



INCLUSIVE CLEANING BUSINESS IN BOLIVIA

a social business case study
2019



AUSTRIAN
DEVELOPMENT
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Introduction

EIFODEC – Escuela de Integración y Formación Deportiva, Expresión Artística y Desarrollo Laboral - is a non-profit organisation that provides sports, artistic activities, training and labour market support, and disability inclusion in community development for girls, boys, women and men with disabilities.

Light for the World is an international disability and development organisation whose vision is an inclusive society where no one is left behind. We strive for accessible eye care services and support inclusive education, empowering persons with disabilities to participate equally in society. Light for the World has been working with EIFODEC since 2009.

Since the beginning of the collaboration, EIFODEC struggled to generate their own financial contribution to the projects. To solve this challenge, the idea arose in 2014 to start a for-profit business, the income of which could then be donated to the non-profit. After a technical and economic feasibility analysis in 2015, the decision was made that a cleaning company would be the most effective way to generate funds.

The inclusive cleaning business had two objectives:

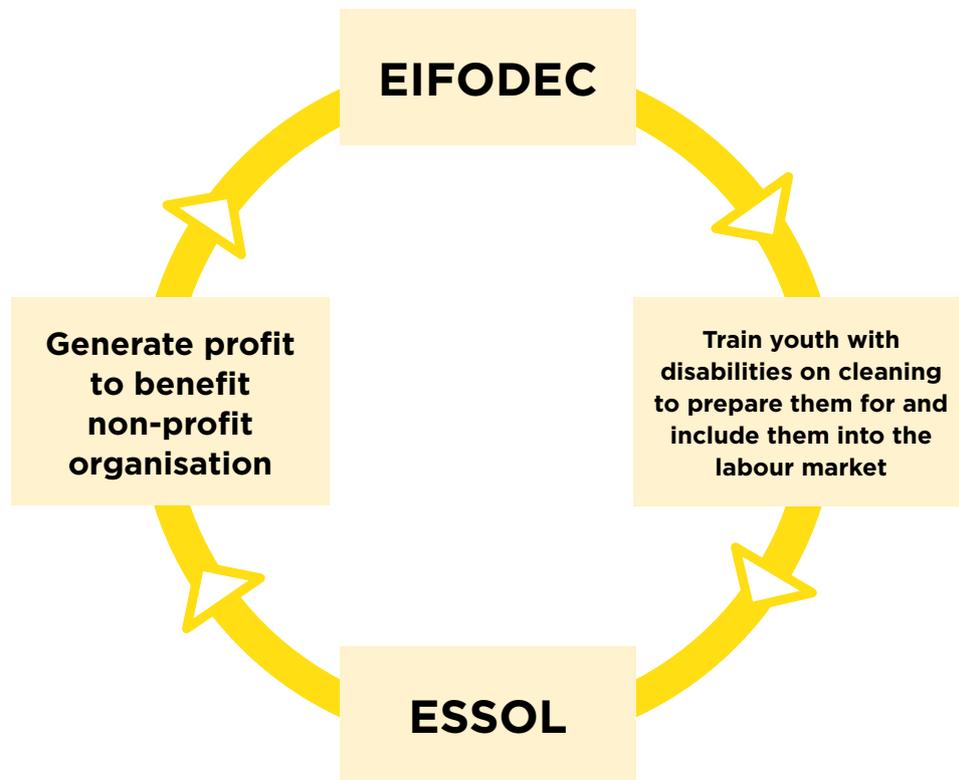
- ▶ Make a profit to benefit EIFODEC activities
- ▶ Open labour market opportunities for youth with disabilities

In 2016, the idea of the cleaning company won the Social Entrepreneurship Challenge set out by the Austrian Development Agency (ADA). The ADA, together with Light for the World, agreed to support the social business from July 2016 until December 2017 (later extended until June 2018).

In 2016, **ESSOL** – Empresa Social de Servicios Óptimos en Limpieza¹ - was founded in the city of Sacaba, Bolivia. ESSOL is a company that aims to provide cleaning services to households, companies and public institutions, and to employ persons with and without disabilities.

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¹ This translates as Social Business for Optimum Cleaning Services, and the abbreviation also means 'there is sun'.

The model



The model envisioned employing youth with intellectual disabilities who have been trained by EIFODEC as cleaning staff in ESSOL. The project resulted in three youth with disabilities working part-time at ESSOL and three who are contracted on an ad-hoc basis when larger jobs come in. Some of the support staff without disabilities are EIFODEC staff who are working part-time for ESSOL.

- ▶ 192 one-off assignments for 92 different clients carried out between Feb 2017-March 2019
- ▶ 3 youth with disabilities and 1 without disabilities received fixed contracts
- ▶ 1 part-time supervisor without disability employed
- ▶ 3 youth with disabilities and 2 without disabilities available on an ad-hoc basis

Turning a profit

The business was started with funding from ADA and Light for the World – who jointly invested 69,247.02 EUR between July 2016 and June 2018. During this time, the business earned a total of around 18.500 EUR, a great start, but not yet enough to allow the business to run independently. Since June 2018, the business has remained operational thanks to savings generated when they were supported by ADA and Light for the World, and through cost reductions made possible by the government providing financial support for the salaries of two fulltime staff members in 2019.

ESSOL is committed to ensuring a high quality of their services and

to using environmentally friendly cleaning supplies. Both are quite rare in Bolivia and therefore result in higher prices for clients compared to competing businesses, which can be a barrier for potential clients to hire them. Despite this, the business is still ongoing, and has successfully completed 192 assignments since 2016.

However, the goal of making a profit margin large enough to fund EIFODEC has not yet been achieved. The business is struggling to break-even, let alone be in a position where they have surplus income to transfer to the non-profit organisation.

Outcomes for persons with disabilities and clients

As stated above, ESSOL is committed to ensuring the quality of their services – a trait that is quite rare amongst cleaning businesses in Bolivia.

Customers, once they have contracted ESSOL for an assignment, are surprised by how well they work:

“ They cleaned our floor and it looks like new tiles. ”

“ The other [company] we hired to clean, didn't clean as thoroughly. ”

Many are surprised to see that persons with intellectual disabilities can work as well as they do, which raises awareness in the community about the capabilities of persons with intellectual disabilities.

Besides ensuring that their work maintains a high standard, ESSOL is also committed to their staff. Not all clients understand the equality of persons with disabilities, but ESSOL, despite being in need of new clients, will turn down a well-paying job if the client mistreats or is unkind to the staff members with disabilities.

For the participating youth with disabilities and EIFODEC, the experience has been very rewarding. The youth are happy to have an opportunity to work and earn their own income. The school, which had already been offering vocational training on subjects such as cleaning

to their students, has had to improve its courses as they realized that students were not learning enough to work effectively once they transitioned into the workforce.

Conclusion

What are the key learnings from this experience thus far?

This business had the dual purpose of raising money for a non-profit and providing a workplace for youth with disabilities. Striving to achieve both goals at the same time was a challenge and while this pilot did achieve the social targets of ensuring employment for youth with disabilities, it did not reap the intended financial returns.

The conceptualisation and establishment of ESSOL was supported by a social business expert and an expert organisation in local disability inclusion. Despite input from both technical and social expertise during the initial stages of the business life cycle, sustaining ESSOL past the growth phase proved challenging due to limited managerial expertise on market innovation and generation of sales. Based on the results of the pilot project, it could potentially have been more lucrative to invest in a fundraising position at

EIFODEC to generate targeting giving from already thriving local businesses rather than build a social enterprise from the ground up.

Despite the setbacks faced with income generation, the social business model pilot project did result in a safe and interesting workplace for young persons with disabilities that directly answered marketplace needs. In this situation, six youth with intellectual disabilities were trained to provide quality cleaning services and are now in the position to earn their own income. Moreover, clients are becoming aware of the fact that persons with disabilities are able to work and that they can produce quality results whereby decreasing stigma in the community towards persons with disabilities.

Recommendations for establishing a social business based on the learnings from the ESSOL Pilot initiative

- Define a single goal for the business. Is it enough, for example, to simply be a self-sustaining business which offers an interesting and safe workplace for persons with disabilities without generating a profit for EIFODEC?
- Employ a fulltime business manager with a background in private business and finances;
- Design marketing strategies based on the profit margin needed for income generation;
- Strengthen marketing of the Unique Selling Point, in this case an eco-friendly company employing persons with disabilities, to make it easier to compete with other, cheaper cleaning companies;
- Use Lean Startup² as a methodology to mitigate dependencies and risks for newly established businesses.

2 https://en.wikipedia.org/wiki/Lean_startup



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