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2nd Prize

Procter & Gamble's PuR Water Purifier: The Hunt for a Sustainable Business Model

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Abstract

Over the last 6 years, under the leadership of Dr. Greg Allgood, director of the Children's Safe Drinking Water Program, P&G has helped to distribute 65 million PuR packets. These packets have been used to purify 650 million liters of water, most often in rural locations. Over time, and through a variety of deliberate partnerships that Allgood cultivated in 10 countries, P&G has tested three different sales and distribution models: commercial marketing, social marketing and disaster relief-- each with varying degrees of success. Drawing from past successes and failures, Allgood is considering how to fulfill P&G's aggressive commitment to providing 135 million liters of safe drinking water in Africa and how to achieve long term behavior change.

This case presents the range of business models that P&G has explored for the sales and distribution of PuR. The case also presents the risks and hurdles inherent in these projects, as well as implications for their potential scalability to other countries/regions. Through this case, students may gain insight into both the challenges and significant opportunities in addressing the needs of low-income consumers in emerging markets.

Introduction

Greg Allgood watched again the seemingly-magical process of using PuR to purify a bucket of black and dirty water. He was always the first to take a drink of the final product, and this day would be no different—even though uphill from the watering hole where he and the community members had collected the water lay a dead dog. This wasn't the worst Allgood had seen, but it was certainly symbolic of the challenges in creating access to clean drinking water in developing countries.

After he had opened the small PuR sachet and poured the contents into a 10-liter bucket of dirty water, Allgood had stirred the contents for five minutes and watched with others as the dirt and other particles separated out and dropped below the now clear, clean water. Now Allgood strained the water through a clean t-shirt filter and took a long drink for the crowd. His only worry was his knowledge that this process would need to be replicated millions of times to meet his recent commitment to provide 135 million liters of safe drinking water. While Allgood knew how to meet that commitment, he still wondered if his plans for continued social marketing were the best way to achieve household penetration and real, long-term behavior change. As he formed his plans, he reflected briefly on the public promises he had recently made regarding providing safe water, as well on how far he and his company had already come.

In September of 2006, Procter & Gamble joined with their longtime partner Population Services International (PSI) at the Clinton Global Initiative to announce a commitment to provide safe drinking water in Africa. Working with PSI (and a variety of other partners) as part of their focal philanthropy program--The Children's Safe Drinking Water program--P&G publicly committed to providing 35 million liters of safe drinking water to more than 1 million children. In addition, through PSI's private sector approach and community-based outreach, the team promised to provide another 100 million liters of safe drinking water in Africa. P&G also committed to provide \$3.8 million to a variety of other partners focused on water issues. This included a commitment from P&G Retired Officers, funds from a cause-related marketing program in the U.S. sponsored by the PuR® Water Filtration Business, and contributions from the P&G Fund, P&G's philanthropic arm. The total financial commitment was \$5 million over three years.¹

After 6 years of working on the PuR project, Dr. Allgood, director of the Children's Safe Drinking Water program, had learned a great deal about how to market and distribute PuR by building a diverse web of partnerships. Already, about 65 million PuR packets had purified some 650 million liters of water, most often in rural locations where local populations draw and use their water directly from filthy and foul-smelling lakes and rivers. As P&G prepared to embark on its most significant PuR marketing campaign to date, Allgood considered how to leverage existing partnerships and how to create new partnerships to fulfill P&G's aggressive commitments to provide safe drinking water.

¹ "Procter & Gamble and PSI announce commitment to provide safe drinking water in Africa," PSI News Release, September 21, 2006.

Background on P&G

Established in 1837, the Procter & Gamble Company began as a small, family operated soap and candle company in Cincinnati, Ohio. In 2007, P&G marketed over 300 brands including Tide, Always, Crest, Braun, Charmin, Duracell, Folgers, Gillette, Pampers, Pringles, Tide, and Wella. With over 135,000 employees working in over 80 countries worldwide, P&G was the world's largest consumer products company.

P&G has always had a strong history of philanthropy, understandable in a company with a mission to "improve the lives of the world's consumers." The Corporate Sustainable Development (CSD) department was formed in July 1999 as a global organization under the leadership of George D. Carpenter. The department focused on defining P&G's overall sustainability policy, identifying emerging sustainability issues, managing corporate sustainability reporting, building external relations and assisting the business units to incorporate sustainable development into their businesses. P&G embraced sustainable development as a potential business opportunity, as well as a corporate responsibility. P&G demonstrated a commitment to the economic and social well-being of a range of stakeholders and to regional, national and international development.²

Since 2003, the Children's Safe Drinking Water program has led P&G's effort to provide clean drinking water to families. In its first three and a half years the program distributed enough PuR packets to provide 650 million liters of clean drinking water to children in need and their families around the world. In April 2005, P&G launched the Live, Learn and Thrive (LLT) program focused on the health and development of children aged 0-13. P&G goals for the children are "to help them live by ensuring a healthy start; to provide them with places, tools, and programs to enhance their ability to learn; and to help them develop skills for life so they can thrive."³ Children's Safe Drinking Water became the signature program for LLT.

Why water?

Clean drinking water is one of the world's greatest needs, according to the World Health Organization. Many children in developing countries simply don't have access to clean, safe water in their communities. These children have little choice but to drink from contaminated water sources so filthy and filled with germs that most in the West would not even walk through them, let alone drink from them. Drinking contaminated water can lead to illness such as diarrhea, typhoid fever and cholera, which can cause death. And, for people in developing countries who have AIDS, drinking contaminated water further challenges their immune systems and is a serious factor in the impact of this disease.

According to a UN study, more than 1.1 billion people in poor nations drink water that has undergone no treatment whatsoever.⁴ Each year, 3 million people die due to unsafe water, inadequate sanitation and poor hygiene. A majority of these deaths are caused by infectious

² P&G 2006 Global Sustainability & Philanthropy Report, http://www.pg.com/content/pdf/01_about_pg/corporate_citizenship/sustainability/reports/sustainability_report_2006.pdf

³ "World Water Day Highlights Around the P&G World," Bea Buyle, Global Sustainability, 02 May 2007.

⁴ "Making Troubled Waters Potable: An inexpensive water treatment technology is making a difference in poor communities around the world," Ivan Amato, Chemical & Engineering News, April 17, 2006, Volume 84, Number 16, pp. 39-40. <http://pubs.acs.org/subscribe/journals/cen/84/i16/html/8416sci3.html>.

diarrhea. An estimated 5,000 children under 5 years of age die daily due to diarrheal disease, ranked the third-highest cause of morbidity and sixth-highest cause of mortality in the world. Water is the most important route of disease transmission in many countries where there is little or no infrastructure to manage human waste or build appropriate water access and storage.⁵ Thus, while work on infrastructure continues, other alternatives such as decentralized and individually-based approaches for water treatment are becoming more and more important.

In-home treatment of existing local water sources, called point-of-use (POU) solutions, allow individuals to control the treatment (and therefore the resulting quality) of their drinking water. POU solutions can vary widely in their approach, effectiveness, and ease-of-use depending on the method of treatment. Ultimately, the cost of POU solutions and their widespread applicability make them a practical short- and long-term complement to water and sanitation infrastructure development.⁶

PuR: The P&G product response to the water issue

During the heyday of the dot-com era, P&G had to grow dramatically to compete. The CEO at the time, Dirk Jager, developed new businesses focused on the largest global problems. According to Allgood, “the focus on global needs made sense strategically for P&G and water was certainly a clear need.” The result was an early collaboration with the U.S. Centers for Disease Control and Prevention (CDC). From 1999 to 2001, P&G worked with CDC to conduct village-level trials of a low-cost water filter in Guatemala. Despite the failure of the filter product, P&G and CDC developed a good working relationship.⁷ During that time, goals migrated and through a series of events P&G and CDC decided to reverse-engineer the municipal water treatment process and to convert the treatment chemicals into a powdered form. In 2000, PuR® Purifier of Water™ was launched.

The PuR product is a small packet (or “sachet”) of a pre-measured compound designed to be mixed with 10 liters of water. The water can be in any state, from fully black and turbid to apparently clear but still contaminated. The packet-water mixture must be stirred for 5 minutes, allowed to flocculate (the pollutants bind to iron and other ingredients included in the sachet), and then the water must be filtered into a new container through a cotton cloth to ensure that all particulates are removed.

The treated water can sit in a household for several days and retain its purity and freshness for that entire period. During product demonstrations and in daily use, the PuR product appears miraculous when it visibly alters the appearance, taste, and quality of brackish, turbid, black water to clear, clean, and good-tasting water. PuR is able to remove pathogens that cause diarrhea including viruses, parasites, worms, and bacteria. In addition it removes arsenic, DDT, and other pollutants that make water unsafe.

⁵ PuR Marketing Plan, Dominican Republic.

⁶ Reck, J. & Hart, S., “Water for the Masses: An Assessment of Point-of-Use Water Treatment Solutions,” January 2004, Center for Sustainable Enterprise, Kenan Institute.

⁷ Hanson, M. & Powell, K. (2006). “Procter & Gamble PuR Purifier of Water (A): Developing the Product and Taking it to Market,” INSEAD case, p. 7.

"Where water is highly turbid, the PuR sachets produce water that looks and tastes better to its users and reduces the risk of diarrheal disease," said Stephen Luby, a former CDC medical epidemiologist. A growing body of field studies, mostly orchestrated by CDC and collectively involving more than 25,000 people, has shown that groups that use P&G's packets suffer only about half of the diarrhea episodes of groups that use untreated water sources. The chemical technology itself amounts to, in Allgood's words, "putting a mini-water-treatment plant inside a packet."⁸

Challenges in finding start-up funding

In 2001, Allgood (who earned a Masters Degree in Public Health and a PhD in Toxicology) joined the PuR team. He became the external relations leader for the Personal Health Care team, which included Vicks, ThermaCare and Pepto-Bismol in addition to PuR. Allgood came from the P&G Food and Beverage business where he launched Nutristar, P&G's micronutrient supplement, in Venezuela.⁹

After he joined the PuR team, Allgood's plan was to obtain external funding and to leverage the strengths of other organizations interested in similar goals. He first approached USAID to discuss collaboration to address the global safe drinking water need and to apply for a Global Development Alliance (GDA) grant. In late 2001, P&G submitted a grant proposal for GDA funding in partnership with the Academy for Educational Development (AED) to distribute PuR in very low income markets. The proposal was rejected without feedback.¹⁰ Despite a lack of external funding, village level testing of PuR, funded by P&G, began in Morocco and Pakistan in early 2002.

P&G concurrently began developing a relationship with Population Services International (PSI). At the time, PSI's expertise was in developing social marketing programs in developing countries.¹¹ In early 2002, P&G submitted a second grant proposal to GDA combined with a PSI partnership that promised a 20-country roll-out of PuR sachets. The proposal was rejected with the explanation that the scope was too big.

In early 2003, P&G submitted a third proposal to GDA, more scaled down than the second one, in joint partnership with PSI, the Johns Hopkins Bloomberg School of Public Health, and CARE. In August 2003, USAID approved \$1.4 million in funding through GDA for the *Safe Drinking Water Alliance* to provide safe water in Ethiopia, Haiti, and Pakistan. The partners decided to conduct an 18-month pilot to test 3 models that were compelling to Allgood: commercial marketing, social marketing, and disaster relief.¹²

⁸ "Making Troubled Waters Potable: An inexpensive water treatment technology is making a difference in poor communities around the world," Ivan Amato, Chemical & Engineering News, April 17, 2006, Volume 84, Number 16, pp. 39-40. <http://pubs.acs.org/subscribe/journals/cen/84/i16/html/8416sci3.html>.

⁹ "Doing Business with the Poor: A field guide," World Business Council for Sustainable Development, <http://www.wbcsd.org/web/publications/sl-field-guide-reprint.pdf>.

¹⁰ Hanson, M. & Powell, K. (2006), "Procter & Gamble and Population Services International (PSI): Social Marketing for Safe Water," p. 6.

¹¹ Conceptual Note Proposal: Haiti: Clean Water, Good Business. Proposal to the Business Linkages Challenge Fund.

¹² USAID Press Release, 29 April 2004, Public-Private Partners to Spend \$5 Million for Safe Water Safe Water Alliance will begin work in Haiti, Pakistan. <http://usinfo.state.gov/xarchives/display.html?p=washfile-english&y=2004&m=April&x=20040429164019IHecuoR0.1296656>

Sally Cowal, a senior vice president with PSI, said of the partnership, "They don't know particularly well how to reach the bottom of the pyramid in the countries we work in; that's what we know really well. But they know things about brands and brand management and sophisticated marketing and sales techniques that we [can] learn from them."¹³

Declared commercial failure in Pakistan

PuR's first commercial test markets were conducted in Guatemala and the Philippines in 2001 and 2002. Despite the public health benefits of the projects, both were considered failures due to low repeat purchase numbers. In 2002, P&G conducted village-level testing of PuR in Morocco and Pakistan. After a year of testing and public health education, all of the Pakistan village tests were achieving a market penetration rate of about 50%. Despite the promising trial results in Pakistan and the recently received USAID funding, many at P&G still felt that the project required too much public health education infrastructure investment to provide a profitable product line. Said Allgood, "we didn't have the capability to provide education where it was needed and we had to invest a lot to develop it. This resulted in an investment hole that required very high use rates to climb out of."

Allgood argued for emergency relief and social marketing opportunities for the product as well as for the opportunity to leverage the project for employee engagement and for stakeholder relationships. In addition, because the clinical studies showed a dramatic reduction in diarrheal illness, Allgood felt P&G had a real opportunity to make an impact on a critical public health crisis by helping save the lives of many children. As part of his role on the leadership team of PuR, Allgood met with CEO A.G. Lafley on several occasions to assess the product status. After some discussion, Lafley agreed to support launch of a commercial test market in Pakistan and to create a new not-for-profit group within P&G, the Children's Safe Drinking Water program, to allow P&G to provide PuR for social marketing and for emergency relief. At the time, the feeling was that the project would only be pursued long-term if the Pakistan market was successful.¹⁴ Even Allgood envisioned that P&G would provide PuR through social and emergency relief methods with the help of a successful commercial strategy.

With clearance to continue to test the commercial model in Pakistan, in June of 2004, P&G conducted a high profile PuR product launch. PuR sold for the equivalent of about \$0.10 a sachet (5 rupees). The launch primarily targeted the urban population in Sindh Province of 15 million.¹⁵ To achieve the aggressive goals of the commercial campaign, P&G partnered with the Pakistan Medical Association (PMA), Johns Hopkins Bloomberg School of Public Health, PSI and its local affiliate Greenstar.¹⁶ PSI/Greenstar was part of the launch because they were part of the Safe Drinking Water Alliance but they did not have an active role. Allgood included PSI/Greenstar because he respected how well they knew the country and because he

¹³ "A Clear Solution for Dirty Water," Tim Loughheed, *Environmental Health Perspectives*, Volume 114, Number 7, July 2006. <http://www.ehponline.org/members/2006/114-7/innovations.html>.

¹⁴ Hanson, M. & Powell, K. (2006). "Procter & Gamble PuR Purifier of Water (A): Developing the Product and Taking it to Market," INSEAD case, p. 10.

¹⁵ *Ibid.* p. 11.

¹⁶ *Urdu Times*, "Social Sector to Get Major Share in Budget: Soomro," May 28, 2004, <http://www.urdutimes.com/englishnews/2004/05/28/en18/>.

saw them as a potential partner in an exit strategy for Pakistan in the event that the commercial launch was not successful. Allgood knew that if the commercial project failed PSI/Greenstar would likely continue to work with P&G on an alternate strategy, such as social marketing or disaster relief.

As part of the launch they created the largest safe water awareness campaign ever held in Pakistan, conducted in collaboration with the PMA. Education teams consisting of 1400 members went into more than 40 top cities, educating on a one-on-one basis, mothers, children, and heads of families in more than 1.66 million households.¹⁷ The PuR commercial launch was one of the highest profile launches in P&G's ten-year history in Pakistan. The Pakistani Vice President and a number of government officials attended the launch.

Six months later, the Pakistan results were slower than expected (repeat purchase hovered around 5%). In thinking about why the launch "failed" Allgood reflected that P&G experienced several challenges during the launch. A critical element of the success of the village level tests was the education programs in schools; however, the launch of the test market coincided with a teacher's strike preventing implementation of a school education program. In addition, the marketing campaign developed by Hopkins was not released until after the six month critical launch window. Based on the low repeat purchase rate, P&G was faced with a negative return on investment. The decision was made to end the commercial test market.

Thus, in late 2004 Allgood suggested P&G move PuR from a commercial to a social marketing strategy instead of fully exiting Pakistan. P&G Pakistan donated product, Allgood's group provided technical assistance, and the P&G Fund provided \$250,000 to help PSI/Greenstar transition to a social market.

Emergency and disaster relief models in Southeast Asia

While Allgood was already aware of the opportunity to use PuR in disaster relief programs due to its portable, lightweight nature, its effectiveness in heavily contaminated waters, and its 3-year shelf life, the opportunity came more clearly into focus after the devastating Asian tsunami in December 2004. At the time, P&G had already decided to continue to provide PuR as a not-for-profit effort and was early in the launch of the Live Learn and Thrive program with Children's Safe Drinking Water as the signature program. When the tsunami hit, emergency relief personnel from Samaritan's Purse, AmeriCares, and UNICEF called P&G requesting shipments of PuR based on prior relationships. UNICEF and AmeriCares had previously purchased PuR from P&G for use in emergency relief. At the time of the tsunami, Samaritan's Purse was already in discussions with P&G to purchase PuR.

P&G had a large stockpile of PuR after the slow results in the Pakistan test market. Initially, P&G sold sachets at cost to aid organizations but once the scope of the disaster became clearer, they decided to donate product. P&G donated a total of \$3.1 million in product and cash which resulted in delivery of 13 million packets of PuR for Sri Lanka, Indonesia, and the

¹⁷ "P&G Pakistan, Company Overview 2004,"
<http://www.pg.com.pk/downloads/P&G%20Company%20Brochure.pdf>.

Maldives.¹⁸ Said Allgood, “P&Gers had made the decision to continue providing PuR prior to the tsunami but the tsunami was really a watershed moment. As we began to help save lives during the tsunami by providing PuR, P&Gers understood on a gut level that we were making a critical contribution to society and that we could turn a commercial failure into a humanitarian success.” Thus, P&G entered the disaster relief field with a mixture of product sales (usually at cost) and donations. As a result, P&G created new partnerships and strengthened existing ones with humanitarian organizations.

Testing the social marketing model in Haiti

While Allgood created a disaster relief strategy, he also worked with PSI on a social marketing strategy. Even before the perceived failure of the commercial marketing model in Pakistan, P&G and PSI decided that a social marketing model may be most appropriate in certain markets where economic and infrastructure constraints limit the commercial model. Specifically, the social model involved the use of established social marketing distribution channels by nonprofit organizations as well as a social network approach with local NGOs and Ministries of Health. While P&G had no experience with this approach, PSI had already successfully used this model in parts of the developing world to provide important health products including insecticide treated mosquito nets to prevent malaria and condoms to prevent the spread of the HIV virus.¹⁹ According to Allgood, “In a very important way, we’re combining not only the biggest and best social marketing company in the world with the biggest and best consumer products company in the world. Together, we’ll make a very important difference for people in the developing world.”

In January 2005, the partnership launched its first social marketing campaign for PuR in Haiti. PSI developed a social marketing strategy with assistance from P&G. PuR was sold to wholesalers and NGOs for them to sell to consumers at a subsidized price of 3 gourdes (about \$0.08). At the time, P&G had no significant commercial network in Haiti but PSI had been operating there since 1989. PSI Haiti had created a foundation of private-sector infrastructure and NGO partners that could be used to bring diarrheal disease prevention techniques to underserved populations across the country.²⁰ Diarrhea was the leading cause of death among Haitian children less than a year old, and the second leading cause of death among children ages 1-5 years, primarily due to the ingesting of unsafe water.²¹

In March 2005, the UK government’s Department for International Development (DFID) contributed £224,943 to PSI Haiti for the “Haiti: Clean Water, Good Business” project, through the Business Linkages Challenge Fund. PSI Haiti marketed PuR using a network of women’s groups it had worked with in the past. PSI Haiti and P&G provided these women’s groups with product and materials, as well as formal training in marketing, sales, and behavior change techniques. Once trained, these women’s groups marketed PuR at the

¹⁸ “A Clear Solution for Dirty Water,” Tim Lougheed, *Environmental Health Perspectives*, Volume 114, Number 7, July 2006.

¹⁹ “Procter & Gamble, Treating water at its point of use,” Case Study, World Business Council for Sustainable Development, 2006.

²⁰ “Haiti: Clean Water, Good Business.” Conceptual note proposal to the Business Linkages Challenge Fund.

²¹ MSPP/PAHO, 1998, *Analyse de la Situation Sanitaire Haïti : 1999*. Port-au-Prince, Haïti.

community level.²² Due to the unfolding political crisis, the education campaigns were interrupted. By the end of 2006, Haiti had not met sales objectives. “We couldn’t register the product because there was no government,” reported Allgood. He continued, “During that time, PSI never left the country when a lot of other NGOs did leave.”

“Despite all the difficulties of operating in Haiti, PSI Haiti initially did pretty well with PuR,” said Allgood. Within a year of the launch, P&G had delivered 1.6 million sachets: half through social marketing (radio ads, billboards, and reaching people through large events like Carnival) and half through institutional sales. “One of the things we’ve learned is that large scale events don’t result in repeat purchases,” said Allgood. “PSI used radio ads and events that reached lots of people and built awareness but these approaches were not by themselves sufficient for people to adopt a brand new health prevention habit.” Allgood’s goal, as with our other social markets, was to establish a self-sustaining program. When he talks about it he says “In Haiti, we’re a long way off. Because of the security issues and lack of infrastructure, it’s been difficult for PSI to conduct the community level education and training necessary to create long-term habit change. Despite the challenges, PSI has been able to provide more than 16 million liters of safe drinking water via the PuR sachets in Haiti. In addition, we’ve learned a lot about where we need to focus and have slowly built relationships with local groups who are beginning to adopt PuR into their programs.”

Transitioning from commercial to social marketing through emergency relief in Pakistan

In early 2005, PSI Pakistan began to transition from the commercial to the social marketing campaign. As Allgood had hoped, PSI worked in close collaboration with its local partner, Greenstar, as well as with several former partners from the commercial marketing attempt. P&G provided the Pakistan project with \$250,000 and product labeled in Urdu. Allgood and P&G required a sustainability plan for the social marketing campaign. In the plan, after the initial donated sachets were exhausted, P&G would sell PSI additional sachets at a cost recovery price of \$US0.035/packet. The sachets would retail for about \$US0.10 to allow for taxes, PSI overhead, and a margin for the distributors, wholesalers, and retailers. Allgood created this “cost recovery” pricing and sales structure as part of his strategy to make the social marketing model sustainable for all parties—including the small-scale retailers in these developing countries.

However, prior to the start of the social market, a large earthquake devastated northern Pakistan. Because PSI and Greenstar had Urdu labeled product and trained teams and because of the outreach conducted with the relief groups as part of the failed commercial attempt, many groups were eager to use PuR to provide safe drinking water to the survivors of the earthquake. PSI and Greenstar were able to provide about 9 million sachets in relief efforts. Allgood used the Safe Drinking Water Alliance to approach USAID’s Global Development Alliance and very rapidly used their existing partnership to provide additional funding to support the relief effort and reach 50,000 households.

A different kind of disaster occurred as P&G was increasing production to address demand from the Pakistan earthquake. Arch Chemicals, a global biocides company and the supplier of

²² “Haiti: Clean Water, Good Business.” Conceptual note proposal to the Business Linkages Challenge Fund.

calcium hypochlorite (the disinfectant active ingredient for PuR) reported that they were no longer making the ingredient to P&G's specifications. The suppliers thought that they could make a different grade of the disinfectant—not realizing that their compound was, in effect, a “secret sauce” in PuR that enabled it to treat a wide range of waters with a single formula. Said Laura Tew, Director of Stakeholder Relations at Arch Chemicals “One of our employees, Bea Pomeraniec, received the e-mail on October 24, 2005 for a product order from P&G. The Arch Charleston plant was just ‘ramping up’ its production to build inventory for the spring swimming pool season in North America. The calcium hypochlorite characteristics for this application are slightly different from that needed for the PuR formulation. Bea's experience with the P&G procurement team and her natural inclination to be a customer advocate gave her all she needed to escalate the request to the Arch director of manufacturing and the quality team at the Charleston facility. The facility stopped its regular production over the weekend, made the necessary change, and added the special production request to their weekend production plan to meet the PuR required specifications.” Arch Chemicals has supplied specialty ingredients to P&G for over 40 years, so the business proposition of working with P&G on the PuR formulation was very important.

Learning from the social marketing experience in Uganda

To continue to increase the availability of clean water and to continue to learn more about how to market and sell the product, Allgood and PSI picked the next country that PuR would enter. They made the choice based on rates of illness and death due to lack of access to clean water. Because PSI was very decentralized they also wanted to find a place where their own country manager was interested in introducing PuR. USAID was already funding PSI with social marketing of condom distribution in Uganda and P&G and PSI agreed informally to continue to work together in Uganda to add PuR to the portfolio of PSI products there.

In 2005, the PSI Uganda country office formally expressed interest in participating in the PuR project. P&G's NGO partner the International Council of Nurses (ICN) was also interested in collaborating. Later in 2005, the group launched a social marketing campaign relying heavily on promotion, communication and education. The plan was a series of 17 product launches across the country. The first day of the launch, PSI met with thought leaders, hospitals and tribal leaders and gave them a seminar on the importance of access to clean drinking water. The next day was filled with a trade blitz and product demonstrations. The third day featured a concert with Ragga D, a popular Ugandan musician.

The same day of the launch for western Uganda, Allgood did an impromptu demo at a water hole with one of the P&G sales representatives. The water was very turbid and the people observing the demo were very excited about the results. One of the observers was a social worker and asked the P&G team to do the same demonstration in his village a short distance away. At the next village, the water was even worse. The social worker got the tribal leaders and a nurse to participate in the demo. Allgood and the PSI sales rep then sold all of the product they had on hand, which ultimately was more than what was sold that entire day at the concert with Ragga D.

“The Uganda launch was executed superbly well but it still didn't work well towards our goal of a sustained social market,” said Allgood. “We've learned the hard way that those large scale

events don't lead to long-term sustained habit change or even immediate sales." It took over a year, but eventually the partnership in Uganda adapted to focus on grassroots programs to reach more people in rural areas. In late 2005, with some uncertainty around future funding, P&G helped PSI Uganda secure additional funding for the project through a program by P&G UK/Ireland to tie their business success to providing safe drinking water.

In early 2006, PSI lost their USAID funding for the social marketing campaign in Uganda. The safe drinking water work by PSI benefited from the infrastructure provided by the USAID funding. Said Allgood, "A lot of PSI's infrastructure had been supported by USAID. P&G philanthropy provided all of the funding to PSI to launch PuR but the level of funding assumed that there was an existing healthy program. Unfortunately, PSI was not awarded a 5 year extension on its US government funding. This is the way of life in the donor world and we knew this was a possibility. One of the reasons we picked PSI as a partner is the fact that despite these challenges, they have an excellent track record of staying in a country."

With the loss in funding and because the US government had provided the entire funding for the introduction and marketing of most of PSI's other brands, PSI had to turn those brands over to their competitor. According to Allgood, "because PuR was being carried by distributors as part of a line-up of PSI products, this loss in USAID funding meant that PuR lost distribution throughout the country and alternative distributors would need to be identified." This was a setback in Uganda and an alteration of the partnership, but ultimately, by late 2006, some monies were collected to allow PSI to stay in Uganda. Since the launch, PSI has provided more than 2 million sachets of PuR in Uganda. However, the uncertainty of relying on any one country for results suggested to Allgood and others that partnerships be expanded to several countries at once to "hedge" against the kind of situation that occurred in Uganda.

Working with local partners in the Dominican Republic

Thus, also in 2006, PSI requested that P&G bring PuR sachets into the Dominican Republic. In parts of the Dominican Republic, 8 out of 10 people do not have water in their homes. Many people walk 15 minutes or more to collect their water from rivers. Unlike the other countries where P&G worked with PSI, PSI was using their own funds to initiate this market. For Allgood, "It's a bold statement for a non-profit to invest their limited unrestricted funds in our Children's Safe Drinking Water program."

The strategy focused on the commercial market with PSI distributing PuR through three principal channels. The first was Distribuidora Corripio, the largest distributor of consumer products in the Dominican Republic. Because PuR was a P&G product, Corripio donated their services to distribute PuR to *colmados*, the 30,000 small consumer shops across the country. Corripio also donated air time on both radio and television in order to increase public awareness of PuR. Another distribution channel was through Daniel Espinal which served the pharmacy chain Farmax. Daniel Espinal agreed to position PuR in the pharmacies and to cooperate in a donation program in their mid- and high-end stores by providing a collection container for donation of PuR sachets. PSI also distributed PuR through international and local NGOs with which it had prior relationships. Said Allgood "this had pluses and minuses but overall it didn't work very well because the NGO network of PSI had

less incentive to provide PuR when it was being provided by Corripio.” In the end, the large-scale marketing approach of TV ads didn’t work in the Dominican Republic.

The move to school programs in Uganda

In 2006, P&G reached 17 million school children through a variety of educational programs related to hygiene. As a result, the company had developed experience with school programs and had demonstrated that they can be an effective tool in building both trial and longer-term use of a brand as well as contributing to important public health issues. Along with PSI Uganda, P&G agreed on a three-pronged social marketing approach for providing PuR to schools designed to create household behavioral change.

First, they would sample PuR in schools using nurses or teachers as the educators. They would directly engage the parents of these children by providing educational materials as well as an incentive such as a prize or free school fees for a boy and girl in each school. Second, they would build trade awareness of the efforts through the PSI sales reps, who would pick the schools and ensure good product distribution in the surrounding areas. Third, they would conduct a radio campaign to highlight the need for safe drinking water in schools as well as to describe the extensive outreach campaign to provide safe drinking water in schools.

In August of 2006, PSI Uganda completed a pilot, providing safe drinking water education and training in three primary schools in the Soroti District. In each school, children were selected and educated about safe water, hygiene and the use of PuR. After the training, each pupil was given 3 gift sachets of PuR and a leaflet containing information on safe water and hygiene to take home. Pupils were encouraged to demonstrate use of PuR to their parents and to remind their parents to use PuR to treat their drinking water. Parents filled out a questionnaire and children brought back empty sachets to win a prize.

P&G also used PSI staff in Uganda to excite the trade by providing posters and information. PSI was responsible for picking the schools where the product was appropriate, making sure there was distribution near the school and letting the school people know where to get the product. PSI also used mass media, a talk show format in a radio campaign, to talk about unsafe drinking water and convey the message that “PSI will provide 20 million liters of drinking water in Uganda”.

Monitoring of this work showed that household use of PuR increased from 5 % to 25%. Of the 1,853 pupils trained, 750 brought back coupons with 3 or more empty sachets attached. More than 4,500 used sachets were returned. On average, 6 sachets were returned by each child signifying that 3 additional sachets had been bought by his/her family.²³ “I’ve learned enough to feel strongly that school programs are critical to the sustainable provision of the PuR sachets, and that they can meet an important public health need” said Allgood. P&G also conducted controlled tests distributing product with and without school programs in Pakistan and Morocco, both eventually indicating high repeat usage through school programs.

²³ Uganda PuR Schools Program, A Nationwide roll-out in 20 districts, PSI Proposal, December 2006.

Adapting the school model in Kenya

Typically the cost to launch a PuR social marketing campaign in an average-size country ranges from \$500,000 to \$1 million, although this estimate varies greatly based on the other partners and the characteristics of the country. To launch a new campaign, P&G would provide technical and product marketing expertise. The P&G Fund would often provide cash for marketing materials, infrastructure building and initial product purchase. The goal was that the campaign would become self-sustaining through the cost recovery model.

PSI Kenya initially received \$500,000 from the P&G Fund to launch PuR in Kenya February 2006. Thanks to the US PuR Water Filtration cause-related marketing program, PSI received another \$800,000 over two years (\$600K from the P&G Fund match and \$200K from the PuR brand). Prior to the launch by PSI Kenya, P&G had been providing PuR to women's groups through a collaboration with CDC following cessation of a clinical study in which PuR was shown to reduce diarrheal illness and mortality. Because of these two year demonstration project, many external partners knew about PuR and were eager to work with P&G.

One of the new partners in the Kenya launch was CFW Shops, run by nurses who provide critical health products in remote and poor areas. The nurses go into the communities to conduct classes in schools, churches, or with community groups. CFW agreed to purchase and provide PuR to the communities where their 55 shops were located. Even though P&G Kenya only had about a dozen employees, they made a commitment to provide more than 1 million liters of safe drinking water over three years working with CFW Shops.

In addition to the three-pronged approach used in Uganda, P&G tested a more in-depth adoption of a school for a semester with Save the Children, CFW, and CARE in Kenya. P&G launched pilot school programs providing safe drinking water using PuR in 3 schools with CARE (later expanded to 20 schools), and with PSI to reach 400,000 children over two years. UNICEF developed plans to provide safe drinking water and hygiene education in schools and communities in the Siaya District. The Kenyan Nurses Association, in collaboration with the International Council of Nurses, began provision of safe drinking water in 2 orphanages with PuR.²⁴

Connecting clean drinking water to HIV/AIDS

P&G also built capacity in Kenya by working with groups focused on HIV/AIDS. SWAP (the Safe Water and AIDS Program), supported by an Atlanta Rotary club, sold a range of goods which included PuR (one of the biggest sellers) as well as bleach, bed nets, water, protein supplement, and other products. Another organization, Village AIDS Clinics, started providing PuR among the Maasai population. There was great need for clean drinking water because of high rates of diarrhea and lowered immune response to pathogens in the drinking water due to high rates of HIV/AIDS.²⁵ Initially, Village AIDS Clinics tried to sell PuR at the clinic. But, people were getting free ART and bed nets so it was hard to sell them PuR. Instead Village AIDS Clinics decided to do highly targeted free distribution to people with

²⁴ Commitment Progress Report: September-December 2006, Clinton Global Initiative.

²⁵ Ibid.

HIV and AIDS. This included providing PuR along with infant formulation to new mothers who were HIV/AIDS positive in order to prevent the transmission of HIV to the infants via breast milk.

P&G also worked with the International Federation of the Red Cross and Red Crescent Society (IFRC) to address the HIV/AIDS issue. The relationship between the two organizations went back to when the IFRC used PuR in Sri Lanka to help tsunami survivors. More recently, the IFRC worked with the Kenyan Red Cross so that they could leverage their existing infrastructure for providing home-based care for people living with HIV/AIDS. P&G provided funding and the PuR product. The acceptance of PuR was extremely high because the Kenyan Red Cross volunteers took the time to enlist the community. They had a community gathering and asked if people wanted to take part in the effort. They also met with the local chief's council and gained their agreement. Said Allgood after visiting the homes of dozens of the community members, "I hear from each household how critical safe drinking water is in order for people to live positively with HIV/AIDS. I hear about the debilitating, persistent diarrhea people had before using PuR. They know that people living with AIDS have opportunistic infections and that safe drinking water is preventing waterborne illnesses." The Kenyan Red Cross reached about 3,500 people with PuR in this area. Because of the existing Red Cross infrastructure, the cost to provide PuR treated water to a person with HIV/AIDS was less than 2 cents per day, but many of these people could not afford a single penny. According to Allgood, "PuR plays a critical role for people with HIV/AIDS and the fact is that this product may have to be provided for free in these circumstances."

The response to PuR inside P&G

Clearly, the PuR team had learned much about when, where, and how to best market and sell this unique product. The response within the company was also one of continual learning and some surprises. Although initially support for PuR was slow to build because of the failed commercial attempts, by 2006 Allgood and his team had managed to generate strong support for the work at all levels of the company and even around the globe. In November and December of 2005, P&G Italy launched a customer relationship marketing (CRM) effort "Pure Water Mission" and donated 70,000 sachets to PSI Pakistan. Support for PuR grew at P&G headquarters. In May 2006, the PuR Water Filtration brand (same brand name but different technology and only available in North America) launched a CRM campaign "Buy PuR, Save Lives" which provided \$800,000 over two years through a combination of PuR brand contributions and the P&G Fund.

In the summer of 2005, various retired P&G officers met to review the PuR initiative. At that point, retired P&G Vice President Mike Kremzar, retired Group Vice President Chuck Fullgraf, and retired CFO and Senior Vice President Jim Nethercott spearheaded a program to ask other retired officers to contribute financially to the Children's Safe Drinking Water program. In addition to strategic input and support, 56 retired P&G officers (representing 100% participation) pledged over \$680,000 to expand the Children's Safe Drinking Water program in Africa. It was the Retired Officers' personal contributions, along with P&G Fund contributions, that allowed P&G to expand into Malawi and Kenya. The contributions went to PSI.

According to Allgood, "It's been a great honor to work closely with these executives. While showing their heart in making these contributions, they've also given us a tremendous vote of confidence for our efforts and the potential for our program. Along the way, we reviewed our program with retired Chief Executives Ed Artzt, John Pepper, and John Smale. Not only did these legends in business provide useful input to our program, but I was impressed that they each individually took the time to have conversations with me to convey their deep support of the program and their feeling that it was a great and historic decision by the Company to pursue this mission to serve children."

Ed Artzt commented on the retired officers contribution, "This is a wonderful program, and it illustrates not only the ability of P&G alums to come together to do vital work but it also indicates how the special skills of P&G people can be valuable in helping to make a difficult program such as this successful. For example, the money that goes to PSI is used primarily for marketing, training of nurses, radio advertising, and school clinics. As you look at what's being done, what emerges is the skilled-hand of P&G-trained people directing efforts that are efficient, consumer friendly and, in the end, producing results."²⁶

P&G had definitely received a great benefit from the PuR project. It helped with employee morale and increased the understanding that employees were working at a socially and environmentally sustainable business. When former CEO John Smale found about how much the Children's Safe Drinking Water initiative cost, his response was "The decision to pursue the Live, Learn, and Thrive program is the best decision the company has ever made (in the context of philanthropy)."²⁷

According to CEO A.G. Lafley, "Quite frankly, PuR Purifier of Water was not a commercial success. The people who need it most are least able to afford it. But we stuck with the program because we believed it was the right thing to do and we knew we could make a difference. And we created an innovative, market-based distribution model that makes it economically feasible to get this product where it's needed most."²⁸

The way forward

P&G was now fully committed to long-term not-for profit sales and distribution working with a variety of partners. "I'm blown away by the level and extent of cooperation," Allgood recently stated publicly, adding: "we've not seen anything like it in our 170-year history. Since 1991, UNICEF, USAID, CARE, AmeriCares, PSI, Johns Hopkins, the International Council of Nurses, and many other groups have partnered with us to provide safe drinking water in the developing world."²⁹

Allgood realized that he and his team and many partners had accomplished a great deal using a range of innovative strategies, but still the commitments he had made loomed large. He

²⁶ E.L. Artzt Afternoon Talk – Geneva Alumni Reunion, June 10, 2006.

²⁷ P&G Commitment Progress Report: September-December 2006, Clinton Global Initiative.

²⁸ P&G 2006 Global Sustainability and Philanthropy Report, http://www.pg.com/content/pdf/01_about_pg/corporate_citizenship/sustainability/reports/sustainability_report_2006.pdf.

²⁹ "Making Troubled Waters Potable: An inexpensive water treatment technology is making a difference in poor communities around the world," Ivan Amato, Chemical & Engineering News, April 17, 2006, Volume 84, Number 16, pp. 39-40. <http://pubs.acs.org/subscribe/journals/cen/84/i16/html/8416sci3.html>.

knew that prior to 2006, almost 90% of PuR product had been for emergency relief, but that the balance between social markets and emergency relief was shifting. In fiscal year 2006, 50% of volume was actually for social markets albeit much of this provided for emergency use. Thus, despite the great progress, Allgood was plagued with the questions: how he could meet the goals he had set to expand the reach of PuR? What was the most important step at this stage to build the PuR Purifier of Water brand? More specifically, he pondered three questions related to his desire to achieve long-term household-level behavior change:

1. P&G is now considering further exploration into the connection between HIV/AIDS and clean drinking water. Where should they go? How can they leverage existing partnerships and build new partnerships to address this new market? What have they learned from their successes and failures that will allow them to successfully assess this new market?
2. What strategy would allow P&G to best meet the aggressive Clinton Foundation commitments? What new markets or new countries should they investigate or enter? What would be the strategic approach? Will this result in long-term habit change and a self-sustained market?
3. Based on the very positive reception and use P&G has seen when the product is donated (like with the Kenyan Red Cross), the company is considering additional focus on free distribution instead of social marketing. This is similar to issue with insecticide treated bed nets that were socially marketed for years but now massive funds are being provided to distribute them for free. Should the company more aggressively pursue this strategy? What are the benefits and detriments to P&G and the PuR brand? To the people in these countries?

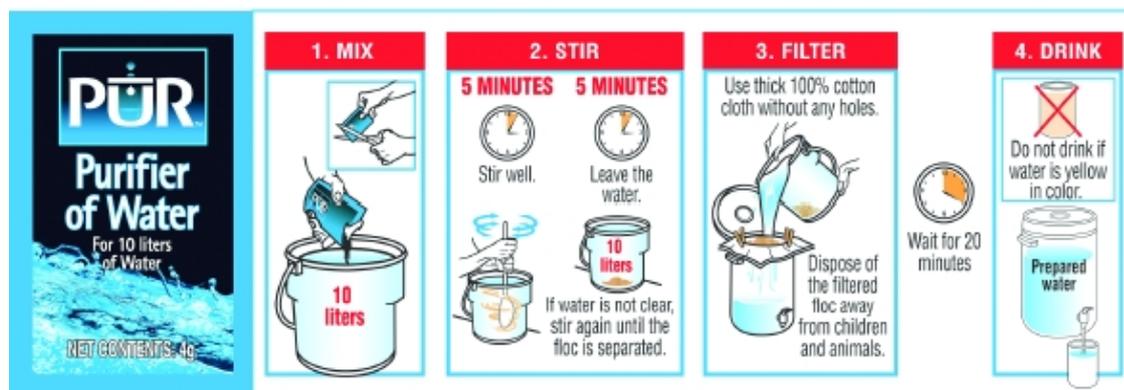
Appendix A: Existing Water Treatment Solutions

Exhibit 1 – Point-of-Use Solution Comparison Table

Treatment	Key Strengths	Key Limitations	Initial cost outlay for users	Single user price per year	User price per liter	Estimated production cost to price ratio
Bottled	<ul style="list-style-type: none"> Convenience Avoid water treatment 	<ul style="list-style-type: none"> Unknown source risk 	\$.10 - \$.30	\$22 - \$220	\$.03 - \$.30	30%
Filtered	<ul style="list-style-type: none"> Availability and range of filter types Effective with some contaminants Can provide some aesthetic improvement 	<ul style="list-style-type: none"> Results vary dramatically with filter type and condition Need for equipment maintenance Need for education 	\$5 - \$25	\$10 - \$50	\$.01 - \$.07	70%
Chemical	<ul style="list-style-type: none"> Clinically proven Chlorine availability Effective with most pathogens Residual disinfection Works with turbid water 	<ul style="list-style-type: none"> Time required for treatment Not effective with certain strains of contaminants No visual indicator of treatment success Treatment changes taste and odor Need for education 	\$.10 - \$.60*	\$.10 - \$1.20	\$.0002 - \$.002	30%
Combined Chemical	<ul style="list-style-type: none"> Clinically proven Effective with most pathogens Neutralizes organic/inorganic contaminants (i.e., metal) Residual disinfection Visual proof of treatment 	<ul style="list-style-type: none"> Several steps and time required for treatment Need for education 	\$.035 - \$.10*	\$2.50 - \$7.30	\$.0035 - \$.01	30%
Ultraviolet	<ul style="list-style-type: none"> Addresses some hard to treat contaminants Does not address taste, color, smell Can treat large quantities quickly 	<ul style="list-style-type: none"> High material cost Water must be stored and consumed quickly due to contamination regrowth Need for equipment maintenance 	\$810	\$2 - \$20	\$.002 - \$.027	70%
Solar	<ul style="list-style-type: none"> Clinically proven Effective with most pathogens Does not address taste, color, smell Material availability 	<ul style="list-style-type: none"> Weather dependency Oversight required Must be stored and consumed quickly Not effective with some contaminants Need for education 	\$0 - \$1	\$0 - \$1	\$.001	N/A

* User costs for several solutions take into account both subsidized (low end of price range) and unsubsidized (upper end of price range) retail prices.

Appendix B: PuR Purifier of Water



Appendix C: The Cost Recovery Model

Approximate Cost Per Sachet	Explanation
\$0.035*	Cost to manufacture sachet in Pakistan
\$0.005	Cost to ship product in other countries
\$0.01	Typical duty/tariff to import
\$0.01	Margin for PSI overheads/infrastructure
\$0.03	Margin for distributor/wholesaler/retailer or local NGO selling to provide profit incentive
Total \$0.10	Final cost to end-user.

*Humanitarian groups can purchase PuR sachets labeled in English at a subsidized cost of \$0.035 per sachet plus shipping from P&G. The current minimum order quantity is 1.14 million sachets which is the amount that fits in a 20 foot sea container.

Appendix D: Jemima's Story

4,000 children worldwide died today of disease caused by drinking water like this.



The good news is, there's something you can do tonight to help save other children tomorrow.

Imagine that you live in a remote African village where the only options you have are to drink from a filthy, germ-contaminated water hole, or to die of thirst. Now imagine being a parent in that village and your child is thirsty.

Jemima Odo, a mother of 8, didn't have to imagine it—she lived it.



Jemima Odo is now an ambassador of courage and hope.

ONE MOTHER'S STORY

The Odo family lived in a small village in the western hills of Kenya next to a brown, muddy water hole. Like most of the waterways running through this part of the country, the water was contaminated with a variety of parasites, germs and viruses, making it unsafe for human consumption. Most of us would not walk through this water with bare feet, but Jemima and her family drank it every day—they had no other choice.

Like other families in the village, the Odos did what they could to make the water safer to drink, but their best efforts were ineffective. Illness was rampant in the village. The healthiest adults were able to withstand the challenges to their immune system, but the young, the weak and the sick would often succumb to disease and death. Two of those victims were Jemima's children.

Already weakened from HIV, Jemima fell victim to the unsafe water. Her weight dropped to 75 pounds and her resolve started to crumble. Yet, despite her illness and grief, Jemima remained hopeful in the face of a hopeless situation. **And then the breakthrough happened.** New technology in the form of a simple water purification system, PUR® Purifier of Water, turned the water taken from the village water hole from a deadly enemy to a life-giving resource.

With the help of this technology—and an enduring commitment from Procter & Gamble (P&G) in the form of the Children's Safe Drinking Water (CSDW) program—the situation in Jemima's village changed dramatically.

"Only two years ago, I was weak and bedridden," Jemima said. "Today, I'm healthy, strong and 40 pounds heavier. PUR and CSDW have been a blessing to not only my family, but the community as well."

With every purchase of a PUR Water Filtration System, P&G is donating a portion of the proceeds to expand the Children's Safe Drinking Water program in Kenya.*

A PUR SOLUTION: CHILDREN'S SAFE DRINKING WATER PROGRAM

The World Health Organization calls safe drinking water "one of the world's greatest needs." Every day, approximately 4,000 children worldwide—the population of a large US high school—die because they don't have safe water. Kenya, in particular, is one place where clean water is still only a dream in some villages.

The breakthrough that helped make water purification possible in places like Kenya is PUR Purifier of Water—a technology borne of the collaboration between P&G Health Sciences Institute and the US Centers for Disease Control and Prevention. PUR Purifier of Water is a powdered product that effectively reduces parasites, bacteria and other contaminants found in water—and has been proven to dramatically reduce diarrhea illness in children.

The program that brought Purifier of Water to Kenya was CSDW. Working since 2003, P&G as part of its corporate cause, "Live, Learn and Thrive", partners with emergency relief workers in villages in developing nations and helps the people there establish safe-water practices. Using PUR Purifier of Water, the villagers learn how to treat their local water supply and safely store it for later use. To date, CSDW has provided enough product to produce more than 500 million liters of clean drinking water for children and their families in need around the world. But there are still many more people to help. **Fortunately, there is a way you can help today.**

PROVIDING PUR FILTERED WATER FOR YOUR FAMILY NOW MEANS CLEAN WATER FOR FAMILIES IN KENYA

With every purchase of a PUR Water Filtration System or filter P&G is donating a portion of the proceeds to expand the CSDW program in Kenya. These donations will go toward P&G's goal of contributing \$5 million by the end of 2007 to help improve the current unsafe drinking water problem in Africa. Won't you help?*

WHAT ARE YOU DOING TONIGHT?

As parents, we marvel at the fragility of our children when they come into the world. And as we cradle them close to us at night and rock them to sleep, we whisper a promise that parents around the world also make to their children, "I will protect you, little one, no matter what."

By purchasing a PUR Water Filtration System or filter today, you not only help keep your promise, but you also help parents half a world away keep theirs.

Inspire

Appendix E: Excerpt

MEMORANDUM OF UNDERSTANDING

Developing a Strategic Collaboration for Improving Health between the Center for Communication Programs of the Johns Hopkins University Bloomberg School of Public Health and the Procter & Gamble Health Sciences Institute

This Memorandum of Understanding (hereinafter referred to as "MOU") defines the strategic collaboration between the Johns Hopkins University Center for Communication Programs and its affiliates, hereinafter "JHU/CCP", and The Procter and Gamble Health Sciences Institute and its affiliates, hereinafter "P&G/HSI" for improving the health of people in the developing world. As used herein, the term "AFFILIATES" means any corporation or other legal entity (including joint ventures) controlling, controlled by, or under common control with The Procter & Gamble Company or BOARD OF TRUSTEES through stock ownership or other equity interest, direct or indirect.

I. Objectives of the Strategic Collaboration

The ultimate objective of the strategic collaboration is to improve the health and lives of people in the developing world. We intend to accomplish this objective by developing and implementing action-oriented and sustainable programs that result in measurable behavioral change and improved health status. Under this strategic collaboration both JHU/CCP and P&G/HSI wish to promote healthy behaviors in developing countries.

II. Guiding Principles of the Strategic Collaboration

This strategic collaboration is based on the highest principles of integrity, cooperation, and mutual respect shared by both organizations. Thus, to ensure that the integrity and credibility of both JHU/CCP and P&G/HSI are maintained, the strategic collaboration is based on key principles, which will guide our actions and decisions:

1. Both parties share a common vision to improve the lives of people in the developing world. We believe we can achieve this vision by developing and implementing effective programs that promote positive health behaviors.
2. We believe that our collaboration will be complemented by the different strengths which each organization provides, including: a) JHU/CCP's communication and program experience and established working relationships with donor organizations & counterparts in key developing countries; and b) the innovation provided in certain P&G/HSI health products developed for consumers in the developing world and the extensive consumer-oriented distribution networks utilized by P&G/HSI to assure availability.
3. The strategy and activities of the collaboration will be based upon solid scientific standards that can be explained and endorsed by both organizations. This will ensure that the collaboration and resulting program activities can be sustained and defended, whether internally or in response to an external challenge.
4. Any and all P&G/HSI products used to complement the communication messages developed as part of this collaboration will be of high and consistent quality and with adequate evidence to support

health related claims/benefits. JHU/CCP will not endorse specific products and no endorsement by JHU should be implied through this collaboration.

5. JHU/CCP and P&G/HSI will begin to identify opportunities in specific countries for strategic collaboration activities upon signing of this MOU. Both organizations will agree on collaboration activities prior to the start of any specific activity in any given country. This may include collaboration in a full range of JHU/CCP activities funded by USAID and/or other donors.

III. Examples of Strategic Collaboration Activities:

JHU/CCP and P&G/HSI through this strategic collaboration will contribute to the implementation of initiatives, activities and programs in the area of health. Specifically, we will seek opportunities to collaborate and cooperate in a variety of activities such as:

1. Developing and implementing communication programs, campaigns, and messages to educate the public on positive health behaviors. This activity may include the development of brochures, public service advertisements/announcements, social dramas and/or other entertainment-education programs/ events and other venues that harness the expertise of either organization.
2. Sponsoring scientific symposia to present key technological advances in health care products and public health advances in order to encourage scientific exchange and raise awareness/knowledge of health care professionals/providers.
3. Participating in media events to raise awareness of specific health issues and to announce health communication programs, campaigns, and materials designed to respond to these issues and generate positive impact on health behaviors and health status.
4. When appropriate and consistent with USAID/donor funded goals, guidelines and regulations, facilitating the distribution of P&G health care products which complement the communication objectives in government and/or NGO health care programs, schools, and other venues in order to help counterparts reach specific populations most in need of these products. P&G will not use JHU's name to promote its products or in any other way without specific permission of JHU.
5. Seeking other counterparts and/or collaborators, as appropriate and additional funding from their organizations, if needed, to further leverage the programs and efforts of our strategic collaboration.
6. Measuring the impact of the programs, communication campaigns, and messages on selected audience behaviors and health status.

IV. Joint Roles of Each Organization in the Strategic Partnership

This strategic collaboration agreement will begin upon signature of the MOU and last for a period of five (5) years from the date it is signed. Both JHU/CCP and P&G/HSI will identify 2 representatives (each) who will serve on a "leadership committee" providing technical guidance and managerial oversight for all joint activities under the MOU. The "leadership committee" will meet periodically during each year, to maximize collaboration opportunities, identify and plan new activities and to review on-going collaborative programs. The strategic collaboration will be evaluated annually, according to the success measured jointly and set by both parties, to determine if the objectives of the collaboration are being met. After each evaluation, the strategic collaboration may be revised or terminated based upon the mutual written consent of both parties. In addition, this MOU agreement may be renewed upon mutual written consent of both parties.