

HandyMama



handymama.co

HandyMama



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.

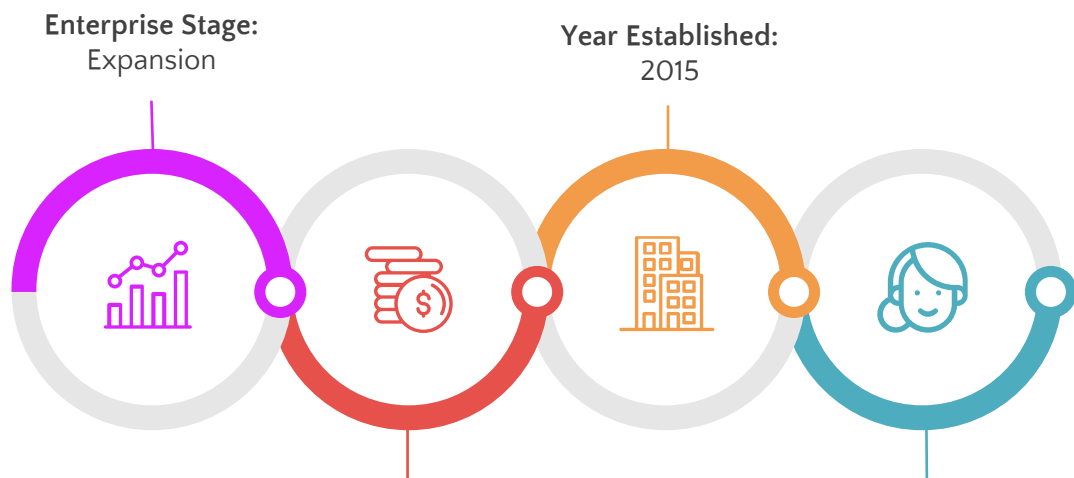
The Care Economy Knowledge Hub aims to address the knowledge gap around care businesses by showcasing various business models and creating a resource base for relevant stakeholders. It also aims to raise awareness and increase knowledge of the state of impact-driven care economy business models and attract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



HandyMama is a for-profit company that connects households to trained and vetted domestic workers in Bangladesh. HandyMama’s services include cleaning, repairs, and relocation. Since 2015, the enterprise has established a network of over 3,000 verified and trained domestic workers and has undertaken 550,000 jobs. HandyMama deploys its services through mobile and web applications. In 2022, HandyMama’s revenue was US\$ 408,358. HandyMama has 20 full-time employees and a team of 450 full-time, part-time and freelance domestic workers.



Enterprise Type:
For-profit enterprise

Women Owned/Led:*

This enterprise is not women-owned or -led as it does not meet the criteria of having either a woman founder, or being 51% women-owned and/or having at least 30% of women in senior leadership (executive level/C-suite positions) or a board composed of at least 30% of women.

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Founder’s contact: Shah Paran, [LinkedIn Profile](#)

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

1. About The Enterprise

1.1 Problem

Women's participation in the labor force in Bangladesh continues to be low, despite recent progress (it increased from 28% in 2000 to 36% in 2017 when the last labor force survey was carried out by the Bangladesh Bureau of Statistics).¹ In 2017, women's labor participation in the country was only 36%, compared to 82% among men.² In urban areas, the number was even lower, at 31%, and it is declining. This is especially critical since the urban population is projected to reach 112 million, or 58% of the total population, by 2050.³

Traditional gender roles are the key reason for the lower female labor force participation. Studies indicate that urban women spend around 6 hours per day on domestic household tasks and unpaid care work, while urban men spend only one hour per day on these activities.⁴ Women who are in paid employment in urban areas still spend 3 hours a day on domestic tasks and unpaid care work, in addition to time spent on paid activities.⁵ The disproportionate distribution of domestic care work means women spend more time tending to domestic chores and consequently have less time for self-care, leisure, employment, education, and civic participation.⁶ This challenge has been growing due to the lack of innovative and affordable solutions to reduce the time women spend providing domestic care.⁷

The domestic help provider and caregiver industry in Bangladesh is valued at US\$ 4 billion.⁸ It is estimated that there are 10.5 million employed domestic workers in the country, of which 90% are women.⁹ Studies conducted by HandyMama in Dhaka show that there are around 30,000–

¹ World Bank. (2021). *Labor force participation rate, female (% of female population ages 15+)* (modeled ILO estimate) – Bangladesh. <https://data.worldbank.org/indicator/SI.TLF.CACT.FE.ZS?locations=BD>

² Kotikula, A., Hill, R., & Raza, W. A. (2019). *What Works for Working Women?: Understanding Female Labor Force Participation in Urban Bangladesh*. <https://documents1.worldbank.org/curated/en/265491570091030693/pdf/What-Works-for-Working-Women-Understanding-Female-Labor-Force-Participation-in-Urban-Bangladesh.pdf>

³ Kotikula, A., Hill, R., & Raza, W. A. (2019). *What Works for Working Women?: Understanding Female Labor Force Participation in Urban Bangladesh*. <https://documents1.worldbank.org/curated/en/265491570091030693/pdf/What-Works-for-Working-Women-Understanding-Female-Labor-Force-Participation-in-Urban-Bangladesh.pdf>

⁴ Kotikula, A., Hill, R., & Raza, W. A. (2019). *What Works for Working Women?: Understanding Female Labor Force Participation in Urban Bangladesh*. <https://documents1.worldbank.org/curated/en/265491570091030693/pdf/What-Works-for-Working-Women-Understanding-Female-Labor-Force-Participation-in-Urban-Bangladesh.pdf>

⁵ Kotikula, A., Hill, R., & Raza, W. A. (2019). *What Works for Working Women?: Understanding Female Labor Force Participation in Urban Bangladesh*. <https://documents1.worldbank.org/curated/en/265491570091030693/pdf/What-Works-for-Working-Women-Understanding-Female-Labor-Force-Participation-in-Urban-Bangladesh.pdf>

⁶ Globalcad. (2017). Women Spend Disproportionately More Time than Men in Unpaid Care Work. <https://globalcad.org/en/2017/11/29/women-three-times/>

⁷ IFAD (2016). Reducing rural women's domestic workload through labor-saving technologies and practices. https://www.ifad.org/documents/38714170/40196082/Teaser_workload_web.pdf/c8b175be-f4cf-4f97-a3bf-d6720cc08aaf

⁸ B. B. (2021). Case study HelloTask. <https://www.sie-b.org/case-study-hellotask/>

⁹ Government of Canada. (2022). *Shining a light on the rights of domestic workers in Bangladesh*. <https://www.international.gc.ca/world-monde/stories-histoires/2022/domestic-rights-droits-domestique.aspx?lang=eng>

50,000 cleaners who work in cleaning service companies. Domestic work is informal and the workers are largely excluded from social protection in Bangladesh. The lack of social protection and formal work makes domestic workers vulnerable to exploitation, such as long work hours and low wages.¹⁰ Domestic workers in Bangladesh earn an estimated US\$ 15/ month, which is insufficient to cover basic needs.¹¹ The pay is often irregular and many workers do not receive other social security benefits or overtime pay.¹² Low income for workers also results from a lack of technical skills and little experience negotiating job duties and wages. A study in Bangladesh showed that domestic workers often obtain work through informal recruitment processes that include relatives, employers and parents.¹³

1.2 Solution

HandyMama's solution includes:

- **Cleaning, domestic help, appliance repair and relocation services:** HandyMama connects service providers (cleaners, domestic helpers, repair workers) to households and businesses. The service providers are either employees of HandyMama or work as freelancers. Through the HandyMama mobile and web applications, households and businesses can request services and are matched with a service provider. HandyMama offers standardized and transparent pricing to customers and a service warranty.
- **Training, recruitment and job linkages:** HandyMama vets and conducts a background check for every service provider before they are onboarded onto the platform. Vetting involves checking the qualifications against the service that the worker wants to offer. The background check includes a criminal records check and verifying identity documents. The workers who are onboarded are also provided training by HandyMama. The training sessions are conducted for 16 hours over 2 weeks and include modules on hygiene, communication, behavior, and customer service. Some parts of the training are conducted on-site to teach practical aspects. Workers associated with HandyMama earn on average 6 times more than informally hired domestic workers.

¹⁰ Government of Canada. (2022). *Shining a light on the rights of domestic workers in Bangladesh*. <https://www.international.gc.ca/world-monde/stories-histoires/2022/domestic-rights-droits-domestique.aspx?lang=eng>

¹¹ Government of Canada. (2022). *Shining a light on the rights of domestic workers in Bangladesh*. <https://www.international.gc.ca/world-monde/stories-histoires/2022/domestic-rights-droits-domestique.aspx?lang=eng>

¹² WIEGO. (2020). *The Costs of Insecurity: Domestic Workers' Access to Social Protection and Services in Dhaka, Bangladesh*. https://www.wiego.org/sites/default/files/publications/file/WIEGO_PolicyBrief_N19_Bangladesh%20for%20Web.pdf

¹³ Refugee and Migratory Movements Research Unit. (2019). *A Study on Decent Work Deficits in Domestic Work in Bangladesh*. https://www.ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/---ilo-dhaka/documents/publication/wcms_674540.pdf

1.3 Customer Segment

Customer Segment	Product / Service Provided	Paid / Unpaid
Middle-high income urban Households	<ul style="list-style-type: none"> • Domestic services (cleaning, repair and relocation): Customers can register their request for cleaning, appliance repair and relocation services on HandyMama's website or mobile application. These services can be through subscription (daily, weekly or monthly) or on demand. 60% of the job requests HandyMama receives are on-demand and 40% are subscription based. 45% of jobs undertaken are cleaning, and 20% are for repairing appliances. Customers who opt for cleaning services either opt for general cleaning (44%) or deep cleaning (24%), disinfection and others (31%). HandyMama has introduced a subscription-based cleaning service twice a week with 120 clients. The services are provided by employees or freelancers whose background and skills are vetted by HandyMama. 	<p>Paid</p> <ul style="list-style-type: none"> • Customers pay for the services at the agreed rate at the time of booking. The pricing is set based on the extent and nature of the service required by the customers. Customers can obtain a quote that is generated through a pricing algorithm. The price range for a cleaning service is US\$ 9 – US\$ 28/session. General cleaning starts from \$ 9/ session and the deep cleaning and disinfection services are charged at a higher rate.
Businesses	<ul style="list-style-type: none"> • Cleaning and relocation services: Businesses can request services such as cleaning, disinfection, moving, repair, and handyman services, amongst others. 	<p>Paid</p> <ul style="list-style-type: none"> • Businesses pay for the services at the agreed rate at the time of booking.
Domestic Workers	<ul style="list-style-type: none"> • Recruitment, training and job linkages: HandyMama offers 16 hours of free training to all workers, including freelancers and paid workers. The in-house training covers company policies, behavior, communication and personal finances to make sure workers are able to offer quality services, receive positive customer feedback and generate regular income. Domestic workers work either as freelancers or regular employees 	<p>Paid</p> <ul style="list-style-type: none"> • Freelancers receive 80–85% of the value paid by customers for each on-demand service transaction. • Freelancers also bring their own cleaning products and equipment.

Customer Segment	Product / Service Provided	Paid / Unpaid
	of HandyMama. The company employees earn US\$ 100/month as well as a performance bonus and health insurance. The performance bonuses are based on attendance, job rating, timing and cleanliness, etc. Paid staff also receive a transportation allowance to go to the worksite. The freelancers make around US\$ 25/ job after deduction of service transaction and undertake 5-10 jobs/month.	

1.4 Team And Governance Structure

HandyMama has 20 full-time employees who work in Sales & Marketing, Customer Service, Operations, Engineering, Accounts & Finance departments. 30% of the full-time employees are women. In addition, domestic workers hired to undertake cleaning, repair and relocation jobs either work as employees (full-time or part-time) or as freelancers. Freelancers are mainly given on-demand jobs and the in-house employees work with households or businesses who have subscribed to regular services from HandyMama. HandyMama has an estimated 450 domestic workers, half of them are either full-time or part-time workers and another half work as freelancers. Out of 450 domestic workers, HandyMama has 200 cleaners and 90% of the 200 cleaners are men. The remaining 250 workers work in repair and relocation services.

The board consists of 5 board members, all of whom are men.

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

Policy	Yes / No
Whistleblower policy / Employee grievance mechanism	Yes
Maternity / Paternity leave policy	Yes
Safeguarding policies for vulnerable groups (children, elderly, PWDs)	No
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

HandyMama aims to become the number one household service provider company in Bangladesh. It intends to do so by empowering people in the community and delivering quality service to the customers.

2.2 Intended Impact

HandyMama's intended impact addresses two of the 4 Rs.

- HandyMama **reduces** the burden of cleaning homes, which largely falls on women and girls.
- HandyMama's services have led to the **redistribution** of care work from households to third parties.

2.3 Monitoring And Measurement

HandyMama collects the following indicators:

- Number of customers (households and businesses)
- Number of new customers added each month
- Gender of customers tracked monthly
- Number of jobs completed in different services (i.e. cleaning, relocation, repairing, etc.)
- Number of service providers (cleaners, plumbers, movers, etc), including in-house and freelancers

- Number of jobs that each service provider undertook tracked on a daily, weekly, and monthly basis
- Income earned by each service provider (cleaners, plumbers, movers, etc) tracked monthly
- Quality of service through customer feedback

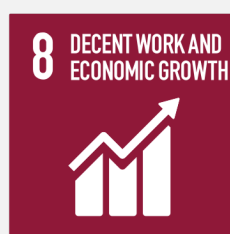
HandyMama measures the indicators through a Customer Relationship Management software (CRM) that integrates data on service providers and jobs. HandyMama estimates the number of hours saved by customers based on hours spent by domestic workers on the job.

2.4 Results To Date

HandyMama has achieved the following results:

- Number of customers (households and businesses) that have used HandyMama's services: 300,000
- Number of enlisted businesses: 6,000
- Number of service providers (cleaners, plumbers, movers, etc), including in-house workers and freelancers since 2015: 3,000
- Number of jobs completed: 550,000 (45% cleaning jobs and 20% appliance repairs)
- Gender of cleaning service customers: 53% of cleaning service customers are women
- Number of domestic work hours saved by customers: Approximately 1.5 million hours

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



3. Financials

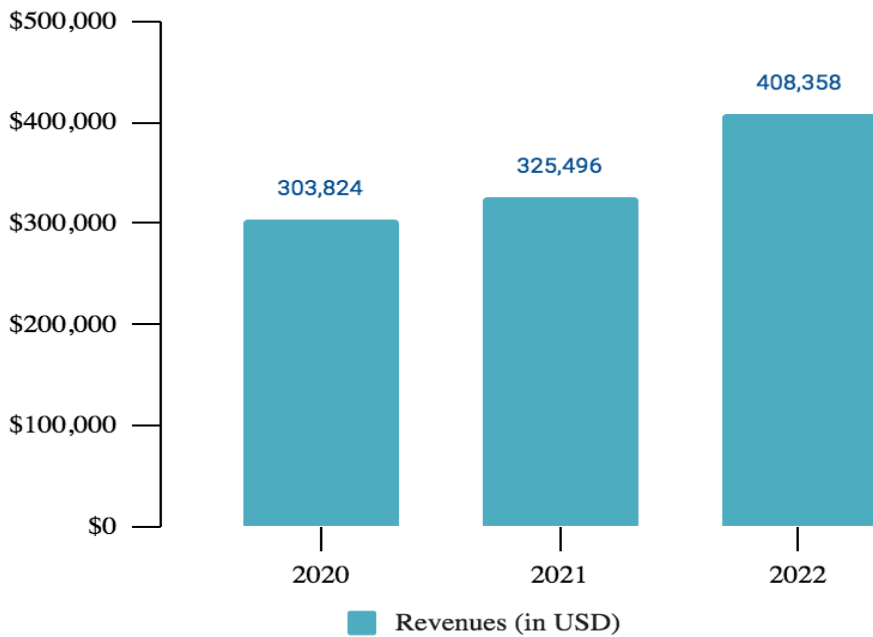
3.1 Financial Status

HandyMama is currently not profitable and intends to be profitable in the next 3 years.

<i>Particular (Amounts in USD)</i>	FY2020	FY2021	FY2022
Total Revenue	303,824	325,496	408,358
Total Expenses	366,025	336,684	453,992
EBITDA OR Profit/Loss	(62,201)	(11,188)	(45,634)
EBITDA Margin	-20.47%	-3.44%	-11.17%

3.1.1 Revenue Streams

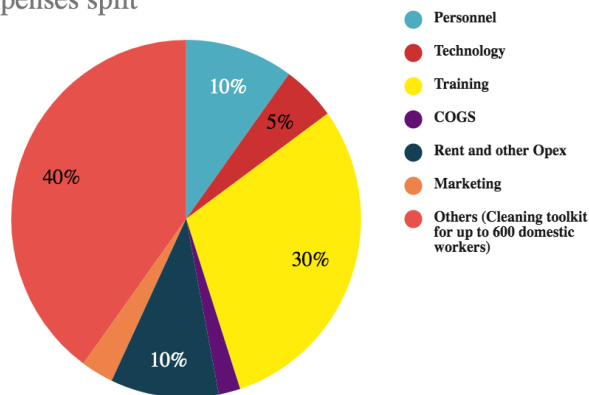
100% of HandyMama's revenue is from sales of services.



3.1.2 Expenses

The chart below displays HandyMama's expense breakdown* in the year 2021:

Expenses split



3.2 External Funding Sources (Past and Current)

HandyMama has received a total of US\$ 505,000 in investments in equity and debt from angel investors and venture capitalists.

- In 2021, it received US\$ 50,000 from Accelerating Asia and US\$ 50,000 from Impact Collective.
- In 2020, it raised US\$ 20,000 from an angel investor.
- In 2019, it received US\$ 300,000 of equity investments from a local venture capitalist, BD Venture, and a group of angel investors.
- In 2015, it received US\$ 15,000 from Pegasus Tech Ventures.
- HandyMama also raised US\$ 70,000 from 4-5 local investors.

3.3 Challenges Faced In Accessing Capital

- **Accessibility and availability of capital:** HandyMama has faced challenges in raising funds locally in Bangladesh from angel investors who invest a smaller ticket size ranging from US\$ 10,000 to 20,000, which was too small for HandyMama's needs. In the past, HandyMama made efforts to raise grants but was unsuccessful because donors were reluctant to provide grants to for-profit companies. Raising debt in Bangladesh has been difficult as bankers and debtors require collateral and securities.

*The payments made to the freelancers are not included in the above chart.

- **Availability of capital:** Foreign-based venture capital providers find it challenging to invest in Bangladeshi companies due to complex procedures and rules. There are challenges with taxation, many requirements for getting money out of Bangladesh and complex shareholding structures. As a result, HandyMama has established a holding company in Singapore to ease access to investments from investors based in Singapore and other regions.

4. Path To Scalability

4.1 Potential Avenues For Growth

HandyMama has identified the following avenues of growth:

- **Expand services in Bangladesh:** HandyMama is looking to expand its operations in Bangladesh by strengthening the network of domestic workers. By 2025, HandyMama intends to train and certify 6,000 domestic workers and is in the process of setting up a training facility for this purpose. HandyMama will provide a 3-month standardized certification program through this training facility under the Bangladesh Technical Education Board (BTEB). Post-course completion, the trained workers will be provided with a cleaning kit, smartphone, bicycle and a hand-held vacuum machine at an estimated cost of US\$ 300, to be provided as a repayable loan. The certification and equipment will enable HandyMama to onboard more workers on the platform and provide a good-quality service. When the freelancers are not working with HandyMama, they are able to use the kit to undertake other cleaning jobs. HandyMama intends to guarantee 100% job placement on its platform after course completion and ensure a 3 times income increase for workers.

4.2 Risks And Challenges

- **Operational challenges:** HandyMama has faced difficulties providing services across Dhaka city as jobs are spread out in the city. HandyMama has used its in-house workers to service the far-flung regions, but it has been difficult as workers have to use public transportation, which results in delays and adds to customer costs. HandyMama intends to create clusters of domestic workers in areas with a large number of customers in order to shorten commute times and provide a better quality service.
- **Technology challenges:** A few workers face difficulties in using the app and the platform as they do not have smartphones or the necessary literacy level to use the platform. In such cases, HandyMama faces challenges in tracking the worker and the status of the job.

- **Social Norms:** Many customers who are women prefer to have cleaners who are also women but HandyMama has faced difficulties in recruiting women who often cannot travel due to social restrictions. Also, as the cleaning equipment and machinery are heavy some women may find it difficult to carry them which can result in fewer cleaners who are women.

4.3 COVID-19 Impact On The Enterprise

During COVID-19 and travel restrictions, HandyMama lost job orders. It had to downsize the business and team size from 52 to 20 full-time employees. HandyMama had to halt the training of domestic workers under BTEB as well as providing them with cleaning kits due to revenue loss and lack of funds post-COVID-19. HandyMama will restart this activity in 2023.

4.4 Support Received To Date

In 2021, HandyMama participated in programs by Accelerating Asia and Impact Collective. In addition to equity investments, HandyMama received technical support in both programs. In the Accelerating Asia program, HandyMama provided inputs on growth, business models, scaling and fundraising. Through the Impact Collective program, HandyMama worked on its intended impact and was also better able to align its impact with the SDG goals. In 2015, HandyMama participated in an incubation program by The Founder Institute.

4.5 Inputs Required For Growth

Financial

HandyMama is seeking US\$ 500,000 in 2023, 50% as grants or non-equity funding and 50% as equity or venture funding. The capital is required for the training and development of 4,000 domestic workers (80% female and 20% male) in the next 2 years to meet the target of 6,000 trained domestic workers by 2025. The funds will be spent on sourcing and training, awarding BTEB certification, and providing a US\$ 300 repayable loan to each certified professional to buy a tool kit that will contain a vacuum cleaner, cleaning supplies and equipment, and a bicycle for commuting.

Non-Financial

Partnerships: HandyMama is seeking partnerships with NGOs, such as the BRAC, who can support with funding, training and sourcing workers for training. HandyMama is also seeking partnerships with government agencies such as the BTEB, the Ministry of Labor and the City Corporation. Support from BTEB is crucial to receive certification for the workers. The Ministry of Labor's support is needed for administrative support, funding and access to workers. As City Corporation is a large employer of domestic workers, it can provide job placements for trained workers.