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CDC is changing its name to  
**British International Investment**  
on 4 April 2022



## How did digital transformation enable health and education businesses to adapt to the COVID-19 pandemic?

### Practical thinking on investing for development

Insight is a series of practical and digestible lessons on the issues of private sector investment and development. They're based on our experiences, knowledge and research and are aimed at investors, businesses, development professionals, and anyone with an interest in private sector development.

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# 01

## Introduction

Digitalisation of services has been a growing trend over several decades, providing an opportunity for developing countries to accelerate economic growth and connect people to services and jobs.

In the context of the COVID-19 pandemic, digital transformation has played an even more critical role. It ensured businesses could keep reaching existing customers despite restrictions, while potentially gaining new ones and generating cost savings. Though we expect the long-term impacts from this accelerated digitalisation to increase business efficiencies, it can also introduce new risks. In developing countries in particular, digitalisation may contribute to widening the gap between those who can access digital technologies, and those who cannot.

This report focuses on innovative digitalisation strategies used by companies in CDC's portfolio to improve outcomes for the business and customers, while in the challenging context of the pandemic. Our aim is to better understand the opportunities to use technical assistance and grants to facilitate inclusive and sustainable business practice change in an emergency context. For the purpose of this report, digitalisation is defined as the adoption of hardware or software technologies, combined with sufficient understanding and skills to actively deploy these new technologies and use them to advance any aspect of business operations.<sup>1</sup>

## COVID-19: the response from CDC Plus

In March 2020, our technical assistance facility CDC Plus established two new facilities to support existing investees:

- The Business Response Facility (BRF) was designed to support businesses to adapt or scale-up innovative, inclusive solutions to respond to the pandemic.
- The Emergency Technical Assistance Facility (ETA) aimed to help companies survive the impact of the pandemic and protect as many jobs and economic opportunities as possible, by providing advice for businesses to plan, manage risks and operate safely.

The two facilities have allocated three rounds of funding, supporting 62 projects with \$6.6 million as of June 2021. To date, these projects have reached 7,700 small and medium-sized enterprises and business in CDC markets and have indirectly affected 7.3 million customers.

The seven projects reviewed for this report received over \$900,000 in grant funding and indirectly affected over 3.34 million customers.

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## Acknowledgements

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<sup>1</sup> Definition adopted from Schulz, M. (2021) #Digital4MSME – How to use the market systems approach for digital transformation, GIZ, Bonn.



## 02

### Context

The potential of digitalisation to benefit under-served populations is well established. A study of seven developing countries in South Asia and sub-Saharan Africa found that various measures of digital inclusion were associated with a significant reduction in poverty.<sup>2</sup> Digital technologies can be used to provide public services, such as remote health facilities, to hard-to-reach populations, and enable disadvantaged children to access quality education.<sup>3</sup>

The COVID-19 crisis highlighted the potential of digital technologies to reach large numbers of customers, and has proven critical for businesses to survive the pandemic. For companies that previously relied on face-to-face interactions with customers, the use of digital technologies can generate cost savings and facilitate access to new remote consumers without having to develop an expensive physical infrastructure. Digitalisation can, in certain circumstances, support companies in reaching bottom-of-the-pyramid consumers.

However, while the crisis encouraged the shift to digital solutions, the existing digital divide among the poor and other vulnerable groups may further intensify. Digital inclusion is influenced by factors such as affordability (both of devices and data), access to electricity and formal identification to meet subscriber identification module (SIM) registration requirements, awareness of the benefits of digital technologies, social acceptance, and digital literacy. Digital solutions with more sophisticated and value-added content often require access to third or fourth generation (3G and 4G) networks, or smartphones. This means that the most vulnerable, when included, tend to be included on less advantageous terms.<sup>4</sup>



*Digital technologies can help provide public services, such as remote health facilities, to hard-to-reach populations.*

2 Lyons, A., et al. (2020) *Impacts of Financial and Digital Inclusion on Poverty in South Asia and Sub-Saharan Africa*. SSRN.

3 Biggs, P., et al. *Fast-Forward Progress Leveraging Tech to Achieve the Global Goals*. International Telecommunication Union.

4 Hernandez, K. and Roberts, T. (Nov. 2018) *Leaving No One Behind in a Digital World*. Digital and Technology Cluster, Institute of Development Studies.

Access to digital services also varies by region. There is a substantial urban-rural divide, particularly in Africa, where the rural population is over 20 per cent less likely to have access to a mobile broadband network or to the internet at home.<sup>5</sup> This means some segments of the population are less likely to be able to access and use digital technologies.

» Access to digital services varies by region.

Figure 1 illustrates the disparities between Africa and Asia. In terms of mobile network coverage in rural areas, only 22 per cent of Africans have access to fast 4G mobile networks versus 89 per cent of people in Asia and the Pacific. Similarly, access to computers at home is more prevalent in Asia and the Pacific (70 per cent of households), than in Africa (28 per cent). Only 28 per cent of households in developing countries have internet at home. Again, Africa (6 per cent) lags the Asia and the Pacific region (36 per cent).

Even though average prices of mobile voice and mobile data are similar across the globe, the vast disparities in purchasing power means mobile technology remains too expensive, particularly on the African continent.

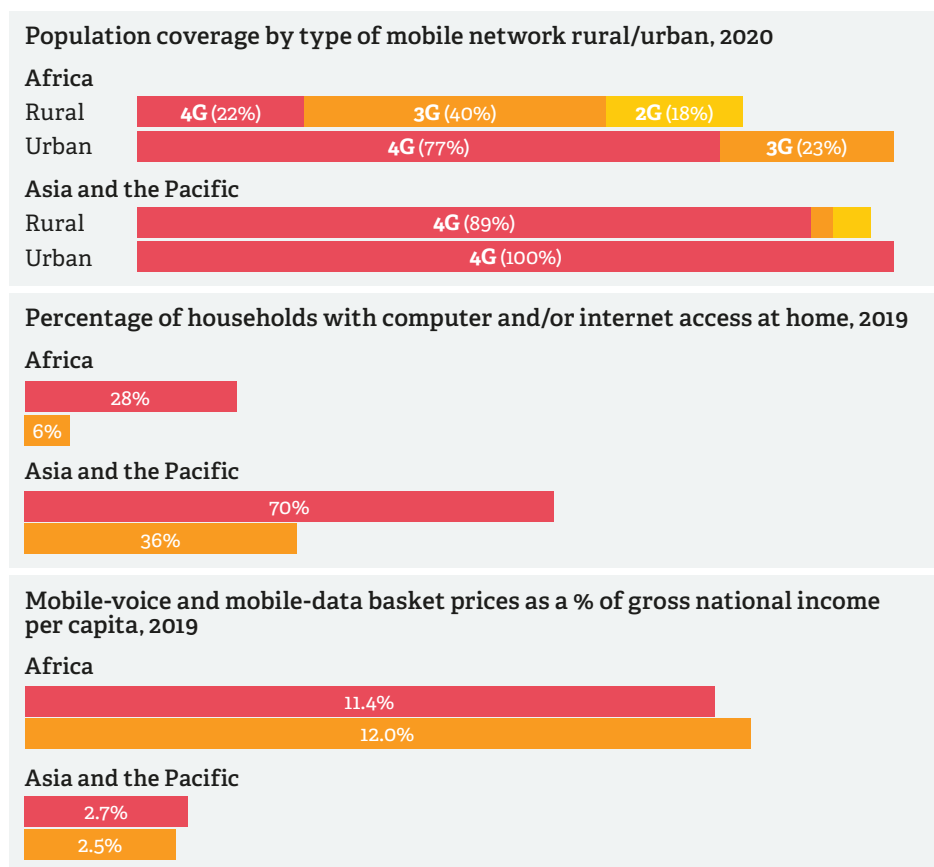


Figure 1: Access to digital services in Africa and Asia and the Pacific<sup>6</sup>

<sup>5</sup> International Telecommunication Union (ITU) (2020) *Measuring digital development Facts and figures*.

<sup>6</sup> ITU (2020) *Measuring digital development Facts and figures*.



## 03

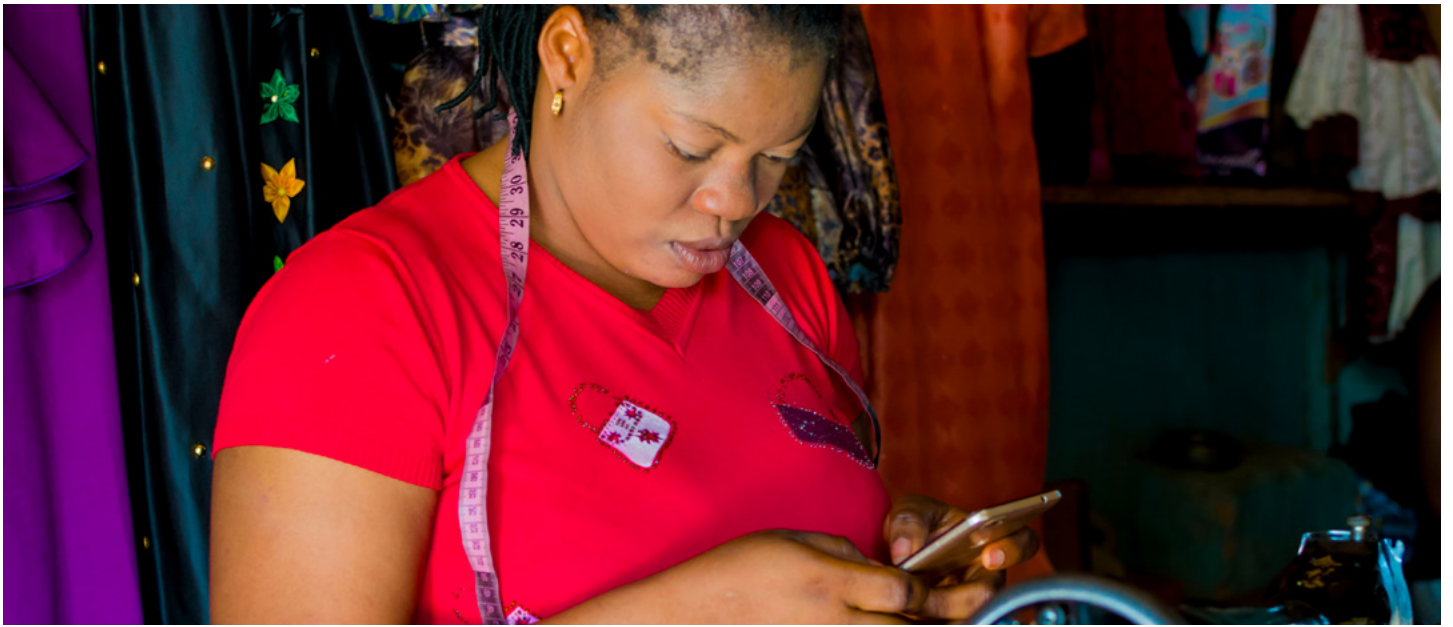
### Purpose and methodology

As seen above, the effects of digitalisation for increasing access to goods and services can be ambiguous. With this report, we examine how CDC investee businesses that received COVID-19 technical assistance to introduce digital solutions were able to maintain or expand customer access to products and services throughout the crisis, as well as highlighting the challenges they faced in doing so. We draw lessons learned from these examples, and identify broader insights on how digitalisation can support commercial sustainability.

#### This report explores the following questions:

1. To what extent have the investments in digitalisation enabled business continuity, the retention of customers or the acquisition of new customers? How have these models affected the commercial performance of businesses to date?
2. How have staff, customers and other stakeholders been affected, both positively and negatively, by digitalisation? How, if at all, has digitalisation affected access to the goods and services provided by businesses?
3. What lessons can be learned from supporting digitalisation?

Seven health and education businesses focused on digital transformation and supported under the BRF and ETA were selected for in-depth investigation. Desk research was complemented with key informant interviews with investees, fund managers and CDC Plus project staff. Self-reported monitoring data was analysed, along with project applications and completion reports.



## 04

### Digital models adopted

By digitalising processes and delivery channels, technical assistance from CDC Plus aimed to:

- Help businesses overcome business challenges.
- Maintain continued customer access to basic services (such as health and education).
- Reduce COVID-19 transmissions by:
  - minimising in-person contact (through telemedicine and online learning platforms) and improving infection prevention and control (by rolling-out a self-diagnostic tool).

Figure 2, on the following page, describes the projects led by investees that were funded under CDC Plus COVID-19 technical assistance, piloting digital transformation.

## Health

### Express Pharmacy, Nigeria

**Business:** Chain of pharmacies and primary healthcare clinics serving the low and middle income segment of the population in Lagos.

**Project budget:** \$196,800

**Project objectives and digital model:** Due to the pandemic, Express Pharmacy had to adapt very quickly to respond to the imminent need for remote health tools. The project supported the development of a telemedicine platform for remote health provision and drug delivery, completed by a mobile-based delivery app for riders.

In addition, Express trained customer support and delivery staff on the new delivery software, as well as providing training sessions to customers in their pharmacies on how to use the e-pharmacy app for future purchases.

**Preliminary results:** The digital telemedicine platform was launched in Sept 2020. Telemedicine provided the opportunity to provide quick and safe consultation care during the pandemic. By the end of May 2021, over 5,500 customers have been registered on the platform including patients from around the country, not just in Lagos. In May 2021, over 300 pharmacy and telemedicine calls and over 800 deliveries have been completed.

### Snapper Hill, Liberia

**Business:** Clinic in the Snapper Hill district in central Monrovia. The facility is of health centre status and renders mainly outpatient services for about 30,000 patients annually.

**Project budget:** \$44,000

**Project objectives and digital model:** To overcome the COVID-19 related constraints and limitations placed on care delivery, the Snapper Hill Clinic was looking to leverage a telehealth (and telemedicine subcomponent) system to ease GP/nurse assisted specialists' telehealth consultations.

**Preliminary results:** The development of the telehealth platform was finalised in June 2021 and clinicians received training on the system. The introduction of the system was planned for September 2021.

### mFine, India

**Business:** Online healthcare company that uses AI and telemedicine to power doctor consultations, diagnostics, e-pharmacy and health check-ups in Indian hospitals.

**Project budget:** \$78,000

**Project objectives and digital model:** Onboard hospitals and doctors to its existing telemedicine services platform and provide related training; and develop an app which enables users to self-assess for COVID-19 symptoms.

**Preliminary results:** As of December 2020, over 570 hospitals signed up to receive training and to introduce the digital platform for telemedicine services. There have been 436,000 teleconsultations and services offered across the country, including in second and third tier towns and rural areas.

The COVID self-assessment app was offered as a free tool which led 3.5 million to download it and 142,000+ people to use it. As a result of the success, mFine is now taking the self-assessment infrastructure into other service areas such as diabetes and mental health.

### SafeCare, Kenya

**Business:** Initiative that works with healthcare providers, helping them measure, monitor and improve their services using innovative solutions.

**Project budget:** \$193,256

**Project objectives and digital model:** Introduce the SafeCare4Covid (SC4C) app to be used by healthcare providers in Kenya to conduct self-assessment of their COVID-19 preparedness. In addition, pilots are conducted on online tools, including online training course, learning platform and chatbot.

**Preliminary results:** The project reached 100 health facilities in Kenya with its SC4C self-assessment tool. As a result of measures taken by the facilities to improve their COVID-19 preparedness, it is estimated that improved health services were made available for 480,000 patients in Kenya over a six-month period.

## Education

### EduBridge, India

**Business:** A workforce development company in India that trains and provides employment to low-income, unskilled youth. As of 2020, it operated through 65 training centres across 60 Indian cities.

**Project budget:** \$166,250

**Project objectives and digital model:** EduBridge aims to prioritise training of young workers in labour-intensive sectors that have been in high demand due to the pandemic (healthcare, digital services and last-mile delivery). The company moved both its customer acquisition and content delivery online. It has digitised its training modules and developed digital delivery platform (web/app-based interface), recording tools, interactive add-ons and testing tools.

**Preliminary results:** training material has been developed for skills training in the healthcare and logistics sectors. As of July 2021, 15,000 students have been registered on the online platform, of which 13,000 graduated. 5,000 successful graduates received placements offered by corporate partners.

### Wizklub, India

**Business:** Education provider in Bangalore, offering a hybrid online/offline supplemental learning programme for 6-14 year olds.

**Project budget:** \$31,250

**Project objectives and digital model:** To ensure business continuity, Wizklub is adapting its business model by moving sales, marketing and delivery processes online. Delivery used to be through an Android app, which is replaced by a web-based interface for delivery on desktop/laptops.

**Preliminary results:** As of May 2021, a web-based interface for desktop use was developed and 100% of enrolled students are using the online web client. Through its marketing initiative, Wizklub established its digital presence which resulted in better visibility; as of May 2021 around 5,000 clients have been reached

### Nalanda, India

**Business:** Chain of affordable preschools under the brand name *Little Laureates*, serving the low and middle-income households in West Bengal and Tripura.

**Project budget:** \$198,400

**Project objectives and digital model:** Due to the extended closure of education facilities in India during the pandemic, Nalanda was supported to pivot into introducing a comprehensive e-learning platform to run online classes and deliver digital content.

**Preliminary results:** Following a lengthy period of lockdown, re-admissions started by April 2021 as a result of concerted efforts in digital marketing. By the end of May 2021, over 2,700 customers have been reached and 80 staff trained.

Figure 2: Snapshot of projects reviewed in this report – objectives and results



# 05

## Key findings

COVID-19 technical assistance recipients only launched new digital models in 2020 and 2021, but some early trends in customer retention and acquisition have emerged.

### 5.1 Digitalisation can help expand customer reach and the inclusiveness of service delivery

**Adopting digital models can result in rapid expansion and wider customer reach.** According to self-reported data by four out of the seven businesses<sup>7</sup>, over 3.3 million customers have gained access to the new products and services funded through the pilots, since the COVID-19 technical assistance funding was provided.

**The introduction of digital tools to complement and enhance existing services was particularly effective for customer acquisition.** Among all projects in the CDC Plus COVID-19 portfolio, two health sector projects had much wider – and more rapid – reach than others. Both projects introduced new digital tools or apps that were additional to their other services:

- **mFine's** telemedicine and COVID-19 symptom assessment tool is offered across India, including in secondary towns and rural areas. It is free of charge, which makes it accessible to under-served groups. By June 2021, the app had been downloaded by over 4 million customers and used for screening by a quarter of a million. The mFine telemedicine platform was used to deliver nearly half a million tele-consultations, and the total number of consultations increased threefold.
- The **SafeCare** team launched the SafeCare4Covid (SC4C) app which helps healthcare facilities improve their COVID-19 preparedness. With CDC Plus funding, SafeCare piloted the app in 100 facilities across Kenya. The clinics completed a SC4C self-assessment and are working towards improving their baseline COVID-19 preparedness with training and other support received from SafeCare. Based on the average patient numbers treated over a six-month period, approximately half a million patients have accessed better quality healthcare, and are better protected from COVID-19 transmission when being treated at these facilities.



*Adopting digital models can result in rapid expansion and wider customer reach.*

<sup>7</sup> As of 30 June 2021, not all seven projects reported data: Snapper Hill and EduBridge are yet to report customer reach, whereas Wizklub did not report against the indicator.



**Uptake was slower, and customer reach narrower, among businesses that shifted from in-person to completely new digital delivery models.** This can be explained by the fact that such shifts usually require a change in customer behaviour, product/service experimentation and marketing spend to inform and educate customers:

- **Express Pharmacy**, a chain of clinics in Nigeria, had to increase its marketing spend to incentivise the uptake of telemedicine services.
- **Nalanda's** Little Laureates, a chain of pre-schools in India, was hit hard by the extensive lockdowns. The company responded by launching a digital learning management system, developing digital curriculum, and opening admissions for online tuition. However, the uncertainty around when physical facilities would be able to open again delayed customer uptake. A subsequent digital marketing campaign bolstered demand and registrations.
- Education provider **Wizklub** had to experiment with various online customer acquisition models to find the most appropriate one, until student enrolments started to increase.

**Some businesses were able to retain or expand their customer base geographically, and continue engaging under-served segments of the population.**

- Due to the lengthy lockdown in Nigeria, Express Pharmacy's clinics transitioned to telemedicine rather than in-person consultations. Remote tools offered the opportunity to treat patients beyond Lagos, where the clinics are located, reaching throughout the country. Medical healthcare insurance penetration in Nigeria is traditionally low, at less than five per cent.<sup>8</sup> However, Express Pharmacy noticed an increase in demand for insurance cover among customers from lower income households. Whereas customers transitioned smoothly to remote medication orders and deliveries, initial uptake of telemedicine calls were lower than expected. Recently, increased use of the telemedicine service has shown that customer behaviour may be adapting.
- Since the launch of its digital learning platform, **EduBridge** maintained the same proportion of learners from low income households and ratio of male to female students (about 48 per cent are young women), while increasing its geographic footprint. The retention rate initially dropped, but the customer base has now grown beyond pre-pandemic levels. Attendance rates have been consistently high, at around 80 per cent.
- By changing its offline marketing and sales approach to digital, Wizklub has been able to expand its customer base, even outside its core market of Bangalore.



*Uptake was slower, and customer reach narrower, among businesses that shifted from in-person to completely new digital delivery models.*

<sup>8</sup> Aregbeshola, B. S. and Folayan, M. O. (2021) *Nigeria's financing of health care during the COVID-19 pandemic: challenges and recommendations*. The University of Newcastle, Australia, Obafemi Awolowo University, Nigeria.

## 5.2 Companies faced a number of barriers and delays in rolling-out their digital solutions to reach under-served customers

Digital solutions risk reaching higher income groups rather than those most at risk of being left behind. Consequently, technology-driven approaches to digitalisation can, in some circumstances, create further inequalities along the digital divide. Roberts (2017) identifies five barriers to digital access: availability, affordability, awareness, ability and accessibility (see Figure 3).

Businesses in the project portfolio faced some of these barriers, and adopted innovative strategies to counter them.

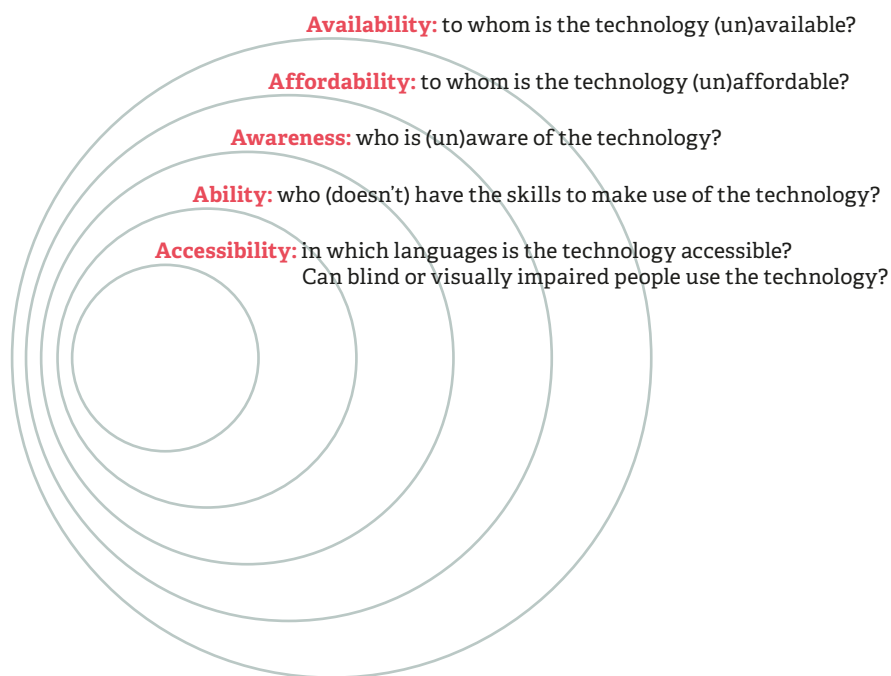


Figure 3: The 5 'A's of Technology Access. Source: Roberts (2017)

For some companies, the lack of regulations around digital services delayed the roll-out of digital solutions. Telemedicine was relatively new for some countries, and there was a lack of clarity on the regulatory requirements and standards of care for businesses to comply with. Two health sector businesses faced regulatory hurdles which delayed the rapid roll-out of new models. To launch telemedicine services, investees had to conduct detailed and at times complicated negotiations with regulators about the planned digital services.

- Snapper Hill is a pioneer in introducing telemedicine services to the Liberian health sector. Negotiations with regulators included considering the affordability of telemedicine given the cost of mobile data for customers, which is prohibitively expensive for lower-income Liberians. As a compromise, Snapper Hill adjusted the planned operational model to enable general practitioner or nurse-assisted telehealth consultations in their existing facilities. With the adjusted hybrid model, Snapper Hill is expected to offer specialist care that is more accessible for previously under-served segments of the population, than a fully digital model would be.
- Express Pharmacy faced some minor regulatory difficulties. With no existing regulatory provision for telemedicine in Nigeria, it had to demonstrate its technology and operational workflow to the government to get regulatory approval to use telemedicine on an expedited basis.



*Technology-driven approaches to digitalisation can, in some circumstances, create further inequalities along the digital divide.*



*For some companies, the lack of regulations around digital services delayed the roll-out of digital solutions.*

As noted for Snapper Hill, a key obstacle faced by companies was the affordability of digital services, and the cost to customers of mobile data and smartphones. Many businesses found that customers' willingness and ability to pay for digital services limited uptake. As a response, some businesses identified creative solutions for customers who could not afford digital services and reduced the direct cost to end-users:

- Express Pharmacy's patients had concerns about the cost of mobile data. To address this, the company negotiated temporary deals with a mobile network provider that offered data services for free for a limited time.
- EduBridge is committed to educating young people from families at the bottom of the pyramid, where tuition fees and mobile data are not affordable. Therefore, the bulk of the tuition (90 per cent) is covered by companies that provide placements for learners, through their corporate social responsibility (CSR) budgets. EduBridge also covered the cost of mobile data for learners who would not have been able to afford to use the digital platform otherwise.
- Nalanda understood that tuition fees charged for physical childcare provision were not tenable given families had been hit hard economically by the pandemic. Therefore, the costing structure of the online provision was adjusted down to around two-thirds of pre-pandemic level costs.

Companies needed to raise awareness to gain customers' trust, as switching to a digital model required a change of mindset and behaviour. As with any innovative technology, initial reluctance to adopt new tools and delivery models is to be expected. In the health sector, patients are used to 'bricks and mortar' services and may feel less comfortable talking to clinicians and pharmacist over the phone. Similarly, moving from in-person to online learning is a huge behavioural shift, while parental concern over excessive screen time remains a critical issue. To achieve good levels of uptake, customers need to become aware of the advantages of digital services. Companies therefore engaged in sensitisation to jumpstart this behaviour change, which happened gradually as the benefits became apparent for both businesses and customers:

- Liberia is relatively well-prepared in terms of disease control and prevention, because of its history of Ebola pandemics. As a result, COVID-19 infections remained relatively low in the first waves. Therefore, Snapper Hill customers did not feel the same imperative to stay at home and opt to use digital services, as was observed in other countries.
- For Express Pharmacy, it took longer to engage customers than it had initially anticipated. Although the telemedicine platform was designed to allow customers to access services given the lockdown and social distancing measures in place in Nigeria, uptake was surprisingly slow. The team found it required a lot of effort to make people aware of, and comfortable with using, telemedicine services.
- Nalanda put extra effort into explaining the difference between 'good' and 'bad' screen time to families ahead of the launch of their e-learning platform. The initial resistance softened, and in three months, parents became more comfortable as they observed the developmental benefits of online education for their children.



*A key obstacle faced by companies was the affordability of digital services.*



*Switching to a digital model required a change of mindset and behaviour.*

Businesses needed to dedicate adequate resources to ensure staff and customers had the ability to make effective use of the technology. Digital literacy among users is key to positive attitudes towards technology and its potential to improve access to basic services. Businesses learnt that staff training should accompany the introduction of the digital model to enable effective implementation. Meanwhile, customers benefit from a simple user interface, which requires pilot testing and several rounds of adjustments. The extra time and costs of training and technological iterations had to be planned and budgeted for from the start of digitalisation projects:

- In the case of Express Pharmacy, the launch of the platform was accompanied by training for customer support, quality audit and bike delivery staff, and customers were trained on the use of the e-pharmacy app. Snapper Hill also trained its staff on the use of digital technologies, especially video software.
- To ensure sustained use of their solution, mFine opted to simplify its app to improve the customer experience and make it more user-friendly. The SafeCare team had to simplify the log-in process and include at least one step of physical interaction in the onboarding process. They also provided continued training on how to use the app, improved its interface, and tested new types of engagement methods (for example, daily reminders from the app with 'flash-card' types of bite-size information). In addition, the SafeCare team noted that the app was primarily used by the clinic's founder or manager, which meant overall effectiveness of the app depended on how well leadership disseminated information.

Some businesses saw their customer base shift towards higher income households, despite maintaining or reducing the cost of their services. This highlights that identifying solutions to barriers to affordability and digital access is essential to ensure under-served households are not left behind, given the widespread socio-economic effects of the crisis:

- As a result of the surge in COVID-19 infections in India, low income households in particular were hard hit economically. Nalanda's admissions initially plummeted, despite a 25 per cent price reduction for its services. The new admissions during the pandemic reportedly shifted towards, on average, upper-middle- and high-income families. This was due to the fact that early years education became less accessible for low and low-middle income households with constrained incomes, who also have limited access to digital devices.
- Wizklub offers both business-to-business and business-to-customer services. The business-to-business segment specifically aims to provide affordable tuition to low income families, by delivering lessons through the public school system, as part of the academic curriculum. Before the pandemic, Wizklub only worked with a single school serving 700 students. The company planned to onboard ten more schools in 2020, but conversations with potential customers stalled due to lockdown restrictions. On the other hand, Wizklub's business-to-customer model, which offers online lessons to students for a higher tuition fee and targets upper-middle- and high-income students, was more successful in customer acquisition during the pandemic.

### 5.3 Digitalisation contributed to business continuity and influenced future plans

**The digital technologies adopted during the crisis will have a long-term impact, as most businesses plan to continue offering digital services through blended delivery models.** Although it is too early to tell how commercial performance will be affected by the introduction of digital solutions, it is clear CDC Plus funding supported investees to weather the crisis and enabled the growth of their business. All businesses interviewed by Triple Line expressed strong confidence they would integrate the new digital solutions into their business models going forward, with digital platforms complementing or enriching their physical service offerings:

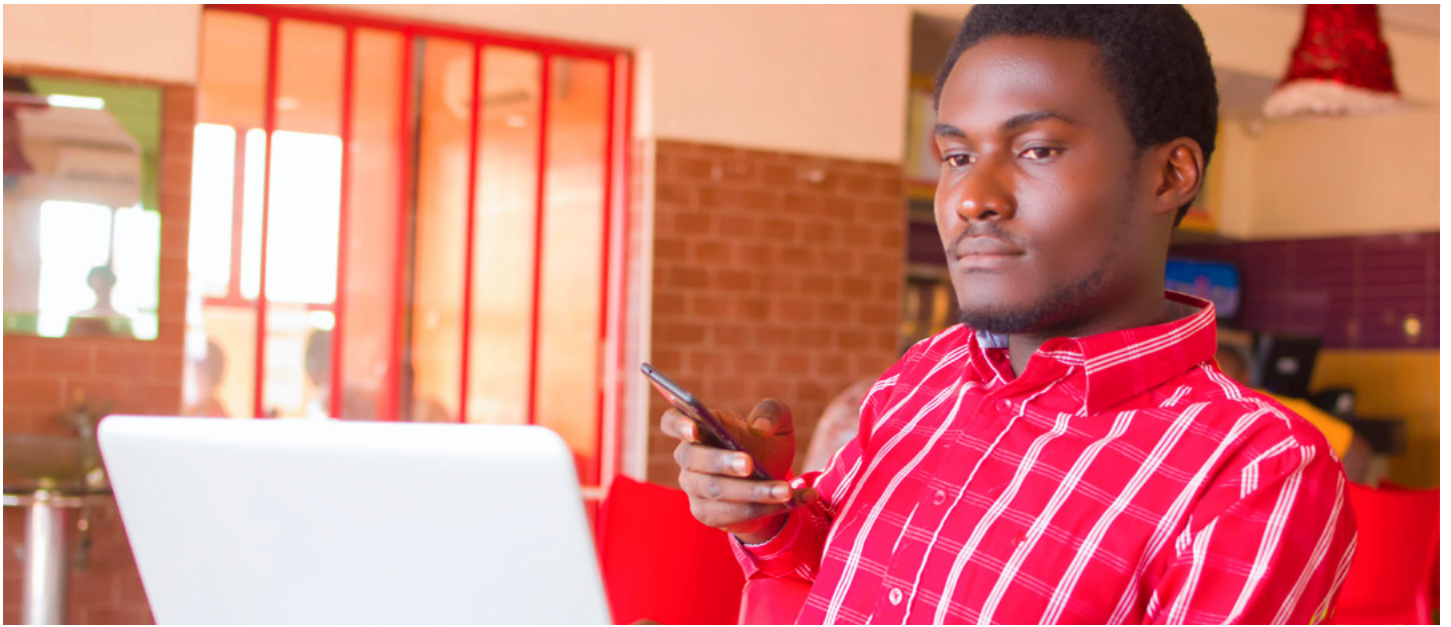
- Express Pharmacy was positive that its telemedicine model would continue, and has plans to expand its business further with more physical hubs for the delivery platform.
- With the resumption of classroom training, the online content developed during the pandemic will enable EduBridge to provide its services through a 'blended' model based on a combination of online and in-person delivery. The training modules will continue to be offered to employers and learners, as the healthcare and logistics sectors have a strong growth momentum.
- Once COVID-19-related restrictions are released, Nalanda plans to also introduce a blended delivery model, using the digital content created for the platform as a supplementary learning resource for in-person teaching.
- SafeCare has been piloting several new products and services (online training course, learning platform and chatbot) with CDC Plus funding. If successful, the business will integrate these services into its digital offering.

**Digitalisation has also led companies to develop more sustainable business models by increasing profitability and diversifying their customer base.** For two businesses, the digital content and services are designed to increase traffic and drive customer acquisition to other, more profitable segments:

- mFine offered the COVID-19 self-assessment app as a free tool which led more people to try the company's other services. This has lowered customer acquisition costs to the telemedicine service by 10 per cent. In addition, COVID-19-specific services grew to 8-10 per cent of revenue in only six months. To make the services sustainable, mFine is rolling-out similar self-assessments to other service lines (such as mental health and diabetes).
- The Express Pharmacy model consists of providing healthcare to low- and middle-income communities in Lagos by offering telemedicine for free, or at very low cost. While telemedicine itself does not lead to high margins, it increases traffic for the company's pharmacy, its more profitable business segment.



*Digitalisation led companies to develop more sustainable business models.*



## 06

### Lessons

#### 6.1 In emergency situations, a quick and streamlined approach by funders best supports companies

**The rapid and streamlined application process for CDC Plus funding was greatly appreciated by investees as it allowed them to quickly address the negative effects of the pandemic and be first movers in adapting products and services.** This was critical in the health sector, where maintaining access to services was paramount to help reduce transmissions and address the roots of the crisis:

- mFine mentioned that its digital transformation pilot probably would have gone ahead without CDC Plus funding in the longer term. However, the quick turnaround enabled the company to launch the platform immediately rather than having to “shop around for funding from other sources”, giving it a two-to-three month head start. This played an important role in establishing its service offering in a competitive and rapidly-changing market, and enabling a faster launch of services. The knock-on effect was the ability to test and refine services more quickly than would have been possible otherwise.
- According to SafeCare, had the SC4C app not been funded by CDC Plus, the result would have been a much simpler app with stripped-down services from the SafeCare team. The funding enabled the company to offer more content, and to pilot the app with 100 clinics to test the product and expand its reach. SafeCare would not have been able to focus its resources on uptake of the app, training and user support, meaning overall, uptake and impact would have been less immediate, and potentially less broad.
- Without CDC Plus funding, Snapper Hill would not have been able to invest in a telehealth platform. As a first entrant in the telemedicine sector in Liberia, Snapper Hill had to co-develop new governance measures with regulators and negotiate with a nascent insurance sector. Although the projects experienced some delays, Snapper Hill is on track to introduce an in-facility teleconsultation system, which is expected to provide much-needed specialist healthcare services in Liberia on an equitable basis.



*In emergency situations, a quick and streamlined approach by funders best supports companies.*

## 6.2 Customers need to be able to make the digital transition alongside companies

Affordability of mobile data, digital literacy and customer trust all affect the likelihood that customers will stay with a business as it goes through a digital transformation. During the pandemic, investee companies were creative in addressing some of these challenges, and had to take a customer-centric approach to changing their products and services:

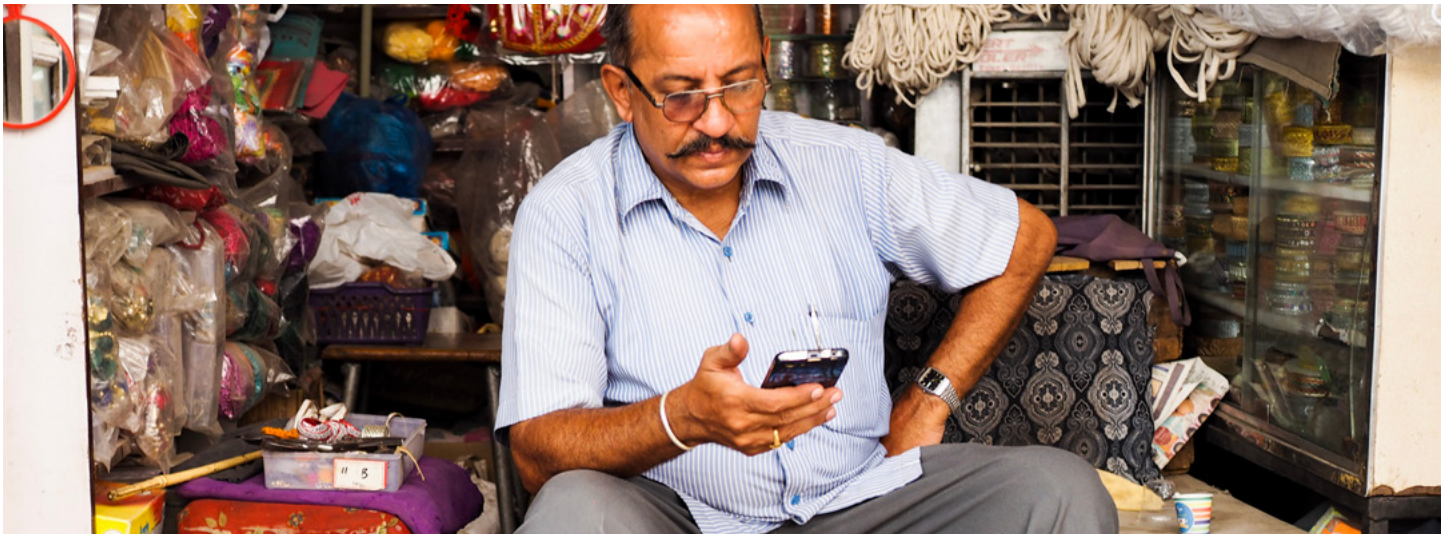
- Nalanda and SafeCare worked directly with their customers to conduct significant training and ensure they were getting the best use of their platforms.
- Snapper Hill, Express Pharmacy, Edubridge and Wizklub all engaged in partnerships with corporates (such as mobile network providers for Snapper Hill and Express Pharmacy) or chose to directly subsidise the upfront direct costs to customers (Edubridge), to ensure continued access for customers of digital services.
- Allocating sufficient budget and time for marketing and communication with existing and new customers was required to build trust and confidence in a new digital product, as experienced by Nalanda and Express Pharmacy.

## 6.3 Digitalisation can be the only option for business continuity

CDC Plus funding was regarded as a lifeline by many businesses, which would not have survived the economic impacts of the crisis without introducing digital solutions. This is especially true for businesses in the education sector in India. Had they not received grants for digitalising their business processes and delivery methods, they would have had to cease operations for months. A review by the Global Schools Forum found low-fee private schools in India have reported a fall in enrolment by 20-30 per cent.<sup>9</sup> Education projects funded by CDC Plus introduced new online or web-based platforms and were successful in continuing the provision of remote education services to their customers:

- From a customer perspective, by training young people in high-demand sectors, and linking them to companies through a placement scheme, EduBridge responded to the impacts of COVID-19 by creating job opportunities in overstretched sectors, adding healthcare and logistics to the portfolio. At the same time, the switch to online customer acquisition and digital delivery allowed uninterrupted education provision while keeping COVID-19 transmissions down. The entire curriculum was re-engineered to online methodologies, and savings made on rent were reinvested to improve training quality. EduBridge reported that the majority of learners had access to smartphones to join online tuition, and more than 75 per cent were happy to attend lessons online. At the business level, the funding ensured business continuity, helped staff remain motivated, and resulted in the launch of new products in high demand sectors.
- As the pandemic led to lengthy lockdowns in India, Wizklub had to move its offline customer acquisition and delivery model online. With the new web interface, the upskilling programme – which focused on problem solving, critical thinking, coding and robotics – was able to continue, with students attending classes remotely from their home.
- Nalanda said that Little Laureates may have been out of business, or would not have been able to retain its workforce. Instead, it strengthened its bricks and mortar business, making it more appealing for new customers, thanks to the multimedia content created for the online platform.

<sup>9</sup> Niazi, M. and Doorly, A. (October 2020) *Estimating the Impact of COVID-19 on the Non-State Education Sector in Low- and Middle-Income Countries*. Global Schools Forum.



## 07

### Conclusion

**CDC Plus funding supported its investees to weather the crisis and put several on track to even grow their businesses further through new products and services.** Projects in the COVID-19 technical facility portfolio that adopted digital models have reached three times more customers than other non-digital projects. Although it is too early to tell how commercial performance will be affected by digitalisation, it is assumed those companies that achieved extensive customer reach will be more likely to translate their success into revenues and profits.

**For health sector projects, introducing digital services reduced the strain on public health services and increased the coverage to remote and/or under-served populations** that might not have been able to access this otherwise. In some cases, digital solutions strategically targeted middle- or higher-income customers to subsidise the costs of reaching lower-income segments with additional services. As fully appreciated by businesses, the rapid application process allowed them to quickly address the pressing need to reduce infections and curtail the spread of the pandemic.

**Digital solutions in education also helped companies provide access to services, though uptake was typically lower and less inclusive,** given certain segments of the population had to reprioritise spending during the pandemic. Unsurprisingly, education providers were the most impacted by the effects of the pandemic-triggered economic crisis. Funding gave these companies a lifeline. Without CDC Plus support, they would have faced ripple effects – including job losses, diminished disposable income for families, and reduced spending.

**Digital products and services require significant investment that goes beyond the development of solutions to be successful.** As seen from the case study examples, the process requires important investment in time and resources, from advertising and marketing to driving uptake of the new digital solutions, to training staff and customers on how to use the tools and services, and implementing continuous updates and improvements.

**Finally, digitalisation is likely to continue to yield benefits beyond the pandemic.** All interviewed investees confirmed they would integrate the new digital solutions into their business models. After the pandemic, digital platforms may be key business drivers (mFine), complementary service offerings (Express Pharmacy, EduBridge) or used to enrich physical service offerings (Nalanda).

» *Introducing digital services reduced the strain on public health services and increased the coverage to remote and/or under-served populations.*

» *Digital products and services require significant investment that goes beyond the development of solutions.*

» *Digitalisation is likely to continue to yield benefits beyond the pandemic.*



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### About CDC Plus

In 2018, we established CDC Plus as our technical assistance and support facility. CDC Plus aims to make a lasting difference to the lives of underserved groups by increasing economic opportunity, improving standards of living, and creating a more sustainable environment. Using our experience as an investor in emerging markets, we identify and create opportunities that are beyond the scope of returnable capital.

### Triple Line

Triple Line is a consultancy that works with governments, financial institutions, the private sector, foundations and civil society to deliver an expanding portfolio of development assistance in countries across Africa, Asia, and the rest of the world. As captured in our name, we focus on the triple imperatives of inclusive economic growth, social development and environmental protection, which taken together enable us to deliver results that work for people and the planet.

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