

Transforming the care economy through impact investing case study:

Xalco Ltd.



The Care Economy
Knowledge Hub

the-care-economy-knowledge-hub.org



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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
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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 3 to 5 times as many hours on unpaid care and domestic work as men. This represents 80% 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 Big Blue Communications.

This particular case study should be cited as follows:

Intellectap, Busara Center for Behavioral Economics, Kore Global. (2024). *Transforming the care economy through impact investing: Xalco Ltd. case study*. Kore Global, International Development Research Centre, and Soros Economic Development Fund

1 - EXECUTIVE SUMMARY

Xalco Limited is a Kenyan enterprise that addresses the health and care needs of the elderly, including elderly people with disabilities and post-hospitalized patients. Xalco has 3 models and brands focused on providing care services. The enterprise offers home care services (branded Homecare360) for the elderly in Nairobi, medical healthcare for post-hospitalized patients through specialized clinics (branded ComfortCare 360+), training, and certification for caregivers through its training institute (branded Ujuzi Fursa Africa). The caregivers trained by Xalco are primarily unemployed women with limited educational and employment opportunities. Xalco rewards caregivers through improved skills and decent work. It has also enabled the redistribution of care work from the household to a third party. Xalco has trained 3,007 caregivers and has served 820 households in Kenya since 2017. In 2022, Xalco generated revenue of US\$590,000 and increased it to US\$1,400,000 in 2023. It has 322 full-time employees. Xalco is bootstrapped and has raised US\$250,000 in founder equity. Xalco is looking for US\$350,000 in debt and equity investments to set up additional training centers and specialized clinics in Kenya.



Xalco at a glance

Established	2017
Country of operations	Kenya
Offerings	The enterprise provides homecare services through trained and certified caregivers in Kenya. Xalco has established a network of nurses, doctors, and caregivers to offer comprehensive health services to the elderly. The caregivers are trained in various caregiving skills at the training institute, Ujuzi Fursa, and placed through Homecare360. Xalco has also set up a specialized clinic, a “step-down” hospital facility, that provides post-hospitalization care services to elderly patients undergoing recovery.
Reach	820 households served through Homecare360; 3,007 caregivers trained through Ujuzi Fursa; 70 elderly patients treated at ComfortCare 360+ (up to October 2023)

Staff	322 full-time employees
Revenue	Total revenue from all 3 models (2022): US\$590,000 Ujuzi Fursa: US\$267,000 (45.2% of total revenue), Homecare360: US\$273,000 (46.2% of total revenue), ComfortCare 360+: US\$50,000 (8.4% of total revenue)
Investment to date	US\$250,000 in equity from the founders
Leadership	Jinit Shah, Co-founder and Director
Contact for partnerships	jin@ujuzifursaafrica.com
Website	www.homecare-360.com

2 - ECOSYSTEM

2.1 Kenya: statistical snapshot

 <p>Demographic information</p>	<p>Total population (World Bank, 2022): 54 million</p> <p>Female population (World Bank, 2022): 26 million (50.4% of the total population)</p> <p>Urban & rural population (World Bank, 2022): Urban (29%) Rural (71%)</p> <p>Population in different age segments (<i>% of the total population</i>) (World Bank, 2022):</p> <ul style="list-style-type: none"> • 0-14 years: (38%) • 15-64 years: (59%) • 65 and above: (3%)
 <p>Unpaid care work</p>	<p>Proportion of daily time spent on unpaid domestic and care work in urban areas (Oxfam, 2021):</p> <ul style="list-style-type: none"> • Women and girls: 5 hours Men: 1 hour • If all secondary activities are included, women report 11.1 hours per day for any care compared to 2.9 hours per day for men. Men spent almost double the time women spent on paid work, 10.5 compared to 5.3 hours per day, respectively. (Global Center for Gender Equality, 2022).
 <p>Social & economic</p>	<p>Literacy level (Global Gender Gap Report, 2021):</p> <ul style="list-style-type: none"> • Females (78.2%) Males (85%) <p>Poverty (Statista, 2022):</p> <ul style="list-style-type: none"> • 17% of Kenya's total population lived in extreme poverty (less than US\$2.15/day) against the global poverty rate of 8.9%. In 2022, 7.8 million Kenyans in extreme poverty lived in rural areas, while 1.1 million lived in urban areas. <p>Formal & informal employment (Statista, 2021):</p> <ul style="list-style-type: none"> • Of 18.3 million people employed in Kenya, 15.3 million worked in the informal sector, and 3.1 million worked in the formal sector. <p>Gender-based violence</p> <ul style="list-style-type: none"> • 45% of women aged 15-49 have experienced physical violence since age 15. (Kenya-Demographic and Health Survey, 2014) • 40.7% of ever-partnered women aged 15-49 years experienced intimate partner physical and sexual violence at least once in their lifetime. (UN Women Kenya, 2014)



Women's work,
labor, and
entrepreneurship

Labor force participation (% of total labor force) ([World Bank](#), 2022):

- Females: 49.7% | Males: 77%

Unemployment ([World Bank](#), 2022):

- Total: 5.5%,
- Females: 5.8% | Males 5.2%

Women-owned businesses

- Licensed MSMEs ownership ([Kenya National Bureau of Statistics](#), 2016): Females (32.1%) | Males (47.7%)
- Unlicensed MSMEs ownership ([Kenya National Bureau of Statistics](#), 2016): Females (61%) | Males (31.7%)
- Firms with female top managers as % of total firms: ([Global Gender Gap Report](#), 2021): 18%

Gender gap index score ([Global Gender Gap Report](#), 2022):

- Total: 0.73 (0=unequal, 1=equal)

Financial inclusion ([Statista](#), 2021):

- 32% of women have bank accounts.

2.2 Context analysis

Macro context in Kenya

The total population of Kenya is 57 million, of which 27.8% resides in urban areas.¹ Urban areas contribute over 65% to the national Gross Domestic Product.² Kenya has a growing unemployment problem. More than a quarter of Kenya's youth population is unemployed, representing approximately 3.6 million young people.³ Women are 45% more likely to be unemployed than men.⁴

Kenya has 1.3 million people over the age of 65 (3% of the total population).⁵ By 2050, the elderly population (over 65) is expected to surpass 5.5 million, an estimated 9.6% of the population. Since 2000, the average life expectancy at birth in Kenya has increased by almost 10 years (to age 63 in 2021).⁶

The International Finance Corporation (IFC) reports that Sub-Saharan Africa carries 24% of the global disease burden in human and financial costs (i.e. death due to disease and the financial costs accrued as a result of disease).⁷ Despite improvement in health outcomes, communicable diseases are still a significant cause of death in Kenya, and non-communicable diseases (NCD), such as diabetes, stroke, and heart diseases are accelerating.⁸ The Kenya STEPs survey⁹ indicates that at least 25.9% of Kenyans aged 45–69 have a lifestyle (characterized by tobacco use, harmful use of alcohol, unhealthy diets, and physical inactivity) in which there are one or more risk factors for NCD.¹⁰

Care economy context

The care needs of the elderly are higher due to the higher incidence of disease and other age-related care issues. Elderly people require greater support to manage diet, medication, and exercise. Kenya also has a significant prevalence of elderly people with disabilities. Studies indicated that almost 14% of women aged 75 and above, and 5% of women aged 60–65, have one or the other form of disability (vision, speech, hearing, mental, and impairments that interfere with self-care, such as dressing, bathing, and eating).¹¹

Post-hospitalization care is also crucial for the elderly. A study that evaluated trauma patients at a hospital in Kenya showed prolonged hospital stays for geriatric patients, the majority of whom suffered injuries due to traffic collisions or falls.¹² Older patients require a more extended period of rehabilitation, as they have more comorbid illnesses that impair recovery from injuries and are likely to incur more complications.¹³ Elderly people face challenges in accessing care, as the family members have limited knowledge to manage long-term care, private institutions are expensive, the facilities available do not meet the standard, and assistive devices needed by elderly people are expensive.¹⁴

Due to absence of organized systems of long-term care, it is primarily the women in Kenyan families who provide care to the elderly who are no longer able to live independently.¹⁵ Caregiving can put a strain on the caregivers. Studies highlight

the adverse effects on caregivers' physical and mental health, including limited opportunities for self-care.¹⁶ In addition, the quality of care provided at homes may be substandard due to limited household economic resources and the absence of specialized caregiving knowledge and skills.

Market opportunity

Rising population, increased average life expectancy, and lifestyle-related diseases have put significant pressure on Kenya's healthcare systems. Even though the proportion of the combined discretionary public budget allocated to health has been increasing over time (from about 7% in 2014–17 to 9.2% in 2018–2019), it is still highly inadequate,¹⁷ and there are no special health services for elderly patients in the country.¹⁸ Furthermore, Kenya has a shortage of nursing staff. While the WHO recommends 220 nurses per 100,000 people for developing countries, Kenya had only 111.8 nurses per 100,000 people in 2018.¹⁹ Some trained professional nurses migrate to other countries like the United Kingdom for better job opportunities,²⁰ leaving the country with a shortage of qualified workers.

The care sector in the country provides a significant opportunity, with an aging population and a high incidence of diseases. Healthcare spending (including both healthcare goods and services) in Kenya was valued at US\$3.98 billion in 2017 (total healthcare spending accounted for around 4.8% of the GDP), and 61% of the per capita healthcare expenditure



came from the private sector.²¹ Furthermore, Kenya has undertaken business regulation reforms, simplified investment procedures, built a vibrant capital and securities market, and a highly skilled, educated, and mobile labor force.²²

The current healthcare challenges faced by the population give a tremendous

opportunity to the private sector to enhance access to and quality of healthcare services.²³ Increased availability of healthcare goods and services will also help reduce women's time poverty and open up opportunities for paid decent work, education, self-care, and community and political life.²⁴



We know that whenever somebody gets sick in a home, the first person of choice to care for the patient is a woman (the mother, sister, mother-in-law, daughter-in-law). Xalco's first client was a working wife who had to leave her job for six months to care for her husband. But once they opted for Xalco's service, the wife could return to work.

Jinit Shah, Co-founder of Xalco



3 - BUSINESS DEEP DIVE

3.1 Business headline

Xalco Limited is a for-profit enterprise that provides comprehensive elderly healthcare services in Kenya. Xalco provides trained caregivers, home care services, and a step-down health facility that offers rehabilitation and recovery services for the elderly post-hospitalization. Homecare360 offers customized health services aligned to the needs of the elderly, through trained caregivers, health monitoring by a team of doctors and nurses, and assistive devices. Elderly people who require specialized health and care support after surgery or ailments can use ComfortCare 360+, a 30-bed care facility equipped with specialist health practitioners, nurses, physiotherapists, mental health practitioners, and nutritionists. The caregivers offering Homecare360 and ComfortCare 360+ services are trained at Xalco's training institute, Ujuzi Fursa.²⁵ Ujuzi Fursa provides training in caregiving (specialized courses on dementia, diabetes, and Alzheimer's) to unemployed or semi-skilled youth (aged 18-30). In 2023, Ujuzi received a license from The Technical and Vocational Education and Training Authority (TVETA) within the Ministry of Education to provide a 2-year diploma course in nursing and physiotherapy. Ujuzi's curriculum was developed in-house and influenced by caregiving courses in Singapore, the United States of America, and Kenya. A professional nurse conducts the training, and trainees participate in a month-long internship program at the hospital. After completing training and assessment, the trainees get employed in Homecare360 or seek employment in Kenya or abroad.

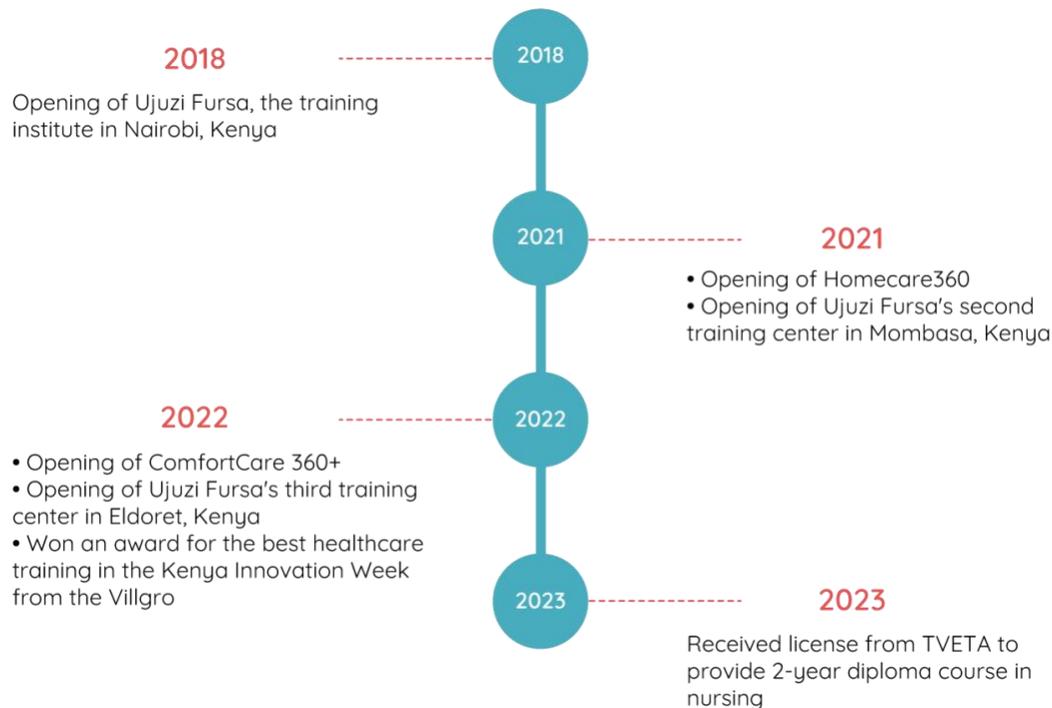
Xalco's value proposition is that it provides health services for the elderly in their home, rehabilitation support in specialized health clinics, and training and certification for the caregivers, which allows Xalco to control and maintain the quality of services. Families, particularly those whose elderly parents live independently or in other cities, use trained caregivers for assistance with medication, hygiene and hospital visits, meal preparation, and emotional support. The medical records of elderly patients are collected and evaluated by a team of doctors, and progress is shared daily with the household. Customers can also purchase special needs equipment, such as wheelchairs, adult diapers, and sanitizing machines. ComfortCare 360+ is a unique step-down facility with focused services for the elderly. Hospitalized elderly patients often receive medical services that prevent morbidity and mortality but do not rehabilitate the patient. In contrast, Xalco's facility ensures the patient's recovery and rehabilitation. Internal assessment shows that the clinic's focused support reduces patients' recovery period from 3 months to 1 month for certain ailments, such as fractures and heart surgery.

Ujuzi's training, assessment, and certification enable caregivers to find decent employment. Ujuzi's trainees receive a certificate demonstrating that the trainee was assessed after course completion. Ujuzi also offers trainees opportunities to undergo online assessments

from skill development authorities in Singapore, Kenya, and the United States of America. The trainees who intend to migrate can attend this examination and receive certification. The international assessment and certification open opportunities for jobs abroad where trained workers can work as caregivers (instead of domestic help), resulting in increased salaries.

Xalco's competitive advantage is its customer acquisition channel. Xalco has an extensive network of hospitals and doctors in Kenya. The hospitals and doctors recommend Xalco for healthcare services provided at home. Thus, Xalco does not have to spend on marketing activities. As these trainees are entry-level workers, Xalco is more affordable than other private clinics that hire nurses to provide such services. This enables Xalco to minimize the cost of operations and maintain a strong gross profit margin.

Xalco's journey



3.2 Founder story



Jinit Shah and Urvi Patel are the co-founders of Xalco. Jinit holds a degree in Finance from the University of Western Australia and pursued a 2-year Certificate of Management course at Cambridge Judge Business School. Jinit's motivation to establish Xalco stemmed from the personal life experience of providing care support to his grandmother, who had dementia. Jinit's mother was the grandmother's full-time carer, as nursing care was expensive and unaffordable. There was little awareness about dementia, and the family members struggled to provide quality care. The extensive caregiving took a toll on the mental well-being of Jinit's mother and grandmother. Having lived through this situation, Jinit and his wife, Urvi Patel, both working in senior corporate positions, felt the need to develop solutions that could positively impact older people in Kenya.

Jinit received initial support from a friend who worked in elderly care in Germany. Jinit and Urvi learned about skill-building around eldercare. Jinit decided to pursue the opportunity to build a training institute in Kenya. The couple decided that Urvi would continue to work at her job to ensure financial security while Jinit could work on a solution for elderly care. Jinit was cognizant that Kenya had a severe unemployment problem, and a training institute could address skill-building among youths.



There was no professional homecare service provider in Kenya at the time. Thus, unemployed youth could be placed in people's homes to do such care activities that the nurses could not do or did not want to do.

Jinit Shah, Co-founder of Xalco



Jinit compiled an elderly care training curriculum from Germany and Singapore with support from friends. Jinit adapted the curriculum to the Kenyan context to ensure it was in lucid language and comprehensively covered all dimensions of caregiving. Ujuzi Fursa was established in 2018 to provide caregiving training to youths. Initially, it was difficult for Jinit to convince training participants that they could work in the health sector by undertaking a caregiving course at Ujuzi Fursa. There was a strong perception that one must be a science student and study at nursing school to become a caregiver. Thus, during the initial years, Jinit ensured that the theoretical curriculum integrated practical work experience at hospitals and clinics so that trainees gained confidence.



Xalco's first batch consisted of 19 students, and all 19 of them work for the enterprise even today. This is what I am especially proud of – that those students who did not achieve high grades in school or did not go to university now have a career path to work in the healthcare industry.

Jinit Shah, Co-founder of Xalco



As the institute and the program consolidated, trainees began working in hospitals and clinics. This widened Ujuzi Fursa's network with medical institutions and doctors in Kenya. Through this network, Jinit started getting demand for home care services. Several doctors approached Xalco to send trained caregivers to recovering patients after hospitalization. Jinit and his team soon realized there was a significant opportunity to address this gap. In 2 years, Xalco expanded to home care services. Jinit was also keen to set up training institutes in other parts of the country. The second and third training institutes were set up in 2021 and 2022, respectively.



We have created a group of trained, accessible, and affordable caregivers that our family needed all those years ago. It's rewarding to see that care and companionship to patients can change their mental outlook and wellness. 90% of Xalco's clients are females, and many are professionals who can now live their lives and do their work without making sacrifices.

Jinit Shah, Co-founder of Xalco



3.3 Business model

 <p>Customer segment</p>	<p>Households: Xalco's customers are middle- and higher-middle-income households that need care services for the elderly aged 60 and above. Xalco's customers are also discharged patients, people with physical and special needs, such as dementia patients. Services to households are provided through Homecare360 and ComfortCare 360+. Customers can receive medical and healthcare support at their homes or the medical facility. Customers can procure additional products such as refurbished assistive devices, wheelchairs, beds, and portable toilets. Xalco recently introduced a food supplement for the elderly as part of its offerings, which can be fed through tubes (for post-dialysis patients). Previously, this product was unaffordable as households had to make upfront payments to buy the product in bulk. Xalco has made the supplement more affordable by packaging it in smaller packets used at each meal.</p> <p>Unemployed youth: Xalco's customers are low-income, semi-skilled, and unemployed youths aged 18-30, who undergo training in caregiving and nursing at Ujuzi Fursa. 99.5% of trainees are female. Trainees can receive diplomas (nursing courses) or certificates (caregiving courses). The courses last 3-24 months. Trainees can pay the course fee in installments. Most of the trainees are placed through home care services. Ujuzi Fursa also facilitates the International English Language Testing System (IELTS) examination for trainees who intend to migrate overseas. Ujuzi Fursa is an approved assessment center under the British Council.</p>
 <p>Value proposition</p>	<p>Xalco offers training services to caregivers, and rehabilitation support to the elderly in Kenya. Xalco's trainees can apply to certification programs from multiple countries, which increases their ability to work in better-paying jobs. The care plan drawn up for the patients is very dynamic and carefully curated according to the individual needs of the patient, and made in consultation with the patient's doctor and Xalco's General Practitioner (GP).</p>



Competitive advantage

Xalco's competitive advantage is that it has multiple revenue-generating entities, each of which meets customers' specific needs. This ensures a sustained source of income. Xalco identifies its potential customers from leads generated from hospitals and offers a range of complementary products, such as home care, post-hospitalization care, and assistive devices. As a result, Xalco can retain its customers for a longer time. As Xalco offers training programs to entry-level caregivers who provide the service, it is 10–20% cheaper than that of other private clinics that hire nurses to provide such services.

Xalco also has global suppliers from which it procures medical equipment and supplies at wholesale and cheaper rates than the market rate in Kenya. Xalco buys assistive devices in Dubai, Eastern Europe, and India at rates that are almost 60% cheaper than the market rate in Kenya (for instance, a refurbished hospital bed that costs US\$1,050 in Kenya only costs US\$300 if imported from these countries).



Channels & key partnerships

Xalco relies on a referral system and word-of-mouth recommendations for its services. It has established relationships with hospitals, doctors, and specialists who recommend Xalco's after-care services to their patients and care seekers.

The enterprise has also partnered with training institutes in Singapore, Kenya, and the US that offer successful candidates certification.



Customer relationships

Households can call Xalco to book services, register their complaints, or highlight any issues. Xalco's internal benchmark to resolve the escalation for issues related to, for instance, billing or late arrival of caregivers, is 45–60 minutes.

Client Management: Xalco has a team of 4 Client Care Managers who manage relations with home care customers. Each Client Care Manager is responsible for managing the patient's individual care plan. The Manager coordinates with the family members, doctors, and caregivers to provide integrated healthcare services.

Caregiver Management: Xalco has a team of 4 Quality Care Managers who manage all caregivers. These managers were formerly caregivers who have been promoted to managerial roles. The Quality Care Managers also provide on-the-job training support to the caregivers. Xalco has an online application, currently introduced as a pilot with 280 caregivers. It is used for training content, home care service reporting, and care management of clients.



Pricing and payment methods

Customers pay US\$9–11/shift (12 hours) for the entire care services package offered as part of Homecare360. Additional fees are charged for physiotherapy or specialist check-ups. Customers also pay the full cost of the care and health products such as wheelchairs and diapers.

For ComfortCare 360+ customers pay US\$90–122 per day for special care services, including meals, bed, and laundry. Xalco offers a single billing system where customers only pay once for a comprehensive care package.

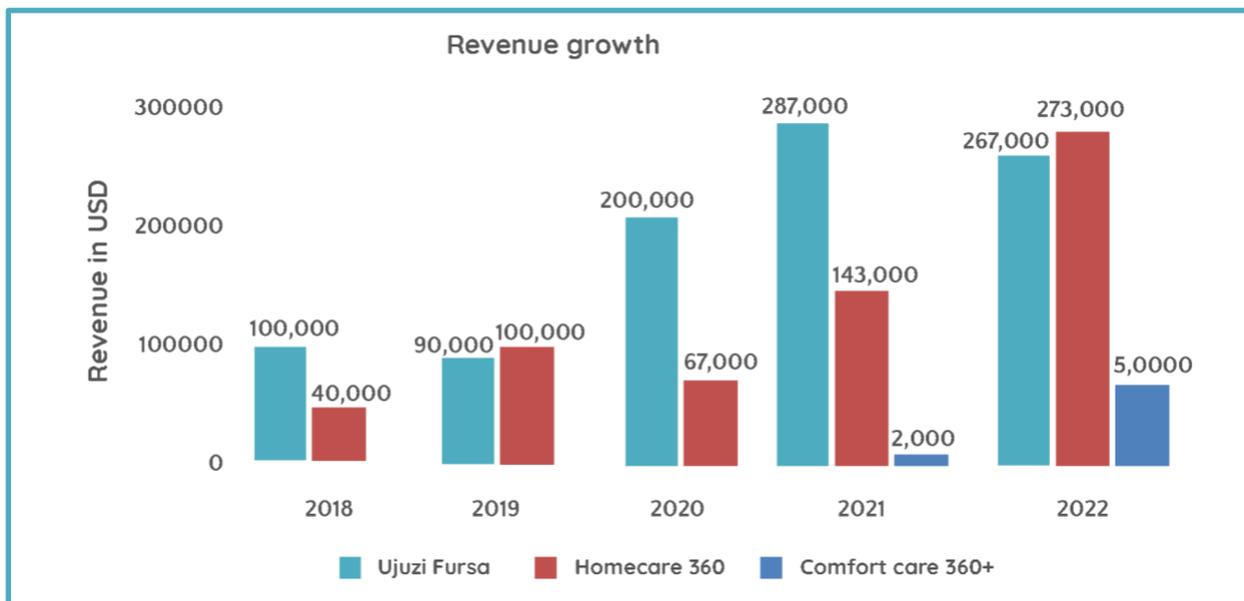
The trainees pay a fee of US\$450 for the 4-month training at Ujuzi Fursa. The trainees can pay the fees for the 4-month training through flexible payment plans in weekly installments. As Xalco is a licensed training institute, students can take education loans to fund the nursing courses.

 <p>Revenue streams</p>	<p>100% of Xalco's revenue comes from sales of services. 60% of the revenue is generated from Ujuzi Fursa Africa, and 40% comes from home care services.</p>
 <p>Cost structure</p>	<p>25% of Xalco's cost is COGS required to purchase raw materials. Xalco spends another 35% of its cost on personnel. The enterprise has less expenditure on marketing, due to its established network and system of referrals. The cost of technology is an estimated 5%. Xalco also provisions 13% of the cost on administration, fund-raising, and direct program costs and 18% on rent and other OPEX. Xalco also incurs 2% on bank charges and 2% on forex.</p>

3.4 Xalco's growth story

3.4.1 Revenue growth:

Xalco's revenue for the 3 entities has steadily increased. Xalco increased its revenue to US\$1,400,000 in 2023 from US\$590,000 in 2022. Currently, 45% of Xalco's revenue is generated by Ujuzi, 46% by Homecare360, and the remaining by ComfortCare 360+. The home care services revenue decreased during the COVID-19 lockdown but has since stabilized and increased. ComfortCare 360+ is a new revenue stream launched in 2021.



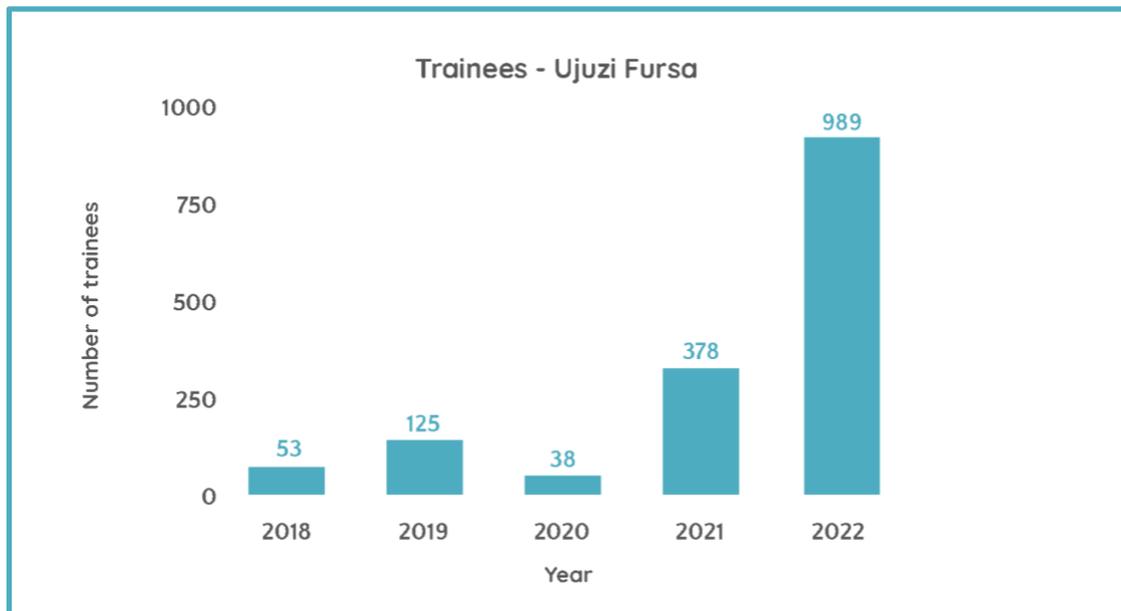
3.4.2 Customer growth in Homecare360:

The number of households opting for home care services has increased consistently over the years.



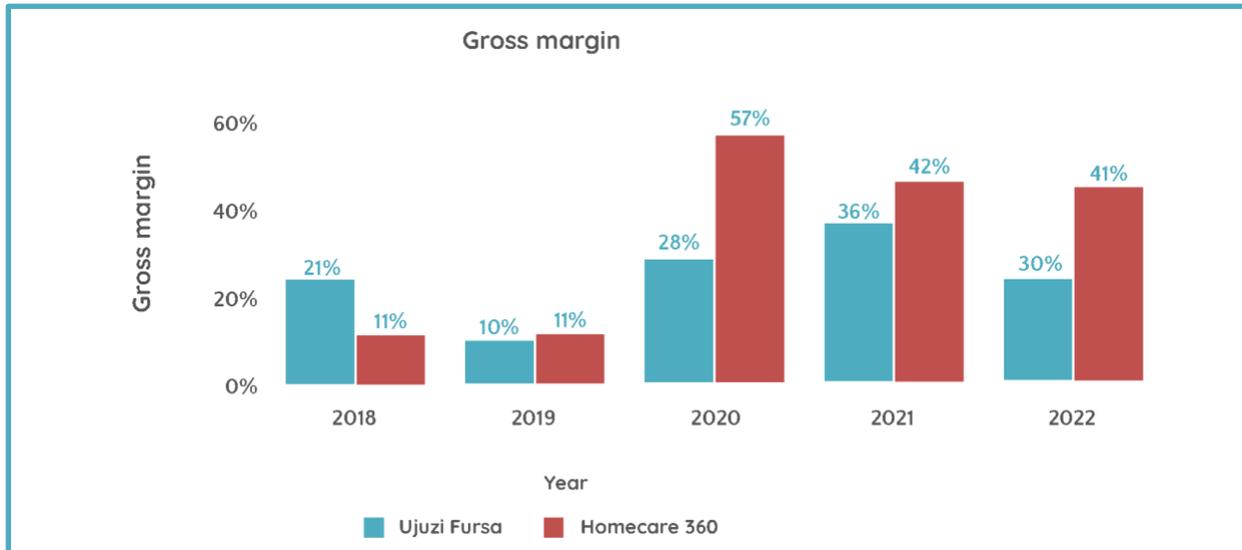
3.4.3 Customer growth in Ujuzi Fursa:

The number of trainees trained at Ujuzi has grown steadily with the opening of new training centers in 2021 and 2022 and increased demand. The number of trainees rose to 1,424 in 2023 and will further increase with the introduction of a new nursing diploma course.



3.4.4 Gross margin in Ujuzi Fursa and Homecare360:

Xalco has maintained strong gross margins due to reduced COGS.



3.5 People and governance

Xalco is committed to gender justice and strives to achieve this not only through its product and service offerings but also through its people and governance structure, practices, and policies.

2X Criteria²⁶

- 1 out of 2 founders is a woman.
- 90% of senior management is women.
- 90% of the board members are women.
- 78% of office employees are women.
- 94% of caregivers are women.
- 75% of home care customers and 99% at Ujuzi Fursa are female.
- Services specifically benefit women by reducing their care load and increasing employment opportunities.

Xalco is a **gender-transformative** business.²⁷

Xalco has 322 full-time employees. This includes 270 full-time caregivers who provide home services, of which 94% are women. There are 52 other full-time staff members, 78% of whom are women. These workers are in the roles of senior management, administration, human resources, finance, business development, sales, training, caregiver and client management, quality assurance, logistics, and office help. Xalco also has a medical team

comprising a GP for home care, a nutritionist, a home care mental health specialist, and quality assurance nurses.

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

Xalco pays for private health insurance for all its employees. The caregivers get bonuses on their shifts and overtime. The enterprise also pays for transport. Caregivers are only allowed to work for a maximum of 6 days a week.

3.6 Support received to date

The enterprise has not sought any external funding and has relied only on the founder's investment. It has received non-financial support through recommendations and mentorship from multiple entities. Critical support was received from the Stanford Seed Programme. Xalco was 1 of 100 enterprises chosen for support from amongst 10,000 African growth stage enterprises. This was a year-long program which involved theory classes and assignments. The founder and most of the team members participated in the coursework.

*Full summary of the support received is [here](#).

3.7 Key business drivers and challenges to growth

Key business drivers	
Ecosystem	<p>Growth in aging population and demand for healthcare: The inadequate number of service providers catering to the aging population has stimulated Xalco's growth. A growing segment of the population in the middle and higher middle-income groups have relocated away from their families for job opportunities. As a result, many elderly people now live without immediate familial support. It is estimated that 30% of the elderly live alone in Kenya. Such households can afford home care services and hire Xalco for its comprehensive health services. The pandemic also fuelled demand for home care services. Xalco offered reliable support services for elderly parents when the working population could not meet their parents during the lockdowns imposed during the COVID-19 pandemic.</p> <p>Increased demand for caregivers in the international market: Xalco has benefited from the increased demand for skilled caregivers from European countries, resulting in increased enrollment at the Ujuzi Fursa training centers. The shortage of skilled caregivers in most countries in the Global North, such as the United Kingdom and Germany, has resulted in the respective governments promoting the immigration of skilled caregivers. As these countries have higher salaries for caregivers and offer decent work, skilled caregivers are looking for work opportunities in these countries. While Xalco does not place trainees internationally, it indirectly supports students in finding work abroad through internationally recognized certification and language tests.</p>

Challenges to growth

Regulatory

Absence of governmental regulations: Xalco faces challenges due to the absence of regulation on caregiving and caregivers in Kenya. The Nursing Council of Kenya in 2017 derecognized nurse aides (those who assist medical, nursing, or other health professionals), as they were being used as professionally qualified nurses. Currently, this cadre is referred to as 'healthcare assistants.' The disbanding of nursing aides as a recognized designation has de-legitimized unions of such workers, which undermines their rights. Caregivers are no longer able to use collective bargaining to highlight the employment issues of their sector. Caregivers can no longer be covered under professional indemnity that protects them from medical complaints at the worksite. As a result, Xalco Limited has to use its ComfortCare 360+ license, issued by the Kenya Medical Union for private companies, to provide professional indemnity to caregivers.

Operational

Retention of nursing trainers at Ujuzi and caregivers at Homecare360: Xalco faces challenges in retaining nurses who conduct training sessions at Ujuzi. Xalco hires professional nurses to conduct caregiving courses at the training centers. However, retaining nurse trainers is difficult as they have not worked in teaching settings before. The nurses also get opportunities to work outside of Kenya and earn a higher income. Xalco faced attrition in this pool of trainers and has taken steps to address this. Recently, Xalco introduced paying commission to nurses on the number of trainees trained, a measure that increased the compensation package. Xalco plans to create a group of substitute trainers from a pool of trained nurses who will be hired on a needs basis.

4 - IMPACT DEEP DIVE

4.1 The impact theory of change of the enterprise

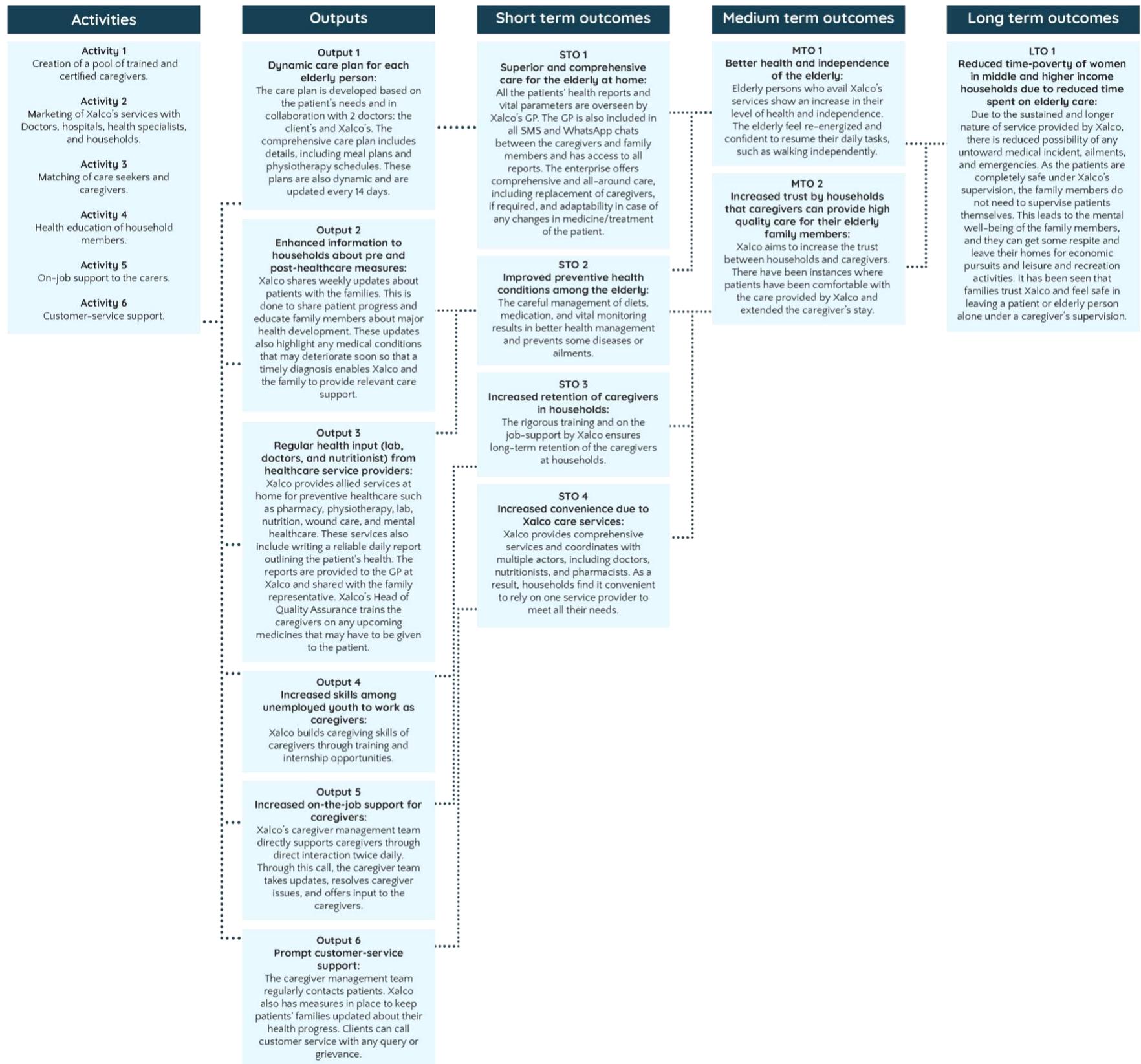
Mission statement

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

Theory of change

Xalco's services reward caregivers through training, certification, and employment and reduce and redistribute care work usually undertaken by women and girls in the household. Xalco has identified the following theory of change to reduce the burden of care work on women and girls.

Xalco's pathway to reduce the care workload of women and girls





4.2 Current impact and measurement practices

Xalco has a robust system to collect data. Xalco measures the quality of its home care services and offerings at clinics and training institutes. Each staff member is responsible for data related to their specific roles. The monitoring systems are financed entirely from internal resources. Internally, Xalco collects the following data:

Quality assurance data (Homecare360):

For home services, the caregivers provide a daily report to their Client Manager after every shift to update on tasks undertaken. The Head of Quality Assurance also speaks to the caregivers twice a day. The enterprise has a reporting system through WhatsApp and mobile applications that report on caregivers and customers daily, including a weekly patient report that is provided to the family of the patient/care seeker. Caregivers are expected to log in and out through the app and update the care routines performed. The individual patient records (which include level of independence and better health indicators) are tracked daily by Xalco's GP and Client Manager.

Client (patient) records:

Xalco maintains comprehensive data on each elderly and monitors it to check progress as outlined in the care plan. For instance, if a patient uses a wheelchair, the care plan will incorporate the approximate timeline by which they can perform their tasks independently. There is also a 'red flag system' in place, which helps Xalco intervene very early on in case of deteriorating vitals (such as a sudden drop in blood pressure) or a patient's health condition. This red flag goes directly to Xalco's GP through WhatsApp, phone call.), after which the patient's family is informed.

Customer Satisfaction Survey (ComfortCare 360+):

At the ComfortCare 360+ clinics, quality assurance monitoring is conducted by doctors and nurses daily. In addition, Xalco conducts a feedback survey at the beginning and end of the service. The survey measures changes in physical and emotional behavior, client satisfaction, patient recovery, and mental wellness. The enterprise also conducts feedback surveys every week to record customer satisfaction.

Training Institute data:

For trainees at Ujuzi Fursa, the enterprise measures their progress in academic performance (exams) and employment post-training through learner management software (LMS). Trainees take weekly tests that are recorded. During their internships, the trainees are assessed weekly at hospitals. Once they graduate, all this information is transferred to the home care app. Xalco monitors employees' and trainees' livelihood improvements for those hired internally.



Xalco business impacts (as per internal measurement system)

- Number of clients served: 820
- Number of caregivers trained: 3,007
- Number of caregivers in active employment in Kenya: 1,500 (including 300 with Xalco, 700 with other agencies and hospitals, and more than 500 have migrated out of Kenya)
- Trainees who eventually get employed by the enterprise have recorded an improvement in their income (trainees who get direct employment by Xalco earn between US\$250-280 per month, as compared to the carers without any training or certification who usually earn between US\$100-120)
- The international certification allows trainees to migrate and find work abroad in Middle Eastern countries and South Africa (those who migrate out of the country can earn up to US\$500-1,000 per month)

In the future, Xalco would like to collect more evidence about the following:

1. **Impact of the training program on trainees:** Xalco intends to collect evidence related to overall changes and impact on the lives of the trainees. Currently, the data is limited to income change, but Xalco wants to assess how factors such as regular jobs and income social security measures have impacted the trainee's lives.
2. **Client journey data:** Xalco would like to measure and analyze the holistic impact on the elderly due to services provided by Xalco. While Xalco produces medical reports on elderly patients, it has not yet assessed the consolidated experience of the patient from joining to post-recovery.

Challenges

1. **Impact data from households:** Xalco works with middle- and higher-middle-income groups. Xalco would like to understand the impact of homecare services on the households but clients are often not forthcoming. Xalco would like to devise an overall engagement strategy for the household in which longitudinal impact data is collected.
2. **Impact on trainees:** Xalco maintains data about the performance of trainees, prior income, education, etc. but has not been able to track trainees after they complete their course. While there are estimates about employment status of trainees, Xalco has not been able to consolidate and analyze impact on trainees over a period of time due to limited resources to develop a methodology and collect data.

4.3 Customers' own experiences of the solution

Understanding the social context, emotional needs, preferences, and barriers faced by women who use Xalco's care services for their families and homes is crucial for potential investors to comprehend where Xalco excels and where it has room to grow. The following sections provide insights into the foundation of the business's market success and its impact



on the lives of women engaged with Xalco. This aims to assist investors in making well-informed investment decisions.

To inform this analysis, the research team conducted 8 in-depth interviews with women using Xalco's services to gather insights into their lived experiences and realities.^{28 29} This section presents the results of the qualitative impact deep dive, commencing with an overview of the women. It is followed by an exploration of women's journey to using Xalco services. The section concludes with a qualitative overview of Xalco's impact, as experienced by these women in their daily lives.

4.3.1 Customer snapshot³⁰

Xalco's customers are champions of the technological solutions provided by the business. Their experiences serve as testimonials to the physical, mental, and social benefits of improved access to services. Xalco's customer base, predominantly female, turns to the company for its specialized care services, catering to elderly family members in need of continuous support. These customers have the flexibility to choose between 2 options: Homecare360 and ComfortCare 360+. This choice allows them to select the service that best suits the specific care requirements of their family members, ensuring personalized and effective support.

Xalco caters to clients, mostly around 45 years old, who require care services for their elderly family members, usually aged above 60. These clients typically come from families averaging 5 members, commonly including spouses, children, grandparents, and parents-in-law.

Xalco's customer base is predominantly literate, with the majority having attained a minimum of high school education. Most of these women do not engage in 'paid' employment and dedicate their time

managing care needs and domestic responsibilities within their households.

Financially, Xalco's customers belong to affluent households, with average earnings of US\$75,000 annually or US\$6,250 monthly. This significantly exceeds the national average monthly income of US\$634,³¹ placing Xalco's clientele well above the average economic bracket. The pricing of Xalco's services, set at an average of US\$350 per month, makes them a viable option for families within the middle- to high-income range in Kenya.



4.3.2 Xalco customers' behavioral traits

- ❖ **Value of professional care:** The women interviewed recognize the benefits of professional care, appreciating that trained caregivers offer specialized support beyond what family members can provide. They acknowledge their limitations in dealing with complex medical conditions, thus preferring professional assistance for quality care.
- ❖ **Stress management:** Managing a family member's healthcare needs can be overwhelming. The choice to hire caregivers reflects an understanding of the potential stress involved in being the primary caregiver. The interviews suggest that outsourcing caregiving to Xalco helps individuals manage their stress, promoting a healthier life balance.
- ❖ **Cultural shifts:** The majority of those interviewed began using Xalco's services following recommendations from friends and family. Such endorsements point to a cultural shift towards professional healthcare services, moving away from traditional family-based care. As more families use Xalco, it becomes increasingly acceptable to seek such services, reducing the traditional caregiving responsibilities of women. Notably, during the interviews, none of the women expressed any guilt for using Xalco's services.³²
- ❖ **Financial capability:** Considering the cost of Xalco's services, choosing their services indicates a certain level of financial stability. It suggests that Xalco's primary clientele belongs to middle- or upper-middle-income families.
- ❖ **Concern for family's well-being:** The women interviewed were deeply family oriented, prioritizing their family's overall well-being. Opting for Xalco's services demonstrates a commitment to investing in resources that improve the health and comfort of the elderly, while also considering the impact on the overall family. One benefit highlighted in the interviews is the improvement in family relations resulting from reduced stress associated with caring for an ailing family member.

4.3.3 Journey maps

In the following section, journey maps are used to add additional detail to describe the step-by-step emotional experience Xalco's customers undergo from their initial introduction to Xalco to their eventual integration and utilization of its services.

Journey maps are a visual representation of the highs and lows experienced by households as they avail Xalco services. Journey maps can guide Xalco to identify opportunities for improvement and ensure that the diverse needs, wants and constraints of clients and the elderly, are considered in expansion and refinement of their services or reach.



The journey to utilizing Xalco's services typically begins with a referral from someone familiar with them. Clients initiate contact through a call or a visit to Xalco's office, where their specific care needs are thoroughly assessed to assign the right caregiver. Then, a caregiver is assigned to a household where they adapt to the older person's unique needs while fostering a professional relationship. Over time, many clients report noticeable improvement in the older person's well-being, such as increased mobility or improved interaction with family members. Additionally, employing a Xalco caregiver often leads to significant benefits for the clients themselves. They enjoy more free time and reduced stress, allowing them to engage in social activities and errands with peace of mind, knowing they are in capable hands.

Table 1: Xalco Journey Map for Domestic Workers

Stage	 Activities	 Caregiver Goals	 Emotions	 Barriers	 Levers
Awareness	<p>Clients are actively looking for caregivers to provide in-home elderly care. They often learn about Xalco through community recommendations.</p>	<p>To seek a suitable caregiver for at-home elderly care</p>	 Desperate	<p><i>Limited online presence</i> <i>Although Xalco has a slight social media presence, it still lacks important information that the client seeks which poses a challenge for potential clients.</i></p>	<p><i>Reputable leadership</i> The CEO of Xalco is highly regarded in the community. His strong reputation encourages clients to seek more information about Xalco's services.</p> <p><i>Positive community feedback</i> Good reviews from community members who have used Xalco's services play a significant role in motivating new clients to consider them.</p>
Sign-up Process	<p>Potential clients reach out to Xalco to understand which services best suit the elderly's needs and to learn more about the benefits of choosing Xalco.</p>	<p>To gather comprehensive information about Xalco and the advantages of their services</p>	 Intrigued, curious	<p><i>Difficulty in trust</i> Some clients express difficulty in finding a trustworthy caregiver for their older family member, highlighting the importance of trust in the caregiving process.</p> <p><i>Cost considerations</i> Clients note that while effective, Xalco's services are priced on the higher side, with a preference for more affordable options.</p>	<p><i>Streamlined onboarding</i> The cooperative nature of Xalco's staff and the straightforward sign-up process, involving simple paperwork, are appreciated by clients.</p> <p><i>Free trial period</i> In certain cases, Xalco offers a 2-week, no-payment trial period to ensure clients are confident in their choice of caregiver.</p> <p><i>Accessibility and personalization</i> Whether visiting Xalco offices or calling, clients find the staff attentive to their needs. Detailed discussions about the older person's condition and care requirements are conducted to match them with the appropriate caregiver.</p>

Stage	 Activities	 Caregiver Goals	 Emotions	 Barriers	 Levers
Clients and caregivers getting familiar with each other	<p>Clients are adapting to the transition of caregiving roles and responsibilities to professional caregivers, while the caregivers themselves are becoming familiar with the specific skills and methods tailored to each elders needs.</p>	<p>To adapt to the transition of caregiving responsibilities to a professional caregiver</p>	 Interested, curious, cautious	<p><i>Transition period</i> There can be an adjustment period needed for caregivers to acclimate to the household's unique environment and routines.</p> <p><i>Specialized care needs</i> In cases where older people have specific illnesses requiring specialized care, there have been instances where caregivers sent by Xalco needed additional training in areas like bathing and medical procedures.</p>	<p><i>Adaptive caregivers</i> Xalco's caregivers are often quick to learn and adapt to the older person's needs and the household environment. They are continually learning and introducing new methods of care, such as exercise, yoga, and painting, which have shown positive effects on elderly.</p> <p><i>Communication and updates</i> Caregivers provide regular daily reports to clients, updating them on the older person's health and any progress or changes.</p>

Stage	 Activities	 Caregiver Goals	 Emotions	 Barriers	 Levers
Caregiver experience with patient	Caregivers and clients who hire them start working together for the betterment of elderly.	To familiarize themselves with the dynamics of caregiver-client relationship	 Satisfied	<p><i>Punctuality issues</i> Clients report instances where caregivers are occasionally late or fail to inform them on time about their inability to work the next day.</p> <p><i>Adjustment with replacement caregivers</i> Both clients and older people require time to adjust to the replacement caregiver.</p>	<p><i>Efficient caregiver substitution</i> In cases where a caregiver is unavailable, Xalco promptly arranges for a replacement to ensure continuity in elderly care.</p> <p><i>Reliable payment process</i> Clients receive regular invoices, and the payment system has been consistently reliable and hassle free.</p> <p><i>Effective and clear communication</i> There is clear and effective communication between caregivers and clients, ensuring a mutual understanding of needs and expectations.</p> <p><i>Established trust</i> Caregivers have earned the trust of clients, who feel comfortable leaving them with the older person for errands or personal activities.</p>

Stage	 Activities	 Caregiver Goals	 Emotions	 Barriers	 Levers
	<p>Caregivers and the elderly start bonding with each other.</p>	<p>To witness the caregiver-older person interaction and take action accordingly</p>	 Happy and excited	<p><i>Resolving conflicts</i> In the few cases where caregivers and elderly do not get along, Xalco promptly resolves these issues by replacing the caregiver.</p>	<p><i>Building trust</i> Xalco's caregivers endeavor to establish a strong, trusting relationship with the older person, ensuring proper treatment and mutual comfort.</p> <p><i>Comprehensive care routine</i> Caregivers maintain a routine that keeps the older person active, encompassing all aspects of care including feeding, bathing, medication administration, and companionship.</p> <p><i>Supportive hospital visits</i> Some caregivers often accompany the elderly to hospital visits, providing comfort and staying informed about medical procedures and medications.</p> <p><i>Health and mobility improvements</i> Significant improvements in some of the elderly's health and mobility, are attributed to the caregivers' dedication and trust.</p> <p><i>Superior care quality</i> Clients have noted that caregivers often provide better care than they could themselves, owing to their professional training and expertise in caregiving.</p>

Stage	 Activities	 Caregiver Goals	 Emotions	 Barriers	 Levers
Sustained engagement	Clients evaluate the effect of Xalco's services on older people, particularly in terms of care quality and satisfaction.	To recognize the changes in the client's care responsibilities to continue using Xalco's services	 Happy and satisfied	<i>Financial considerations</i> When recommending Xalco's services, clients often encounter concerns from others about affordability, with many finding the fees too high.	<i>Strong recommendations</i> Clients are keen to recommend Xalco to friends and family due to its positive impact on both themselves and the elderly. They report experiencing less stress and having more personal time, as well as enjoying quality time with the elderly without the pressure of caregiving. Clients often suggest opting for a 24-hour caregiver, emphasizing the benefit of getting a full night's sleep and continuous support.

4.3.4 Xalco's impact

This section outlines the impact of Xalco's caregiving services on households that utilize them, as revealed through qualitative interviews. The following quotes are in the respondents' own words.

All women interviewed reported experiencing some positive benefits from Xalco's services. These ranged from a significant reduction in stress and mental burden associated with caring for a sick family member, to increased personal free time, and improved well-being of the ailing family member.

Qualitative evidence theory of change

Long-term outcome

LTO1: Reduced time-poverty of women in middle- and higher-income households due to reduced time spent on elderly care.

- Increasing acceptance of external caregiving services:** The women interviewed rated Xalco's services highly, with an impressive average of 2.75 out of 3. This level of satisfaction stems from Xalco's professionalism and the overall value the care workers deliver. As more women experience and endorse Xalco's services, they are more likely to recommend them within their social circles, gradually establishing a trend towards seeking external caregiving services. This shift is anticipated to significantly reduce the caregiving responsibilities traditionally shouldered by women within families, thus granting them greater freedom and time for other pursuits.

"I would say I am fully satisfied. It has been a seamless process because the caregivers come and they know what they need to do and I don't have to follow up and micro-manage."

24-hour care client

"I have also freely shared Xalco's information with people and I also know people who have started using the service. I have a friend who used a night carer for a month and they were also very happy."

12-hour care client

Medium-term outcomes

MTO1: Better health and independence of the elderly.

MTO2: Increased trust by households that caregivers can provide high quality care for their elderly family members.

- Improved quality of life for the elderly:** A significant number of respondents, particularly those with chronically ill, recognize that their loved one's health conditions may not improve. Despite this, they greatly value Xalco's focus on comfort, hygiene, companionship, and preventive care. These services go beyond basic care, significantly contributing to the overall well-being of the elderly. Xalco's holistic approach, which includes providing a comfortable and clean environment, companionship, and thorough monitoring, markedly improved their quality of life.

"...with the condition that she has, there is no sort of improvement because it gets worse over time. In the beginning, my mother-in-law was against having help and caregivers because she did not think she was sick, but these days she actually likes the caregivers. She is actually fine with them staying in her room while she sleeps. The day caregivers take her for a walk in the evening and she sort of enjoys having them around. So I don't know if it has improved her health because that is a very tricky question with her condition."

24-hour care client



- **Improved quality of life for the elderly:** Households consistently trust and place confidence in caregivers as they trust Xalco’s thorough preventive care approach. The positive experiences with caregivers lead to an increased level of trust, demonstrated by the length of time caregivers choose to stay with a household. In many cases, caregivers remain with the same household for over 2 years. Xalco’s flexibility in allowing customers to choose caregivers that best fit their needs further improves this trust. It is based not only on the caregivers’ competence in handling medical care but also on their ability to support the emotional well-being of the elderly.

“It is good service because there is enough communication and if we are not comfortable with one carer, they would change them.”

24-hour care client

“My initial concern was whether my mother-in-law would like the caregivers because of her condition, that one day she would wake up and not like someone. I was also concerned about their level of commitment and I was concerned about whether I would have to micromanage them. I used to check at the beginning to make sure that her medication was taken on time but now that they have been here for long, I don’t need to check on everything.”

24-hour care client

- **Increased free time for personal activities:** All respondents interviewed noted an increase in their free time after starting services with Xalco, a contrast to the time-consuming nature of personal caregiving. The majority of women are now using this extra time towards personal interests and activities, such as gardening, travel, fitness, and family bonding. A small minority mentioned using this additional time for work or other household work.

“At least I can now go to the gym, I can handle all other things like maybe going to town and coming back.”

24-hour care client

“I can now take care of my horticulture, and if I want to go somewhere I can just go.”

12-hour care client

“The lady is coming once a week because I need to go out to work on that day.”

12-hour care client

Short-term outcomes

- STO1: Superior and comprehensive care for the elderly at home.
- STO2: Improved preventive health conditions among the elderly.
- STO3: Increased retention of caregivers at households.
- STO4: Increased convenience due to Xalco care services.

- **Improved preventive health measures:** The careful supervision of the medication and overall health of the elderly play a crucial role in preventing various health issues. For instance, caregivers regularly monitor blood sugar levels to help prevent dizziness and other serious complications. They flag any significant concerns promptly to the family or the specialist.

“The caregivers will inform us if she is not feeling well. Recently she had a stomach bug and we took her to the hospital, the caregiver went with her and they helped manage her taking the medication. So we set the appointments and the caregivers go with her and they relay the information when they come back.”

24-hour care client

- Xalco’s growing popularity, driven primarily by word-of-mouth recommendations and supplemented by social media presence, is significantly improving its visibility in the community. These strong endorsements from families are not only



making Xalco more well-known to those in search of similar services, but are also fostering a sense of comfort and trust in opting for Xalco's services.

"We wanted to bring my mother-in-law home from the care house and the only way was if she had full-time care. We looked around in Kenya. Previously, when my mother-in-law was first diagnosed, we had trials and we got companies that did not suit our needs and we did not want to go back to them. And since Xalco was the same company that was providing care services to my mother-in-law while she was there (care house), we decided to speak to them and engage them."

24-hour care client

- **Improved family's well-being:** According to the respondents, hiring Xalco's caregivers has significantly boosted the overall well-being of the family. This improvement is largely due to the reduced stress associated with in-family caregiving responsibilities. Seeking Xalco's support has created a more peaceful and harmonious home environment, reducing internal conflicts and fostering a sense of peace within the family.

"I can say that the stress level is less because the wife [me] is usually the one to deal with the husband but since Homecare360, someone else is helping me take care of him."

12-hour care client

"The underlying stress of taking care of a sick person is gone. For example, my husband used to be stressed because he never had enough time to go and see his mother when she was in the care home but now he can see her all the time and he feels better about that, and naturally that relieves stress for us as a family. Also, my son can spend time with his grandmother, and that is good."

24-hour care client

- **Affordable quality care:** Xalco's services strike a balance between older people's safety and cost-effectiveness for households. Although more respondents reported higher immediate expenses, the inclusion of preventive care in Xalco's comprehensive plans adds value, making the service more economical in the long run. This cost-effectiveness aligns with the goal of delivering high-quality care while being mindful of families' financial situations. For instance, a minority of respondents found using Xalco's services was financially more viable than placing their loved one in a care home.

"The fact that we're saving means that we are now able to do other projects that we were holding off on like some home improvements like our garden."

24-hour care client

Outputs

- O1:** Dynamic care plan for each older person.
- O2:** Enhanced information to households about pre- and post-healthcare measures.
- O3:** Regular health input (lab, doctors, nutritionist) from healthcare service providers.
- O4:** Increased skills among unemployed youth to work as caregivers.
- O5:** Increased on-job support for caregivers.
- O6:** Prompt customer-service support.

- Respondents reported making concerted efforts to provide a nurturing work environment for caregivers, evidenced by their interactions involving shared learning, conversation, and laughter. This behavior reflects an empathetic connection with the caregivers. By cultivating this kind of environment, households play a key role in creating stable and supportive working conditions for their care workers.

"The carers have become family and friends to us. Because we learn from each other, talk to each other, and laugh together."

24-hour care client

- **Improved information sharing with households:** Xalco's provision of detailed pre- and post-healthcare information equips families with necessary knowledge to effectively navigate the steps surrounding healthcare interventions. This allows households to engage actively in the care process, improving the overall well-being of the elderly. The exchange of information between caregivers and families cultivates strong, personal connections, rooted in comfort and trust. It also improved communication and responsiveness, leading to greater transparency and fewer misunderstandings, thereby fostering a positive and efficient caregiving environment.

"We have even formed a group, and if there is any form of delay, they will tell me. There was an issue with communication among themselves (Xalco team). For example if they were late, the nurse would come and give me a different story than that of the head nurse. I can say they are much better these days. The delays are not over 30-45 minutes but are about 15 minutes."

12-hour care client

- **Efficient customer service support:** Xalco's prompt customer service establishes a responsive and efficient support system for households. The assistance from Xalco's representatives is a feature, greatly appreciated by the respondents. Their swift and attentive handling of inquiries, issues, and requests significantly contributes to the satisfaction of respondents. This level of responsiveness not only builds trust but also improves overall satisfaction with the services offered by Xalco.

"The representative motivated me. Her customer service was very high, she explained to me all about Xalco, what they do and how they are going to do it, and how they would assist and support us on our side. You know they say the first impression is the last impression and she gave me that."

24-hour care client

"They are very helpful, they don't argue. They say "yes" and if they see that there is something missing, they just say it and they also say how they can help out, even just an idea."

24-hour care client

"I was quite impressed because physically meeting them was a really good move. They took their time to understand what they wanted and they didn't rush us through which was nicer. They are doing a fantastic job, and I can't complain there. There have been ups and downs and we have had fights with them but we move on, we apologize and we are okay now."

24-hour care client

5 - LOOK FORWARD

5.1 Growth and sustainability plans

Xalco Limited has identified the following avenues for growth:

 <p>Geographical expansion</p>	<p>By 2025, Xalco plans to open 3 more training centers and 1 additional ComfortCare 360+ clinic in Kenya. The enterprise also aims to increase the number of trained students to 15,000 by 2025 from the current 3,007. Xalco's app would make it possible to handle the increased scale of operations resulting from the increase in trainees and in the provision of home care services. In the future, Xalco plans to open training centers and ComfortCare 360+ in all the major cities in Kenya and will consider expanding to other countries, such as Uganda, Ethiopia, and Congo.</p>
 <p>Online skills development for caregivers</p>	<p>The enterprise aims to develop an online program that will allow caregivers to access skills development resources continuously and conveniently, while they undergo skills development training at Ujuzi or work as caregivers.</p>
 <p>Product expansion</p>	<p>Xalco intends to expand its product portfolio to include second-hand medical support equipment such as wheelchairs and hospital beds, that customers can procure directly from Xalco. At present, the market for second-hand equipment has not evolved in Kenya, and companies import it from other countries. Xalco intends to create more supplier partnerships in countries such as the UAE, which has a warehouse of secondhand goods and procures second-hand medical equipment. Xalco will also scale the supply of food supplements for the elderly that it introduced in 2023. Xalco will supply this product through its ComfortCare 360+ facility.</p>

5.2 Ask of investors and stakeholders

Financial needs

The enterprise is seeking an investment of US\$350,000 in equity and convertible notes. These funds would be used to open 3 additional training centers at Nakuru, Kisumu, and Meru, and 1 care clinic. These

funds would enable Xalco to rent training centers and an office, purchase furniture and equipment such as hospital beds and wheelchairs and hire at least 20 people. Xalco is looking to raise equity from partners who can also provide technical expertise to accelerate Xalco's growth.



Non-financial

Partnerships with the government: The enterprise is seeking a partnership with the government to develop conducive policies for caregivers in Kenya, including the formal recognition of the cadre of home care caregivers.

Other miscellaneous support: The enterprise is seeking support and expertise

in marketing, to reach remote parts of Kenya, as well as mentoring support to the existing team at Xalco through learning and development initiatives. Additionally, the enterprise is seeking expertise in procurement systems and logistics and standards and authority related to import and export, related to the enterprise's equipment purchases from India and Dubai.

5.3 Lessons learned

Xalco is a niche enterprise that has established an array of elderly care services such as caregiver's training curriculum development, skills training, placement of caregivers in households, home care services, and clinics specifically targeting the needs of older people. Xalco's services are particularly important in Kenya, where the geriatric healthcare system is under pressure due to the rising aging population, an increase in average life expectancy by 10 years, and an increase in lifestyle-related diseases.

Xalco's model demonstrates the significance of backward and forward linkages in the value chain with care service providers, medical equipment suppliers, and households, and how enterprises can generate value through multiple revenue streams. Trainees find Xalco an appropriate training service provider as Xalco trains caregivers and creates employment opportunities through its home care services. Xalco can also monitor and control training processes that ensure better care quality of home care services. Users of the step-down care facility, ComfortCare 360+, who require longer health support can use Xalco's home care services and elderly people receiving home care services can use ComfortCare 360+ for rehabilitation care for any specific ailment. As Xalco is expanding now to assistive devices and the nutritional meal market segment, it will create more comprehensive value for customers who would like to come to one healthcare service provider for all their healthcare needs.

Xalco has also forged a wide range of partnerships in multiple countries in order to enhance its products and services. The multiple assessment and certification opportunities for trainees and the supplier arrangement to procure items such as assistive devices and medical equipment and nutritional meals have enabled Xalco to reduce the cost of supplies. Further, Xalco is able to offer a variety of services, resulting in customer growth.

Customer insights and existing evidence from Xalco suggest that care services for older people have led to an efficient redistribution of women's care workload to a third party. Xalco would

also like to understand the care workload of women who work as caregivers at Xalco. Xalco's experience shows that women caregivers who offer home care and elderly services work for 10-12 hours at the workplace and also undertake domestic chores at their homes. The double workload burden is unsustainable and can result in burnout or women opting out of the workforce. It can also influence carers' ability to perform caregiving tasks such as monitoring health vitals, supervising medication, and offering emotional support efficiently due to lack of mental and physical rest. In the future, Xalco could consider measures to reduce and redistribute the double care workload on Xalco's service providers through favorable workplace policies, undertaking initiatives to influence social norms and behaviors at home, and advocating for social security protection.

5.4 Recommendations for policymakers, investors, and entrepreneurs

 <p>Policymakers</p>	<p>Enact policy on caregiving and recognize caregivers: The Kenyan Government should develop policy measures to recognize home care and rehabilitation as an important sector in health. Kenya does not have a national policy framework specific to the older persons' health. However, Kenya has adopted a healthy Aging and Older Persons' Health Strategy to address national clinical guidelines on geriatric care and formal training in care for older persons. Care enterprises, such as Xalco, offer support to households to address the gap in the aging and older persons health sector. The absence of regulation on home care impedes caregiving enterprises from improving their services. For example, the current regulations mandate that nurses can only perform procedures, such as dialysis at home, while caregivers cannot, despite being adequately trained and certified. Policy action will result in improved regulations for caregivers and their rights, establish quality parameters for home care services, and increase resources to establish government-funded skill-building and vocational programs on caregiving. Government officials and policymakers can involve stakeholders and consult with and invite input from entrepreneurs and others such as insurance companies in the care industry.</p>
 <p>Investors</p>	<p>Expand investment to new health models: Investors should consider investment opportunities in the after-care and home care sectors. Most investors in Kenya are financing large health projects, such as mega-hospitals (with around 5,000 beds). Small and medium investments in health are in, among others, health tech and labs. There are minimal investments in the home care market and smaller care facilities for the elderly.</p>



Enterprises

Navigate the early years with a long-term perspective: Xalco navigated challenges in the initial years of set-up by exploring alternate revenue streams that could benefit it in the long-term. When the COVID-19 pandemic resulted in the pause of training programs, the core revenue generating stream, Xalco capitalized on the homecare market to stabilize the business. Xalco advises other entrepreneurs to sustain the enterprise momentum, particularly in the first 3 or 4 years when the risk of stagnation is high. Entrepreneurs building their businesses should stay connected to their impact stories to remain motivated and attuned to customer problems, to enable them to devise long-term solutions. Such an understanding will enable entrepreneurs to identify and capitalize on ideas and opportunities.

Identify opportunities to expand value proposition: Xalco's model demonstrates the importance of tapping multiple revenue-generating opportunities and complementarity of service offerings. Entrepreneurs should explore opportunities to address the customers' various needs and build product and service offerings to address those needs. This will enable enterprises to enhance their differential value proposition and gain an edge over competitors. Enterprises can collect data and insights on customer needs to explore such opportunities.

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²⁵ Ujuzi Fursa is a Swahili word that means ‘skills for opportunities’.

²⁶ 2X criteria can be found [here](#).

²⁷ 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.

²⁸ The research team conducted 8 in-depth interviews, of which 2 were full interviews and the remaining 6 were partial interviews. The interviews were conducted with female customers from households who have availed Xalco services for an elderly family member for 6 months or more. The customers for interview were selected through purposive sampling to ensure diversity in age, occupation, 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 English, audio-recorded and transcribed verbatim for analysis. The data collected from these interviews was analyzed thematically in NVivo to identify key themes and patterns in participants' responses. Given the small sample size and purposive sampling, one of the limitations of our analysis is that it might not be representative of the different socio-demographics of all Xalco customers.

²⁹ The respondents from Xalco, as previously mentioned, are women who utilize Xalco's services. It's important to note that these women, typically belonging to middle to high-income groups, are not the usual demographic interviewed for research studies. Many expressed reluctance to provide detailed information, perceiving the



questions as intrusive. As a result, the research team faced challenges to reach the target of 12 complete interviews; only 2 were fully completed, and 6 were partial, with respondents choosing to answer only those questions that they were comfortable with. The case study analysis includes data from both the complete and partial interviews.

³⁰ Customers showed notable reluctance in sharing personal information in the demographic section, hesitating to share details like age, income, and family size. The analysis of this section was supplemented by secondary data regarding customer demographics provided by Xalco.

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³² This is important in light of societal expectations regarding women's roles in family care. The women of the family not providing that care can be perceived as a failure as a daughter or daughter-in-law. Thus, the female customers using Xalco's services without guilt indicates a positive shift in societal attitudes. It could suggest that seeking external assistance for care in these communities is becoming more accepted and recognized as a viable option.



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