

## CloudFactory

SNAPSHOT	
<b>Organization(s)</b>	CloudFactory
<b>Project Name</b>	N/A
<b>Location</b>	Kenya
<b>Date(s) of Implementation</b>	2014 – 2015
<b>Funding Amount</b>	USD 2,000,000
<b>Partner(s) / Funder(s)</b>	The Rockefeller Foundation’s Digital Jobs Africa (DJA) Initiative
<b>Number of Youth Beneficiaries Trained</b>	Total: 420   Women: N/A   Men: N/A
<b>Number of Youth Beneficiaries Employed</b>	Total: 420   Women: N/A   Men: N/A
<b>Avg. Monthly Earnings of Youth Beneficiaries after Program</b>	USD 240
<b>Change in Income for Youth Beneficiaries (%)</b>	40% – 200% increase
<b>Types of Digital Work</b>	Online Outsourcing – Microwork
<b>Source of Metrics</b>	Internal monitoring & evaluation Social Impact Report

### ABOUT CLOUDFACTORY

CloudFactory is an impact sourcing service provider.<sup>1</sup> CloudFactory’s primary objective is to connect individuals in the developing world to basic computer work and train them as leaders to address poverty in their own communities.

During the DJA project period, CloudFactory employed a 2800-member workforce from Kenya and Nepal to undertake high-volume, data intensive work. Tasks included data entry, data processing (audio transcription), data collection and data categorization. CloudFactory workers were categorized as independent contractors, whereby CloudFactory did not provide or subsidize the cost of accessing computers or internet connection for its workers.

While the ICT sector presents a significant opportunity for youth employment, there are a number of barriers that youth face in securing employment in digital jobs. CloudFactory noted that digital literacy is a significant barrier for many unemployed young people. Additionally, access to a computer and internet is a barrier faced by many youth, particularly individuals in rural areas, seeking digital employment.

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<sup>1</sup> The Rockefeller Foundation defines ‘Impact Sourcing’ as a socially responsible arm of the Business Process Outsourcing (BPO) industry that intentionally employs people who have limited opportunity for employment - often in low-income areas.

The CloudFactory model followed a team-based structure and the company invested in the development of impact sourcing workers through training. The training provided by CloudFactory was client-specific, technical training that related to the beneficiaries’ responsibilities. Impact workers were organized into five-member teams managed by a team leader, who reported to a manager. Each manager looked after approximately 20 teams and reported to a senior manager who was responsible for 100 teams. CloudFactory’s expertise lied in breaking up a typical workflow into small micro units, which could then be performed by CloudFactory’s virtual workforce.

CloudFactory’s workforce worked remotely and were paid a living wage for their services weekly. Additionally, a core team was typically based at CloudFactory offices to complete more complex tasks. Workers who were part of the core team received lunch on a daily basis, as well as a travel allowance.

## PROJECT DESIGN & IMPLEMENTATION

Program Design	Supply-Side Components		Demand-Side Components	
	Training & Skills Development	✓	Improving Access to Finance for SMEs	×
	Employment & Intermediation Services	✓	Capacity Building & Information Provision	×
	Subsidized Employment	×	Targeted Sector-Specific Approaches	✓

## RECRUITMENT

CloudFactory targeted unemployed university graduates, and recruited initially through digital media platforms. After the first few years of being in existence, when Cloud Factory had reached several thousand workers, the recruitment strategy evolved to be conducted primarily via word of mouth. CloudFactory ensured that the workers met the eligibility criteria through their screening and interview processes.

These eligibility criteria included:

- Must be a Kenyan citizen
- Must be 18 years old or above
- Have access to a computer and the internet
- Fair knowledge of English

Applicants completed an online application form that required personal details, education and employment history and an assessment of their strengths and weaknesses and ideal working environment. The online application form also verified whether the applicant had a laptop and a reliable internet connection. Thereafter, applicants completed a basic onboarding assessment which evaluated applicants’ basic digital literacy, typing skills and internet navigation. Applicants who received 85% and above on the onboarding assessment were invited to an interview with CloudFactory staff. Successful candidates were then invited to training.

## TRAINING ACTIVITIES

The training was technically-focused, aimed at teaching workers how to do digital microwork and equipping them with practical skills such as data extraction, audio transcription, data moderation and data analysis, that would enable them to effectively conduct their work. There were approximately three days of training per unit of work. Depending on the tasks type, training could be online or in person, however most of the training was in-person to promote team interaction and feedback. The training was client-specific and if applicants adequately completed the training, they were given access to the CloudFactory platform.

## THE CLOUDFACTORY PLATFORM

The CloudFactory platform is an online portal that facilitates the completion of microtasks through cloud-based technology. On the platform, the average person worked 10-20 hours per week at their convenience and was paid out on a per-task basis whereby workers earned an average of USD 60 per week. In 2015 CloudFactory piloted hourly workstreams to assess workers' appetite for this model. Instead of being charged and paid out on a per-task basis, hours were used. This model gained traction whereby workers in this model worked and were paid according to hourly shifts. Today, the company has both per-task and hourly work available.

In 2015, CloudFactory provided jobs to 1,021 new workers in Nepal and Kenya, bringing the total number of workers employed throughout the year to over 2,800. During the DJA project period, CloudFactory employed a total of 420 workers in Kenya. CloudFactory further spent 837 hours training the new members of their workforce. Lastly, CloudFactory workers participated in 534 community service projects. More notably, in 2015 following the earthquake in Nepal, CloudFactory used the crowdfunding site GoFundMe to raise over USD 100,000 to provide relief packages and financial assistance to help workers and their communities.

## BENEFICIARY EXPERIENCES

*"It's been a great experience being able to learn so much while working and earning money as a cloud worker. Giving back to the community as a team has positively impacted my life and my perspective on leadership."*

CloudFactory worker, Kenya

CloudFactory found that both male and female workers felt their experience at CloudFactory had a positive effect on their overall wellbeing, with over 90% reporting being happier after working at CloudFactory.

During the two-year DJA project period, retention for CloudFactory workers was above 90%. Today, CloudFactory's six-month retention rate is around 95% and CloudFactory has over 80 clients. CloudFactory found that providing workers with variation of work was critical to retaining their workers and avoiding the demotivation or boredom that microworkers may experience when performing the same, repetitive tasks over a prolonged period of time. To address this challenge, program staff engaged with a wide range of clients with differing microwork needs. CloudFactory has over 100 clients that include Microsoft,

Facetec, Emberk, Cruise and Ibotta. Additionally, CloudFactory found that having continuity of work for their workers was key in retaining them, which was further enabled by their expanded client base.

## EMPLOYMENT OUTCOMES

**40% - 200%**  
**beneficiaries' income**  
**increase after program**

CloudFactory enabled youth to access their first jobs through the CloudFactory impact sourcing program. Approximately 5% of CloudFactory workers continued onto formal employment within the organization, as they felt that the organization offered them the flexibility to pursue other career and personal opportunities while continuing to earn money from CloudFactory. Workers who left CloudFactory went on to higher levels of employment, both within and outside the technology sector. They found digital and non-digital work in the healthcare, education and technology sectors as well as more complex tech-based work.

Based on the 2015 social impact report,<sup>2</sup> CloudFactory workers' income increased between 40% and 200% because of microwork.<sup>3</sup> According to CloudFactory workers interviewed through the DJA evaluation and CloudFactory's social impact report, these increases in income enabled them to better support themselves financially which translated into improved health and education outcomes.

## KEY FINDINGS

- 1. CloudFactory found that university students/graduates were interested in, and perform well with, more sophisticated digital jobs.** In 2015, 59% of CloudFactory workers were enrolled in university. Additionally, these more advanced tasks were found to be more interesting to the employees, leading to greater retention; which is of considerable importance to digital programs that invest heavily in the training of staff.
- 2. Universities, the local government as well as the NGO community are key institutions for expanding the service offering of digital programs.** The focus on these institutions – and not just “for-profit” enterprises – enables programs to scale their services and increase their impact.

## RECOMMENDATIONS

- 1. Digital jobs programs that have similar models to CloudFactory are likely to have a cohort of beneficiaries who are university students or university graduates. As such, digital jobs programs should leverage these skills to implement more sophisticated tasks, thus enabling them to expand their services.**

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<sup>2</sup> CloudFactory (2015). *Social Impact Report*. Nairobi, Kenya: CloudFactory. Available at: <https://www.cloudfactory.com/hubfs/02Contents/3-Reports/Social-ImpactReport-2015.pdf?t=1473156789175>.

<sup>3</sup> Actual wages not provided in the report.