Sahayata - Executive Summary

Introduction

In India, especially in urban cities, the gap between the poor and the rich is ever increasing.
The government has so far not been very effective in tackling the problems of unemployment, poverty, Illiteracy,exploitation of the poor etc. In this regard we feel that it is the responsibility of social ventures to jump in and make an impact.

Business Concept

"*People move to India because of the maids, and people move out of India because of the maids*"

Sahayata will deal with impoverished people from rural and slum areas and their families.Most of these face difficulties in finding jobs and are illiterate. They are usually left jobless or are exploited by employers in a number of ways. As such, they have are stuck in a vicious circle from which they're not able to get out.

At the same time, middle class families living in urban households face difficulties in the area of employing domestic help.(finding, security, reliability,quality etc)
Sahayata will help improve the social situation of unemployed people by providing a professional interface between these two sections of society.

Sahayata will divide its operations into two divisions - Utsarjan and MaidAid.

The whole process is divided in three stages, each optimized and modified to maximise social good, efficiency and profit:
      1. Utsarjan will work with people from impoverished areas, providing them with free training and registration for job.It will look at their needs, providing them transport to the place of work, and means of communication.
      2. MaidAid division will implement a model and algorithm where domestic workers are assigned a set of households, time slots and work which will suit the needs of our customers/employers as well as maximise their average individual output .
      3. Ensuring Quality of Service : Through a constant feedback mechanism and quality checks, Sahayata will ensure that the employers who avail our service get the optimal quality and efficiency.
Hence we will provide a smooth interface which will be solve efficient,professional and foolproof, and at the same time maximising social good and generating profit.

Cus*tomers' Problems tackled*

In the current scenario, the area of domestic services is plagued with a number of problems. We will list a few and show how Sahayata tackles each and every one of them:
      1.<u>Finding a Domestic Help</u>: Every household faces this problem at some point or the other. The current solution is messy and uncertain : word of mouth - basically through neighbours or other domestic workers. Even after that, it takes at least a couple of weeks to find a good, compatible domestic help. Our service will provide the household with a worker in no time. Not only that, our help would be on an average more professional and more experienced. Also, there will be a provision of replacement to some extent, if the household is not satisfied or there are compatibility issues.
      2. <u>Ensure Security</u>: There has always been a constant rise in the crime/thefts due to domestic

servants. Because our employees will be registered and verified by our company, our service will ensure the security of the household to a large extent.

       3. <u>Punctuality and Quality of Service</u>: Because our model incorporates constant feedback by our customers,and the domestic help employed by us will get perks/fines based on those feedback, our model will ensure punctuality and quality of service - two of the major constant complaints in this sector in the current scene.

       4. <u>Prevent Exploitation</u> : Currently there is scope for exploitation both ways - of servants by employers and in some cases, of employers by servants. Our service will serve as an interface which will put an end to this.

       5. <u>Tackle Irregularities</u>: Another problem customers face in the current scenario is irregularity of work. For example: uninformed leave from work, termination of duties without notice etc. Our service will make sure that customers do not face such irregularities/discrepancies.

Social Problems Tackled

       1.<u>Finding a job(Unemployment)</u> : Most of the people from impoverished areas do not have access to jobs, and are forced to work as daily wage labourers.

       2. <u>Job Security</u>: These people do not have job security, even if they are lucky to find a job. We are providing them with steady employment.

       3. <u>Illiteracy:</u> Sahayata will provide the required training and education to these people for job purposes.

       4. <u>Exploitation :</u> Impoverished people, because they are heavily dependent on their employers or other men for earning a living, are often exploited. Sahayata will work towards ending this problem, as the customers will be dealing with the company instead of the domestic servants.

Business System Description

We divide the areas that we are servicing into specific localities. Our group of domestic helps would be assigned to households within each locality. This is to ensure that they would not have to spend much time on commuting once they begin their daily duties.

       When a client approaches us to acquire a domestic help for a particular time-slot, we would then assign a maid of that locality who is free at that time-slot to the client. Further, among the set of maids who are free at that time-slot, we would choose the one who has the least work-load in order to ensure relatively equal work-loads for the maids.

       We do understand that there will be greater demand in some specific time slots. So, we are planning to set our prices in a bit more dynamic manner, where prices will aim to affect the demands in such a way that it relaxes high demand slots according to our capacity. This revised pricing will not affect households who are current clients.

       Also, care is taken to ensure that even if a household were to extend the time that a maid is working at their house, the maid would still be able to reach the next household in time. This would be done by ensuring that each maid has a certain sufficient buffer period after the house's time-slot.

       In the initial stage, when our enterprise enters a new locality, we would do a field survey to gather the needs of the local helps and households. Our pricing model would reflect this information gathered. Also, once a maid is newly assigned to a household, in order to ensure satisfaction, we would personally make checks on the household to find out what could be done to ensure that the maid is up to their standards.

       Once our presence is established in a locality, our service would expand by word-of-mouth from household to household. The difference between the current system and ours, is that we would be in comparison, highly approachable.

Competitive advantage

The current scenario is disorderly and mostly relies on word of mouth.There are almost no stable

organized existing solutions similar to what we propose in the domestic help sector, though vaguely similar services exist in specialized sectors like security personnel, drivers, and nurses.

The prime difference between the domestic help sector and the others is the pattern of work, i.e. in all the other sectors the work is daylong, but in home services such is not the case. These do not require movement of employees, and so the assignments are not done optimally or efficiently to maximise output or profit.Also, these dont have any mechanism to ensure quality of work.

Households would prefer our service in favour of the current scenario because of the key benefits like security,quality etc. as outlined above. Domestic servants would also prefer being part of the company instead of self-employment because of benefits like a stable job and salary, as well as a professional setup which prevents exploitation.These differences prohibit the import of a similar model to the maid-household service.

The competitive advantage is gained in two ways:
- Head-Start over others
- Technology-backed implementation

Our competitive advantage is sustainable since we'll always be able to fine tune our algorithms for a much better allocation. Our service will always evolve based on the feedback and new solutions for redressal of customer grievances.

Customer Analysis

The potential customer base encompasses the middle class household who employ domestic help for household chores. The target clients include housewives and working women looking to get good domestic help easily. Potential customers would be targeted in batches.

As the Wikipedia article on '*Domestic Workers*' says, because of the large gap between urban and rural incomes, and the lack of employment opportunities in the countryside, even an ordinary middle class urban family can afford to employ a full-time servant.

The profile of the first few customers would be a household in search of good and reliable domestic help and who don't already have it. We hope that after the first few clients within a colony, the concept of the organisation will spread by word of mouth. People will then approach us once we have been recommended to them by satisfied customers.
Sales strategy at the start for one locality would be to call and personally approach households and inquire whether they are looking for domestic help at this point or not. If they are, we will inform them about our offer and ask them to avail our services.

An in-depth market survey and analysis would be performed for that particular society as well by interviewing as many households as possible. Questions to be answered include the current and most serious problems faced in this field, the common reasons why domestic help leave a house, the monthly pay for a particular job (including timings, amount of work) and the things expected out of an organisation such as ours.

Prices would then be fixed according to the results of the survey. Different offers (depending on hours of work, timing of day and type of work) would then be listed and offered to potential clients.

Market Analysis

Although most recent start-ups and Non Governmental Organizations are focusing on the online media and awareness, we believe in a country like India, the real need and potential lies on improving individual households by working on the ground level i.e strengthening the base of the pyramid.

The market on which our service will operate consists of three levels:
- The basic level is the average Indian urban household.
- Our services will also deal with the local businesses, providing them with channels for advertising and offering discounts
- On a third level, we will tap into the advertisement sector, offering new modes and means of advisement for various brands.

We will be serving people who are unemployed and whose family are poor. We'll be working in impoverished and rural areas, especially slums. Most of our employees will be illiterate people who will be educated through our company.

There are various segments which we can serve in future:
- We plan to serve institutions like schools,offices,malls etc and provide them with servants during functions or for day-to-day needs.
- We can also expand and provide specialized services or trained servants later on in our venture.
- We can provide emergency or temporary daylong services for households.

Recent trends in our market
There has been a gradual change in the social scenario in urban India, especially the city life. Most households consist of a nuclear family, and women are working. Along with this, there has been a constant migration of people from rural areas looking for job in urban areas. Thus, on one side we have households in desperate need of domestic help, and on the other people from rural and impoverished areas looking for employment opportunities. In this scenario, there exists a tremendous opportunity for an interface like ours to flourish.

A threat comes from the recent trend of market towards having machines/mechanized processes do household jobs. e.g. Washing Machines, Vacuum Cleaners, Ready-to-eat foods etc. But we feel that this threat would not remove the need for a domestic help, otherwise we would have observed a trend where people no longer employ domestic help - which has not been the case.

Potential and current, direct and indirect competitors
Currently, there are no real potential competitors in the localities and cities we plan to target (Delhi, Gurgaon etc). The indirect competition comes from the domestic help hired directly by households from neighbours or word of mouth sources.
However, we could experience indirect competition from companies and agencies operating within the broader sector. However, most organized players are focused on narrow fields like providing drivers/ nurses/security guards. With our focus on providing cheap labour, we expect to rapidly solidify our position. In addition, since most of our employs would be previously unemployed and impoverished, our company would have an altruistic layer attached to it.

Social Impact
In terms of number of people served (those we train and employ) annually, we start small, ~120 people in the first three years each. As the organization grows, we shall increase the number proportionately, hitting a peak at around 600 people per year around the tenth year. A majority (~70%) of those we serve will be women.
In serving these people, we are attacking a the most fundamental problems faced by them:
      Unemployment,
      Vocational Illiteracy,
      Poverty.
Also, since we are working mostly with women, the dimension of women empowerment is also added to the social impact. Such benefits will trickle down to the families of those served. Such positive contribution to the grass-root level of the society ultimately bubbles up, and the effects are seen in the

society at large.

Financial Aspects

We plan to exploit the fact that each maid spends about 1 hour in each house daily, and hence, a source of intense and quality advertisement. The rate of conversion of advertisement will be much higher than other modes of advertisements.

We are looking at mainly two sources of revenue:

- Households: This is primary source of revenue in the form of payments that the customers shall pay to us towards the salary of the domestic help that they are availing. This shall constitute about 65% of the revenue.
- Deals with Local Businesses: We will tap in the local markets of a colony and try to set up deals with local big stores, for some specific "offers" available only through us i.e., through our maids via coupons et al. This way, we provide stores with quality exposure at the household level. Apart from revenue, this can also open up more market for us, in terms of more households wanting to avail of these deals.
- Advertising: Businesses can provide us with flyers and pamphlets to be distributed. The advantage that they gain from hiring us is that we will be extremely target specific, i.e. a flyer will only go into a house where there is a high probability of conversion. e.g. for a store selling branded apparel, the target household would be ones with people in the 20-35 age group. This translates to reduced advertising cost, and also more revenue for the advertiser.

We are aiming to hit a about 250 houses till the end of the first year of operation. Each house paying us Rs. 800 a month, we are looking at about Rs 24 lakh from the households. Combined with another Rs. 11 lakh from the local businesses, this translates to about Rs. 35 lakh of revenue.

The cost we incur is mainly in the form of salary to the domestic helps that we are employing. Considering that we shall require about 80 maids to be able cater to 250 houses. Each worker shall be paid about Rs. 3000 a month, taking this expense to about Rs 29 lakh. The other expense such as office space rent, electricity, telephone, is estimated at another 25K a month.

Marketing and advertising are expected to require another 7-8 lakh annually. The logistics involved with training the household helps is estimated at about Rs 5K per person. For 100 people, this presents to us as a cost of Rs. 5 lakh.

For the first year, we have a shortfall of about Rs. 10 lakh.

As we grow, the revenue increase outperforms the increase in expenditure, giving us the profit that we are looking for.

The upfront capital requirement is huge. We shall require about Rs. 30 lakh to startup. A major portion of this shall go towards :

1. Facilitating People from Rural Areas
2. Training and Education of Employees (mostly done by volunteers)
3. Marketing

We plan to obtain funding from these sources:

- Venture capitalists.
- Tap into the vast IIT-Alumni network
- Investment Upfront through companies with whom we tie-up for advertisement

Fixed cost would go only in maintaining the service in terms of logistics, customer feedback and being in touch with the customer and the employee at all times. Basic running cost would be minimal as it would only include overheads like electricity for the office, phone bills and transport for marketing / publicity. Average monthly cost in terms of salary per employer would be dependent on and equal to the current market price plus bonus / incentives based on performance. This would depend entirely on requirement of maids (demand in locality) and the current market price plus overheads and incentives which are variable costs.

The major other expenses that we are looking at are the advertising, and the "perks" to the workers, e.g. any transport or phone expenses that we reimburse. As the business expands, we will consider providing each worker with a bicycle and a mobile phone. These costs will also be a major part of the capital requirement. The strategy that we shall employ to provide return to the investor is percentage-based profit sharing, subject to a minimum and a maximum amount.

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