



The Duke MBA Global Consulting Practicum 2010 Project Summary

Project Title: Working Towards a Self-Sustaining Marang House

Client Information:

- Marang House. www.marang.org.za
- Pieter Ernst Jr, Director of the Board of Marang House

Period of Performance: December 2009 - April 2010

Duke MBA Team:

- Samayita Das (Fuqua '11)
- Amit Goel (Fuqua '11)
- Jake Kiser (Fuqua '11)
- Sara Suffis (Fuqua '11)

Instructor: Matt Nash

Partner Description:

Marang House is a South African organization with the mission of providing South Africa's seriously ill children from disadvantaged backgrounds with a stable home environment that enhances their likelihood of full recovery and improves the chance of fulfilling their dreams.

Problem Statement:

Currently, Marang House operates one house with the capacity for twelve children. Marang House is striving to expand its social impact by opening additional houses but is limited by the charity nature of the organization. If additional for-profit houses are founded, they will generate enough revenue to sustain both themselves and the not-for-profit house.

Objectives:

- **Objective 1: Market Sizing:** Perform a quantitative analysis of Marang House's potential patient base.
- **Objective 2: Marketing Plan:** Develop a marketing plan that understands the needs of the four pertinent stakeholders (patients, parents, physicians, and payers).
- **Objective 3: Investor Presentation:** Create a persuasive narrative presentation (incorporating the above marketing plan) to influence potential investors for a new for-profit Marang House.
- **Objective 4: Ancillary Projects:** Complete ancillary projects (including brainstorming sessions, increasing visibility among the physician community, Ronald McDonald House application and survey development).

Approach / Methodology:

- **Market Sizing:** To size the market, data was analyzed from medical journals and to understand the rate of incidence (patients per million per year) for South Africa, Kenya, Mozambique, Namibia and Botswana. On-site, insurance companies, hospitals and embassies were contacted for a clearer picture of the data.

- **Marketing Plan:** Various marketing frameworks were applied, most prominently, the seven-realm pragmatic marketing framework. To understand the needs of doctors and patients, interviews and survey were conducted for doctors and visits to public and private hospitals were organized.
- **Investor Presentation:** The client was presented with a deck for potential investors. The deck has a complete financial model and marketing plan.

Recommendations:

- **Marketing Plan – Incenting Key Stakeholders:** Four key groups of people influence the decision to admit a child into Marang House. Marang House needs to both understand and address the concerns of these “four Ps:” patients, physicians, parents, and payers.
 - *Patients:* Should have an appealing environment at the house.
 - *Parents:* Must feel comfortable with the safety and quality of services that Marang House provides since they will be leaving their children at the house.
 - *Physicians:* Must be aware of and be able to trust Marang House in order to refer their patients there. Maintaining their reputation is critical to their business, so it is crucial that physicians feel comfortable about the safety and care that Marang House is able to provide.
 - *Payers:* Convince investors to contribute to the development of a pilot home. The pilot house must be in line with Discovery Health’s standards in order to ultimately get payer buy-in. The capital should be raised through ten 500,000 ZAR loans from strategic corporate sponsors and one 5,000,000 ZAR government loan.
- **Marketing – Branding:** The new house would have its own brand identity for a clear message to the four Ps. The brand of the old house needs to be revamped. The website should be made more appealing and user friendly. The brand message should emphasize past success stories and significant physician quotes to relay Marang House’s message, as well as including more data to show the successes experienced by Marang House.