

Transforming the care economy through impact investing case study:

# Hogaru



The Care Economy  
Knowledge Hub

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## FOREWORD

Vital for our society to function, the care economy – domestic work and caring for children, elderly people, and people with disabilities – as it is now, operates as one of the most pervasive structural barriers to women’s economic autonomy and gender equality.

Across the world care work is mostly done by women and girls, who perform three-quarters of unpaid care work. Representing more than 11 percent of total global employment, paid care work is also a significant source of employment, particularly for women. However, these jobs are poorly paid, in positions that fall outside of formal employment structures, and insecure due to ingrained gender and racial biases and the work’s perceived value. The precariousness of paid care work and the unequal distribution of unpaid care work restricts women’s time and mobility, as well as their equal participation in social, economic, and political life. And this dynamic is unlikely to change without collective action. The climate crisis is increasing the demand for care and domestic work globally, while the COVID-19 pandemic generated a [care crisis](#) that exacerbated pre-existing gender inequalities.

Both formal structures and informal structures (norms) hold care economy inequalities in place. Gendered norms also shape national policies on how care work is recognized and valued, and how the responsibilities between families, governments, and the private sector are distributed.

While public investment and policies must be at the core of the solution, a renewed role for the private sector is crucial. Announced as a [commitment at the Generation Equality Forum](#), in 2021 Canada’s International Development Research Centre (IDRC) and the Open Society Foundation’s impact investment arm, the Soros Economic Development Fund (SEDF), launched an [action-oriented research initiative to help Transform the Care Economy through Impact Investing](#) (TCEII). Through this partnership, IDRC continues to build on its commitment to transform the care economy and mobilize finance for gender equality.



Erin Tansey



Catherine Cax



Since its launch, a global consortium of partners has built an [extensive knowledge and evidence base](#) to mobilize capital and impact investment to address the care economy's challenges in emerging markets. The program is now launching a collection of 20 case studies on care economy social innovations and impactful businesses, which complements 59 business profiles and mapping of 165 market-based solutions operating in emerging markets in Latin America, Africa, and Asia. The [TCEI program](#) also involves care-economy businesses incubation and acceleration, research on regulatory frameworks and policies, awareness raising, and industry policy dialogues.

As we witness growing momentum and understanding of the urgency of addressing the care crisis, we hope these case studies on pioneering companies will help advance concrete strategies to move from awareness to action. These case studies help to demonstrate viable and impactful business models, ranging from building social security infrastructure to labor-saving products and services. They offer a unique and nuanced understanding of the businesses' theories of change and impact journeys. The case studies also help to share the lessons these innovators have learned on their pathways to scale, and it is our hope that they will attract more capital into the care economy for deepened impact.

We invite you to read this collection of case studies and engage with them, and the other resources and tools developed by the TCEI program, to mobilize investment into the care economy.

Together we can advance [towards a care society](#) where social innovation, entrepreneurship, and investment can be part of the solution for economic justice globally.

**Erin Tansey**

Sustainable and Inclusive Economies  
Director  
International Development Research  
Council

**Catherine Cax**

Managing Director, Investments  
Soros Economic Development Fund

## INTRODUCTION

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 enterprises 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 – the research pillar of the Transforming the Care Economy Through Impact Investing Program – 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.

A curated set of 20 business case studies, of which this case study is one, has been researched and written between October 2021 and January 2024. The case study businesses were selected out of a set of 165 businesses that were mapped between October 2021 and August 2022, and then a further 59 that were profiled between September 2022 and May 2023. They present a wide variety of different ways in which care work can be recognized, rewarded, reduced and redistributed, from different sectors and different

geographies, from different stages of the growth journey and different business models, from different products and services and different impact pathways. Each case study was written based on extensive desk-based research, including a literature review; a review of key business documents; a series of deep conversations with founders, CEOs and key staff; and impact-focused qualitative research with 8 - 15 consumers of business products and services.

Each case study starts with a 1-page executive summary that provides “at a glance” information on the business and Section 1 provides an introduction. Section 2 describes the ecosystem within which the business operates. The business deep dive can be found in Section 3. Section 4 presents an impact deep-dive, including customers’ own experiences of the care economy solution, and a unique set of qualitative impact data. Section 5 outlines the business’s future plans in their look forward.

Shifting attention towards and investment in the care economy is one of the single most important actions that policy makers, investors, and community leaders can take to achieve gender, racial, and climate justice. We hope that these case studies contribute to the much-needed transformation in our economic and social systems.

**Rebecca Calder**

Principal Investigator, Transforming the Care Economy Through Impact Investing  
Co-Founder and Co-CEO, Kore Global

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*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 are jointly supporting this action research program to help transform the care economy through impact focussed business and investment. This case study is a joint research product, developed by a consortium led by Kore Global, including Intellectap, Core Woman, Busara, Sagana, and Volta Capital. Copy editing and graphic design were done by Strategic Development Group.*

**This particular case study should be cited as follows:**

CoreWoman, Busara Center for Behavioral Economics, Kore Global. (2023). *Transforming the care economy through impact investing: Hogaru case study*. Kore Global, International Development Research Centre, and Soros Economic Development Fund.

## 1 - EXECUTIVE SUMMARY

Hogaru is a tech-enabled company that connects households and businesses with domestic workers. The company only recruits trustworthy and skilled domestic workers who undergo a comprehensive vetting and training process before starting their jobs and continued training during their employment. Unlike other on-demand cleaning and domestic service providers, Hogaru employs its workers directly, providing them with job contracts and benefits, while ensuring quality services. The company places a significant emphasis on employee development through the "Hogaru Academy" by offering training to enhance work quality and performance. Alongside this, Hogaru provides micro-loans to support domestic workers in attaining personal goals, such as purchasing home goods or others, while bolstering employee retention. Additionally, Hogaru's Apporta App helps households by supporting the contract creation process,<sup>1</sup> facilitating enrollment into the national social security system, and managing contributions and payments. The company is seeking a financial investment of US\$2.6 million from investors and stakeholders to support its growth plans.






### Hogaru at a glance

Established	2015
Country of operations	Colombia
Offerings	Digital platform that offers cleaning and domestic services for households and businesses and provides an employee management tool to formalize relationships with existing domestic workers
Reach	<ul style="list-style-type: none"> <li>+50,000 households served since 2015</li> <li>+80 businesses</li> <li>Operations in Colombia's largest cities: Bogota, Medellin, Cali</li> </ul>
Staff	88 people in the administrative team, 615 full-time domestic workers
Revenue	Over US\$3 million (2022)
Investment to date	US\$1.4M over 3 rounds for expanding operations and platform improvements (as at 2023-Q2) by <a href="#">Y Combinator</a> , <a href="#">Wayra</a> , <a href="#">TheVentureCity</a> , <a href="#">Sam Altman</a> , <a href="#">Velum Ventures</a>
Leadership	<a href="#">Juan Sebastian Cadavid</a> , CEO
Contact for partnerships	<a href="mailto:juan.cadavid@hogaru.com">juan.cadavid@hogaru.com</a>
Website	<a href="http://www.hogaru.com">www.hogaru.com</a>

## 2 - ECOSYSTEM

### 2.1 Colombia: statistical snapshot

 <p>Demographic information</p>	<p><b>Total population</b> (<a href="#">World Bank, 2021</a>): 51.3 million</p> <p><b>Female population</b> (<a href="#">World Bank, 2021</a>): 50.1% of total population</p> <p><b>Urban and rural population</b> (<a href="#">World Bank, 2021</a>): Urban: 81.7%   Rural: 18.3%</p> <p><b>Population by age segment</b> (<a href="#">World Bank, 2021</a>):            0–14: Women: 10.7%   Men: 11.2%            15–64: Women: 35.0%   Men: 33.7%            +65: Women: 5.2%   Men: 4.2%</p>
 <p>Unpaid and paid domestic and care work</p>	<p><b>Proportion of daily time spent on unpaid domestic and care work</b> (<a href="#">ECLAC, 2019</a>):            Women: 18.9%   Men: 5.9%</p> <p><b>Women engaged in paid domestic work</b> (<a href="#">DANE, 2022</a>):            649,000 domestic workers (93.1% women, 6.9% of employed women, 20% formalized)</p> <p><b>Domestic workers by age</b> (<a href="#">DANE, 2019</a>):            15–19: 3.1%   20–29: 26.7%   30–39: 31.9%   40–49: 21.3%   50–59: 10.5%   +60: 2.4%</p> <p><b>Domestic workers' education attainment</b> (<a href="#">DANE, 2019</a>):            Incomplete elementary school: 47.6%   Completed elementary school: 36.2%            Completed high school: 11.5%   Technical/technological education or superior: 4.7%</p> <p><b>Legal protections for domestic workers:</b>            2012: <a href="#">Law 1595 of 2012</a> ratified the ILO's 189 Agreement of 2011 about domestic workers' rights.            2013: <a href="#">Decree 721 of 2013</a> made it mandatory for employees to affiliate domestic workers to the family compensation system.            2018: <a href="#">Law 1788 of 2016</a> made it mandatory for employees to pay annual bonuses for domestic workers.</p>
 <p>Social &amp; economic</p>	<p><b>Literacy level</b> (<a href="#">World Bank, 2020</a>):            Global: 86.3%   Latam: 94.1%            Colombia: Women: (+15) 95.9%   Men (+15): 95.4%</p> <p><b>Poverty</b> (<a href="#">ECLAC, 2020</a>):            Women: 36.3%   Men: 34.4%</p> <p><b>Gender-based violence</b> (<a href="#">DHS, 2015</a>):            Around 33.3% of Colombian women aged 15–49 reported having experienced physical violence and/or sexual violence from an intimate partner at least once in their lifetime.</p>





Women's work,  
labor, and  
entrepreneurship

**Paid labor force participation** ([DANE, 2023](#)):

Women: 52.8% (out of the total of women) | Men: 76.7% (out of the total of men)

**Informal employment** ([DANE, 2023](#)):

Women: 53.3% | Men: 59.0%

**Unemployment** ([DANE, 2023](#)):

Women: 15.1% | Men: 9.3%

**Women-owned businesses** ([World Bank, 2010](#)):

Firms with at least a woman with participation in ownership: 57.8%

Firms with a woman in top management<sup>2</sup>: 18.9%

**Entrepreneurship behavior and attitudes** ([GEM, 2019](#)):

Female/Male TEA Ratio<sup>3</sup>: 0.88

**Gender pay gap** ([Statista, 2021](#)):

Gender gap 0=unequal 1=equal: 0.54 (Ranked #8 in LAC)

**Financial inclusion** ([World Bank, 2021](#)):

Women 15+ with a bank account: 56.0% | Men 15+ with a bank account: 64.0%

## 2.2 Context analysis

### Care economy context

Before the adoption of the ILO Domestic Workers Convention #189 (2011) in 2014, the issuance of Law 1595 of 2012 and Decree 721 of 2013, domestic workers<sup>4</sup> in Colombia did not have any legal protection. With work often structured around informal agreements, they frequently clocked in more than the standard 8-hour shifts,<sup>5</sup> lacked formal contracts and basic benefits like health insurance, occupational safety coverage, pensions, and severance plans. Despite the introduction of legal protections in 2014, today only 20% of domestic workers have a formal contract in Colombia.<sup>6</sup> Furthermore, 62% earn wages at or below the minimum wage.<sup>7</sup>

Formalizing domestic workers in Colombia is a daunting task for households due to administrative and bureaucratic hurdles. This process requires employers to issue contracts, register with national social security systems, and arrange for benefits, including health coverage, pensions, severance plans, and occupational safety insurance. These complex and time-consuming procedures limit the formalization of domestic workers. Additionally, low formalization rates affect domestic workers' financial inclusion, particularly their access to formal credit sources, often driving them towards expensive informal alternatives.

In 2022 Colombia's domestic worker demand outweighed the supply. The DANE's Integrated Household Survey

showed that while 649,000<sup>8</sup> people were employed as domestic workers, 743,000 households (4.5% of the country's households) either employed or sought to hire domestic workers, indicating a considerable demand-supply gap.<sup>9</sup> This shortfall also affects businesses searching for domestic workers that, as households do, end up depending on personal referrals or intermediary agencies. However, these methods often lead to lengthy searches, poor recruitment practices, scheduling conflicts, and no-shows, all contributing to unsatisfactory experiences.

### Market opportunity

In Latin America, the on-demand cleaning and home service market is projected to experience substantial growth, with an estimated increase of \$119.39 billion from 2022 to 2026.<sup>10</sup> Several factors drive this growth. One is the ILO Domestic Workers Convention #189 (2011) ratification, which has led to important changes in legal norms, particularly in countries like Colombia.<sup>11</sup> This has enabled domestic work to become a more formal and dignified occupation, fuelling demand for on-demand cleaning and domestic services.

Furthermore, evolving household and corporate dynamics are also reshaping the market. Smaller family units with fewer family members now have less need for permanent or live-in domestic

workers, turning instead to flexible and on-demand options. Businesses are also shifting towards third-party cleaning services, leaving behind the approach of directly hiring and managing cleaning personnel. As the demand for on-demand cleaning and domestic services evolves, traditional methods such as personal recommendations or intermediary agencies without technological platforms, are becoming outdated. In their place, technology-enabled solutions are rising to the fore powered by the increasing use of digital media. These solutions offer more efficiency and reliability and better suit the changing needs of households and businesses.

The International Labor Organization has highlighted the emergence of digital work platforms as one of the most significant labor market developments in recent years. These platforms seamlessly connect the supply and demand of domestic work, easing administrative barriers and fostering more formal labor relations between domestic workers and employers. Therefore, technology-enabled solutions represent a market opportunity in the on-demand cleaning and domestic services sector, as they are poised to reshape it to serve modern households and businesses better. But they will only benefit domestic workers if a strong gender and inclusion lens is applied; Hogaru is an excellent example of how to do this.

## 3 - BUSINESS DEEP DIVE

### 3.1 Business headline

Hogaru delivers reliable and adaptable cleaning and domestic services to households and businesses. These services cover a range of tasks, such as cleaning, laundry, basic cooking, and child supervision, tailored to fit various scheduling needs. The company distinguishes itself by ensuring fair compensation and legal benefits to its domestic workers through labor contracts. Hogaru's recruitment process is meticulous, guaranteeing high-quality and dependable services. It sets an eight-hour daily work limit, pays for overtime, grants service quality bonuses, and provides interest-free loans to its domestic workers.

By providing these services, Hogaru alleviates the burden of unpaid domestic work, particularly for women. At the same time, it improves domestic workers' working conditions and wages, leading to better living conditions than what's typically found in Colombia. This translates to higher job satisfaction among Hogaru's domestic workers, with 84% reporting increased economic stability.

In 2019, Hogaru launched Apporta, a tool designed to streamline the employment process between households and domestic workers. Apporta makes it easy to create contracts, enroll workers in the national social security system - covering health, pension, risk insurance, and family compensation funds - and manage salary and benefits payments.



*Hogaru aims to establish a partnership between employers and domestic workers, prioritizing a mutually beneficial relationship. Despite the natural rotation of domestic workers and cleaning professionals in the industry, in Hogaru we have experienced a much lower turnover rate, with only one-third compared to the industry average.*

**Juan Cadavid, Hogaru's CEO**



## Hogaru's journey

### 2014

- Creation of VosaVos, a crowd-sourced directory to find home assistance and repair services, such as plumbers, carpenters, nannies, and domestic workers, which served as the precursor of Hogaru.
- Shift in business model, transitioning from a home job marketplace to a focus on providing domestic work services only.
- Participation in the Wayra accelerator was secured by VosaVos, along with its first venture funding round for an undisclosed amount.

### 2017-2018

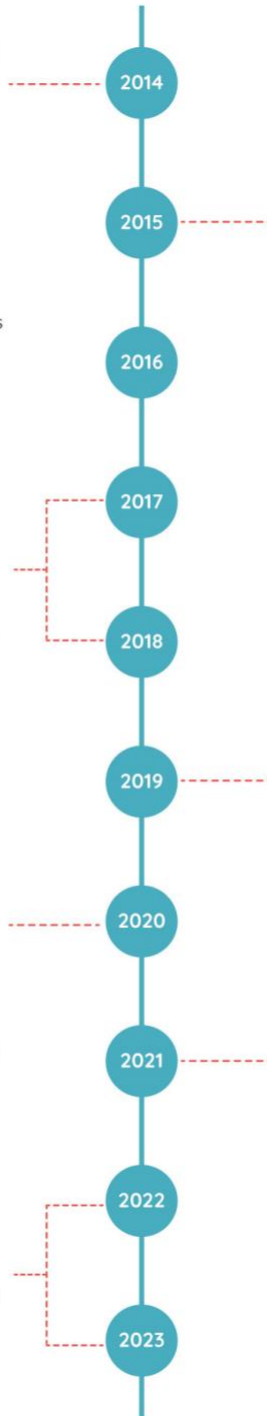
- Selected by Y Combinator (YC) for start-up acceleration, becoming the second Colombian company to be accepted into the program.
- Secured a round of funding of US\$810,000 from YC, TheVentureCity, and Sam Altman, former president of YC and current CEO at OpenAI.
- Expanded into the business-to-business (B2B) market, initially offering cleaning services to offices.

### 2020

- Management team transitioned after early pandemic impacts, with Juan Sebastian Cadavid stepping in as CEO.
- Business model pivoted from B2B to B2C in response to reduced office use during the pandemic.
- Job security for domestic workers was ensured despite revenue decreases and operation limitations from pandemic-related restrictions.

### 2022-2023

- Management team transitioned after Pursued first partnership for expansion in Mexico and initiated the process of merger and acquisition with Homely.



### 2015

- Change in brand launch from VosaVos to Hogaru.
- Secured second investment round of US\$560,000 from Velum Venture and Wayra.
- Operations started in Bogota, Medellin, and Cali.
- Development and consolidation of its in-house platform to support operations.

### 2019

- Launched the Apporta feature to assist households in formalizing employment relationships with domestic workers.
- Introduced interest-free loans for Hogaru domestic workers.
- Reached the break-even point.

### 2021

- Reactivated domestic worker hiring to meet rising demand.
- Continue the strategy to increase focus on B2C operations and maintain a B2B presence.
- Enhanced emphasis on domestic workers' trustworthiness and job satisfaction in the B2C segment.

## 3.2 Founders' story<sup>12</sup>

### Co-founders of Hogaru



From left to right: Oscar Peña, Matteo Cera, and Gonzalo Ucar

The co-founders of Hogaru are a diverse mix of talents and nationalities. Spanish industrial and mechanical engineer, Gonzalo, and Italian business and corporate law graduate, Matteo, met at the consulting firm McKinsey while working on a project in the Dominican Republic. Captivated by Latin America's potential, they relocated to Colombia in 2014 eager to apply their consulting expertise to launch a socially impactful start-up. Meanwhile, Colombian Oscar Peña, an electronic and electrical engineer with a master's degree in mechatronics, robotics, and automation, was returning to Colombia after seven years in Japan. There, he gained solid knowledge working for a rehabilitation robotics lab, which sparked his interest in developing something similar in Colombia. However, the high seed capital needed for such an endeavor was out of reach. Consequently, Oscar shifted his entrepreneurial drive to software, developing a product to enhance team performance within organizations. Despite the product's potential, Oscar recognized a gap in his commercial skills and that he needed partners to enhance the venture.

Fate brought Oscar, Gonzalo, and Matteo together at a start-up event in Bogota, where mutual friends introduced them. Discovering shared entrepreneurial aspirations, values, and motivations, they recognized the synergy of their collective skills - Gonzalo's analytical prowess, Matteo's corporate finance acumen, and Oscar's tech expertise. They joined forces to launch VosaVos, a platform akin to the Yellow Pages, enabling users to find and recommend various home assistance and repair services. However, monetizing VosaVos proved challenging, and they discovered that the demand primarily centered around domestic workers and nannies. This insight prompted them to evolve VosaVos into Hogaru,

a business specializing in domestic services, a sector that, until then, had largely been overlooked by technology.

Further exploration of the domestic work services sector revealed that when customers valued reliable services, they were often willing to commit to subscription plans and advance payments. Recognizing the link between customer loyalty and the quality of service led the co-founders to decide to directly hire and train domestic workers, offering them job stability and benefits. This approach broke new ground and contrasted sharply with the prevailing model in on-demand home cleaning services, which typically operated on the basis of gig workers that remained in the informal economy.



*During our pitch at Y Combinator, Samuel Altman approached us and told us, "I believe in what you're doing. The way you're doing it is unique. I've thought about it, and I believe this is exactly how it should be done".*

**Matteo Cera, Hogaru's Co-Founder**



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During the COVID-19 pandemic, Hogaru weathered operational pauses and revenue decreases while avoiding layoffs for domestic workers. By August 2020, as restrictions lessened, Hogaru began its recovery. The strain of the crisis prompted the co-founders to bring in new leadership. Juan Sebastian Cadavid, experienced in scalable digital product management from startups like Rappi and Grou, became CEO in November 2020. Under his leadership, Hogaru adapted to changing market needs and experienced a robust recovery. The company saw a 40% rise in its domestic worker force, tripled Apporta's growth—Hogaru's employee management tool - and introduced Hogaru Encuentra, a job search platform for domestic workers.



**Juan Cadavid, CEO**

Today, Matteo Cera is a Senior Venture Partner at a seed fund capital company investing in Y-Combinator startups, and Gonzalo Uccar serves as Chief of Staff at a global B2B marketing SaaS company. Oscar has transitioned into the role of CTO at a tech firm providing affordable internet access infrastructure throughout Latin America. Regardless of their new

engagements, all co-founders remain closely connected with Hogaru, serving on its board of directors. With Matteo as the president of the board of directors, they continue to nurture the company they co-founded, bringing their ideas to contribute to its steadfast growth.

### 3.3 Business model



#### Services

Hogaru offers two main services:

- **Limpia:** Includes domestic services and childcare supervision for households (B2C) and cleaning and cafeteria services for businesses (B2B). Both are billed monthly through tailored packages that serve customer needs.
- **Apporta:** A monthly subscription employee management system designed to help independent employers formalize their domestic workers. This service assists employers in creating employment contracts and registering domestic workers in the national social security system, covering health, pension, occupational risk insurance, and family compensation funds. It also includes a feature for easy management of salary payments and benefits. Apporta also offers extra features for a fee, tailored to employers' specific needs:
  - **Find:** Allows employers to search for and hire domestic workers directly.
  - **Verify:** Provides background checks on potential domestic workers.
  - **Advise:** Offers legal counsel for employers on employment-related matters, such as contract modifications, pay slip corrections, and incapacity benefit recovery.

These features not only assist employers, but also benefit domestic workers by giving them efficient access to a large pool of potential customers. A more detailed breakdown of the services is as follows:

#### For households (B2C):

- **Domestic services:** Through Hogaru's web and mobile app, customers can easily book a wide range of reliable and high-quality domestic services, with the flexibility to tailor them to their specific needs and schedules. These services encompass deep cleaning, ironing, laundry, basic cooking, and childcare supervision, available on an hourly, weekly, or bi-weekly basis. In response to the pandemic-driven demand for childcare support, Hogaru also introduced basic childcare supervision to its roster of services. This involved training domestic workers to

effectively supervise children, thereby boosting the comprehensive support Hogaru offers to households. However, until further refinement of this service, a responsible adult must be present in the household, and the service does not extend to full-time childcare or outdoor activities such as taking children to parks.

#### For businesses (B2B):

- **Cleaning and cafeteria services:** Hogaru caters to small and medium-sized businesses with specialized cleaning and cafeteria services. This includes beverage services for visitors and employees, snack preparation for meetings, and managing dietary restrictions while maintaining a clean environment. Additionally, Hogaru serves businesses like warehouses, medical offices, and small to medium-sized retail outlets that need lighter cleaning services. Based on the size of the premises, sales representatives provide tailored estimates to create custom hourly-rate packages that meet each customer's needs.
- **Employee corporate benefits:** In response to the increase in remote work due to COVID-19, Hogaru offers cleaning service packages for home-based employees. Its "Recover Your Employees' Productivity" initiative enables companies to subsidize domestic services for their staff. Companies purchase service hours and distribute them according to their criteria. This service, used by businesses like Siigo and Grupo Corona in Colombia, helps boost employee well-being and productivity.

#### Extra legal benefits for domestic workers:

- **24/7 Online medical support:** Through its partnership with 1doc, Hogaru provides 24/7 online medical consultations to its domestic workers and their families. These consultations, covering areas like sexual health, pediatrics, nutrition, and psychology, are free of charge. Hogaru's daily health surveys help closely monitor the health status of its workers, enabling swift action for any health concerns. Additionally, workers are supplied with the necessary protective gear to ensure their safety at work.
- **Hogaru Academy:** Offering free virtual content, Hogaru Academy aims to enhance domestic workers' skills. The curriculum includes cooking, cleaning, time management, conflict resolution, interpersonal communication, financial literacy, digital skills, and legal rights awareness. While the academy is currently limited to Hogaru-employed workers, the company plans to extend it to all domestic workers nationwide, potentially benefiting around 250,000 individuals, according to the company's data.



**Interest-free microcredits:** Hogaru provides interest-free loans to its workers, with amounts ranging from US\$53 to US\$211. Domestic workers can pay these back through flexible salary deductions spread over up to six months. In 2022, 63% of the workers took advantage of this benefit. These loans can be used to buy discounted home appliances from selected stores or meet other financial needs.



Pricing and  
payment  
methods

**Subscription models:**

- **Limpia:** Households purchase a monthly service package, paying in advance for a set number of service hours they'll use during the month. The monthly cost varies between US\$28 and US\$32, depending on the number of service days. For businesses, Hogaru's Limpia plan is tailored to the size of the space and frequency of service needed, offering flexible hourly-rate packages that cater to each business's needs.
- **Apporta:** Independent employers pay an upfront membership fee to handle initial paperwork and affiliations with service providers. After this, they pay Hogaru a monthly fee in advance to cover the cost of social security payments and administrative fees. This membership costs a one-time payment of US\$21, followed by a monthly administration fee to Hogaru of approximately US\$11 to US\$16. Additional features, charged based on usage, include:
  - **Find:** Employers pay a fee for each candidate interview.
  - **Verify:** A fee applies for each candidate verification.
  - **Train:** Employers pay for each 8-hour training session for their domestic worker.
  - **Advise:** Customers pay for each topic they wish to consult with Hogaru's legal team.

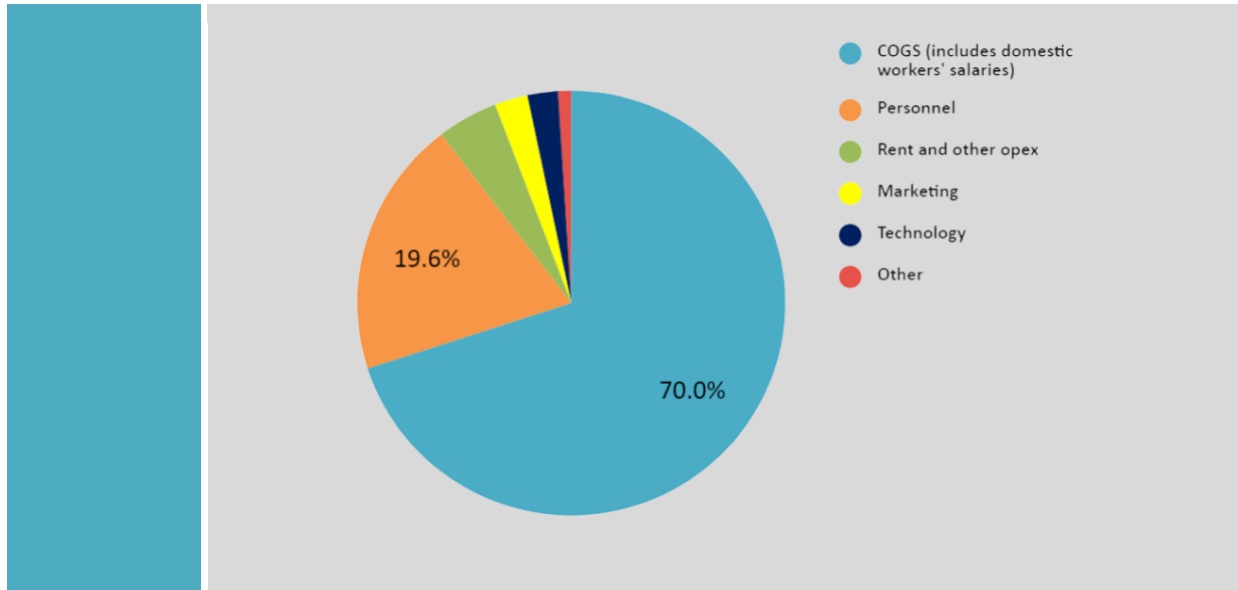
For both Limpia and Apporta services, customers can make their payments through various digital channels, including credit cards, bank transfers, or PSE (a secure online payment system). Alternatively, customers can also visit a physical bank correspondent or use Via Baloto, a leading lottery and payment service in Colombia.



Value  
proposition

Hogaru leverages technology to match reliable and trained domestic workers with households and businesses, reducing unpaid domestic work for the former and boosting workplace efficiency for the latter. Hogaru also emphasizes ethical business practices, providing fair compensation to its domestic workers, including lawful salaries, bonuses, and vacation time. Furthermore, it ensures workers access to statutory (health, severance and pension plans, occupational risk insurance, and family compensation funds) and additional benefits, such as

	<p>round-the-clock medical support, access to Hogaru Academy, and interest-free microcredits.</p>
 <p>Competitive advantage</p>	<p>Hogaru's competitive advantage stems from the following:</p> <ul style="list-style-type: none"> <li>• Handling all domestic work value chain aspects, including hiring and managing domestic workers.</li> <li>• Access to a large database of over 250,000 domestic workers in Colombia, ensuring a steady supply of available staff.</li> <li>• A thorough hiring process that ensures dependable, high-quality domestic workers for customers.</li> <li>• Training programs for domestic workers to ensure top-notch service.</li> <li>• Fair wages and additional benefits for domestic workers, promoting a dedicated and satisfied workforce.</li> <li>• The Apporta tool, a system that aids independent employers in formalizing employment relationships with domestic workers, giving them access to social security systems.</li> <li>• A deep understanding of formal employment regulations allows Hogaru to handle potential disputes with domestic workers effectively.</li> </ul>
 <p>Revenue streams</p>	<p>Hogaru's primary revenue source is its commercial operations, which encompass selling cleaning and domestic services to households, businesses, and independent employers. The COVID-19 pandemic led to a 47% decline in Hogaru's revenue between 2019 and 2020. Yet, the company demonstrated resilience by bouncing back with a 19% revenue growth between 2020 and 2021.</p>
 <p>Cost structure</p>	<p>Most of Hogaru's expenditures (70%) are dedicated to the Cost of Goods Sold (COGS). This includes domestic workers' salaries and expenses on equipment. Hogaru's administrative personnel costs account for 19.6% of the total. Rent and various operational expenses contribute to 4.6% of the costs. The budget allocated for marketing initiatives aimed at brand promotion and customer attraction is 2.5%. Expenditure on technology, including platform development and maintenance, represents 2.3%. Lastly, 1% is reserved for miscellaneous expenses.</p>



### 3.4 Hogaru's growth story

Hogaru has carved out a market niche by strategically focusing on both the supply and demand aspects of the domestic service industry. A robust roster of domestic workers – the core of its operations – allows Hogaru to meet multiple service demands while ensuring customer satisfaction. These workers are rewarded with a comprehensive benefits package that offers earnings, on average, 30% higher than the minimum wage, emphasizing Hogaru's commitment to their well-being and development.

The company introduced flexible contracts, offering domestic workers a choice between a 40 or 44-hour workweek, without losing any employment benefits. This enhances their work-life balance. To cater to evolving customer needs, Hogaru added flexible service frequencies, such as weekly or bi-weekly schedules. This flexibility, particularly helpful during the pandemic, is now a permanent feature, enabling customers to customize cleaning schedules to their preferences.

Hogaru's Apporta platform has emerged as a service that strengthens the company's value proposition and contributes to its growth. This tool simplifies the hiring process between independent employers and domestic workers. Plus, it streamlines contract creation, enrolls workers in the national social security system – which covers health, pension, risk insurance, and family compensation funds – and manages salary and benefits payments.

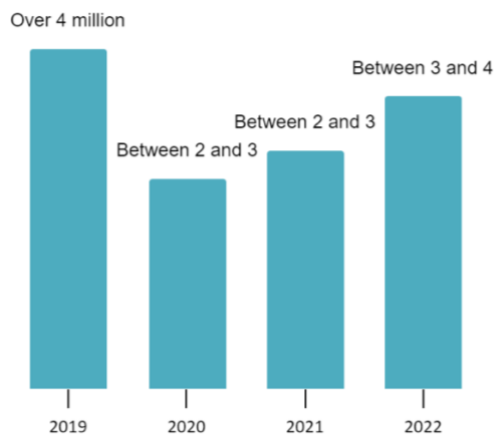
Financially, Hogaru's annual revenue has fluctuated. It surpassed US\$4 million in 2019 but fell between US\$2–3 million in 2020 and 2021. In 2022, it rose slightly to reach US\$3–4

million, supported by government subsidies that helped the company navigate the pandemic. Limpia's revenue fell by 38.3% from 2019 to 2020, grew by 13.4% from 2020 to 2021, and increased by 22.9% from 2021 to 2022.

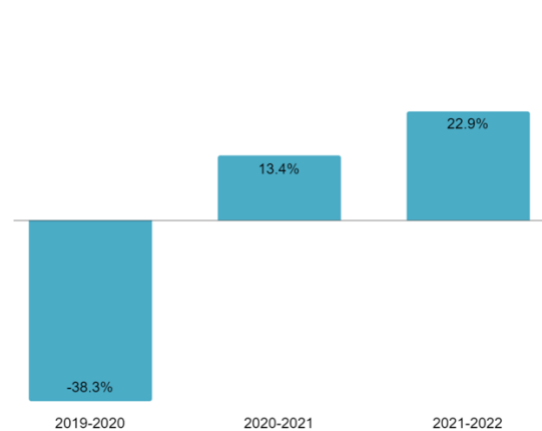
Limpia's higher % churn rate of 10% reflects customer dissatisfaction when their domestic workers are switched or don't meet performance expectations. This emphasizes how customer loyalty is deeply tied to the customer experience and quality of service, which heavily relies on domestic workers. They are the backbone of Hogaru's operation and when they leave, it can disrupt customer relationships, although this is acknowledged as a common challenge in the industry. In contrast, Apporta has a lower churn rate of 3%, showing stronger customer retention. This could be due to independent employers hiring domestic workers they have worked with for years, resulting in less turnover and more engagement with Apporta.

In 2021, Hogaru strategically chose to concentrate its technology and resources on the B2C segment, recognizing the value its solutions added to this group. The decision was shaped by the changing cleaning needs of businesses due to the impact of the pandemic. Essentially, Hogaru identified an opportunity to help households with tailored solutions during changing times, aiming to become the top provider in this area.

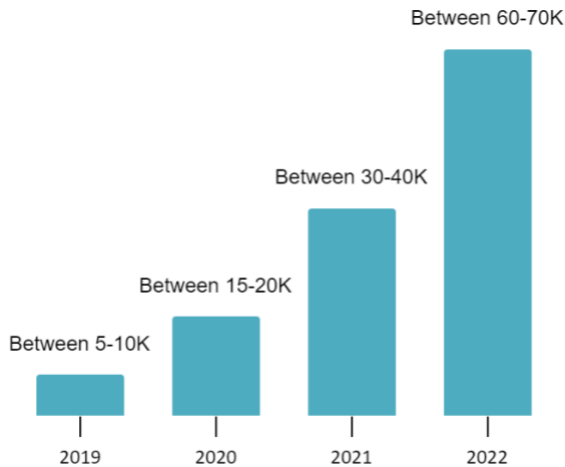
Revenue (USD) per year Limpia



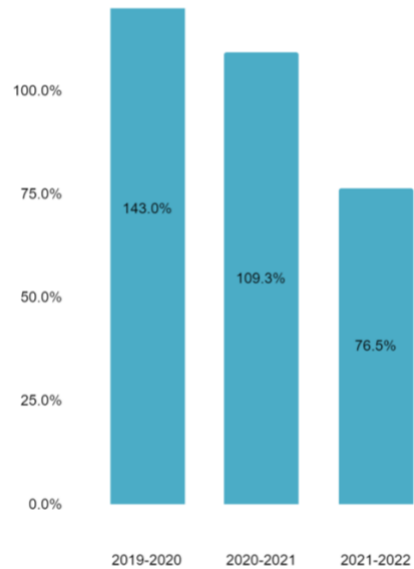
Revenue growth per year Limpia



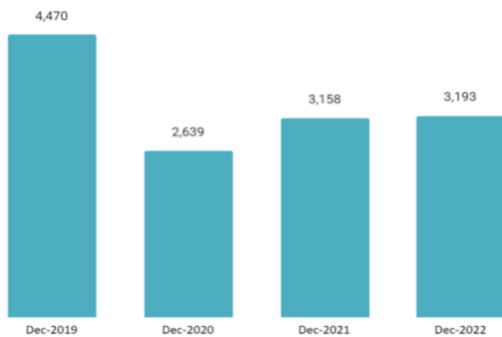
Revenue growth per year Apporta



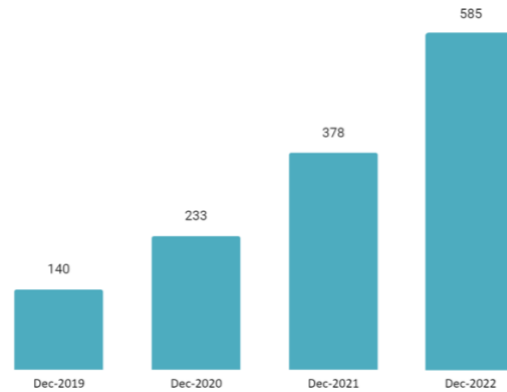
Revenue (USD) per year Apporta



Active customers (EoY) Limpia



Active customers (EoY) Apporta



EBITDA per year (Limpia and Apporta)

INDICATOR	2019	2020	2021	2022
EBITDA	US\$66,000	US\$2,000	US\$286,000	US\$107,000
COGS	US\$3.111 million	US\$1.895 million	US\$2.015 million	US\$2.622 million

### Other financial indicators

INDICATOR	Limpia	Apporta
Average order size	US\$108 month	US\$10 month
Client churn rate	10% month	3% month
Customer lifetime value	US\$177	US\$103
Client acquisition cost	US\$12	US\$24

## 3.5 People and governance

### 2X Criteria<sup>13</sup>

Hogaru has a bottom-up leadership approach, highlighting the importance of inputs from domestic workers and fostering a culture of respect and trust through collaborative relationships between leaders and employees. The leadership breakdown is as follows:

- 100% male founded (3 individuals)
- 62.5% female (5) and 37.5% male (3) out of a total of 8 people in C-Suite or high management roles.
- 100% male (4 individuals) on the board of directors.

Hogaru's team includes 615 domestic workers employed to provide the Limpia service for households and businesses.

- 88 individuals in the administrative team of which:
  - 67% are women (59) and 33% are men (29).
- All the staff are hired directly with indefinite-term contracts.

Hogaru is a **gender-intentional** business.<sup>14</sup>

Hogaru's Human Resource policies encompass a wide array of areas:

- **Recruiting, selection, and hiring:** Hogaru has established selection criteria, preferring individuals at least 18 years old with no upper age limit, subject to certain medical criteria. The company does not accept male applicants but may review this in the future. Hogaru welcomes jobseekers regardless of nationality and has employed several workers from Venezuela holding PEP (Provisional Employment Permits). The company requires a minimum of 6 months of relevant work experience and prefers candidates with a supportive network due to the challenges faced by those without one.
- **Training and contracting:** Hogaru's training program encompasses theoretical, practical, and soft skills, including appropriate detergent dilution, ironing, bed making, client interaction, and product recommendations. As part of the hiring process, candidates are given a mock task that includes finding an address and using an app. Hogaru also offers ongoing training to its workers. This includes monthly coaching calls and additional training if a domestic worker receives low customer ratings.
- **Transition opportunities:** Hogaru encourages career advancement by providing opportunities for high-performing domestic workers to transition into administrative roles. This may not happen frequently, but it underscores Hogaru's commitment to fostering career development and growth for its employees.
- **Learning and development policies:** Hogaru champions broad development policies to elevate its workers from mere domestic roles to versatile household professionals. The Hogaru Academy plays a key role in this process, offering training in administrative tasks and areas of interest like stress management, English proficiency, and managing family relationships. Prioritizing worker welfare, Hogaru complements this training with mentorship, community events, and accessible office spaces to foster a sense of belonging and community.
- **Engagement gatherings:** Bi-weekly gatherings, or "tertulias," provide a forum for domestic workers to engage with company leadership. Attended by the CEO and the Director of Operations, these live sessions aim to address areas of improvement, gather feedback, and answer any questions raised by domestic workers.

**Safety policies:** Hogaru is committed to worker health and safety and maintains robust policies to identify and manage substances that are considered carcinogenic or acutely toxic.

### 3.6 Support received to date

Over the years, Hogaru has received key financial and non-financial support, each contributing to its growth and success as described below:

Financial	
1.	Hogaru received approximately US\$100,000 as seed capital to test its business model in 2014.
2.	The company secured an additional funding round of US\$560,000 in 2015 to further develop the Hogaru business model.
3.	To launch the B2B model in 2017, the company secured another investment worth US\$810,000.
Non-financial	
1.	Hogaru joined Wayra, Telefonica's accelerator program, receiving valuable mentorship to fine-tune its business model in 2014.
2.	The company was a part of "Startup Colombia" in 2016, participating in conferences and workshops alongside the top 10 Colombian startups.
3.	Endeavor Entrepreneurs elected Hogaru in 2017, bringing them into the world's largest impact entrepreneurship organization. In the same year, Hogaru also participated in the Y Combinator program, a San Francisco-based tech accelerator.
4.	The Massachusetts Institute of Technology SOLVE initiative awarded Hogaru the "Future of Work" category prize, US\$25,000.
5.	Hogaru was selected to represent Colombia and expand its business to Spain in 2019. The same year, the company became a member of the Business Call



	to Action (BCtA), a UNDP initiative promoting inclusive business models for Sustainable Development Goals (SDGs).
6.	Forbes Colombia recognized Hogaru as one of their "30 Future Promises in Social Business."
7.	The company received the 2019 EY Social Entrepreneurship award, further bolstering its reputation in the sector.

### 3.7 Challenges to growth and key business drivers

Hogaru has faced various challenges, both in securing growth and managing key business drivers. While these challenges span from financing issues to navigating regulatory complexities, they all have played a crucial role in shaping the company's growth trajectory. At the same time, certain drivers, such as regulatory shifts and the rise of the middle class, have positively influenced Hogaru's business model and growth.

Challenges to growth	
<b>Regional disparities</b>	Different cities in Colombia exhibit varying market conditions. For example, in cities like Cali, residents typically pay only 60% of the fees charged by Hogaru in Bogota and Medellin. These variations can be attributed to differences in the cost of living, public transportation availability, and average salaries. The presence of such disparities has posed challenges to the consistent expansion of Hogaru into other cities, especially those with higher informality rates among domestic workers compared to the national average.
<b>Employee turnover</b>	The frequent need to recruit, hire, and train new employees after resignations has proven to be costly for the company, contributing to a high churn rate in the past. However, the policies introduced by Hogaru have played a fundamental role in increasing the retention of domestic workers over the past years.
<b>Digital literacy gap</b>	While most domestic workers have access to mobile phones, many lack the necessary digital skills to comfortably use technologies such as Google Maps or Hogaru's app. Ensuring their familiarity with these tools is crucial for the success of Hogaru and the Aporta platform, as all affiliated domestic workers need to interact

	<p>digitally. This includes navigating Google Maps to reach their workplace, communicating through the app, and engaging with Aporta. Bridging this technological gap and enhancing digital literacy has been pivotal for Hogaru's scalability and the success of the Aporta platform within the gig economy.</p>
<p><b>Economic and policy challenges</b></p>	<p>The current economic downturn and policy changes in Colombia present significant challenges for Hogaru. Traditionally, middle- and high-income families have been the primary employers of domestic workers. However, with rising inflation and the minimum wage increasing above inflation, there may be a decrease in the demand for domestic services. The recent 10% minimum wage increase from 2021 to 2022 has already impacted this demand, and projections suggest a further increase in the minimum wage in 2023, potentially leading to a decline in demand for formal domestic workers.</p>
<p><b>Legislative uncertainties</b></p>	<p>Upcoming government legislation aimed at enhancing employment regulations and protecting workers' rights may inadvertently pose challenges. While the intent is to curb abuses, some experts believe that certain measures might unintentionally harm both employers and employees. For instance, potential restrictions on employment termination could elevate costs for employers, potentially leading to an increase in informal work—a scenario unfavorable for Hogaru and the broader domestic services sector.</p>

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*Hogaru needs to ensure that its domestic workers have a job that offers a decent standard of living, enough time for their families and themselves, and that they are motivated and valued. Providing a fulfilling work environment for their employees can be challenging but is necessary to ensure its long-term success.*

**Juan Sebastian Cadavid, Hogaru's CEO**



## Key business drivers

### Regulatory shift in Colombia

The adoption of the International Labour Organization (ILO) convention by Colombia in 2014 marked a significant regulatory shift, pushing towards the formalization of domestic workers. This policy mandated social security contributions for domestic workers, forming the foundation of Hogaru's business model. Beyond highlighting the ethical necessity for formalization, this shift imposed legal ramifications for non-compliance, with several publicized lawsuits and stories underscoring the urgency of this transition.

### Rising middle-class demand

An increasing demand from a burgeoning middle class over the past decade has served as another pivotal driver for Hogaru's B2C model. This demographic, often requiring services for approximately four hours weekly, has experienced an upsurge in need due to factors like middle-class growth, rural-urban migration, and enhanced access to cleaning services. While securing part-time employment might be a hurdle for independent domestic workers, Hogaru's model, in tandem with the growing demand, has expanded access to these services.

### Smartphone accessibility

The widespread availability of smartphones since 2011 has been indispensable for connecting customers and domestic workers through Hogaru's platform. In the present scenario, the majority owns internet-enabled phones, narrowing the divide between service providers and users. However, it is essential for Hogaru to continue educational and supportive initiatives to fully leverage this technological progress. Initiatives might encompass providing legal consultations, aiding in lawsuits against non-compliant employers, and navigating labor regulations. Despite the stipulated penalties for non-compliance in Colombia, domestic workers often face challenges accessing essential tools and resources—a gap that Hogaru is well-positioned to bridge.



## 4 - IMPACT DEEP DIVE

### 4.1 The impact theory of change of the enterprise

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#### Mission statement

*To formalize and dignify domestic work in Colombia. As such, every domestic worker affiliated with Hogaru is provided with a formal contract. They are enrolled in the Social Security System and receive all social benefits in accordance with Colombian regulations. Furthermore, they gain access to an extensive benefits program designed to enhance their quality of life and pave the way for a more promising future for themselves and their families.*

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#### Theory of change

To increase the autonomy of domestic workers, enabling them to advocate for their rights and gain increased respect for their roles, while transitioning from informal to formal employment to achieve economic independence and elevate industry standards, Hogaru's strategy revolves around three axes: reward, recognize and reduce. The goal for Hogaru is to create a resilient domestic workforce and ensure both workers and customers have more time for productive and leisure activities.



Long-Term Result(s)	Increase in domestic workers' ability to achieve economic independence by transitioning from informal to formal employment and improving industry standards and norms, which in turn will contribute to a more resilient workforce in the domestic sector		
Medium-Term Result(s)	Greater job security and higher levels of job satisfaction among domestic workers	Increased financial inclusion, purchasing power and economic benefits for domestic workers and their families	Improvements in job performance and more holistic delivery of services by domestic workers
Short-Term Result(s)	Increase in no. of domestic workers with formal contracts, access to legal benefits and higher incomes	Increase in no. of domestic workers with access to affordable financing opportunities	Greater access to digital education for domestic workers, providing them with valuable training opportunities in soft skills, digital literacy, and financial inclusion
Activities/Product(s)	Hogaru's Limpia and Apporta platforms facilitate formal employment and access to legal benefits for domestic workers	Provision of emergency interest free loans by Hogaru	Provision of trainings and skill building services by Hogaru Academy
CEKH Impact Axes	Reward		

Long-Term Result(s)	Increased autonomy and capacity among domestic workers to actively advocate for their demands and rights, leading to increased levels of respect and acknowledgment of the domestic and care work that they are undertaking		
Medium-Term Result(s)	Greater recognition of the importance of domestic workers having time for themselves to share with family and to use to enhance their skills	Increased sense of community among domestic workers to engage with each other on common issues and challenges along with attempting to find viable and long-term solutions to them	Enhanced understanding of regulations and capability to assert their labor rights
Short-Term Result(s)	Domestic workers spend less time in commuting to their workplaces	More domestic workers feel informed, heard, and represented, fostering a stronger sense of belonging and loyalty to the company	Increased awareness and knowledge among customers and domestic workers on best practices, job regulations and relevant policy decisions
Activities	When feasible, use Hogaru's algorithm to place domestic workers on shifts that are closer to the place they stay	Organize monthly meetings with domestic workers to ensure that their opinions and voices are heard along with addressing challenges and issues that they might face	Design and deliver collaborative research and dissemination efforts targeted towards customers and domestic workers: <ol style="list-style-type: none"> <li>1. To advocate for best practices in the domestic work industry by partnering with multilateral organizations like IDB and IFC</li> <li>2. To inform about the latest policy decisions, trends, and their implications, ensuring customers/domestic workers stay updated on job regulations and best practices</li> </ol>
CEKH Impact Axes	Recognize		



Long-Term Result(s)	Increase in overall well-being and time available for domestic workers and customers to engage in productive labor as well as leisure activities	
Medium-Term Result(s)	Increased levels of work-life balance for households and reduction in personal workload for women (both domestic workers and customers)	
Short-Term Result(s)	More households hire trained domestic workers to perform domestic work and reducing customers' domestic burden	More domestic workers experience a simplified recruitment process through Aporta, while independent employers utilize Aporta as a third-party to reduce administrative and management responsibilities regarding domestic workers
Activities	Limpia seamlessly matches customers with domestic workers specifically skilled in cleaning and cafeteria services	Aporta enables employers to directly hire, validate experience, and receive guidance on labor issues for domestic workers
CEKH Impact Axes	Reduce	

## 4.2 Current impact and measurement practices

Hogaru's measurement practices track key indicators to assess business performance. These indicators focus on human resources and customer engagement and include:

- Number of formal domestic workers disaggregated by sex
- Domestic worker income
- Average length of employment
- Number of customers served (90% recurrent, 10% unique services)
- Number of active users
- Number of dormant customers
- Number of reactivated dormant customers

These indicators are monitored daily, except for customer and worker satisfaction, which are assessed quarterly through a post-service survey.

Hogaru also conducts biweekly and monthly virtual qualitative interviews with domestic workers to gather experiential data. This qualitative information provides valuable insights into the workers' experiences, contributing to ongoing learning and improvement efforts such as making the platform more user-friendly and creating targeted extralegal benefits.



Since 2015, Hogaru has impacted over 6,500 directly employed domestic workers and formalized another 1,000 through Apporta.

### 4.3 Domestic workers' own experiences of the solution

Understanding the social context, emotional needs, preferences and barriers faced by domestic workers enrolled with Hogaru is key for potential investors to understand where Hogaru excels and where it has room to grow. The following sections provide insights into the foundation of the business' market success and its impact on the lives of Hogaru domestic workers, with the aim of helping investors make informed investment decisions.

To inform this analysis, the research team conducted 10 in-depth interviews to gather insights into the lived experiences and realities of domestic workers.<sup>15</sup> This section presents the results of the qualitative impact deep dive, starting with a snapshot of the domestic workers, followed by an examination of different worker personas and their journeys to working with Hogaru. This section concludes with a qualitative overview of Hogaru's impact on the daily lives of domestic workers.

#### 4.3.1 Domestic workers' snapshot

In Colombia, around 800,000 women work as domestic workers and 90% of them are working informally, without any labor protections. Domestic workers around the world face discrimination, unfair pay, and long working hours. Hogaru seeks to bring professionalism and dignity to the lives of domestic workers.

Hogaru's domestic workers are primarily female and engaged in providing home and business cleaning services to their clients. They are either employed part-time or full-time, depending on their preferences and skill sets as caretakers and cleaners. Gaining insight into the social, emotional, and demographic features of Hogaru's customers offers the business a window into understanding the needs, preferences, and barriers faced by the user base, and thus an opportunity to

identify ways the business can adapt to better meet worker needs.

Hogaru hires domestic workers through government programs and NGOs that support workforce reentry for victims of the Colombian civil war. Most of their recruits are domestic workers who have prior experience with informal cleaning work. Hogaru's workers share a relatively common demographic profile: they are mostly women between the ages of 23 and 45 years.

Among the interviewed domestic workers, nearly half of the workers were single and living with their children. A small minority of the sample were single women with no children and living with relatives, and only one worker was married. Slightly less than half of the



workers were members of free unions. Almost all of the children of the domestic workers were below the age of 18, suggesting that the workers are balancing family and care obligations at home as well as at work. The average family size in our sample was 3–4 members.

All the workers had received at least a high school level education. A minority of the respondents had received education beyond high school, including a bachelor's or technical degree. This highlights that Hogaru's offerings were relevant for a wide range of education levels.

The average monthly income for Hogaru workers is around 1,560,000 COP (equivalent to about US\$378).<sup>16</sup> This is slightly higher than Colombia's minimum wage, which is 1,160,000 COP (US\$261). However, about a third of the sample earned below Colombia's minimum wage due to the part-time nature of their work. The average monthly household income for Hogaru's domestic workers varied from 600,000 – 4,500,000 COP (US\$145 – US\$1091), indicating a wide range of earning potential from various working hours with Hogaru. Only a small minority of the sample lived in a two-income household. In most of these cases, a woman and a male member were each earning the minimum wage. The rest of the interviewees were the sole breadwinners in their families.

Hogaru domestic workers were able to earn some additional income through working overtime. Among the sample

interviewed, standard working hours differed, and all mentioned restrictions on overtime work as specified by Colombian law. Slightly more than half the sample reported working Monday to Friday and the remaining worked Monday to Saturday. Shifts were either single (8 hours) or double (2 shifts of 4 hours each). Further conversations about the dynamics and management of overtime work could shed more light on its importance as a motivating factor for care workers.

Domestic workers typically learned about Hogaru through friends, social media, or while job searching on the internet. They were introduced to the platform after they had applied and interviewed for the job. The domestic workers mentioned that Hogaru positively impacted their lives through consistent and better pay, flexible working hours, and social security benefits. Other benefits included access to loans, health insurance, end-of-year bonus, and access to household appliances from different chain stores on credit.

To access the loans, yearly bonus, and credit services, they must have worked for 12 months with the company. The workers cited this as a motivating factor to continue working for Hogaru. Overall, 90% of the Hogaru workers were satisfied with the benefits, enjoying increased working hour flexibility.





### 4.3.2 Domestic worker personas

The qualitative research revealed two distinct personas among Hogaru care and domestic workers:

- ❖ **The Family Provider** This persona is motivated by the goal of maintaining a consistent income in order to support her family. She is typically the sole provider for her family and is therefore driven by a desire for financial security to provide for her children.
- ❖ **The Benefits Seeker** This persona represents the workers who value the benefits obtained from working with Hogaru. This persona is typically in a free union, meaning they also have a partner with an income. Thus, what they earn is extra income for the household. This persona is motivated by Hogaru's benefits, including loans, subsidies, and flexible working hours.

We can group Hogaru workers into these personas through a qualitative understanding of their characteristics, beliefs, attitudes, and behaviors. These personas are distinct from one another, representing the customer's main motivation, pain points, and levels of awareness regarding the benefits they receive from Hogaru. They will enable the team at Hogaru to concentrate on what matters most to domestic workers in terms of context, motivations, and needs. Hogaru will then be able to improve its offerings and support services.

A comprehensive description of these two unique personas is found below.



### Carolina's Bio

Carolina is a 38-year-old domestic worker who offers expert cleaning, housekeeping, and cooking services in offices and homes. She is a single mother with two children who are both under 18 years. She works at Hogaru to ensure that her children have basic needs as she is their sole provider. She has been working with Hogaru for the past 6 months.

At Hogaru, Carolina works a mix of full 8-hour shifts and split 4-hour shifts for 6 days a week (Monday to Saturday mornings). She earns about 1,261,000 COP (US\$306) per month, which she receives in bi-weekly installments. Her earnings are slightly above Colombia's minimum wage, even before the additional transportation allowance provided by Hogaru.

### Carolina Pérez The Family Provider

#### Demographic Information (of the persona she represents)

**Age:** 38 years

**Marital status:** Single mother

**Children:** 2 children, both below 18 years

**Education:** Finished high school

**Income:** About 1,262,000 COP (US\$306) per month

**Last job:** Freelance cleaning services

**Job at Hogaru:** General cleaning, housekeeping and cooking

#### Motivation

In her last job, Carolina had to work full-time. She would be informally engaged in cleaning homes, offices, and schools and managed to earn about half of the minimum wage per month. She could barely afford essentials for her own home and children, so she began looking for better opportunities online. Scrolling through Computrabajo, the leading job platform in the country, she came across Hogaru. She read positive reviews and decided to send in her CV. She got a call back after one day, completed an interview, and began working shortly after.

Carolina's main motivation to work with Hogaru is her desire for formal and structured work which would pay her at least the minimum wage. She aims to be economically stable to provide her children with food and an education. Compared to her previous job, Hogaru has more favorable working conditions as she has fixed working hours with no overtime or night shifts, so she has more free time to spend with her children. Her children also receive health insurance cover which is very helpful and reassuring for her. Her self-esteem has grown with the stability she has found in her job and life at home.

*Companies similar to Hogaru might pay more, but that's just the way the job is. I tell you, for me, my priority is my children and I would never exchange time with them for earning a little more, because what good is it for me to fill them with material things without my time?*

**Family Provider, 34 yrs old**

#### Carolina's perception of the benefits that she receives:

- She works 44 hours a week, which is split into 8-hour shifts per day (occasionally, she will work two 4-hour shifts) Monday through Saturday mornings. She has more free time, never has to work nights or overtime, and she has Sundays off to spend time with her children.
- She is aware that the health insurance provided by Hogaru covers both her children and has enrolled them in this benefit. While comparing Hogaru to her previous employers and companies, she says that Hogaru offers her better pay so she is able to afford basic necessities.
- Working for Hogaru has had positive impacts on her mental health and self-esteem because now she is able to pay her rent and provide for her children without stress and worry. Hogaru also provides psychologists, and as a single mother, she appreciates having someone to talk to about her struggles.



### Paola's Bio

Paola is a 33-year-old domestic worker who provides professional cleaning services through Hogaru. She lives with her husband and their two children, one of which is above 18 and the other is below 18. She found Hogaru through her social network and decided to apply, and has now been working for 5 months.

With Hogaru, she works for 40 hours a week with a mix of full 8-hour shifts and two 4-hour split shifts, from Monday to Friday. Paola works a mix of full-time and part-time shifts. She earns about 1,004,020 COP (US\$242) per month (excluding transportation allowance), which is just slightly above the minimum wage.

### Paola Rojas

#### The Benefit Seeker

#### Demographic Information (of the persona she represents)

**Age:** 33 years

**Marital status:** Free union

**Children:** 2 children, 1 below 18 years

**Education:** Completed primary school education

**Household income:** About 1,004,020 COP (US\$242.05) per month

**Last job:** Out of work

**Job at Hogaru:** General cleaning services

#### Motivation

Before joining Hogaru, Paola had been out of work for some time. She learned about Hogaru through her friends and accessed their application form via Facebook

The primary factor that led her to apply was to achieve economic independence from her partner. During her interview, she was made aware of all the benefits that came with working for Hogaru, including access to the compensation fund, health insurance, occupational risk insurance, pension, loans, and store discounts. These benefits appealed to her, and she appreciated that they were clearly explained by Hogaru. This made her feel that she was secure and would be treated well.

*Yes, today thank God, my life has changed positively, I also have my own income. I am not waiting for my partner to suddenly give me my personal things. I also have my "con qué hablar" (economic Independence)*

**Benefit Seeker, 42 yrs old**

#### Paola's perception of the benefits she receives:

- In her previous jobs, she did not have a signed contract and only worked under verbal agreements with her employer. Now, she feels more secure because the Hogaru contract ensures that she is paid fully, on time, and that all of her benefits are catered to.
- She enjoys the mobility that comes with split shifts because even though she is a "Rola" (slang used to refer to people born and raised in Bogota), she has never had a chance to explore Bogota. The split shifts also include an extra payment of about 12,000 COP every fortnight for bus tickets, but for her this is a bonus to her salary.
- She has a clear understanding of how the benefits work. For example, she is now aware that Comfama is a family compensation fund that provides services in the areas of health, recreation, culture, and housing as well as education. She uses this to visit the parks.
- Job hunting was difficult for her. She was relying on her network to identify openings. Most jobs had strict guidelines about graduating with certification. But only Hogaru reached out to her after she submitted her CV. In the jobs she has had before, there was hardly any contact between her and her employers. With Hogaru, everyone knows and trusts each other so people can express themselves freely. Through the rating feature on the app, she is able to receive feedback from her clients directly. When they leave positive feedback, it boosts her motivation.
- Now that she has a job, her household is able to save more despite the increased cost of living.











### 4.3.3 Journey maps










The personas are illustrative of how different types of individuals discover and decide to use the services offered by Hogaru. In this section, journey maps are used to add additional detail concerning the emotional experience of domestic workers from awareness, onboarding and beginning work.










Journey maps are a visual representation of the highs and lows experienced by current domestic workers as they access and use the services of Hogaru. They can help Hogaru to identify opportunities for improvement and ensure that the needs, wants and constraints of various customer segments are considered in expansion and refinement of their services.

The journey to working with Hogaru starts with an awareness of the services offered, which usually begins with social media or other job-seeking platforms (such as Computrabajo). In the recruitment stage, Hogaru reaches out to interested applicants and conducts an interview. Once accepted, the domestic worker signs a contract and develops relationships with Hogaru and the client household. After successful employment, many domestic workers seek to share the domestic care workload within their homes by redistributing tasks to other family members. Finally, domestic workers start to see personal benefits from working with Hogaru, which include legal, social, economic and health benefits, increased free time, and a sense of dignity.

**Table 1:** Hogaru's journey map for domestic workers

Stage	 Activities	 Domestic worker goals	 Emotions	 Barriers	 Levers
<b>Awareness</b>	Domestic worker actively looks for work through social media/job sites	To immediately find employment at a good organization in order to generate income.	 Intrigued, Curious	<p>Prior to applying to Hogaru, domestic workers felt that Hogaru's reputation was not well-known, and potential workers were unsure whether to apply even when it showed up on job platforms.</p> <p>Workers who were unhappy with their previous employers' wages were afraid they would face similar issues at Hogaru.</p>	<p>For some domestic workers, Hogaru shows up at the top of the job search pages.</p> <p>A few workers heard about Hogaru from their friends, who encouraged them to apply through Facebook.</p> <p>Many workers lacked any stable income and were highly motivated to apply.</p> <p>The application was easy and involved just a CV uploaded to the job site</p>
<b>Recruitment</b>	Hogaru contacts domestic workers and initiates a recruitment cycle	To be successfully recruited by Hogaru.	 Interested, curious, cautious	<p>Some workers had to apply more than once to receive a response.</p> <p>Hogaru requires candidates to take pregnancy tests and drug tests.</p> <p>Hogaru requests past credit life documents which the workers found exposing.</p>	<p>The recruitment process was simple and easy.</p> <p>Interview questions were simple, mainly covering their previous experience and personal life.</p>
<b>Building skills</b>	Employment begins	To understand the skills needed to conduct good quality work.	 Requires effort but excited	Inexperienced domestic workers found it difficult dealing with different types of clients.	Most workers who join Hogaru already have the skills and experience to perform well.

Stage	 Activities	 Domestic worker goals	 Emotions	 Barriers	 Levers
	Trainings provided by Hogaru to increase skills and knowledge	New skill acquisition.	 Requires effort but excited	Basic skills training is required, which may be repetitive for experienced domestic workers.	Client feedback helps Hogaru identify and provide additional training on specific activities in need of improvement
Working life	The relationship with Hogaru	To have a positive and sustainable relationship with Hogaru.	 Excited but nervous	<p>Domestic workers may be allocated jobs that are very far from their homes. It can take them over an hour to travel each way to their clients, cutting into their personal time.</p> <p>Less experienced or new workers at Hogaru have more limited options for securing loans.</p>	<p>Hogaru provides benefits such as health insurance, a pension, child subsidies, loans, and bonuses.</p> <p>New recruits who do not have money are allocated transport tickets.</p> <p>Hogaru respects when a worker is uncomfortable with a client, and intervenes to address the issue and reallocate the domestic worker to a new client.</p>
	Relationship with client households	To have a respectable relationship with their client households.	 Excited but careful	<p>Some clients expect workers to do work they are not comfortable or prepared to do, such as cleaning up after dogs or climbing dangerous heights.</p> <p>Some clients are very rude to workers.</p> <p>Clients may try to poach workers from Hogaru to work exclusively with them.</p>	Workers are only there to work - they may have a friendly and respectful relationship, nothing more.
	Technological help and use of the app	To be able to understand and effectively use the app.	 Happy and excited	If their phone is misplaced or runs out of battery, the workers cannot access the app to see their next client and location.	The app is user-friendly. It has GPS to direct the worker to the client and details the activities the worker is assigned to do at the client's home.

Stage	 Activities	 Domestic worker goals	 Emotions	 Barriers	 Levers
				Some workers were not comfortable using smartphones and required training.	If the worker does not have a phone, Hogaru provides a phone and training on how to use it.
Managing own care workload	Managing workers' own household care workload	To manage care and domestic duties at home.	 Slightly disappointed	Domestic workers have long days in which they get up early and come home late, so they often do not have the energy to take care of their own home or spend time with their children.	Due to the defined shifts, workers do not have to work overtime, resulting in predictable time with their families.
	Social stigma	To understand the social stigma around domestic work.	 Slightly disappointed	Some workers are not respected by their families who view domestic work as less valuable than other jobs.	Some workers are encouraged by their families to continue working as they are stable providers.  Hogaru encourages and motivates workers, and also provides psychological services if desired.
Gaining personal benefits	Free time	To understand the impact of work on free time.	 Unfulfilled	Domestic workers have limited time to spend with their families.	The available time for spending with families is predictable.
	Self-awareness	To improve self-confidence, dignity, and value.	 Satisfied and proud	Domestic worker families are worried about the physical and mental strain of their work.	Hogaru has given domestic workers a sense of self-worth by providing for themselves and their families.

### 4.3.4 Hogaru's impact

This section presents the impact of Hogaru on domestic workers' daily lives. This information is based on qualitative interviews and quotes are workers' own words.

All care workers reported experiencing positive changes in their lives since starting work at Hogaru, including financial stability, a sense of pride and self-confidence, and an overall enjoyable working experience. The below qualitative evidence of change focuses specifically on the "reward" impact pathway of Hogaru's work.

#### Qualitative evidence of theory of change

##### Long-term outcome

Increase in domestic workers' ability to achieve economic independence by transitioning from informal to formal employment and improving industry standards and norms, which in turn will contribute to a more resilient workforce in the domestic sector

- **Benefits received from Hogaru:** Hogaru has had a positive impact on the long-term benefits of domestic workers, including access to loans, pension plans, social security, ARL in case of emergencies, and a yearly bonus. These benefits have given domestic workers a sense of job security and a feeling of value at work.

*"They are paying us all the pension, health care, ARL in case we have an accident, that is what it covers".*

*Family Provider, 23 years old*

*"I have heard that after a year [of working] you can get a home appliance. Hogaru buys it and brings it to your house and you pay for it biweekly or monthly".*

*Benefit Seeker, 41 years old*

- **Economic condition:** The overall economic condition of the care workers has improved significantly. Domestic workers now have a stable salary, paid at the same time every month. They have more financial freedom to care for themselves and their families. The child subsidies are helpful as they can better provide for their children.

*"Yes, of course, because in addition to the fact that they give her the subsidy and it is a conversation that I have with her in order to buy her what she asks for, it has also benefited a lot to be able to share an afternoon, an evening, a day with my daughter, so it has benefited me totally".*

*Family Provider, 23 years old*

*"Yes, of course, because it is a more stable salary, it is a fixed salary. It is something that you know that on the 15th and 30th of each month, you count on it".*

*Family Provider, 34 years old*

- **Independence:** Workers were satisfied and happy with their job since they had more income available for themselves and did not have to rely on their husbands, children or relatives. Workers achieved economic independence after doing jobs for Hogaru. In fact, through the mother's independence, the workers reported their children also being more independent with their tasks such as managing chores at home or their school work.





*"Yes, today thank God, my life has changed positively. I also have my income, I am not waiting for my partner to suddenly give me money for my personal things, I also have my "con qué hablar", they say around. ["Con qué hablar": By pragmatics of language, we interpret that she means that she has economic independence, that she has her own resources]."*

**Benefit Seeker, 43 years old**

**Medium-term outcomes**

**MO1:** Greater job security and higher levels of job satisfaction among domestic workers

**MO2:** Increased financial inclusion, purchasing power and economic benefits for domestic workers and their families

**MO3:** Improvements in job performance and more holistic delivery of services by domestic workers

- **Job satisfaction:** A majority of the workers at Hogaru reported high rates of satisfaction with their job. They preferred staying and working through Hogaru, than taking private jobs and felt that the support and benefits provided by the organization ensured that they felt happy and not stressed at work.

*"I am happy where I am although I am not lying to you, there have been clients who have wanted to take me away who have told me "quit Hogaru and come work with me" and I don't... No because I would go back to the monotony of every day in the same place and the same "vaina" and I would not feel good and no."*

**Family Provider, 42 years old**

*"For the moment I feel very welcomed at Hogaru. I think it has been one of the companies where I don't feel pressure, I don't feel like "move, do it", no. It's like they let you work at your own pace. It's much better because there are days when the clients leave. They leave you at their house and say "I'm going to the gym", "I'm going to eat, I'll be right back", and that's when one feels more comfortable doing things."*

**Benefits Seeker, 33 years old**

- **Training and performance:** Hogaru provides training for workers who need help with certain skills such as ironing, cooking or folding clothes. These trainings are based on the workers' previous experience and the client feedback. This training has helped several workers acquire and become confident with new skills that help them during their work.

*"Normally, in some service we have to iron clothes, then, for example, the one who does not know how to iron, they teach them. If I ironed wrong and the client reported it, for example, they tell you. They call me and tell me "You should come to the office. We have ironing feedback" and so on."*

**Family Provider, 23 years old**

- **Feedback:** Client feedback is given straight to Hogaru who provides it to the worker. Hogaru is very open and clear with the feedback and is always ready to help the worker improve in areas that are lacking. This has helped several workers improve on their job performance and deliver services in accordance with the needs of the clients.

*"Positive, but almost always when we are in the office. They say "X come here, X, how are you doing?". I have never had negative comments here, neither from the company nor from the clients."*

**Family Provider, 23 years old**

*"They put the percentage on the application, they rate you, the clients rate you. And nothing, they put everything there in writing, they say how the customers rated you and why they gave you the percentage rating and Hogaru also."*

**Benefit Seeker, 36 years old**

- **Client interactions & Hogaru support:** Some clients are difficult to handle and may request domestic workers to do tasks they are uncomfortable with, such as cleaning up after animals or climbing to dangerous heights. Hogaru supports them



to reach out to the call center and talk about their experiences, after which Hogaru would either talk to the client or reallocate the worker to a different client.

*"If I have any disagreement, that's what the call center is for. That's what the trainer is for, that's what the godparents are for. You make a call, ask for an appointment with them, and the problem is solved. I believe that one does not have to argue with the client, or at least that's the way I am. Everything is solved directly with the company, not with the client."*

**Benefit Seeker, 23**

- **Negotiating hours and distance:** Hogaru sometimes assigns clients who live far away from the worker. The worker then has to travel long distances to get to work. Some workers can spend around 12 hours working that day including increased travel time. Hours are also negotiable, and full-time workers are able to choose between a 40-hour week or a 44-hour week. Workers are not expected to work on Sunday.

*"Negotiations are possible. In fact, they have already opened the possibility of working from Monday to Saturday, so for example, 48 hours, 40 hours or 44 hours."*

**Family Provider, 23 years old**

- **Increased purchasing power:** Some workers mentioned feeling more empowered because they are able to use the income to buy things for themselves, their homes, and their families. Most preferred buying things for their children. However, some workers still felt that they were not at a luxury to afford everything and anything, and could purchase specific items within a budget.

*"Yes, of course, because in addition to the fact that they give her the subsidy and it is a conversation that I have with her in order to buy her what she asks for".*

**Family Provider, 27 years old**

- **Own domestic workload:** Some workers do not have enough time or energy to do their own domestic work during the week, and thus have to clean on the weekends when they would rather spend time with their families.

*"Well, because, let's say, on a day at home, on a day that I don't work, I do all the cleaning at home. I don't have time to cook or iron, but I go to a service and I have to do all the cleaning, I have to iron and cook and wash and fold."*

**Benefit Seeker, 30 years old**

- **Family support:** Some workers do not receive support and encouragement from their families who resent them for working long days.

*"No, for example, my family sometimes criticizes me because I no longer have the capacity to be there, like I was with my children, more attentive to them. Not anymore, because I have to work all week, I can only spend some time with them on Saturday and Sunday."*

**Benefit Seeker, 36 years old**

- **Physical impact of domestic work:** Some workers experience back pain or leg aches after their shifts. Long working hours and long travel distances can cause physical discomfort. Some workers say they have lost weight since starting at Hogaru due to the strenuous activity.

*"No, I say that it has affected me because my back didn't hurt much, now my back hurts a lot. Besides that, I was fatter and sometimes I have to walk a lot, so I have also lost weight, so for me, yes, it has affected me a little bit. My back didn't hurt so much and apart from that, my hands peel and I use my gloves and all that. So, these are things that I did not have before, there is more fatigue."*

**Benefit Seeker, 36 years old**



Short-term  
outcomes

**STO1:** Increase in no. of domestic workers with formal contracts, access to legal benefits and higher incomes

**STO2:** Increase in no. of domestic workers with access to affordable financing opportunities

**STO3:** Greater access to digital education for domestic workers, providing them with valuable training opportunities in soft skills, digital literacy, and financial inclusion

- **Increased benefits:** Workers mentioned receiving benefits such as access to health insurance, compensation funds, occupational risk insurance and severance pays.

*"I haven't seen another company where there are so many benefits for women. Hogaru is a company where they give a lot to women".*

**Family Provider, 38 years old**

*"Hogaru pays for health insurance. And this covers emergencies, odontology, general medicine for me and my family and children."*

**Benefit Seeker, 32 years old**

- **Digital training and soft skills:** Workers look forward to the digital skills training that they are given. They reported being provided corporate cell phones and are taught how to use the applications for their work. They are trained step by step to make them comfortable in using the digital tool. Several workers already had a basic level of digital skills since they used online platforms to apply for the job.

*"Oh yes, Kaila in the training they taught us how to operate the cell phone application step by step".*

**Benefit Seeker, 32 years old**

*"I used the one from "Compensar", I used the one from "El empleo." I used a lot the one from "Computrabajo" as well."*

**Family Provider, 33 years old**

- **Life satisfaction:** Workers look forward to their workday, which gives them a sense of worth and purpose. Workers feel less stressed overall because of their stable income and economic freedom.

*"Lots of value. Sense of belonging. Much more responsibility."*

**Family Provider, 23 years old**

*"No, before Hogaru I had a lot of stress, not anymore because I don't have to be thinking about paying my rent, or I was pressed for food for my children, not anymore. Like, I have enough to pay my rent and to buy food for them. I don't have stress anymore."*

**Benefit Seeker, 36 years old**

- **Household decisions:** Some workers have stated that they have more of a voice in their household. They feel more confident and are happy with the decisions they make as they know it will benefit their family.

*"I couldn't make decisions, I had to wait for my sister to send me money to pay the rent and now I don't, I am the one who pays for everything in my home, I am the one who decides."*

**Family Provider, 36**

*"Well, I already have more voice and vote."*

**Family Provider, 23 years old**

## 5 - LOOK FORWARD

### 5.1 Growth and sustainability plans

Hogaru has ambitious plans for its future, aiming to shift its focus from primarily providing cleaning and domestic services to strengthening Apporta. While it will continue offering cleaning services, the company's main objective is to directly connect and support customers, including employers and domestic workers. Hogaru wants to encourage independent employers to formalize the roles of their domestic workers through the Apporta platform. Currently, the revenue split between cleaning and Apporta is 98-2%, but the company's goal is to achieve a 50-50% balance. By 2024, Hogaru aims to formalize 6,000 contracts through Apporta, considering it a potential avenue for significant growth from 600 contracts to 6,000 and even 60,000. Shareholders see great value in Apporta's proposition.



#### Geographic expansion

In 2025-2026, Hogaru plans to expand internationally, with a focus on Mexico for developing the B2C segment. To ensure successful growth, the company has set specific conditions, such as targeting cities with at least one million inhabitants and favorable domestic labor regulations, as well as considering the burgeoning middle class. Apart from Mexico, Hogaru sees potential in Ecuador, particularly in cities like Quito and Guayaquil, given their growing middle class and use of the U.S. dollar as currency, making them appealing markets. Hogaru believes that having a local team familiar with market conditions is crucial for tailoring their product to each new city.



#### Increased range of services

By 2027, Hogaru aims to expand its services to include formal childcare, care for elderly people, and corporate childcare solutions. Although this wasn't initially their focus, the company sees an opportunity to leverage its expertise in home cleaning to provide comprehensive home care services. Furthermore, Hogaru plans to explore embedded finance, acting as a vital link between financial service providers and domestic workers in need of financial aid, such as housing credits or student loans for their children. By connecting these workers with specialized fintech companies, Hogaru aims to enhance their financial stability and well-being.



#### Team

In terms of the team, Hogaru acknowledges the need to incorporate more engineers and professionals specialized in growth. The company is implementing the "Hogaru of the Future" plan, focusing on innovative tech applications to improve operations and expand service offerings. However, Hogaru's next major goal is to expand beyond Colombia and enter the Mexican market. The team recognizes that launching Hogaru's business model in this new market will require significant resources and local expertise to ensure a successful transition.



## 5.2 Ask of investors and stakeholders

### Financial

Hogaru is actively seeking a financial investment of US\$2.6 million from investors and stakeholders to support its growth plans. This investment will be channeled into three main areas: customer acquisition and marketing, international growth, and tech development.

In terms of customer acquisition and marketing, a significant portion of the investment would be dedicated to spreading awareness and acquiring new customers. Currently, Hogaru relies heavily on digital marketing strategies and has a dedicated sales team of 10 members. With the investment, the company aims to expand its marketing efforts to include other channels, such as radio, to reach a broader audience. Additionally, Hogaru plans to enhance its sales team to provide better customer support and guide customers through the decision-making process. By optimizing the customer journey and ensuring a timely and effective sales process, Hogaru aims to increase customer conversion rates. The inclusion of Hogaru Encuentra (Hogaru Finds), its talent acquisition platform, will further aid in attracting and assisting clients in finding suitable domestic workers.

International growth is a key component of Hogaru's strategy. The financial investment will potentially set up teams in Ecuador and Mexico, allowing the company to introduce its service portfolio and business model across eight cities. Specifically, the

expansion into the Mexican market holds substantial promise for growth and scalability, given favorable conditions like an expanding middle class and a rising demand for domestic services.

Finally, Hogaru sees tech development as crucial. Although the company has invested heavily in technology in Colombia, it recognizes the need to tailor and optimize its platform for different markets, such as Mexico. This includes ensuring compatibility with Mexico's distinct payroll system. With a dedicated fund for technological advancements, Hogaru aims to boost operational efficiency, providing a better experience for customers and domestic workers alike.

### Non-financial

Hogaru seeks two non-financial contributions from investors and stakeholders, aiming to bolster its growth and expansion plans: help refine its impact measurement practices and guidance in driving international expansion.

First, Hogaru wishes to enhance its impact measurement practices. While recognizing the importance of meaningfully expressing and quantifying its impact, the company requests support from investors and stakeholders in establishing solid impact measurement frameworks. Collaboration with these partners would allow Hogaru to create a tangible roadmap towards quantifying its impact effectively. This would facilitate the company's ability to



communicate the social and economic values generated by its operations. Using thorough metrics and persuasive narratives, Hogaru aims to exhibit the positive effects it creates for both customers and domestic workers.

Second, Hogaru acknowledges the need for local talent in its teams as it plans international expansion, but not limited to operational roles. The company seeks investors and stakeholders who can serve as strategic partners, helping forge connections and create opportunities in the

target countries. Hogaru hopes to navigate the complexities of international markets more efficiently by harnessing the expertise and networks of these local stakeholders. These partners, understanding the local market dynamics and cultural subtleties, would serve as crucial allies in establishing relationships. Their support could help Hogaru create a solid local presence, contributing significantly to the success of its overseas operations.

### 5.3 Lessons learned

**Hogaru has undergone significant changes and transformations in recent years.** From the arrival of new leadership to its commitment to providing quality services and strategic focus on growth and cash flow, Hogaru has successfully navigated challenges and seized opportunities to solidify its position in the industry. The COVID-19 pandemic, while presenting its own set of challenges, has also spurred innovative initiatives.

**Hogaru's dedication to delivering quality services has been a cornerstone of its success.** Recognizing that trust and familiarity are paramount to clients, Hogaru places great value on retaining domestic workers. Each departure of a domestic worker translates to a loss of US\$300 for Hogaru. To address this, Hogaru seeks to provide financial benefits and additional perks to its domestic workers. While the current financial capacity may limit the provision of extra services, Hogaru actively seeks strategic partnerships to complement its value proposition. By understanding the needs of its domestic workers, Hogaru explores the development of embedded finance solutions.

**Moreover, Hogaru has demonstrated adaptability by adjusting its mindset according to its stage of development.** In its early years, the company prioritized sustainability and generating cash flow. However, over the past two years, Hogaru has embraced more audacious risks, shifting from a cash flow-oriented mindset to one of experimentation and growth. This shift has led to the creation of Apporta and ongoing expansion efforts into Mexico. The company's



willingness to experiment and embrace change has played a pivotal role in envisioning broader horizons and pursuing internationalization.

**Lastly, the COVID-19 pandemic posed significant challenges for Hogaru but also provided an opportunity to better understand its community of households and domestic workers.** Hogaru proactively analyzed the situation and implemented initiatives to weather the storm. Importantly, approximately 60% of households continued to pay salaries to their domestic workers, supporting Hogaru in maintaining its workforce. Additionally, domestic workers were given the option to request unpaid leaves, allowing for income adjustments to sustain both Hogaru's cash flow and the livelihoods of its workers. Furthermore, the government's swift response, including subsidies and streamlined access processes, further aided Hogaru during this challenging period.

## 5.4 Recommendations for policymakers and investors

The care economy is a critical focal point for both governments and investors. Policymakers should focus on implementing policies that facilitate formalization, provide social support, and bridge the gap between informality and formality. Investors, on the other hand, should adopt a long-term perspective and seek collaboration within the sector rather than searching for a single groundbreaking model. By working together, policymakers and investors can create an environment that promotes the growth and sustainability of the care economy, benefiting both the workers and the communities they serve.

### Recommendations for policymakers:

Policymakers play a crucial role in shaping the environment for the care economy to thrive. There are certain challenges within this sector that cannot be addressed solely by the private sector. Hogaru's model, for instance, relies on government actions to bridge the gap between informality and formality. It is essential to facilitate easy access to social security and formalization for domestic workers. Additionally, there should be support mechanisms in place for women working in this field. Many of these women require psychological and intellectual support, as well as assistance in caring for their own families while tending to others. By prioritizing these areas, policymakers can create an enabling environment that supports the growth and success of socially responsible companies like Hogaru.

### Recommendations for investors:

Investors need to approach the care economy with a long-term perspective. This industry requires time to evolve and transform. It is important for investors to understand that the growth trajectory and barriers in the care economy may differ from those in other industries. Comparisons should be made with consideration for the unique cultural and societal challenges involved. Furthermore, it is crucial for investors to recognize that there is no single model that will revolutionize the entire industry. Instead, they should focus on fostering collaboration and knowledge-sharing among companies in the sector. By learning from one another and building support networks, investors can contribute to the collective advancement of the care economy.

## ENDNOTES

<sup>1</sup> Formal employment benefits in Colombia entail earning at least a minimum wage salary, which is determined by the government every calendar year. The minimum wage for 2022 is COP 1 million (approximately US\$250) per month and includes paid holidays. Working hours are up to 48 hours a week, and employees must have at least one paid day off every six days (usually Sundays); however, some occupations can charge overtime hours (domestic services classify) up to 12 hours per week. Overtime hours are paid over 25% of the ordinary hourly rate. In addition, employers must perform mandatory monthly payments to the social security system (pension, health, and occupational safety systems, and family compensation funds) and allocate transportation allowance and work clothes three times a year for employees who earn a minimum wage. In addition, formal employment grants June and December service bonuses equivalent to 15 days' salary, vacations (15 working days of vacation for every year of service), sick leave & pay, and maternity leave & pay.

<sup>2</sup> Top manager refers to the highest ranking manager or CEO of the establishment. This person may be the owner if he/she works as the manager of the firm.

<sup>3</sup> Percentage of female 18–64 population who are either a nascent entrepreneur or owner–manager of a new business, divided by the equivalent percentage for their male counterparts.

<sup>4</sup> According to Colombian laws, a domestic worker is any person who offers household services, such as cleaning, cooking, laundering, ironing, gardening, childcare, and driving, among others.

<sup>5</sup> ILO. (2021). Making decent work a reality for domestic workers. Progress and prospects ten years after the adoption of the Domestic Workers Convention, 2011 (No. 189). P. 151. <https://www.ilo.org/digitalguides/en-gb/story/domestic-workers#footer>

<sup>6</sup> Universidad de los Andes. (2022). En Colombia, la formalización laboral del trabajo doméstico sigue rezagada. <https://derecho.uniandes.edu.co/es/formalizacion-del-trabajo-domestico-sigue-rezagada>

<sup>7</sup> Portafolio. (2019). El 96% de los empleados domésticos en Colombia son mujeres. <https://www.portafolio.co/economia/empleo/el-96-de-los-empleados-domesticos-en-colombia-son-mujeres>

<sup>8</sup> Colombian Ministry of Employment. (2023). Cerca de 600 mil trabajadoras y trabajadores del servicio doméstico se beneficiarán con reforma laboral. <https://www.mintrabajo.gov.co/comunicados/>

<sup>9</sup> DANE. (2021). Encuesta Nacional de Uso del Tiempo. <https://www.dane.gov.co/index.php/estadisticas-por-tema/pobreza-y-condiciones-de-vida/>

<sup>10</sup> Technavio. (2022). Online On-demand Home Services Market in Latin America Growth, Size, Trends, Analysis Report by Type, Application, Region and Segment Forecast 2022–2026. <https://www.technavio.com/>

<sup>11</sup> ILO. (2021). El trabajo doméstico remunerado en América Latina y el Caribe. <https://www.ilo.org/wcmsp5/groups/public/---americas/---ro-lima/documents/>

<sup>12</sup> Based on interviews with the CEO and podcasts of the founders. Gonzalo Ucar: [Un salto al mar social de una start-up](#)

<sup>13</sup> 2X criteria can be found [here](#).

<sup>14</sup> Businesses were assessed on a 21–point scale, with scores of 0–7 being gender unintentional, scores of 8–14 being gender intentional, and 15–21 being gender transformative.

<sup>15</sup> The research team conducted 10 in–depth interviews with domestic workers. Hogaru shared a list of workers who fulfilled the following criteria: female domestic workers who have been working with Hogaru for a minimum of 3 months.



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The workers for the interview were selected through purposive sampling to ensure diversity in age, occupation, and socio-economic status. An interview guide was used to ensure consistency in the questions asked, although some follow-up questions were added as necessary to explore topics in more detail. The interviews were conducted in Spanish, audio-recorded, and transcribed verbatim for analysis. The data collected from these interviews was analyzed thematically in NVivo to identify key themes and patterns in participants' responses. Given the small sample size and purposive sampling, one of the limitations of our analysis is that it might not be representative of the different socio-demographics of all Hogar domestic workers.

<sup>16</sup> US\$1 = COP 4424. Retrieved 1 July 2023 from <https://www.banrep.gov.co/es/estadisticas/trm>.



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