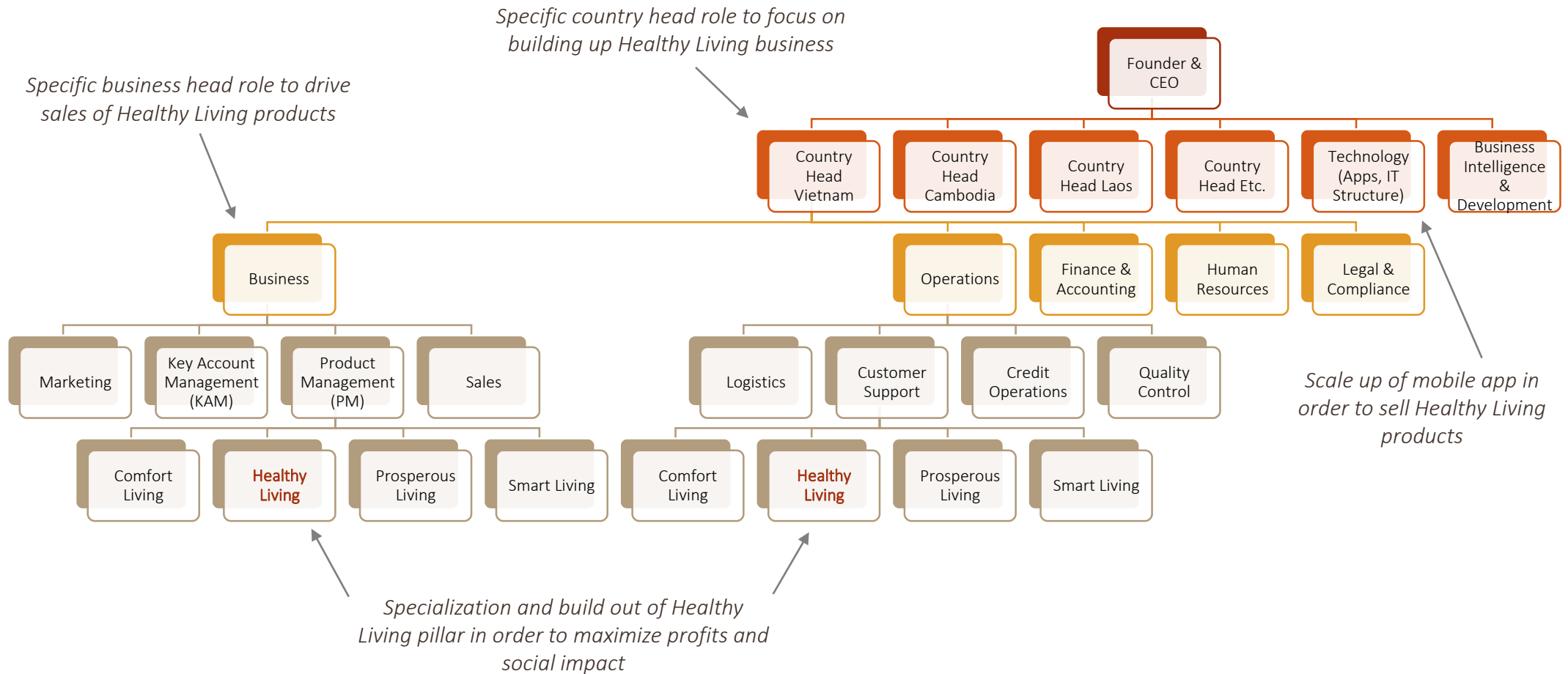
- Key Account Mangers and Product Managers who would focus on **Healthy Living** products and services.
- Business Head reporting to a new country head for Vietnam who would have oversight on Key Account Mangers and Product Managers.
- Greater de-lineation between “front-office” and “back-office” operations of the business.

Proposed Changes to the Organisational Structure

- ✓ **Separation of Business and Operations:** Business as “front-office” reaching out to customers, suppliers, insurance companies, factories and Operations as “back-office” for product distribution and follow-up.
- ✓ Specialization into Comfort Living, **Healthy Living**, Prosperous Living and Smart Living only where necessary and beneficial to better serve customers and better manage suppliers (Product Management, Customer Support).
- ✓ Reorganisation in existing departments to **separate Product Management and Customer Support** and enable specialisation.
- ✓ Introduction of a **Business Intelligence & Development team on the global level** to measure success of expansion into the Healthy Living business including the monitoring of sales, delivery and costs.
- ✓ Introduction of a **Quality Control group** to ensure quality of services being offered which is especially important for the Healthy Living pillar.
- ✓ Clear alignment of country functions to allow scalability to other countries while using global functions to cover areas that are common to all country organisations.



Proposed Organisational Structure (Vietnam Country Set-up)



As iCB launches its **Healthy Living** business it is increasingly important for the company to have more specialization embedded within its organisational structure

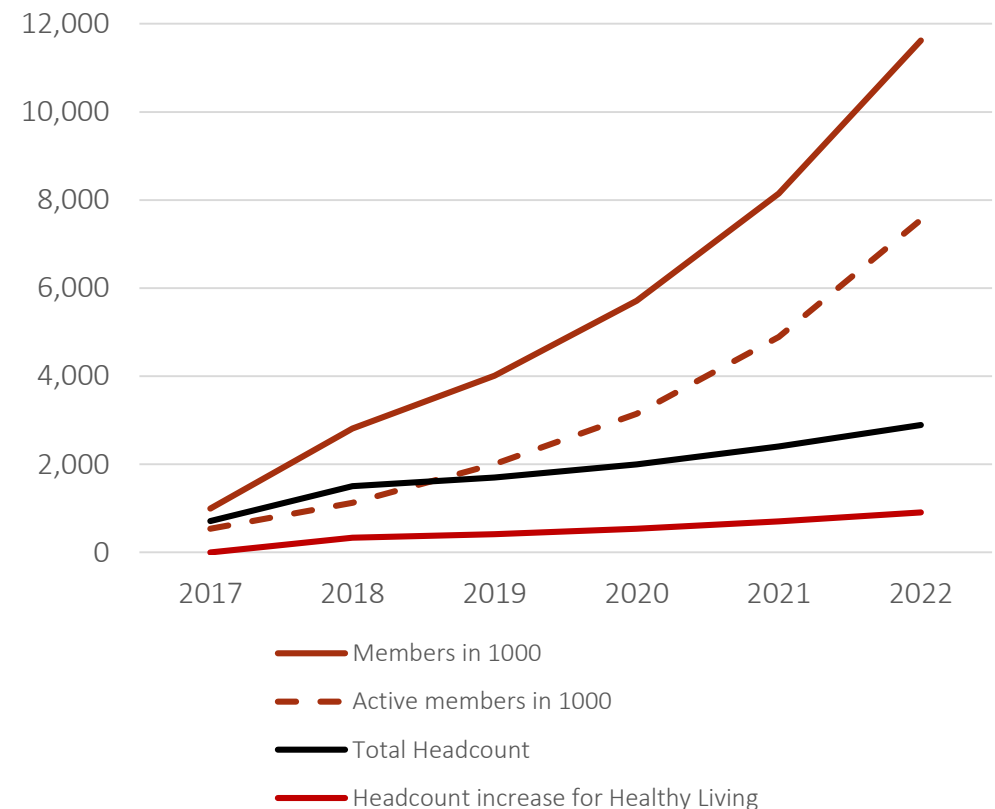
Estimation of Headcount Development

The launch and deployment of the Flagship **Affordable Insurance** product and subsequent **Healthy Living** services will trigger a significant headcount increase in Sales, Logistics, Customer Support and Credit Operations (these functions are linked to all pillars of iCB).

Assumptions & Recommendations

- ✓ 30% of iCB's membership increase is attributed to the expansion of the **Healthy Living** business.
- ✓ Expansion into this new business will change the product portfolio resulting in an additional headcount need especially in Product Management and Customer Support.
- ✓ The mobile app basis will be further developed to serve the needs of the **Healthy Living** business (insurance products, medical tests, premium health products). This will generate efficiencies in sales for **Healthy Living** as well as for the other iCB businesses.
- ✓ Further efficiencies shall be leveraged in Credit Operations and Customer Service due to synergies between **Healthy Living** and the other pillars: a larger number of products will be sold per customer thus reducing the number of contact points; a larger number of customers can be reached per factory.
- ✓ A Quality Control function will be added to ensure consistent quality of products and services which is of special importance for the **Healthy Living** business.

Head Count Projection



Key Roles & Responsibilities

	Roles	Responsibilities
GLOBAL	Founder & CEO	<ul style="list-style-type: none"> Responsible for Strategic direction and overall performance of iCB Promote vision and strategy of new iCB Healthy Living business
	Country Head for Vietnam	<ul style="list-style-type: none"> Drive sales through various channels and build relationships with key strategic partners Responsible for decision making for iCB's business in Vietnam Lobby the government for changes in policy to support business model
VIETNAM	VP Business	<ul style="list-style-type: none"> In addition to current role, develop sale of new Healthy Living products and manage key account managers and product managers for Healthy Living business
	VP Operations	<ul style="list-style-type: none"> Provide overall business support to meet business objectives including logistics, credit operations, quality control and customer support
	VP Finance & Accounting	<ul style="list-style-type: none"> Responsible for managing the financial risks of iCB Vietnam Responsible for financial planning and record-keeping as well as financial reporting to the CEO and Vietnam Country Head Ensuring compliance with best practices
	VP Engineering	<ul style="list-style-type: none"> Drive change in iCB platform to allow for efficient sale of Healthy Living products including sale of insurance products, health checks and development of mobile apps payment platform
	VP Human Resources	<ul style="list-style-type: none"> Human resource management and development Manage the day-to-day operations of iCB Vietnam
	Key Account Managers	<ul style="list-style-type: none"> Manage relationships with factories, labour unions and NGOs
	Product Managers	<ul style="list-style-type: none"> Manage relationships with suppliers providing Healthy Living products including insurers, hospitals, medical centres, medical products and child care Coordinate free health checks and tests, provide administrative support on sale of insurance Ensure quality control on products and services being provided under the Healthy Living business
	Customer Support & Call Centre	<ul style="list-style-type: none"> Providing first line of support on Healthy Living products and services to iCB members

Transparency & Disclosure to Stakeholders & Members

With funding support from financial institutions and private investors mechanisms need to be in place to deliver information on where their money is directed, what services are conducted, how the **Healthy Living** business is managed and what social impact is created.

The support and trust of supply chain workers are the keys to the success of the business. Mechanisms shall also be in place which allow workers to access certain pertinent information about iCB's **Healthy Living** operations.

Monitoring the Management Team

- Regular management meetings to evaluate the performance of the team and company
- Oversight of contracts with the factories, healthcare providers, insurance company and brands/companies
- Authority on hire, fire and compensation of country specific team

Internal Controls

- Regular reporting from country team to management team
- Internal audits to test design and implementation of governance and control mechanisms
- Spot checks on iCB's customer service center and insurance sales team to ensure delivery of quality service and the efficient utilization of resources
- Legal compliance report

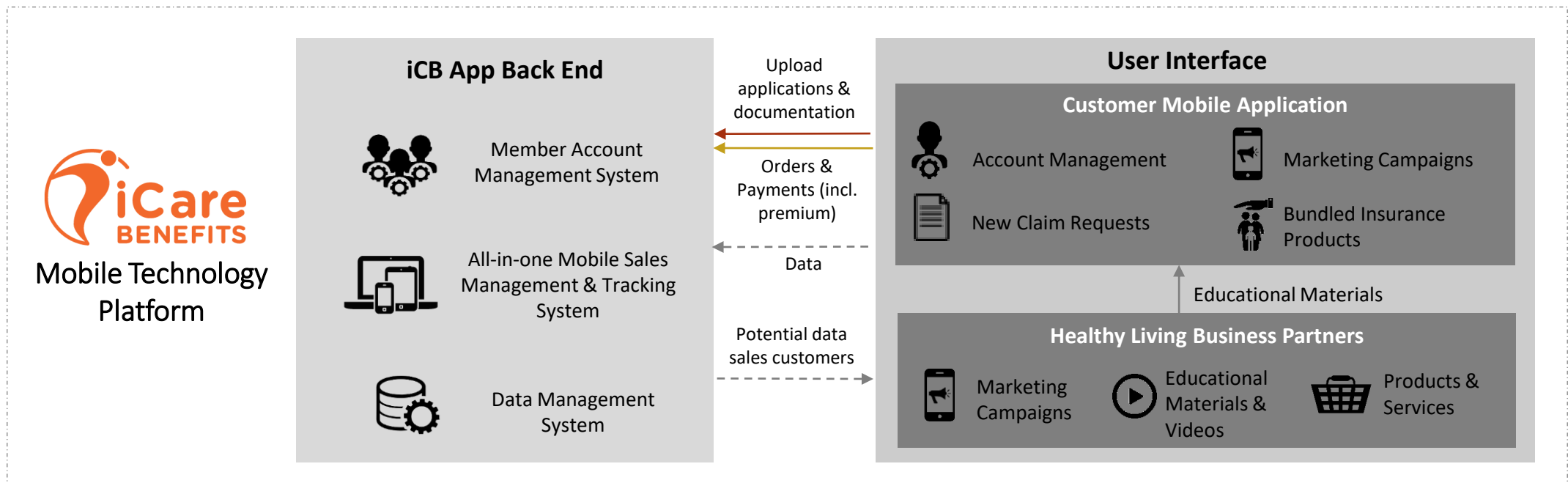
Public Disclosure

- Terms of Reference of management team
- Declaration of interest
- Audited financial reports included in Annual Report
- Community benefit monitoring and reporting
- Annual meeting to outline strategic goals and implementation plans for coming year. Exchange of knowledge and sharing of experience amongst local iCB teams

Disclosure to investors, partners and supply chain workers to ensure integrity and sustainability of business

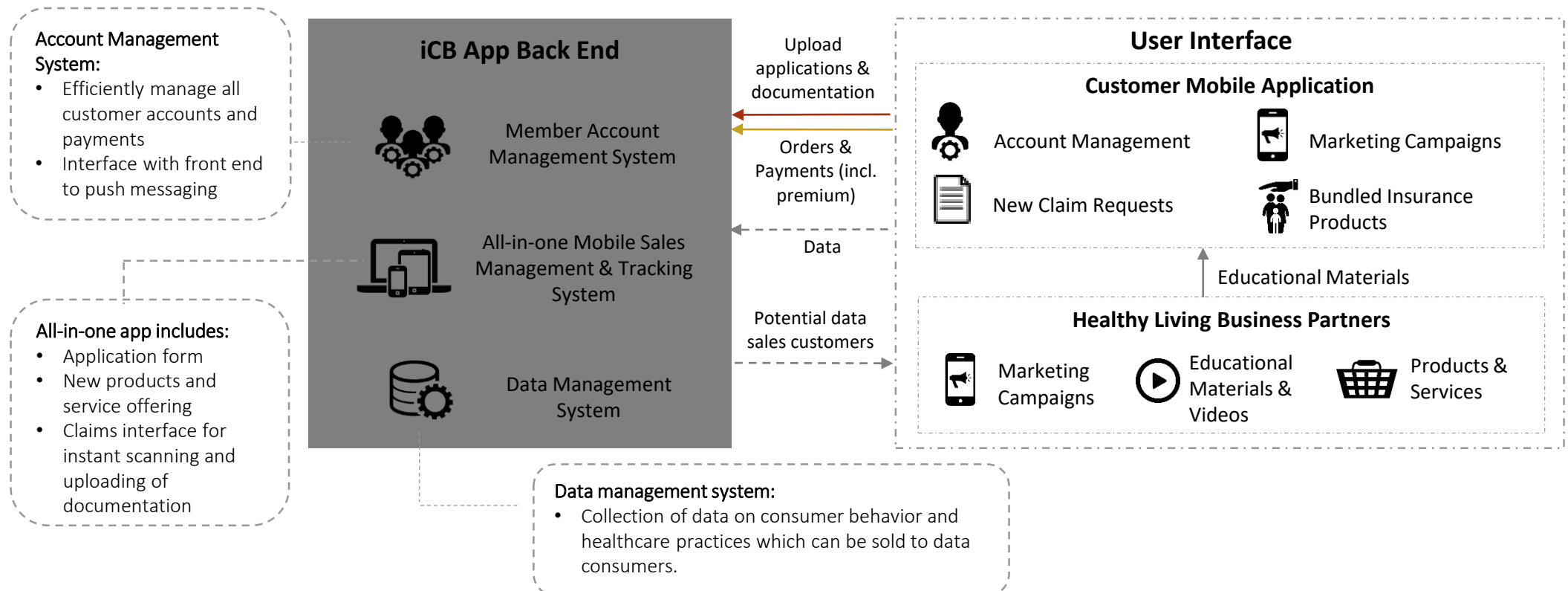
iCB's Mobile Technology Platform

- iCB's current operations and sales are predominantly manual, from registration of new members to sales of its Comfort Living products. As the company looks to launch the **Healthy Living** business, iCB will need a more integrated technology solution to connect its members and to manage its operations, sales and insurance claims processes.
- It is proposed that the current iCB mobile application be developed into an all-in-one mobile app which will support the sales of its new **Healthy Living** business products, online marketing initiatives and streamline operations. The system will include a new insurance application and claims interface which will allow instant scanning and uploading of documentation, customer service, etc. *Future integration with the insurance partners platform can be considered.*
- The mobile app will also allow members to manage their account, browse new products and services, connect their bank account to allow for easy payment, view status and receive services and promotions directly to their mobile phones.



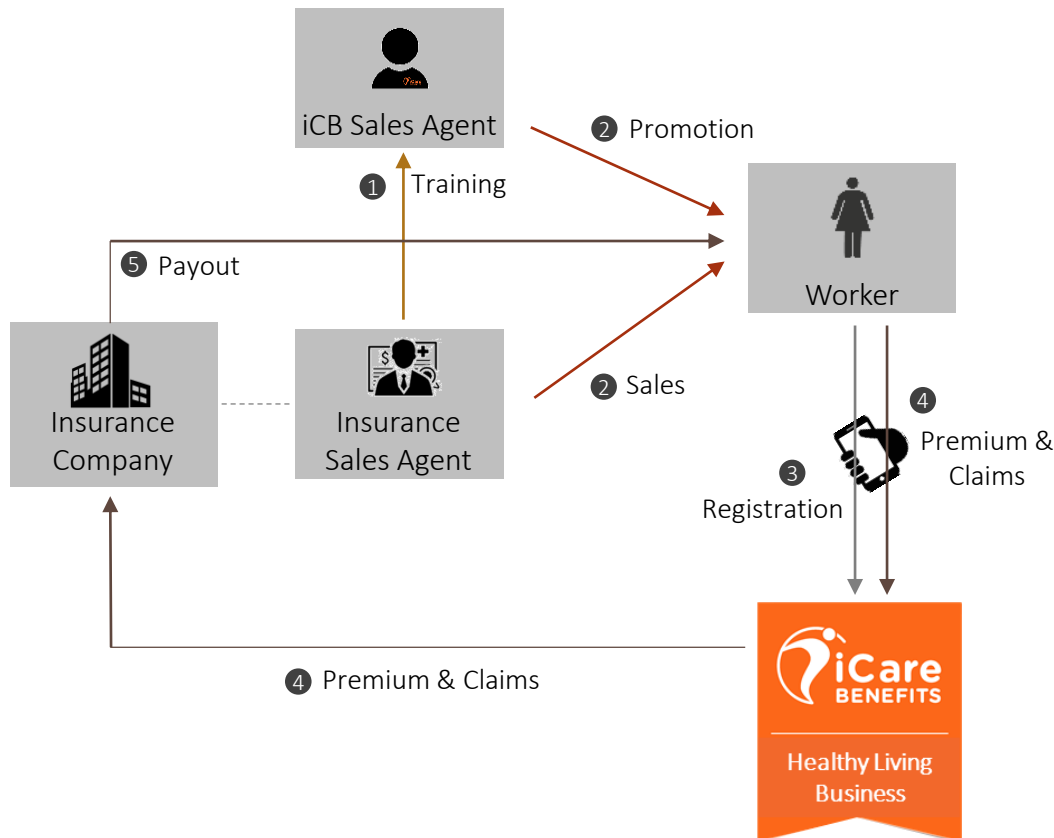
iCB's Mobile Technology Platform: Back End

- The iCB mobile technology platform will be further developed to include features to enhance operational efficiency for iCB staff and insurance sales agents, act as a channel for communication with their members as well as provide educational and promotional materials that add value to workers directly, thereby encouraging them to use the platform and increasing adoption rates.
- The **all-in-one mobile application** will transform iCB's current operations and allow them directly manage and monitor the **Healthy Living** businesses sales by iCB staff.
- The mobile platform can be further developed to be integrated with the insurance providers system to support efficient claims request, processing, and tracking.



Affordable Insurance: Sales & Delivery to Supply Chain Worker

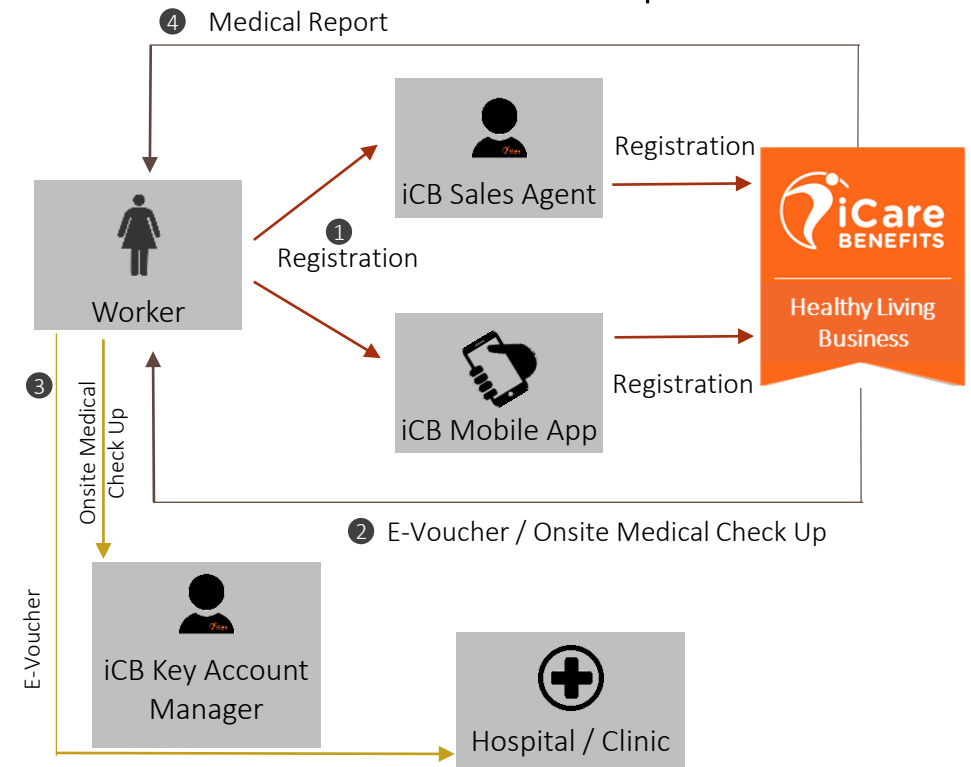
Affordable Insurance



- 1 The insurance company's sales/ insurance agent will provide and train the iCB sales team on the insurance product and sales do's/don'ts.
- 2 iCB sales agent will be responsible for promoting the insurance offerings and the insurance agent will deliver product knowledge to workers.

- 3 Registration will take place through the iCB sales agent and the iCB mobile app.
- 4 Premiums and claim requests to be collected via iCB app and transferred to insurance company by iCB.
- 5 Claim payouts to be coordinated by insurance company directly with worker.

Free Medical Check-Ups



- 1 Workers sign up for their free urine test and/or anemia check via the iCB app or in person with an iCB sales agent.
- 2 iCB schedules a check up on-site at the workers factory (provided the total number of sign ups meets the minimum requirement) or alternatively sends a medical checkup e-voucher to the worker that they can be claimed at a pre-verified hospital/ clinic.

- If the minimum number of sign ups is met, the iCB account manager will get the necessary authorizations from factory management. The iCB Product Manager will arrange for the on-site check up.
- 4 Medical reports are sent via the iCB app or can alternatively be collected from an iCB service center. Legal implications to be considered.



FINANCIAL ANALYSIS & INVESTMENT

Summary

- The launch of iCB's **Affordable Insurance** product under its **Healthy Living** business presents an excellent opportunity for investors who wish to create significant impact on the health and well-being of supply chain workers across Vietnam.
- This section includes the base case financial projections for the **Affordable Insurance** products first 5 years of operations.
- iCB will require an investment of US\$ 350,000 to cover capital expenditures and expenses including development of the iCB mobile app to further streamline processes and develop a robust mobile interface.
- The business will have a Net Present Value of US\$ 551,724 with a payback period of 4.8 years.
- The model shows that iCB offers investors an IRR of 3.3% over a 5 year period.

The following can be considered for implementation and will require additional investment to execute:

- Integration of the iCB mobile app platform with the insurance company's platform to further streamline processes.
- An increase in iCB's insurance sales force headcount to maximize in-house capacity and drive sales.

Key underlying financial assumptions are highlighted on the following pages.

Assessment Year:

5

	Metrics	Results
Investors	Total Investment	\$350,000
	Net Present Value	\$551,724
	Internal Rate of Return	3.3%
	Payback Period	4.8 years
Business Stakeholders	Accumulated Gross Margin	11.6%
	Accumulated Net Profit	1.1%
	Return on Equity at Year 5	20.4%

Key Financial Assumptions

Revenue Assumption

Revenue earned from three available **Affordable Insurance** packages with accumulated gross margin of 10% to 15%:

1. Basic Insurance for male & female workers (Y5 = 2,564,875 packages)
2. Insurance for female workers (Y5 = 836,463 packages)
3. Insurance for female workers + 1 child (Y5 = 92,940 packages)

Operating Assumptions

- Total iCB headcount to increase from 712 persons to 3,703 persons from Year 1 to Year 5
- Insurance company will cover medical check-up test cost for workers
- Leverage current operating resources for **Healthy Living** products and services

Scale of Operations

- Start with engaging 15 factories with a penetration rate of 20% to 25%
- Increasing with additional 15 factories per year in the subsequent years
- Active iCB members to increase from 30% to 60%.
- Market penetration rate of affordable insurance package capped at 75% of iCB active member.
- Additional health services not reflected in financial projections

Cost Assumptions

- Operating cost includes sales and service incentives for the iCB **Affordable Insurance** Sales Force set at 1% of revenue
- Efficiency leveraging on existing resources and mobile app to reduce overhead costs

Investment

- Over 5 years, total investment of US\$ 350,000 required for deployment of **Affordable Insurance** product and development of the iCB mobile app
- **Affordable Insurance** business will be financed by debt

Income Statement Projection

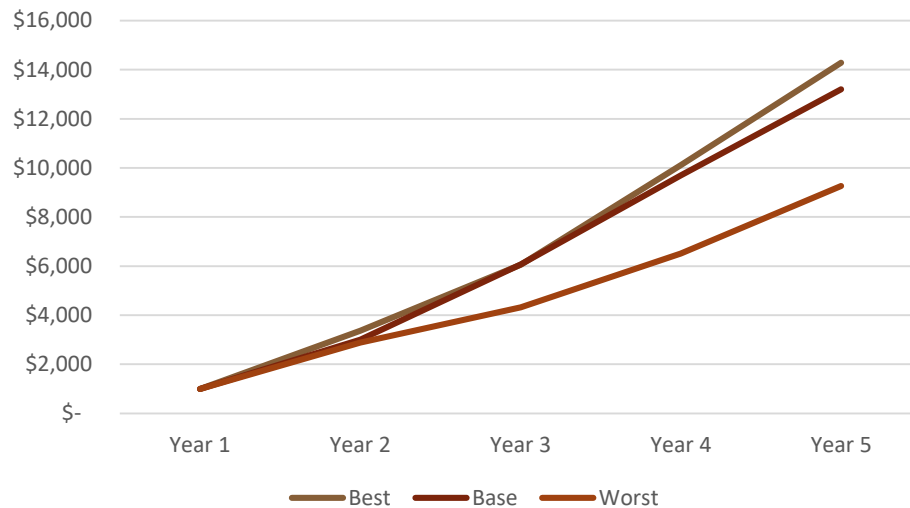
	USD				
	Year 1	Year 2	Year 3	Year 4	Year 5
Revenue	991,364	2,883,968	5,421,522	8,633,128	12,516,909
Insurance for Women	337,965	1,098,386	1,901,053	3,013,521	4,182,317
Insurance for Women & Kids	90,124	292,903	506,948	803,606	1,115,285
Basic Insurance	563,275	1,492,679	3,013,521	4,816,001	7,219,308
Less: Cost of Revenue	(874,879)	(2,539,187)	(4,781,782)	(7,615,121)	(11,050,526)
Gross Profit	116,485	356,046	704,516	1,124,090	1,534,915
Gross Margin	11.8%	11.9%	11.6%	11.6%	11.6%
Less: Indirect Costs					
Salary	(94,756)	(124,569)	(167,462)	(227,660)	(304,461)
Incentives to salesmen	(9,914)	(29,966)	(60,693)	(96,940)	(132,022)
Social rewards	(9,914)	(29,966)	(60,693)	(96,940)	(132,022)
Marketing cost	(30,000)	(35,000)	(40,000)	(48,470)	(66,011)
Operational & Admin cost	(6,000)	(6,500)	(7,000)	(9,694)	(13,202)
Depreciation	(75,000)	(75,000)	(50,000)	(50,000)	(50,000)
Allowance for NPL	(29,741)	(89,899)	(182,079)	(290,819)	(396,067)
Profit before Interest and Tax	(138,839)	(34,854)	136,590	303,569	441,130
Less: Interest	(5,069)	(16,476)	(28,516)	(45,203)	(62,735)
Less: Tax	-	3,676	(33,021)	(69,754)	(100,773)
Net Income	(143,908)	(47,655)	75,053	188,611	277,622
Net Margin	-14.5%	-1.6%	1.2%	1.9%	2.1%
Accumulated Gross Margin (%)	11.6%				
Accumulated Net Margin (%)	1.1%				

Cash Flow Projection

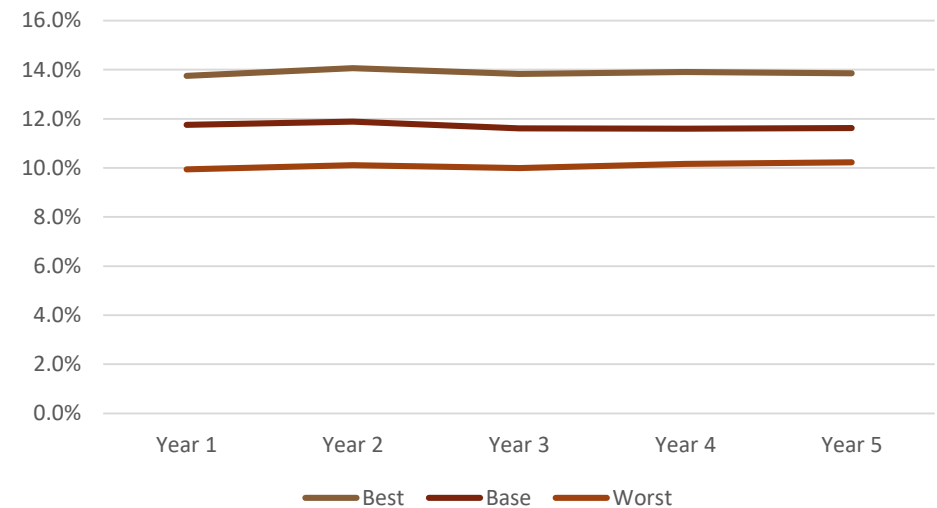
	USD					
	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
Beginning Cash	0	0	(39,167)	(21,923)	385,209	814,639
Cash Received from Customer	-	880,587	2,776,946	5,774,508	9,381,345	12,936,549
Less Cash Paid for:						
Direct costs - COGS	-	(874,879)	(2,640,577)	(5,364,772)	(8,569,873)	(11,667,312)
Salary	-	(94,756)	(124,569)	(167,462)	(227,660)	(304,461)
Incentives to salesmen	-	(9,914)	(29,966)	(60,693)	(96,940)	(132,022)
Social rewards	-	(9,914)	(29,966)	(60,693)	(96,940)	(132,022)
Marketing cost	-	(30,000)	(35,000)	(40,000)	(48,470)	(66,011)
Operational & Admin cost	-	(6,000)	(6,500)	(7,000)	(9,694)	(13,202)
Interest		(5,069)	(16,476)	(28,516)	(45,203)	(62,735)
Tax		0	3,676	(33,021)	(69,754)	(100,773)
Cash Flow from Operation	0	(149,945)	(102,433)	12,351	216,813	458,011
Channel development	(50,000)	-	(50,000)	-	(50,000)	-
Software License	(100,000)	-	(50,000)	-	(50,000)	-
Cash Flow from Investing	(150,000)	0	(100,000)	0	(100,000)	0
Debt issued	-	991,364	2,996,623	6,069,288	9,693,963	13,202,227
Equity issued	150,000	-	0	100,000	0	100,000
Loan Repayments	-	(880,587)	(2,776,946)	(5,774,508)	(9,381,345)	(12,936,549)
Dividends						
Cash Flow from Financing	150,000	110,777	219,677	394,781	312,618	365,678
Change in cash	0	(39,167)	17,244	407,132	429,430	823,689
Ending Cash	0	(39,167)	(21,923)	385,209	814,639	1,638,328

Scenario Analysis

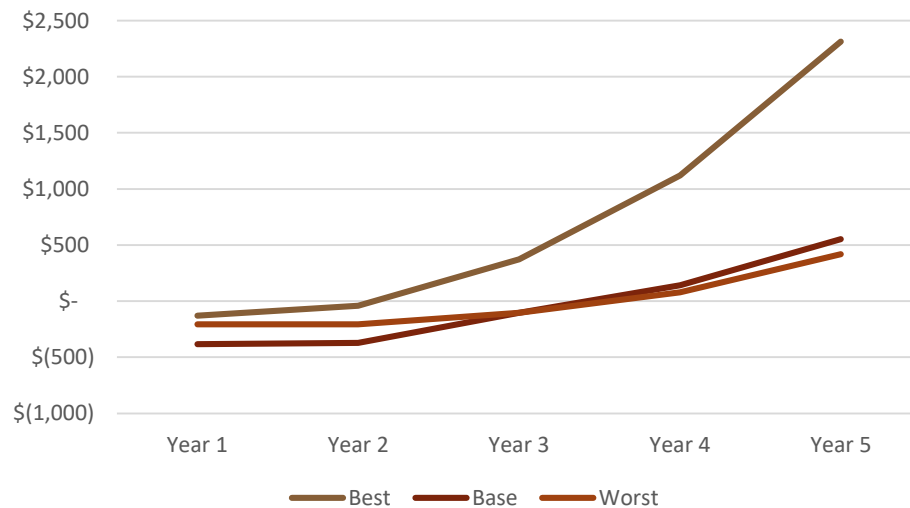
Revenue



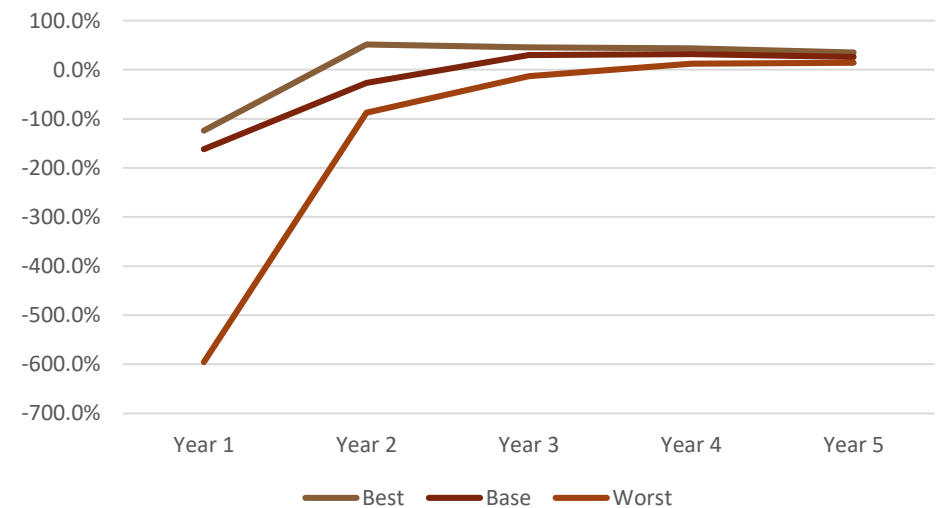
Gross Margin (%)



NPV



Return on Capital Employed





COMMUNITY BENEFIT & SOCIAL IMPACT

Commercial Entity Driving Social Impact & Community Empowerment

- Efforts to provide supply chain workers and their families with access to improved healthcare, well-being and educational products and services have typically fallen within the remit of NGOs, international aid agencies and the government. Despite the importance of adequate and affordable healthcare solutions to the populations development and well-being, few commercial entities have successfully penetrated this market.
- In addition to being a commercial entity with strong potential for generating attractive financial returns, iCB is first and foremost a social enterprise whose mission is to address the healthcare, financial, educational and lifestyle needs of workers in industrial zones through an innovative employee benefits programme.
- Building on the success of its Comfort Living business, the company is looking to expand its portfolio to include affordable, relevant healthcare and well-being services for its members and their families through its **Healthy Living** business. The new business will deliver healthcare products and services to this untapped market at affordable prices so as not to stretch workers and their families financially.
- Furthermore all awareness-raising campaigns and programmes developed and implemented by iCB and its partners will contribute to advancing efforts in the area of health and well-being. The very nature of the company's business model directly contributes to the overarching mission to create lasting social value.



Improved health and positive social impact are at the core of iCB's business

Why Measure Social Impact?

As a commercial enterprise, iCB will quantify its performance and measure results. As a socially-driven entity, the company will also be expected to provide indicators to measure and assess its social performance.

- **Accountability amongst investors and donors**
 - Social Impact Investors looking for both financial and social returns will expect the company to provide attractive returns on investment whilst delivering results on their social performance. Data-driven results will validate the social mission of the company and can help attract new social impact investors.
- **Contribute to a growing pool of knowledge** and understanding about healthcare and well-being issues in Vietnam where access to such information is limited. Data and social performance indicators provide an effective way to monitor behavior change in healthcare practice and tackle the global health challenge.
- **Stronger communication and more comprehensive reporting** of the value being created by the company to both internal and external stakeholders. Necessary to:
 - Increase transparency and accountability of the company's activities whilst monitoring the benefits and shortfalls of products, services, distribution channels and partnerships, etc.
 - Use social impact measurements and case studies in advertising and marketing materials to attract new customers and even partners and investors
- **Improved processes and management**
 - More effective evaluation and planning of operational management, product and partnership development, marketing strategies etc.

Measuring social impact will drive accountability and efficiency in achieving positive health outcomes

Monitoring & Measuring Social Impact

- As the business expands, a social impact measurement methodology and production of annual reports are proposed to capture and apply the lessons learned to other countries in which iCB currently operates or expands to.
- Potential indicators can include but are not limited to sustainable development goals, survey and data based indicators. Strategic third party partners are recommended to support data collection (where possible) to supplement the data to be collated by iCB's online platform.
- Reporting social impact and performance (financial, operational and organisational) can serve as a powerful marketing tool and contribute to iCB's efforts towards social and financial inclusion.

Sustainable Development Goals Indicators

- Ensure healthy lives and promote well-being for all
- Access to healthcare products and services including affordable health insurance
- **Protect labour rights and promote safe and secure working environments for all workers**

Data based Indicators

- Reduction in out-of-pocket expenditure on healthcare
- Increase in the number of Affordable Insurance packages bought
- Improvement in the financial conditions of workers
- Increase in the number of mobile platform users and usage frequency

Survey based indicators

- User satisfaction recorded through surveys and on social media platforms through iCB mobile app
- Surveys conducted through factory labour unions to document shifts in mindsets of workers towards investing in healthcare products and services

Potential partners

- Third party organisations and partners supporting data collection and conducting surveys
- Potential partners may include the Ministry of Health, intergovernmental organisations and NGOs

Measuring socio-economic impact to capture and apply lessons learned and contribute to Vietnam's healthcare sector

Expected Economic & Social Benefits

- **Reduce household out-of-pocket expenditure on healthcare**
 - Regular preventative tests and screenings can significantly reduce health related issues including disease and illness. The economic losses are mainly driven by the cost of health care treatment, lost time and productivity seeking treatment, and finding suitable methods for funding necessary treatment services. Reducing a households healthcare expenses can alleviate a family from considerable economic burden.
- **Strong correlations between improved health and economic performance**
 - Health is an important human capital. Reduce time away from the workplace due to illness, thereby increasing an individual's physical capacity (such as strength and endurance), mental capacity (such as cognitive functioning and reasoning ability), and therefore productivity. Improved health is also tied to demographic indicators such as life expectancy or child mortality.
 - Health and income are also intrinsically linked at a macroeconomic level. Higher incomes typically promote access to goods and services that can help improve health and nutrition in the long term, which in turn can translate into higher available labour inputs and increased economic growth and value.
 - It is estimated that health differentials account for about 17% of the variation in output per worker across countries. Improved health allows low-income communities to fully participate in economic and social life.
- Partnerships with NGO's, international aid agencies and factory and provincial level labour unions to provide educational programmes can strengthen community ties and engagement.



Photographed above: GLP participants visiting workers home in and around Cu Chi Province in Vietnam.

Policy Recommendations

By the reach of its network and its impact on its members, iCB will become a key opinion maker on health matters. Following a review of existing healthcare sector policies at the provincial and country level certain enabling policies are suggested:

- The company will partner with regulatory bodies and development agencies to augment the space for health inclusiveness.
- Favorable regulations for improved community welfare support such as financial incentives and further development of attractive insurance schemes for the elderly, spouses and parents of workers etc.
- iCB management team and advisors will participate in field studies and policy advisory groups on a pro-bono basis.

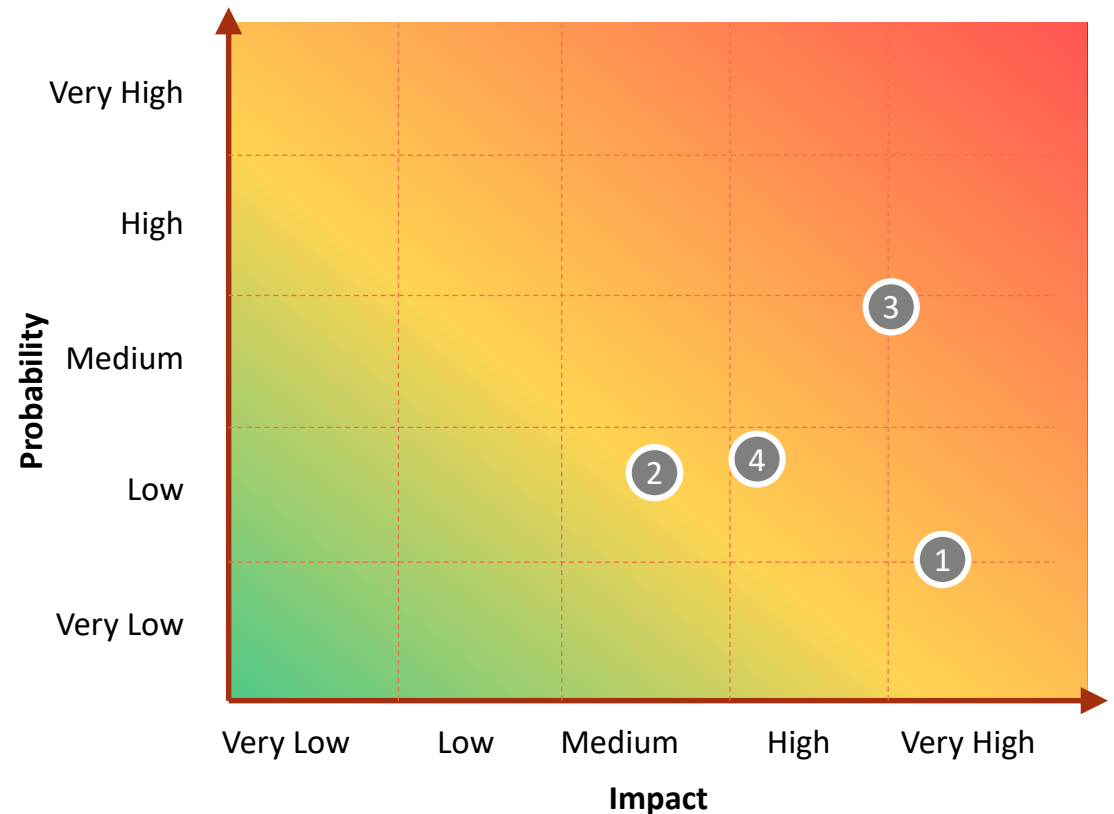




RISK ANALYSIS & MITIGATION

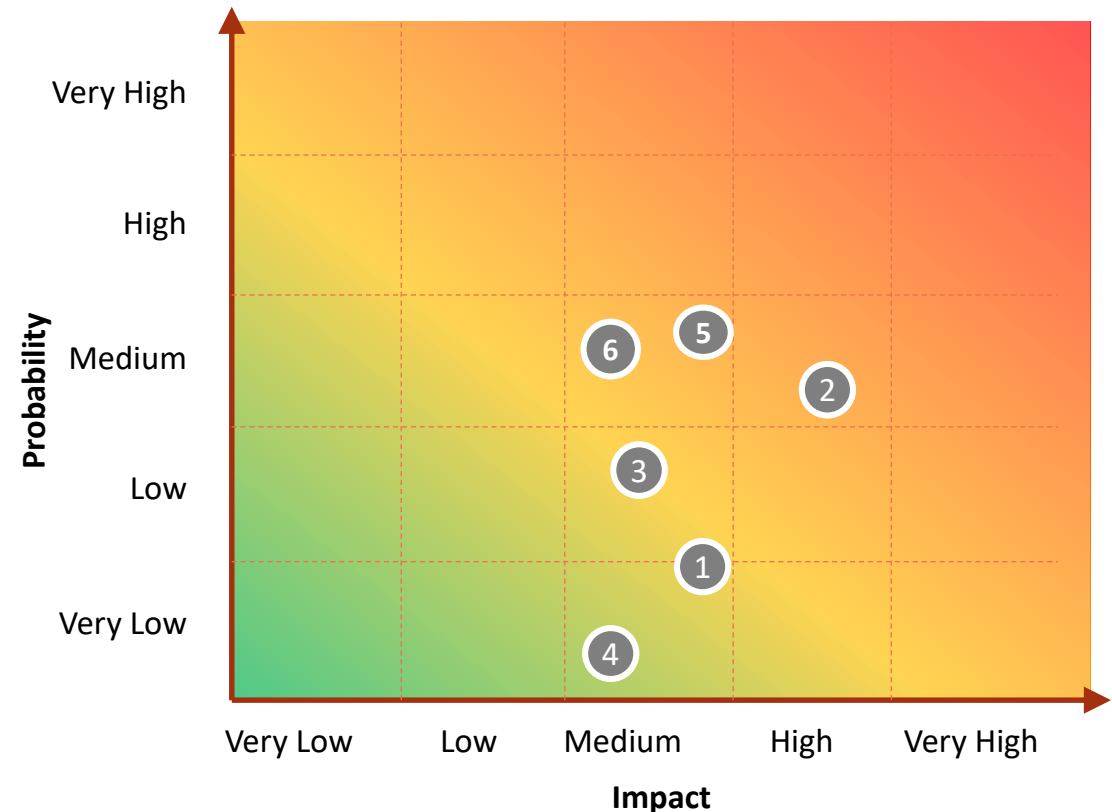
Products, Services & Partnerships: Risk Analysis & Mitigation

- 1 **Risk:** Difficulty getting buy in from factories to establish consortium for pilot phase
Mitigation: Approach brands to help incentivise factories to join consortium
- 2 **Risk:** Failure to achieve strategic partnerships as projected
Mitigation: Increase partnership incentives and ensure broad and healthy pipeline of alternative partner organisations
- 3 **Risk:** Insurance company unable to offer competitive pricing on bundled and stand alone products
Mitigation: Use consumer finance model developed by iCB allowing for lower interest rates to subsidise the cost and support a commercially viable business
- 4 **Risk:** Low market demand for insurance products among target customers
Mitigation: Mass marketing and educational programmes developed with partners and increased presence on social media



Organisational Management & Operations: Risk Analysis & Mitigation

- 1 **Risk:** Changes and uncertainties in political landscape
Mitigation: Maintain a close and positive relationship with government
- 2 **Risk:** High rate of insurance sales agent churn ratio
Mitigation: Strong engagement and increased monetary incentive
- 3 **Risk:** Unstable and unsecure technology platform
Mitigation: Ensure IT centre conducts regular back-ups and implements standard operation procedures
- 4 **Risk:** Low adoption by iCB employees of the new technology platform (backend for internal processes and as a sales tool)
Mitigation: Provide regular and comprehensive training to all employees to ensure processes are internalised and applied
- 5 **Risk:** Data generated by iCB's mobile platform creates issues related to user privacy
Mitigation: Ensure high degree of transparency on type of data collected, usage and anonymity
- 6 **Risk:** Unstable and unsecure technology platform
Mitigation: Ensure IT department conducts regular back-ups and implements standard operation procedures



Communications, Sales & Marketing: Risk Analysis & Mitigation

- 1 **Risk:** Reputation risk due to poor conduct of iCB and insurance sales agents

Mitigation: Clear recruitment guidelines, roles and responsibilities, regular performance reviews and regular trainings, and establish reporting channels for frequent communication and monitoring

- 2 **Risk:** Entry of new competition

Mitigation: Increasing the barrier to new entrants by strengthening user engagement through mobile app and in-person promotional activities

- 3 **Risk:** Low brand awareness amongst target customers

Mitigation: Direct marketing campaigns at factories and in worker communities

- 4 **Risk:** Different sales and marketing needs across geographies and provinces

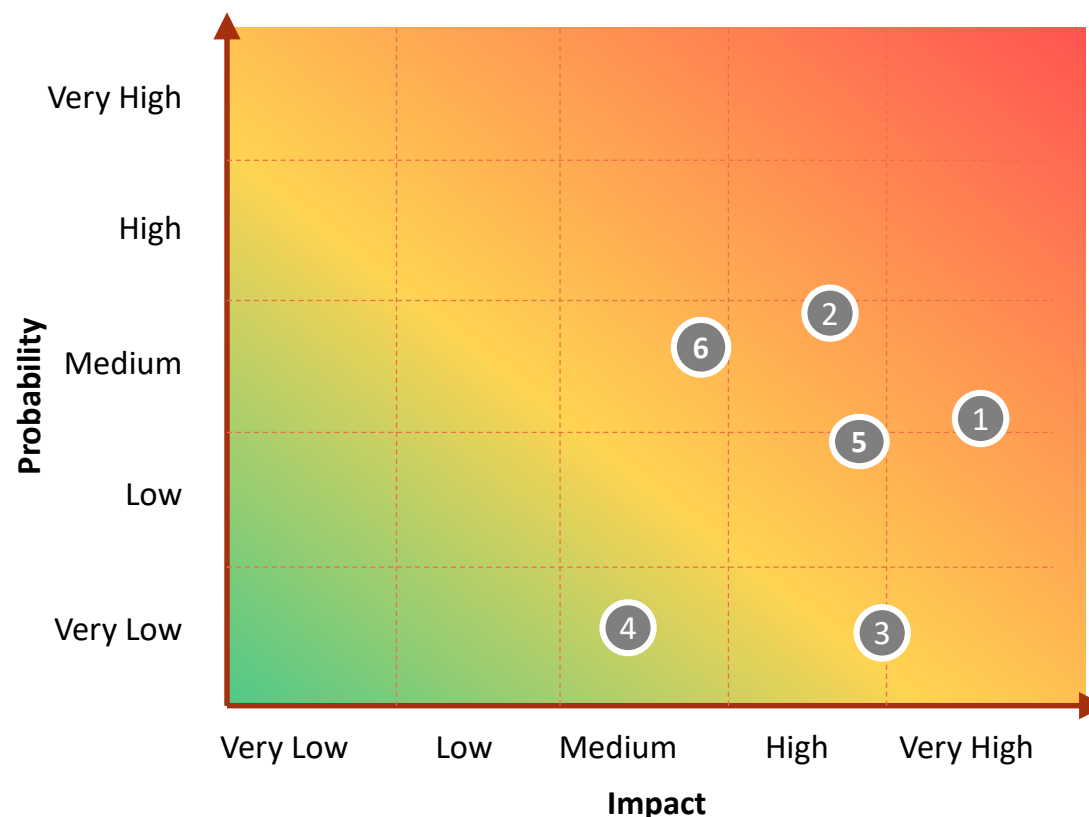
Mitigation: Conduct thorough market surveys, tap into partners' extensive knowledge of customer segments and tailor campaigns to the needs of communities

- 5 **Risk:** Limited impact of digital marketing campaigns due to low mobile data package penetration

Mitigation: Ensure a combination of mobile and physical presence in communities

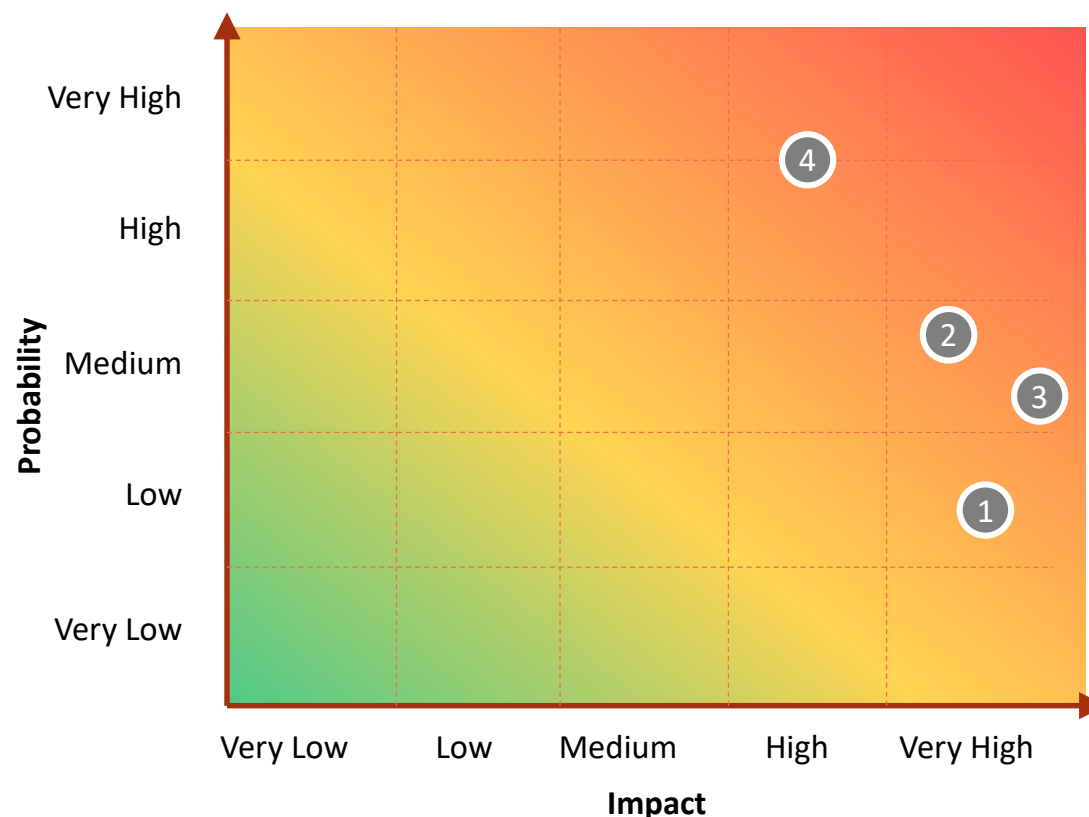
- 6 **Risk:** Inability to assess performance and impact of marketing campaigns

Mitigation: Measure data from digital marketing campaigns, track correlation between physical presence and customer conversion



Financial Analysis & Investment: Risk Analysis & Mitigation

- 1 **Risk:** Failure in market penetration
Mitigation: increase iCB's Affordable Insurance product sales force and incentives
- 2 **Risk:** Difficulty in securing funding to service the loans
Mitigation: Undertake careful cash flow analysis on a frequent basis and diversify funding sources
- 3 **Risk:** Financing institute increases the loan interest rate from 18% to 22%
Mitigation: Seek alternative funding from bond market. Reduce weight of lower margin products and at the same time shortening instalment terms and considers charging a service fee or increase the price.
- 4 **Risk:** Increased cost of products and services due to inflation
Mitigation: Adjustment of unit process and cost optimization



Competitive, fast-paced and innovative nature of the eHealth industry requires thorough financial risk analysis and development of mitigation strategies



IMPLEMENTATION

Implementation Timeline

Focus Area	Phases	Year 0				Year 1				Year 2				Year 3				Year 4				Year 5			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Products, Services & Partnerships	Approach insurance companies to prepare and bid for affordable insurance proposal packages																								
	Sign partnership agreements with healthcare partners, service providers, NGOs to support product delivery and development																								
Organisational Management & Operations	Customise mobile app for expansion into Healthy Living business																								
	Establish consortium of factories for launch of Affordable Insurance product offering																								
	Launch flagship affordable insurance package to members (consortium only)																								
	Expand affordable insurance offerings to other factories																								
	Review and establish iCB governance and organisational framework																								
	Recruit and train local team (quality control team and product managers)																								
	Hire, license and train iCB’s in-house insurance sales team. Yearly refresher license course.																								
Communications, Sales & Marketing	Prepare and implement marketing and sales activities to promote Healthy ;Living products and services to iCB members																								
Finance	Secure the investment and necessary capital																								
	Annual financial reporting for investors and partners																								
Long Term Plan	Collection and future use of data from the technology platform																								



CONCLUSION

Critical Drivers for Success

- iCB is well-positioned to build on learnings and success to date, leverage its knowledge and exiting partnerships to launch the **Healthy Living** business and become a market leader in the provision of healthcare and well-being products and services for supply chain workers across the country.
- The commercial viability and growth of the **Healthy Living** business hinges on the success of the flagship **Affordable Insurance** product and the strength of the company's partnerships in order to grow the business.
- Besides being a financially viable business iCB's **Healthy Living** business has the potential to have direct and immediate impact providing affordable, easy to understand and accessible healthcare and well-being products and services to supply chain workers and their families.

Key drivers for success include:

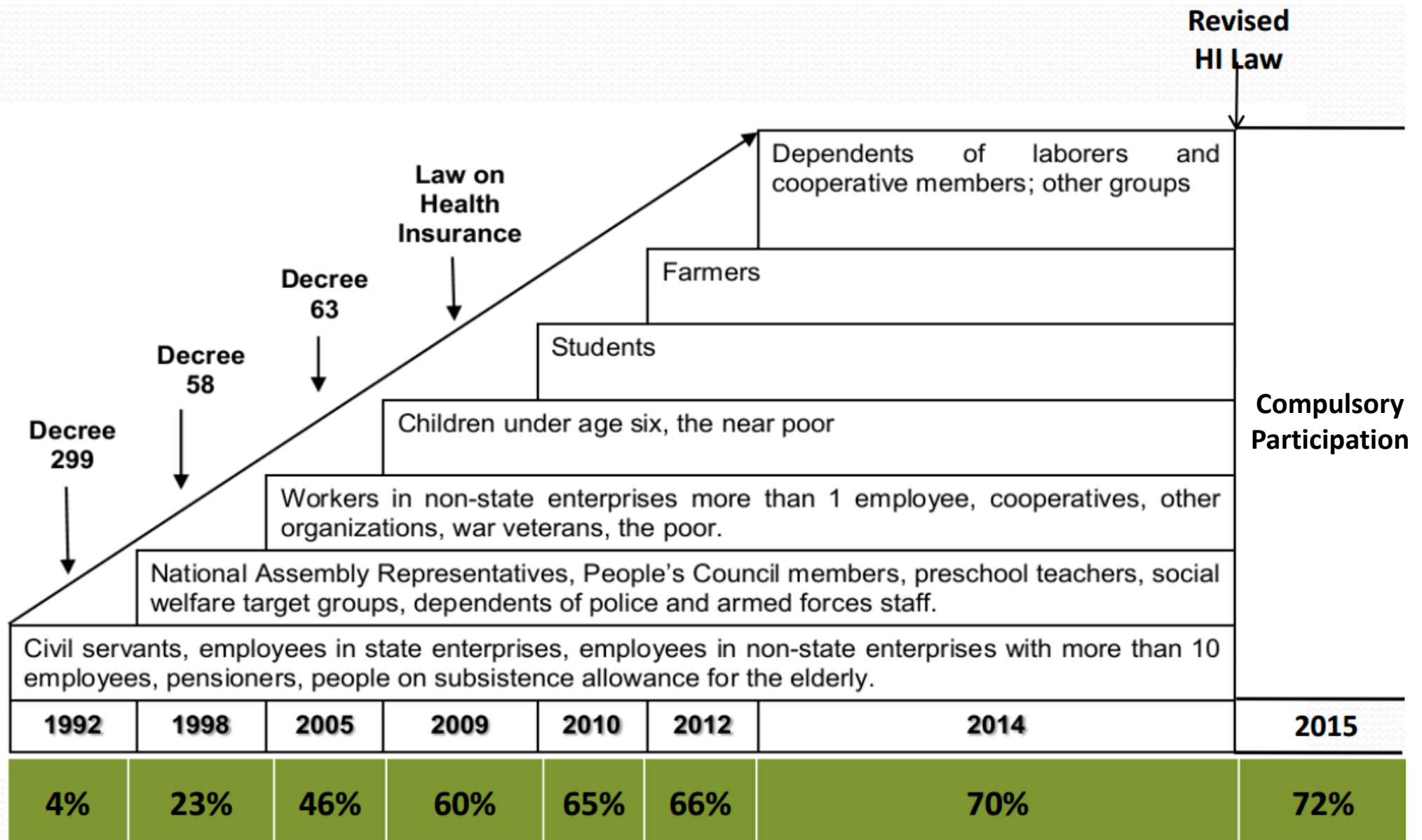
- Strong focus on the **Healthy Living** businesses growth and financial stability without compromising profitability;
- Simple and robust business model to promote healthcare and well-being services in communities where the need is most pressing;
- Targeted approach for identifying partners who are interested in accessing a largely underserved, homogenous pool of potential customers with great growth potential;
- Stay ahead of industry trends by driving innovation for new services and products in collaboration with partners;
- Consider collection and future use of data from the technology platform in order to better profile customers, develop future products and produce more targeted promotions;
- Identify risks and develop action plans to address these quickly and efficiently.





APPENDIX

Coverage Expansion of Vietnam's Social Health Insurance Scheme



Source: Department of Planning and Finance and Health Insurance, Ministry of Health of Vietnam (June 2016)

Licenses & Regulatory Compliance



- The Ministry of Finance (MoF) along with its subordinate body, the Insurance Supervisory Authority, are the primary regulators of insurance activities in Vietnam. They are responsible for:
 - The establishment and supervision of insurers;
 - The formation and sale of insurance contracts;
 - Other insurance activities including the licensing of agents and brokers.
- Insurance products in Vietnam are divided into 3 categories:
 - Life insurance products;
 - Non-life insurance products;
 - Health insurance products.
- Health insurance was introduced in 2010 as a separate category of products and includes personal accident insurance, medical expenses insurance and health care insurance. Products, rules, term and premium rates that apply to the health insurance products must be ratified by the MoF before being offered to the market.