



CASE STUDY

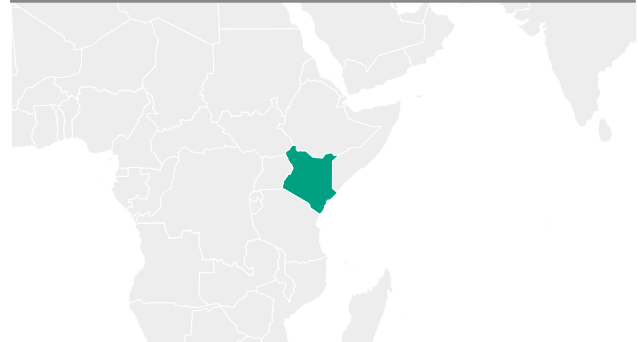
Lynk

Connecting informal workers to job opportunities in Kenya



FOUNDING YEAR
2015

GEOGRAPHY
Kenya



FOUNDING TEAM

Adam Grunewald - Co-founder and CEO
Johanes Degn - Co-founder and CTO
Chris Maclay - Head of Growth

TWEET PITCH

Lynk is a digital platform that connects households and businesses with informal workers (“fundis”), artisans and tradespeople.



WEBSITE

<https://lynk.co.ke/>

In 2018, the International Labour Organization (ILO) estimated there were two billion informal workers worldwide, equivalent to 61 per cent of all workers globally.²⁰ In Kenya, limited growth in the country’s near-saturated formal employment market has led the informal sector to account for 82 per cent²¹ of the working population.²² According to Kenya’s Ministry of Education, of the one million young people entering the job market from universities and colleges every year, only one in five is likely to get a job in the formal sector.²³

This could mean young people will have to find other ways of earning a living. The informal sector is an option, but there are challenges in the ‘gig economy’.²⁴ Informal workers typically receive low pay in low-skilled jobs they found through ad hoc arrangements, which leads

to irregular work, often unsafe working conditions, low incomes and limited opportunities to build a career.

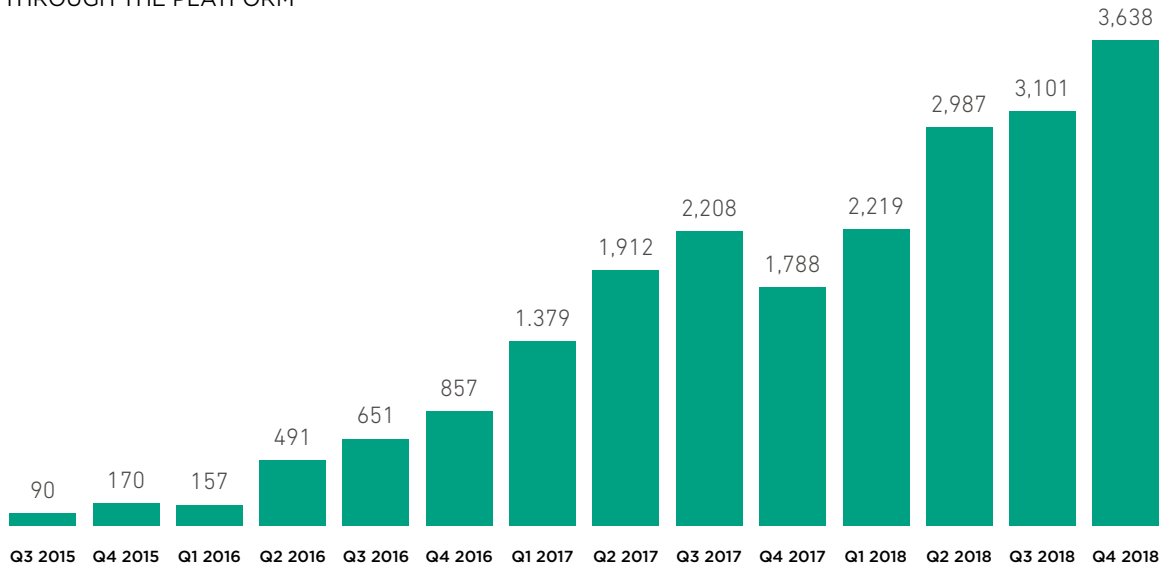
Lynk was launched in 2015 to create fulfilling careers for informal workers (called “fundis” in Kenya) and artisans by connecting them to relevant work opportunities with fair working conditions. Through its website customer-facing app (which runs on both iOS and Android) and Pro App platform (on Android), Lynk matches customers’ (households and businesses) job requests to verified professionals that Lynk calls “Pros”: skilled plumbers, electricians, tailors, carpenters and chefs, among others. As of February 2019, Lynk had enabled over 1,300 informal workers to access over 22,961 jobs, and the platform has transferred more than \$2.5 million to workers in payments.

20. ILO, 30 April 2018, “Women and Men in the Informal Economy: A Statistical Picture. Third edition”, https://www.ilo.org/global/publications/books/WCMS_626831/lang--en/index.htm
 21. The World Bank, January 2016, “Informal Enterprises in Kenya”, <http://documents.worldbank.org/curated/en/262361468914023771/pdf/106986-WP-P151793-PUBLIC-Box.pdf>
 22. PROPARCO, “Lynk: A Kenyan Start-up Transforming the Informal Sector”, <https://www.proparco.fr/en/lynk-kenyan-start-transforming-informal-sector-0>
 23. Daily Nation, 16 July 2018, “Innovation, counties now the areas to seek jobs”, <https://www.nation.co.ke/lifestyle/dn2/Tackling-youth-unemployment/957860-4664298-14fujrl/index.html>
 24. Definition of the ‘gig economy’: a labour market characterized by the prevalence of short-term contracts or freelance work as opposed to permanent jobs.



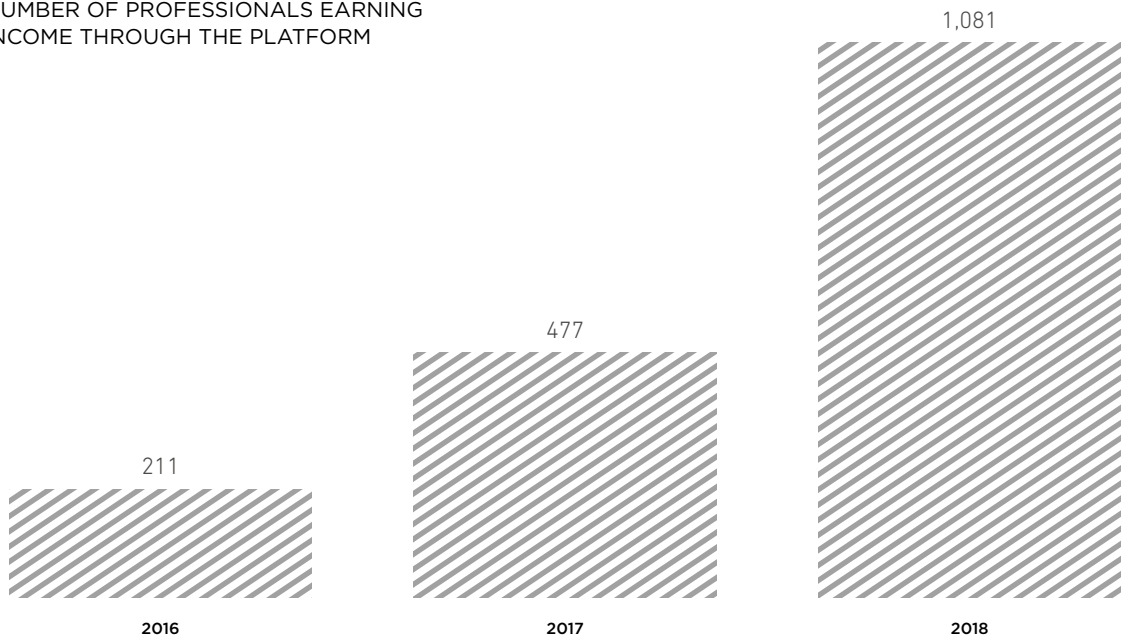
LYNK

NUMBER OF JOBS FULFILLED THROUGH THE PLATFORM



LYNK

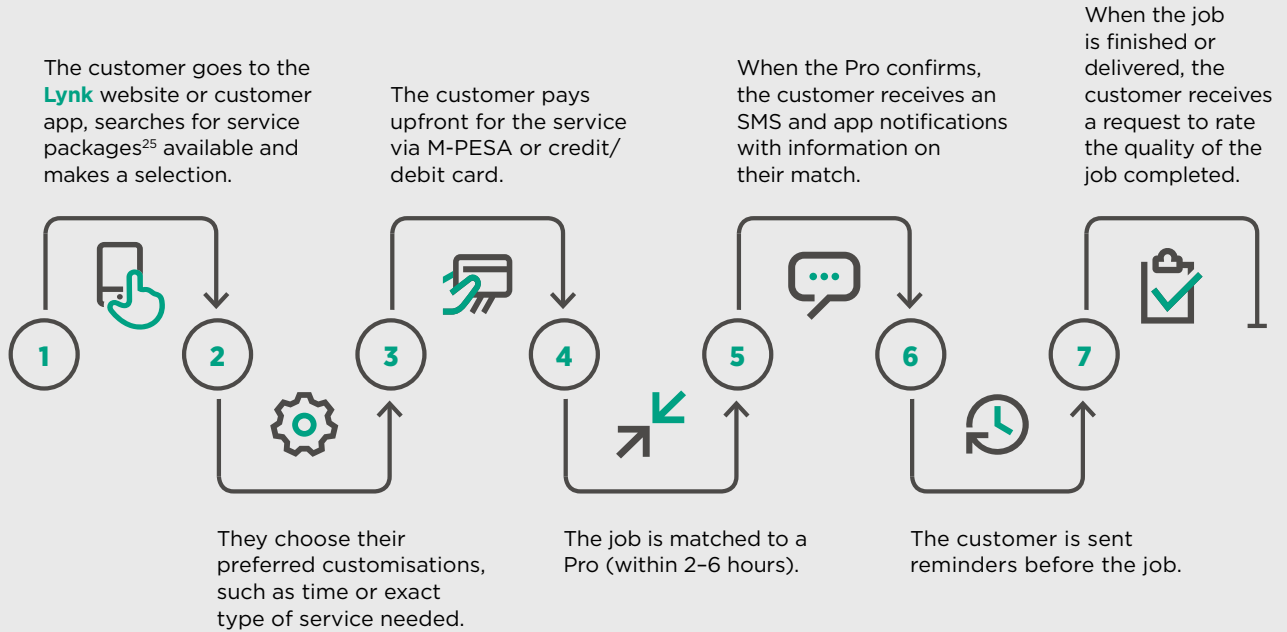
NUMBER OF PROFESSIONALS EARNING INCOME THROUGH THE PLATFORM



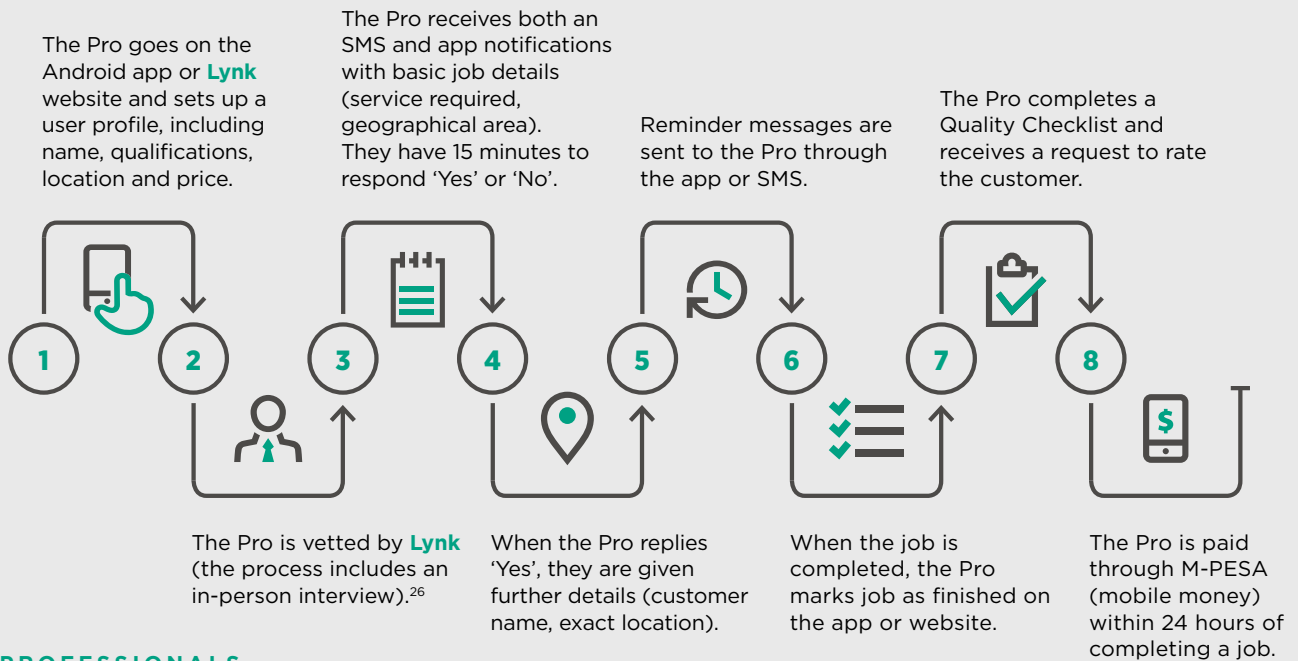


How the service works

The Lynk platform is accessible on one side by customers (households or businesses) seeking a specific service through the website or customer app. On the other side, informal workers or “Pros” can access jobs via the Pro App and website. Lynk is integrated with mobile money (Safaricom M-PESA) to provide cashless payments. When customers pay for the service through the Lynk platform, Lynk retains a 10 per cent administration fee. This is how the service works:



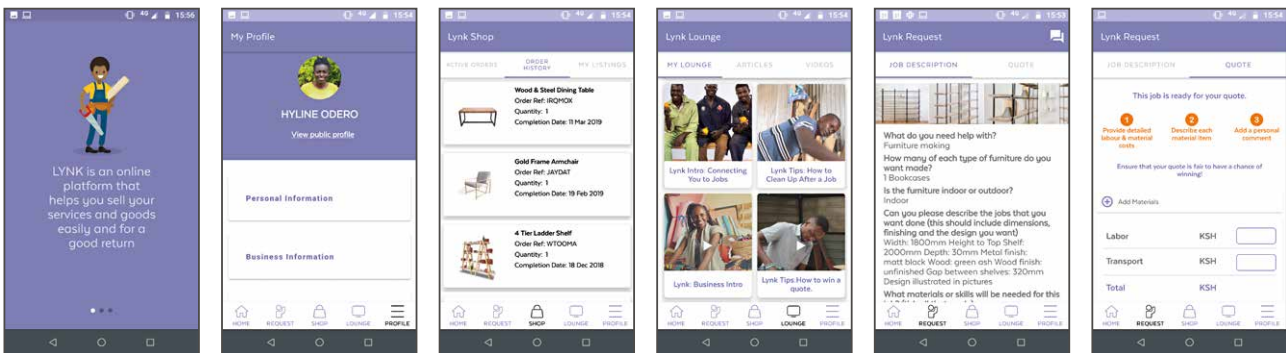
CUSTOMERS



PROFESSIONALS

25. A range of services are provided, from plumbing to beauty treatments to bespoke carpentry.

26. Pros are identified through partnerships with vocational training schools, recommendations (by customers, experienced Lynk Pros) or direct applications. They are vetted by an in-person interview.



Working with mobile operators

In September 2017, Lynk received funding from Safaricom's corporate venture capital (CVC) arm, Spark Fund,²⁷ as part of its seed round. Lynk meets regularly with other Spark Fund investees and the Safaricom Innovation team to assess opportunities for collaboration. In addition to the funding, Safaricom's mobile money transfer service, M-PESA, is used to facilitate payment for Lynk's services. Lynk uses M-PESA to pay Pros while Lynk customers also have the option to pay using M-PESA (they can even pay using M-Pesa 1Tap,²⁸ which allows faster payments).

In February 2019, Lynk kicked off a new collaboration with Safaricom's e-commerce platform, Masoko, to launch a pilot to cross-sell Lynk services. On the Masoko platform, customers can buy beauty services from Lynk Pros, and can add on installation services from Lynk Pros when they buy appliances from Masoko. For instance, customers can arrange for an electrician to fit a wall lamp bought from the Masoko shop.



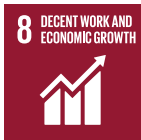
27. Spark Fund is Safaricom's Venture Capital Investment Fund. <https://www.cio.co.ke/safaricom-spark-fund-invests-sixth-startup/>

28. M-PESA 1Tap is a quick way to pay with M-PESA. Using a card, phone sticker or wristband device connected to an M-PESA account, a user can make Lipa Na M-PESA Buy Goods and Services payments. <https://www.safaricom.co.ke/personal/m-pesa/lipa-na-m-pesa/m-pesa-1tap>

Changing lives



According to the UNDP, nearly 27 per cent of Kenya's total workforce are poor.²⁹ Lynk's platform enables informal workers to find work with better pay and increase their income. As of March 2019, over \$2.5 million has been transferred to Lynk Pros in payment for services delivered through Lynk's platform.



As of March 2019, over 1,300 informal workers have worked on over 25,000 jobs serving over 2,200 customers. The start-up is therefore helping to create more work opportunities for informal workers.



Before I joined Lynk, in a month I could earn 10,000 or 15,000 Kenyan shillings after expenses (sic. US\$100-150), but with Lynk it has doubled. My daily life has improved. I'm not suffering like I used to. I am able to support my family much better. Today I have three employees working with me. Before I didn't have much work, so there were just two of us.



Christopher, 37 years old, Nairobi, a carpenter for over 15 years, 93 jobs completed through Lynk



I do tailoring and designing for a living. I used to have dry seasons. I used to struggle with gaining access to my target customers. This has changed since using Lynk.

Anne Christine, 34 years old, 174 jobs completed through Lynk



Working with the GSMA Ecosystem Accelerator

Lynk received a grant from the [GSMA Ecosystem Accelerator Innovation Fund](#) in February 2018 to launch the Lynk Android Pro App. The Pro App has increased Lynk's potential to automate and scale up, while providing a better user experience for Lynk Pros (informal workers and artisans). The app makes it easier to keep track of jobs and logistics and enables Lynk to layer in additional services for Pros, such as loans and e-learning content (Lynk plans to integrate video-based or text-based e-learning content in the app).

By the end of the GSMA grant in June 2019, Lynk plans to have connected more than 2,000 informal workers to jobs worth over \$6 million, and be ready to expand into other Sub-Saharan African markets. Beyond the funding, GSMA is also supporting Lynk to strengthen its relationship with mobile operators.

²⁹. To be poor is defined as earning under PPP \$3.10 a day.

LYNK



BORE PHILIPPAR

L CERTIFIED

NEW LYNK PRO

Experience

3 years of experience certificate

Bio

Hi there, my name is Philippar Bore and I am a German teacher and translator by profession since 2015. I have a

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