

Jazza Centre Limited



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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.

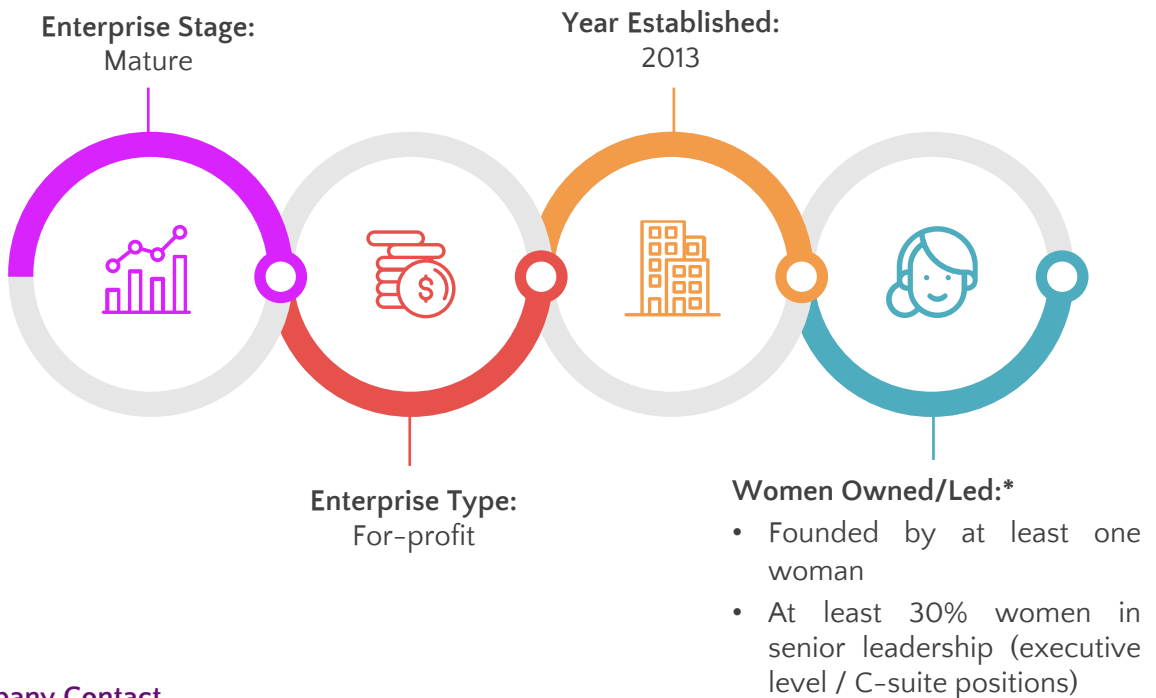
The Care Economy Knowledge Hub aims to address the knowledge gap around care businesses by showcasing various business models and creating a resource base for relevant stakeholders. It also aims to raise awareness and increase knowledge of the state of impact-driven care economy business models and attract 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

Reward

Jazza Centre is a for-profit social enterprise that trains and places domestic workers in Kenya, and supports the formalization of domestic workers by encouraging employers to sign formal employment contracts. Jazza Centre increases the reward of domestic workers by developing their skills and negotiating fair terms of employment, including access to social security. The enterprise also caters to offices and corporations by providing them with trained general assistants. As of June 2022, Jazza Centre had trained 5,546 domestic workers and placed 4,436 domestic workers in decent jobs. In 2021, the enterprise's revenue was US\$ 177,239. The enterprise has 14 full-time and three part-time employees.



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

1. About The Enterprise

1.1 Problem

In Kenya, it is estimated that there are two million domestic workers.¹ A significant number of these domestic workers are women, many of whom are subjected to poor working conditions and lack a formal employment contract. This informal employment makes it difficult to access benefits, such as the National Hospital Insurance Fund (NHIF) and National Social Security Fund (NSSF). Informal workers also lack access to formal financial services since they are unable to leverage their employment to obtain credit from mainstream financial institutions. A recent study found that 83% of domestic workers are paid less than minimum wage, 87% of domestic workers do not have access to health and social security benefits and have no job security, and 51% face sexual harassment, exploitation and abuse.²

The lack of appropriate training for domestic workers results in a disconnect between the employer's demands and the worker's ability to meet these demands. This leaves domestic workers vulnerable and susceptible to exploitation by employers.

1.2 Solution

Jazza Centre focuses on training and equipping domestic workers, primarily vulnerable young and middle aged women, with the skills necessary to deliver quality domestic services in households and offices. Upon training completion, the enterprise places domestic workers in roles such as professional housekeepers, nannies, cooks, caregivers, gardeners, general office assistants and office cleaners. Furthermore, trained domestic workers also have the opportunity to join the Jazza Centre Nanny Savings and Credit Co-Operative Society (SACCO). Established in 2016, SACCO is a member-owned financial institution that provides its members with access to savings and facilitates credit.

In a sector that is highly informal, and rife with exploitation, Jazza Centre encourages employers and placed workers to sign formal employment contracts. The contracts require suitable working conditions such as daily/weekly rest, annual leave, minimum wage, a formal period of contract termination, a suitable work environment and enrollment in social security benefits. The enterprise shares a contract template with employers for all placed workers. The enterprise also facilitates better pay for domestic workers due to skill acquisition through training and placements.

¹ Owidhi, George. (2017). Analysis Of Working Conditions And Wages Of Domestic Workers In Kenya. <https://alrei.org/education/analysis-of-working-conditions-and-wages-of-domestic-workers-in-kenya-by-george-owidhi-economist>.

² Owidhi, George. (2017). Analysis Of Working Conditions And Wages Of Domestic Workers In Kenya. <https://alrei.org/education/analysis-of-working-conditions-and-wages-of-domestic-workers-in-kenya-by-george-owidhi-economist>.

1.3 Customer Segment

Customer Segment	Product / Service Provided	Paid / Unpaid
Domestic workers	<p>Jazza Centre offers domestic workers the following services:</p> <ul style="list-style-type: none"> • Training: The enterprise provides domestic workers with a number of training courses. These courses are based on the National Industrial Training Authority (NITA) approved curriculum. The training courses offered include courses on home management, early childhood development and childcare, food production & nutrition, laundry and cleaning, first aid & safety and gardening and pet care. As part of the training, the domestic workers are also provided psychosocial counseling. • Credit and saving facility: Domestic workers can join SACCO to access credit and facilitate savings. • Employment benefits: Domestic workers receive employment benefits such as membership to the National Hospital Insurance Fund (NHIF) and National Social Security Fund (NSSF). 	<p>Paid / Unpaid</p> <ul style="list-style-type: none"> • Training: Domestic workers make a one-time, fixed payment for the training once they start working (with Jazza or individual households) and have received their first salary. This fee is subsidized. • Credit and savings facility: Domestic workers pay a registration fee to join a SACCO. Since the SACCO is a separate legal entity, Jazza Centre does not receive any fee for this service. • Employment benefits: Jazza Centre pays for the employment benefits for workers that are on their payroll. For placed workers that are not on their payroll, this is paid by the employing household or business.
Households	<p>Jazza Centre provides its services to middle and upper income households that have a monthly income greater than US\$ 840. The services provided include childcare, elderly care, and care for persons with special needs. The enterprise offers households the following service options:</p> <ul style="list-style-type: none"> • One-off service model: The enterprise gets a service fee from the households for registering and placing domestic 	<p>Paid</p> <p>Jazza Centre receives a service fee from the households for domestic worker registration, placement and management.</p>

Customer Segment	Product / Service Provided	Paid / Unpaid
	<p>workers. All subsequent payments to the domestic worker and HR matters are handled by the household.</p> <ul style="list-style-type: none"> • Payroll management model: In this case, Jazza Centre employs the domestic worker. Jazza Centre pays the domestic workers on behalf of the household and manages other functions such as providing uniforms and managing employee records required by Kenyan labor laws. 	
Offices / Corporations	<p>Jazza Centre provides support staff solutions to businesses, particularly small and medium enterprises, (SMEs) in Kenya. It provides SME offices with cleaners, general assistants, secretaries, and administrative assistants.</p> <p>The enterprise also manages productivity and performance related issues and ensures that labor laws (such as Work Injury Benefit Act) are enforced.</p> <p>The enterprise offers offices/corporations the following service options:</p> <ul style="list-style-type: none"> • One-off service model: The enterprise gets a service fee from the office or corporation to register and place the workers. All subsequent payments to the worker and HR matters are handled by the office/corporation. • Payroll management model: In this case, Jazza Centre employs the domestic worker. The placed worker's payroll is managed by Jazza Centre, along with uniforms and employee records required by Kenyan labor laws. The office or corporation pays a service fee for the worker's registration, placement and management. 	<p>Paid</p> <p>The enterprise receives a payment for services from the offices/businesses.</p>

1.4 Team And Governance Structure

Jazza Centre has 14 full-time and three part-time employees. The full-time staff at Jazza includes two co-founders, one financial officer, two trainers, three customer care representatives, and one recruitment officer along with three gardeners, one housekeeper, and one driver. The part-time employees consist of two trainers and one program and fundraising manager. At Jazza Centre, 57% of the full-time employees and 67% of the part-time employees are women. In addition to these employees, the enterprise has employed 50 domestic workers as part of its payroll management model. Of these 50 domestic workers, 40 are full-time employees and ten are part-time employees. 98% of the domestic workers that are employed through the payroll management model are women. Currently, the enterprise does not have a management or advisory board.

1.5 Enterprise Policies

Policy	Yes / No
Overall HR Policy	Yes
Equal pay for equivalent work policy	Yes
Non-discrimination / Equal employment opportunity / Diversity and inclusion policy (gender, LGBTQ, PWD, etc.)	Yes
Anti bullying and sexual harassment policy / Respectful workplaces	Yes
Whistleblower policy / Employee grievance mechanism	Yes
Maternity / Paternity leave policy	Yes
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.)	Yes

2. Impact

2.1 Mission Statement

Jazza Centre's mission is to train and empower domestic workers and place them with discerning clientele looking for professional staff to manage domestic work in their home or at their business. The enterprise's vision is to train and provide 10,000 domestic workers with dignified and well-managed employment opportunities across the East African region by 2025.

2.2 Intended Impact

Jazza Centre's model has clear benefits for domestic workers:

- Jazza Centre **rewards** domestic workers by providing them access to training courses that improve their skills and by providing them access to statutory benefits. Furthermore, it improves their access to formal savings and credit through SACCO. The enterprise also supports domestic work formalization through encouraging formal contracts between employers and domestic workers.

2.3 Monitoring And Measurement

The Jazza Centre monitors its service reach and quality on a daily basis through the following indicators:

- Number of households reached (daily)
- Number of domestic workers onboarded (daily)
- Number of domestic workers placed (daily)
- Number of domestic workers trained (daily)
- Number of interviews completed (daily)

To track service quality, Jazza Centre regularly follows-up with the placed domestic workers and employers to solicit feedback. For domestic workers that are placed and not on Jazza Centre's payroll, the enterprise conducts a first phone call two-weeks after placement and subsequent calls are conducted every six months. The enterprise obtains feedback from households and offices and corporations through customer satisfaction surveys. Since 2020, these customer satisfaction surveys have been conducted every six months.

2.4 Results To Date

Jazza Centre has achieved the following results:

- Number of domestic workers trained: 5,546
- Number of domestic workers placed: 4,436
- Number of households and SMEs served: 2,836
- Number of customer satisfaction survey responses: 170
- Number of members in the Jazza Centre Nanny Savings and Credit Co-Operative Society (SACCO): 100

Jazza Centre's work is aligned with the following Sustainable Development Goals (SDGs):



3. Financials

3.1 Financial Status

Jazza Centre is close to breaking-even and plans to be profitable within three years.

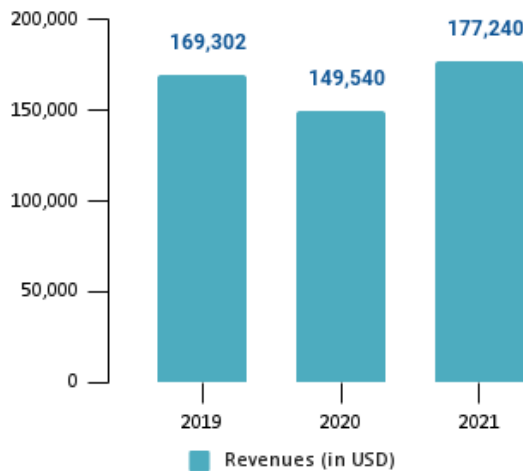
(Amounts in US\$)	FY 2019	FY 2020	FY2021
Total Revenue	169,301.50	149,540.24	177,239.50
Total Expenses	165,798.77	165,334.14	186,448.91
EBITDA OR Profit/ Loss	3,520.73	(15,793.9)	(9,209.41)
EBITDA Margin	2.08%	-10.56%	-5.19%

3.1.1 Revenue Streams

All Jazza Centre revenue comes from service sales. There are six revenue streams. Revenues from 2021 show the following:

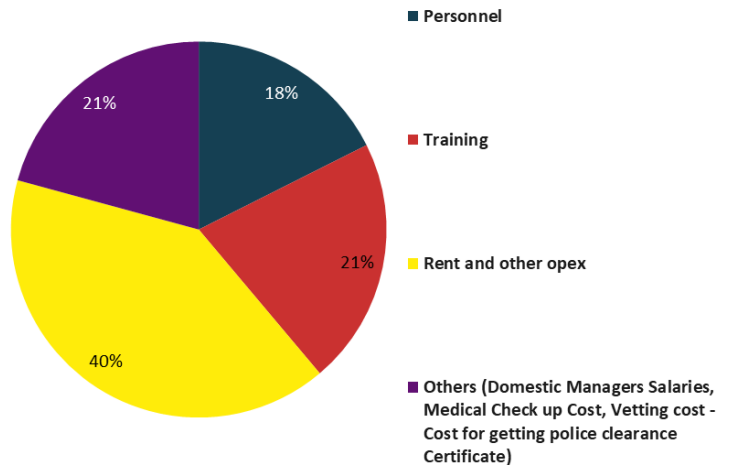
- Nearly 50% of the revenue came from placement fees
- 15% of the revenue came from management fees
- 15% of the revenue came from domestic workers that paid for admission, training and placement fees
- 8% of the revenue came from registration fees
- 8% of the revenue came from gardening fees
- 3% of the revenue came from uniforms and other fees

The following graph provides an overview of the enterprise’s revenue from 2019–21.



3.1.2 Expenses

The following pie-chart provides details of the enterprise’s key past expenditures for 2021.



3.2 External Funding Sources (Past and Current)

In 2020, the enterprise received a COVID-19 Relief Loan worth US\$ 40,000 from Impact Foundation. This loan was used to boost the enterprise's working capital needs and to cover day-to-day operational costs. In 2016, Jazza received a US\$ 100,000 grant from Elea Foundation, which was used to purchase required equipment & materials for their training courses.

3.3 Challenges Faced In Accessing Capital

- **Capital cost:** The social enterprise business model is not well-defined in Kenya. Hence financial institutions such as banks are skeptical of lending to these types of businesses. In addition, such financial institutions offer loans at high interest rates or collateral based loans, both of which entail complex bureaucratic procedures.
- **Awareness:** It has been difficult for the enterprise to get funding from commercial financial institutions, since these institutions' primary consideration is profitability.

4. Path To Scalability

4.1 Potential Avenues For Growth

Jazza Centre has identified the following avenues for growth:

- **Enhance and increase training capacity:** The enterprise aims to improve and increase its internal training capacity to meet market demand by partnering with other vocational training institutions to expand their reach and capacity. It also plans to place workers who have been trained by other training institutions. The enterprise is currently able to train and place 70 domestic workers per month, and aims to increase this by more than 300% to train and place 300 domestic workers per month.
- **Leverage technology to expand customer segment:** The enterprise aims to build a mobile application to facilitate access to trained domestic workers and match supply and demand. This mobile application will cater primarily to customers needing a one-off service.
- **Government Partnership:** The enterprise plans to collaborate with the Kenyan government and accreditation bodies to accredit/certify Jazza's training courses. This will increase client confidence as well as establish a long-term relationship with the government to eventually contribute to policy discussions related to the care industry.

4.2 Risks And Challenges

- **Financing Challenges:** The enterprise is unable to source capital from mainstream banks due to these institutions' prohibitive high interest rates and collateral requirements. Furthermore, these institutions' lack of awareness of social enterprise models also impedes access to capital.
- **Operational Challenges:** Training domestic workers is capital intensive and expensive. The training resources need to be updated frequently based on regulatory authorities' directives and feedback from customers. There are limited publically available resources to facilitate domestic worker training at a lower cost. The enterprise is unable to match the full-time compensation offers available to trainers at other jobs, and consequently, unable to retain trainers on a full-time basis.
- **Technology:** Jazza Centre does not have an integrated software platform that connects all its different departments (HR, training, finance, etc.) to track the progress of onboarded domestic workers. The enterprise is unable to effectively track domestic worker placements which results in reduced efficiency, since tracking overall performance across departments is a lengthy and difficult process.
- **Competition:** The enterprise faces competition from smaller placement agencies. These competitors do not offer the same range of services as Jazza Centre, and are consequently able to offer their services at a lower cost. This makes it easy for households and SMEs to switch providers.
- **Regulatory Challenges:** There is limited enforcement of minimum wage laws and worker welfare laws. This makes it difficult to ensure that households are conforming to laws and treating domestic workers appropriately.
- **Social Norm (informal industry):** There is a lack of awareness among households about the proper code of conduct for domestic worker employment. Households are not well-versed in their responsibilities and obligations to domestic workers and the industry is very informal. Domestic work is also stigmatized in the region.
- **Social Norm (training & expectations):** There is a pervasive misconception that women know how to do domestic work and no training is required. This makes it difficult to convince households to pay higher salaries for trained domestic workers. It also results in resistance among some domestic workers to be trained.
- **Social Norm (male domestic workers):** It has been observed that households prefer to hire women for domestic work. Men are less accepted as domestic workers.

4.3 COVID-19 Impact On The Enterprise

Due to mobility restrictions during COVID-19, most of Jazza Centre's services were closed as its business model consisted of in-person training sessions. The enterprise took precautions to ensure that everyone followed COVID-19 protocols such as wearing masks, proper hygiene and testing. The enterprise also encouraged domestic workers and people within the households and offices or corporations to get vaccinated when the vaccine became available. To maintain social-distancing regulations, the enterprise reduced its training capacity by almost 60%. Once these restrictions were lifted, the enterprise gradually increased its training capacity.

4.4 Support Received To Date

So far, the enterprise has not received any technical support, nor participated in any accelerator programs.

4.5 Inputs Required For Growth

Financial:

- In the next year, the enterprise seeks a grant of US\$ 917,000 to grow and scale its operations in order to enroll and train at least 1,000 workers with relevant professional skills. The funds will also be used to cover the cost of increasing operational capacity, incorporating technology into Jazza Centre's systems and strengthening partnerships with Technical and Vocational Education Training (TVET) in Kenya.

Non-financial:

- **Partnerships:** The enterprise seeks partnerships to build its training capacity, in terms of course content and number of trainees.
- **Technology:** Jazza Centre requires IT technology development support to build a mobile application to source customers. Secondly, it needs IT support to develop an integrated software platform that connects its different departments.
- **Mentorship:** It requires mentoring support for marketing-related activities, particularly to market its training services.
- **Capacity Building:** The enterprise needs support to build its fundraising capacity. It specifically needs guidance on financial modeling and reporting.