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4.2 Breakout Session I
**The Enabling
Environment for
Power Investment**



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Global CEO Report: trends in an era of stable instability



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What worries global CEOs most?

- Uncertain economic and fiscal environment
- Major social unrest in countries of operation
- Natural disaster disrupting trade/manufacturing hub
- Tensions affecting access to natural resources
- Health crisis





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Volatile conditions, red numbers, red tape

- Uncertain or volatile economic growth
- Capital market volatility
- Overregulation
- Increasing tax burden
- Availability of key skills
- Energy and raw material costs
- Supply chain disruptions
- Shifting consumer behavior
- Demands for transparency





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Surviving and thriving in an era of stable instability

- **Align strategies with social mandate** - become adaptable, agile and resilient
- **Target pockets of opportunity** – focus on few well chosen initiatives
- **Concentrate on customer** – focus on new ways of stimulating demand and fostering customer loyalty
- **Improve operational effectiveness** – balance efficiency with agility



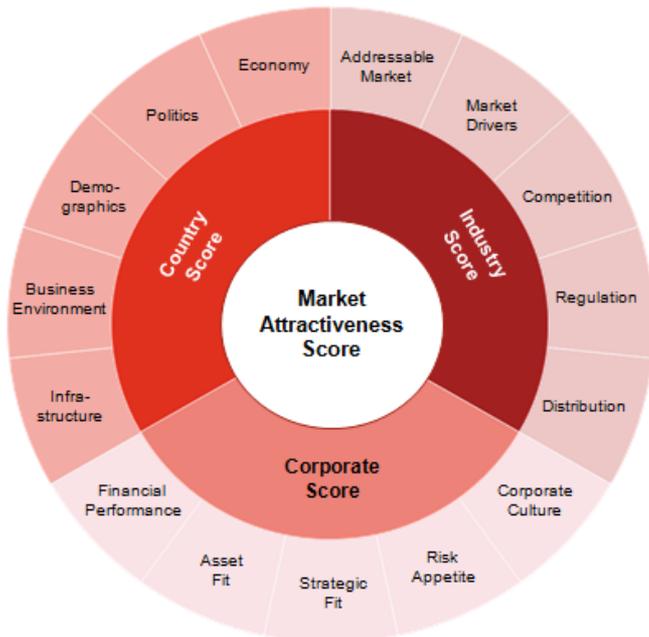


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Explore full range of global growth considerations

The Radar helps clients drive country prioritizations based on nuanced, multi-dimensional considerations. *No key questions need to be left unasked.*

Global Growth Radar – Framework



Economy	Is current economic growth likely to continue?
Politics	Will the government carry out needed policy reforms?
Demographics	Is the 65+ population growing faster than other age groups?
Business Environment	Is corruption getting better or worse?
Infrastructure	How easy is it to move products into smaller cities?

Industry-level Considerations

Addressable Market	How big is the local market for my products?
Market Drivers	What is the population of my preferred customer segments?
Competition	How strong is the local competition?
Regulation	How efficient are local regulatory entities?
Distribution	To what extent do people use the Internet to buy products?

Corporate-level Considerations

Financial Performance	What were our sales in the country last year?
Asset Fit	Are we able to leverage offices in nearby countries?
Strategic Fit	Would an investment in this market fit with our growth strategy?
Risk Appetite	Are we comfortable with a big play in emerging markets?
Corporate Culture	Should we target Francophone countries?



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Generate compelling country prioritizations

Alignment

Research

Scoring

Prioritization

- **Assessment of client's strategy, investment objectives, and risk appetite**
- **Customization of Dimension definitions**
- **Scoping of countries**
 - From 175 countries to a smaller number, based on client priorities

- **Assembly of a "wish list" of metrics for each Dimension**
- **Collection of available metrics, and development of new metrics**
 - Includes definition of qualitative metrics
- **Deployment of client data request and country manager survey to collect Corporate metrics**

- **Selection of up to 5 metrics per Dimension**
- **Weighting of Dimensions and Metrics**
 - Client strategy
 - Analytical considerations, such as collinearity of metrics
- **Customization of metric scoring buckets**
- **Scoring and ranking of countries**

- **Calculation of Opportunity and Risk Scores**
- **Prioritization of countries based on Opportunity and Risk Scores**
 - Definition of Clusters of countries in the Opportunity-Risk Maps
- **Development of supplementary analyses to support investment allocation considerations**

Preliminary Scoring Drivers
Industry Score

	General Drivers	Specific Product Drivers	Value-Added Product Drivers
Addressable Market	<ul style="list-style-type: none"> Greater spending on healthcare and medical devices High growth rates on healthcare and device spending 	<ul style="list-style-type: none"> Higher per capita spend on healthcare Specializing in high-growth specialties - Target users of medical devices - equipment - technology, software, consumables 	<ul style="list-style-type: none"> Lower per capita spend on healthcare Specializing in profitable specialties - Target users of medical devices - equipment - technology, software, consumables
Customers (Patients)	<ul style="list-style-type: none"> Larger size and faster growth of key patient segments, such as: Heart disease, Diabetes, Cancer, ICB 	<ul style="list-style-type: none"> Number and growth of traditional care cases - Facility, technology, specialty centers to drive demand for new and replacement devices 	<ul style="list-style-type: none"> Number and growth of emerging care cases - Appliances such as ICB, catheters, medical devices, health apps, and products that may be used for new devices
Competition	<ul style="list-style-type: none"> Market presence of direct and indirect competitors Presence of generic, biosimilar, and generics 	<ul style="list-style-type: none"> Greater presence of the "Big 3" - General medical equipment, pharmaceuticals, and medical devices Presence of "high-growth" products - Generics and biologics - Large market for advanced devices 	<ul style="list-style-type: none"> Greater presence of other specialists - Case of Program-based PM, and other countries with "high-growth" products Presence of locally-oriented governments - Big three Value products, due to government support and have budget for competing them
Regulation	<ul style="list-style-type: none"> No regulatory barriers, tariffs, general or specific trade barriers Limited restrictions on complete ownership requirements Product approval process 	<ul style="list-style-type: none"> Higher taxes and import duties - Patent, drug, and medical strategies in regulatory costs may place an overwhelming burden on marketing of new devices 	<ul style="list-style-type: none"> Presence of locally-oriented governments - Big three Value products, due to government support and have budget for competing them
Distribution (Buyers)	<ul style="list-style-type: none"> Greater reach and influence of distributors in government (state), hospital, and private (payer) Support of distribution channels to financing, openness to new technologies 	<ul style="list-style-type: none"> High educational levels and health care per capita - High income, high life expectancy, high life expectancy, high life expectancy, high life expectancy High quality of infrastructure and government health spending - High quality of infrastructure and government health spending 	<ul style="list-style-type: none"> Presence of locally-oriented governments - Big three Value products, due to government support and have budget for competing them

Proposed Metrics for Growth Radar

Metrics	NT-Prio		T-Prio	Corresponding Drivers	Gaps?
	Green	Yellow			
Demographics					
Population	Green	Green	11	Population size and growth rate	No
Population Growth (10-year Average)	2nd	2nd	11	Population size and growth rate	No
GDP per Capita (PPP)	Green	Green	12	Income and human development levels	No
Human Development Index (HDI)	Green	Green	12	Income and human development levels	No
GDP per Capita (PPP) Growth	2nd	2nd	12	Income and human development levels	No
Population in Cities of 1M+	Green	Green	13	Degree of urbanization	No
Urban Population	2nd	2nd	13	Degree of urbanization	No
Population: Age 65+	Green	Green	14	Size of older-age population	No
Business Environment					
Corruption Perceptions Index	Green	Green	41	Rule of law	No
Property Rights Index	Green	Green	42	Rule of law	No
Ease of Doing Business	2nd	2nd	43	Rule of law	No
Judicial Independence	2nd	2nd	43	Rule of law	No
Software Piracy Rate	Green	Green	44	Rule of law	No
Tertiary Education Enrollment Rate	Green	Green	45	Access to human resources	No
Quality of Management Schools	2nd	2nd	42	Access to human resources	No
Balance on Professional Management	Green	Green	43	Access to human resources	No
Private Credit (% of GDP)	Green	Green	43	Access to capital and technology	No
Technological Readiness Index	Green	Green	43	Access to capital and technology	No

Countries	Filter	Region	Profile	Aggregate Scores				
				Country Score	Industry Score	Corporate Score	Opportunity Score	100% Combined Score
Taiwan	Pass	Asia-Pacific	Emerging	99	60	NA	100	100
Kazakhstan	Pass	Europe	Emerging	50	100	NA	94	94
Canada	Pass	North America	Mature	93	58	NA	93	93
Chile	Pass	Latin America	Emerging	86	63	NA	91	91
Israel	Pass	Europe	Mature	79	67	NA	89	89
Qatar	Pass	Middle East	Emerging	82	84	NA	88	88
Argentina	Pass	Latin America	Emerging	53	91	NA	88	88
Sweden	Pass	Europe	Mature	100	44	NA	85	85
Saudi Arabia	Pass	Middle East	Emerging	72	69	NA	84	84
United States	Pass	North America	Mature	88	54	NA	84	84
Australia	Pass	Asia-Pacific	Mature	93	50	NA	84	84
Finland	Pass	Europe	Mature	84	37	NA	82	82
Hong Kong	Pass	Asia-Pacific	Mature	93	48	NA	82	82

Risk-Opportunity Analysis





Development of go-to-market strategies

For prioritized countries, targeted research of local market dynamics...

Interviews

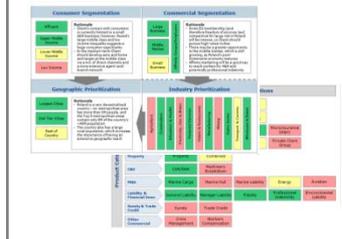
- Client executives
- PwC SMEs
- 3rd Party SMEs – regulators, trade associations, etc.

Primary and Secondary Research

- Research services
- Local sources – newspapers, regulator sites, etc.

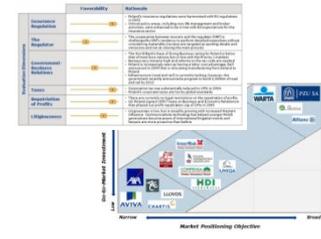
Opportunity Modules

- Customer Segments
- Products
- Distribution Channels



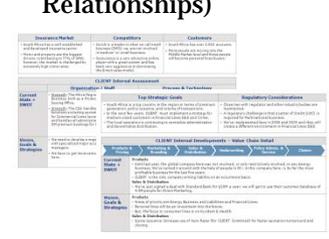
Environmental Modules

- Competition
- Regulation



Internal Modules

- Strategy
- Capabilities (People, Technology, Relationships)



Go-to-market strategy definition, business case, and execution roadmap

... Supports the definition of strategic goals, to be validated by business cases and roadmaps

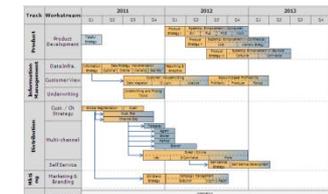
Definition of Strategic Goals

- Which products will be sold to which customer segments, and by which channels?
- Over the next five years, what are the financial goals?
 - Revenue, Profit, Market Share

Strategic Goal Execution Map - MEXICO

Segments	Products	Channels	Geographies
Goal A Be the preferred provider of professional services and support services segments	- Upper Middle Income - Affluent - Mass	- Retail - Independent Agents - Direct Sales (Direct Sales, Direct Sales, Direct Sales) - Retail (Retail, Retail, Retail) - Retail (Retail, Retail, Retail)	- Mexico (Greater Mexico or Mexico Subdivided by States)
Goal B Be the preferred provider of professional services and support services segments	- Middle Market - Lower Middle Income - Mass	- Retail - Independent Agents - Direct Sales (Direct Sales, Direct Sales, Direct Sales) - Retail (Retail, Retail, Retail) - Retail (Retail, Retail, Retail)	- Mexico (Greater Mexico or Mexico Subdivided by States)
Goal C Be the preferred provider of professional services and support services segments	- SMEs (Small and Medium Enterprises)	- Retail - Independent Agents - Direct Sales (Direct Sales, Direct Sales, Direct Sales) - Retail (Retail, Retail, Retail) - Retail (Retail, Retail, Retail)	- Mexico (Greater Mexico or Mexico Subdivided by States)

Business Case and Execution Roadmap





Question of trust: repairing bridges

- Address social challenges and national outcomes
- Engage wider range of stakeholders
- Frameworks to support culture of ethical behavior
- Develop workforce
- Reduce environmental footprint
- Non-financial reporting





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Trust: foundation for moving from risk management to resilience

- Understand and build trustworthy relationships with wider range of stakeholders
- Fulfill social mandate to generate agile, adaptable and resilient organizations
- Generate networks of trusted relationships
- Collaborate with government to build strong, flexible business ecosystems





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WIFY: How can USAID leverage trends?

- Target key business constraints
- Ally in transparency and governance
- Workforce development
- Leverage business interests and resources
- Link MSMEs into supply chains
- Driver for institutional capacity development
- Others??????

