



GHARPAR: THE LEAN BEAUTY START-UP *BEAUTY DONE COMFORTABLY (A)*

It was an early winter day on October 13, 2018, when the four co-founders of GharPar (GP), an at-home beauty services business, gathered in the company's meeting room to have their weekly morning meeting. Surrounded by stylised halogen-lamps on each wall of the indoor space, the partners were immersed in their debate regarding the future of the company they had founded two years ago. The company had demonstrated impressive growth in Lahore, Pakistan; the market where it was originally launched. Owing to this remarkable traction that GP had developed in such a short period, it had managed to lure the interest of certain investors. Their investment was; however, conditional to GP's ability to expand itself in markets other than Lahore for which they would like to see a *proof of concept*. Meanwhile, Shameelah Ismail, who was the CEO and largest shareholder of GP, and Mehvish Arifeen, who was the COO of the company, were fearfully concerned about the appearance of copycats in other cities of Pakistan, and what they believed was causing harm to GP's hard-earned brand equity. One such copycat in the twin cities of Islamabad and Rawalpindi gave itself a similar sounding name and was trying to deceptively portray itself as *Gharpar in Islamabad now*. Fareed Qureshi, who was the CFO of GP remained sceptical of expanding beyond Lahore at least for another year. With their not-so-successful launch of men services in Lahore just behind them, and considering the state of their core business, Fareed wondered whether they had truly achieved the level of demand and profit potential required to warrant the scaling of their business as yet. Arooj Ismail, the CMO and fourth co-founder of GP, in this whole situation, remained deeply concerned about the very *purpose* and *identity* of GP, as it was built so passionately by all of them over the last two years. While Arooj was amazed by the interest of investors in GP, she wondered if they were prepared to let go of further personal equity at this stage, which may also mean a compromise on the mission of their start-up.

GP, launched in September 2016, was a start-up providing at-home beauty services, such as hairstyling, make-up, blow-dry, body scrub, waxing, massage and pedicure/manicure to women of all ages in the city of Lahore, Pakistan. The company promised its customers "comfortable, convenient, and professional beauty services at the ease of their home" and had captured a loyal and steadily growing customer base in the upper-income segments of Lahore's beauty market. GP, unlike the conventional beauty salons, distinguished itself as an amalgamation of a beauty and technology company serving its clients through a mobile application and web-based platform. On the other side of their supply chain, GP positioned itself as a social enterprise that created lucrative economic opportunities for low-income women who could work as freelance beauticians using GP's platform. "At its core, Gharpar is about creating women micro-entrepreneurs, who can live a financially independent life," said Shameelah. GP essentially allowed these marginalised women to run their own beauty business by giving them access to the company's platform of 10,000+ subscribers as it stood in October 2018. As such, the company did not employ these beauticians as salaried employees rather adopted a commission-based model, where the company kept 30-40% of the revenue from each customer appointment and the beautician pocketed the remaining 60-70%. According to statistics given by the company, many of these beauticians made more than PKR¹ 40,000 a month, where the average monthly income of a salon employee was roughly PKR 6,000-8,000. Furthermore,

¹ During 2018, the average exchange rate for the U.S Dollar to the Pakistani Rupee was 121.44. Source: State Bank of Pakistan, http://www.sbp.org.pk/ecodata/ibf_arch.xls, accessed January 2019.

This case was written by Dr Muhammad Shehryar Shahid, Research Associate Saad Raafay Ahsen and Dr Muhammad Adeel Zaffar at the Lahore University of Management Sciences to serve as basis for class discussion rather than to illustrate either effective or ineffective handling of an administrative situation. This material may not be quoted, photocopied or reproduced in any form without the prior written consent of the Lahore University of Management Sciences.

working under favourable conditions and receiving professional training allowed these beauticians ample opportunities to develop their skills, making them a more productive part of society. In essence, GP functioned as a technology-enabled platform connecting at-home beauticians from underprivileged and minority backgrounds with female customers who were pressed for time. The success of this mission was evident in the respect and cordiality GP's beauticians displayed towards the GP team, especially echoed in their strong bond with GP's CEO Shameelah Ismail. "Ma'am Shameelah is like our elder sister," said a beautician, "she works so hard for us". These women staunchly believed that the GP team had taken good care of them, by training them in the art of providing beauty services and providing them with a platform to earn their own livelihood.

As one beautician described it, "Through GharPar, we have learned *himat* (confidence), time *ki pabandi* (time management) and *hunar* (skill), which gives us a professional standing." Another stated, "We are not bound by fixed hours, we can manage both our professional life and home life and we earn four times more than we could at a salon working from 9 a.m. to 9 p.m. What could be better than this? My husband does not work, so now I can pay the school fee for my children." In short, they were appreciative of the positive financial and social change that had transformed their lives as a result of working with GP.

So, what sets them apart? GP competed with high-end salons by providing quality at an economical price. It allowed one-click access to an assortment of services letting clients choose a date and time that suited them rather than waiting for appointments at a salon. Moreover, unlike the existing at-home beauticians, the use of strict standard operating procedures (SOPs) by GP in the delivery of their services had been the cornerstone of their value proposition. Where high-end salons squeezed the hours out of their employees, GP provided flexible working hours alongside trainings for beauticians to polish their skills. At the end of the day, it offered clients a set of vetted beauticians pampering them in the comfort and security of their homes.

BACKGROUND

Shameelah Ismail, the CEO of GP, had always been an entrepreneurial kind. As her father was a diplomat, she spent much of her childhood studying in a renowned Parisian academy in France, where beauty and grooming were her favourite subjects. However, upon her return to Lahore, she obtained an MBA from PAK-AIMS in 1998 at the request of her parents and settled into a job as a banker after getting married. Upon realising that this was not the right path for her, she quit the job in 2001 and over the next decade, held many different positions; a French teacher, a school administrator, and a full-time mother. However, in 2014, as her children were growing up, she decided to pursue her childhood passion for make-up and design and launched her own salon in Lahore by the name of Shelu Salon. To prepare for the challenge, she took beauty courses in Dubai, Istanbul, and London, and obtained the relevant certifications in this profession. She invested about PKR² 1 million of her savings and started operating her salon from a single room in her home in Cavalry Ground, Lahore; making substantial money right away with her make-up services which were targeted at a high-income clientele.

In 2015, after her salon had been operating successfully for a few months, Shameelah started thinking of other value additions she could bring to the business. She had noticed that every time a customer came in her salon, the salon would sell them certain third-party beauty products for use within the salon and later at home. As enterprising as she was, she spotted an opportunity to develop her own brand of beauty products which could be marketed to her salon customers as a substitute for the standard off-the-shelf products.

For that, she decided to bring her younger sister Arooj Ismail, and Arooj's best friend Mehvish Arifeen on board, on a voluntary basis. Mehvish graduated with a Master's degree from the Fletcher School of Law and Diplomacy, after completing her undergraduate studies at the University of California, Los Angeles. She had a background in market research and operations management and was working with the Centre for Economic Research (CERP) in Pakistan. Arooj, on the other hand, was a graduate of SOAS, University of London and was working at the British Council Lahore. After working on the designing of product lines for a few weeks, these three also brought onboard Fareed Qureshi, who was Shameelah's and Arooj's brother, to help them with the production. Fareed

² During 2015, the average exchange rate for the U.S Dollar to the Pakistani Rupee was 102.65. Source: State Bank of Pakistan, http://www.sbp.org.pk/ecodata/ibf_arch.xls, accessed January 2019.

was working with Boston Consulting Group in the USA but at that time he was in Pakistan working on a project for the government of Pakistan (see **Exhibit 1** for a brief biographic profile of each partner). Fareed helped Shameelah connect with a pharmaceutical company in Lahore which manufactured high-quality cosmetics for third parties, and had a small batch of her own cosmetic products made, called Skin & Co. Shameelah successfully used and sold that initial batch of Skin & Co. products at her salon for the next few months, choosing to discontinue production after the initial batch was fully utilised to focus on other enterprising ventures.

A year later, in April of 2016, Shameelah's Shelu Salon was operating smoothly without any roadblocks. At this time, shortly before Shameelah was about to leave for Dubai, UAE for a brief vacation, Mehvish contacted her, saying that she wanted to start a new business venture with Shameelah. Being aware of Mehvish's enterprising nature, Shameelah shared with her an idea about a vocational training school that she wanted to start, and Mehvish liked the idea. After a few days, while Shameelah was still on her vacation, she received another message from Mehvish on a WhatsApp group that they shared with Arooj. Mehvish stated that she had left her job at CERP and wanted to start a business and brought up the idea of the vocational training school again. It was during this conversation that Arooj contemplated the idea of a *salon on wheels*, which Shameelah liked very much. Once Shameelah returned to Lahore, excited as she was, she immediately called an informal meeting with Fareed, Arooj, and Mehvish to further dwell on this new idea. After a lot of deliberation that took place in that meeting, they found themselves being more excited about an at-home beauty service, which they believed was a more plausible proposition. All four of them decided to partner up for this venture and resolved to materialise the idea soon.

THE SALON INDUSTRY IN LAHORE

The salon industry in Lahore was characterised by a handful of high-end salons for the upper-class residents of the city, along with a plethora of medium- to low- end salons for the remaining income classes. High-end salons such as Depilex, Toni & Guy and Nabila's catered to an exclusive clientele of women of all ages from upper-income families, offering high-quality products at premium prices (see **Exhibit 2** for a comparative price table of selective salons in Lahore). Although exact numbers had not been studied, the Punjab Revenue Authority (PRA) estimated that around 2000 salons were operating in the city of Lahore, with most being on the medium- to low-end of the spectrum. Overall the salon industry in Pakistan, especially the metropolitan cities such as Lahore, Karachi, and Islamabad in particular, had undergone mushroom growth over the last decade or so, catering to both men and women clientele.

However, given such a high number of salons, there was a complete lack of any branded or well-known at-home beauty services in the city. This was reflective of the lavish lifestyle and socialite culture of upper-income women in Lahore, whereby going to the salon was seen as a social activity in itself. Still, in order to cater to a gap in the market for at-home beauty services for working women returning home in the evening, an informal sector had formed, consisting of beauticians offering their services informally to household clients, with varying quality, pricing, and timings. It was this sector that GP wanted to formalise.

GETTING STARTED

In May 2016, two weeks after the partners had conceptualised their at-home beauty service idea, they decided to enter a national competition; the Pakistan Start-up Cup. The competition was to have four rounds, one each month starting in May 2016, and the winning team would receive PKR³ 1 million as start-up capital for their proposed venture. Before entering the first round, the partners wanted to finalise the name of the start-up.

³ During 2016, the average exchange rate for the U.S Dollar to the Pakistani Rupee was 104.66. Source: State Bank of Pakistan, http://www.sbp.org.pk/ecodata/ibf_arch.xls, accessed January 2019.

As Shameelah recalled:

We were all sitting together bombarding each other with various names, but couldn't agree on one. Interestingly, whenever we had discussed the idea amongst ourselves, we had referred to it as the *Gharpar wali* service [translation: service performed at home]. Eventually, all of us decided to go with the name *GharPar* as we were using it informally anyway.

At this time, the partners carried out extensive market research, obtaining survey-based feedback about their service from 400 online respondents based in Lahore, and conducted five focus group sessions in order to understand the pain points of at-home beauty services in Lahore. Resultantly, the GP team performed very well throughout the four months of the competition, and became the second-runner up of the competition, winning the reward of PKR 0.5 million. Around the same time, the partners also entered another start-up competition by the name of Throw-a-Thon in Lahore, and finished in the first place, winning PKR 0.3 million.

The partners decided to formally register their business as an association of persons after these competitions concluded in August 2016, and finalised their profit-sharing percentages. While their initial capital expense was comfortably funded by the prize money of PKR 0.3 million they had earned in one of the competitions, they decided to mutually pool in the capital of PKR 5.6 million from their personal funds, which they set aside to fund their operating expense for at least a year to come. The major fraction (approximately 50%) of this contribution came from Shameelah. Consequently, the profit-sharing percentages were also determined in conjunction with the capital contribution of each partner, whereas Shameelah held a relatively larger percentage of profits as compared to other partners. Nonetheless, the profit share of the other three partners was also decided to be high enough for them to remain committed to GP, especially considering that Arooj was still holding her full-time job at British Council and Fareed was in the process of writing a book. Mehvish, who had left her job with CERP, and Shameelah were the only two full-time partners at that point. Eventually, once the profit-sharing arrangement was finalised amongst the partners, they contacted a law firm to draft a legal partnership agreement, which was signed and formalised in August 2016. The launch of the business was decided to be around September 8, 2016, which was just a few days before *Eid-ul-Adha* that year, as they did not want to miss the demand spike of beauty services during *Eid* festivities.

Putting Together their First Cohort of Beauticians

The first task at hand was, of course, the search for women living in low-income areas of Lahore and their recruitment as freelance beauticians on the GP platform. In June 2016, the partners initiated a formal community outreach program to recruit beauticians from Lahore's certain Christian-residential colonies, including Maryam Colony, Makkah Colony, and Nishat Colony. All three of these neighbourhoods had a high concentration of under-privileged Christian women and were located in close proximity to the GP's head office in Cavalry Ground, Lahore. Although GP had always maintained a non-discrimination policy for its beauticians, the rationale to focus its initial recruitment efforts on Christian communities, whose residents dominated the workforce in the beauty and salon industry, was very well described by Shameelah, "In my experience of running a salon, I have experienced this additional challenge with Muslim women - they have issues performing services that involve touching clients' feet or some other sort for which they have religious reasons."

The turnout at almost all of these outreach events conducted in the three localities was remarkable. Many women showed up and seemed very keen to learn about GP and its offerings. "Our sales pitch to those women was mainly about how they could make more money while working with GP as compared to if they worked for a salon or as a freelance beautician on their own... we showed them real numbers!" said Shameelah. The overwhelming response at the outreach events made the four partners very excited and they anticipated a good number of women signing up for their platform to be trained as beauticians. To their great surprise though, none of the women approached them for the signup after the outreach events.

As Mehvish painfully expressed:

It was a total failure. From a room full of 100 women, say, only 5 approached us later, and they too dropped out after asking a few questions... For some our earning proposition appeared to be too good to be true; in short, they did not believe it. For some, their husbands or in-laws didn't let them; for some, they feared going to other people's houses to perform the service.

Disappointed at the futility of their outreach programme and with the date of launch looming over their heads, the partners immediately started looking for other ways to recruit the first cohort of their beauticians without which their business model was simply not possible. Finally, they managed to bring a few beauticians onboard using personal contacts. The first beautician they recruited, as a result, used to provide Arooj's family with at-home waxing services. Arooj not only convinced her to join GP herself but also asked her to bring three other women from her family. On the other hand, Shameelah convinced two new recruits of her salon to join GP instead. In this manner, the partners recruited six women by June 2016, ready to go into training. While the family members, especially husbands, of these initial beauticians did express some minor concerns for the safety and security of their wives going to other people's houses to perform beauty services, there were no major familial or social obstacles experienced by the beauticians. Simultaneously, the partners, especially Shameelah, started developing the format and content of the training programme that these new beauticians would go through along with the SOPs of how a particular service would be performed by the beautician.

In this regard, Shameelah personally trained two experienced beauticians of her salon who, in turn, would train the six new recruits in various technical skills pertinent to performing different beauty services, including hairstyling, facial, waxing, pedicure/manicure, and massage. The trainings included personal grooming of the beautician, hygiene and customer care; however, they were diligently performed by Shameelah herself. So much so, the beauticians were meticulously trained on basic mannerisms, such as how to sit, speak and communicate while they performed their tasks at the client's premises. The other three partners also closely supervised these trainings. As Arooj recalled, "You know what, your first impression in a business of personal grooming can literally be your last impression. We want to be sure that our beautician does not look like those informal freelance beauticians."

Market Trials

The partners decided to have a soft-launch in August 2016 as a trial-run before they officially launched their services in Lahore in September 2016. For the first trial, all the partners made an exclusive list of family and friends on whom they could potentially try their services. They collectively managed to bring on board a little over 200 women using their personal contacts whose consent was sought vis-à-vis the use of any of the GP's at-home beauty services. The design of the experiment was such that those women were offered one service for free during the trial period from amongst waxing, manicure, pedicure, facial, blow-drying or massage. In case someone wanted a second service, it would be charged according to their standard prices. It was; however, made mandatory for all those women who participated in the trial to provide formal feedback regarding the quality of the service provided as well as the behaviour and skill level of the beautician.

The feedback was collected via an online feedback form; the link was immediately sent to the customers using an SMS or WhatsApp message after the service had concluded. The registration and order booking of all the 200+ trial customers were executed through WhatsApp, while the scheduling of the six beauticians who would perform those services was all manually done by the partners using a simple spreadsheet scheduler. As shared by Arooj, "It was a pure lean way of doing things – it was like all four of us sitting in front of the computer assigning our six beauticians against the 200 customers who had agreed to be a part of that trial." Then as soon as an appointment was assigned to a beautician, she was sent a text message on her phone by one of the partners informing her of the date, time and type of service as well as the name and address of the client, to which the beautician replied with an okay. During the training phase, the beauticians were also trained by the partners to at least be able to understand the information shared in the message and type the standard okay reply. At the end of the first trial, almost 200 services were performed by six beauticians over the last three weeks of August 2016.

As Shameelah elaborated:

Our main objective during this first trial phase was to test customers' willingness to avail our 'timely, professional and hygienic' services, while at the same time understand how customers treated GP's beauticians. We were also checking if customers themselves abided by the scheduled appointment time, how they ranked the quality of our services, and whether they treated our beauticians with courtesy and respect. Essentially, we wanted to discover any problems early on, in order to fix them before the official launch.

Interestingly, almost all the women who participated in the trials filled up the feedback form, whereby some of them were also approached by the partners for more elaborated feedback over the phone. Amongst a few notable observations during the trial were, for example, some customers complained that the beauticians were "looking around" at their expensive decoration pieces when they entered their house, which led GP to tweak their SOPs to include keeping eyes lowered when entering a client's house. Similarly, some clients complained about the late-arrival of the beautician, which resulted in the partners making it mandatory for the beauticians to arrive for the service at least 5 minutes earlier than the scheduled time. This discovery from the trials led to the enforcement of a rule that in case any appointment faced a delay that stretched over 15 minutes (barring emergencies), the client received a discount that came from the share of the beautician. Similarly, in case of a delay from the client's end, there would be an extra charge on the fee. As Shameelah said, "The clients do not leave any opportunity to report the late arrival of the beautician to obtain the relevant discount –it's an automatic check on the beautician!"

Since all the customers who participated in the first trial comprised of women personally known to the partners, they feared the presence of some positive bias in their feedback. Resultantly, they decided to execute a second trial exclusively targeting women who were not directly known to any of the GP's four founders. This time the methodology was such that each of the customers from the first trial was asked to refer GP's service to at least one person from within their personal network. All in all, it resulted in 50 referral customers who were total strangers to the GP team. Akin to the first trial, each of these 50 referred customers was provided one free service by the GP beautician at their home and was asked to provide formal feedback using the online form. There was, by and large, an overwhelmingly positive response by the customers who tried GP's service in the second trial. The women simply loved the at-home beauty services and more importantly the professionalism with which the service was delivered. As jubilantly expressed by Arooj, "Those 50 women became our most loyal customers and remain with us to date." Interestingly, by the time the second trial ended, the GP team had also qualified for the fourth and final round of the Start-up Cup that they were participating in. In fact, the results of the trials became a major conviction for the judges at the competition to be taken as a proof of concept for GP's idea and them winning it as second runner up. "I must say that the Start-up Cup has a great role to play in what we did and how we did it! It became the trigger for many things that we did. Had it not been the pressure to prove ourselves at the final stage of the competition, we might not have conducted the trials as efficiently as we did," asserted Shameelah.

Preparing to Launch

Service Booking Model

The partners started conceptualising their service booking process as early as July 2016, envisaging it to be a two-step procedure. The first step involved the customer registering with GP as a member, through their website, which was a one-time task. At the end of which the customer was given a permanent membership-ID. The second step involved booking an appointment by the registered member for one of GP's services, again through the website using the membership-ID that was assigned to her in the first step. **Exhibit 3** outlines the flow of the service booking process in more detail.

In the early stages of the business, the partners had a primitive, largely manual order booking system in place. As Arooj recalls:

A lot of copying and pasting took place after we launched since everything was manually done. After a customer placed an order via our website, an email was generated and sent to our inbox. From here, we would copy appointment information and paste it into our online scheduler and Excel sheets, in which we had created dedicated appointment slots for different beauticians based on their skill set and availability. We then texted the relevant beautician the appointment details and waited for her confirmation. Looking back, it felt like the Stone Age!

Building Website and Facebook Page

The partners decided to create a Facebook page for GP in August 2016, and the website was linked to it, which would serve as a simple landing page for customers to register themselves and book their services with GP. The partners hired the services of a company called Alpha Square to build their website in late July 2016, which was done quite quickly. At this stage before their official launch, their Facebook page mentioned the list of services they would be providing for women once the business was officially launched, with posts titled *coming soon* populating the slowly growing Facebook page. **Exhibit 4** highlights images from GP's most recent Facebook page and website and **Exhibit 14** shows selected customer reviews. Similarly, the first version of their website was very basic, it only listed the types of services and their corresponding prices, along with a *book an appointment* page. At that stage, the back-end of the website was all manually driven, such that when a customer entered information into the *book an appointment* page, an e-mail was sent to the company's dedicated e-mail address, which all four partners could access. From there any of the partners manually registered the customer and assigned them the membership-ID using a spreadsheet.

Pre-Launch Buzz

The partners had decided to officially launch GP's services in Lahore on September 8, 2016, during the week of the *Eid* festival, when demand for beauty-services at traditional salons tended to be very high due to the extravagant nature of the festivities. As the partners had successfully provided free services to all of their trial customers in time, i.e., a week before their launch on September 8, 2016, they chose this opportunity to create buzz and hype for the launch. They accomplished this by getting in touch with influencers and bloggers to write about their upcoming service. As GP's Facebook page had around 2500 followers at this point, the partners got in touch with female beauty and fashion bloggers with Facebook or Instagram followers in the 5000+ range and provided them with a free service in return for a social media post about their experience. This way, GP successfully provided free services to 20+ bloggers in the week leading up to its official launch. This resultantly drove traffic to their own Facebook page via the bloggers' positive social media posts and mention of GP's services.

Launch

The GP officially launched on September 8, 2016, just at the beginning of *Eid* holidays. It launched its operations with eight beauty services: hairstyling, blow-drying, facial, scrub, pedicure/manicure, threading, massage, and waxing (see **Exhibit 5** for a complete product and price list of GP). The initial demand overwhelmed the partners. Although they had anticipated a healthy amount of orders due to the hype-building activities they had carried out through bloggers on social media, they did not expect to see results so quickly. As Shameelah pointed out, "On *Chaand Raat*,⁴ our services were on till midnight, and we made around PKR 25-30K on that night alone, which we hadn't expected at all, just 3 days after the launch." As soon as GP was launched, new customers kept sending in orders for appointments through the company's WhatsApp number available on the Facebook page, rather than visiting the website and following the formal order booking process. Not many of these initial customers ever visited the website. Due to a large number of orders, in the first few days, the partners even catered to the orders they had received directly through WhatsApp, as they did not want to lose customers. After the *Eid* holidays;

⁴ The night that happens to fall just before the Eid day is referred to *Chaand Raat* in Pakistan. It is known for its extravagant festivities.

however, when demand settled down, they almost stopped processing orders that were received via WhatsApp. Instead, the customers were directed to the website and made to use the formal service booking process that they were meant to use originally. Overall, the launch was a great success, with almost 50 appointments served during the four days of *Eid* holidays.

After launch, although the initial spike in demand around the *Eid* festival subsided, orders were still slowly coming in and demand was steady at around seven customer appointments per day. In October 2016, GP brought two additional beauticians on board who had previously been trained and passed GP's end-of-training exam to gain access to the platform. With eight beauticians, operations were running smoothly at the back-end during this period. The partners decided to launch a new make-up service for the first time at the end of November 2016, to capture the high demand for this particular service during the upcoming *Shaadi* (wedding) season in December. In order to launch make-up services effectively, GP brought onboard a total of ten beauticians and carried out hype building activities on social media to increase awareness. As a result, GP performed very well in December 2016 and ended the month with its highest revenue yet, driven by a spike in demand for hair and make-up services in particular.

Building the Business

Recruitment and Training

As the partners believed that a major reason for their success had been their teamwork, they were invested in the process of team building since GP's inception. The most important part of GP's team was, of course, its beauticians, who had been steadily recruited and trained through a combination of the company's community mobilisation efforts and referrals from trusted parties. From a team of just six beauticians when GP was launched in September 2016, the company had brought onboard twenty-two, active beauticians, by their first anniversary in September 2017 and were maintaining forty-seven active beauticians a year later in September 2018.

On the recruitment front, GP had majorly relied on community mobilisation programmes in the three largely Christian-based areas of Nishat Colony, Mariam Colony, and Makkah Colony, located close to its head office. Despite the initial failure of these outreach programmes, their efforts started bearing fruit, slowly but surely. Nevertheless, "after our first experience, we never organised an independent outreach event on our own again; we always either used a female advocate who happened to be an influential person in the community or any of our existing beauticians who belonged to the same community as someone who would invite and bring a group of selected women to attend our sessions... Having seen it coming from someone like them, it was far easier for those women to put their trust in us!" commented Mehvish. It was for this reason that overall 90% of the GP's beauticians came from these three communities as on October 2018, with Christian women represented 70% of the total headcount.

Each beautician signed a two-year renewable contract with GP when she joined the company, with a penalty of PKR 50K in case of any breach in the terms of the contract. There was an extremely structured training program in place for beauticians since the very inception of GP. After being recruited, beauticians would enter a formal two-month training program, where GP's trainers worked with them 5-hours per day for 6 days every week, training them at GP's head office in both technical as well as soft-skills, such as hygiene, grooming, mannerisms, and financial management. After the end of this two-month training period, a beautician would have to spend one week working at Shelu Salon as a trial run. After this, an additional week would be spent for a field trial only catering to 3-5 appointments conducted at the customer's residence. The customers who would participate in these field trials typically comprised of Shameelah's or Arooj's friends and family members, who would formally rate the new beautician's performance and provided detailed qualitative feedback to the company via telephone. Only after passing all of these steps was a beautician given access to GP's platform to become an active beautician.

All the trainers, who happened to be the experienced beauticians working at Shameelah's salon, were personally trained by Shameelah, who then trained the new recruits. The soft skills trainings; however, were conducted by both Shameelah and Mehvish themselves (See **Exhibit 6**).

Shameelah stated:

Apart from being good technicians, we want our beauticians to be good professionals as well. We try to teach them about every minor detail of their interaction with the customer. Literally, they are taught a standard procedure of doing everything while at the customer's premises, including how to talk, how to walk, how to enter or exit the house, how to pack/unpack their bags, how to clean the space after a service has been performed, etc. Even though they are freelancers but we also make it mandatory for them to wear a standard uniform provided to them by us.

As a matter of policy, a particular beautician was trained in only one or a maximum of two skills. For example, if waxing was a skill, the beautician would be trained to perform all the various types of waxing. No beautician was taught to perform all GP's services by herself.

When asked about why train a particular beautician in only a limited number of skills, Shameelah very thoroughly explained:

Well, most importantly, we want our particular beauticians to *specialise* in whatever skill they learn; after all, it has a direct relation with the quality of service. Secondly, training a beautician in 1-2 skills generally takes about a couple of months, so you can imagine if we were to train them in say 4-5 different skills each, then it might take them a year before they get out there in the field. Plus, with one toolkit costing them about PKR 40,000-50,000, it is financially feasible for our beauticians to buy toolkits for multiple types of services at a time. Also, frankly speaking, if you train them in multiple skills, there is a high chance that they would leave GP's platform and start their own beauty business.

The company's training program went through certain modifications within the first six months of operations, due to an incident which involved their beauticians-in-training. In January 2017, GP was in the process of training its fourth cohort of beauticians, which was also their largest at that point, of around ten in number. While this was a massive administrative undertaking for GP, what became a burden for the partners at this time was not the training load, but rather significant incidents of theft around the office involving that particular cohort of beauticians-in-training.

According to Shameelah:

Each day, something out of place would be found in one of the beauticians' bags, who also complained that their own belongings weren't safe. We went as far as to get lockers for everyone at the office, but the incidents of theft did not stop! Our biggest concern was that one or more of these beauticians-in-training were definitely involved in these incidents. If an incident of theft occurred at a client's house at any given time, our carefully crafted reputation and goodwill would significantly be hampered, and it might lead to legal action as well.

As a result, the partners decided to significantly upgrade the documentation requirements of hiring new beauticians, making their contracts stricter, with additional clauses. For instance, all beauticians joining GP now had to get police character certificates made, as well as get biometric fingerprints recorded at the local NADRA office. They also added requirements for all beauticians to get permission from their head of household in-writing in order to join GP. As Mehvish recalled, "After we introduced stricter documentation, one after the other, every single beautician in the fourth cohort left GP before training was completed. It was quite an eye-opener for us!" After this incident, GP decided to institute a one-week orientation program, to be held before the start of the formal two-month training period. During this orientation program, the partners would assess not only the beautician's organisational skills and ability to fulfil stringent documentation requirements but also her learning ability in grasping the theoretical and technical logic behind each service offered. This way, the partners screened out those beauticians early on, who did not possess the right combination of skills, the right mindset, and learning ability to deliver GP's services.

Another change in the company's recruitment and training policy, this time specifically related to their massage services, occurred in May 2017. Although massage services had been the company's most successful service offering since launch, the partners started facing challenges as early as February 2017 in relation to their masseuses. As giving a massage was a technical skill, the partners had hired two Filipinos women, who were formally trained in the art of massage, to be their masseuses, instead of recruiting local beauticians for this purpose. As they were foreign nationals, GP employed these women as salaried personnel, giving them a high monthly salary, along with a bonus commission based on the number of appointments they carried out in a week. Demand for at-home massage services was high, GP's masseuses started neglecting their duties, for instance, missing appointments, insubordination, and turning their cell phones off in the evening so that they would not be available for new appointments. This started to lessen the company's goodwill with its customers, especially since many working mothers liked to avail massage services later in the evening when GP's masseuses would not be available. After repeated warnings, the partners were forced to let go of both of their masseuses in late February 2017. As a result, massage services were temporarily halted, only six months after launch. After this ordeal, GP slowly managed to re-launch and ramp-up their massage services again in May 2017. This time, they relied on the local workforce rather than foreign-workers. The company hired a massage-expert who had trained in Bali, Indonesia, to train two beauticians at GP, not only in the art of providing a massage but also on how to train others for this purpose. As a result, those two beauticians became massage-trainers for GP, and; henceforth, trained local beauticians in this skill. The company was able to continue massage services through local masseuses, and operations ran smoothly since then.

Lastly, apart from their beauticians, the second part of the GP's team was the company's employees, who were essential for providing back-end support to the business. During their first year, the company operated with a team of only four employees. However, in their second year, starting in September 2017, the company had steadily ramped up the process of hiring additional employees as the need for additional help arose. By the end of the second year, in September 2018, the company employed around 30 individuals. **Exhibit 7** depicts the organisational chart for the company, highlighting the slate of employees at GP as of September 2018.

Operations and Quality Assurance

As of September 2018, although the company maintained a 25 km radius from their HQ as the absolute limit for taking orders within Lahore, most of their orders originated from specific central areas of the city. The partners had estimated that the DHA-Cantonment area accounted for 30% of all customer orders, the Gulberg-Model Town area for another 30%, and the remaining localities in Lahore for the last 40% of all customer orders. The age-bracket which ordered GP's services most frequently was the 25-34 age bracket, accounting for almost 50% of all orders, followed by the 18-24, 35-44, and 60+ age brackets respectively. The partners had found that the popularity of specific services remained largely the same across all age groups, especially waxing for women, which had consistently remained GP's most popular and profitable service since launch.

GP was serving approximately 37 customer appointments per day, as shown in **Exhibit 8**, and since each appointment comprised of approximately 1-2 services each, the company was providing roughly 37-74 services per day, as of September 2018. The way the customer ordering process was structured was that a customer or client would book an appointment with a specific time slot, and within this appointment, could book specific services, such as massage, waxing, etc. The company would then assign each service within a customer appointment slot as a job for one or more beauticians. For instance, if a client had booked an appointment for a facial, a manicure, and for blow-drying, these were three different services to be performed. The company could then assign each of these three services as a separate job for three different beauticians. Or it could assign two services as one job to a particular beautician who had the skill to perform both services and assign the third service as a separate job to a different beautician.

Proper assigning of jobs to the beauticians was something extremely crucial for the success of GP's business model. Recognising its significance, the four partners had duly invested to move from the manual assigning of jobs using spreadsheets towards a technologically advanced system of automatic assignment of jobs to the beauticians. While assigning jobs to beauticians, as appointments were booked by the customer, GP's automated system accounted for four different parameters;

1. the type(s) of services a beautician was trained for,
2. the availability of a beautician for the particular appointment slot,
3. the beautician's performance rating, and
4. the beautician's earning level for the current month as compared to other beauticians.

The last parameter was intended to ensure parity of income across beauticians by prioritising the ones with relatively fewer earnings in the given month. The GP team took great care to ensure that every beautician had access to an equal opportunity to earn money. Interestingly though, the ground realities of GP's business model were found to impede severely the effectiveness of this automated job assignment system. There were many instances when a particular beautician would simply reject to accept the job assigned to her via the automated system, owing to her unwillingness to take up additional jobs beyond a certain number within a specific week. As Mehvish expressed very frustratingly:

Due to this concept of cultural contentment in Pakistan, along with additional household responsibilities for women, our beautician utilization is well below 70%. For instance, if one of my beauticians does two appoints in a day, most of the time she will refuse to take up an additional third appointment because she has to go back to manage her household and be with her family. Such situations call for bypassing our automated system and manually calling up our beauticians begging them to take up the appointment... in Pakistan, at times, culture kills the technology.

On average, as it stood in October 2018, a GP's beautician performed 1.7 jobs in a day, with some performing as many as four jobs in a day, while there remained those who opted for absolutely no job in a day. In about 20% of the cases, the appointment was turned down by the beautician for one reason or the other.

Shameelah expressed:

There are those beauticians who just stop accepting more appointments as soon as their financial goals for the week are achieved. At times, they just become dormant for a full month because they think they have made enough money, while there are weeks when the same beauticians would become super active because probably now, they have a personal debt to pay.

Also, GP created a provision, only for its loyal customers though, to request a specific beautician for a specific service, of course depending on the availability of the beautician in the requested time slot. Such requests were more common for services, such as waxing and massage.

As shared by Arooj:

Some customers are so finicky about having their service performed by a specific beautician that they would rather wait and change their appointment day and time according to her availability. It does pose an operational challenge, but we got to accommodate them for their loyalty.

Quality assurance had always been a major focal area for the GPs team right from the beginning of their venture. "When you are in a service business, and that too of something that deals with beauty and involves personal interaction, quality of service can make or break your business," Shameelah asserted. Shameelah, being a naturally quality conscious person, paid meticulous attention to develop a robust customer feedback system in particular. For that purpose, a special quality control team had been set up consisting of an assistant manager customer care, a feedback officer and a group of customer service representatives reporting directly to Mehvish in her capacity as COO. The role of this specialised team was to track customer feedback using both online (mobile app, WhatsApp and Facebook page) and offline (phone calls and SMS) channels, and actively responding especially to the negative concerns being raised by the customers if any. As a matter of procedure, approximately

30 minutes after the conclusion of every service appointment, GP's quality control team would either call or send an SMS to the customer, soliciting feedback regarding the quality of the service. It was also made mandatory for the customer to rate the last service as well as the beautician who performed that service before she could book her next appointment using the mobile app. The customer could not skip the rating option. Negative feedback, if any, would immediately be flagged, and the nature of the complaint would be identified. If the nature of the complaint was about the beautician's skill level, it would be forwarded to Shameelah's team, who would take relevant action on it, such as re-training the beautician in that particular skill. However, if the nature of the complaint was related to the beautician's behaviour or there was an allegation of theft, for instance, the complaint would be forwarded to Mehvish instead.

The GP quality control team usually allowed for three red flags before a beautician's contract would be liable to termination. However, as Mehvish explained:

You have to understand that we put in so much time, money and effort into recruiting and training these beauticians, so dismissing them outright is the absolute last resort I would ever employ. Every time I get a complaint forwarded to me, I try to sit the beautician down and explain the severity of her situation to her; I might scold her, or emotionally appeal to her, or scare her with the threat of legal repercussions. However, I try my best to somehow fix the problem internally without having to get rid of her, because we're already under-supplied.

As for the punctuality of service, in case any beautician arrived late to service, i.e., over 15 minutes (barring emergencies), the client received a discount which was equally shared by the GP team and the beautician.

Similarly, as GP strived to ensure a balance between the interests of both their clients and their beauticians, the company had put mechanisms in place for the safety of their beauticians. For instance, although only 3-4 incidents of customer misbehaviour or harassment had occurred in GP's history, the company took these very seriously. GP encouraged its beauticians to immediately call the company over the telephone in case they felt something was suspicious or out of the norm at the client's home, authorising the beautician to pack up her belongings and leave immediately if the need be.

As one beautician narrated:

I had a customer appointment at a farmhouse once with another beautician, and when we arrived there, the environment and ambiance of the place were suspicious, and we did not trust the clients. We immediately called GP and they told us to leave right away, even if we had to abandon our toolkits. The partners stayed with us on the phone the entire time and informed the clients the service would not continue. We left immediately, but if we hadn't, the partners themselves would have arrived at the farmhouse to ensure our safety. We have complete trust in GP in this regard.

Moreover, each appointment was timed with a timer placed in front of the customer to ensure that the service did not go over its allotted time. In case the client requested any additional services on the spot, or there was a delay in service for any reason, the beautician had to immediately inform GP. This acted as another layer of oversight on the provision of a service.

One key operational risk that was inherent to the business model, such as GP, was the possibility of a beautician getting direct with the client, bypassing the GP's platform and undercutting their earning. Being fully cognizant of this risk, the GP had put in place some very smart tactics. The first of these was their *secret shopper programme*, whereby the GP team would purposely ask some of their loyal customers to secretly offer their beautician for a direct service testing her intention to accept the offer. Subsequently, these occasional secret shoppers reported back to GP their feedback in this regard that helped them identify the beauticians who could be the potential offenders, and; hence, were monitored more carefully. The second controlling mechanism that was put in place for the mitigation of this risk was a centralised inventory management system designed by the GP team. All the beauticians, by policy, were bound to buy the beauty products being consumed in various services only from a

centralised warehouse located at the head office of GP. It allowed GP to keep track of the consumption of those beauty products, which according to Arooj, “This informed us if they were using these products elsewhere or not; to serve personal clients.” In case a beautician was caught trying to be direct with a GP’s client, she would instantly be terminated and resultantly lose access to a platform of more than 10,000 potential clients, something that was not accessible to her otherwise. To date, there had been only three reported instances where the beautician tried to offer her personal services to the client.

Talking of this risk, Shameelah said:

See, it is the quality, security, and professionalism of our service that the customers like. They do not take the risk of losing these all by hiring a beautician on their own. In fact, if one of our beauticians ever tries to approach them informally, the clients are often the first ones to report this to us, because they don’t like it at all.

In fact, from the beauticians’ perspective, it was quite clear that rather than a beautician offering her services directly to a client, it was often the client who would request such an arrangement.

As one of GP’s beauticians from the first cohort stated:

Clients request our direct services bypassing GP on an almost daily basis. It happens a lot. But we immediately politely refuse the client and inform the company after the service concludes. Why would we try to be direct when we already get so many appointments through GP? I wouldn’t even have the time to take any extra appointments even if I did work privately. And I would never betray GP in such a manner.

Sales and Revenue Model

As of October 2018, of the 10,000 subscribers on GP’s platform, about 50% were those who had not yet availed any of their services. Every month there were, on average, 1000 customers served by GP, of which almost 60% were those who had previously used GP services (i.e., repeat customers), while 40% were new customers who would use GP’s services for the first time. It means there were 300-400 new customers added per month. Talking of the new subscribers added on GP’s platform every month, approximately 20% tended to convert into paying customers in the same month, while the rest would convert mostly during seasonal sales. According to a rough estimate, 20-25% of GP’s total customers had used their services more than 10 times ever since their inception two years ago.

GP’s founders had made incremental changes to the company’s revenue model since inception. As such, the financial make-up of the company was quite different as of October 2018 than it was two years ago. When GP initially launched, it had started with a 70-30 revenue sharing model with its beauticians, where the beautician would keep 70% of what she made from service, and GP would keep 30% as commission. In early 2018, this revenue-sharing formula was altered to 60-40 respectively. While beauticians who were already working according to the old formula were kept at that percentage, new cohorts of beauticians started with a 60% share of appointment revenue and were slowly brought up to 70% if they kept a consistently high-performance rating, i.e., greater than 4.5 out of 5.0. In the same vein, if their performance rating fell below 4.5, they were likely to be brought down to 60% again. Interestingly, an additional 10% of the beautician’s share was kept by GP in a savings account on her behalf which she was entitled to withdraw at the time of quitting GP or if any special financial need arose. For instance, one of the beauticians had just used these savings funds to buy a car for herself! (See **Exhibit 6**). For GP, the profit margin was essentially fixed as 30-40% of the price regardless of the type of service performed, whereas, from the beauticians’ point of view, their profit margin would vary depending on the type of service. For instance, the beautician would pocket a high margin for nail polishing as she needed to consume very little products for it, while waxing would leave her with a far less margin due to its high consumption of products. The company had shifted from cash-based transactions to using the Sim-Sim mobile payments platform in September 2017, which automated payment processing between GP and its beauticians. While customers still paid the beautician in cash, the beautician then transferred this amount to GP within 24 hours after the conclusion

of the service via the Sim-Sim Wallet app instead of physically coming to the HQ to hand in the cash. Since each beautician had their own virtual wallet and QR code, GP maintained a transaction history with all the beauticians.

However, convincing beauticians of this was not an easy task for the partners. According to Shameelah:

Initially, they put up a lot of resistance at having to learn new technology. They also didn't understand virtual currency and were fearful that their money would stay on their phones. We put in a lot of effort to explain the benefits of this method, including owning a debit card which they could use at any ATM to take out cash whenever they wanted.

The beautician's share of the revenue was transferred to her on a fortnightly basis. Every two weeks, the GP's accounting department assessed how many appointments a beautician had performed in that period and calculated her share accordingly. The automated payroll software would then automatically transfer this share to the beautician's Sim-Sim virtual account, after deducting certain expenses. These expenses included:

1. the cost of beauty products that the beauticians bought from GP for use during service,
2. any fines the beautician had incurred due to reported customer complaints, and
3. monthly instalments for GP's standardised toolkit for use during a service.

According to Fareed:

The beauticians are happy with this automated arrangement, as fortnightly payments ensure that they have savings and having a virtual Sim-Sim account ensures their family members do not know how much money they're actually making, and hence the beautician has more control of her finances.

As the company's toolkit cost PKR 70,000, the partners allowed the beauticians to pay PKR 25,000 as a down payment, and pay back the remaining cost in the form of instalments from their monthly earnings. While there was no requirement for a down payment initially, the company later introduced this as there were incidents of beauticians disappearing with the toolkits to offer their own direct services to clients privately. The cost of the down payment was borne by the beautician, usually through a loan from any micro-finance institution, which was to be arranged by the beautician herself. As of October 2018, almost 80% of GP's beauticians had secured a micro-financing loan to pay for the down payment of the toolkit. After the monthly instalments were paid fully, which on average took one year, the ownership of the toolkit was passed on to the beautician. Similarly, the travel cost to and from an appointment was also funded by the beautician herself; GP did not account for this expense. On average, a particular beautician travelled 10 km for a round trip in catering to a single customer appointment. A beautician spent PKR 5,000-10,000 on transportation per month, depending on how many appointments she was fulfilling and on her mode of transportation, e.g., bicycle, motorcycle or rickshaw. Overall, the range for a beautician's take-home money [income after all the deductions] was around PKR 20,000 to 80,000 per month.

As one beautician who had worked with GP almost since its inception stated:

I can usually do 3-4 appointments in a day and I'm sure the situation is similar for all of us. I think on average we all earn around PKR 50K-60K per month after all the deductions and are extremely happy with that. This job has improved our lives so much. I don't know what I would be today without GharPar!

In terms of the company's overall financial health, GP experienced sustained quarterly growth in sales revenue since its launch, as depicted in **Exhibit 9**. However, the growth trend varied across service lines, with certain services, such as waxing, accounting for a majority of the company's sales revenue, as shown in **Exhibit 10**. The company was cash-flow positive within a year of commencing operations, but, unlike its revenues, showed significant fluctuations in liquidity status over the course of two years after its launch (see **Exhibit 11**).

Raising External Funding

In the first year, the company ran entirely based on the PKR⁵ 5.6 million start-up capital the partners had personally invested, in June 2017, the partners decided to start the process of raising a round of external funding. This was deemed necessary to expand quickly into other cities of Pakistan, especially in light of reports of copy-cat businesses appearing in other cities, and in order to further fuel GP's expansion efforts in Lahore. Around this time, the partners were coincidentally invited to pitch their start-up in front of investors on a TV program by the name of 'Idea Croron Ka' on a popular television channel in Pakistan. After some deliberation, the partners decided to pitch their start-up on the program. Pictures in **Exhibit 12** highlight the important events in GP's timeline, while **Exhibit 13** depicts GP's increasing prominence in print media. However, while the investors on the panel were impressed with how far GP had come in such a short amount of time, none of them were willing to invest in the business at the partners' desired valuation. Still, one good thing that came from the television program was that the partners were introduced to silicon-valley based investor Asha Jadeja, who held initial investment meetings with the partners. Although she did not choose to invest at that stage, she remained interested and introduced the partners to other investors as well. As Fareed explained, "Since we had successfully demonstrated the viability of our service model for over a year in the Lahore-market, we were eager for an investment which would help us grow, but weren't willing to lower our valuation."

To their surprise, in December 2017, after months of searching for a suitable investor, a Pakistani investor based in the UAE showed his interest in investing with GP. He had heard of the company through word-of-mouth and had gotten in touch with the partners through a mutual contact of Shameelah. After successfully holding talks with the partners, he decided to invest in the team at their asking price, i.e., USD 0.5 million for 10% equity. Delighted, the partners accepted the offer and finalised the term sheet in March 2018.

According to Fareed:

We were very lucky to close our seed round with an investor who is very hands-off and has complete faith in our team's ability to effectively utilise his capital to expand our business. Interestingly, in the months following our seed round, investors with whom initial talks had been unsuccessful were once again showing their interest in coming to the table.

Transforming into a 'Tech' Company

Since its inception, the partners had envisioned GP to be a tech-enabled platform. However, this was not the case when GP launched, as most of its back-end and front-end processes being manually done. Over time, the partners sought to remedy this.

In August 2016, a few weeks before launch, the partners had gotten in touch with various tech companies to build an app for them. Through multiple meetings, the partners were repeatedly told that an app with their specific requirements, which were order-taking and processing, would be quite easy to build. At this time, a family friend of one of the partners, who worked in a UX design and app building company, offered to build the app for them free of charge and told them it would be ready in five months. Believing that building their app was going to be an easy task, the partners took up the free-of-cost offer. In January 2017, when the app was due; however, the company they had hired informed the partners that the app was not yet ready and would be delivered in March 2017 instead. When the app was finally delivered to them in March it had a lot of bugs (technical problems) that it was almost entirely non-functional. It had been coded in a way that certain lines of codes were negating others, and it could not process even a single customer order without crashing. This was quite a set-back for the partners, as they had planned to launch their app around this time to create marketing hype and capture more of the Lahore market. However, instead of dwelling on their failed app and trying to get it fixed, they decided to scrap it altogether.

⁵ During 2017, the average exchange rate for the U.S Dollar to the Pakistani Rupee was 105.33. Source: State Bank of Pakistan, http://www.sbp.org.pk/ecodata/ibf_arch.xls, accessed January 2019.

According to Arooj:

We learned many important lessons through this process. In retrospect, it would have been better to formally hire a company to build our app as opposed to taking favour. We were in an awkward situation, because the company we had engaged thought of this as a side-project, and we could not be stern with them in terms of deadlines and performance either because they weren't charging us any money. They simply weren't incentivised enough to build the app for our detailed specifications.

After this ordeal, the partners learned that they had to very accurately capture their entire customer ordering and processing procedure in flowcharts in order for the app developers to build a functional app. This time around, the partners took their time, involving Arooj in this process, who was meticulous with recording GP's standard operating procedures on paper. Once this was finished, at the start of 2018, GP hired a new tech company to build their app. This time, the company provided detailed flowcharts and SOPs of all of their processes along with technical specifications. The app was delivered to them in August 2018 and officially launched on September 18, 2018. In about a month after launch, as on October 13, 2018, 10-15% of the GP's appointments were being booked through the app while the rest were still routed through their website. The company also updated the front-end and back-end of their website, completely automating the process of order-taking, and gave the website a modern look at the same time. The company also availed the services of a UAE-based company called Evamp & Saanga and purchased a two-way SMS facility which allowed their beauticians to receive an automated SMS when a new appointment was assigned to a beautician via GP's automated back-end system.

Still, the launch of their front-end app and automated back-end system was not without its technical challenges. For instance, at times an SMS would not automatically be sent to the beautician after the order was assigned to them and the GP team would have to call the beautician manually to make sure she had received the order, which at times she had not. Many of GP's departments were also having problems with the app especially with erroneous accounting information and glitches in order-processing and confirmation. The partners were insistent; however, that these issues would be fixed over time and could only be ironed out once the app was actually in use.

According to Fareed:

I stand by the fact that our front-end application needed to be launched when it did. We could not wait for the perfect application. Only when the app is in operation can we fix the technical problems with the code, etc. And once our front-end application is working flawlessly, only then can we build a back-end application to directly interact with it, allowing us to gain entry into the realm of data mining and to gain the ability to scale as a tech-driven organisation.

Launching Men's Services

No major expansion in GP's product line had occurred since the launch of their make-up services for women in November 2016. Hence, the partners decided to undertake their first major product-line expansion by entering into a different market segment but leveraging the same core competencies. On August 20, 2018, GP finally launched at-home male grooming services in Lahore, offering hair-cutting and styling, shaving, manicure/pedicure, massage, as well as waxing. For this purpose, GP partnered with and trained male beauticians who would provide these services to men, utilising the same recruitment and training procedures as those for their female beauticians. Trials for men services were conducted in March 2018 with 50 male participants who were all related to at least one of the four partners. The formal training of their first cohort of male beauticians started in April 2018 with five beauticians all together. Till October 2018, it had been almost two months since the GP men services were launched but the response had not been very encouraging. There was only one appointment in two days, with massage services accounting for almost 80% of those appointments. The rest of the services were hardly used by men.

As Fareed pointed out:

It's been two months and men's services haven't picked up the way we had hoped. Men in Pakistan have significantly different grooming habits compared to women - they are far less experimental than women when it comes to their beauticians and barbers. For men, it's also probably not very inconvenient to leave their homes and go to a salon as compared to women. Also, it's difficult to compete with market price points for men's services. For example, they can get their hair cut done from a decent salon for as low as PKR 500; it is not easy to beat that price point using an at-home service!

While most of the female customers had been acquired through word-of-mouth and social media marketing, it was learned that men, on the contrary, tended to be highly secretive about their use of certain beauty services, such as facial, manicure/pedicure and waxing, due to feminine connotation generally associated with them. Rarely did they talk to other men about their experience of these services. The GP team was contemplating to enter into a B2B market for their men services, where they intended to seek a contractual arrangement with some large organisations offering them subsidised massage services for their male employees.

NEXT MOVE?

It was October 2018, and with the recent launch of their male grooming services in Lahore just behind them, the four partners were intrigued with the idea of deciding their next move. One major event that seemed to trigger this thought was the unexpected interest from a few investors, who seemed very keen to invest in GP. Nevertheless, this interest by the investor community was conditional to GP's expansion beyond Lahore and its ability to develop positive traction in those markets over the next six months or so. It meant for the four partners to take an expansion decision soon, in order to keep the emerging interest by the investors. With these investment propositions looming over, Mehvish had also become recently aware of some copycats which were popping up in the twin cities of Islamabad and Rawalpindi, that too with names very similar to GharPar, owing to the increasing popularity of GP's brand name on the social media and otherwise. So much so that one of those businesses was even found to have deceptively proclaimed on their social media page that "Gharpar has now arrived in Islamabad". Indeed, the surfacing of these similar businesses was a big cause of concern for the four partners, who feared losing their first-mover advantage and a potential foothold in markets other than Lahore.

Pondering over these ideas cum fears, a meeting on October 13, 2018, presented a very important debate amongst the four partners:

Shameelah said:

This is high time for our business. I think a great opportunity has presented itself in the form of this recent interest of the investors. It's been two years since we launched in Lahore and I believe we have done a remarkable job in this market. We now have a workable business model with us - look at the numbers, they are impressive! So, while we continue to expand further in Lahore, it's about time to move to Islamabad/Rawalpindi now, otherwise, we'll keep planning it forever. It's time to act!

Fareed said:

Shameelah, I do understand your excitement for scaling; you have always been the most gung-ho of all of us (said smilingly). I know that with this new investment coming in we will have enough capital to fund our expansion into the twin cities, but mind you once we launch, we'll be burning liquid capital for at least a year, which might erode our ability to ramp up our technology platform and marketing efforts in Lahore. We have not yet started investing much in marketing and it is a costly business. And you're forgetting about the logistical challenges of launching into a new market, given that all of us are based in Lahore. So, I am sceptical!

Mehvish expressed:

I get where you're coming from Fareed; however, I still agree with Shameelah. Our supply-side issues in Lahore aren't going away anytime soon. It's not smart to focus on just one market. We've seen interest from potential customers in Islamabad, so why can't we acquire those new customers while steadily growing in the Lahore market at the same time? I'm personally willing to shift to Islamabad and take charge of our operations there. I'm already concerned about a copycat company by the name of 'Ghar Pay' which is damaging our brand equity in the twin cities. Fareed, you remember, we seriously considered expanding to Islamabad 1.5 years ago as well, but you believed we didn't have enough capital to make this move back then and the idea was dropped. We must go this time!

Shameelah insisted:

Fareed, let me tell you, investors are not the kind of people who usually wait for too long before they lose interest in something.

Calmly listening to this whole discussion, Arooj commented:

I am glad to see that we're all still as passionate about this business as we were when we launched it two years ago. But now as we are discussing the future of our company, I just want to be sure that we all still know what GP is all about. People know GP as a company that acts professionally, giving them peace of mind and reliability in what they order, and they clearly don't like us when we fail to deliver that experience to them. On the other end, we have a mission – the mission to empower the marginalised individuals of the society, especially women, by turning them into someone who does not just have the capacity, but also a sizeable opportunity to live a financially independent life. So; however, we decide to move ahead we must always keep the purpose in mind.

Exhibit 1: Brief Profiles of GharPar's Four Founders

	Name: Shameelah Ismail
	Designation at Gharpar: Chief Executive Officer (CEO)
	Areas of Specialization: Beauty Industry, Management, Training
	Professional Background: Learning Alliance, Shelu Salon
	Name: Mehvish Arifeen
	Designation at Gharpar: Chief Operating Officer (COO)
	Areas of Specialization: Operations Management, HR, Quality Assurance
	Professional Background: Kashf Foundation, C.E.R.P.
	Name: Arooj Ismail
	Designation at Gharpar: Chief Marketing Officer (CMO)
	Areas of Specialization: Marketing, Technology
	Professional Background: The Coca Cola Export Corporation, British Council
	Name: Fareed Qureshi
	Designation at Gharpar: Chief Financial Officer (CFO)
	Areas of Specialization: Financial Management
	Professional Background: Boston Consulting Group

Source: Company Documents.

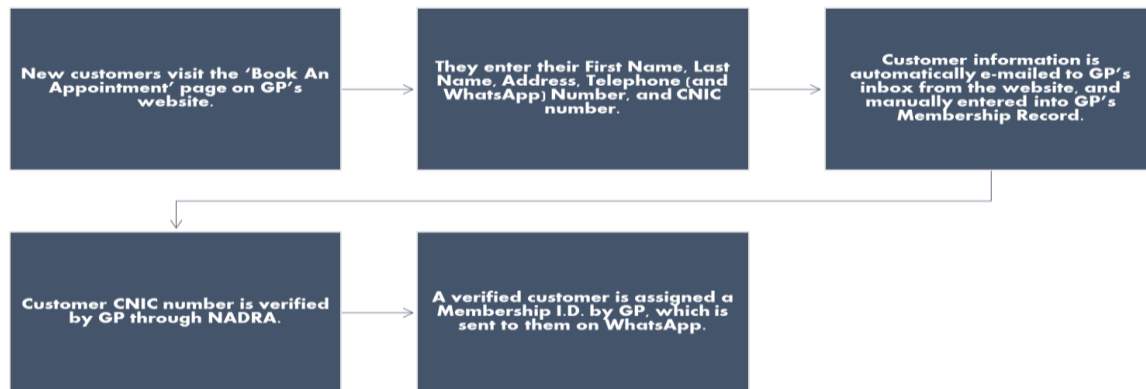
Exhibit 2: Price Comparison of High-End Women's Salons in Lahore (For Select Services)

Service Offering	Average Price (PKR)		
	Depilex	Toni & Guy	Nabila's
Manicure + Pedicure + Facial	1,200	4,000	4,000
Full Arms & Legs Wax	2,200	5,000	6,000
Hair Wash + Hair Cut + Blow dry	2,000	3,500	7,000
Hair Treatment	10,000	15,000	7,000
Hair Dye	7,000	9,000	10,000
Bridal Package	25,000+	45,000+	32,000+

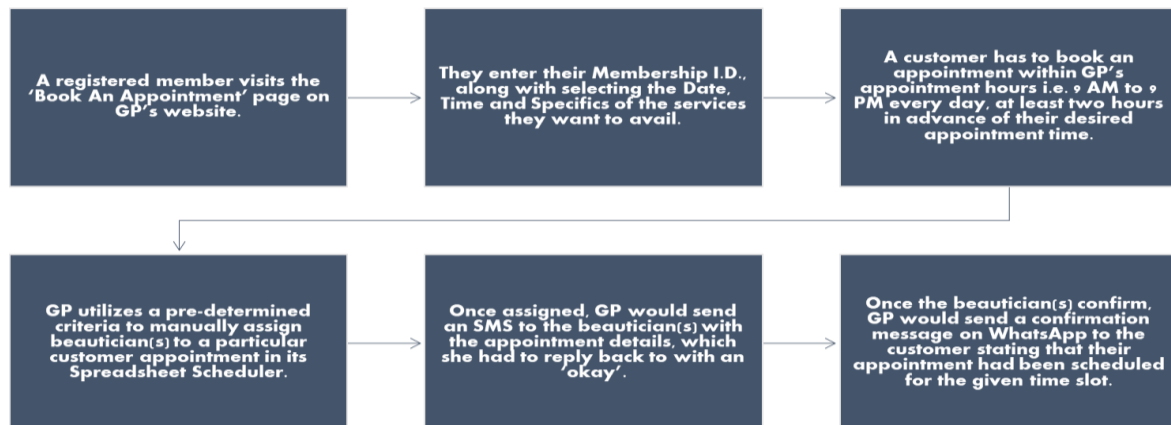
Source: Authors' Notes.

Exhibit 3: GP's Order Processing Flow at Launch

(a)



(b)



Source: Company Documents.

Exhibit 4: Pictures of GharPar's Current Facebook Page and Website (p1 of 4)

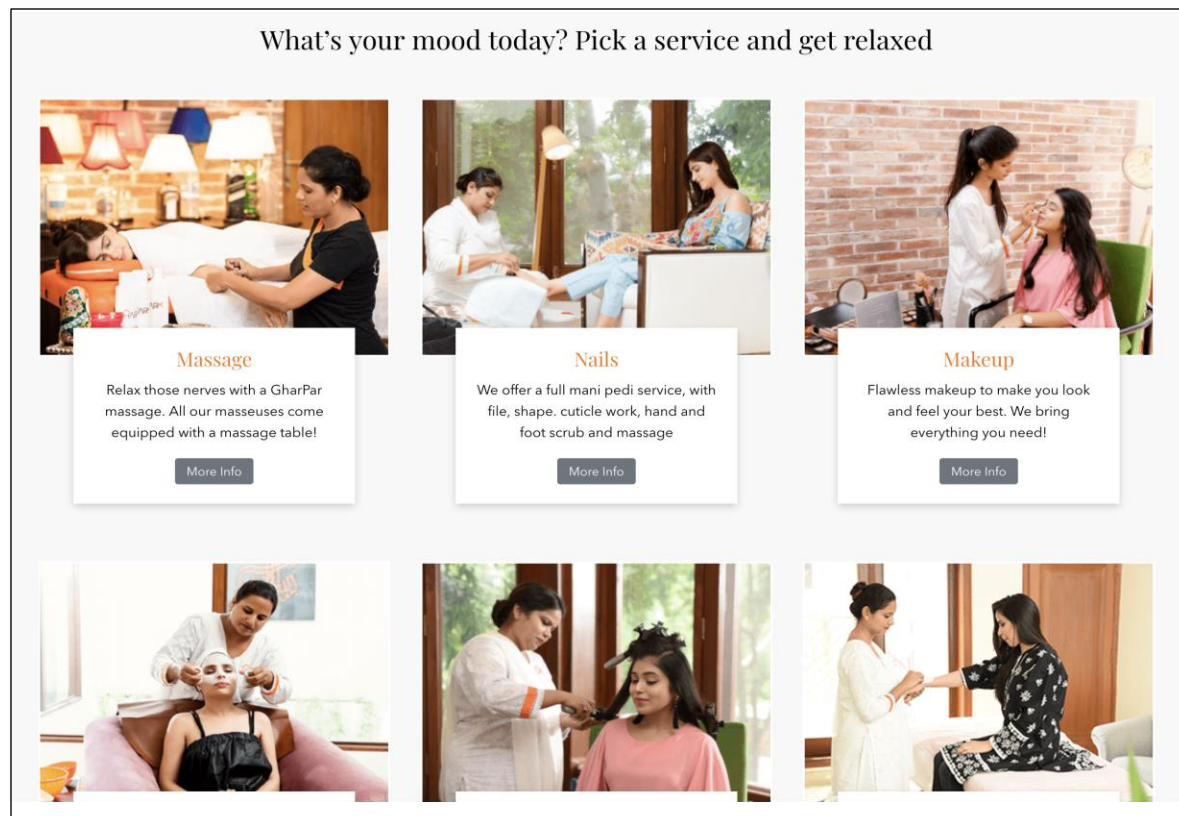
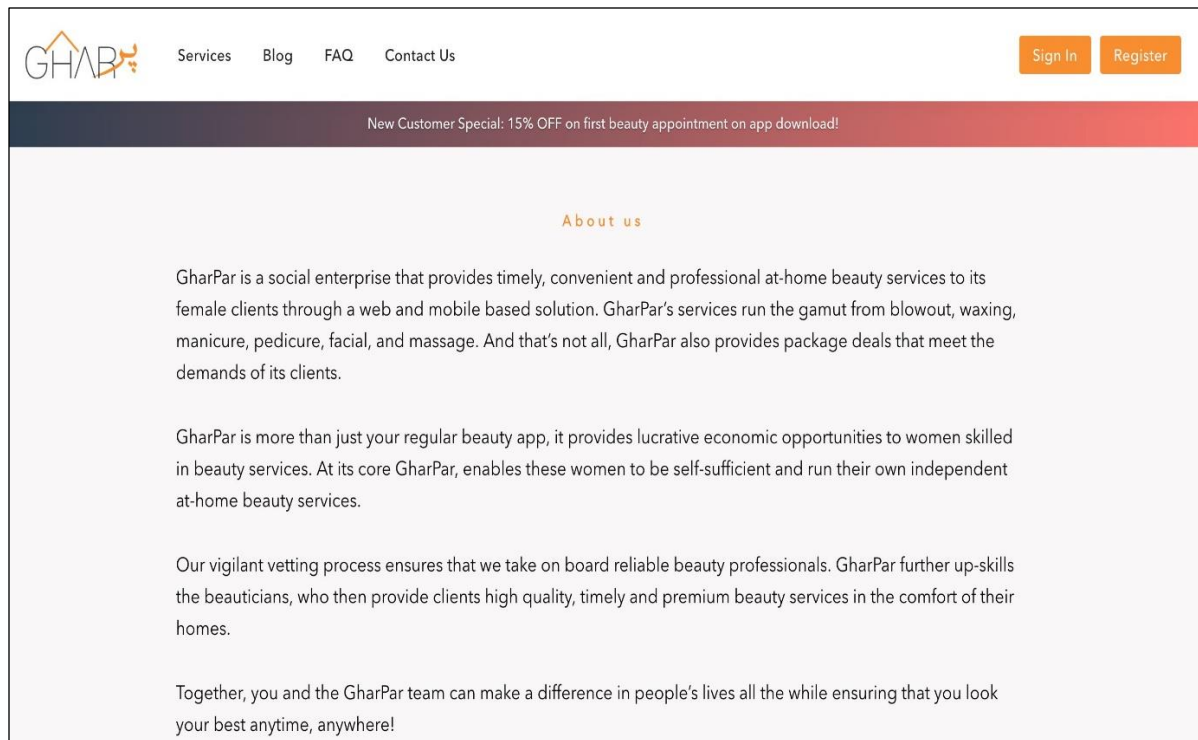


Exhibit 4: Pictures of GharPar's Current Facebook Page and Website (p2 of 4)

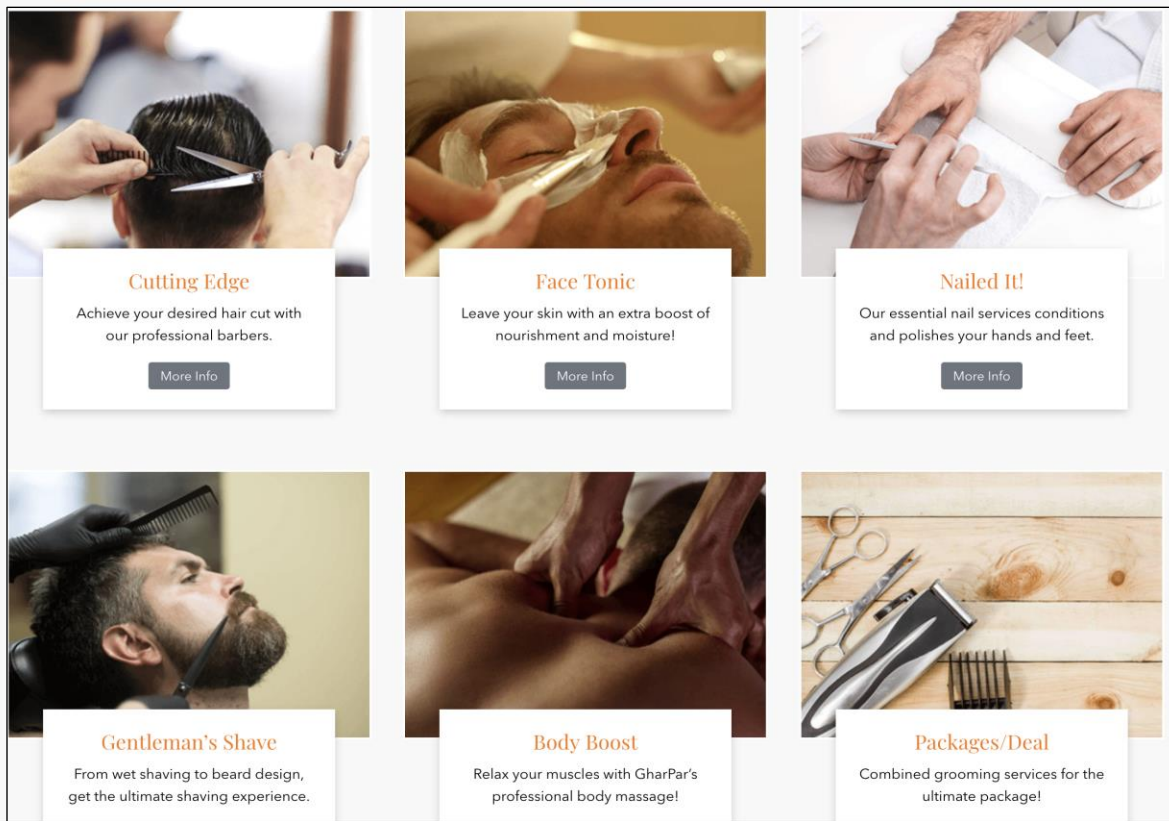
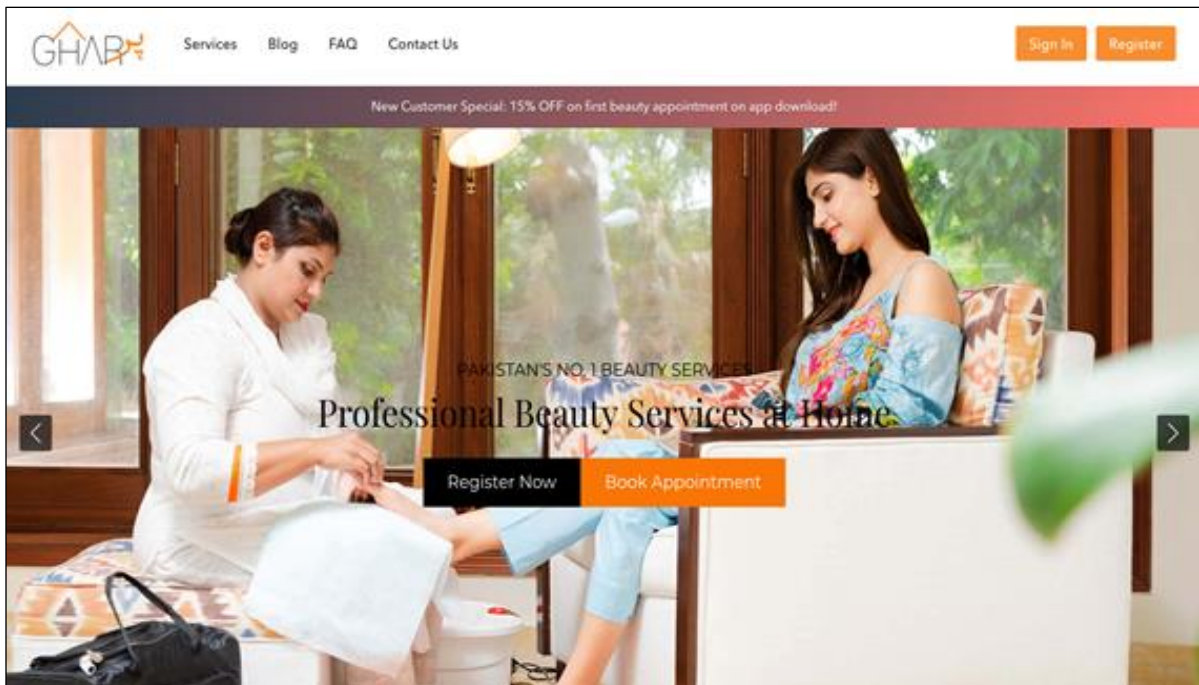


Exhibit 4: Pictures of GharPar's Current Facebook Page and Website (p3 of 4)

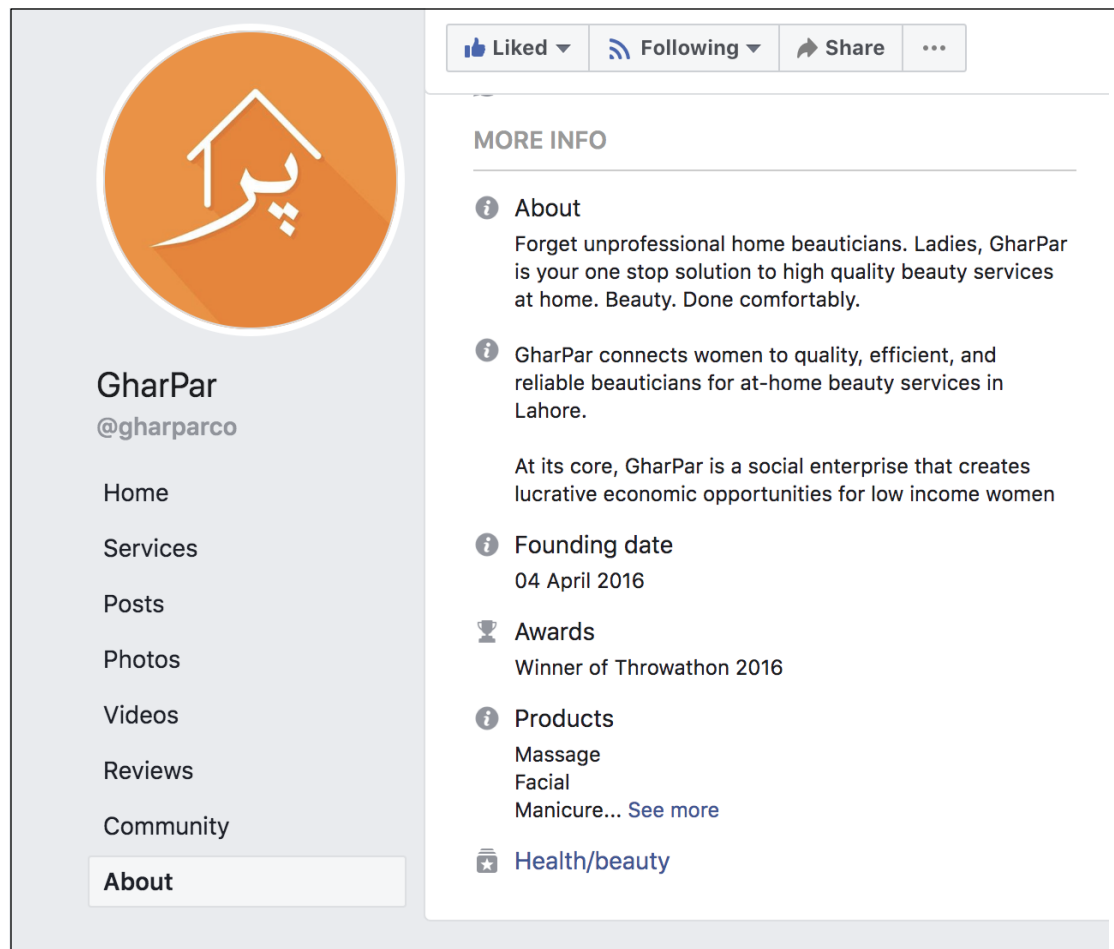
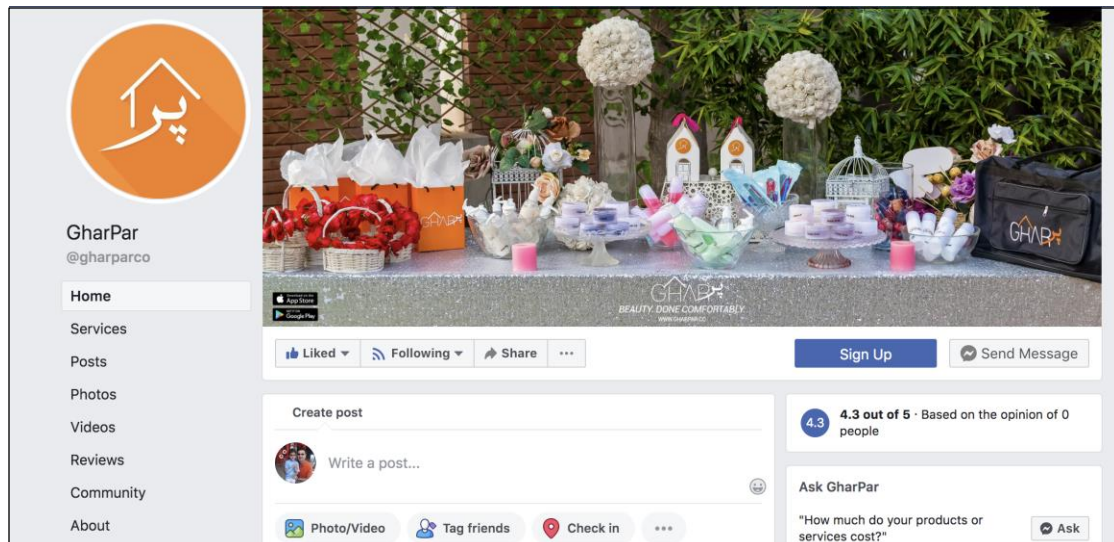


Exhibit 4: Pictures of GharPar's Current Facebook Page and Website (p4 of 4)



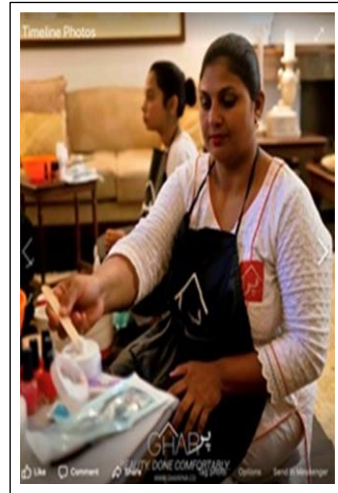
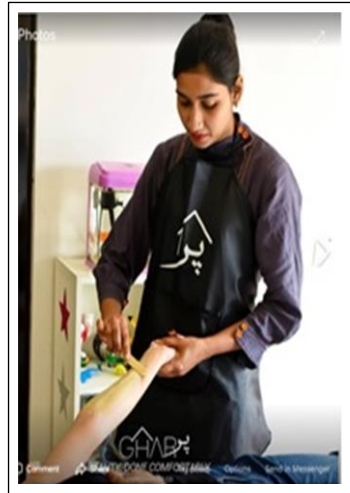
Source: Company Facebook Page and Website.

Exhibit 5: Price list of GP Services

 			Nails	
			Classic Manicure	Rs. 800
			Classic Pedicure	Rs. 800
			Organic Manicure	Rs. 1000
			Organic Pedicure	Rs. 1000
			Classic Mani Pedi	Rs. 1400
			Organic Mani Pedi	Rs. 1800
Waxing			Root Touching (Upto 1 inch)	
Full body	Rs. 3200	Rs. 2200	Dye Application + Wash	Rs. 1200
Full legs + Full arms + Underarms + Bikini	Rs. 2400	Rs. 1700	L'Oréal Majirel + Wash + Simple blowdry	Rs. 2200
Full legs + Full arms + Underarms	Rs. 1800	Rs. 1250	L'Oréal INOA + Wash + Simple blowdry	Rs. 2500
Half legs, Full arms + Underarms (Fruit)	Rs. 1350	Rs. 850	*Prices will be doubled for Mani Pedi Combos	
Underarms + Full arms (Sugar)	Rs. 750	Rs. 750	Body Scrub	
Facial			Nutty Almond Scrub	Rs. 1300
DermaClear		Rs. 2200	Ubtan Scrub	Rs. 1300
DermaClear with Polisher		Rs. 2700	Signature Coffe Scrub	Rs. 1300
Thalgo		Rs. 3200	Makeup	
Thalgo with Polisher		Rs. 3700	Soft Makeup without eyelashes + Blowdry	Rs. 1800
Janssen Whitening Facial		Rs. 2500	Soft Makeup + Hairstyle + Eyelashes	Rs. 2800
Janssen with Polisher		Rs. 3000	Eye Makeup without lashes	Rs. 1500
Face Wax and Threading			Eye Makeup with lashes	Rs. 2000
Eyebrows		Rs. 100	Party Makeup, Eyelashes, Nail Paint, without Hairstyle	Rs. 3500
Upper lip		Rs. 100	Party Makeup, Eyelashes, Nail Paint, with Blowdry	Rs. 4000
Per Part		Rs. 100	Party Makeup, Eyelashes, Nail Paint with Hairstyle	Rs. 4500
Full Face		Rs. 750	Bridal Service Packages available upon request	
Massage			Complaints and Queries email : info@gharpar.co call: ++92-304-1114427	For Further Information visit: www.gharpar.co
60 mins Full Body Massage		Rs. 1800		
90 mins Full Body Massage		Rs. 2700		
Hair				
Blowdry		Rs. 1000		
Hair Cut Adult		Rs. 2200		
Hair Cut Under 12		Rs. 1000		
Adult trim upto 1 inch		Rs. 1500		
			 /gharparco  @ghar.par	

Source: Company Documents.

Exhibit 6: GP's Beauticians In-Training and At-Service



Shameelah, CEO of GP, training a cohort of beauticians about hygiene.



Massage and Waxing

In-house training of beauticians by trainers



Source: Company Documents.

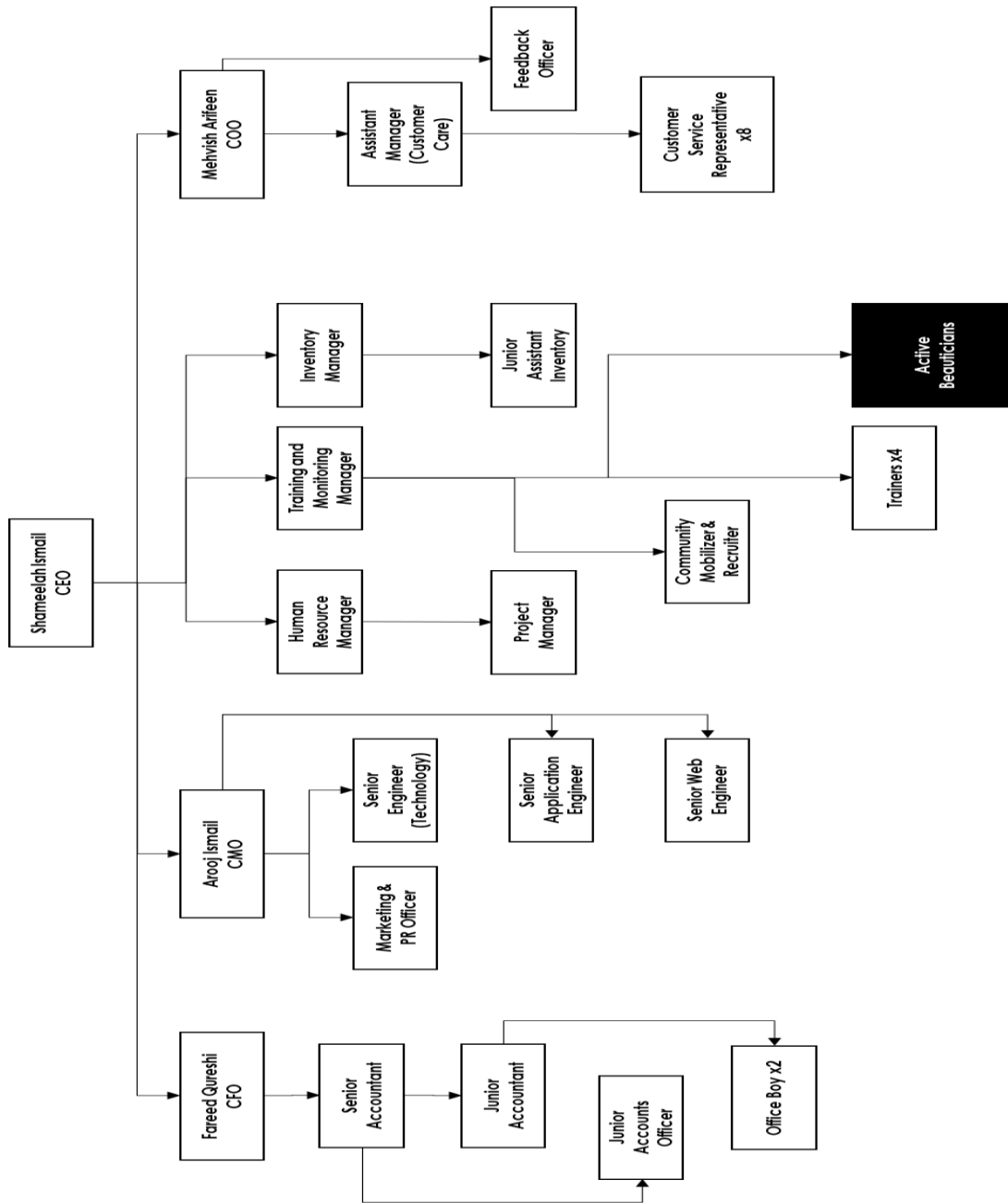
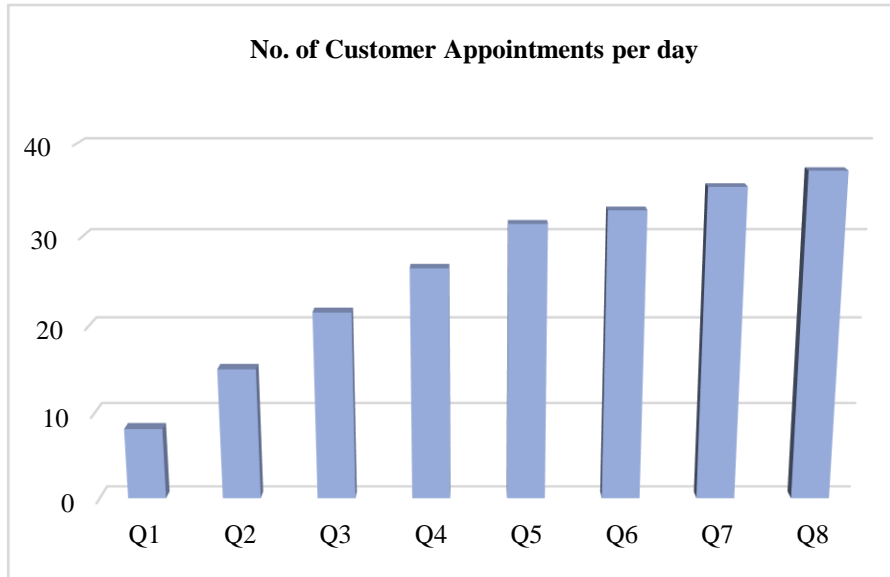
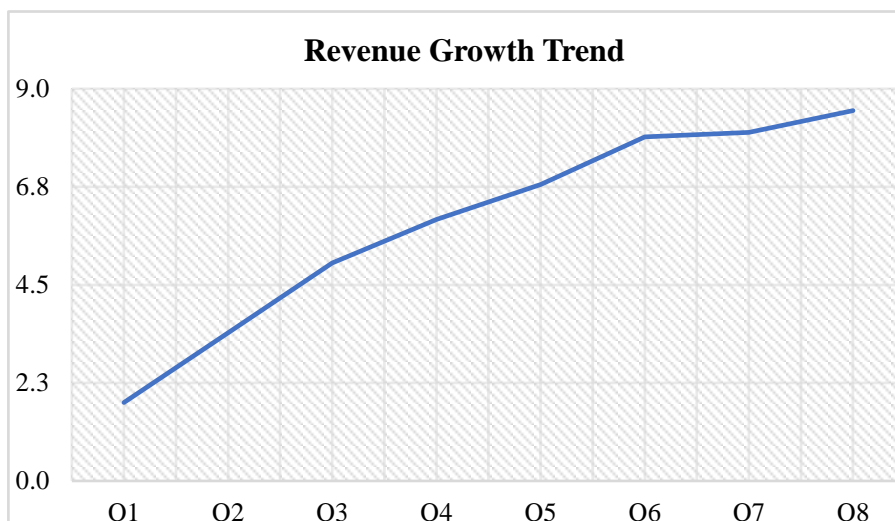
Exhibit 7: Organogram (as of September 2018)**Source: Company Documents.**

Exhibit 8: Quarterly Growth in Number of Customer Appointments per day, as of October 2018



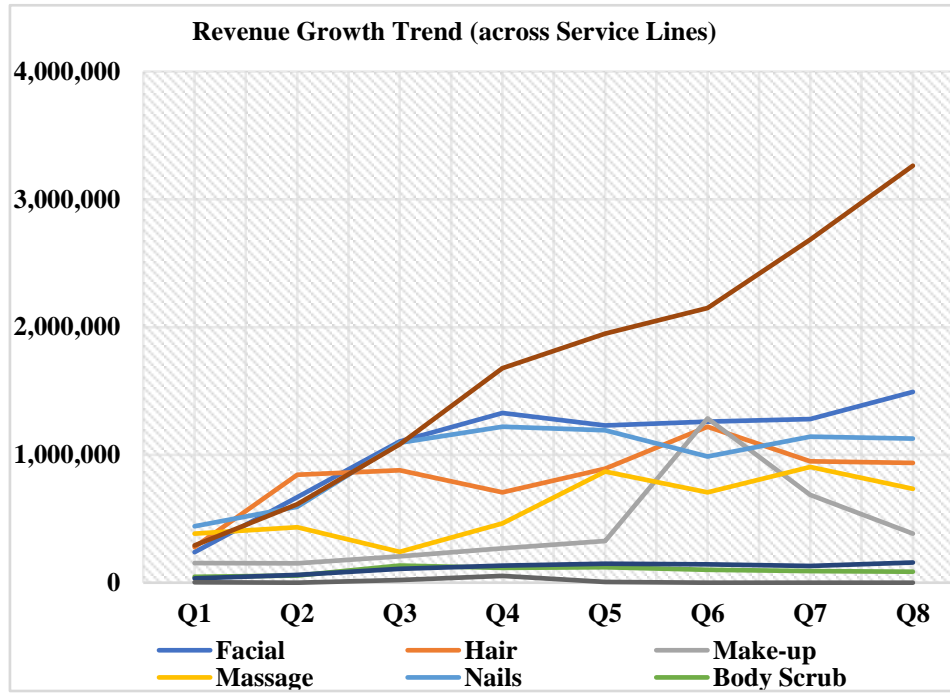
Source: Company Documents.

Exhibit 9: Quarterly Growth (trend, PKR Million*) in Sales Revenue for GharPar, as of October 2018



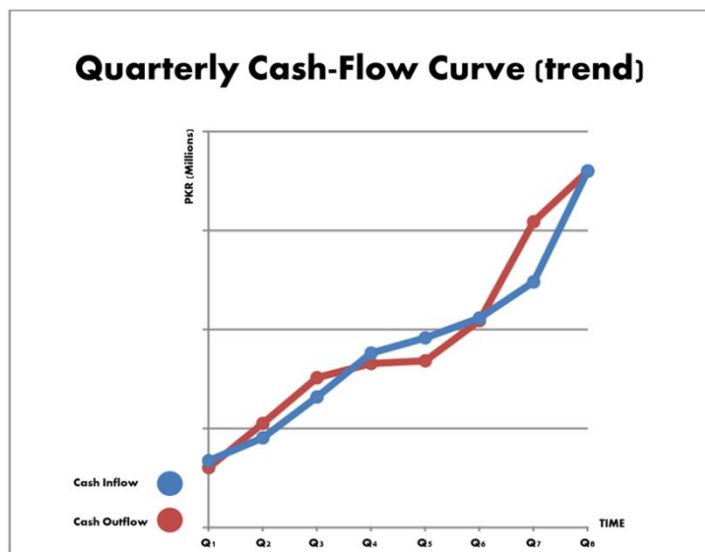
* Real numbers have been disguised at the company's request.

Source: Company Documents.

Exhibit 10: Quarterly Growth (trend, PKR*) in Sales Revenue across types of services, as of October 2018

* Real numbers have been disguised at the company's request.

Source: Company Documents

Exhibit 11: Cash flow Curve of GP, as on October 2018

Source: Company Documents

Exhibit 12: Pictures of Important Events in GharPar's Timeline

The Gharpar team finishes as 2nd runner-up at the Pakistan Start-up Cup, 2016 & the winner of Throwathon first prize.



The Gharpar team appears on a popular TV show 'Idea Croron Ka' pitching to a group of investors



Source: Company Documents.

Exhibit 13: News Clippings Showcasing Gharpar's Increasing Prominence

The Nation, February 2018



Startup Guide Magazine, October 2018



Oxfam's Initiative #iwasthere, August 2019



Source: Company Archives.

Exhibit 14: Selected Customer Reviews from GP's Facebook Page (p1 of 3)


Hafsa Nafees ★ recommends GharPar.
 22 October 2018 · 🌐
...

Wow !! just wow !! i am so satisfied with the services efficiency timing quality hygene everything was up to the mark !! thank u soooo much ghar par u guyz haf made life easy no parlour visiting and waiting issues anymore !! i m ur regular customer now !! keep it up !! thank u !! 🥰


Maham Armaghan reviewed GharPar – 5★
 3 June 2017 · 🌐
...

-love the services!! The women who come are always on time and never once did i have to leave the room to get something, pure relaxation time.
I've tried thalgo facial classic pedicure fruit wax and sugar wax loved everything. Gharpar is such a relief. Love what you guys have brought in the society!!


Eza Syed reviewed GharPar – 5★
 27 April 2017 · 🌐
...

So professional and amazing. Hardly go to the salon anymore.


Baela Raza Jamil reviewed GharPar – 5★
 22 April 2017 · 🌐
...

Awesome social enterprise with excellent service quality - so customer sensitive well done ! Hope you all go from good to great and hope millions of people understand the transformation you are bringing in the lives of so many women .. and their families .. Brilliant work!


Labeeba Younas reviewed GharPar – 5★
 👑 Top contributor · 24 March 2017 · 🌐
...

This was the second time I used Gharpar service. And Oh my the swedesh massage by lydia is to die for ! They are all so professional and punctual...I love Erum's pedi as well shes in no hurry while doing it and tells you exactly what shes about to do she used all sterilized tools and sanitized her hand before starting. Hats off to Gharpar service for us busy moms who have no time and stamina for salons! 💎💎💎

Exhibit 14: Selected Customer Reviews from GP's Facebook Page (p2 of 3)






Exhibit 14: Selected Customer Reviews from GP's Facebook Page (p3 of 3)

 **Sadia Syed**  doesn't recommend GharPar. ...
24 March · 




Waste of money and time...booked them for 3pm, one beautician arrived on time and wasn't really satisfied with her work.
Second didn't arrive at 3pm and even at 6pm these guys couldn't confirm me if she will be coming or not, rather I was contacting them again and again to tell me a final verdict but they were in confusion.. Aweful experience

 **Mishaal Arshad Chohan**  doesn't recommend GharPar. ...
20 November 2018 · 

I used this service a couple of times. Very unprofessional.
the ladies that come to my house always have less products/ services than I've asked for but the always take the full amount. I never complain. I was cmgoing to complain even this time when the lady that come literally burnt my entire face even when i kept asking her to take of the polishes. it made me feel she came with a mission to burn my face. I called ghar par many times to complain and make them aware of it. they always said they will call back but they never did.
PLEASE NEVER USE THIS SERIVES. I WILL WRITE ON OTHER PLATFORMS ALSO AS SKIN ESP FACIAL SKIN IS VEEY IMPORTANT.

 **Syed Zeeshan Haider**  doesn't recommend GharPar. ...
27 December 2018 · 

Want to meet the "UNPROFESSIONALS" ???
I present Ghar Par. Never ever trust them with important days of ur life where u need to trust someone as they have ur back. Instead of providing backup they'll tell u at very last moment "WE ARE SORRY" we cannot facilitate.
[#Ruined](#) [#NeverTrust](#) [#UNPROFESSIONAL](#) [#LieLikeTrump](#)

 **Shazia Ameen**  doesn't recommend GharPar. ...
28 December 2018 · 

GharPar is a highly UNPROFESSIONAL service provider. Their moto is to facilitate at home for beauty services for which they even don't have professionals. Best in ruining your special day and pro in making false bookings and step back right on the day. My sister made a terrible mistake choosing them for her important day and after several confirmations they cancelled on 11th hour. Instead of providing backup they refused to facilitate.
The CEO should windup and actually sit at Gharpar ... 🙄

Source: Company's Facebook Page.