

The Baby Lounge



thebabylounge.com.ng



The Care Economy
Knowledge Hub

the-care-economy-knowledge-hub.org

Profiling Businesses in the Care Economy

The care economy consists of paid and unpaid labor and services that support caregiving in all its forms. In Africa, Asia and Latin America, women spend between three to five times as many hours on unpaid care and domestic work as men. This represents 80 percent of a household's total hours devoted to unpaid care work.

Care economy businesses can help recognize, redistribute, reduce and reward – also known as the 4 Rs – unpaid and paid care and domestic work in the following ways:



Recognize: Initiatives that increase visibility and recognition of paid and unpaid care and domestic activity as "productive" work that creates real value and contributes to economies and societies.



Redistribute: Services and initiatives that redistribute care work from individuals to public and private sector entities, and redistribute care and domestic work within the household.



Reduce: Products and initiatives that reduce the time spent on and burden of unpaid care and domestic work.

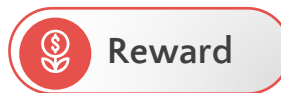
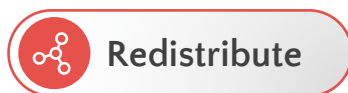


Reward: Products, services and initiatives that ensure that care and domestic workers are paid fairly and have professional growth potential. This provides them with financial reward and security.

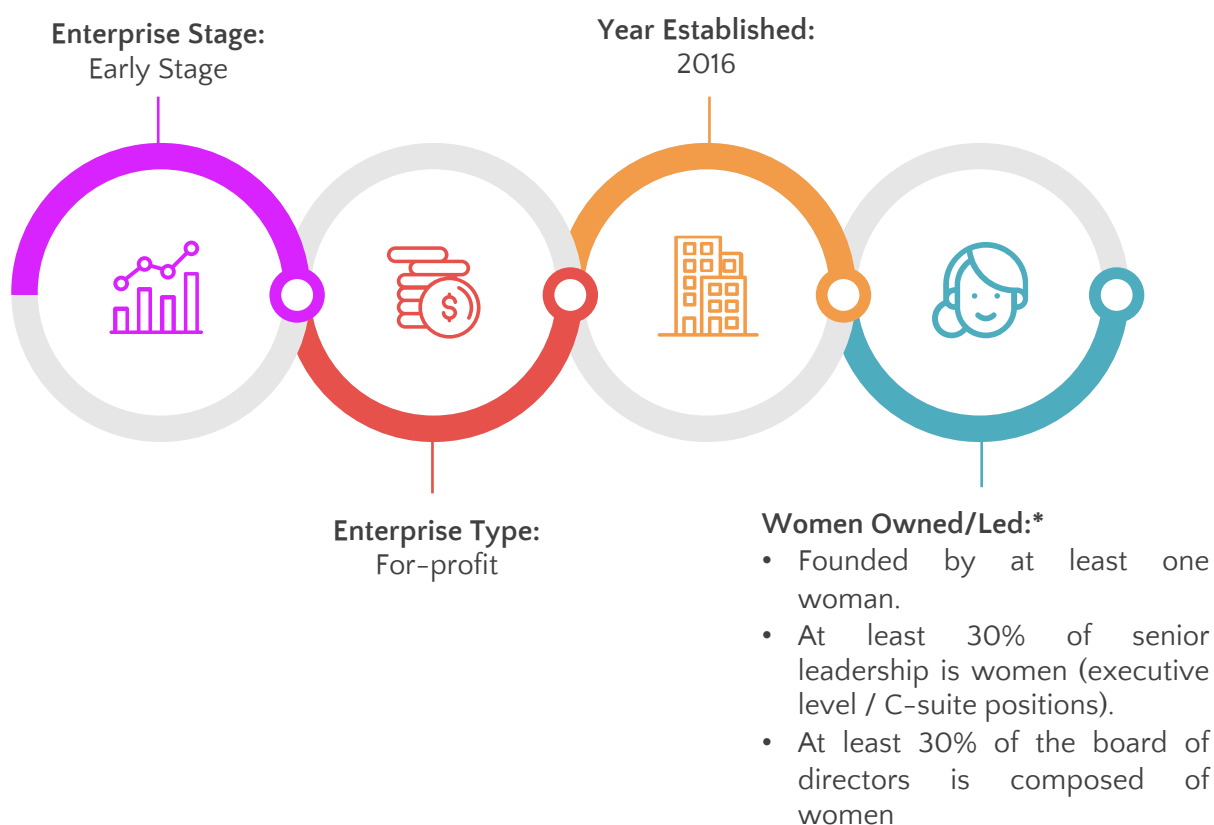
The Care Economy Knowledge Hub aims to address the knowledge gap around care businesses by showcasing various business models and creating a resource base for relevant stakeholders. It also aims to raise awareness and increase knowledge of the state of impact-driven care economy business models and attract a broad range of funders to invest in care economy solutions by showcasing opportunities. These business profiles are intended to showcase said potential investment opportunities. They have been created from information and data provided by the business itself.

This project is supported by Canada's International Development Research Center, in partnership with the Soros Economic Development Fund at the Open Society Foundations. Building on their track record and commitment to transforming the care economy and mobilizing finance for gender equality, they have jointly launched this action research program to help transform the care economy through impact business and investment.

Executive Summary



The Baby Lounge is a for-profit childcare service provider in Nigeria. The Baby Lounge provides childcare services to parents of young children and training courses to childcare professionals. Its childcare services include crèche services, after-school care and tutoring, care at the office or at home, and weekend care. The enterprise offers over 50 childcare training courses and has trained 700 professionals. In 2021, Baby Lounge's revenue was US\$ 171,335. It has cared for over 8,000 children, and presently has 30 full-time employees and six part-time employees.



Company Contact

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*According to 2X "women entrepreneurship" and "women leadership" criteria; [2X Challenge Criteria](#)

1. About The Enterprise

1.1 Problem

According to a recent survey, only 26% of women in Lagos, Kanu, and Kaduna in Nigeria are employed full-time¹. The burden of childcare and domestic responsibilities plays a critical role in the country's low graduation and employment rates for girls and women.

The enterprise has observed that nannies and caregivers available in Nigeria are often uncertified and inadequately trained because of a pervasive belief that childcare does not require any training.

Working parents, especially women, often have to choose between employment or providing their own childcare since there is a lack of affordable childcare solutions. Girls in the household, whether in school or not, are often expected to take on significant childcare responsibilities². Given the opportunity cost of time spent on childcare, this hurts Nigeria's economy, women's socio-economic position, and girls' education.

1.2 Solution

The Baby Lounge provides a range of childcare services for households with infants and toddlers to improve women's labor market participation. These services are provided at home or at offices, and include crèche services, virtual services (virtual play dates and virtual childminder services), at-home care and office care. The Baby Lounge operates from 7am to 7pm including weekends and holidays when childcare services are often in high demand. This year-round schedule gives them a competitive advantage. Furthermore, the enterprise also offers a number of certified childcare training courses. These courses enable childcare professionals, such as school administrators, crèche owners, nannies, mothers and individuals interested in childcare to develop their childcare skills.

¹ Okikiolu, B. (2021, December 9). Why 70% of Nigeria women are going to leave their jobs. Jobberman Nigeria. Retrieved from <https://www.jobberman.com/discover/women-in-the-workplace>

² Atim C, Awodola B (2020, December). Gender, Justice and empowerment: Evaluating Women's Unpaid Care Work in Nigeria. International Journal of Gender and Women's Studies, Vol 8, No. 2, 27-34. Retrieved from : (http://ijgws.com/journals/ijgws/Vol_8_No_2_December_2020/4.pdf)

1.3 Customer Segment

Customer Segment	Product / Service Provided	Paid / Unpaid
Parents of infants, toddlers & preschoolers	The Baby Lounge provides this customer segment with childcare services such as after school care and tutoring (in their office or home), weekend care, crèche services, and holiday camps. These services are for children ranging from 3 months to 10 years old.	Paid The enterprise receives a fee from this customer segment for the childcare services. The fee varies based on the type of service provided.
Childcare professionals, nannies and new mothers	The enterprise provides this segment with childcare training courses to build their skills. These certification courses are offered in partnership with Child Care Lounge in Philadelphia.	Paid The enterprise receives a fee from the childcare professionals, nannies and new mothers for the training provided.
Medium & large corporations	The Baby Lounge provides on-site childcare services (full crèche facilities) for corporate employees with infants and toddlers. The enterprise's current corporate clients include Total Energies, Unilever, Chevron, GT Bank, Interswitch, Access, MTN, NB.	Paid The enterprise earns a fee for the childcare services provided. The corporations provide these childcare facilities to their employees at either no charge or at a subsidized rate.

1.4 Team And Governance Structure

The Baby Lounge has 30 full-time employees and six part-time employees. The full-time staff is led by the Head of crèche operations who oversees all the centers. The enterprise has five creche coordinators. Each crèche coordinator is responsible for managing a crèche center. There are 22 full-time employees who work as care personnel and assistants. There are two full-time staff members that are responsible for customer service, human resources and administrative functions. All part-time employees are caregivers. All of the employees are women. Two of the three management board members are women.

1.5 Enterprise Policies

Policy	Yes / No
An overall HR Policy	Yes
Equal pay for equivalent work policy	No
Non-discrimination / Equal employment opportunity / Diversity and inclusion policy (gender, LGBTQ, PWD, etc.)	No
Anti-bullying and sexual harassment policy / Respectful workplaces	No
Whistleblower policy / Employee grievance mechanism	No
Maternity / Paternity leave policy	No
Safeguarding policies for vulnerable groups (children, elderly, PWDs)	Yes
Safeguarding policies for the environment or to reduce detrimental impact on the environment (covers reducing carbon footprint, reduced water consumption etc.)	No

2. Impact

2.1 Mission Statement

The Baby Lounge's mission is to provide families with an enriched, safe learning and care environment by emphasizing early childhood development anywhere and anytime they require it.

2.2 Intended Impact

The Baby Lounge's model has clear benefits for households and care workers while impacting three of the four Rs:

- It **redistributes** childcare work from mothers to childcare providers through increased access to childcare services.
- It increases care workers' opportunities to be adequately **rewarded**, by improving their skills and abilities through certified training courses.
- It **reduces** working parents' burden of childcare responsibilities (especially mothers of infants & toddlers) by providing childcare solutions, such as crèche services, at-home care and office care.

2.3 Monitoring And Measurement

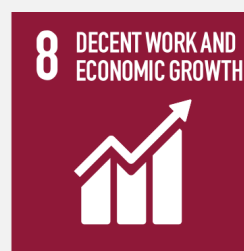
The Baby Lounge monitors its results in terms of the reach and quality of its services.

- It tracks the following indicators to measure the reach of its services:
 - Number families and children served (daily)
 - Number of sign-ups for the training courses (ad-hoc)
 - Number of operational crèches (bi-annual)
- The enterprise measures service quality through periodic feedback from parents that they are required to provide, via a comprehensive form, regarding the services provided and recommendations for improvement (monthly).

2.4 Results To Date

- Number of families served: 5,000
- Number of children served: 8,000
- Number of operational crèches: 6
- Number of individuals (childcare professionals and nannies) trained: 700

The Baby Lounge's work is aligned with the following Sustainable Development Goals (SDGs):



3. Financials

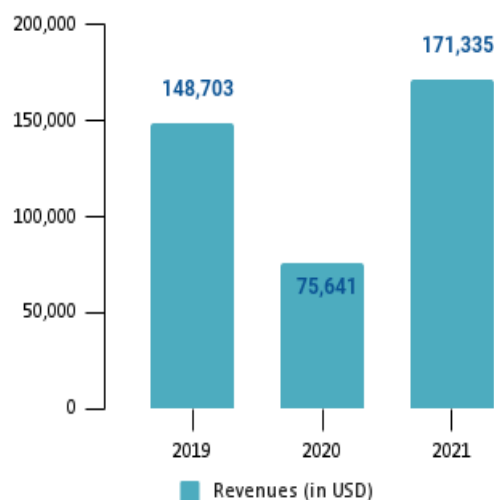
3.1 Financial Status

The enterprise is financially profitable.

(Amounts in USD)	FY 2019	FY 2020	FY 2021
Total Revenue *	148,703	75,641	171,335
Total Expenses	112,296	73,803	126,795
EBITDA OR Profit/ Loss	36,407	1,838	44,540
EBITDA Margin	24.48%	2.43%	25.99%

3.1.1 Revenue Streams

The Baby Lounge's main revenue sources are childcare services and training courses. The childcare services can be further segregated into office crèches, in-home childcare services and weekend childcare services. 99% of the enterprise's revenue comes from childcare services and the remaining revenue from training courses. The following graph displays the enterprise's revenues between 2019 and 2021.



3.1.2 Expenses

The following pie-chart provides details of key expenditures for 2021. Please note that under others, "gifts" refers to gifts for staff and children on their birthday or for other special occasions.



3.2 External Funding Sources (Past and Current)

In 2017, the enterprise received a grant from The Tony Elumelu Foundation. This grant was used for the enterprise's working capital needs.

3.3 Challenges Faced In Accessing Capital

- **Awareness:** The enterprise has had difficulty communicating and spreading awareness about the significance of care economy goods and services such as crèches and childcare training. It is a nascent sector with few investors and Baby Lounge has yet to gain interest. As a result, funds from investors and traditional sources, such as banks, have been limited.

4. Path To Scalability

4.1 Potential Avenues For Growth

The Baby Lounge identified the following avenues for growth:

- **Geographic expansion of current services:** The enterprise intends to set-up franchises across major cities and business districts in Nigeria.
- **Expansion of its corporate services:** The enterprise aims to expand its corporate offerings through office crèches / on-site crèches for large and medium corporations across Nigeria.

4.2 Risks And Challenges

- **Social Norms:** Given the prevalent local norm that childcare does not require any training, it is difficult to convince people otherwise.
- **Operational challenges:** The enterprise needs guidance to improve its PR and branding for the range of services it provides.
- **Regulatory challenges:** The lack of a structured social security system and background checks makes it difficult to conduct background checks to onboard personnel.
- **Financial challenges:** It is difficult to secure funding since grants are not readily available for childcare products / services. Nor is it a sector that banks typically fund, and these funds come at a high cost.

4.3 COVID-19 Impact On The Enterprise

During COVID-19, The Baby Lounge had to suspend its crèche services. The enterprise used this time to build its workforce capacity and to offer new services, such as virtual play dates, a virtual child minder service and Tales by Grandma. Virtual play dates provided play and learning sessions for toddlers. The virtual childminder services were tutoring sessions for children between two to ten years old. Tales by Grandma were virtual storytelling sessions hosted by an engaging grandparent, who recounts folktales and regional stories that highlight Africa's rich culture. Post COVID-19, this service has since been discontinued; however, given the interest they garnered, including from outside of Nigeria, the enterprise aims to add these tales as a subscription service to an OTT platform for users from all across the world to access. Lastly, the enterprise made its service plans more flexible by offering daily/weekly plans as more parents are now working from home.

4.4 Support Received To Date

The enterprise has not received any financial or non-financial support.

4.5 Inputs Required For Growth

Financial:

- The enterprise is seeking funding of US\$ 250,000 in grants or equity to expand its offerings within Lagos. The Baby Lounge plans to open new crèche centers within other business and residential areas in Lagos. The funds will be used to cover the rent for the new center, purchase equipment and upgrade the space to make it suitable for childcare services.

Non-financial:

- **Mentor support:** The Baby Lounge is looking for business mentoring support. It seeks guidance from other entrepreneurs and / or investors in Nigeria on how to scale its business.
- **Branding:** The enterprise needs support to build its brand across Africa. They are specifically looking for support to publicize their brand and offerings on international media platforms such as CNN Africa and BBC Africa.