

Transforming the care economy through impact investing case study:

Simplifica



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
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Catherine Cax

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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

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 focused 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: Symplifica case study*. Kore Global, International Development Research Centre, and Soros Economic Development Fund.

1 - EXECUTIVE SUMMARY

Simplifica is a for-profit enterprise that seeks to streamline the job formalization process for domestic workers and employers in Colombia and Mexico.¹ Its objective is to help employers draft contracts for their workers and enroll them in national social security systems, thus ensuring their access to formal labor benefits. In addition, Simplifica provides exclusive offers for domestic workers, such as educational services, housing subsidies, and job search assistance through its Simplifica Trabajador@s app. The app even extends some services, such as education, to all domestic workers, regardless of their affiliation with Simplifica. Since 2016, the company has formalized more than 30,000 domestic workers, including nannies, nurses, elderly caregivers, drivers, farm stewards, and gardeners.² In addition, it has contributed over US\$20 million to the Colombian social security system. In 2022, Simplifica generated approximately US\$1 million in revenue and currently has a team of 112 employees. The company is seeking US\$5 million in a Series A round to fuel aggressive expansion into the Mexican market and develop new business lines.






Simplifica at a glance

Established	2016
Country of operations	Colombia and Mexico
Offerings	Tech-enabled B2C platform that facilitates formalization of domestic workers, affiliation into national security systems, payroll, benefits calculation, labor relationship management with employers, and reporting for both parties
Reach	+17,500 customers, +30,000 new domestic workers in formal economy
Staff	+100 full-time employees
Revenue	US\$983,414 (2022)
Investment to date	≅US\$3.6 million for expanding operations and platform improvements
Leadership	Salua García , Co-founder and co-CEO Omar Perdomo , Co-founder and co-COO
Contact for partnerships	salua.garcia@simplifica.com
Website	www.simplifica.com.co

2 - ECOSYSTEM

2.1 Colombia: statistical snapshot

 <p>Demographic information</p>	<p>Total population (World Bank, 2021): 51.3 million</p> <p>Female population (World Bank, 2021): 50.1% of total population</p> <p>Urban and rural population (World Bank, 2021): Urban: 81.7% Rural: 18.3%</p> <p>Population by age segment (World Bank, 2021): 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>Proportion of daily time spent on unpaid domestic and care work (ECLAC, 2019): Women: 18.9% Men: 5.9%</p> <p>Women engaged in paid domestic work (DANE, 2022): 649,000 domestic workers (93.1% women, 6.9% of employed women, 20% formalized)</p> <p>Domestic workers by age (DANE, 2019): 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>Domestic workers' education attainment (DANE, 2019): Incomplete elementary school: 47.6% Completed elementary school: 36.2% Completed high school: 11.5% Technical/technological education or superior: 4.7%</p> <p>Legal protections for domestic workers: 2012: Law 1595 of 2012 ratified the ILO's 189 Agreement of 2011 about domestic workers' rights. 2013: Decree 721 of 2013 made it mandatory for employees to affiliate domestic workers to the family compensation system. 2018: Law 1788 of 2016 made it mandatory for employees to pay annual bonuses for domestic workers.</p>
 <p>Social & economic</p>	<p>Literacy level (World Bank, 2020): Global: 86.3% Latam: 94.1% Colombia: Women: (+15) 95.9% Men (+15): 95.4%</p> <p>Poverty (ECLAC, 2020): Women: 36.3% Men: 34.4%</p> <p>Gender-based violence (DHS, 2015): 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>



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 management³: 18.9%

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

Female/Male TEA Ratio⁴: 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

The Domestic Workers Convention (C-189), issued by the International Labor Organization in 2011, represents a turning point in establishing labor standards for domestic workers. Before the Convention, these workers often faced precarious working conditions. Without formal employment contracts, they were frequently denied benefits such as healthcare, occupational accident insurance, and pension plans. They frequently received wages below the minimum standard and were subjected to working long hours that often exceeded eight per day.⁵ Despite some domestic workers continuing to experience these conditions, the adoption of the C-189 by

certain Latin American countries, including Colombia and Mexico, has laid the groundwork for the protection of their human rights. The decision has also set a precedent for ensuring fair employment terms and decent working conditions for all domestic workers.

In 2020, domestic work in Latin America and the Caribbean employed between 11 and 18 million people, of which 93% were women.⁶ These roles have historically been occupied predominantly by women, often without remuneration.⁷ Most of these workers come from socially disadvantaged groups, often coerced into providing domestic work without adequate compensation, thus exposing them to the risk of labor exploitation.⁸ Indeed, this risk is faced by 91% of domestic workers in Latin America and the Caribbean.

To mitigate this situation countries like Colombia and Mexico, in accordance with the C-189, have enacted laws obliging employers to formalize their domestic workers' employment status. This involves registering employment contracts and enrolling domestic workers into social security systems, enabling them to access pensions, health benefits, and other social security programs.⁹ However, the formalization process is often hindered by complex and time-consuming administrative procedures. Consequently, data indicates that as many as 80% of domestic workers remain informally employed in Colombia, rising to 96.7% in Mexico. However, complex and often lengthy processes and paperwork discourage formalization. Data suggests that in Colombia around 80% of domestic workers are informal¹⁰ and in Mexico, 96.5% are informal.¹¹

Market opportunity

In 2022, the global cleaning and domestic services market was valued at US\$69.8 billion, with a projected Compound Annual Growth Rate (CAGR) of 6.4% from 2023–2028. According to some analysis,¹² the online on-demand home service market in Latin America is estimated to increase by US\$119.39 billion from 2021 to 2026, with Colombia, Mexico, Brazil, and Argentina named as key markets in the region.

Although the market presents promising growth opportunities, formalization of employment relationships with domestic workers presents a set of obstacles. Foremost among these is the necessity for

a wider recognition of the value of domestic workers, encouraging their employment in compliance with established law regulations. The institutions and regulations required to facilitate this are already in place; however, compliance remains disappointingly low.

Furthermore, formalizing domestic workers involves more than issuing contracts. It encompasses a range of tasks that need to be performed on a monthly basis. Initially, employers face the challenge of enrolling domestic workers into national social security systems. This complex process entails independent affiliations to health insurance, severance and pension plans, occupational accident insurance, and family compensation funds. These affiliations, though one-time tasks, require careful follow-up and do not occur instantaneously. Moreover, each system requires separate monthly payments. Consequently, managing these enrollments and ensuring timely payments constitute a complex and time-consuming task. This complexity often deters employers from formalizing these employment relationships, despite potential lawsuits that could be brought by domestic workers against their employers.

In response to these challenges, digital platforms like Symplifica have emerged over the past decade in Latin America, particularly in Colombia and Mexico. These platforms streamline the process of transitioning domestic workers from informal to formal employment, freeing employers from performing the

mandatory actions linked to formalization. While public policies in Latin America have primarily focused on legislation as the means to formalization, they have overlooked the potential of tech-enabled solutions to overcome barriers and facilitate this transition. As a result, these solutions can promote decent job creation, ease access to benefits and improve access to financial and educational services, while contributing to a more organized market for domestic services.

The potential market opportunity in formalizing domestic workers' employment extends beyond simplifying compliance with social security contributions and evading lawsuits. It also provides a gateway to connect with a community of domestic workers eager to access various products and services. These include educational and financial services, which aid in fulfilling their aspirations such as completing their education or achieving higher levels of academic attainment, and other life-enhancing goals, such as homeownership, skills development, or entrepreneurial pursuits.



3 - BUSINESS DEEP DIVE

3.1 Business headline

Simplifica has developed a digital platform to streamline the formalization of labor relationships between employers and domestic workers.¹³ In addition, it provides a marketplace offering a broad range of products and services that cater to the needs of its customers. Currently, the company operates in Colombia and expanded its operations to Mexico in October 2022.

The company facilitates the process of enrolling domestic workers into social security systems for employers, assists in drafting written contracts, and oversees monthly payments towards pension, health, occupational risk insurance, and family subsidy systems through its single platform. The company offers adaptable plans to households tailored to their specific needs based on the number of days the domestic worker is employed. These plans aid employers throughout the hiring process, which includes the issuance of contracts and the registration of employees into social security systems, a process that requires separate enrollment for each benefit as per national law, such as pension and health, among others. Simplifica also offers an online channel for employers to pay salaries, contributions, and benefits, thus promoting transparency, timely disbursements, and tracking of payments. Moreover, the platform includes a digital folder for maintaining all documentation related to the employment relationship and round-the-clock customer service. Broadening its portfolio, Simplifica provides additional services such as basic medical examinations, background checks, and uniform supply for domestic workers that can be purchased via the marketplace. Furthermore, it offers legal and psychological counseling, addressing the holistic needs of domestic workers.

Striving to deepen its impact on domestic workers and boost customer retention, Simplifica rolled out the Simplifica Trabajador@s app in October 2022. This application brings a wide array of educational opportunities, enabling domestic workers and their families to complete high school, access affordable virtual English courses, and participate in a free financial education course. In partnership with various fintech institutions, Simplifica also provides domestic workers with access to various financial services, such as loans and insurance plans. Beyond these educational and financial benefits, the app facilitates specific household task training conducted by professional cooking schools to enrich domestic workers' skill sets. Additionally, the app assists in navigating the process of accessing educational and housing government subsidies via family compensation funds and aids in job searches, creating a comprehensive support system for domestic workers.



Simplifica's solution is complex, but it addresses the challenges faced by families and communities, making it worthwhile to formalize and become formalized.

Salua García, Simplifica's CEO



Simplifica's Journey

2016

Incubation phase by InQLab with an initial investment of \approx US\$550K led by Camilo Mendez and Salua García

2016

2019

Pilot of the platform to facilitate enrollment of domestic workers into social security systems, such as health and occupational risk insurance, pension, severance fund, and family compensation fund

2019

2018

Larnia's merger with Simplifica

2018

2020

First compelling marketing campaign in national media during COVID-19: Cuida a Quien te Cuida (take care of those who take care of you)

2020

2022

- Series A investment from Alive and OSF for US\$3M
- Expansion to Mexico
- Launching of Simplifica Trabajador@s app

2022

3.2 Founder story



Salua García Fakh, born on the island of San Andres in the Colombian Caribbean, carries her mother's Lebanese heritage and her father's entrepreneurial spirit. She studied international business in Bogota, Colombia, and completed her master's in marketing and innovation at EADA Business School in Barcelona. Her early professional life was in multinational corporations, where she held various roles in sales and marketing. After a series of experiences and professional quandaries, she decided to quit her job and travel. During her journey, she visited Spain and reconnected with Ofelia, who had been Salua's nanny until Salua was 13 years old. The encounter was an emotionally charged evening full of gratitude. Nearly 15 years prior, Salua's parents had sponsored Ofelia's move to Spain to work as a domestic worker in her 30s. This opportunity enabled Ofelia to buy her own house, make pension contributions, enjoy vacations, and travel throughout Europe. These experiences allowed Ofelia to "become someone different", to study and aspire to a role distinct from what she had done all her life in Colombia. Today, Ofelia is a coordinator at an IKEA store in Spain, and her life has changed significantly. Witnessing Ofelia's amazing journey prompted Salua to wonder when domestic workers in Colombia would gain access to similar opportunities.

Upon her return to Colombia, still carrying her reflections and eagerness to explore new career pathways in the intersection of technology and social impact, an unexpected opportunity presented itself. A recruitment agency approached Salua with a prospect to join a startup in its incubation phase, named Symplicifica, founded by Camilo Mendez. For her, this seemed like a synchronistic alignment, offering a platform to combine her passion for technology and social impact. It resonated with her reflections on the possibilities and



opportunities for domestic workers in Colombia during her encounter with Ofelia in Spain. In June 2016, Salua was not just offered the COO position within the company but invited to join as a co-founder, charting an exciting course for her career.



In my previous job, I had very little room to propose ideas. When I joined Symplifica, my doer spirit and creativity expanded. I had the opportunity to talk with employers and domestic workers and integrate their insights into the product design. I had always thought my strength lay in planning and executing. However, upon joining Symplifica, I realized that my true power lay in the combination of strategy and execution. The act of designing and doing has been one of the most powerful experiences I have discovered on my journey to becoming an entrepreneur.

Salua García, Symplifica's CEO



Symplifica's roots can be traced back to InQLab, a Bogota-based incubator specializing in early-stage, high-growth, technology-oriented ventures within Colombian and Latin American markets. The idea for Symplifica was conceived of by Camilo Mendez, an engineer with a master's in information systems from Carnegie Mellon University. The strategic vision for Symplifica was established through InQLab's foundational support, which included capital raising and the facilitation of business networks. With Camilo and Salua's digital tech prowess and the inspiration drawn from Ofelia, Symplifica was shaped with a clear mission - to formalize payroll and benefits management for domestic workers in Colombia.

Upon receiving the backing of InQLab's partners, Camilo and Salua initiated merger talks with Larnia, a startup with similar objectives to Symplifica. The mutual agreement dictated that the more robust company would absorb the smaller one, which brought Omar Perdomo, the owner and CEO of Larnia, into the Symplifica team. He assumed the CEO role at Symplifica by the end of 2018, succeeding Camilo Mendez, who took a step back from his role due to personal reasons. Today, Camilo continues contributing to Symplifica's strategic direction as an active member of the company's board of directors.

Omar Perdomo, the current co-CEO of Symplifica, is an industrial engineer with a master's degree in politics and international studies from Newcastle University. He brought to the team a potent blend of business acumen and technical savvy. His engagement with tech-centric businesses dates to the early 2000s, and his professional journey started at Microsoft, where he contributed significantly to developing the cloud computing business



in Colombia. This experience birthed a partnership that led him to co-found his first company in 2013, specializing in software development and infrastructure technologies. In 2016, driven by a passion for creating a positive impact in the domestic work industry, Omar founded Larnia. Although Larnia had its share of triumphs and trials, Omar and his partners realized that a merger with Symplifica would amplify their impact and market share. As the co-CEO of Symplifica, alongside Salua, he has employed his experience to understand the best product-market fit, conduct comprehensive testing and focus group activities, and, more importantly, contribute to driving Symplifica's overall success and impact.

3.3 Business model

Services



Symplifica Hogares (households): This service offers households a digital platform and support to enroll domestic workers in social security systems and streamline payment processes. The platform automates monthly payments and provides flexible payment options, including credit card payments, for a convenient customer experience. Additionally, it includes a calculation tool to accurately determine the contributions households should make for legal work benefits, such as vacations, Christmas bonuses, and year-end settlements based on the number of working days.

Prior to formalizing employment contracts, Symplifica undertakes a comprehensive review of all social security systems to determine the domestic worker's existing affiliations. The company, for a one-time set fee (US\$20), ensures that domestic workers gain access to all social security benefits they need (such as health insurance, occupational risk insurance, pension, severance fund, and the family compensation fund), relieving employers of the administrative burden associated with this task.

After completing the affiliation process, households can choose between two subscription plans according to their needs. "Plan Flexi" is designed for households with domestic workers employed for 1 to 4 days per week. "Plan Full-Time" is tailored for households where domestic workers are on duty for 5 or more days per week. To ensure ease of payment, Symplifica offers an automated debit system. Upon subscribing to either plan, customers voluntarily authorize Symplifica to directly debit the subscription costs from their bank accounts.

Symplifica Prime: Introduced in March 2023, Symplifica launched a special service targeting employers with multiple domestic workers. This service provides discounts on key offerings, including affiliations to the social security system, Symplifica's monthly fees, and select products from their online store, such as medical examinations. This service also incorporates an educational component, providing domestic workers with access to training courses on relevant skills like cooking, cleaning, and food handling. In response to the rapidly growing demand for caregiving services among households, Symplifica is also expanding its content portfolio to include curated courses on childcare and care for elderly people that equip domestic workers with necessary skills, further improving Symplifica's value proposition.



Simplifica Trabajador@s: In 2022 Simplifica launched an application dedicated entirely to domestic workers. Once customers subscribe to a plan, their domestic workers automatically gain free access to the Simplifica Trabajador@s app. This all-in-one app organizes all documentation pertaining to their formal employment – from contracts and payroll vouchers to proofs of payment of social security contributions, and others such as severance, Christmas bonuses, annual uniform supplies, and medical leave. By facilitating affiliation with family compensation funds, Simplifica ensures domestic workers can access public housing allowances, recreation, and entertainment for themselves and their families.

Simplifica has strategic business and commercial partners to offer supplementary benefits. These span across various domains, including financial support in the form of microcredits or loans, insurance, educational opportunities such as high school completion or English language courses, 24/7 mental health support for workers and their families, and job search assistance.

Complementing the app, Simplifica has also created a free private Facebook community designed to foster interaction among domestic workers. This community, with almost 6,000 active domestic worker members, serves as a platform for mutual support, sharing concerns, and accessing relevant content. Given the often solitary nature of domestic work, this virtual community serves to connect individuals, reducing isolation, and promoting a shared sense of belonging.

Online store: The store became popular during the pandemic offering a range of products and services aimed at meeting its customers' base needs. Employers can purchase items for their domestic workers, including uniforms, shoes, medical examination packages, and COVID-19 tests, among others. Additionally, Simplifica provides services like background security checks and legal consultations to support employers in their labor-related queries. Simplifica has also forged key partnerships, for example with manufacturers of menstrual cups, allowing domestic workers to purchase these menstrual products at a discounted rate.



Value proposition

Simplifica's value proposition embodies its tagline: "The human resource department of households". This means that the company extends its offerings beyond merely facilitating the formalization of employment relationships between domestic workers and their employers. It aims to enhance the quality of life and personal development of domestic workers by:

- Offering additional services like psychological counseling.
- Providing access to educational and financial opportunities through partnerships with fintechs, like Kuepa, and other organizations such as Open English.
- Promoting value and dignity through advocacy and community building. The company actively boosts the recognition and appreciation of domestic workers through social dialogues and strategic marketing campaigns in national media. This involves challenging and reshaping societal perceptions of domestic work, and positioning it as an essential profession deserving of respect and fair



treatment. In addition, the company fosters a sense of community and mutual support among domestic workers by creating and nurturing digital safe spaces where they share experiences, concerns, and find collective solutions, further reinforcing their sense of value and dignity in the workplace.

Employers also gain numerous advantages from Symplifica's services. Not only does it liberate them from the time-consuming tasks associated with formalizing the employment of domestic workers, but it also shields them from potential lawsuits and provides legal counseling for labor-related issues. So, in essence, Symplifica serves as a one-stop solution, seamlessly managing the professional relationship between employers and domestic workers in accordance with current law while providing quality of life for both parties.



Competitive advantage

Symplifica's competitive advantage lies in its streamlined, technology-driven approach to formalizing existing employment relationships. This focus distinguishes Symplifica from competitors and establishes its unique positioning in the market. Some advantages that set Symplifica apart include the following:

- **Speed and Efficiency:** Starting the formalization process with Symplifica takes less than 20 minutes, a considerable reduction from the weeks it could take when doing it individually or through traditional agencies.
- **Specialized Focus:** Unlike other organizations, Symplifica does not recruit domestic workers for household services. Instead, their sole aim is to formalize pre-existing employment relationships, ensuring an efficient and technologically enhanced experience for domestic workers and employers.
- **Customer Service Excellence:** Where many competitors fall short, Symplifica excels in providing a straightforward process accompanied by superior customer service. Supported by a robust and responsive team, Symplifica ensures prompt responses to customer needs, setting a higher standard for customer care within the industry.



Pricing and payment methods

Symplifica Hogares operates under a subscription model with three different pricing plans, collecting automatic payments either monthly or bi-weekly through registered credit or debit cards. As part of the terms and conditions, customers must consent to and authorize social security contributions for their domestic workers and Symplifica's management operation fee. They may also give the company permission to handle salary payments for domestic workers. To facilitate this, Symplifica has partnered with leading electronic wallets in Colombia, including Daviplata and Nequi. Pricing plans are as follows:

Prime (For households with various domestic workers): US\$42.28 per month

Full-Time (5 days and more): US\$11.49 per month

Flexi (1-4 days): US\$5.87 per month

In addition to the subscription plan, all customers are required to pay a one-time fee of US\$20.15. This charge covers Symplifica's personnel cost of affiliating the domestic worker into the social security systems.



Revenue
streams
(as at Q1 2023)

Simplifica has leveraged a diversified revenue model with a strong emphasis on active subscriptions, currently at 11,700 (as of June 1/23). The company's revenue is generated through four primary streams:

Subscriptions (60%): Most of the revenue comes from their three-tiered subscription model: Prime, Full-Time, and Flexi.

Transaction Fees (12%): A portion of revenue is derived from transaction fees, related to salary payments made through partnered electronic wallets.

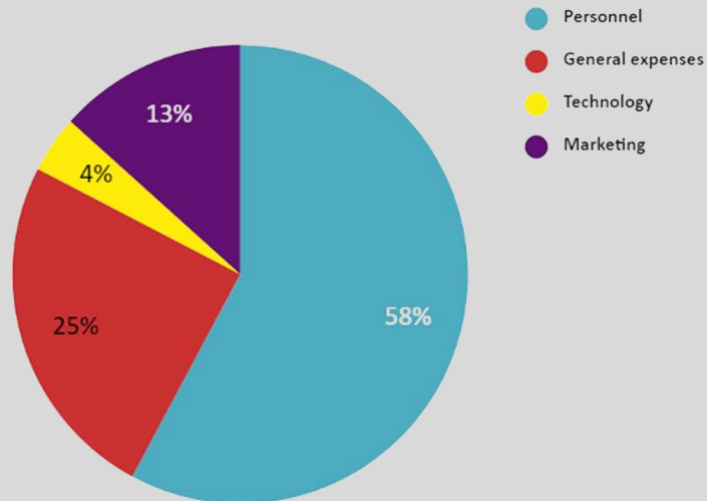
Affiliation Fees (14%): These one-time fees, charged for integrating domestic workers into social security systems, add a significant amount to the revenue.

Online Store (2%): A small fraction of the revenue comes from their online store, showcasing the company's diversification efforts.



Cost
structure

In 2022, Simplifica's cost structure consisted of 58% personnel expenses, 25% general expenses, 4% technology expenses, and 13% marketing expenses. The largest portion of the costs went towards personnel, reflecting the company's prioritization of its employees. General expenses covered operational costs, while technology expenses focused on investing in advanced tools and infrastructure. Marketing expenses were allocated to promote Simplifica's products and services.



3.4 Simplifica's growth story

After a period of exploration to find the right product-market fit to increase formalization and positively impact domestic workers, Simplifica refined its strategy to focus on becoming the HR department for households. This recognition came from understanding the need for households to formalize domestic workers, just as companies do. The challenge



was to provide the necessary tools to make this process seamless. To achieve this, Symplifica broadened its perspective, incorporating not only the household's needs but also the domestic workers' views. This 360-degree vision revealed that focusing solely on formalization would limit Symplifica's impact, leading the company to discover its true product-market fit.

From this standpoint, Symplifica began leveraging relationships between households and domestic workers operating under verbal agreements, guiding them toward transitioning to formal work relationships. When Symplifica integrated the perspectives of domestic workers, the importance of enhancing its value proposition as the household HR department became more evident, leading to the expansion of its services beyond formalization.

To deepen its positive impact on domestic workers' lives, the company began developing partnerships with educational institutions and other organizations, adding new offerings like education programs and financial services to its portfolio. As the benefits and information for domestic workers grew on the platform, Symplifica decided to consolidate all these features into one dedicated site - launching the Symplifica Trabajador@s app in 2022. The app, open to all domestic workers, including those working informally and unaffiliated with Symplifica, offers free features such as information on domestic workers' rights, access to courses, and discounts. This strategy has enabled Symplifica to extend its reach across the country significantly and, only during the first two weeks of its launch, the app registered more than 12,000 downloads.



I remember personally going with the sales representative to the employers' households to sell our services in person because I wanted to learn firsthand what questions people were asking. Often, as we were leaving, the domestic worker would approach us to ask the questions she did not dare to ask in front of her employer. That's when I began to comprehend the dynamics of labor relations within households. I started to understand the problem at a deeper level and realized that what we were offering was more than just a transaction.

Salua García, Symplifica's CEO



Symplifica's financial performance over the years exhibits consistent growth across several key indicators. The company's revenue has shown a consistent upward trajectory over the

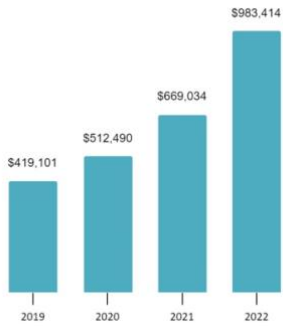


years, increasing by 22.3% from 2019 to 2020, 30.5% from 2020 to 2021, and 47% from 2021 to 2022. This revenue growth aligns with the surge in active subscriptions, which climbed from 84,197 in 2021 to 115,595 in 2022. Additionally, Symplifica's gross profits have been impressive and steady, registering growth rates of 35.9% from 2019 to 2020, 41.8% from 2020 to 2021, and a further 39.5% from 2021 to 2022.

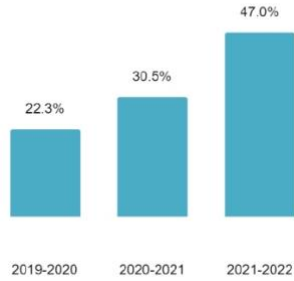
When looking at Symplifica's customer lifetime value (LTV) metrics, data reveals variations from 2019 to 2022. The LTV started at US\$911,907 in 2019 and gradually grew to US\$919,035 in 2020, showcasing a stable growth trend. However, 2021 witnessed a significant surge in LTV, reaching a remarkable US\$1,165,763.



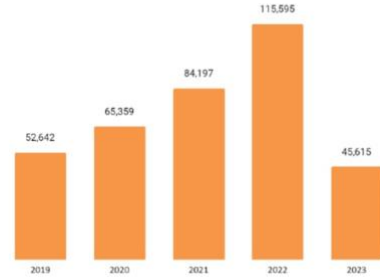
Revenue in USD per year



Revenue growth per year





Active subscriptions per year



3.4.1 Other financial indicators

INDICATORS	2019	2020	2021	2022
Gross profit	\$308,889	\$419,667	\$593,600	\$828,089
Gross margin	73.74%	81.40%	88.83%	84.21%
%Churn	3.3%	3.3%	2.8%	4.3%
LTV	\$911,907	\$919,035	\$1,165,763	\$762,476

3.5 People and governance

2X Criteria ¹⁴	
 Leadership and entrepreneurship	 Employment
<ul style="list-style-type: none"> ● 50% female founders (1 woman, 1 man) ● 40% board of directors are female ● 65:45 gender split in its leadership with women holding most key roles such as CEO, COO, CFO, New Customer Manager, Chief Experience Officer, People and Culture Manager. The remaining senior roles, including CTO, Business Intelligence Manager, Expansion Manager for Mexico, and Sales Chief are held by men. 	<ul style="list-style-type: none"> ● 129 people make up Symplifica's workforce: <ul style="list-style-type: none"> ○ 95 full-time employees in Colombia: 52 women and 43 men ○ 29 temporary hired in Colombia: 21 women and 8 men ○ 5 full-time employees in Mexico: 4 women and 1 men ○ 5% are from other nationalities different to Colombian ● Overall, 60% of the workforce are women and most (45%) are full-time employees hired by Symplifica. ● The company boasts diverse roles such as Supervisors, Analysts, Sales and Marketing Representatives, Customer Support Representatives, Technology Developers, and Commercial Representatives, among others. Every area maintains a balanced gender representation, except for the technology team - the largest within the company - where women comprise approximately 10% of the workforce. ● In the first quarter of 2023, the voluntary resignation rate stood at 1.28%, which is average for the company.
<p>Symplifica is a gender-transformative business.¹⁵</p>	

In 2022, Symplifica set up an ESG committee under the guidance of one of its investors, ALIVE Ventures. The committee has helped the company devise various policies related to intellectual property, anti-corruption, anti-bribery, and handling of queries and complaints.

Regarding HR policies, Symplifica has adopted the following for its internal team:

Family support policy: This policy is available to all employees, regardless of gender, sexual orientation, age, religious beliefs, or marital status. It offers benefits such as parental or family leave, work flexibility, and a family day each semester. Moreover, Symplifica extends 24/7 general medicine and mental health consultations to its employees, collaborators, and their immediate families. The policy covers current and future parents, caregivers for elderly people, or people dealing with chronic illnesses or disabilities.



Recruitment and selection policy: Symplifica prioritizes inclusion and gender diversity in its hiring process.

PQRS System: An internal system to address anonymous (or not) Petitions, Complaints, Suggestions, and Claims from the workforce.

All of Symplifica's policies are anchored in formal commitments and come with explicit responsibilities backed by appointed personnel to ensure their meticulous execution. These policies are systematically reviewed at monthly gender committee meetings, where progress on policy indicators is discussed. With each policy metric tied to a specific action plan, the company continually renews its commitment to policy effectiveness and diligent implementation. These meetings, featuring representation from ALIVE Ventures, are guided by Value for Women. To keep the company's policies fresh and front-of-mind for employees, Symplifica uses a multi-channel approach, providing access to all policies through the company's culture book, regular newsletters, and informative videos. In addition, all policies are made accessible to employees through the company's culture book, regular newsletters, and informative videos. Symplifica also carries out continuous campaigns to keep the policies fresh in employees' minds, utilizing engaging methods such as "Did you know?" initiatives.

Furthermore, Symplifica is investing in developing an ethics code, equal pay policies, and employee career development initiatives. The company's ESG committee continues to advise on adopting policies already applicable to domestic workers but not yet implemented internally at Symplifica. These include policies against sexual harassment, discrimination, mistreatment in work relationships, and gender-based violence. Similar to existing policies, all new ones will come with specific progress monitoring indicators and will integrate lessons learned from the community committee, which oversees investigations regarding issues faced by domestic workers.

3.6 Support received to date

Symplifica has gained momentum with the assistance of financial and non-financial support received over the past several years, which has been key to enhancing the company's growth and scalability. Among other benefits, this substantial backing has contributed to optimizing Symplifica's operational performance and strengthening the customer experience.



Financial	
InQLab	Initial funding from InQLab for approximately US\$550K in 2016.
Open Society Foundations	US\$30,000 donation from the Open Society Foundations, earmarked for specific use. The terms stipulated that the donation's goal had to be reached between November 2021 and April 2022.
Soros Economic Development Fund, Acumen LatAm Impact Ventures (ALIVE), the Ark Fund, and InQLab.	<p>In January 2022, Symplifica secured a pre-Series A investment of US\$3 million. This round was led by the Soros Economic Development Fund, Acumen LatAm Impact Ventures (ALIVE), the Ark Fund, and InQLab.</p> <p>The release of funds was contingent upon achieving two milestones: reaching 10,000 active subscriptions and launching the Symplifica Trabajador@s app. Both targets were successfully met.</p> <p>This pre-Series A investment has been instrumental in boosting Symplifica's expansion plans. It has empowered the company to amplify its operations, serve more households, and extend its reach to a larger customer base. Furthermore, it has facilitated the launch of new service lines, bolstered the team, enhanced the platform's technology, and improved customer service.</p>
ALIVE	ALIVE backed Symplifica through a bridge financing round in Q2 2023, ensuring the company's capital requirements are met for the forthcoming 18 months (amount undisclosed).
Non-Financial	
ALIVE Ventures	This organization provided technical assistance for strategic financial planning, establishing ESG goals, implementing gender-focused policies under the guidance of Value for Women, and carrying out an impact evaluation by 60 Decibels.

<p>Open Society</p>	<p>They've offered advice on structuring the company's core business and culture, and guided Symplifica in filling specific top management roles with a gender lens.</p>
<p>Media-for-Equity Agreement</p>	<p>In 2022, Symplifica negotiated an agreement with Caracol TV and Blue Radio. These media outlets provide prime-time advertising in exchange for a 7% equity stake in Symplifica, valued at US\$500K.</p>
<p>Endeavor Colombia</p>	<p>The organization incorporated Symplifica into its ScaleUp Program in 2022.</p>
<p>United Nations Development Program (UNDP)</p>	<p>The UNDP extended support to Symplifica through its 2022 Growth Stage Impact Ventures Program.</p>
<p>Google Ventures Accelerators</p>	<p>Backed by Google Developers Launchpad, this initiative offered a three-month program to Symplifica in 2018, aimed at boosting its growth.</p>
<p>Apps.Co</p>	<p>An initiative by Colombia's Ministry of Information Technologies and Communications, it offered digital entrepreneurship support to Symplifica in 2020.</p>
<p>InQLab</p>	<p>In Symplifica's early stages, InQLab provided networking opportunities with potential investors and support in proving the business model.</p>

3.7 Challenges to growth and key business drivers

Challenges to growth



Technological and operational	As an impact-driven startup, Symplifica has navigated some technological and operational challenges. In its early stage, the company faced difficulties migrating to a new platform to meet increasing demand, which momentarily disrupted reporting and billing processes. Symplifica also struggled with the bureaucratic formalization processes for domestic workers and the integration of an online payment system. To address these issues, the company used public relations strategies to build its credibility and explored alternative operational models. These measures led to a successful integration with the social contribution payment operator, PILA, and the incorporation of credit card payment options into the Symplifica platform.
Competition	Over the past several years, competition from other digital platforms offering domestic worker formalization services has intensified in the Colombian market. While none of these businesses match Symplifica's unique value proposition of not only focusing on social security contributions but also extralegal benefits, customers sometimes choose the option with the lowest fee. This choice underscores the ongoing challenge of transforming social norms around domestic workers' rights and formal employment. Furthermore, the economic downturn during 2023, coupled with labor reforms, has led some households to reduce expenses, including domestic worker services. In response to these labor reforms, Symplifica's teams are carefully assessing potential impacts and actively participating in discussions about how the labor reforms and the economic downturn could affect the formalization of domestic work in Colombia and the company's larger Latin American expansion plans.
Breaking into the Mexican market	Breaking into the Mexican market has introduced unique challenges for Symplifica, including cultural differences and the need for local context adaptation, specifically the various social protection systems of the federal government and its variations according to federal states. To facilitate market entry, Symplifica acquired BAMBA's customer portfolio in 2022 (as described on its LinkedIn profile, BAMBA is the first platform in Mexico connecting over 30 million employers, home workers, vulnerable workers, and self-employed individuals via protection services aimed at bolstering three pillars of development: health, work, and finance). As Symplifica continues to familiarize itself with the Mexican market's intricacies, the company is researching and fine-tuning its product to best serve local customer needs and navigate the social protection landscape.

Key business drivers

Supportive legal frameworks across Latin America	A significant push to Symplifica's operations has been the conducive legal landscape shaped by the ratification of ILO Convention No. 189 and the implementation of corresponding national laws, especially in Colombia and Mexico. This progressive legislative environment actively encourages formalization of domestic workers'
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	<p>employment and underpins Symplifica's mission, providing a solid ground for Symplifica to flourish.</p>
Forging of strategic partnerships and collaborations	<p>In addition, Symplifica's growth has been amplified through strategic alliances with organizations such as Alive Ventures, Open Society, and UNDP. These collaborations have granted the company access to crucial technical support, insightful guidance, and necessary resources, all contributing to Symplifica's expansive development. Partnerships with businesses and commercial allies further extend Symplifica's reach, enabling it to offer curated educational and financial services that cater to the needs of domestic workers and their families.</p>
Effective media outreach	<p>Another major business driver for Symplifica has been its media outreach, particularly through collaborations with Caracol TV and Blue Radio. This strategy has played a critical role in enhancing the company's visibility and connecting Symplifica with its target audience - domestic workers and potential employers.</p>
Cultivation of robust investor relations	<p>The cultivation of solid investor relationships has been fundamental for Symplifica's journey. Investors serve not just as a financial backbone, but also as a source of savvy strategic guidance, lending credibility to the company in the market. Therefore, the relationships Symplifica has nurtured with its investors are more than financial agreements, they are strategic alliances contributing significantly to its sustainable growth.</p>



4 - IMPACT DEEP DIVE

4.1 The impact theory of change of the enterprise

Mission statement

By formalizing employer-employee relations, Simplifica will contribute to broaden social recognition across the region of the labor rights of domestic workers, resulting in improved pay and benefits.

Theory of change

Simplifica operates with a clear theory of change aimed at improving domestic workers' standard of living and economic independence, and advancing the care economy. Their strategic approaches focus on recognition, reduction of barriers, and provision of rewards for domestic workers, leading to long-term improvements in their quality of life and labor rights. By formalizing domestic work and advocating for better policies, Simplifica seeks to ensure improved financial inclusion for domestic workers. Some other envisioned results are increasing job security and satisfaction, and enhancing domestic workers' access to financial services and educational opportunities, contributing to their overall well-being and growth. With a commitment to innovation and strategic partnerships, Simplifica envisions a more equitable and sustainable future for domestic workers and employers.

Long-Term Result(s)	Improved quality of life of paid domestic workers as a result of increased economic independence and upholding of their labor rights		
Medium-Term Result(s)	Greater formalization and guarantee of labor rights for domestic workers	Domestic workers feel more secure and satisfied with their jobs	Greater financial inclusion, purchasing power and improved social welfare for domestic workers and their families
Short-Term Result(s)	Increase in no. of domestic workers who are issued formal contracts, including benefits	Increase in no. of domestic workers with higher incomes	Increased access to financial services, education opportunities, entertainment, and other extra-legal benefits for domestic workers
Product(s)	Simplifica platform and Simplifica Trabajador@s assist in contract signing and ensure both legal (for example, health and insurance) and extra-legal (for example, educational and financial) labor benefits are followed		
CEKH Impact Axes	Reward		



At the core of Symplicifica's theory of change is the "Reward" impact axis, focused on equipping domestic workers with economic independence and essential skills. The long-term result seeks to improve the quality of life for domestic workers by formalizing their work, ensuring decent conditions, and providing benefits to enhance financial inclusion and income levels. Through these initiatives, Symplicifica aims to guarantee greater formalization and labor rights for domestic workers, contributing to their sense of security and job satisfaction.

Long-Term Result(s)	Symplicifica's customers and domestic workers enjoy more free time to pursue other productive and recreational activities		
Medium-Term Result(s)	Lowered risk of being sued for employers, as affiliations to social security systems are made and payments are deposited to domestic workers on time	Increased affiliations to social security systems for domestic workers and ensured access to available benefits and labor rights	Reduced mental burden and increased efficiency among domestic workers to perform their jobs
Short-Term Result(s)	Reduced time spent on managing payments, calculating salaries, and transactions by employers	Reduced time spent on calculating benefits payments and new developments on salaries (including overtime and hours not worked) for domestic workers	Reduced time spent on planning and cooking than before
Product(s)	Automatic debits and reminders for employers	Tech-enabled process to formally onboard domestic workers onto the Symplicifica platform and consequently access available national-level social security systems (this includes health coverage, pensions, insurance including occupational accident and job loss insurance)	Symplicifica Kitchen: an AI-powered app that assists domestic workers with ingredients that are available at customers' homes to make quick recipes
CEKH Impact Axes	Reduce		

The "Reduce" impact axis is crucial to Symplicifica's theory of change, aiming to simplify processes for domestic workers and employers. In the long term, Symplicifica envisions freeing up more free time for domestic workers and customers to engage in other activities. Through streamlined payment processes and innovative solutions like the "Symplicifica Kitchen" app, Symplicifica seeks to reduce administrative burdens, ensuring timely payments for domestic workers and efficient kitchen planning.



Long-Term Result(s)	1. Greater dignity and visibility experienced by domestic workers 2. Increase in investments and greater recognition, respect, and value demonstrated towards domestic workers' contributions by policymakers, researchers, investors, employers, and other relevant stakeholders	
Medium-Term Result(s)	Positive changes in attitudes and behaviors towards domestic workers	1. Positive changes to domestic workers' confidence, self-esteem, and sense of job and economic security 2. Improved positive and dignified behaviors towards domestic workers by employers
Short-Term Result(s)	Policymakers, investors, academia, and other relevant stakeholders are sensitized and are more knowledgeable about the needs, aspirations, and requirements of domestic workers	1. Increase in awareness among employers on the importance of labor formalization for domestic work 2. Increase in awareness and knowledge among domestic workers about a platform (Symplifica) that is able to facilitate access to social security and benefits for them
Product(s)	Participation of Symplifica's senior team members in national and international forums	National media and streaming campaigns organized by Symplifica to create awareness of domestic workers' rights and the value of domestic work and explore ways to reward domestic workers
CEKH Impact Axes	Recognize	

Symplifica's theory of change prioritizes the "Recognize" impact axis, seeking to promote greater dignity and visibility for domestic work. The long-term result envisages transforming attitudes and behaviors towards domestic workers, fostering increased recognition, respect, and value demonstrated by stakeholders such as policymakers, investors, employers, and researchers. Through advocacy efforts in national and international forums and media campaigns, Symplifica's team aims to sensitize relevant stakeholders, promoting a dignified and rewarding environment for this vital workforce.

4.2 Current impact and measurement practices

The significant positive impact of Symplifica on the lives of domestic workers in Colombia has been substantiated by a 2022 impact measurement study. This study, commissioned by ALIVE Ventures and conducted by 60 Decibels, surveyed 202 domestic workers out of the 2,000 registered on Symplifica's platform in Colombia. Findings revealed an overview of Symplifica's domestic workers and their perceptions of Symplifica's services.¹⁶

Overview of Symplifica domestic workers' characteristics

Among respondents:

- 99% were female.
- 59% were from low-income communities (on average earning less than US\$11 per day).
- 71% had a high school education or less.



- 47% had never accessed formal job benefits before.
- 56% were single mothers.
- 74% gained access to maternity leave for the first time.

Perception of Symplifica's benefits and personal impact

Among respondents:

- 90% perceived the benefits provided by Symplifica as important.
- 65% reported an improvement in their quality of life since joining the platform.
- 61% reported improved knowledge of labor rights as a result of Symplifica's work to make information accessible.
- 93% reported feeling confident in their ability to exercise their workers' rights if needed.

Overall, these findings suggest that Symplifica is reaching a population that previously did not have access to digital tools to perform their work. The finding that 9 out of 10 domestic workers feel they can exercise their workers' rights, suggests Symplifica is more than a worker formalization platform, but a transformative solution that moves women from being marginalized to empowered citizens. Providing access to maternity leave has an outsized positive impact on women and their children, and the impact of Symplifica's services extends beyond formalizing work and notably improves the quality of life of domestic workers in Colombia.

Symplifica also educates its users on indirect benefits they are eligible for by mapping out all subsidies domestic workers can receive through the national social security systems. Symplifica has also contributed to collecting US\$20 million in social security payments, which helps governments and social welfare institutions to guarantee adequate service provision.

In order to monitor their products and services quality, Symplifica has adopted robust measurement practices, capturing:

- Net promoter score¹⁷ to rate the customer's experience, which is captured each time a contract is terminated or when a customer leaves the platform.
- Customer satisfaction through surveys administered by Hotjar and Hotspot upon service completion.
- Platform interaction index that measures how easy it is to use and interact with the platform at the end of every interaction.
- The use of its extralegal benefits. At the moment, Symplifica has provided 20,000 extralegal benefits through Symplifica Trabajador@s.



Internally, the organization measures:

- Employees' perception of the company's working environment and culture, captured twice a year.
- Symplifica applies employee satisfaction surveys with a gender-based approach that is designed and applied by Value for Women.
- Based on the survey from the Ranking PAR for Gender Equality,¹⁸ which measures gender equality within organizations, Symplifica climbed 288 positions in 2022.

4.3 Domestic workers' own experiences of the solution

Understanding the social context, emotional needs, preferences, and barriers faced by the care and domestic workers enrolled with Symplifica is key for potential investors to understand where Symplifica 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 Symplifica domestic workers, with the aim of helping investors make informed investment decisions.

To inform this analysis, the research team conducted 15 in-depth interviews with domestic workers who use the Symplifica platform to gather insights into their lived experiences and realities.¹⁹ 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 types of workers or "personas" and their journey working with Symplifica. This section concludes with a qualitative overview of Symplifica's impact, as experienced by domestic workers in their daily lives.

4.3.1 Domestic workers' snapshot

Symplifica's workforce consists of female care and domestic workers who are onboarded to the Symplifica platform. These domestic workers offer various services such as housekeeping, childcare, care for people with disabilities, care for elderly people, and farm labor either on a part-time or full-time basis. Full-time workers work up to 48 hours a week, with schedules varying among them: some work 10-hour days for 5 days, while others opt for 8-hour days from Monday to Friday. Each full-time worker serves

only one family. Part-time domestic workers have varying weekly hours, leading to earnings below the minimum wage. They might work in a single household or multiple ones. Typically, older domestic workers nearing retirement prefer to work as part-time workers for shorter work hours.

Symplifica actively collaborates with its roster of employers to facilitate domestic worker registration and enable access to formalized systems, including insurance,



social security, pensions, and other legal and health benefits. The domestic workers represent a mature and experienced workforce, with a fairly common demographic profile. The age range of the interviewed domestic workers is 32 to 53, with an average of 42, and only a fraction being over 50 years old.

The majority of the interviewed domestic workers were single mothers with children under 18, while a smaller proportion were single women without children. The average family size within the sample was 3-4 members, with a minority in free unions and only one reported to be married. The data reveals most workers have dependents or family obligations, often balancing paid and unpaid care work.

All those interviewed had at least a primary school education, reflecting basic literacy skills within Symplifica's workforce. Half of them had pursued education beyond high school, such as a bachelor's degree or a technical baccalaureate, showcasing that Symplifica appeals to women across different educational backgrounds.

The monthly income of Symplifica's domestic workers ranges between 500,000 COP (US\$113)²⁰ and 2,000,000

COP (US\$450). On average, they earn 1,199,143 COP (US\$270), slightly higher than Colombia's minimum wage of 1,160,000 COP (US\$261). The lower income figures are primarily reported by part-time workers, reflecting fewer working hours rather than any disparity on Symplifica's part. A closer look reveals a distinct income gap between the full-time workers, who earn 1,377,778 COP (US\$310), and their part-time counterparts earn 877,600 COP (US\$197). Thus, those working full-time earn nearly 1.5 times more than their part-time peers. The flexible hours offered by Symplifica enable domestic workers to adapt their working hours according to their earning needs.

Overtime was commonly reported as a way for the domestic workers to supplement their income, and a majority of the sample reported working extra hours. More than half of the sample reported receiving compensation for their overtime, while a small minority reported not receiving compensation for overtime. Further conversations about the dynamics and management of overtime could shed more light on its importance as an incentive for domestic workers.



They always reward me when I get to the end of the month, they pay me, and I tell them, "Oh, what's that for?". On that side, thank God there are people who know how to value the worker, not just because she is a maid, no, they treat you the same as any other person.



Part-Time Worker, 53 years old

Domestic workers at Symplifica learned about the platform mainly from their employers, who enlightened them about the legal and social perks they could avail. While some joined because of these benefits, others were nudged by their employers who favored association with the platform. Since joining Symplifica, workers have reported higher wages, a lighter care responsibility at their own homes, and an elevated sense of self-worth. These are described below in the impact table.



4.3.2 Domestic worker personas

The qualitative research revealed two distinct domestic worker personas based on their type of employment. The two types of workers are:

- ❖ **Full-Time Worker.** This persona represents domestic workers who work 8 hours daily for a single household on the Symplifica platform. Their key incentive for staying with Symplifica is the timely payment of their social and health insurance, along with the compensation fund. Their services usually include both maintenance and general housekeeping.
- ❖ **Part-Time Worker.** This persona works part-time, serving multiple families on different days. Their main reasons to affiliate with Symplifica include a formalized contract, legally mandated benefits (often not extended to part-time workers), and the guarantee of bi-weekly payments. Their primary services involve general housekeeping services.

These distinct personas are created through a qualitative understanding of domestic workers' characteristics, motivations, beliefs, and behaviors. Each persona is descriptive, actionable, and unique reflecting challenges and awareness of the benefits they receive from Symplifica. Thus, these personas offer a snapshot into why and how domestic workers choose to affiliate with Symplifica. By understanding these nuances, the Symplifica team can better tailor their services to resonate with and cater to the domestic workers' needs.

Below is an in-depth examination of these two distinct personas.



Isabella's Bio

Aged 41, Isabella has expertise in childcare and housekeeping. As a single parent, her world revolves around her 12-year-old daughter. Her quest for a job with health insurance benefits for both her and her child led her to her current position.

Through Symplifica, Isabella works 8-hour shifts for 6 days a week and earns about 1,377,778 COP (US\$310) per month paid biweekly.

Isabella Lopez

The Full-Time Worker

Demographic information (of the persona she represents)

Age: 32 - 50 years

Marital status: Single Mother

Children: 1 child, below 18 years

Education: Likely to have pursued a technical course

Income: About 1,377,778 COP (US\$331) slightly higher than Colombia's monthly minimum wage

Last job: General Housekeeping

Work type at Symplifica: General housekeeping and care services (care for children and people living with disabilities)

Motivation

Introduced to Symplifica by her employer, Isabella initially joined due to her employer's decision rather than personal preference. The employer opted for Symplifica because it eased their administrative burdens. It managed payments, paperwork, and other formalities, making the process seamless. However, her experience soon highlighted Symplifica's advantages from a domestic worker perspective. Isabella also believes that joining Symplifica has impacted the relationship with her employer positively as she feels like she's fairly treated, recognized for her work, and generally has a pleasant work environment.

With a formalized employment contract in place, Isabella felt assured of her legal rights. She highlighted a number of instances where Symplifica has made her and her daughter's life better. For example, timely insurance contributions and hassle-free access to health benefits eased her concerns. Regular salary payments also played a pivotal role, enabling her to manage finances efficiently and secure her daughter's educational future.

"Symplifica has helped me a lot because I have had my payment every two weeks, and that has helped me to organize myself better in my house, in my things, and to be able to save, to be able to structure my house better and to improve my daughter's studies."

Full-Time Worker, 39 years old

Isabella's perception of the benefits that she receives:

- Isabella works 48 hours weekly, divided into 8-hour shifts from Monday to Saturday.
- She frequently engages with the Symplifica Trabajador@s app, giving her in-depth knowledge of benefits like entertainment and housing subsidies and various trainings offered on the platform. She reported knowing about "Domestic Workers Day" through the app.
- While she might have had a contract in her past employment, she is more satisfied and confident about her contract with Symplifica. It clearly defines her salary, work hours, and benefits, all in accordance with the law.
- She is aware of the trainings offered by Symplifica and she occasionally attends the events hosted by them. She finds the material shared through the training helpful in her work, especially with regard to childcare.
- Overtime agreements with her employer either lead to additional monetary compensation or extra days off, reflecting her slightly above minimum wage earnings.
- Isabella is aware that she is entitled to 15 days of paid annual leave and 15 days of paid sick leave each year. While she believes she has a provision for maternity leave, she is unclear on the specifics. Additionally, she acknowledges receiving a Christmas bonus.



Gabriella's Bio

Gabriella is a 43-year-old woman who works as a part-time worker affiliated with Symplifica, specializing mainly in general housekeeping duties. She is a single mother with 2 children under 18. Gabriella first heard about Symplifica from her past employer. In her role, Gabriella aspires to be treated with the dignity and respect that every domestic worker deserves.

Through her association with Symplifica, she is employed 2-4 days weekly and clocks in around 8 hours each workday, depending on her assignments. Her monthly earnings amount to 877,600 COP (US\$213) per month which is lower than Colombia's minimum wage. She works for 40 hours a week, which is 7 hours short of the legal requirement for minimum wage eligibility. This, combined with her seldom working overtime, results in her earnings falling below the minimum wage threshold.

Gabriella Moreno

The Part-Time Worker

Demographic information (*of the persona she represents*)

Age: 35-55 years old

Marital status: Single

Children: 2 children, at least 1 below 18 years

Education: Likely to have completed primary school

Household income: A little more than 877,600 COP (US\$210) per month

Last job: Part-time worker providing general housekeeping services

Work type at Symplifica: General housekeeping

Motivation

Gabriella first learned about Symplifica through a previous employer who integrated their workers with the platform. What drives her commitment to Symplifica is the platform's recognition of part-time workers like her. Historically, workers like herself, serving different households on designated days and paid daily, often went unnoticed. Now, thanks to Symplifica, Gabriella not only receives her rightful benefits, including social and health insurance for herself and her children, but also feels a heightened sense of value for her work.

Symplifica's holistic approach to worker welfare further cements Gabriella's loyalty. The platform not only provides tangible benefits like entertainment subsidies, but also fosters a sense of community and belonging by commemorating occasions like birthdays, Mother's Day, and International Women's Day. Such gestures amplify her pride in her profession and reinforce her identity as a domestic worker. She now actively champions Symplifica and advocates for both domestic workers and households (employers) to join.

"Thanks to Symplifica, the people in my profession, those of us who work in family homes for days at a time, we have healthcare, we have pensions, we have things that we did not see before in people who worked in family homes. I have worked in family homes for more than 10 years and I have never had the opportunity to be paid for professional risks, pension, and subsidies for my son while working in family homes."

Part-Time Worker, 37 years old

Gabriella's perception of the benefits she receives:

- Joining Symplifica led to a noticeable boost in Gabriella's income. The shift from daily to bi-weekly payments has made financial planning, budgeting, and saving easier.
- Before Symplifica, her employment terms were based on verbal agreements. Now, with a formalized contract in place, she's confident of receiving her rightful payments and benefits per legal standards.
- Gabriella acknowledges the training opportunities Symplifica provides. However, due to her tight schedule and job commitments, she has not engaged in any training sessions to date.



- She knows she receives a “Prima” as a Christmas bonus, which amounts to half her monthly salary. Additionally, she understands she is entitled to vacation days based on her total days worked, though she is unsure of the exact number of days.







4.3.3 Journey maps







The personas are illustrative of how different domestic worker groups make decisions and take up the services offered by Simplifica. In the following section, journey maps are used to add additional detail to describe the step-by-step emotional experience that domestic workers undergo from their initial introduction to Simplifica to their eventual integration and utilization of its services.








Journey maps are a visual representation of the highs and lows experienced by current domestic workers as they engage with Simplifica. Journey maps can guide Simplifica to identify opportunities for improvement and ensure that the diverse needs, wants, and constraints of the domestic workers are considered in expansion and refinement of their services or reach.








The journey to using Simplifica starts when a domestic worker learns about its services, typically through their current employer. Both the employer’s motivations and the worker’s aspirations for personal growth and legal advantages drive this transition. During the recruitment phase, Simplifica assists households (employers) in transitioning both themselves and their domestic workers to the platform. In the skill-building phase, domestic workers harness their past experiences and Simplifica’s resources to prepare for their new contractual obligations. As they enter the working life phase, they focus on fostering ties with Simplifica, their employer(s), and familiarizing themselves with the app. In the final stage, domestic workers start championing Simplifica after recognizing its benefits and become staunch advocates for the platform, encouraging other households (employers) and domestic workers to affiliate with it.

Table 1: Symplifica Journey Map for Domestic Workers

Stage	 Activities	 Domestic worker goals	 Emotions	 Barriers	 Levers
Awareness	Discovery of Symplifica: Domestic workers come to learn about Symplifica through their households (employers), personal networks, or online platforms like Facebook.	Aim to understand the role that Symplifica will play in their future employment and learn more about the perks they might enjoy.	 Intrigued, Curious	<i>Lack of Information</i> Initial unfamiliarity with Symplifica can breed hesitation and doubts.	<i>Existing Information Networks</i> A robust network of domestic workers and enthusiastic Symplifica advocates aid in breaking the initial information barrier.

Stage	 Activities	 Domestic worker goals	 Emotions	 Barriers	 Levers
Enrollment to the Symplifica platform	<p>Documentation & information gathering: Domestic workers provide personal and professional documents listed below to Symplifica for verification before they can be recruited to the platform.</p> <ul style="list-style-type: none"> • Photocopy of their identity card • Civil Registry of children (if applicable) • House address and photos <p>Some households request Symplifica to facilitate a psychological assessment of the domestic workers they are considering hiring, for which they pay an additional fee. Not all households opt for this service. For these specific workers, Symplifica requires the following documents:</p> <ul style="list-style-type: none"> • Criminal records • Letters of recommendation from previous jobs • CV specifying where they live, their studies, and work experience <p>Verification process: Symplifica conducts home visits and psychological assessments of domestic workers <u>only</u> for those households that have explicitly requested and paid for these services.</p>	<p>Aspire to comprehend the recruitment process.</p>	 Interested and nervous	<p><i>Information gap</i> Most recruitment details are managed by the households (employers), and domestic workers may be somewhat uninformed.</p>	<p><i>Employer support</i> The employer facilitates all administrative tasks and ensures the worker is comfortable throughout the process. They handle all the paperwork, discussions, and some even accompany the workers for the contract signing with Symplifica.</p>

Stage	 Activities	 Domestic worker goals	 Emotions	 Barriers	 Levers
Working with Symplifica	<p>Contract formalization: Both households (employers) and domestic workers receive contracts via email signaling the start of their professional association with Symplifica.</p>	<p>To comprehend the domestic workers' entitlements and work benefits more comprehensively.</p>	 Happy		<p><i>Personal and familial benefits</i> Simplifica details the benefits such as access to social security, therapy, and a lawyer, among other things to the workers, enhancing job security and the workers' sense of value.</p> <p><i>Pre-set working hours</i> Domestic workers can decide whether they want to work full- or part-time and accept jobs accordingly.</p>
	<p>Onboarding & familiarization: Domestic workers delve into the details of their contracts, and explore the Trabajador@s app and its utilities. They want to use the app to increase their skills and experience.</p>	<p>To assess and evaluate Symplifica resources and establish a rapport with the platform.</p>	 Excited and cautious	<p><i>Data usage</i> Trabajador@s app usage can be costly due to data demands for continual use.</p> <p><i>Lack of experience</i> Newer domestic workers with limited experience may face challenges in managing a diverse clientele.</p>	<p><i>User-centric design</i> The app is intuitive, allowing easy access to contracts, benefits, and a feedback system. A few mentioned and appreciated having something called a "Purple Line"²¹ where women could report any emergencies including but not limited to violence or abuse.</p> <p><i>Growth avenues</i> Simplifica's training modules and discussions via the app provide a pathway for skill enhancement.</p>

Stage	 Activities	 Domestic worker goals	 Emotions	 Barriers	 Levers
	<p>Relationship building: Domestic workers also seek to build relationships with Simplifica and engage.</p>	<p>To have a good and sustainable relationship with Simplifica and the client households.</p>	 Excited but apprehensive	<p><i>Perception of bias</i> There are negative connotations surrounding the employer-employee relationship. In certain instances, domestic workers reported being perceived to be at a lower status than the household (employers) who hire them.</p>	<p><i>Dignity and support</i> Most workers reported being treated fairly by households (employers) and Simplifica. Even in cases of complaints, they can directly liaise with their employer, with Simplifica stepping in for necessary interventions.</p> <p>Open communication through the app and WhatsApp reinforces a feeling of acknowledgment and support</p>
Sustained engagement	<p>Feedback & advocacy: Recognizing Simplifica's impact on their lives, domestic workers champion the platform within their community.</p>	<p>Evaluate Simplifica's holistic impact on their lives and promote it actively among other domestic workers and households (employers).</p>	 Content and empowered	<p><i>Lack of information about continued affiliation</i> Domestic workers lack clear information on the procedure if they lose their job with the current household (employer). They would like to understand if they can retain their affiliation with Simplifica and whether the company will support them in their subsequent job search.</p>	<p><i>Increased self-confidence</i> Simplifica's recognition of the domestic workers increases their pride and self-confidence as well as reshapes societal perceptions about domestic workers.</p>

4.3.4 Symplifica's impact

This section presents the impact of Symplifica on domestic workers and their daily activities, based on their qualitative interviews. The quotes below are the domestic workers' own words.

All Symplifica domestic workers reported positive changes in their lives since starting to work at Symplifica. These changes have had a positive impact on their economic condition, sense of pride and self-confidence, and an overall increase in happiness relative to previous employers. The below qualitative evidence of change focuses specifically on the "reward" impact pathway of Symplifica's work.

Qualitative evidence of theory of change

Long-term result(s):	LTO1: Improved quality of life of paid domestic workers as a result of increased economic independence and upholding of their labor rights
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"I have never been officially affiliated with EPS²² before Symplifica since I have always had informal jobs. Typically, day workers like me are not covered completely by employers for full Social Security, including EPS, because it would be costlier. While I have always had my Sisbén²³ from my hometown, transferring it to Bogota was necessary."

Full-Time Worker, 39 years old

"Thanks to Symplifica, those of us working in family homes now have access to healthcare, pensions, and other benefits we never had before. I have worked in this profession for over ten years and only through Symplifica have I enjoyed such professional benefits and support for my family."

Full-Time Worker, 37 years old

- **Labor rights:** All domestic workers appreciate having access to legal benefits like health insurance for their family, compensation funds, and some noted gaining access to the National Savings Fund²⁴ through Symplifica. Additionally, they confirmed receiving 15 days of annual paid leave, highlighting a better understanding of this benefit compared to other types of leave like paid sick leave and maternity leave, which were less well understood.

"Even though I often work late, they send links to the training. They provide training sessions on psychology, stress management, and cooking. I have often found it difficult to join these due to long working hours. They have also offered tips on self-management and dealing with employers."

Full-Time Worker, 49 years old

"They send links for the training sessions. Recently, they discussed children's nutrition. It was really beneficial for me since I have an 8-month-old granddaughter, and I found the information crucial for her and the child I look after."

Full-Time Worker, 52 years old

- **Skills development:** Most domestic workers are aware of the training programs offered by Symplifica. These training sessions cover a diverse range of topics, from stress management and psychological well-being to culinary skills. Online training options, like Facebook Live sessions, provide convenience for some workers. Those familiar with the training have found the topics to be directly applicable and valuable to both their professional and personal lives. For example, a training session on children's nutrition was especially useful for a worker caring for a child. Some workers have expressed interest in expanding the training topics to cosmetics, including pedicure, manicure, and relaxation massages, which

could enable them to pursue additional income opportunities. A small minority mentioned missing these training sessions because they forgot or had conflicting work schedules, highlighting a need for more flexible or recurring training times.

“Well, I have been able to save money. For example, I have been able to see the sea thanks to my job and Symplifica.”
Full-Time Worker, 41 years old

- **Economic condition:** The overall economic condition of the domestic workers has improved significantly. Domestic workers stated that the salaries they currently receive are higher than the salaries they were receiving from their previous employer. This allows domestic workers to save money for emergencies, investments, or opportunities.

Medium-term result(s):

MTO1: Greater formalization and guarantee of labor rights for domestic workers
MTO2: Domestic workers feel more secure and satisfied with their jobs
MTO3: Greater financial inclusion, purchasing power and improved social welfare for domestic workers and their families

“The family I have been working for, for 6 months, decided to use Symplifica so that I can get access to Social Security. I appreciate the little gestures that Symplifica provides, like the discounts and access to learning materials, even though I don’t always utilize them. Their acknowledgment on International Domestic Workers Day on March 30, for instance, meant a lot to me. I felt valued as a professional.”
Part-Time Worker, 44 years old

- **Satisfaction with their jobs:** Symplifica’s affiliated domestic workers rate their current job an impressive average of 3.88 out of 4. They praise Symplifica for its seamless enrollment into social security, providing platforms such as Trabajador@ app to access benefits, and offering educational resources on their app. These workers now enjoy previously inaccessible benefits such as healthcare and pensions. Domestic workers also appreciate Symplifica’s acknowledgement of their contributions, and events celebrating their work. A small minority wished for Symplifica to be more involved in mediating their interactions with households. Some believe that while Symplifica ensures the minimum standards are met, they might not be aware of the additional workloads or challenges they face.

“Before joining Symplifica, finding a job was very difficult. I’d search through employment agencies, temporary services, and rely on recommendations. Now, with Symplifica, I have a more secure job situation and a place I can confidently approach.”
Full-Time Worker, 52 years old

- **Support for job search:** While Symplifica does not directly employ domestic workers, it provides a platform for them to submit their CVs to their “resume bank”. Through a partnership with a temporary service company called Listos, Symplifica streamlines the hiring process for these workers.

Short-term result(s):

STO1: Increase in no. of domestic workers who are issued formal contracts, including benefits
STO2: Increase in no. of domestic workers with higher incomes
STO3: Increased access to financial services, education opportunities, entertainment, and other extra-legal benefits for domestic workers

“My main motivation to formalize my contract was to secure benefits. Symplifica handles contributions to compensation funds, Social Security, and even monthly payment receipts. The process is streamlined: the employer interacts with Symplifica, who then manages and communicates all our benefits.”
Full-Time Worker, 32 years old

- **Contract:** Most domestic workers confirmed having formal contracts with Symplifica. These contracts have details of social security and other benefits. Although a few expressed uncertainty about the contract's contents due to Symplifica's primary liaison with the households (employers), many use the *Trabajador@s* app to access and review their contracts.

"Well, now I am better off. Before, I had nothing, but now I am covered with ARL²⁵ and a pension. Even though we (domestic workers) might not retire, there is a savings in place. Previously, all I got was my daily wage. But now, besides the wage, there are added benefits like bonuses, transportation, and more. I feel like I am better taken care of."

Part-Time Worker, 41 years old

- **Increased income:** Most of the domestic workers interviewed noted higher earnings in their current position compared to past jobs. The magnitude of this change varies: while a few mentioned their income has doubled, others saw a modest increase. Interestingly, some workers, despite not seeing a direct increase in their pay, value the inclusion of legal social benefits in their compensation, which has significantly enhanced their overall quality of life. On average, full-time workers reported earning an additional 40,000 COP (US\$9), while part-time workers reported a 25,000 COP (US\$5.6) increase. Most workers stated receiving a biannual bonus, equal to a month's salary: half in June and the remaining in December as mandated by the law in Colombia.

"(I decided to affiliate with Symplifica) because of the benefits like the psychologist and recreational activities. I think it's wonderful and have recommended it to other women in my line of work urging them to discuss these benefits with their employers."

Full-Time Worker, 52 years old

"My son, because he's studying, is covered under Symplifica's healthcare plan until he's 25. So yes, it's for both me and my son."

Full-Time Worker, 52 years old

- Beyond mandatory social benefits, Symplifica extends further support by providing access to psychologists, organizing recreational activities, and providing subsidies for transport and children's healthcare. These additional offerings increase the well-being of domestic workers and reinforce feelings of appreciation and recognition for their contributions. The Symplifica app has also benefited domestic workers by allowing them to easily access all their employment documents and benefit status, as well as communicate easily with Symplifica.




*"Last month, (Symplifica) celebrated the day of the domestic worker. I think that's what they called it, which was a really nice event. This made me explore the *Trabajador@s* application more, and I realized the app is not just about Social Security payments but also offers a range of services and activities."*



Full-Time Worker, 33 years old

- **Confidence & self-worth:** Since their affiliation with Symplifica, domestic workers reported experiencing increased perception of personal and professional self-worth. All of those interviewed expressed an increased sense of pride and value in their roles. The overarching sentiment among the workers is that satisfaction with their work and their lives has increased since joining Symplifica. One of the predominant reasons for this positive change is Symplifica's dedication to ensuring the rights and benefits of domestic workers.

5 - LOOK FORWARD

5.1 Growth and sustainability plans

 <p>Increase in revenue</p>	<p>Simplifica's growth and sustainability plans are both ambitious and comprehensive, extending far beyond mere geographical expansion. As part of its strategy, the company has targeted a 60% increase in revenue. To do so, Simplifica is keen on capturing a larger market share by developing tailored solutions for both employers and workers. For employers, Simplifica aspires to empower them to manage their homes more effectively by offering tools for fraud prevention, improved management of domestic workers, and assistance in eldercare and childcare. This suite of services even extends to emergency situations and personalized childcare solutions. Furthermore, Simplifica aims to diversify its customer base by introducing its formalization services to small and medium-sized businesses in Colombia by 2024. This move is likely to unlock additional revenue streams, contributing to Simplifica's robust growth and sustainability in the longer term.</p>
 <p>Geographic expansion</p>	<p>Simplifica's growth blueprint includes a focused geographic expansion strategy. It intends to scale up operations in smaller and medium-sized cities within Colombia and broaden its reach to four additional Latin American countries over the next five years, targeting Peru and Ecuador. The company has already marked its presence in Mexico, having officially launched operations there in October 2022 where it currently has 2,000 customers on the Simplifica households service.</p>
 <p>Increased range of services</p>	<p>Additionally, Simplifica identifies a considerable opportunity to expand its impact and business growth by offering domestic workers access to a broader range of services at more affordable rates. The company's expansion plan includes opening its service portfolio to all domestic workers and introducing features such as financial education and goal-oriented credit services, such as the purchase of appliances or mobile devices. Leveraging Simplifica's management of these services, the company can negotiate lower prices and</p>

	<p>interest rates for its community members. As more participants join, these advantages further strengthen the platform's value proposition and appeal.</p>
<p> Professional development</p>	<p>Simplifica is also committed to bridging the gap between job supply and demand by enhancing workers' skills, employability, and earnings potential. The company is currently developing a comprehensive profile system and certification program, undertaken in collaboration with Colombian organizations such as the National Learning Service (SENA), to deliver advanced training. Estimated for launch around September or October 2023, this system will levy a charge on employers for access to CVs, while the responsibility for background verifications will rest with the employers, who may also receive recommendations from others. Despite acknowledging the challenges of high operational costs and lower profitability inherent to this marketplace model, Simplifica is convinced of the valuable impact it can deliver to both employers and domestic workers.</p>
<p> Sustainability</p>	<p>In terms of sustainability, Simplifica aims to become self-sustaining within the next five years. The company is focused on developing a revenue model primarily derived from its commercial operations, with less than 1% of revenue coming from donations and grants. To achieve self-sustainability, Simplifica leverages its broad range of solutions, a user-friendly platform, and strategic alliances. The company's early entry into the care economy also strengthens its position for the long term, promising success in the care economy.</p>

5.2 Ask of investors and stakeholders

Financial	Non-financial
<p>Simplifica is currently in the process of securing investors for a Bridge round that will set the stage for its Series A funding. The aim is to raise 70% of the targeted US\$1.5 million, with US\$1 million earmarked for existing investors. This infusion of funds is expected to significantly boost Simplifica's valuation from its seed capital stage, facilitating a</p>	<p>Simplifica is keen on expanding its network and connecting with investors from other continents, specifically Europe. The company aspires to present its business model to European investors and gain a deeper understanding of the domestic work ecosystem in the region from other perspectives that pave the</p>



projected revenue growth of 60% to hit the US\$1.5 million mark. The company is seeking US\$5 million in a Series A round to fuel aggressive expansion into the Mexican market and develop new business lines.

way to explore new opportunities in Latin America.

5.3 Lessons learned

Throughout its journey, Symplifica has gained a number of valuable insights, such as **mastering the art of digital product development, creating a suitable organizational culture, recognizing the significance of trustworthy investors and partners, and deploying efficient commercial methodologies.** Overall, the merger with Larnia provided Symplifica with valuable insights and experiences. It highlighted the importance of technical expertise, team integration, finding aligned partners, and implementing effective commercial strategies. These lessons have helped Symplifica further its mission of improving the quality of life for domestic workers and employers. One important lesson was the need for a thorough due diligence process, particularly regarding the technical aspects of managing a technology-enabled platform. While the business/commercial due diligence was successful, Symplifica faced challenges in stabilizing the service and creating new products, as approximately 30% of the company's focus shifted toward product management.

Another key lesson was the successful integration of two different teams, which helped Symplifica shape its organization's culture. Initially, team members had concerns and reservations, but building trust within the team was crucial for a smooth transition. Over time, the relationship evolved. An important part of the merger was the establishment of co-CEO roles, learning to lean on, and complement each other. It is expected that in the future, Salua will take on the role of CEO exclusively.

Symplifica has also learned the integral role of strong partnerships in driving its growth and development. The company prioritizes aligning with investors and partners who can not only provide financial backing but also bring valuable knowledge and experience to the table. InQLab, in particular, has been instrumental in the initial stages of Symplifica, introducing the company to a wide range of investors. While not all were familiar with the nuances of impact investing – a crucial element for Symplifica's mission – their contributions have undeniably aided the company's progress. As Symplifica evolved and matured, its co-founders honed their ability to identify and attract investors with a sharp focus on impact, offering more than just capital. The importance of securing partners who comprehend the unique business dynamics, are committed to effecting positive change, and improving people's quality of life became essential.

Ultimately, Symplifica's entry into the Mexican market has offered numerous lessons. The company has faced challenges stemming from cultural variances and the intricacies of social protection systems across diverse federal states. To navigate these complexities, Symplifica strategically acquired BAMBA's customer portfolio in 2022, thereby gaining valuable insights into the Mexican market dynamics. The company is continuously researching and refining its product to meet the specific needs of local customers and effectively navigate the multifaceted Mexican social protection landscape. These experiences and learnings have been invaluable in shaping Symplifica's long-term growth plans and will undoubtedly guide the company as it expands into new markets.

5.4 Recommendations for policymakers and investors

Amidst the evolving care economy, both policymakers and investors hold pivotal roles. As demands for running households more effectively increase, societal growth depends largely on creating a supportive environment for domestic workers. Policymakers should prioritize legislation that encourages the formalization of the domestic work sector, fostering an atmosphere where these workers can thrive. Simultaneously, investors can significantly impact the care economy. By investing in startups like Symplifica, they contribute to societal change through impact investing, fueling ventures that aim to redefine and reshape the care economy, creating a ripple effect of positive change across the sector and the whole economy.

Recommendations for policymakers:

It is crucial for policymakers to understand the significance of the care economy and its implications for future societies. With an aging population and the potential impact of AI on job displacement, prioritizing the growth and stability of society should be a key focus.

Legislation should be enacted to facilitate the development of the care economy to respond to these needs. Policymakers should promote and streamline the process of formalizing domestic work, considering the implementation of tax incentives for households that formalize their domestic employment. Universal regulations should be put in place too, accompanied by effective enforcement mechanisms. It is essential to address the current regulatory gaps and provide clear penalties for non-compliance. In Mexico, for example, institutions like the Mexican Social Security Institute (IMSS) should be adequately prepared to handle the expected volume effectively.

**Recommendations
for investors:**

Symplifica is asking investors to embrace impact investment. Investors should recognize the value of supporting companies with growth potential and a demonstrated positive social impact. It is crucial to help Limited Partners understand that investments can generate both economic and social value, and the latter's importance. Although attracting investors in the care economy sector may pose challenges these can be addressed by communicating the significance of decent work and a focus on long-term sustainability.

Investors are currently prioritizing the viability of their investments and this trend should continue. It is important to consider companies with interesting unit economics and compelling value propositions. Investors should encourage a long-term perspective, focusing on the long-lasting value and economic viability of investments, rather than solely chasing rapid growth.

Investors should consider profitability as important as growth. Rather than solely pursuing speculative investments, the focus should shift to sustainable business models that can achieve both growth and profitability. Investments should be evaluated based on solid fundamentals and value creation, rather than short-term growth alone.

ENDNOTES

¹ According to Colombian Law 100 of 1993, formalization, besides signing a contract, implies enrollment in the social security system enabling employees to access the pension, health, and occupational risks systems and complementary social services like the Family Compensation Funds. Depending on the type of contract, employers or employees are responsible for all contributions or part of it to the social security system. It is similar in Mexico. Signing contracts that formalize employment relationships allows employees and employers to contribute to a pension and access contributory health services, subsidies, insurance, and other economic support.

<https://www.funcionpublica.gov.co/eva/gestornormativo/norma.php?i=5248#:~:text=Crea%20el%20sistema%20de%20seguridad%20social%20integral%20conformado%20por%20los,definen%20en%20la%20presente%20ley> and <http://www.imss.gob.mx/personas-trabajadoras-hogar>

² According to Colombian and Mexican laws, a domestic worker is any person who offers domestic services to households performing tasks such as cleaning, cooking, laundering, ironing, gardening, childcare, and driving, among others.

³ 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.

⁴ 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.

⁵ 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/global/publications/books/WCMS_802551/lang-en/index.htm

⁶ ECLAC. (2020). The precarious situation of domestic workers in Latin America and the Caribbean is accentuated by the COVID-19 crisis. <https://www.cepal.org/en/news/>

⁷ ILO. (2015). Domestic work, wages, and gender equality: lessons from developing countries. https://www.ilo.org/wcmsp5/groups/public/---dgreports/---gender/documents/publication/wcms_430902.pdf

⁸ ILO. (2018). The unspoken servitude of women domestic workers. <https://www.ohchr.org/en/stories/2018/09/unspoken-servitude-women-domestic-workers>

⁹ According to Colombian Law 100 of 1993, formalization, besides signing a contract, implies enrollment in the social security system enables employees to access the pension, health, and occupational risks systems and complementary social services like the Family Compensation Funds. It is similar in Mexico. Signing contracts that formalize employment relationships allows employees and employers to contribute to a pension and access contributory health services, subsidies, insurance, and other economic support. <https://www.mintrabajo.gov.co/documents/> and <http://www.imss.gob.mx/personas-trabajadoras-hogar>

¹⁰ El Colombiano. (2023). El 80% de las empleadas domésticas del país no cotiza a pensión. <https://www.elcolombiano.com/negocios/>

¹¹ Mexican Government. (2023). Trabajadores Domésticos. <https://www.economia.gob.mx/datamexico/es/profile/occupation/trabajadores-domesticos-9611>

¹² 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/>

¹³ Domestic workers include nannies, nurses, elderly caregivers, aides, family drivers, farm stewards, and gardeners according to the Colombian and Mexican Law.

¹⁴ 2X criteria can be found [here](#).

¹⁵ 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.

¹⁶ 2X Global. Symplifica (Acumen Latam Impact Ventures). <https://www.2xglobal.org/case-studies/symplifica-acumen-latam>

¹⁷ The Net Promoter Score is an indicator used by customer experience programs that estimate the level of customer loyalty by asking them only one question. <https://www.qualtrics.com/es-la/gestion>

¹⁸ The Ranking Par for Gender Equality is a tool that measures the conditions of Latin American organizations' gender equality, annually, confidentially, and for free. <https://par.aequales.com/>

¹⁹ The research team conducted 15 in-depth interviews with domestic workers. Symplifica shared a list of domestic workers who fulfilled the following criteria: female domestic workers who belong to the low-income status and have been working with Symplifica for a minimum of 3 months and a maximum of 1 year. The domestic workers were selected for interview 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 the analysis is that it might not be representative of the different socio-demographics of all domestic workers affiliated with Symplifica.

²⁰ US\$1 = COP 4424. Retrieved 14 April 2023 from <https://www.banrep.gov.co/es/estadisticas/trm>.

²¹ The Purple Line is a 24-hour telephone and Whatsapp text messaging channel that operates every day of the year to provide support and advice in cases of gender-based violence and in cases of physical and mental health problems affecting women in Colombia.

²² Entidad Promotora de Salud (EPS) is responsible for the affiliation and registration of affiliates to the social regularity system in Colombia. They are also in charge of collecting contributions and their basic function is to organize and guarantee the provision of the mandatory health plan. <https://www.sdp.gov.co/transparencia/informacion-interes/glosario/entidad-promotora-de-salud-eps>

²³ The Sisbén is the System for the Identification of Potential Beneficiaries of Social Programs, which classifies the population according to their living conditions and income. This classification is used to focus social investment and ensure that it is allocated to those who need it most. <https://www.sisben.gov.co>

²⁴ The National Savings Fund is a government entity responsible for managing its affiliates' savings and cesantías. Cesantías are a social benefit that employers must pay to their workers in addition to the regular salary. The amount of this compensation is equivalent to one month's salary for each year worked. They become savings for the employees and are usually used to achieve housing or education goals. <https://www.fna.gov.co/sobre-el-fna/conocenos>

²⁵ ARL SURA is a workers' compensation corporation whose main goal is to protect Colombian workers by preventing accidents and exposure to illnesses in the workplace and by providing timely medical attention. <https://www.arlsura.com/index.php/component/content/article?id=79:arp>



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