

Homely

HOMELY

homely.mx



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

Recognize **Redistribute** **Reduce** **Reward**

Homely is a for-profit digital platform that offers B2C domestic services to households and B2B cleaning services to businesses in Mexico. Homely utilizes an app to connect customers with reliable, qualified, domestic workers who have undergone a strict selection and background check process. The company provides domestic workers with formal employment opportunities, competitive salaries, and a range of additional benefits (such as monthly bonuses). Homely also partners with Platzi¹ to provide domestic workers with educational opportunities related to digital and financial education, as well as English language courses. Domestic workers have the option to work full-time or per-hour, depending on their availability.

Homely was the first digital platform in Mexico to offer formal employment and social benefits to independent domestic workers.² Homely also advocates for domestic workers' rights in the media and through public events. Homely has provided over 150,000 services to thousands of businesses and private households, generating a revenue of US\$1.3 million in 2021. The company currently employs around 500 people. In addition, In 2020 the company launched 'CareMe.' Similar to their domestic work model, CareMe connects customers to care workers and healthcare professionals.

Enterprise Stage:
Growth

Year Established:
2015

Company Contact

Melina Cruz,
Co-Founder and CEO
mel@homely.mx
[Linkedin Profile](#)



Enterprise Type:
For-profit

Women Owned/Led:*

- Founded by at least one woman
- At least 51% owned by women
- At least 30% of the board of directors is composed of women

¹ Platzi is one of the largest online professional education platforms in Latin America. It has 3 million active students in more than 140 countries, thousands of courses and areas of study focused on the development of skills and knowledge. Retrieved from <https://platzi.com/blog/que-es-platzi/#:-:text=Ou%C3%A9s%20y%20qu%C3%A9%20hace%20Platzi&text=Hoy%20tenemos%203%20millones%20de,las%20grandes%20empresas%20del%20mundo.>

² By law, companies only need to formalize full-time workers, but not independent ones (those who work on a per hour basis).

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

1. About The Enterprise

1.1 Problem

Mexico has approximately 2.3 million domestic workers, 90% of whom are women.³ Around 97% of domestic workers operate in the informal sector, meaning they have no contracts or essential employee benefits, such as access to health services and pensions. Regulations regarding the formalization of domestic work are relatively new in Mexico. It was not until 2020 that domestic workers acquired legal rights to access employee benefits.⁴ Anecdotal evidence suggests that employers generally claim to provide domestic workers with a good working environment. However, in reality, they often violate their labor rights by scheduling long shifts, without paying overtime or providing additional time off.⁵

Revenues in the cleaning services sector in Mexico amount to US\$750 million and the market is expected to grow 4.3% annually (CAGR⁶ 2022-2026).⁷ Nearly 6.4% of Mexican households hire cleaning services, spending an average of 5.1% of their monthly income.⁸ Additionally, since the COVID-19 pandemic, cleaning and disinfection services have become critical. Thus, demand has risen among businesses seeking to ensure biosafe spaces for their employees. In tandem, the demand for personal care workers and healthcare professionals for households is also increasing.

The supply of reliable, high-quality, and easy-to-access domestic services is limited in Mexico. Households and businesses struggle to find trusted domestic workers and often rely on recommendations from acquaintances or traditional intermediary agencies. These methods do not always successfully match available domestic workers with potential customers. This is mainly due to poor and lengthy recruiting processes. In addition, the schedules of referred domestic workers do not always suit customer needs, resulting in unsatisfactory experiences.

³ ILO. (2020). Ratification by Mexico of Convention No. 189 on Domestic Workers. Retrieved from https://www.ilo.org/global/standards/WCMS_750251/lang--en/index.htm

⁴ Such as health care, pension, sick leave, maternity leave, paid vacations, worker's compensation, childcare, life insurance, and severance pay.

⁵ ILO. (2020). Ratification by Mexico of Convention No. 189 on Domestic Workers. Retrieved from https://www.ilo.org/global/standards/WCMS_750251/lang--en/index.htm

⁶ The compound annual growth rate (CAGR) is the rate of return (RoR) that would be required for an investment to grow from its beginning balance to its ending balance, assuming the profits were reinvested at the end of each period of the investment's life span. Retrieved from <https://www.investopedia.com/terms/c/cagr.asp>

⁷ Statista. (2022). Household Cleaners - Mexico. Retrieved from <https://www.statista.com/outlook/cmo/home-laundry-care/household-cleaners/mexico#revenue>

⁸ Play Business. Homely. Retrieved from <https://playbusiness.mx/snapshots/homely>

1.2 Solution

Homely offers quality and easy-to-access cleaning and disinfection services for households and businesses. Through its mobile app, customers can connect with trusted domestic workers in less than a minute. In most cases, workers arrive at the client's doorstep in under two hours. Homely administers psychometric tests in order to evaluate each domestic worker's core characteristics, including: honesty, reliability, responsibility, punctuality, and relationship with authority. In addition, a professional background check is completed.

Homely offers flexible plans to both households and businesses in order to accommodate their specific needs. Households may subscribe to monthly, weekly, or individual service plans. Businesses may tailor their cleaning packages to the number of subsidiaries and locations, building sizes, as well as days and hours per week. All services contracted with Homely include insurance coverage of up to US\$5,000 and there is a satisfaction guarantee if the customers have any issues.

Homely provides formal contracts, health insurance, tax guidance, as well as assistance in opening a bank account to all domestic workers. The company guarantees salaries of 35% to 45% above the Mexican legal minimum wage (US\$258 per month) and is competitive with agencies or other domestic work platforms. In addition, workers are eligible to receive bonuses for punctuality and quality service provision.

Domestic workers choose whether to work full-time or per-hour, depending on their availability. Regardless of the schedule they choose, their contract is formalized.⁹ For those working full-time, Homely assigns shifts to match the services requested by customers. For those choosing to work independently/per-hour, workers have more freedom to choose specific neighborhoods, days of the week, and hours to work. This is done through an auction feature on the Homely app, allowing them to bid on available shifts. All domestic workers receive their payment bi-weekly as a direct deposit into their savings account. Currently, only full-time domestic workers have access to legal benefits: sick leave, maternity leave, paid vacations, worker's compensation, childcare, life insurance, and severance pay.

Moreover, Homely offers training in areas beyond domestic services. Topics cover financial and digital education, as well as English language courses through Platzi, one of the largest online professional education platforms in Latin America. Finally, in 2019, Homely became the first company in the domestic and cleaning services sector to provide social protection benefits to its employees.

To respond to the increasing demand for care workers, Homely launched CareMe in 2022. The program allows care workers and health professionals to address patients' needs, including: respiratory distress, chronic degenerative diseases, and post-operative care. All care workers undergo a rigorous selection process in order to ensure their credentials meet CareMe standards for high-quality service delivery.

⁹ In Mexico, formalization, besides signing a contract, implies enrollment in the social security system that allows employees access to health services, pension, subsidies, insurance, and other economic support. Retrieved from <https://www.gob.mx/ejn/es/articulos/quienes-son-empleados-formales>

Finally, Homely recognizes and advocates for domestic workers' rights in the media, in national and international events (such as the Latinamerican Impact Investing Forum (FLII)), and directly with policymakers. Homely publicly labels domestic work as "the economy's hidden driver"¹⁰ and warns against the "uberization" of domestic work. As such, Homely participated in a national pilot program launched by the Mexican Institute of Social Security (IMSS) in 2019,¹¹ aimed at increasing the enrollment of independent workers into the social security system.¹² In October 2022, the Mexican congress approved the Social Security Law (*Ley del Seguro Social*), making it mandatory for all domestic workers (including hourly or independent) to register with the IMSS, not just those who work full-time.

1.3 Customer Segment

Customer Segment	Product / Service Provided	Paid / Unpaid
Businesses	<p>Homely Pro: Offers cleaning and disinfection services to address the needs of small offices, corporate buildings, independent stores, malls, restaurants, gyms, and short-term rentals. Prices vary according to businesses' needs and packages are tailored to the number of subsidiaries, locations, building sizes, hours, and days per week. To retain more customers, the company offers weekly or monthly plans, starting at US\$3.15 per hour. Homely charges an extra fee for cleaning supplies when customers require them. Around 80% of Homely's revenue comes from this market segment.</p>	<p>Paid: Businesses pay according to their tailored cleaning packages.</p>

¹⁰ Homely's CEO used this expression to refer to the social and economic importance of unpaid and paid care work in our society and how it has been historically misrecognized and undervalued.

¹¹ ILO and IMSS. (2020). La Prueba piloto para la incorporación de las personas trabajadoras del hogar al Instituto Mexicano del Seguro Social. Retrieved from https://www.ilo.org/wcmsp5/groups/public/---americas/---ro-lima/---ilo-mexico/documents/publication/wcms_764986.pdf

¹² Gobierno de México. (2022). Avanza el acceso pleno a los derechos de las personas trabajadoras del hogar. Retrieved from <https://www.imss.gob.mx/prensa/archivo/202203/153#:~:text=A%20dos%20a%C3%B1os%20de%20implementarse,promedio%20diario%20de%20230.5%20pesos.>

Customer Segment	Product / Service Provided	Paid / Unpaid
Households	<p>Homely Home: Households subscribe to Homely in order to book domestic services via the website or mobile app. Services are categorized according to frequency of use, home size, and characteristics: cleaning, ironing, laundry, pet care.</p> <p>To increase customer retention, the company offers weekly or monthly plans starting from US\$5 per hour, including the social security fee. Customers who subscribe to plans can hire the same domestic worker for every shift.</p> <p>Most of Homely’s customers are middle-income households with monthly incomes between US\$988 and US\$1,380.</p> <p>Homely Safe: Offers COVID-19 disinfection services that follow the guidelines laid out by the World Health Organization and the Center for Disease and Control and Prevention. Disinfection also provides protection from other common viruses and bacteria. Like other services, households book disinfection through the website or mobile app.</p> <p>Currently, 20% of Homely’s revenue comes from households. This does not include CareMe.</p>	<p>Paid:</p> <p>Households pay according to their chosen plan. Payment is made directly through the website or mobile app.</p>
Individuals with healthcare needs	<p>CareMe: Matches care workers and qualified health professionals with patients in need of hospital care, post-operative nursing care, or home care.</p> <p>Individuals share a patient's history with CareMe in order to send price estimates for specific services. Hourly fees range from US\$15 to US\$24, depending on the care worker or healthcare professional’s qualifications.</p>	<p>Paid:</p> <p>Fee structure is based on the patient’s clinical history and frequency of the required service.</p>

Customer Segment	Product / Service Provided	Paid / Unpaid
	As with other Homely services, CareMe offers flexible weekly or monthly plans, as well as promotional prices for recurring services. However, as this is a new service, it is not currently included in the customer segment share.	
Domestic workers	Training and upskilling: Domestic workers have the option to enroll in English language courses. Levels start at basic, moving to intermediate and ending at upper level. All courses are provided by Platzi. In taking an English course, domestic workers are able to consider new career opportunities for the future. Other training courses include both digital and financial education.	Unpaid: Domestic workers have free access to all products and services.

1.4 Team And Governance Structure

Homely’s management team of 27 people (13 of whom are women) is distributed across the Homely, Aliada,¹³ and CareMe teams. Additionally, Homely has 465 active domestic workers, 93% of whom are women. Of these 465, 13% are full-time employees. The Board of Directors has three members (one woman) and the investors' committee has reached full gender parity (50% are women).

¹³ Before Homely, in 2014, several traditional intermediary agencies matched domestic workers with customers in Mexico, but there were only a few digital platforms. The leading technology-based company was Aliada which offered cleaning and disinfection services for households and businesses. Aliada was bought by Homely in 2021 and although they share the administrative team, they operate as separate companies.

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.)	No
Anti bullying and sexual harassment policy / Respectful workplaces	No
Whistleblower policy / Employee grievance mechanism	No
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.)	No

2. Impact

2.1 Mission Statement

Homely's mission is to provide better recognition and improved working conditions for domestic and care workers. This is done by answering the need of households and businesses for flexible, quality, domestic and care services. Through their platform, Homely aims to contribute to care and domestic workers' economic well-being and financial independence.

2.2 Intended Impact

Homely is a tech-enabled, for-profit, social enterprise that currently impacts the following Rs:

- It **recognizes** the importance of domestic workers and advocates for their labor rights and better working conditions.
- It **reduces** the time spent on unpaid care and domestic activities.

- It **redistributes** unpaid care and domestic work to a third private party.
- It **rewards** domestic and care workers' roles by offering them competitive salaries, social protection, and bonuses.

2.3 Monitoring And Measurement

Homely measures the following indicators monthly:

- Hours of service delivered
- Type of service delivered
- Number of clients (both one-time and recurring)
- Number of active domestic and care workers
- Average worker's monthly or hourly income
- Customer satisfaction: ratings are collected on a daily basis through the app, upon service completion. This enables the company to identify real-time improvement opportunities.

Homely also collects a set of outcome indicators to monitor domestic workers' well-being in the medium and short-term:

- These include: improvements in the family environment, financial and tax inclusion, income generation, educational achievements, and life milestones. Milestones could be professional and/or technical degree attainment, family vacations, entrepreneurship activities, etc.

2.4 Results To Date

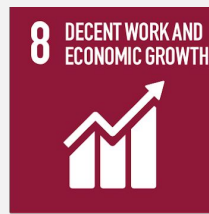
From 2015 to 2022, Homely has provided more than 150,000 services and reached:

- 37,374 customers
- 80 businesses
- 1,435 domestic workers (including Aliada's)
- 120 care workers
- 53 health professionals

Furthermore, Homely has supported domestic workers, as is demonstrated by:

- 89% of its workers opening a bank account
- 85% of its domestic workers report a better family situation. Employees attribute this to working less but earning more since entering the formal economy
- As of 2022, four women have left Homely to pursue a bachelor's degree and five have launched their own businesses

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



3. Financials

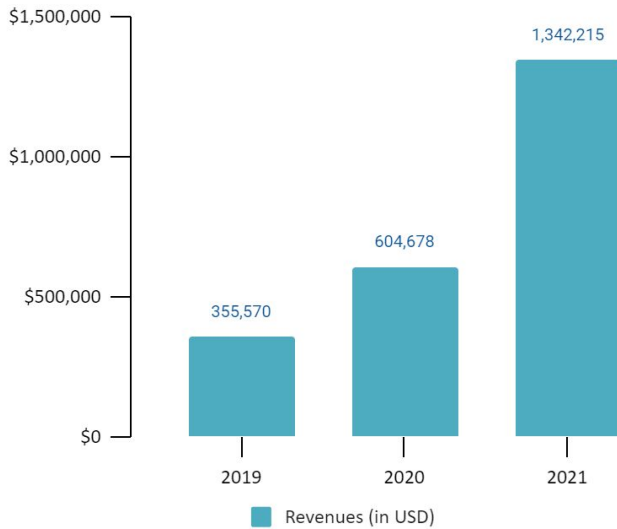
3.1 Financial Status

Homely is already financially profitable.

<i>(Amounts in US\$)</i>	FY2019	FY2020	FY2021
Total Revenue	355,570	604,678	1,342,215
Total Expenses	448,205	598,119	1,391,580
EBITDA OR Profit/Loss	-92,635	6,558	-49,365
EBITDA Margin	-26.1%	1.1%	-3.7%

3.1.1 Revenue Streams

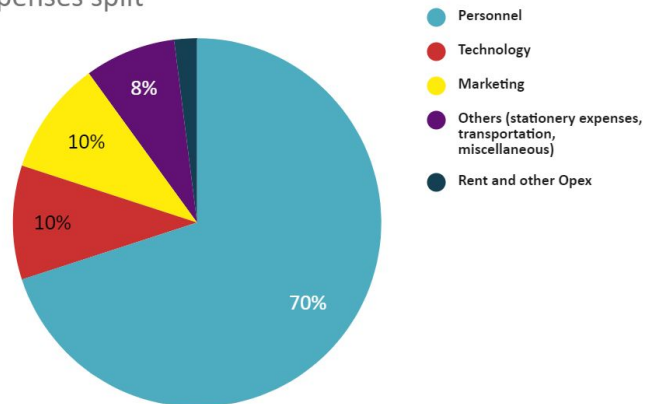
The graphic below depicts details on past revenue reported by Homely. Currently, 100% of the company’s revenue comes from commercial operations: 80% from its B2B operations (businesses) and 20% from its B2C (households). From 2019 to 2020, Homely’s revenue grew by 60.1%. From 2020 to 2021 it increased by 115%.



3.1.2 Expenses

- Personnel: 70%
- Technology: 10%
- Marketing: 10%
- Rent and other Opex: 2%
- Other (stationery expenses, transportation, miscellaneous): 8%

Expenses split



3.2 External Funding Sources (Past and Current)

Homely was started from the founders' personal savings in 2015 and began operations in 2016. Their first external investment was from Shark Tank Mexico in 2016. In 2018, Homely received a US\$25,000 investment from Carlos Bremer and Ana Victoria Garcia. In 2021, the company received an additional US\$25,000 from Codestream. Further, in 2021 the company acquired its competitor Aliada to ensure a larger market share and a stronger position in the sector. As of 2022, Homely has received a total of US\$650,000 in external investment from venture capital and angel investors.

3.3 Challenges Faced In Accessing Capital

According to Homely's CEO, the Care Economy is not as attractive to investors as other sectors. This limits the pools of capital and investors that are available and interested in funding the company. Investors do not always understand the positive impact angle of the Care Economy, nor the need for recognizing and rewarding care and domestic workers. Businesses in the Care Economy are therefore commonly asked to sacrifice the "impact" part of their company (i.e. support to domestic and care workers) in order to obtain faster return-on-investments.

4. Path To Scalability

4.1 Potential Avenues For Growth

- **New products:** Homely plans to launch a new software called Tasky in order to streamline the process of matching domestic workers with customers. With Tasky, anyone will be able to access a database of verified workers and order services needed, without Homely acting as the service provider.
- **B2B growth:** Homely plans to continue growing the B2B segment (businesses) as it is the main source of revenue.
- **Geographical expansion:** The company plans to expand to 26 cities in Mexico and expects to enter the Colombian market over the next three years.
- **Care services segment:** Homely plans to offer preventive care services through CareMe.

4.2 Risks And Challenges

- **Financial challenges:** impact investors are not yet fully aware of the importance of the Care Economy in maximizing profits and social impact. Investors must understand the business models of these types of enterprises, their long-term returns on investment, and the positive impact on the lives of domestic and care workers.
- **Competition:** Homely's main competition is the informal market, followed by traditional placement agencies. Both represent a risk of diverting Homely's customers because they are the historical key players in the provision of domestic services. Existing government regulations regarding informal work are not fully enforced and the risk of receiving a legal sanction is low. This has led to stagnant rates of formal domestic worker registration since 2019 and has limited Homely's expansion, especially in the B2C segment. Many customers may find the informal market more attractive due to its cheaper labor.
- **Social norms:** domestic and care work have historically been exploited.¹⁴ Despite legal reforms, the informal and unequal power relationship between employers and workers is still present in México. Hiring formalized domestic and care workers means also including social security benefits, making it much pricier than relying on the informal sector. Additionally, negative gender stereotypes against women business owners put enterprises like Homely at a market disadvantage because they receive less investment than those owned by men.

4.3 COVID-19 Impact On The Enterprise

During the COVID-19 pandemic, Homely launched its full sanitation service, which helped the company counter the financial losses experienced by its other programs. While the demand from households for cleaning services dropped, the businesses' disinfection services grew, enabling the company to strengthen and grow the B2B segment. A notable example is that Homely offered cleaning and disinfection services to small and medium restaurants in order to reduce the contagion risk between workers and customers.¹⁵

In addition, Homely guaranteed the safety of its customers and workers by implementing a biosafety protocol. Moreover, Homely made the decision to keep paying its employees while they halted operations during the peak of the pandemic, as well as assisting them with food supplies.

Finally, another strategy that helped Homely to maintain its revenue in the B2C segment was to sell prepaid cleaning service packages to customers at a discounted price (compared to pre-COVID fees).

¹⁴ ILO. (2018). Recognizing the rights of domestic workers. Retrieved from https://www.ilo.org/global/about-the-ilo/mission-and-objectives/features/WCMS_641738/lang--en/index.htm

¹⁵ Marketing 4 Ecommerce MX. (2020). Homely da un giro a su negocio: de limpieza del hogar a apoyo a restaurantes. Retrieved from <https://marketing4ecommerce.mx/homely-da-un-giro-a-su-negocio-de-limpieza-del-hogar-a-apoyo-a-restaurantes/>

4.4 Support Received To Date

Homely has received business support from the following incubators:

- Victoria147: 2017
- MassChallenge Mexico: 2018
- Cherie Blair Foundation: 2018

Social entrepreneurship programs:

- Possible Entrepreneurship program: 2018
- IKEA Social Entrepreneurship Program¹⁶

Homely has also participated in the following accelerator programs:

- Milestone Makers, Nasdaq Entrepreneurial Center (San Francisco): This initiative provides individualized business mentoring, coaching, training, and resources at no cost
- Manos accelerator, from Google Developer Experts: support is given to founders from Latin America whose startups have the potential to grow into the United States market
- Impact Hub Scaling
- FbStart Program: 2017
- Impact Hub Network (Red del Impact Hub)
- Platzi: In 2021, Homely won the Platzi DemoDay.¹⁷ The DemoDay supports early-stage start-ups and Homely received a US\$25,000 investment from Codestream as a result.¹⁸

4.5 Inputs Required For Growth

- **Financial:** Homely is seeking investments between US\$1.7 and US\$2 million, depending on the type of investor. The capital will be used to grow the administrative and operations teams as well as to strengthen the business development team.
- **Non-financial:** Homely requires mentoring to scale up its operations, improve its technology, and work towards a sustainable growth model. The company also aims to improve its measurement techniques and develop more alliances. In doing so, Homely hopes to generate ideas for the expansion of benefits it provides to domestic workers and their families.

¹⁶ IKEA. Homely. Retrieved from <https://www.ikeasocialentrepreneurship.org/en/social-enterprises/homely>

¹⁷ Platzi. (2021). Homely startup de servicios de limpieza recibe inversión de Codestream al ganar el Demoday. Retrieved from <https://platzi.com/blog/homely-startup-de-servicios-de-limpieza-recibe-inversion-de-codestream-al-ganar-el-demoday/>

¹⁸ Platzi. (2021). Conoce el Platzi Startups Demoday en alianza con iNNpulsa Colombia. Retrieved from <https://platzi.com/blog/demoday-platzi-innpulsa/>