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# Homage: Building an app for elderly home care

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*A Singapore startup banks on data and technology to win the market for on-demand home care for senior citizens*

According to the World Health Organisation (WHO), the world's population aged 60 and above will more than double from 900 million in 2015 to 2 billion in 2050. In its 2016 action plan the WHO spelt out five strategic objectives, including "developing sustainable and equitable systems for providing long-term care (home, communities, institutions)".

That situation is especially relevant in Singapore, where the proportion of resident population aged 65 and older has nearly doubled from 6 percent in 1990 to 11.8 percent in 2015, and is projected to double once more to 25 percent by 2030. Demand for home care by qualified caregivers is far greater than supply despite the government stepping in to hire 6,900 care staff by 2015, up from 3,800 in 2011.

One way to meet that demand is to hire the 5,000 qualified but inactive nurses on the island state, but the prospect of long working hours and lack of flexibility that come with a full-time job has kept this ready-made labour supply pool on the sidelines.

Enter Homage, a tech start-up that provides home care service to senior citizens in Singapore.

"There was this vast untapped workforce that valued flexibility, and there were these households with elders that needed caregivers on demand, just like software as a service (SaaS)," explains **Gillian Tee**, CEO and co-founder of Homage. "We wanted to empower the untapped manpower to become micro-entrepreneurs to trade their time, expertise and service on-demand, on their terms, and build a meaningful career for themselves while the seniors and their families had reliable access to efficient and trained caregivers at an affordable price. Technology would help us overcome the inefficiencies found in conventional services."

## GETTING AHEAD OF THE COMPETITION

By building a mobile app that was launched in May 2016, Homage mimicked the asset-light models of cab booking apps for smartphones. Care Owners (the seniors) and Care Managers (seniors' family members) are matched with Care Pros via an algorithm across some 50 variables such as language, gender, location and experience. Care Pro (the caregiver/nurse) applicants with the relevant qualifications and experience were screened and interviewed in-person while non-nursing applicants were sent for certified caregiver training.

While there was obvious demand, there was corresponding competition to meet it. Tee, however, was sure of Homage's competitive advantage:

> "The demand is there, the problem is getting the supply side right. We have to get good quality freelancers who have adequate training, experience and the right attitude to ensure that they uphold the service quality. The price of the services among the various service providers averages around S$20-25 (US$15–19) per hour. The key is to win the trust through service efficacy, in which Homage had an edge over the others because of the ingenuity of our matching algorithm and our training of caregivers."

Additionally, all of Homage's Care Pros are locals who speak the languages and dialects of the Care Owners. While that added a crucial element of comfort for the seniors receiving the care, Tee emphasised the importance in translating that access into useable data and, eventually, a competitive edge.

"We have over 500 Care Pros and each work for around 20 hours a week visiting different Care Owners," Tee elaborates. "If we don't translate all this service data into actionable information, we

will lose. So, we harness data analytics to interpret the captured data to help us calibrate our service as well as to optimise our resources and retain our customers. Technology makes our service scalable without escalating costs."

## GOING FORWARD

Costs were a concern. The company took off thanks in large part to grants, including one from the Singapore Ministry of Health. By September 2016, soon after the launching of the app, Tee and co-founder **Lily Phang** realised they needed additional funds. The small team was overworked and had no time to prepare to pitch to venture capitalists. Continuing operations on potential tranches of grants was not a sound decision, as grants required strict milestones to be achieved and speeding up work to achieve those milestones would fatigue the already stretched team.

Tee and Phang managed to raise a round of angel funding that tided them over until December when the company managed to secure another US$1.2 million and duly hired four more engineers and a product manager. Plaudits soon came their way, including a mention in the 2017 Singapore National Day Rally by the Prime Minister.

By January 2018, Homage had grown into a team of 20 people managing engineering, operations and marketing, with over 500 Care Pros who, on average, worked 20 hours a week earning between S$17-25 (US$13-19) per hour.

Homage was geared for growth, customer acquisition and online visibility. Tee and Phang knew they had to drive up the app subscription to steer the company towards profitability. But even as they scaled, the founders had to manage the critical challenge while delivering quality and reliable service for the Care Owners. How best could they manage the potential challenges in scaling their initiative?

*This is an adapted version of the SMU Case, "Homage: Harnessing Technology to Tackle Singapore's Ageing Challenges", part of the SMU case collection. To see the full case, please click on the following link: https://cmp.smu.edu.sg/case/3816*

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