

Xalco Ltd



homecare-360.com



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.

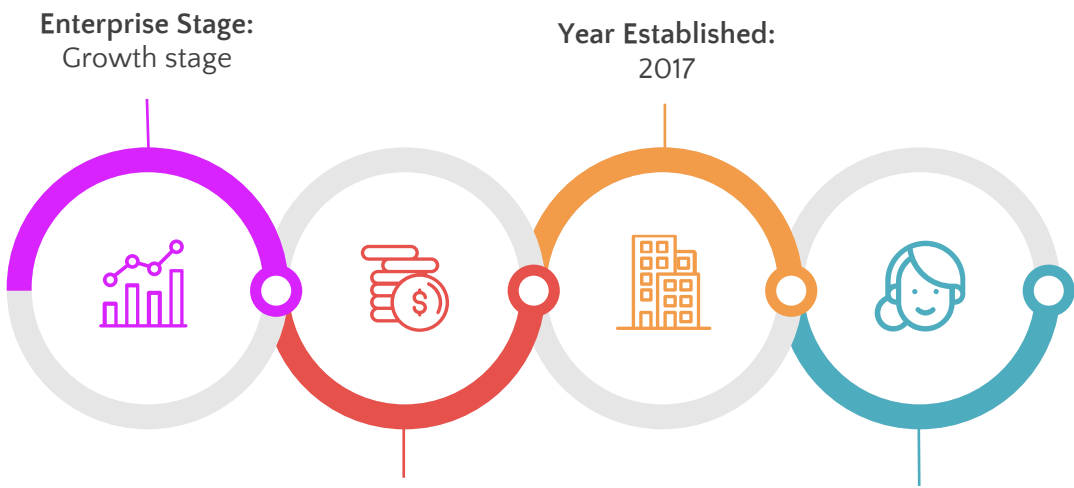
The Care Economy Knowledge Hub aims to address the knowledge gap around care businesses by showcasing various business models and creating a resource base for relevant stakeholders. It also aims to raise awareness and increase knowledge of the state of impact-driven care economy business models and attract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



Xalco Limited is a Kenyan social enterprise that addresses healthcare needs of elderly people, persons with physical and/or mental disabilities, and patients that require post-hospitalization care. Xalco currently has 3 models and brands focused on providing these care services; home care services (branded Homecare360), health services through specialized clinics (branded ComfortCare 360+), and training and certification for caregivers through its training institute (branded Ujuzi Fursa Africa). Xalco has trained over 1,400 caregivers and served 700 patients in Kenya since 2017. In 2022, Xalco generated a revenue of US\$ 447,154. It currently has 235 full-time employees.



- Women Owned/Led:***
- Founded by at least 1 woman
 - At least 51% owned by women
 - At least 30% women in senior leadership (executive level/c-suite positions)
 - Board of directors comprised of at least 30% women

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

1. About The Enterprise

1.1 Problem

Kenya has 1.3 million people over the age of 65 (accounting for 3% of the total population).¹ By 2050, the elderly population (age 65 or older) is expected to cross 5.5 million, or an estimated 9.6% of the population. Since 2000, the average life expectancy at birth in Kenya has increased by almost 10 years (currently at age 63).² Despite improvement in health outcomes, communicable diseases are still a major cause of death. Non-communicable diseases (NCD) such as diabetes, stroke, and heart diseases are also accelerating.³ The Kenya STEPs survey indicates that at least 25.9% of Kenyans aged 45 to 69 report their lifestyle as having one or more risk factors for NCD.⁴ The rising population, increase in average life expectancy, as well as increase in lifestyle-related diseases, have placed significant pressure on the Kenyan health care system.

Unfortunately, the current health infrastructure is unable to support the rising demand for services. The Global Burden of Disease ranks Kenya 50th on the Universal Health Coverage (UHC) index: the index ranks countries on a scale from 0-100, based on the average coverage of essential health services, service capacity, and access.⁵ Declining government funding of health services has affected the health care delivery system and as a result, there are currently no services dedicated specifically to geriatrics in the country.⁶ Thus, elderly people face challenges in accessing care, as family members have limited knowledge, private institutions are expensive, public facilities do not meet minimum standards, and assistive devices are not affordable.⁷

¹ The World Bank. (2021). *Population ages 65 and above (% of total population) - Kenya*. <https://data.worldbank.org/indicator/SP.POP.65UP.TO.ZS?locations=KE>

² The World Bank. (2021). *Life expectancy at birth, total (years) - Kenya*. <https://data.worldbank.org/indicator/SP.DYN.LE00.IN?locations=KE>

³ Institute for Health Metrics and Evaluation. (2019). *Kenya*. <https://www.healthdata.org/kenya>

⁴ HelpAge International. (2016). *Non-communicable diseases a threat to healthy ageing in Kenya and across Africa*. <https://www.helpage.org/blogs/jamillah-mwanjisi-25168/noncommunicable-diseases-a-threat-to-healthy-ageing-in-kenya-and-across-africa-997/>

⁵ Wangia, E., & Kandie, C. (2019). *Refocusing on quality of care and increasing demand for services; Essential elements in attaining universal health coverage in Kenya*. Ministry of Health, UNFPA, WHO, World Bank, Government of Japan

⁶ Mussie, K. M., Setchell, J., Elger, B. S., Kaba, M., Memirie, S. T., & Wangmo, T. (2022). *Care of Older Persons in Eastern Africa: A Scoping Review of Ethical Issues*. *Frontiers in Public Health*, 10.

⁷ Ministry Labour and Social Protection. (2017). *Focus area of the IX session of the open-ended working group on ageing*. https://social.un.org/ageing-working-group/documents/ninth/Inputs%20Member%20States/Kenya_LTC.pdf

Elderly people often need support in managing diets, medications, and exercise routines. Due to the absence of organized systems of long-term care, families bear the burden of providing these services to elderly persons who are no longer able to live independently.⁸ Further, post-hospitalization is crucial for elderly patients. A study evaluating trauma patients at a hospital in Kenya showed prolonged hospital stays for geriatric patients, the majority of whom suffered injuries due to traffic collisions or falls.⁹ These older patients required a longer period of rehabilitation, as they often have comorbid illnesses which impair their ability to recover from injuries. Further, comorbid illnesses are likely to result in post-care complications.¹⁰

Kenya also has a large percentage of elderly persons with disabilities. Studies indicated that almost 14% of women aged 75 and above, and 5% of women aged 60–65, are considered to have a disability (vision, speech, hearing, mental, mobility, etc).¹¹

In households, female relatives are more likely to bear the primary responsibility for elderly care. Thus, financing healthcare goods and services would reduce time poverty and increase opportunities for paid work, education, self-care, and community participation.¹² Current studies indicate that women in Kenya spend an average of just 5.3 hours per day on paid work, compared to 10.5 hours per day for men.¹³

For caregivers, studies highlight the adverse effect that unpaid caregiving can pose to both physical and mental health, due to limited opportunities for self-care.¹⁴ There are also concerns regarding the quality of care provided in homes, due to a lack of economic resources and the absence of formal medical knowledge and skills. In Kenya (and Sub-Saharan Africa as a whole), there is a growing number of private entities and charitable care institutions that provide organized care services. However, the quality of care provided remains suboptimal due to limited training.¹⁵

⁸ WHO. (2017). *Towards long-term care systems in sub-Saharan Africa*. Geneva: World Health Organization.

⁹ Saidi, H., & Mutiso, B. (2013). *Injury outcomes in elderly patients admitted at an urban African hospital*. <https://www.scirp.org/html/2-2300506-32279.htm>

¹⁰ Saidi, H., & Mutiso, B. (2013). *Injury outcomes in elderly patients admitted at an urban African hospital*. <https://www.scirp.org/html/2-2300506-32279.htm>

¹¹ Kabare, K. (2018). Social protection and disability in Kenya. *Nairobi: Development Pathways*. <https://www.developmentpathways.co.uk/wp-content/uploads/2018/10/Disability-Report-Kenya.pdf>

¹² Oloo, R., & Parkes, A. (2021). Addressing unpaid care and domestic work for a gender-equal and inclusive Kenya. <https://oxfam.library.openrepository.com/bitstream/handle/10546/621179/bn-we-care-ucdw-kenya-130421-en.pdf;jsessionid=66FC71A37B05696395372BF8A97ABE05?sequence=1>

¹³ Oloo, R., & Parkes, A. (2021). Addressing unpaid care and domestic work for a gender-equal and inclusive Kenya. <https://oxfam.library.openrepository.com/bitstream/handle/10546/621179/bn-we-care-ucdw-kenya-130421-en.pdf;jsessionid=66FC71A37B05696395372BF8A97ABE05?sequence=1>

¹⁴ WHO. (2017). *Towards long-term care systems in sub-Saharan Africa*. Geneva: World Health Organization.

¹⁵ WHO. (2017). *Towards long-term care systems in sub-Saharan Africa*. Geneva: World Health Organization.

Kenya has a growing unemployment problem. More than a quarter of Kenya's youth population, approximately 3.6 million people, is unemployed.¹⁶ Women are 45% more likely to be unemployed than men.¹⁷ There is a growing focus on employment generation through programs such as the Technical and Vocational Education and Training (TVET) institution. However, evaluation of the TVET program shows limited effect on unemployment outcomes thus far.¹⁸ The study highlighted that (on average) skills-based training programs increase employment by only 2.6%.¹⁹ Recommendations to improve outcomes suggest that TVET programs should also incorporate soft skills such as entrepreneurship, communication, problem-solving, relational skills, and time management.²⁰

1.2 Solution

Xalco Limited provides 3 types of services to address these problems:

- **Homecare 360:** Customers may sign up for daily or weekly services. These services include elderly health check-ups, domestic work, meal preparation, hygiene services, and referrals to elderly support groups. Customers can also purchase special needs equipment, such as wheelchairs, adult diapers, and sanitizing machines. Customers use WhatsApp to choose both care and caregivers. Homecare 360 team members then conduct assessments, which are cross checked with health professionals, to develop individual care plans for customers. All caregivers using Homecare 360 are covered under medical insurance. The enterprise also covers a portion of the premium to the National Social Security Scheme (NSSF) for workers. Caregivers receive payments every 10 days.
- **Ujuzi Farasi Africa:** This unit provides training in caregiving to unemployed or semi-skilled youth (aged 18–30 years). There are currently 3 training centers. The training runs for 4 months and is conducted by professional nurses. Theoretical curriculum is inspired by materials from Singapore, the United States of America, and Kenya (each of these countries has generated an advanced curriculum in elderly care, health care, and/or First-Aid). After courses focusing on theory are completed, trainees participate in a skill lab where they practice on dummies. Some trainees are also placed in internships at government hospitals, to gain more practical skills. The enterprise conducts a total of 20 assessments for trainees throughout the course. Trainees can complete online certifications (conducted by partners in Singapore, the United States of America, and Kenya). The classes are held for 5–6 hours per day, allowing them to undertake other part-time work for income generation. After completion of training, trainees are employed by Homecare 360, or may choose to pursue external employment (in Kenya or abroad).

¹⁶ Kenya National Bureau of Statistics. (2019). *Kenya Population and Housing Census Vol IV: Distribution of Population and Socio-Economic Characteristics*.

¹⁷ UNDP. (2013). *Discussion Paper: Kenya's Youth Employment Challenge*. New York: United Nations Development Programme.

¹⁸ IDinsight. (2021). *Tackling youth unemployment by strengthening skills training programs*. <https://www.idinsight.org/article/tackling-youth-unemployment-by-strengthening-skills-training-programs/>

¹⁹ IDinsight. (2021). *Tackling youth unemployment by strengthening skills training programs*. <https://www.idinsight.org/article/tackling-youth-unemployment-by-strengthening-skills-training-programs/>

²⁰ IDinsight. (2021). *Tackling youth unemployment by strengthening skills training programs*. <https://www.idinsight.org/article/tackling-youth-unemployment-by-strengthening-skills-training-programs/>

- **ComfortCare 360+:** This unit was created in 2022 and comprises 3 specialized clinics, providing post-hospitalization care services to elderly patients. Clinics are equipped with a team of specialist health practitioners, nurses, physiotherapists, mental health practitioners, and nutritionists. Beds and meals are also provided.

1.3 Customer Segment

Customer Segment	Product / Service Provided	Paid / Unpaid
Low to middle-income households who require home services for elderly persons (aged 60+)	<ul style="list-style-type: none"> • Homecare 360: Customers choose specialized healthcare services, such as: assistance in daily routine, physiotherapy, nutrition, and general check-ups. As entry-level caregivers provide services, it is 10-20% cheaper than private clinics/nurses. • Care and health products: Customers can buy products such as wheelchairs, diapers, and medical equipment. 	<ul style="list-style-type: none"> • Paid Customers pay US\$ 9-11 per shift (12 hours). This covers the entirety of care services. Additional fees are charged for physiotherapy or specialist check-ups. • Paid Customers pay the full cost of purchased products.
Post-discharge patients, persons with physical and mental disabilities, and any other individuals in need of specialized care	<ul style="list-style-type: none"> • ComfortCare 360+: Customers can choose short-term (7-60 days) care services, from specialized clinics. 	<ul style="list-style-type: none"> • Paid Customers pay US\$ 90-122 per day for special care services such as meals and beds.
Low-income, semi-skilled and unemployed youths (between 18-30 years of age)	<ul style="list-style-type: none"> • Ujuzi Farasi Africa: Unemployed youth can undergo caregiving training at Ujuzi. Post assessment, trainees get a certificate. The curriculum focuses on aspects of basic health, medical skills, soft skills, virtual learning, and hospital internships. Ujuzi provides tablets for the duration of the course at no charge. 	<ul style="list-style-type: none"> • Paid Trainees pay a fee of US\$ 450 for a 4-month training. There are flexible payment plans offered, to allow trainees to pay off the course over 7 weekly installments.

Customer Segment	Product / Service Provided	Paid / Unpaid
	<ul style="list-style-type: none"> 70% of the trained caregivers are directly employed by Xalco or other agencies, while others choose to further their education or migrate outside of the country. After professional training with Xalco, caregivers can perform emergency aid and Cardiopulmonary Resuscitation (CPR). 	

1.4 Team And Governance Structure

Xalco has 235 full-time employees, including 200 full-time caregivers (97% of whom are women). The remaining 35 staff members (95% of whom are women) hold roles in Senior Management, Administration, Human Resources, Finance, Business Development, Sales, Training, Caregiver and Client Management, Quality Assurance, Logistics and Office Aid.

Xalco management has 4 members, 3 of whom are women. It also has an advisory board of 4 members, all of whom are women.

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

Xalco's mission is to provide quality and affordable care to those who need it. Further, to provide better livelihood opportunities to low or semi-skilled youth populations. The enterprise aims to provide affordable services to its consumers, making healthcare more accessible.

2.2 Intended Impact

- The enterprise helps **reduce** time spent on unpaid care work by women and girls by **redistributing** the burden of care work.
- It also **rewards** caregivers by providing them with training, certification, employment opportunities, and better remuneration.

2.3 Monitoring And Measurement

Xalco limited monitors the following indicators:

- Number of clients served (monthly)
- Number of caregivers trained (quarterly)
- Share of trained caregivers who were given jobs with Xalco
- Share of caregivers who continued their education or worked abroad
- Share of caregivers who successfully passed the assessment test

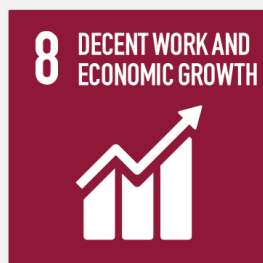
Xalco measures the quality of its home care services, as well as its offerings at clinics and training institutes. For home services, caregivers provide a daily report to the client manager to update the office on tasks undertaken. The enterprise's reporting system is carried out through WhatsApp, as well as mobile applications. Caregivers are expected to log in and out through the app daily, to update customers on care routines performed. Xalco conducts a feedback survey at both the beginning and end of each service. The survey measures changes in physical, emotional, and behavioral health, client satisfaction, and patient recovery. At clinics, quality assurance monitoring is conducted by doctors and nurses daily. For trainees, surveys measure progress in academic performance (via exams) and employment post training. The enterprise also monitors employees' and trainees' livelihood improvements, specifically for persons hired by Xalco directly.

2.4 Results To Date

- Number of clients served: 700
- Number of caregivers trained: 1,400
- Number of caregivers in active employment within Kenya: 800 (including 200 with Xalco)

Trainees who are directly employed by the enterprise record improvements to their income. On average, they record earning US\$ 250–280 per month, compared to the Kenyan average of US\$ 100–120 per month (for carers without training or certification). The international certification process has also allowed trainees to migrate abroad, with many finding work in the Middle East and South Africa. Those who migrate out of the country earn up to US\$ 500–1000 per month on average.

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



3. Financials

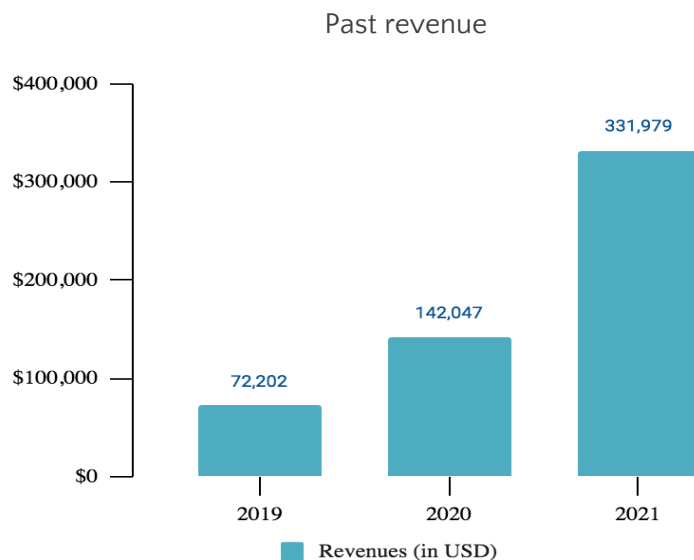
3.1 Financial Status

Xalco is financially profitable and growing. By October 2022, Xalco had already surpassed its 2021 revenue, generating US\$ 447,154.

<i>(Amounts in US\$)</i>	FY2019	FY2020	FY2021
Total Revenue	72,202	142,047	331,979
Total Expenses	75,309	133,007	300,175
EBITDA OR Profit/Loss	3,108	9,040	31,804
EBITDA Margin	(4.3%)	6.36%	9.58%

3.1.1 Revenue Streams

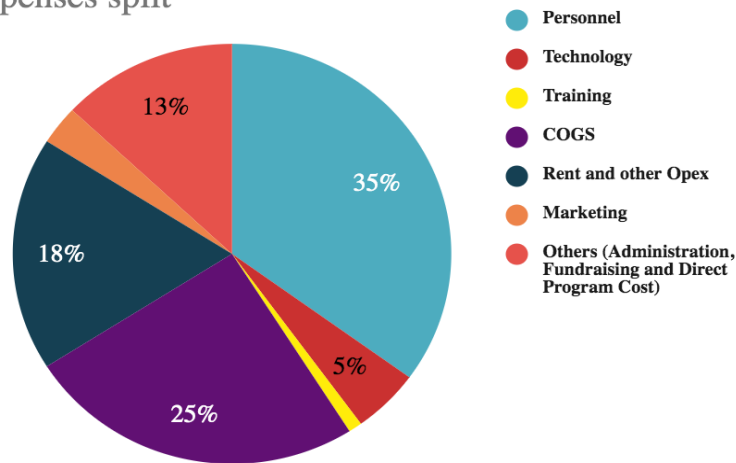
Currently, 100% of Xalco's revenue comes from sales of services: 60% of the revenue is generated from Ujuzi Farasi Africa and 40% comes from the provision of homecare services. Xalco began operating their own clinics in 2022 (under ComfortCare 360+). These clinics have been profitable since September 2022. Revenue from the clinics is not reflected in the financial report.



3.1.2 Expenses

The following pie-chart provides details of the key areas of expenditure for the enterprise in 2021.

Expenses split



3.2 External Funding Sources (Past and Current)

Xalco has not received any external funding. The enterprise has operated on bootstrapped resources from family and friends of the founders. Since 2018, Xalco has used retained profits to invest in the business.

3.3 Challenges Faced In Accessing Capital

Xalco has not sought external capital.

4. Path To Scalability

4.1 Potential Avenues For Growth

Xalco Limited has identified the following avenues for growth:

- **Geographic expansion:** The enterprise plans to open 3 training centers and 1 additional ComfortCare 360+ center in Kenya. The training arm is the most profitable and creates direct impact for those unemployed.
- **Skills development for caregivers:** The enterprise aims to develop an online development program for caregivers who are already undergoing training, or working as caregivers.
- **Product expansion:** Xalco intends to upscale its product market by incorporating second-hand medical support equipment (wheelchairs, hospital beds, etc.). At present, the market for second-hand equipment has not evolved in Kenya and companies rely on imports. Xalco intends to create additional supplier partnerships in countries such as the UAE, which has a warehouse of second-hand goods.

4.2 Risks And Challenges

- **Regulatory:** In 2017, the Nursing Council of Kenya removed the title of nurse aide. This is due to nurse aides often being used as nurses, without being professionally qualified. Caregivers are therefore now categorized as 'other cadre,' or community services volunteers. This change in terminology has undermined the rights of caregivers, as their union is no longer recognized by the government. As a result, caregivers cannot utilize collective bargaining to highlight employment issues within their sector. Further, caregivers are no longer covered under professional indemnity, which protects them from medical complaints at their worksites. Xalco Limited has therefore utilized its ComfortCare 360+ license (issued by the Kenya Medical Union) for private companies, to provide professional indemnity to caregivers.
- **Competition:** The enterprise is facing competition from hospitals that offer informal and non-certified training. In addition, the enterprise faces competition in the home care sector by nurses who are offering caregiving services off-duty. Caregivers' migration abroad also hinders staffing resources.
- **Social norms:** In certain regions of Kenya, the enterprise is facing challenges related to religion. This is due to families being uncomfortable accepting caregivers who are not of the same religion as their household.

4.3 COVID-19 Impact On The Enterprise

Xalco Limited had to suspend its home care services due to COVID-19 mobility restrictions. In 2020, the enterprise was in the process of opening a branch center, but was forced to shut down. In response, Xalco began to offer COVID-19 specific care for patients and supplied oxygen for free. Xalco Limited also designed online classes for continuing caregiver trainees and new training enrollments.

4.4 Support Received To Date

- The enterprise was a part of the Innovate for Life program, hosted by the Elsevier Foundation. This enabled Xalco to gain social media exposure and positively impacted the enterprise in its visibility and partnerships.
- Xalco Limited was recently accepted to the Stanford Seed program 2023, a competitive program in which only 60 enterprises from Africa were accepted. Xalco anticipates that this will further aid in exposure to the investor ecosystem.
- In 2022, Xalco won the Villgro Healthcare Innovator of the Year award during the Kenya innovation week.

4.5 Inputs Required For Growth

Financial

- The enterprise is seeking an investment of US\$ 350,000. Funds will be used to open 3 additional training institutes, as well as a care clinic in Kenya. Any additional funds will be allocated to staffing, specifically to hire human resources. The enterprise also seeks to onboard Amazon Web Services to pilot health programs through ComfortCare 360+ facilities and its 25 home-based clients. Xalco is seeking to raise equity from reliable partners, who may also come use their expertise to guide the enterprise's growth.

Non-financial

- **Partnerships with the government:** the enterprise is seeking a partnership with the government to develop conducive policies for caregivers in Kenya, including formally recognizing caregivers.
- **Marketing:** the enterprise is seeking expertise in marketing, specifically for interior parts of Kenya.