

# case study

# SC Johnson & Community Cleaning Services: Delivering Sustainable Opportunities, Incomes and Improved Hygiene in Kenya

#### **Case Summary**

<u>SC Johnson</u>, a family-owned and managed business, is one of the world's leading manufacturers of household cleaning products and products for home storage, air care, and insect control. The company was founded in



1886, generates US\$ 9 billion in sales, employs nearly 13,000 people globally, and has operations in more than 70 countries.

Since 2005, the company has been working in Nairobi, Kenya, as a co-founder, strategic partner and supplier of Community Cleaning Services (CCS). The CCS business venture uses a micro franchise distribution platform to offer an integrated model of awareness creation, training, quality assurance, product supply and marketing support to sanitation service providers (mobile cleaning teams and public toilet operators) who are delivering toilet cleaning services across Nairobi's low-income communities. CCS creates income generating opportunities and drives sanitation improvements by delivering significantly cleaner, more hygienic and more usable toilets at an affordable cost for low-income clients (around 20 cents U.S. per family per week, the same cost as a soda).

This case study outlines SC Johnson's learning journey of how, leveraging resources and expertise from within the company, local entrepreneurs, and social sector partners, CCS has developed an innovative ready-to-use solution to the "software" challenges (ongoing management and maintenance of toilets), as opposed to the toilet "hardware" or infrastructure construction challenges, of urban sanitation.

#### Context

According to the World Health Organization, an estimated 2.6 billion people lack access to adequate sanitation globally. Inadequate access to safe water and sanitation services, coupled with poor hygiene practices, kills and sickens thousands of children every day, and leads to impoverishment and diminished opportunities for thousands more. Lack of sanitation facilities forces people to defecate in the open, in rivers or near areas where children play or food is prepared. Examples of diseases transmitted through water contaminated by human waste include diarrhea (responsible for 1.5 million deaths every year, mostly among children under 5 living in developing countries), cholera, dysentery, typhoid, and hepatitis A.<sup>1</sup>

<sup>&</sup>lt;sup>1</sup> World Health Organization, 10 facts on sanitation, http://www.who.int/features/factfiles/sanitation/en/index.html



In Kenya, the country where SC Johnson co-launched the CCS venture, only 27% of the population uses improved sanitation facilities in urban areas (2008 statistics).<sup>2</sup>

# **SC Johnson's Learning Journey**

The basis for SC Johnson's work in Kenya can be traced back to the <u>Base of the Pyramid (BoP) Protocol</u>™, an action research program launched in 2003 by Cornell University's Center for Sustainable Global Enterprise (<u>CSGE</u>) with the support of the University of Michigan, the World Resources Institute, DuPont, Hewlett Packard, SC Johnson, Tetra Pak, and the Johnson Foundation.

The BOP Protocol™ aims to develop and refine a corporate innovation process geared for the unique challenge of sustainably serving low-income markets. In essence, the protocol is a process for companies and communities to collaboratively develop sustainable, culturally appropriate business models that serve unmet needs of poor communities and generate mutual value for all partners.

In 2005, SC Johnson began working with partners in Nairobi to co-launch the Community Cleaning Services (CCS) business venture, a new community-based cleaning business that would offer a wide variety of cleaning and pest control services at a very low cost. Applying the insights generated through the BOP



Protocol<sup>™</sup>, the company partnered with Carolina for Kibera (CfK) and the Coalition of Youth Entrepreneurs to start the business in the Kibera, Mitumba and Mathare neighborhoods of Nairobi.

The Protocol process brought together entrepreneurial Kibera youth groups, local SC Johnson representatives and development professionals from several other NGOs including CfK, to co-create a new business concept. The idea that emerged was to create services based on SC Johnson products that would create new entrepreneurial and employment opportunities while enabling the provision of cleaner, safer homes.

The first iteration focused primarily on in-home insecticide spraying and selling these services door-to-door, often tapping into the youth groups' existing garbage collection clients. The youth entrepreneurs began offering in-home services using SC Johnson products such as Pledge® furniture care, Glade® air fresheners, Windex® glass cleaner, Duck® bathroom cleaner and Baygon® insect control — in some cases with consumers buying as little as a single, affordable squirt of product.

SC Johnson shared marketing and business expertise, a steady supply of consumer products and knowledge of pest control management. The local entrepreneurs provided their local marketing and distribution expertise, community insights and local credibility.

After a year, however, it became clear that although the products were very effective, the business was not making money for the youth groups (or SC Johnson) and momentum was lagging.

<sup>&</sup>lt;sup>2</sup> UNICEF, http://www.unicef.org/infobycountry/kenya statistics.html



The analysis of the first pilot yielded several important lessons:

- 1. The BoP entrepreneurs with whom CCS was working could not afford "sweat equity" investment because their daily income was required for daily living expenses.
- 2. Working with pre-existing groups allowed the business to take root quickly and leverage existing social capital.
- 3. However, group business management was often inefficient and the business worked best when an individual "entrepreneur" in the group took on the leadership and coordination of the business.
- 4. The trust barrier to gain entry into a new client's home to provide pest control or cleaning services was too high a hurdle, too major a paradigm shift, for the consumer.
- 5. Consumers needed to be able to see or smell the difference (the *value*) that the service delivered to feel comfortable spending even a small amount.

SC Johnson and its partners refocused in 2007 and developed a modified business model for the CCS venture, still based on the service concept, but leveraging the abovementioned lessons. This yielded the following steps:

- CCS restructured to focus on cleaning shared toilets. This idea came from the
  entrepreneurs themselves, who identified the opportunity to create a professional
  and organized service that would target the shared residential resource of toilets.<sup>3</sup>
- CCS developed a start-up process that ensures the engagement with only serious new entrepreneurs while simultaneously creating capacity, community awareness, client demand and incomes right from the start.
- CCS entrepreneurs/coordinators tend to be well-known in their communities and able to maneuver through "local politics", critically giving CCS a trusted and permanent presence in the communities.

## **CCS' Holistic Solution to Urban Sanitation Challenges**

CCS developed a holistic approach to the complex issues of urban sanitation that results in financially sustainable, community-owned solutions. The goal of CCS is to engage low-income urban communities to create demand for cleanliness, hygiene and sanitation which in turn creates a market for sanitation professionals to improve their livelihoods and their own communities. To achieve this goal, CCS focuses on core activities described below to support the success of the sanitation service providers: training of sanitation service providers to manage and grow their sanitation businesses, and ongoing quality assurance and mentoring & marketing support for sanitation service providers.

The cornerstone of CCS' success in developing successful urban sanitation businesses is its proprietary training curriculum that combines classroom- and field-work to prepare new sanitation service providers to be world-class cleaners, to manage their own businesses, and to generate demand in their communities for their services. Three types of training are conducted:

<sup>&</sup>lt;sup>3</sup> Tatiana Thieme, "Youth, waste and work in Mathare: whose business and whose politics?" – *Environment & Urbanization*, International Institute for Environment and Development (IIED). Vol. 22(2), 2010, 333–352. Available online at <a href="http://eau.sagepub.com/content/22/2/333.full.pdf">http://eau.sagepub.com/content/22/2/333.full.pdf</a>



- Cleaning training, which begins with a oneday, 100% in-field intensive cleaning training session in which the new sanitation service providers learn CCS cleaning standards, which requires every part of the toilet to be cleaned and disinfected, from ceiling to the bowl.
- Business management training, in which team members attend an active five-day business training focused on sanitation services, at which they learn concrete skills like costing, data and cash management and sales, as well as tips for dealing with common challenges and conflicts. Teams leave the training with a detailed business plan and continually review and evolve the plan with guidance from the CCS Business Support team.





• Sanitation marketing / awareness training —
in order to create market demand for sanitation improvements, sanitation service providers are trained in CCS' methodology of "triggering" to raise community members' awareness of the risks of poor sanitation and hygiene, and to mobilize improvements. During this process, open meetings are held with the community to discuss and observe their own practices around open defecation and to drive people to change their sanitation habits. Once the community has been "triggered", CCS launches various activities to demonstrate possible solutions, including community-wide toilet cleaning days. This allows community members to experience what it's like to have a really clean toilet and converts some of them into regular CCS franchise clients.

CCS provides comprehensive training to two groups of sanitation service providers:

Mobile Cleaning Teams (MCTs): CCS is an opportunity for young people living in Nairobi's lowest-income communities to establish their own business: an MCT serving and improving their community. MCTs' work consists primarily of cleaning shared toilets in residences, schools, health clinics and restaurant/bars. The Team Leader is a CCS micro-franchisee, trained and supported in operating his or her own small business. According to one of the Team Leaders,



who shared his view of the difference between traditional employment and being a CCS entrepreneur, put it: "You are not someone else's donkey, enriching someone else's enterprise. You work for yourself and treat your own workers, guys you grew



up with, as partners."4

Training and uniforms are provided free-ofcharge by CCS. The initial cleaning products and equipment are provided on consignment terms, therefore start-up costs for MCTs are negligible, and they can start earning a profit immediately. The CCS induction process, however, ensures that CCS invests in viable entrepreneurs. When working under contract with social sector partners (e.g., government and NGOs), the partner



provides the funding for start-up costs and for CCS to assure the ongoing quality of cleaning service, either through training of partner staff ("train the trainer") or the direct involvement of CCS quality assurance staff (on the latter, see specific section below).

In order to clean the toilets, CCS purchases SC Johnson products under the Toilet Duck® and Mr. Muscle® brands, then sells them on to the local entrepreneurs who are independent members of CCS. The products are imported to Kenya in barrels, not consumer packaging. Bulk importation is





an important business adaptation for the CCS service model that has "closed the loop" on packaging waste within the CCS business. CCS teams re-use all packaging and only replace it once it has served its full useful life—and then it is recycled locally. These environmental benefits also come with a cost advantage, improving CCS' financial performance. Furthermore, the neighborhoods in which CCS operates suffer from extraordinary garbage problems due to a lack of municipal solid waste management. Therefore, CCS' service model is not only delivering cleaner, safer toilets, but, by nearly eliminating packaging waste, contributing to cleaner communities and setting a positive commercial example.

As Thieme suggests, "CCS entrepreneurs use SC Johnson's cleaning products as a means to an end. Rather than the purchase and consumption of that product being the commercial value and end in itself, the end is indeed the service, and the mode of





promotion and marketing is based on entrepreneurship and word of mouth."5

<sup>&</sup>lt;sup>4</sup> Quoted in Tatiana Thieme, "Youth, waste and work in Mathare: whose business and whose politics?" – *Environment & Urbanization*, International Institute for Environment and Development (IIED). Vol. 22(2), 2010, p. 349. Available online at http://eau.sagepub.com/content/22/2/333.full.pdf



• Public toilet operators: Many residents of lowincome urban communities do not have access to a toilet inside their residential plot and many also spend a significant amount of time away from home seeking income. These are typical users of "pay-per-use" public toilets managed by an individual or a group of operators from the community. CCS has worked with local government, NGOs, community entrepreneurs



and professional toilet owners to train operators and provide ongoing quality assurance and product supply to ensure cleanliness and operation. CCS' involvement has increased the "business" or "use" of public toilets in 100% of the cases where standards are met and, in some cases, volume has doubled as users, especially women, choose to use a clean and safe "CCS toilet".

## **Ongoing Quality Assurance, Mentoring & Marketing Support**

It is important to underline that CCS does not train just to train; rather, CCS trains to create successful businesses. To ensure long-term success of the businesses, the eight-person CCS Business Support team, led by two individuals who proved themselves as successful Mobile Cleaning Team Leaders, is a constant presence in the communities in which CCS operates. The team is made up of expert communicators and trainers who come from and are driven to serve Nairobi's lowest income communities. Key responsibilities are to work with CCS partners and sanitation service providers to train, mentor, test innovations, ensure quality, and sow the seeds of CCS' mix of entrepreneurial drive and grassroots movement.

#### **Program Impact & Benefits**

In essence, CCS delivers social and health benefits in the following categories:

- Training: Trained more than 200 young people in sanitation service provision and business management; trained over 300 community members in sanitation awareness leadership and facilitation.
- Youth employment: Currently 10 active Mobile Cleaning Team Leaders who employ more than 60 professional cleaners on a semi-regular basis (2-6 days per week).
- Awareness-training on sanitation: Approximately 2,500 community members "triggered".

Before and after the CCS team's intervention





<sup>&</sup>lt;sup>5</sup> Tatiana Thieme, "Youth, waste and work in Mathare: whose business and whose politics?" – *Environment & Urbanization*, International Institute for Environment and Development (IIED). Vol. 22(2), 2010, p. 338. Available online at <a href="http://eau.sagepub.com/content/22/2/333.full.pdf">http://eau.sagepub.com/content/22/2/333.full.pdf</a>



Improved sanitation: Monthly, CCS teams are improving sanitation for a
conservatively estimated 500,000 low-income Nairobi residents. Precise
measurement of sanitation improvement is challenging but CCS employs a
FireFly™ bacteria meter; tests with this meter have shown an 80 percent reduction
in bacteria after CCS cleaning.

Over several years, CCS and SC Johnson have increased cleaning productivity by 60 percent and cut cleaning time by 35 percent using cleaners from the Mr. Muscle® brand. They also identified an effective, low-cost odor control solution using an SC Johnson toilet gel product distributed under the brand names of Duck® and Scrubbing Bubbles®.

In a typical month such as January 2011, the CCS Mobile Cleaning Team cleaned 780 toilets in schools and shared residential toilets – two of its most important customer groups. Schools in particular are a critical location to combat diarrheal disease.

Interestingly, CCS' work has also emerged as a grassroots movement to improve local sanitation and raise cleanliness standards and community expectations. As one CCS customer put it, "now people expect cleaner toilets, and they will start to apply pressure on community members who do not want to pay for cleaner toilets, just like they did when garbage collection started about 10 years ago. Today, everyone pays for garbage collection, and hopefully tomorrow everyone will want to pay for a toilet-cleaning service that improves our environment and prevents diseases."

#### Outlook

By 2010, CCS was succeeding as a social enterprise, improving urban sanitation and creating income opportunities for under-employed youth, but the organization was not meeting financial objectives and could not be considered a viable business investment.

CCS micro-franchisees were profitable and paid workers well above minimum wage, but the costs to CCS of franchisee training, follow-up and quality assurance were well above projections, negatively affecting profitability. CCS also had a critical marketing challenge ahead: residents had become accustomed to deplorable sanitary standards. In other words, the need for sanitary conditions did not transfer to market demand or consumer behavior.

In 2011, CCS transitioned to a hybrid non-profit organization: a social micro franchise. CCS retains its "business ethos", and continues to create income-generating opportunities and drive sanitation improvements in low-income communities. The organization has also established a strong partnership with <u>Plan International</u> to jointly pioneer new approaches to <u>Urban Community Lead Total Sanitation</u>. As a hybrid organization, CCS is now driving efficiency in its business and field operations while funding its critical social and educational initiatives from public and social-sector partners. SC Johnson remains an important strategic partner and supplier to CCS and <u>continues to invest globally in</u>

<sup>6</sup> Interview with CCS customer, November 2009. Quoted from: Tatiana Thieme, "Youth, waste and work in Mathare: whose business and whose politics?" – *Environment & Urbanization*, International Institute for Environment and Development (IIED). Vol. 22(2), 2010, p. 339. Available online at

http://eau.sagepub.com/content/22/2/333.full.pdf



<u>business model innovation</u> to create mutual value with low-income communities and consumers.

#### More information

- Watch this 3-minute video on Community Cleaning Services.
- Watch this 25-minute documentary shot by Tatiana Thieme in partnership with Ghetto Films Trust at the end of her ethnographic PhD fieldwork in 2009-2010 looking at youth entrepreneurship in waste management across Nairobi's Mathare Valley, with a particular focus on the work of Community Cleaning





- Read more about <u>SC Johnson's work in investing in communities at the base of the pyramid</u>.
- For updates and additional photos, see the <u>Community Cleaning Services'</u> <u>Facebook page</u>.

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