TRANSCRIPT
HIE PODCAST 4: Maximilian Mancini and Ilara Health

BH: Hi, I'm Bruno Holthof and you're listening to Health Innovation and Entrepreneurship, a podcast series from the International Health and Tropical Medicines Program at the University of Oxford.

Our guest today is Maximilian Mancini. Maximilian studied economics and philosophy at Columbia University and then joined Lazare, an investment bank.

In 2019 he made a bold move to become an entrepreneur in Africa and is now one of the co-founders and Co-CEO at Ilara Health. Ilara Health digitizes primary healthcare clinics in Kenya and provides a range of financial services that help these clinics purchase point-of-care diagnostics, consumables and medicines.

To date, they've been able to provide a suite of services to over 2,500 clinics across Kenya, that in turn provide care to an estimated 5 million patients each year. To support further growth, the team has raised about $10 million in funding from a range of equity, debt and grant investors, that include the Bill and Melinda Gates Foundation and the French development finance institution Proparco.

Hey Maximilian, you're joining us from Nairobi. Please tell us more about your vision for Ilara Health.

GUESTSPEAKER-MM: So, we started Ilara Health back in 2019, as you mentioned, with a deep conviction that existing clinical infrastructure is the answer to some of the larger public health needs within Kenya and the broader African continent. And their vision here is to equip these clinics with the tools, systems, and know-how they need to become great medical centers.

Think of this really as building a network of powered by Ilara Health clinics. But let me maybe take a step back and tell you about how we got to where we are. Back in 2019, we set out to answer a really broad and ambitious problem statement.

How can we improve patient outcomes across Kenya? Not the simplest of problems to address. But to even figure out where to start, we spent the first few months of our lifetime visiting a very large number of clinics and spending time with the clinicians running these centers. And we quickly learned two things that influenced the early direction we started to take. Firstly, community health centers tend to be alongside San Juan Farm. We have a call of patients who are sick. And to give you maybe a little bit of a feel for what they mean by primary care clinics in our part of the world, think of these as mini hospitals.

They may have three to four rooms made up of a pharmacy, a lab, and some consultation rooms. These are predominantly run by clinical officers, the equivalent of a nurse plus plus or a doctor minus minus, if you will. And these single clinics see anywhere between 300 to 600 patients a month. And you have a lot of these clinics. We could be walking right now in the outskirts of Nairobi, and we could see a street full of these medical centers, all providing the

exact same set of services and all competing with one another for the same patient base. Now, these clinic owners are all very ambitious. They want their clinics to grow. They would like to expand. But as you rightly pointed out, they just do not have the access to credit to do so, nor do they have their own capital.

And if you walk into one of these facilities, you know, the gaps that are within the clinics are very clear. Pharmacy shelves are empty. There are not full stocks of meds. There may be broken computers, assuming they're computers in the first place. And in the laboratory, you might find some lateral flow tests for malaria or HIV diagnostics, maybe a really old microscope, but that's about it. And the lab part is what really hit us. We kept on hearing clinic owners telling us about patient leakage, patients walking in looking for an ultrasound or a full blood count test or an HbA1C, but being turned around by the clinicians because there was no equipment.

They were just unable to do those tests. And then suddenly we had our business model. So, throughout our first phase as a company, we focused on the lab. We would bring in point of care diagnostics that we would sell on flexible credit terms. Here is an ultrasound. You can pay us with fixed month rates over a two-to-three-year period. And the impact here is fairly simple. We were facilitating uptake of these laboratory diagnostics to help the clinics deliver a broader set of services to patients and ultimately grow as businesses.

You're now able to provide a service that you previously could not and you generate revenue by doing so. But our model evolved over time because we started to address the full spectrum of the patient journey as seen within the clinic. We started to provide access to pharmaceuticals. We built a health information management system to digitize the entirety of the clinics. This goes back to the idea I mentioned a few seconds ago of these powered by Ilara Health Clinics.

And we've made good progress across the Kenyan primary care space, but there's still a huge number of clinics that we hope to support in the future, both in Kenya and beyond.

BH: Wow. Maximilian, you really visualized this extremely well with words. Pretty impressive. And clearly also you learned quite a lot along the way and adapted your business model as you just described. So, what would you do differently if you could start over again?

GUESTSPEAKER-MM: So, this is a great question. And my counter question is where to start? I think if I really had to pick one of the major pain points we faced as an early stage company, as we scaled, I think I would settle on how we have been thinking about the role of technology and our growth as a start-up. So, as you know, in our early Ilara Health days, we made a very intentional decision to focus on revenue generating products to really fuel our immediate growth. The example here being that physical diagnostic tool that we would sell with those monthly instalments.

Now, the reason we did this was that this model resonated with clinicians. Again, it brought immediate value to the clinics. Now, software as a product base is a bit of a tougher one. We are still convinced today that there is no real software as a service market. It's difficult to sell technology to a target demographic that just does not make the revenues they need to be

able to pay for this, where they do not see the near-term value to be able to pay those monthly fees to utilize software.

And when you take this idea and overlay this with the fact that technology is expensive to develop, put bluntly, engineers are not cheap, and that access to capital in our part of the world is not as simple as it might be in the West, building a technology-first company for us did not make sense at the time. So, our early model was very technology light. Now, as we developed as a business, we came to realize two really important things.

Firstly, trying to get as much information as possible on our customers to make better decisions around which clinics to partner with was becoming increasingly difficult as we set ourselves certain growth targets. How can I know what type of clinic you are if I do not have any data to work with? I can try to form a judgment by engaging with you as a clinic owner, or by trying to sift through the huge amounts of paper that I might be able to find in the clinic. But this is not scalable. It's very inefficient. And, you know, data itself does not lie.

And then second, the lack of digitization within these facilities really impacts the way in which care was being delivered. Longitudinal patient histories being kept on pen and paper were often lost and clinic owners really struggled to have full visibility on how their businesses were doing. Remember, these are clinics, but at the same time, these are small businesses. And this is why we then decided to build our own HMIS a few years into our journey.

But this was really not as easy as the team and I would have liked. So aside from the effort needed to build the system itself, it has taken us a lot of time to embed usage of our tech into our day-to-day operations. It's one thing to launch a business that evolves with a very strong technology backbone. It's another thing to build a business and retrofit it to understand and appreciate the value of software and adjust the way in which we operate accordingly. And looking back on this today, I think the fact that we did not have the foresight to understand the role that software would play as we scaled really has had an impact on us and how quickly we have been able to develop as a business. Now this today has changed. A few hundred facilities today run on our HMAS and we're adding new facilities every single day and we record tens of thousands of anonymized patient interactions on our systems. We can also see how these clinics are performing financially and operationally. And this is really starting to impact the way in which we interact with these clinics and how we decide to engage with them.

BH: This is really interesting, Maximilian. And you know, we're teaching future leaders in global health here in Oxford. And you're clearly leading the way of changing the health system in Kenya and soon the broader African continent. What sort of advice would you give to our students who want to pursue a leadership role in global health?

GUESTSPEAKER-MM: So, I'll try to keep this advice as broad as possible and keep it as relevant as I can to both public and private sector career paths. As I guess it's clear by now, I do have a bit of an atypical global health background, early-stage venture building, private sector first solutions. Now, I do think it's worth, as a side note, pointing out that there is a growing amount of interest in private sector solutions for global health, issues that have historically been overlooked. The overarching perception being that emerging markets healthcare is and

remains a public health good. But it is definitely something worth students keeping in mind when thinking about what their career paths might look like.

But setting that aside, there are some tidbits of advice I think are worth sharing that can apply to students looking to take either the public or the private route. And the first one, and I would say the most important one, is to spend as much time as possible in the field. It becomes really easy for us to sit within a comfortable office, be it in a country of interest or in a more, call it corporate setting on the opposite side of the world, and draw hypotheticals about the interventions we're planning to deploy. But the reality is that one can very easily lose touch with the systems we're trying to impact, and our interventions might be misguided.

The majority of our team at Ilara Health, and including myself and my co-founders, we do our best to spend a few days a month visiting our clinics, grabbing that cup of chai with the clinic owners, really keeping us grounded and close to our customers. And I cannot stress enough how important it is for anybody looking to work in global health to do the same.

The second bit of advice is perhaps a little bit more convoluted. It relates to being able to take a step back from the projects one might be working on and thinking about target health systems in their entirety. Let me explain. Health systems across emerging markets suffer from really broad infrastructural gaps, right, that limit the effectiveness of very targeted interventions. So, for example, we could be deploying, building and then deploying a digital health solution that guides mothers throughout their antenatal care journey. But the impact this intervention might have might be capped on pregnancy outcomes. If data is too expensive for our target population to even be able to purchase and ultimately use the digital solutions, or if the facilities these mothers attend are unable to offer antenatal care testing services, or if there are no wards in which a mother can safely deliver in the vicinity of the intervention's catchment area. Taking a systems-wide approach, or at least thinking about interventions within the broader system-wide context, can help narrow interventions and ideally make them more effective.

BH: This is really insightful, Maximilian, and really resonates well with what we're teaching here at Oxford. If you also like this podcast and you want to listen to other entrepreneurs in health, don't forget to subscribe to this podcast series. And if you're interested in reading more about the work we're doing in international health and tropical medicine, please click on the link provided below this podcast. Thank you for joining.

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