

Oyster[®]

Oyster Impact Thesis



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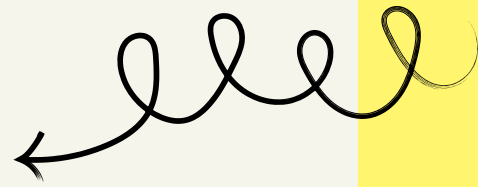
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Executive Summary



Currently, most work requires employees to be physically located at corporate workplaces. This has led to a concentration of high-quality jobs in a few countries in a few major cities. This status quo leads to detrimental outcomes for people, businesses, local communities, and the urban and natural environment. Oyster aims to tackle these negative outcomes by connecting the huge demand for knowledge work in developed economies with the growing workforce in emerging markets.

The people impacted can be broken down into two groups: those who can emigrate in pursuit of high-quality jobs and those who cannot. The first group faces the challenge of leaving behind their family and home as well as the risk of failure, often at huge cost. The second likely ends up in jobs that do not fulfill their potential or ambitions. Oyster will enable knowledge workers to access the benefits of high-quality jobs while reducing these associated burdens.

For businesses, the current status quo means that they either must source talent from a local (and therefore reduced) and more expensive talent pool or pay high costs to hire internationally. Through Oyster, there is a third option: hiring from a global and more affordable talent pool.

Local communities also suffer from the current employment dynamics. Brain drain results in a talent outflow from these communities, depriving them of human and financial capital. The Oyster platform not only reverses this trend but actually accelerates development of these communities by increasing the inflow of resources to these communities.

Finally, Oyster can alleviate the adverse outcomes imposed on the environment. As a result of the concentration of jobs in major cities, these cities often suffer from worsening living conditions, increased crime, and so on. With Oyster, jobs can be more evenly distributed across the globe resulting in reduced burden on these cities. Similarly, Oyster would reduce the need to commute to work as well as international travel due to migration, driving benefits to the natural environment from a reduction in emissions.

This document unpacks the above impact thesis using impact frameworks including the Impact Management Project and Theory of Change. Available research is referenced throughout to provide evidence for our assumptions about the impact that we seek to create.





The current status quo

It is an unfortunate fact that where you are born plays a significant role in defining the outlook of your life. Particularly important are the employment opportunities that you can access. The world's top startups and enterprise organizations are clustered in a handful of the world's richest cities in a few of the world's richest nations. Currently, employment is structured in a way that only allows those physically close to these jobs to access them.

For those select few, the potential benefits include a fulfilling career, increased earnings, exciting opportunities to develop, and so on. For those who are less fortunate, there are broadly two options. First, one can choose to leave home in search of work in these cities, a risky and difficult choice. Or, one could choose to stay in one's home city or country and try and make the best of what opportunities are available.

The first option is fraught with challenges including leaving family and friends, high costs, and the risk of failure. Alternatively, staying in your home country also has its drawbacks. Workers will most likely experience frequent periods of unemployment (e.g. 80% of Indian engineering graduates are unemployed¹) or underemployment (not using their skills, education, or availability to work).

This status quo has implications for businesses as well. Talent is a key driver of success; however, a business's ability to acquire the best talent is currently constrained. Businesses either focus on what is available in their local markets (i.e. a smaller, more expensive, talent pool) or try to tap into international labor markets, which incurs high monthly recurring costs, administrative overhead, and requires understanding of international HR law.

This is a growing and sizable issue. According to BCG², the lack of talent to fill job roles represents a \$10 trillion GDP gap, and by 2030 will reach a deficit of more than 85 million workers in developed economies according to Korn Ferry³.

Finally, this status quo has implications for local communities. The individuals who leave these communities in search of greener pastures often tend to be the most talented. This deprives local communities of these individuals' income potential (and corresponding tax income and spending) and their contributions as valuable members of the community (brain drain).

1 [India Today, 80% of engineers are unemployed](#)

2 [BCG, The Global Workforce Crisis: \\$10 Trillion at Risk](#)

3 [Korn Ferry, Future of Work: The Global Talent Crunch](#)




The opportunity

Oyster aims to address pain points in the existing status quo by connecting the huge demand for skilled work in developed economies with the growing workforce in emerging markets. While existing solutions are expensive, complicated, and burdensome, Oyster is building a software platform that enables employers to offer remote jobs to international candidates simply and affordably. Legal and administrative requirements (e.g. background checks, pay, etc.) are all handled in one place with job seekers able to connect with employers through this platform.



Oyster's impact proposition


Through the above, Oyster creates impact at four levels:



1. *The people*
that Oyster aims to serve



2. *Businesses*
that form Oyster's customer base



3. *Local communities*
in Oyster's target countries



4. *The environment*

Impact on People



Oyster's solution creates impact for each worker that finds a job. We use the [Impact Management Project's](#) framework for articulating impact on people:

IMP DIMENSION	OYSTER THESIS	
What outcomes are being achieved:	Oyster	
	Reduces Health effects of being underemployed or unemployed	Increases Disposable income
	Financial cost and financial risks of having to relocate to another country	Personal development and learning through work opportunities
	Stress and health effects of having to relocate to another country	
	Negative family effects due to split families	
Experienced by whom:	Workers that can work remotely (i.e. knowledge workers). By 2021, target is to cover 90% of developing countries.	
To what degree:	Scale of impact: 1 million employees within five years Depth of impact: Range from moderate to high Duration of impact: High	
Contribution:	High	
Risks:	The most material risks are execution and alignment	

The rationale for this is unpacked below.



What outcomes are being achieved and to what degree:

HEALTH EFFECTS OF BEING UNDEREMPLOYED OR UNEMPLOYED

The relationship between employment status and health is a complicated one. Work can have positive effects on health (e.g. through a sense of self-esteem), negative effects on health (e.g. through work-related stress), and indirect effects on health (e.g. access to health insurance or increased disposable income which may lead to a healthier lifestyle). Here we focus on the direct effects of unemployment or underemployment on health.

In a recent Swedish study, unemployment was found to result in 10% worse health after controlling for gender, age, education level, marital status, and previous health⁴. Anxiety and depression contributed significantly to this with incidence of these conditions 23.6% more likely in the unemployed group. Similarly, underemployment has been found to be a significant predictor of anxiety and depression (16% worse health)⁵. The loss of income due to underemployment only accounted for ~10% of the effects.

FINANCIAL COST AND RISK OF RELOCATING TO A NEW COUNTRY

The costs of migration can be broken down into:

1. Costs of complying with laws and regulations of source and host countries (e.g. work permits, health checks, etc.)
2. Fees paid to recruitment agents or intermediaries
3. Internal and international transport costs

Data on the quantum of costs tend to focus on lower-income workers (where associated costs can be up to 11x workers' monthly salary⁶). Costs of migration from developed economies (which are likely to include a higher share of high-income workers) are estimated at roughly one month's salary⁷. A bottom-up analysis of moving to the UK for high-income tech jobs suggests that costs could easily exceed 5% of take-home annual salary (and may also include recurring costs such as national health coverage).

HEALTH EFFECTS OF MOVING TO A NEW COUNTRY

Migrating to a new country can be detrimental to health⁸. For the types of migration relevant to Oyster (i.e. labor related), two drivers of potentially negative health outcomes are the stress of being in a new environment (e.g. learning a new language, loss of social connections, etc.) and the increased risk behaviours associated with coping in that new environment (e.g. increased drinking, smoking, or unhealthy eating behaviors)⁹. This has the potential to affect both mental¹⁰ and physical health. It is worth noting that most of the cited studies do not differentiate between types of migrants, and so it's possible that these effects apply less to the group that Oyster would be targeting (i.e. higher-skilled workers).

⁴ [Norström, F., et al. Does unemployment contribute to poorer health-related quality of life among Swedish adults?](#)

⁵ [Mousteri, V., et al. Underemployment and psychological distress: Propensity score and fixed effects estimates from two large UK samples](#)

⁶ [Migration Data Portal, Migrant Recruitment Costs](#)

⁷ [Migration Data Portal, Migrant Recruitment Costs](#)

⁸ [Migration Data Portal, Migration and Health](#)

⁹ [Kristiansen, M., et al., Health Effects of Migration](#)

¹⁰ [Virupaksha, H.G., et al., Migration and Mental Health: An Interface](#)

It is possible that the net gain to a migrant's health is still positive if, for example, they move from a country with many health risks and a poor health system to one with far fewer health risks and a better health system. However, this should be a choice made based on health rather than economics, and so for the purposes of exploring the impact of Oyster, this impact is not considered.

NEGATIVE FAMILY EFFECTS DUE TO SPLIT FAMILIES

In many cases, migration for labor splits up a family as it is too costly or risky for the entire family to move. In these cases, there are several negative family effects¹¹, including:

1. Increased probability of children dropping out of school or delayed school progression
2. Disrupted family life resulting in psychological issues or poorer diets
3. Reduced labor force participation for those left behind (especially women)
4. Increased work and household burden on those left behind (at least in the short term)

There are also many benefits to families through labor emigration, largely around increased income and incentives for education; however, Oyster can capture the best of both worlds by providing these benefits through remote working without having to split up a family.

INCREASED INCOME

Workers able to benefit from wages in more developed economies will see an increase in disposable income regardless of whether they are already employed or not. For example, the average salary for an Android developer in India is ~£4,000¹², while in the UK, a similar role advertises a salary of over £50,000¹³ (>12x). Additional benefits such as health insurance may further increase gains to disposable income.

Many unemployed workers turn to freelance platforms like Upwork or Fiverr. While these platforms do offer a route to income, they do so via unstable and unpredictable sources and in a heavily commoditized environment which places a downward pressure on prices and therefore income. It is likely that the delta created by Oyster for these workers will be similar to those on no incomes.

PERSONAL DEVELOPMENT AND LEARNING THROUGH EMPLOYMENT OPPORTUNITIES

By being able to tap into employment at leading companies, Oyster workers would benefit from enhanced development and learning opportunities through the work that they do and through formal programs. For example, tech companies Amazon, Google, and Microsoft offer¹⁴:

1. Contributions towards tuition (e.g. Amazon contributes \$12,000 to fees)
2. Knowledge sharing among the team (e.g. Google's G2G interdepartmental mentoring program)
3. Access to in-house training programs (e.g. Microsoft's "Learn" platform¹⁵)

These opportunities are unlikely to exist in host countries, or if they do, they tend to be far less prevalent and possibly less high quality.

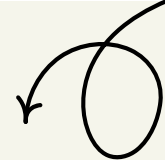
¹¹ [Démurger, S., Migration and Families Left Behind](#)

¹² [PayScale, Average Android Software Developer Salary in India](#)

¹³ [HR News, Well-paid, high-skilled: Most popular jobs for overseas applicants pay above £30,000](#)

¹⁴ [TechRepublic, Impressive professional development benefits from Amazon, Google, Microsoft, and more](#)

¹⁵ <https://learn.microsoft.com/>



Who experiences these outcomes:

Oyster's broad target is any worker who can work remotely (i.e. knowledge workers). In the short term, based on selection criteria, a list of 50 countries have been prioritized for customer acquisition. Of these 50, 32% are developing countries, and of the total population in these 50, 76% are in developing countries. By the end of 2021, the target is to reach 90% of developing countries.

How many experience these outcomes and for how long:

Oyster is targeting placing 1 million job seekers in remote work over five years. Several trends suggest that the opportunity is growing and, if a viable business model can be proven, Oyster would be able to reach this scale:

1. The shifting nature of work has meant that a larger proportion of total jobs are enabled by tech (90% of jobs will require digital skills¹⁶) and are therefore more amenable to remote working structures (remote working has doubled over the past decade¹⁷)
2. Improvements in hardware and software have meant that more of these jobs can be done remotely (e.g. internet speeds have increased >10x in the last decade¹⁸)
3. Increased immigration barriers that make it less likely for people to leave their home countries for a better future
4. Social norms (particularly through the Covid-19 pandemic) have pivoted towards increased acceptance of remote working

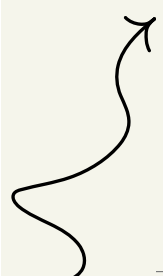
Contribution:

Contribution can be thought of as the difference between a world with Oyster and the current status quo. Given the high costs and labor law barriers associated with the status quo, the fact that existing solutions are a poor fit, and the lack of comparable competition in this sector, Oyster's contribution can be thought of as high.

Risks:

Execution: Given the lock-step nature of this impact thesis, the creation of impact relies on the successful execution of the business model, which is high-risk in the venture context.

Alignment: Despite being lock-step, the impact generated per person is based on several characteristics (e.g. host country, wage received, etc.), and therefore there is high variance in impact created per person. This creates the risk that, as Oyster seeks to scale, there is a focus on job seekers with more favorable unit economics who might be those with less impact.



¹⁶ WEF, Jobs will be very different in 10 years. Here's how to prepare

¹⁷ FlexJobs, Remote Work Statistics: Shifting Norms and Expectations

¹⁸ NCTA, The Future of Internet is Super Fast 10G

Impact on businesses



The Oyster proposition also creates impact for businesses hiring employees. At a time when global economies face recessions at levels not seen for many decades, business-level impact is an important dimension to consider. The main outcomes for businesses are:

1. Saving on expensive recruitment and administration costs of international labor
2. Access to a wider pool of talent
3. A more attractive proposition to talent
4. Improved diversity of the labor force

SAVING ON EXPENSIVE RECRUITMENT AND ADMINISTRATION COSTS OF INTERNATIONAL LABOR

As noted, there are currently several barriers to international recruitment. Getting around this amounts to a cost of ~\$1,500 per month per employee. The Oyster proposition is targeting an equivalent solution for up to 5x less expensive, incurring substantial savings for businesses.

ACCESS TO A WIDER TALENT POOL

Top-tier talent is, by definition, rare. Therefore, in order to maximize chances of employing top-tier talent, it helps to be able to start from as big a pool as possible¹⁹. Oyster can transform a business's talent pool by providing access to a global workforce. A bigger pool can also increase the speed of hiring and therefore decrease administrative costs.

MORE ATTRACTIVE PROPOSITION TO TALENT

Most workers (up to 99%²⁰) want to work remotely for at least some of their time. Many tech companies have announced that employees can work from home indefinitely in the post-lockdown world. This has created a competitive advantage in the talent market for these businesses²¹; however, very soon this will be a competitive requirement and those who do not realize this will be left behind. Similarly, businesses seen as innovative and embracing emerging trends are also more likely to attract the best talent.

IMPROVED DIVERSITY OF THE LABOR FORCE

Diversity has two related benefits to businesses. The first is that diversity (if managed well) leads to more creative problem solving²². The second is that diversity allows for an improved ability to serve and acquire new markets (e.g. through better understanding of local needs). These ultimately result in better solutions and business performance²³.

¹⁹ [Talent Adore, Why you Need a Wide Talent Pool](#)

²⁰ [Buffer, State of Remote Work](#)

²¹ [Tech Republic, How to retain top talent now that remote work expands job opportunities](#)

²² [HBR, Teams Solve Problems Faster When They're More Cognitively Diverse](#)

²³ [WEF, The Case for Diversity in the Workplace is now Overwhelming](#)

Impact on local communities



Oyster's proposition has the potential to accelerate development in local communities, primarily through:

1. Reducing brain drain and increasing talent's financial and non-financial contributions to local communities
2. Improved working conditions for those in the source country not employed by Oyster

REDUCING BRAIN DRAIN AND ACCELERATING DEVELOPMENT

When people emigrate to find work, the source community loses their productivity, local spending, and tax contribution. However, most talent “exports” tend to send money back to their original country in the form of remittances. These can often be sizable—in more than 30 developing countries, remittances are above 10% of GDP^{24,25}—and so the losses due to emigration can be tempered by this. Despite this, if Oyster can help talent stay in their communities while increasing their earnings, this has the potential to not only mitigate the harm caused by brain drain but also to accelerate development.

Indeed, remittances are considered one of the most efficient ways to provide capital flows to developing communities. Oyster can accentuate this by increasing what is available for local spending and taxation above the current values from remittances. For example, the average salary for an Android developer in the UK is ~£50,000²⁶, and the average remittance from the UK to India is ~£4,500²⁷. If that salary were paid locally, it would potentially increase the amount that could flow to an Indian community by >10x.

At the right scale, this has the potential to be transformative for emerging economies. In 2019, the world passed 1 billion knowledge workers²⁸ out of a total 3.3 billion employed workers (working-age population was 5.7 billion)²⁹. In the US alone, out of 48 million employed workers, ~35% are knowledge workers³⁰ and 58% of these jobs are now remote³¹—a proportion growing quickly as a result of Covid-19. Applying the same proportion globally suggests over half a billion remote, knowledge-working jobs exist. These jobs could have contributed to the impact above had the right infrastructure been in place.

Moving forward, it is challenging to estimate how many new remote, knowledge-working jobs will be created. In 2012, McKinsey estimated that there were 230 million knowledge workers globally³² which suggests a growth of ~100 million per year. If the growth in US knowledge-worker jobs is representative of the rest of the world, this would be closer to ~50 million per year³³. It's worth

²⁴ [MPI, Global Remittances Guide](#)

²⁵ Bilateral remittance data can be found [here](#). Click: 'Bilateral Remittance Flows' and select the country of choice

²⁶ [HR News, Well-paid, high-skilled: Most popular jobs for overseas applicants pay above £30,000](#)

²⁷ [MPI, Global Remittances Guide](#)

²⁸ [Gartner, 2019: When we Exceeded 1 Billion Knowledge Workers](#)

²⁹ [ILO, World Employment Social Outlook](#)

³⁰ [Intel, The Future of Knowledge Work](#)

³¹ [Forbes, 58% of American Knowledge Workers are now Working Remotely](#)

³² <https://medium.com/snippet/knowledge-workers-information-life-cycles-and-content-silos-oh-my-a4263eed427>

³³ [1.9m US knowledge worker jobs are created annually out of 137m workforce is ~1.4%. As a proportion of global jobs \(3.3bn\) that would be 46m global knowledge worker jobs](#)

noting that future growth will likely be higher than historical trajectories based on other trends such as the evolution of IT infrastructure³⁴. In short, over the next decade 500 million –1 billion knowledge-worker jobs will emerge, the majority of which will be done remotely. If emerging economies can capture a significant proportion of these jobs, with earnings at >10x what they could earn locally, this has the potential to materially affect their development trajectory.

IMPROVED WORKING CONDITIONS FOR THE COMMUNITY

There is evidence that following emigration of labor, the remaining workers enjoy better working conditions³⁵. For example, a 10% emigrant supply shock has been found to result in 2-5% increase in salaries in the source country. It is not clear why this is the case, however, there are several potential hypotheses:

1. Reduced supply of labor (with constant or growing demand) will result in a price (wage) increase
2. Stronger bargaining position for remaining workers given their scarcity
3. Enhanced political pressure for labor market reforms³⁶

What these hypotheses have in common is that they reflect the power of giving people choice over where they can work. Doing so reduces the monopolistic power that employers in source countries have on income provision (and pressures the government to make change) which ultimately leads to gains for the local workforce. As Oyster accelerates this shift in power (i.e. more workers can have more choices), it is likely that the presence of Oyster in a given country, provided it can offer employment to a critical mass within a sector, will have benefits even to those not directly employed by Oyster.



³⁴ Brody, Knowledge Workers, Information Life Cycles and Content Silos oh my

³⁵ Lucas R.E.B., International Handbook on Migration and Economic Development

³⁶ Karadja, M., & Prawitz, E., Exit, voice and political change: Evidence from Swedish mass migration to the United States

Impact on the environment



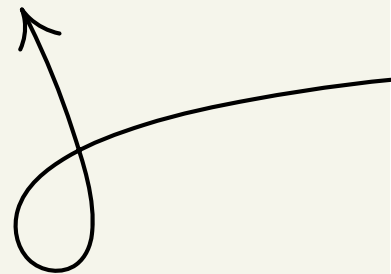
URBAN ENVIRONMENT

The fact that high-quality jobs are concentrated in specific cities means that these cities also experience growing population densities, which in turn places an extraordinary burden on the urban environment. Major cities often share traits like worsening living conditions and affordability of accommodation, creaking public transport systems, increased crime rates, and so on. Improved remote working would alleviate some of this pressure as workers would not have to cram into major cities.

NATURAL ENVIRONMENT

Oyster also has the potential to reduce carbon emissions due to reduced commuting. For example, the average commuter in Delhi contributes ~90kg of CO₂ per year³⁷. To offset this carbon emission, you would need to plant four trees³⁸. If these workers could instead work through Oyster, this could dramatically reduce carbon emissions. This does rely on the assumption that most workers will choose to work from home (rather than a shared workspace that they would also commute to); however, there is some evidence that this is true³⁹.

Even for those job seekers who would have migrated to other countries to seek work, there are carbon savings. Commuting in the UK appears to be more taxing on the environment⁴⁰, with the average train journey contributing 0.48kg of CO₂. Assuming two journeys per day and over 200 working days in a year, that is approximately 200kg of CO₂. This is without factoring in that many of these individuals would likely travel to their home country, incurring the high carbon costs of international travel (e.g. a return London -- Delhi flight equates to ~2 metric tons of CO₂⁴¹).



³⁷ [Ahmad, S. & Creutzig, F., Spatially Contextualized Analysis of Energy use for Commuting in India](#)

³⁸ [Carbonify, Carbon Dioxide Emissions Calculator](#)

³⁹ [Buffer, State of Remote Work](#)

⁴⁰ [British Gas, The Facts about Commuting](#)

⁴¹ [Carbon Footprint, Flight Carbon Footprint Calculator](#)

Summary

In short, the Oyster proposition has the potential to deliver impact across a broad range of outcomes that are relevant to people, businesses, local communities, and the planet. This is summed up in the Theory of Change presented below.



Oyster Theory of Change

STATUS QUO	Physical proximity is required to be employed for most jobs
STAKEHOLDER	<ul style="list-style-type: none"> • People emigrating for work • People staying in local communities • Business • Local communities • Environment
PROBLEM	<ul style="list-style-type: none"> • Financial, health, and family burdens caused by emigration • Health, income, and personal development trade-offs of staying home • Businesses are either restricted to local talent or pay high transaction costs for international recruitment • Brain drain causing stagnating local communities and economies • Increased commuter burden on the planet
INPUTS/ ACTIVITIES	Build a software platform which connects demand for skilled knowledge work in developed economies with the growing workforce in emerging markets simply and cheaply, enabling work to be conducted remotely
OUTPUTS	<ul style="list-style-type: none"> • Number of people migrating to find work decreases • Number of people un/underemployed in local communities is reduced • Reduced costs of international recruitment, plus access to a wider and more diverse talent pool • Reduced number of people leaving their communities to find work • Decreased number of global commuters
OUTCOMES	<ul style="list-style-type: none"> • Financial, health, and family burdens caused by seeking work internationally are reduced • Health, income, and personal development trade-offs of accessing employment in home community are reduced • Businesses increasingly fulfill talent needs through international hiring • Locals contribute human and financial capital to their communities • Reduced burden on the planet
IMPACT	<ul style="list-style-type: none"> • More fulfilled lives, reduced global inequality • Businesses are better able to thrive • Accelerated development of communities • Increased sustainability of the planet



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