

Good Help Isn't Hard To Find

Bal Agrawal, founder of Chappaqua-based LifeWorx and LxBlue, has built a thriving business around hiring household help.



LifeWorx founder Bal Agrawal with staff members

No one will ever accuse former Chappaqua resident Bal Agrawal, founder of domestic-services firm LifeWorx, of being a Type-A personality. In fact, he may be the most low-key, soft-spoken CEO you're likely ever to meet. "I am always calm," he laughs. "People hate my Zen."

Agrawal achieves some of that tranquility through regular yoga practice, but it's also his instinctual approach to life. He seems able to thrive in situations that would leave others with high blood pressure or stress overload.

With his firm LifeWorx, Agrawal is bringing some of that Zen to his clients by helping take the stress out of the process of hiring household help like nannies, housekeepers, and elder-care providers, as well as personal chefs, personal assistants, organizers, and estate managers. Instead of the typical process—in which consumers search haphazardly through online ads, Craigslist postings, and friend-of-a-friend references, hoping to find someone they trust—LifeWorx uses technology "to make the really complex process very streamlined, efficient, and effective while still keeping the personal and local aspect intact," Agrawal explains.

Here's how it works: Clients can choose a pay-as-you-go hourly service through LifeWorx, with rates ranging from \$25 to \$80 per hour based on location and type of service. In Westchester, LifeWorx clients pay roughly \$25 per hour for an elder-care worker, and \$30 to \$35 per hour for housekeeping and childcare services. "The second choice is to invest in a one-time placement fee for a candidate whom you then work with and pay directly," says Agrawal.

But before that placement occurs, LifeWorx staff takes the time to understand each client's needs: what duties they would like performed, when they need a worker to start, what type of personality they're looking for, their concerns, etc. Then, the firm searches its extensive database of skilled applicants (more on this later), from which it culls several fully screened candidates who are a potential match for the client; the client then meets the candidates and selects the best fit. Once a client decides to hire someone, he or she pays LifeWorx a placement fee of 15 percent of the annual gross compensation for nannies, housekeepers, and elder-care providers, and 18 percent of the annual gross compensation for chefs, personal assistants, organizers, and

estate managers. (Agrawal notes that if, for any reason, a client is unhappy with a choice, the client is entitled to a one week money-back guarantee and, in the first three months, free to make a change without penalties or additional fees.) In addition, LifeWorx sets fair-market-rate minimums for its workers. For example, a nanny will not be placed in a home for less than \$600 a week.

So how did Agrawal end up operating a business in this unique niche? Fifteen years ago, the Indian-born entrepreneur, who holds a PhD in engineering from MIT, was working as director of marketing at industrial-services firm Praxair when his wife died of cancer. He hit a low point shortly afterward. "One afternoon, a few months after my wife passed away, I came home early and found my roof leaking, my son lying in bed depressed, and the housekeeper [had taken off] with all my silverware," he recalls.

It was in that moment that the seed for LifeWorx began to germinate. "The randomness of bringing someone into your home [for employment] didn't seem right," Agrawal says. "You have 27 choices of toothpaste at the supermarket, [but when it comes to hiring a household worker] who will be in your face 24 hours a day, you don't have a choice? That's upside down."

The business hit a growth stall during the recession in 2008 to 2010 when the financial industry collapsed, but it has been able to recover since then. And Agrawal has now honed the formula for opening new offices. "Through trial and error, we now know how to staff a new location and how to train people, what the organizational structure should be, and what local marketing needs to be done," he says.

For Agrawal, the true measure of LifeWorx's success is customer satisfaction. The company aims to help its customers find the right domestic workers on the first or second try. Right now, Agrawal estimates it does that about 97 percent of the time. "But we want to be at a 99-percent success rate for customer satisfaction," he says.

Agrawal is careful to say that every worker his company represents is authorized to work in the US, carefully screened, prepared to work hard, and is never charged a fee to be placed in a home. (He balks at the idea that home-service workers should have to pay an application fee, saying "if you are a CEO looking for a job, nobody charges you anything. So we don't charge [our candidates].")

It is this careful vetting of any potential provider who may enter a client's household that makes LifeWorx different from its competitors, Agrawal says. All applicants go through a four-step screening process, in which LifeWorx checks their

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Agrawal figured there had to be a better way to find and hire household help. So, with an initial investment of \$200,000 of his own money, he started LifeWorx in the basement of his Chappaqua home. He has reinvested profits of about \$2.5 million back into the company over the last 10 years, with the funds mainly going to HR (hiring staff), technology (developing websites, software, and databases), and marketing. Agrawal projects LifeWorx's revenue will double by the end of 2014 to roughly \$5 million.

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At the moment, the company has five offices in Westchester, Manhattan, Connecticut, and New Jersey. Agrawal has his sights set on expanding outside of the New York Metro area in 2015, and expects to open one or two additional LifeWorx offices on the East Coast, as well as locations in Texas, Colorado, and California.

To fund the expansion, Agrawal is "exploring [the idea of] working with some venture-capital firms and other partners." Agrawal estimates he will need roughly \$3 million to fulfill the expansion plans. "For this year, however, we are just focused on being the best in the greater New York area, and I think we are getting close to that," he notes.

Like any entrepreneurial venture, LifeWorx has had its share of ups and downs. Agrawal was happily surprised to find a very receptive audience after first opening in Chappaqua and says the business grew rapidly through referrals. "Word of mouth still accounts for probably 50 percent of our new business," he says, but notes that investing money in marketing has been essential for LifeWorx as it continues to expand.

background (previous employment record, legal status, criminal history, etc.); assesses their skills and abilities; determines what jobs they want to do ("Someone might have great nanny skills, but maybe now she wants to get into eldercare instead"); and evaluates their personalities (based on market research showing what clients are looking for in domestic workers). Putting all of those aspects together is what allows LifeWorx to deliver a "wow experience" to clients, Agrawal says. "[Hiring workers through us] is so simple for our clients; they are amazed when they get the right fit on the first or second interview and it doesn't require much effort on their part."

Making sure the worker is a good fit for the family is crucial, he says, noting the marked differences between hiring someone into an office environment versus a home. "In a business environment, you have peers and an organization and you have a career path and a set of rules. At home, a person just comes in and starts working. The person must have a skill and there is nobody to train them. And there are no different departments—you can't say the laundry department isn't working today!" he says.

In addition, the intimacy of an in-home work environment means personalities must mesh well. "If you don't like the [worker's] personality and you are around each other for days, it is very difficult," he says.

Agrawal and his team of 22 employees pride themselves on being able to find the right fit for any household from its resource pool of about 600 applicants at any given time. And he's confident in the company's ability to fill even the most unusual requests using that database—quickly.

continued on page 115