

SMART TOILET CAFÉ BY LOOTEL

THE SELF-SUSTAINING TOILET

THE PROBLEM

LACK OF SUSTAINABLE OPERATION AND MAINTENANCE OF PUBLIC TOILETS

The launch of Swacch Bharat Mission (Clean India Mission) in October 2014 drastically improved the sanitation situation in India. By October 2, 2019, over 100 million toilets were constructed in India in commemoration of Mahatma Gandhi's birth anniversary. Urban Local Bodies have done impressive initiatives to contribute to the Open Defecation Free movement.

One of which is Indore - tagged as the cleanest city in India in the last five (5) years. In 2017, Indore Municipal Corporation (IMC) built 12,549 individual toilets, 200 urinals and 190 public toilets around the city in a span of one year. In 2019, IMC targeted to establish public toilets every 200 meters. While the construction of public toilets is gradually progressing, operations and maintenance (O&M) of these toilets are often a challenge. Reasons include unsustainable O&M systems, ineffective mechanisms for cost recovery, and lack of financial resources.

This case study analyses Lootel's business model, a private sector example that bridges the current gap in funds for O&M of public toilets. The study outlines challenges and lessons learned to assist other businesses and Urban Local Bodies in replicating this solution to other cities or municipalities.

"It is not the public toilet itself, but the ecosystem of O&M of the public toilets which is the main problem. This ecosystem lacks sustainable funds for proper management, operations and maintenance."

- Mr. Yashwant Suthar | Founder of Lootel

THE SOLUTION

MOBILISE SELF-FINANCING PUBLIC TOILETS TO ACHIEVE SUSTAINABLE O&M SYSTEMS

A solution to the lack of sustainable O&M of public toilets is to mobilise private sector participation by allowing the collection of user fees and further income generated from different revenue streams. The income generation component could subsidise and sustain the public toilet operations and may even allow the development of other public toilets in the future.

In order to create an effective and sustainable cost recovery and O&M system, Yashwant explains the importance of studying the capacity and willingness of the users to pay for public toilets before establishing one. He then categorised the public toilet users into two groups: (1) daily users, and (2) travelers. The former refers to people who completely rely on public toilets such as the locals using community toilets, or the working population using public toilets in their offices or nearby areas. The latter refers to those who are transiting or traveling and are merely stopping by to use a toilet, comprising drivers, delivery people, or those who are out in public areas such as markets, malls, or public transportation. Yashwant experienced that travelers are more inclined to pay, yet daily users, depending on the circumstance, may also be willing to pay.

Taking this principle into consideration and being aware of Indore's aggressive sanitation programmes, Yashwant and his wife, Neelam, partnered with IMC to build Lootel, an Internet of Things (IOT)-based restroom that provides premium-quality clean and hygienic restroom services. Tied with it is the Lootel Smart Toilet Café that offers food and beverages with free smart toilet coupons.





LOOTEL SERVICES

SMART TOILET CAFÉ: THE PAY, USE AND REDEEM MECHANISM



TO GENERATE REVENUE AND FINANCE ITS O&M, USERS CAN EITHER:

1. Pay for their restroom use and get a discount at Lootel Café
2. Purchase food or beverage at Lootel Café and get free restroom coupons

LOOTEL UTILISES IOT TO GUARANTEE HIGH-QUALITY USER EXPERIENCE AT EVERY TOUCHPOINT



REVENUE GENERATION MODEL

COMBINATION OF RESTROOM SERVICES AND COMMERCIAL VENDING FACILITIES



30%
RESTROOM SERVICES

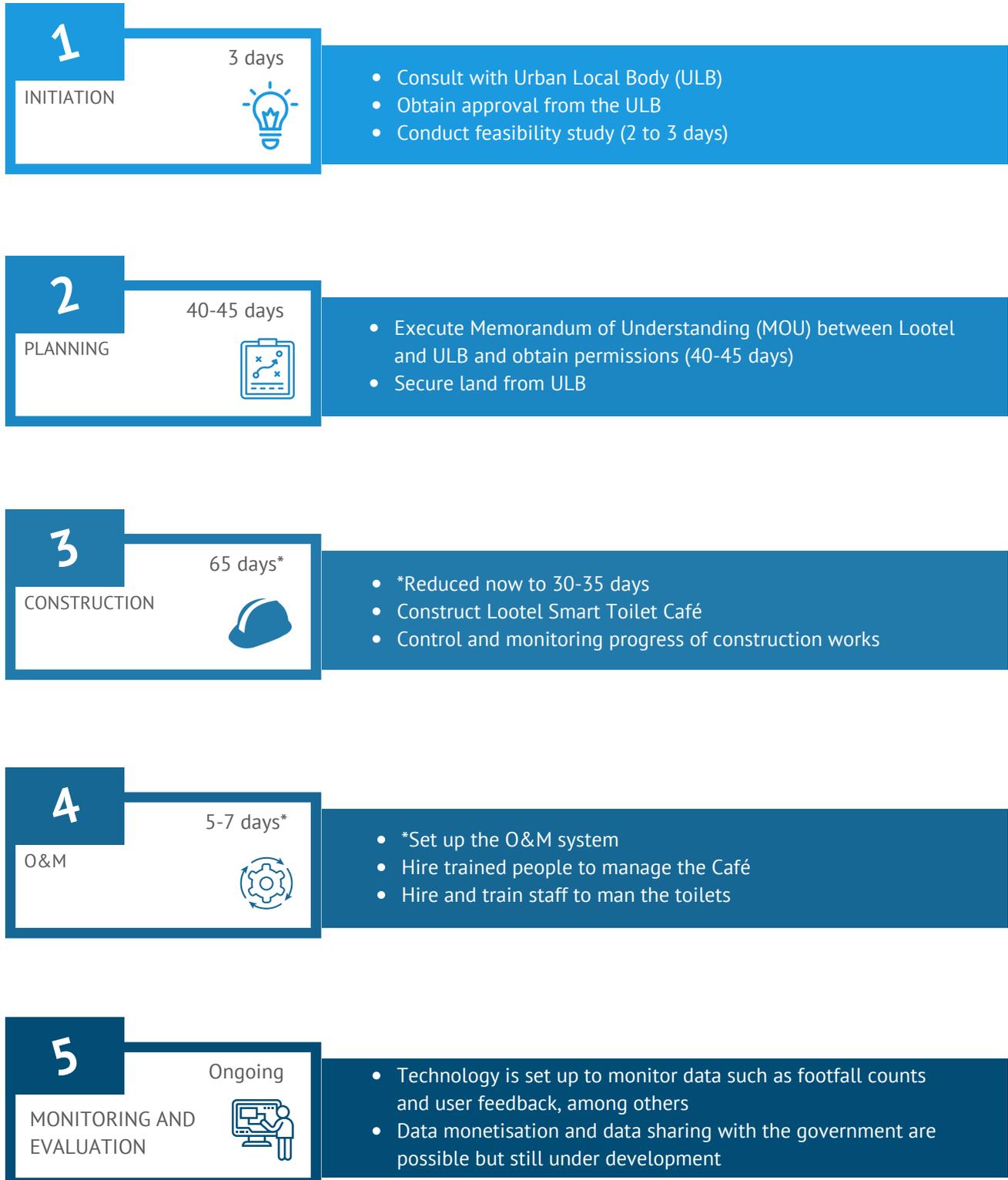


70%
CAFÉ/ VENDING FACILITY



THE IMPLEMENTATION

PROJECT CYCLE



PARTNERSHIP

WITH THE TOILET BOARD COALITION

Established in 2015, The Toilet Board Coalition is a business-led, membership organisation driving private sector engagement in SDG6.2, access to sustainable sanitation for all by 2030. Hereby, the Coalition facilitates partnerships between businesses, investors and governments to upscale market-based solutions to universal access to sanitation. Lootel's partnership with the Toilet Board Coalition played a key role in successfully implementing this sanitation solution. Lootel was part of the 2019 Toilet Accelerator programme, a 12-month mentorship programme dedicated to strengthening small and medium-sized entrepreneurs (SMEs) that offer sanitation solutions. To this day, Lootel remains part of the Toilet Board Coalition network as its Cohort Council Member.

The Toilet Board Coalition helped finetune Lootel's business model by combining the concept of coffee break and loo break as a unique selling point. Financial projections were prepared and revenue potentials for Lootel's locations were studied to enhance profitability. The Coalition also helped connect Lootel with Aqua for All that provided two rounds of COVID-relief funding to Lootel. This enabled it to survive the COVID lockdowns and other disruptions. Due to the funding, Lootel has not only survived but is now ready for its next growth phase.

"I am very thankful to the Toilet Board Coalition. The Coalition is like a throwing board for me. I throw the problems to them and ask for suggestions and support. As a founder, you need mentors and subject matter experts, and the Coalition's support and system were great at that. Three key points: first of all, mentorship. My model evolved as they helped refine my idea. Second is the network – connecting with LIXIL, Unilever, and other private organisations. Third is funding support. Not direct funding, but supporting us to pitch our solutions to potential investors."

- Mr. Yashwant Suthar | Founder of Lootel

THE GOVERNMENT'S ROLE

INDORE MUNICIPAL CORPORATION

Government support is crucial in the implementation of any infrastructure project, particularly public toilets. "I was lucky, actually" Yashwant chuckled, "we have a (district) collector who is innovative and aggressive in that matter. It took us only five minutes and he decided that he'll do the MOU."

They were then referred to the Municipal Commissioner of IMC who also liked the idea and gave them demo space for six months. The municipal corporation was impressed with their design, so they extended their MOU and provided them with another location for the second Lootel Smart Toilet Café.

INDORE MUNICIPAL CORPORATION SUPPORTED LOOTEL IN THE FORM OF:

-  MOU for 15 to 20 years with 10 year extension if service is satisfactory
-  500 to 1000 sq. ft. space area for unit installation at high footfall public area
-  24 hours running water supply (water bill paid by Lootel)
-  Electricity connection and sewage output line
-  Advertisement and commercial business rights

THE IMPACT



310,000

PEOPLE SERVED SINCE 2017

22.5M

TARGET WOMEN SERVED BY 2025



WOMEN



MEN

ACCESSIBILITY



HANDRAIL FOR DISABLED AND ELDERLY



38 PEOPLE
EMPLOYED

MANAGEMENT LEVEL: COLLEGE GRADUATES

STAFF: NO EDUCATIONAL BACKGROUND REQUIRED

WOMEN ARE PREFERRED

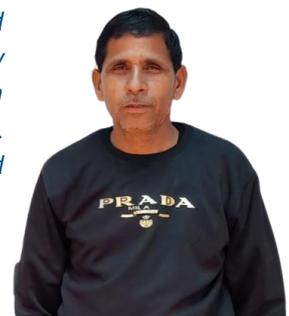
TRAINING AND DEVELOPMENT PROVIDED

9,000
UNSKILLED PEOPLE
TARGET EMPLOYMENT
BY 2025

“

As a former vehicle cleaner, when I changed course and started working in sanitation, I initially did not enjoy my job as I didn't have the background in sanitation and knew little about the sector. Thanks to the trust of my team in my ability to do my job, I learned a lot and am now able to take on bigger responsibilities. I currently manage the toilets and the café too. Now that the toilets are well maintained, the customers are also happy and tip me generously.

- Mr. Amar Singh | Employee at Lootel



LESSONS LEARNED

- Effective communication of the business model to facilitate collaboration with the decision makers.
- Formalise the collaboration between the ULB and private sector clearly defining the roles and responsibilities at the outset of the project.
- Government support in facilitating and obtaining necessary permits and licenses decreases the risk of delays and issues throughout the project.
- Active engagement and conducting awareness programmes with the users before the operations of the public toilet are vital to the successful opening of the public toilet.
- Provision of value for money and high-quality services alleviate user resistance to paying user fees.

CHALLENGES ENCOUNTERED

• PUBLIC RESISTANCE TO PAY

The battle over use and pay toilets was a challenge in Lootel's initial stages. Lootel had to conduct user awareness programmes through 30-second videos at bus stations and active engagement on social media for a month to pique the users' interest. They also encouraged the users to purchase tea or coffee in the café and avail of the restroom coupons. The resistance later subsided as the users experienced Lootel's premium toilet services.

• LAND ACQUISITION

Driven by the "not in my backyard" attitude, the public's antagonism towards the establishment of any public toilet in the location was also a challenge. The land in the agreement between the IMC and Lootel avoided major issues and delays during the construction of the public toilet.

• INVESTMENTS

Lootel's business model is asset-intensive and growth requires creating assets that will realize their value over the long term. Lootel requires investment to build organisational capacity – not only an increased operational bandwidth but also one with more diverse competencies than was required during the initial stages of growth.

Resources:

Swachh Bharat Mission – Grameen (n.d.) SBM (Grameen) Phase II Guidelines.

<https://swachhbharatmission.gov.in/SBMCMS/writereaddata/porta/images/pdf/sbm-ph-II-Guidelines.pdf>

Dutta, Saptarshi. (2017, May 4). Swachh Survekshan 2017: How Indore Becoming India's Cleanest City Reaffirms Madhya Pradesh As A Model State. Retrieved from <https://swachhindia.ndtv.com/swachh-survekshan-2017-how-indore-becoming-indias-cleanest-city-reaffirms-madhya-pradesh-as-a-model-state-7083/>

Gupta, M., Das. (2021, November 27). These are the secrets to Indore's 5-year 'cleanest city' streak. And it's not rocket science. Retrieved from <https://theprint.in/india/these-are-the-secrets-to-indores-5-year-cleanest-city-streak-and-its-not-rocket-science/772362/>

Photos:

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REPLICABILITY OF THE SOLUTION

• SUSTAINABLE AND VIABLE SANITATION SOLUTION

Since 2017, Lootel has established four (4) units around India and plan to add nine (9) more units in Bilaspur. Return on investment was achieved in one (1) year, showing its strong profitability, ensuring that O&M of the public toilet will be funded as long as it is operational.

• DECENTRALISED UNIT-BASED SYSTEM

Lootel is a decentralised unit-based system where toilets can be installed at any location. Operations could also be replicated complemented by centralized monitoring, accounting, and control systems to ensure that the same quality of services is employed across all units.

• FRANCHISE MECHANISM

Lootel offers franchising opportunities to individuals interested in the sanitation space. Upon payment of reasonable franchise fees, Lootel provides franchisees with the units backed by technology, system and digital marketing support. This franchise strategy helps Lootel become an asset-light model and look at a more efficient growth trajectory.

KEY FACTORS FOR SUCCESS

- IMC agreed to try a Public Private Partnership (PPP) model in providing access to public toilets.
- IMC facilitated faster approval of business licenses including access to land, water, sewage connection, and electricity.
- IMC agreed to implement use and pay model of public toilets.
- The PPP model created dignified jobs for the local people.

The Toilet Board Coalition and its work is made possible by the generous support of the Toilet Board Coalition Membership.

The contents are the responsibility of the Toilet Board Coalition and do not necessarily reflect the views of the Members.

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With thanks to our leaders:

