

ENAW Dialysis Center

Strategic Plan

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1.0 Executive Summary

The purpose of this plan is to raise \$2.4 million for the development of a dialysis center while showcasing the expected financials and operations over the next three years. The ENAW Dialysis Center will be located in three (3) senatorial districts in Edo State, Nigeria, and will provide both diagnostic and dialysis treatments to patients at subsidized rates to ease financial burden and offer free services depending on the financial standing of the patient, but this will be managed on a case-by-case basis for sustainability reasons.

1.1 Need Statement

Chronic kidney disease (CKD) is a progressive disease that increases the risk of hospitalization and death in sufferers. These risks can be reduced and their condition well managed by dialysis.

It is estimated that about 10 million Nigerians have CKD, with about 25,000 progressing to end stage kidney disease yearly and requiring renal replacement therapy in the form of dialysis or renal transplantation. Local data, as reported by the Nigerian Observer, estimates that about 9000 inhabitants of Edo State have CKD with 300 of them on maintenance hemodialysis. Of these 300, about 60% have no access to dialysis or cannot afford the cost, which is why the ENAW is initiating this lifesaving treatment.

The genetic makeup and environmental factors like the indiscriminate use of herbal remedies, poor nutrition and infections put the people of African descent at increased risk of developing kidney disease. Common causes of CKD worldwide and in Nigeria include- diabetes mellitus, hypertension, chronic kidney infections and human immunodeficiency virus (HIV) associated kidney disease.

The common complications of CKD include- fluid accumulation and buildup of toxins in blood (uremia), anemia, malnutrition, heart failure, deterioration of bone health, depression and decreased quality of life. However, for optimal functioning, it is required that patients with CKD should have 3 sessions of hemodialysis weekly as it is obtainable in developed countries. The average Nigerian with end stage kidney disease has a dialysis session weekly owing to inadequate funds and limited number of centers offering dialysis services. In Nigeria other forms of renal replacement therapy (peritoneal dialysis and kidney transplantation) are still underutilized leaving hemodialysis as the major option relied on for sustenance.

In Nigeria, the use of peritoneal dialysis is limited by unavailability of peritoneal dialysis fluids and increased risk of infection while kidney transplantation is generally unaffordable as it cost about 15million naira to have the procedure in Nigeria, **whereas, the average annual household income in Nigeria is about 516,000 naira.**

All patients with CKD on dialysis are expected to pay for their care, as there is little or no assistance from the federal or state government despite years of advocacy by the Nigerian Association of Nephrology and other pressure groups.

In Edo State, Nigeria, there are only 5 centers offering hemodialysis, all of which are located in urban areas (Benin- City and Irrua). Sadly, these centers do not currently offer services to “infected cases” (patients with HIV, hepatitis B and C viral infection), requiring them to travel to neighboring states for dialysis. This poses an increased risk of threat to life, and deaths related to kidney failure, road traffic accidents, and security challenges. Also, 2 of the 5 existing dialysis centers offer services only during the day, not minding the fact that complications can arise at any time of the day requiring lifesaving emergency dialysis. At the University of Benin Teaching Hospital (UBTH), there are an average of 2 deaths of patients on maintenance hemodialysis per month.

1.2 Service Objectives

The primary objective for this ENAW Dialysis Center will be dialysis and nephrology services rendered to patients with excellent dialysis care services in a state-of-the-art facility and to all those who will patronize the service.

ENAW Dialysis Center will be a specialized dialysis centers in the 3 senatorial zones of Edo State to make services readily available and closer to those that need it provide the following services:

Dialysis treatments to patients at subsidized rates to ease financial burden

Provide 24-hour dialysis coverage as well as extending services to those living with HIV, hepatitis B and C, while paying attention to infection control

Provide dietary counseling and other lifestyle modifications to reduce disease progression

Prevention and early detection of kidney disease especially in those with increased risk for CKD

1.3 Requirements for setting up a dialysis center

Suitable land/building- waiting area, reception, open dialysis area with nursing station, isolation room for infected cases, procedure room, consulting rooms, sluice room, convenience rooms, recovery rooms, changing rooms for staff, pharmacy and laboratory, sterilization area. Additional requirements:

- Manpower-Doctors (2 Nephrologist, 4 medical officers), 3 dialysis technicians, 6 nurses, 2 medical laboratory technicians/scientists, 1 pharmacy technicians, 1 record staff, 3 health assistants, 1 dietitian, 2 security guards
- 6 dialysis machines with UPS back up units

- Consumables- dialyzers, dialysate, bloodlines, fistula needles, syringes, gloves, femoral/jugular catheters, guide wires, sodium bicarbonate, citrate
- Reliable source(s) of water and water treatment system
- Power generating plants/ inverters
- 3 Wheelchairs/ 1 stretcher
- 1 Ultrasound machine
- 5 dialysis chairs and 2 cardiac beds
- 5 cardiac monitors
- 2 weighing scales
- 2 refrigerators
- Air conditioners
- Facility for hand washing- basins and hand driers
- Oxygen cylinders/concentrators
- Facility for waste disposal
- Drainage system (for waste fluids)
- Facilities for viral screening, centrifuge and micro hematocrit reader
- Glucometers, pulsometers
- 1 suction machine
- Stethoscopes, sphygmomanometers, thermometers
- Nasal prongs and face masks

1.4 Fundraising

At this time, ENAW is seeking to raise \$2.4 million from donors, sponsors, and individual contributors to build and operate three (3) centers. The funds raised will be used for the following:

- Planning and building of the Dialysis Center
- Acquisition of dialysis equipment.
- Working capital
- Professional fees, licensure, and initial marketing budget

1.5 Cost breakdown

- Construction cost - N124 million
- Dialysis equipment - N164 million
- Furniture and other equipment - N10 million
- Payroll - N9 million
- Startup expenses - N57 million
- Other miscellaneous expenses - N250,000
- Contingency

Target fundraising: N350 million or \$800,000 per facility

1.6 Mission Statement

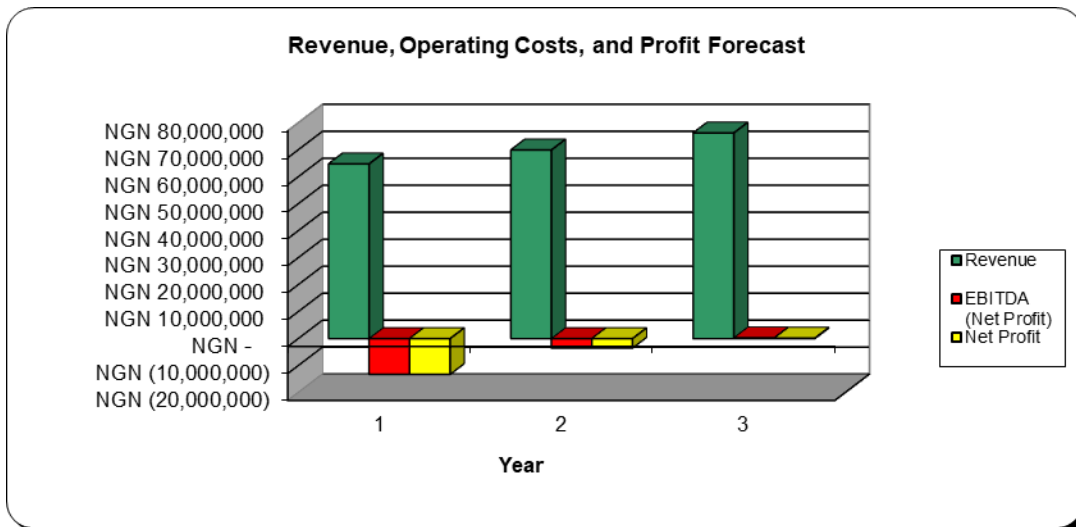
ENAW Dialysis Center’s mission is to provide comprehensive and compassionate care to patients requiring specialized kidney treatments and dialysis therapy that will be complication-free and completely restorative of kidney health. Additionally, ensure that we do all we can to make people with kidney-related ailments live normal lives. The operational culture will be wrapped around the mission statement and vision.

1.7 Management Team

ENAW Dialysis Center (EDC) will recruit only qualified professionals to man various job positions in the day-to-day operational management. When hiring, the recruiting team will look out for applicants that are not just qualified and experienced but honest and customer centric and are ready to work to help build a caring and esteemed dialysis center with the central focus of making people with kidney-related ailments live normal lives. Any profit-sharing arrangement option will be made available to all management staff and will be based on the staff’s performance. Selecting and hiring qualified professionals will bring the operations of EDC to profitability within its first three years of operation.

1.8 Growth Forecasts

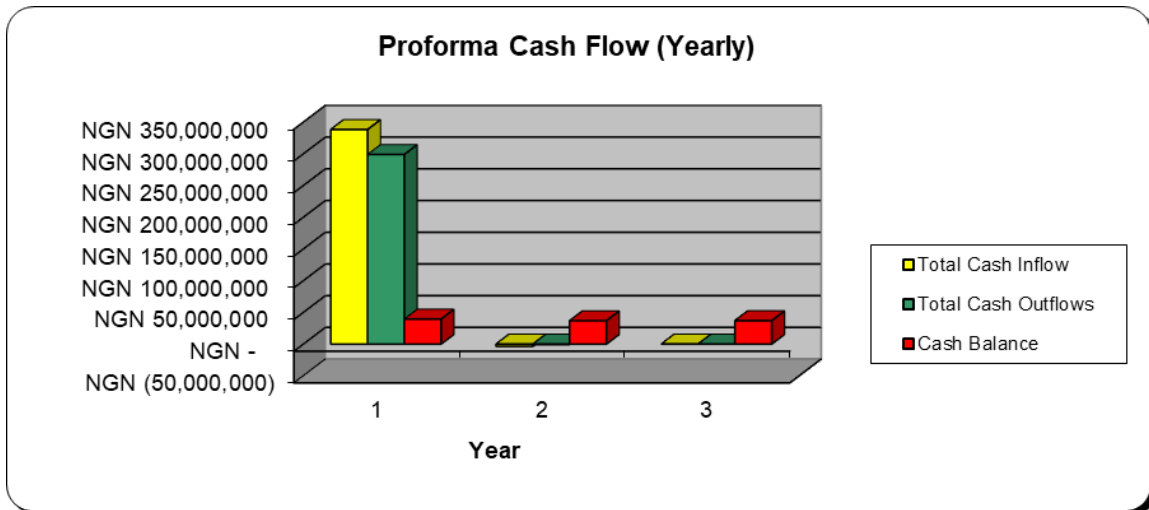
ENAW Dialysis Center expects a steady growth rate at the start of operations. Below are the expected financials over the next three years.



1.9 Expansion Plan

ENAW expects to maintain a positive cash flow within the first three years primarily from cash inflow, and operate with a positive net revenue at the end of year three. In addition, ENAW Dialysis Center intends to implement marketing campaigns that will effectively target doctors who will donate their time and resources to help manage

operational costs (salary standpoint) without scarifying the patients' service quality. This strategy will help curtail the operating cost and improve the net and gross revenue quicker than projected.



2.0 Organization and Funding Summary

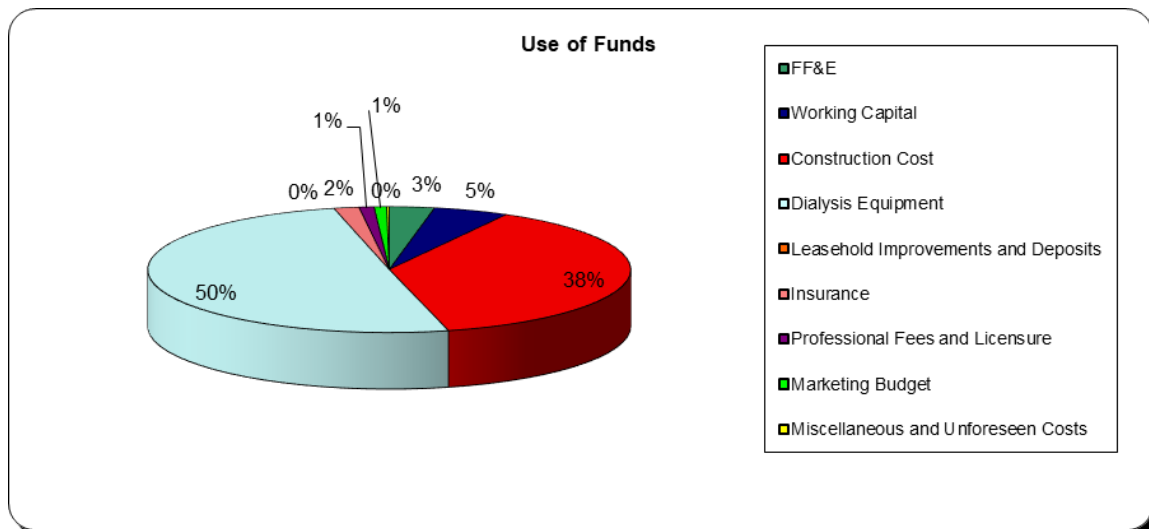
2.1 Registered Name and Corporate Structure

ENAW Dialysis Center will operate under ENAW as a Non-Profit organization

2.2 Required Funds

At this time, the ENAW Dialysis Center requires \$800,000 to build and successfully operate the facility in the first year. The goal is to raise these funds from internal and external sources of support, e.g., Sponsors, grants, and employer-matched programs. Below is a breakdown of how these funds will be used and the estimated five months of working capital.

Projected Startup Costs	
Business Startup Year	1
FF&E	NGN 9,874,800
Working Capital	NGN 16,537,544
Construction Cost	NGN 124,456,298
Dialysis Equipment	NGN 164,580,000
Leasehold Improvements and Deposits	NGN -
Insurance	NGN 5,486,000
Professional Fees and Licensure	NGN 3,291,600
Marketing Budget	NGN 2,743,000
Miscellaneous and Unforeseen Costs	NGN 548,600
Total Startup Costs	NGN 327,517,842



2.3 Management Equity

Once the requisite capital is raised, ENAW will retain a 100% ownership interest in the management and operation of the facility.

2.4 Exit Strategy

ENAW may seek to turn the operation of the facility to an equitable or government entity who have demonstrated competency with the right technical know-how and with capacity for significant earnings multiple or at the discretion or provision approved by its board of directors.

3.0 Dialysis Services

Below is a description of the services offered by the ENAW Dialysis Center.

3.1 Dialysis Services

ENAW Dialysis Center will work hard to help people with kidney ailments carry out dialysis.

While the primary funds to sustain service operation is expected to come from dialysis treatments provided to patients either referred to the dialysis center by their primary care or specialized physician or new patient without a referral. Therefore, the central focus of the Center will be on patients who are financially challenged to pay for their dialysis treatment.

For dialysis and Nephrology Medical Services, projections show that ENAW Dialysis Center will generate N76M yearly against a yearly operational cost of N75M to sustain the operation and maintenance of the Center.

It is expected that 50% of the patients that will use the service may not be enrolled in private insurance or other medical expense reimbursement program. The plan is to work with HMOs (under the federal government) to help patients leverage the six (6) sessions of dialysis per year offered by them. At no time will any of the patients seen expected or will be required to pay more than 50% of their dialysis cost. At the onset of operations, ENAW Dialysis Center will employ four (4) staff nephrologists to provide patients with diagnostic care services.

Additional offering under consideration-

- Outpatient hemodialysis
- Hospital inpatient hemodialysis
- Peritoneal dialysis
- Home-based hemodialysis

4.0 Strategic and Market Analysis

4.1 Economic Outlook

Currently, the economic climate is uncertain. The pandemic stemming from Covid-19 has created a substantial amount of turmoil within the capital markets. It is expected that a prolonged economic recession will occur given that numerous businesses are forced to remain closed for an indefinite period (while concurrently having their respective employees remain at home). However, central banks worldwide have taken aggressive steps to ensure the free flow of capital into financial institutions. This is expected to greatly blunt the economic issues that will arise from this public health matter.

However, like most healthcare-oriented businesses, dialysis centers tend to operate with great economic stability as people will continue to require specialized diagnostic care, and people with end-stage renal disease will certainly continue to require dialysis to manage their illnesses. Additionally, most of the costs associated with providing this care are paid for by private and publicly funded insurance and healthcare systems, which ensures that the business will receive payment on its services rendered invoices. We expect nothing less in the Nigerian economy, particularly Edo State. This critical care is needed in Edo State and will solve a significant health challenge for indigenes.

4.2 Industry Analysis

Within the United States, there are approximately 11,000 companies that operate one or more facilities that provide dialysis services to patients. Each year, these businesses aggregate generate more than \$35 billion of revenue while providing jobs to more than 203,000 healthcare workers (including doctors). In addition, payrolls in each of the last five years have exceeded \$10 billion.

This is a mature industry, but the future expected growth rate of the industry is expected to exceed that of the general economy over the next ten to twenty years as more people from the “baby-boomer” generation require specialized diagnostic and dialysis treatments. As such, there is economic viability and a solid opportunity to plant the ENAW Dialysis Center in Edo State to provide these services to the general public over a significant period of time.

4.3 Customer Profile

As any person requiring a specialized diagnosis or dialysis treatment is a potential patient for ENAW Dialysis Center, it is difficult to determine the exact demographics of people using the facility.

However, the typical patient with end-stage renal disease on dialysis in Edo state is an artisan/ petty trader with a secondary level of education and an average monthly income of less than 100,000 naira, whose expectation is to lead a near-normal life.

4.4 Competition and Safety

We are aware that apart from the competition amongst various dialysis centers, they also compete against other healthcare service providers, such as general hospitals, teaching hospitals, health centers, et al., that also provide dialysis.

ENAW Dialysis Center dialysis facility will be well positioned and visible, with enough parking space and good security wherever it's in Edo state. In addition, ENAW Dialysis Center staff will be groomed in all aspects of healthcare service delivery, and all its employees will be well-trained to provide customized customer service to all her patients.

ENAW Dialysis Center employees will be well taken care of, and their welfare package will be among the best compared to its competitors in the jurisdiction in which it operates. This will help build strong personal relationships with the staff and help deliver EDC set goals and objectives.

5.0 Marketing Plan

ENAW Dialysis Center intends to maintain an extensive marketing campaign that will ensure maximum visibility in its targeted market. Below is an overview of the marketing strategies and objectives of ENAW Dialysis Center

5.1 Marketing Objectives

- Develop ongoing relationships with referring physicians within the target market.
- Develop relationships with hospitals that lack dialysis treatment capabilities.
- Maintain a modest marketing presence among the general public.
- Service offered at a discounted rate

5.2 Marketing Strategies

The marketing campaigns required by the ENAW Dialysis Center might be somewhat limited as most people will be referred to the facility by their primary care physician for treatment. As such, a majority of the marketing campaigns will focus on developing ongoing relationships with doctors in the target market.

To that end, the ENAW Dialysis Center will directly contact physicians while providing them with literature showcasing the state-of-the-art equipment and trained nephrologists at the Dialysis Center. These literature packets will also contain information regarding the ENAW Dialysis Center's location, hours of operation, and accepted insurance. Additional print advertisements will be placed in strategic regional and local medical journals or locations

The ENAW Dialysis Center will maintain a moderate level of print advertising within the local market to inform the general public of the ENAW Dialysis Center's operations.

Here are the platforms ENAW Dialysis Center intends leveraging on to promote and advertise its services:

- Develop a website that showcases the facility with images, its services, its hours of operation, and relevant contact information
- Place adverts on both print (community-based newspapers and health magazines) and electronic media platforms)
- Sponsor appropriate community health programs
- Leverage the internet and social media platforms like; Instagram, Facebook, Twitter, YouTube, Google + et al. to promote our brand
- Install our billboards in strategic locations all around Edo State
- Engage in roadshows from time to time
- Distribute our fliers and handbills in target areas
- Encourage workers to wear branded shirts; all vehicles and ambulances are well branded with ENAW Dialysis Center's logo.

5.3 Pricing

The Management team of ENAW Dialysis Center will ensure that all services are offered at highly discounted prices compared to what is obtainable within Edo State. The focus will be to provide dialysis treatments to patients at subsidized rates to ease financial burden

On average, dialysis centers and healthcare service providers usually leverage the fact that a good number of their clients do not pay the service charge from their pockets; private insurance companies, Medicare, and Medicaid are responsible for the payment.

EDC will implement a cost management program by exploring hourly billing cum per-visit billing methods. For example, it is easier and preferable for dialysis centers to bill personal kidney dialysis services by the hour of treatment required as against a fixed price.

- **Payment Options**

The payment policy adopted by ENAW Dialysis Center will be all-inclusive because different customers prefer different payment options as it suits them but at the same time, ENAW Dialysis Center will ensure that it abides by the financial rules and regulation in which it operates.

Here are the payment options that ENAW Dialysis Center will make available to its clients.

- Payment with cash
- Payment via credit cards
- Payment via online bank transfer
- Payment via check
- Payment via mobile money transfer

Considering the above, ENAW Dialysis Center will choose banking platforms that will enable its client to pay for their dialysis/services received without any stress on their part. In addition, an operation account will be set up for the collection of fees, and quarterly publication of revenue will be mandated to ensure transparency and accountability.

5.4 Sustainability

One of the primary goals of starting ENAW Dialysis Center is to build a service center that will survive off its own cash flow without the need for injecting finance from internal or external sources once the service is officially running.

ENAW Dialysis Center will be built to operate around the clock. To successfully run a 24-hour operation, ENAW Dialysis Center will do the following:

- Hire four (4) Management staff, four (4) Nephrologists, eighteen (18) Nurses, Seven (7) Technicians, and twelve (12) Assistants.

- Offers an average of 200 sessions of dialysis service monthly. Each session of dialysis costs 21,000 nairas (55% less than any competitors in Edo State)
- Offer an average of 70 Nephrology medical services (neckline insertion) monthly at 55% discounted rate
- Maintain a monthly revenue of N6M or N75M yearly and a gross margin of 31%, and a profit margin of 0.21%
- With the targeted funds to be raised and the designed operational cost, ENAW Dialysis Center will maintain an average cash balance of N35M year after year. These funds will help serve as a cushion for unplanned or emergency work.
- Maintain a positive cash balance at all times

We know that one of the ways of gaining approval and winning customers over is by offering cheaper service than what is obtainable in the market, and ENAW Dialysis Center is designed to survive on less than 1% profit margin.

ENAW Dialysis Center will ensure that the right foundation, structures and processes are put in place to ensure that the staff's welfare is of paramount concern. ENAW Dialysis Center will design a culture to drive the service delivered to greater heights of quality without compromise. Training and retraining of the workforce will always be at the top burner.

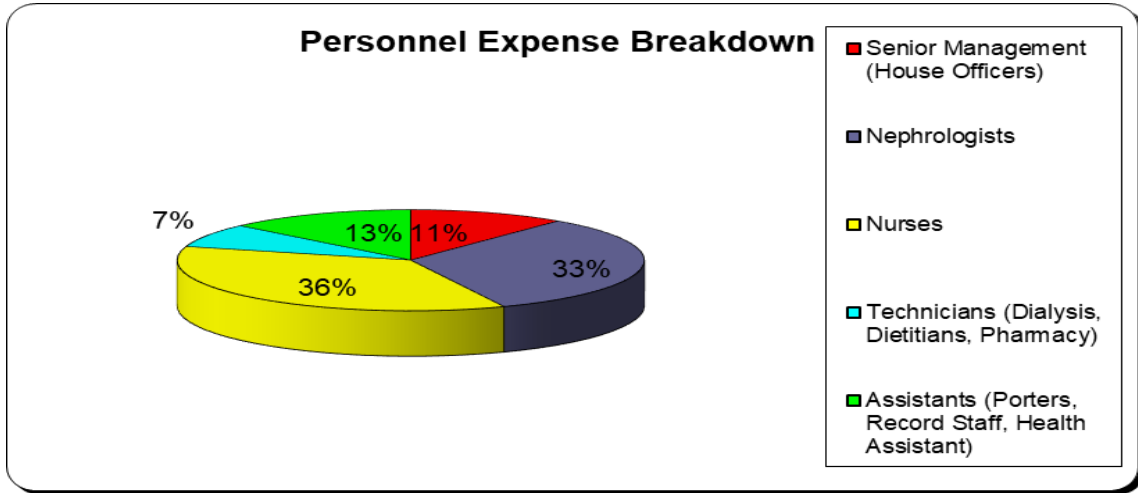
If this is implemented, ENAW Dialysis Center will be able to successfully hire and retain the best hands in the job market, staff that will be committed to helping ENAW Dialysis Center achieve its dreams.

CURRENT PRICE LIST (unit cost in Naira)

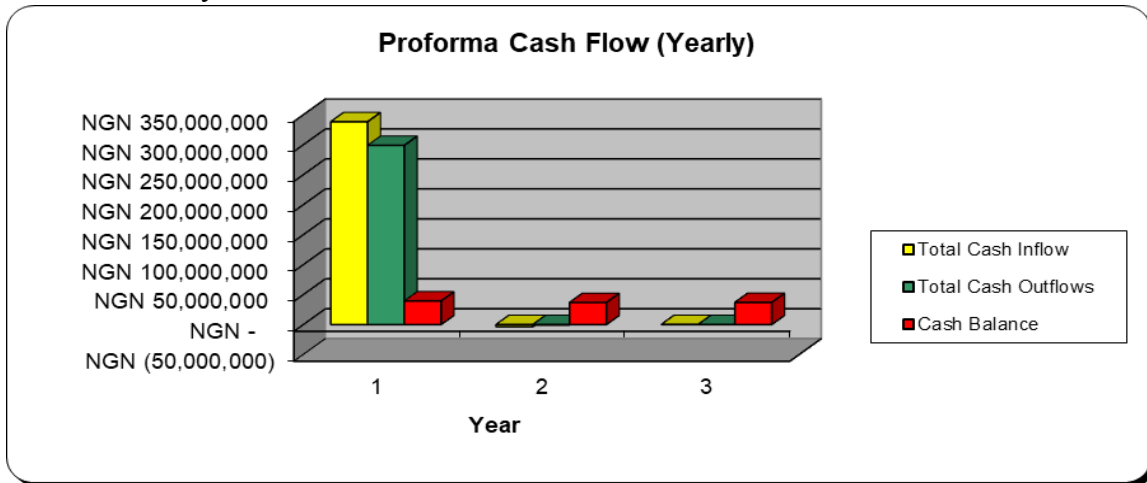
- Brand new Gambro machine (AK 96/98)- N11 million
- Clean refurbished B Braun machine - N5 million
- Dialyzers- N5,300
- Bloodlines- N2,800
- Dialysate- N4,000
- Guidewire- N3,500
- Femoral catheter- N3,600
- Citric acid- N2,5000 (used after 5-7 dialysis sessions)
- Water treatment plant (reverse osmosis machine and piping)- N3.5 million
- Reliable source(s) of water and water treatment system -
- Power generating plants/ inverters -
- Three (3) Wheelchairs / 1 stretcher -
- One (1) Ultrasound machine -
- Five (5) dialysis chairs and two cardiac beds -
- Five (5) cardiac monitors -
- Two (2) weighing scales -
- Two (2) refrigerators
- Air conditioners
- Facility for hand washing- basins and hand driers
- Oxygen cylinders/concentrators
- Facility for waste disposal
- Drainage system (for waste fluids)
- Facilities for viral screening, centrifuge, and microhematocrit reader
- Glucometers, pulsometers
- One (1) suction machine
- Stethoscopes, sphygmomanometers, thermometers
- Nasal prongs and face masks

Appendix

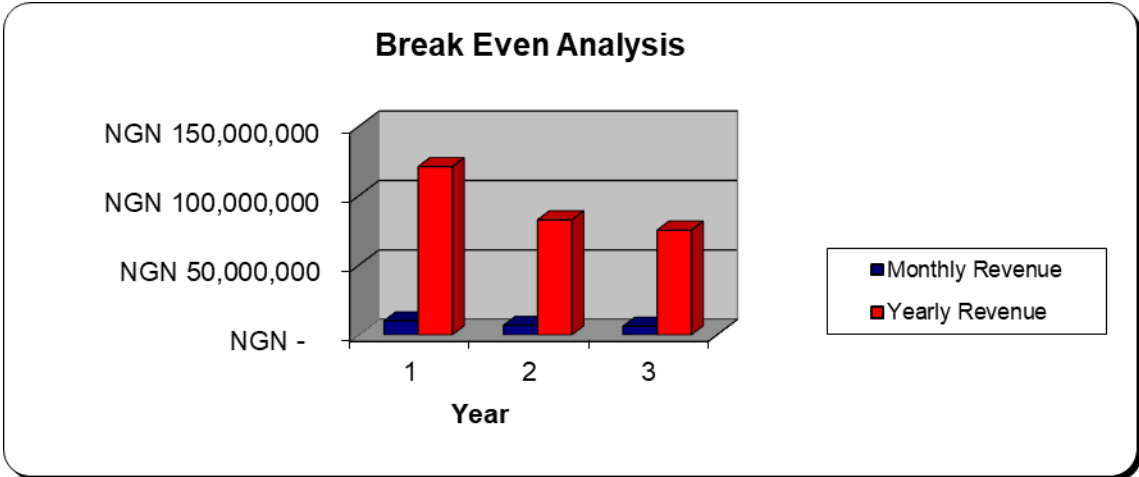
Personnel Expense Breakdown



Cash flow Analysis

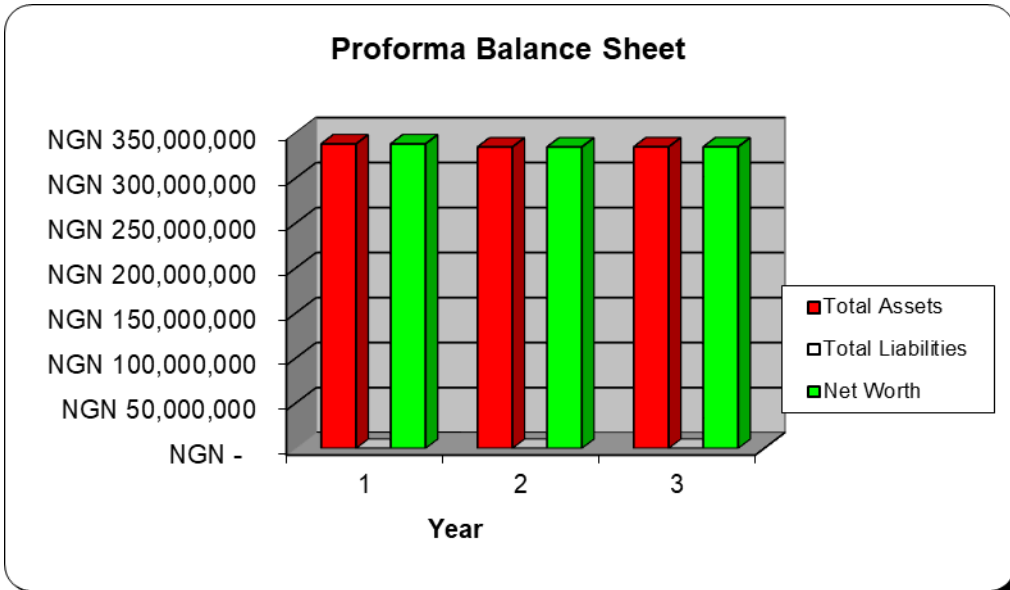


Break Even Analysis



Balance Sheet

Proforma Balance Sheet - Yearly			
Year	1	2	3
Assets			
Cash	NGN 39,384,640	NGN 36,771,794	NGN 36,891,784
Development/Expansion Costs	NGN 124,456,298	NGN 124,369,203	NGN 124,373,203
Medical Equipment	NGN 164,580,000	NGN 164,144,526	NGN 164,164,524
FF&E	NGN 9,874,800	NGN 9,526,421	NGN 9,542,419
Accumulated Depreciation	NGN -	NGN -	NGN -
Total Assets	NGN 338,295,738	NGN 334,811,944	NGN 334,971,930
Liabilities and Equity			
Accounts Payable	NGN -	NGN -	NGN -
Long Term Liabilities	NGN -	NGN -	NGN -
Other Liabilities	NGN -	NGN -	NGN -
Total Liabilities	NGN -	NGN -	NGN -
Net Worth	NGN 338,295,738	NGN 334,811,944	NGN 334,971,930
Total Liabilities and Equity	NGN 338,295,738	NGN 334,811,944	NGN 334,971,930



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The University of Benin Teaching Hospital offers an average of 160 sessions of dialysis monthly. Each session of dialysis costs 38,000 naira (for first-timers) and 28,000 naira subsequently. She has 3 nephrologists, 2 nephrology trainees, 3 house officers, 18 nurses, 5 dialysis technicians, 2 dietitians, 1 pharmacy intern, 6 porters, 6 health assistants and 1 record staff.

All staff, excluding doctors, run three (3) shifts (8 hours duration) per day.

ESTIMATED MONTHLY SALARIES (in naira)

- Nephrologists- 700,000 - 900,000
- House officers- 200,000 - 300,000
- Nurses- 120,000 - 220,000
- Dietitians-100,000 -120,000
- Dialysis technicians- 100,000- 120,000
- Pharmacy technicians- 100,000-120,000
- Porters-50,000- 70,000
- Health assistant- 50,000- 70,000
- Record staff- 80,000- 100,000