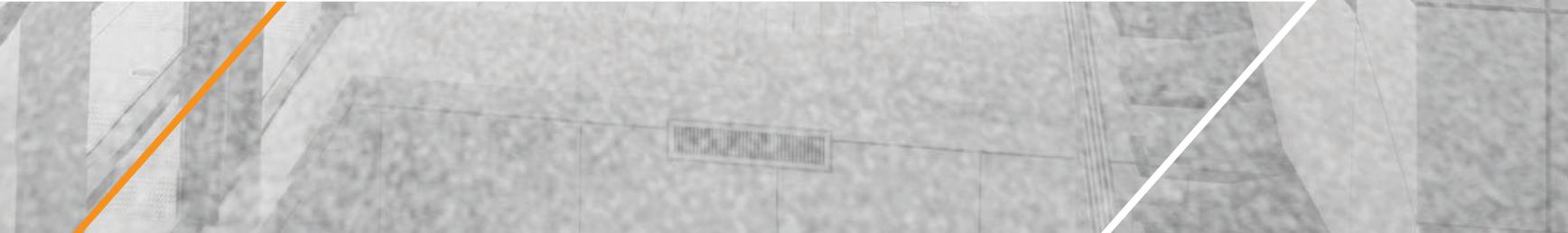




# WHITEPAPER

ISSUE 1 / JUNE 2017



## HOW TO EVALUATE CONTRACT CLEANING COMPANIES

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There are many different factors to consider when a business seeks to find a contract cleaning company that is the right fit for their unique needs. Do they understand the company culture? How do they plan to implement the owner's objectives? Are they trying to meet the tenant's expectations or focused on maintaining the status quo?

In this paper, the many different factors that are necessary to consider will be discussed. From the building manager, to the tenants and stakeholders, and all the way throughout the janitorial services provider, it can be surprising how many different variables must be addressed when finding a provider who is the right fit.

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# COMPANY BACKGROUND

There are approximately 50,000 contract cleaning businesses in the United States, which makes selecting one a daunting task for many building managers. In such a large, wide-ranging marketplace, industry groups have created trusted certifications that can empower customers to know which companies meet standards of excellence. The most prominent of these is the Cleaning Industry Management Standard (CIMS), a rigorous set of standards and benchmarks from the International Sanitation Supply Association (ISSA).

To achieve a CIMS Certification, an entire organization must meet 100% of the mandatory requirements and 60% of the recommended elements presented by ISSA. Only approximately 1% of the 50,000 contract cleaners achieve this award. The next level up is CIMS Certification with Honors, which means the company must meet 100% of both the mandatory requirements and 100% of the recommended elements, including quality control, staffing excellence, and management's ability to find unique solutions for each individual customer, among other elements.

Additionally, a CIMS-Green Building honor recognizes a company's expertise in environmentally friendly cleaning practices and LEED building certification standards. As sustainable practices of all types become more and more important to corporate responsibility, stakeholders are demanding green practices in all aspects of a business.



Often, many contract cleaning companies that achieve these certifications have been in business long enough to perfect their operations. Since each building is different and each customer is different, there are always new challenges facing management and team members. Those companies who have a proven track record of finding unique and effective solutions for clients of all types have often learned over time to not only approach the problem analytically and thoughtfully, but also keep a close eye on metrics and continually strive to find ways to improve incrementally.

Through experience, expertise and an excellent staff at every level, a janitorial services contractor can often meet any building needs as long as they have the resources available, depending on their size and the scope of the job. As mentioned previously, people make up the largest and most important part of a company's resources, so that company's culture is paramount to success. This begins with the most important part of the team: the cleaning technicians.

CIMS CERTIFICATION

*Only 1% of Companies*  
QUALIFY

THERE ARE APPROXIMATELY  
*50,000* CONTRACT CLEANING  
BUSINESSES IN AMERICA



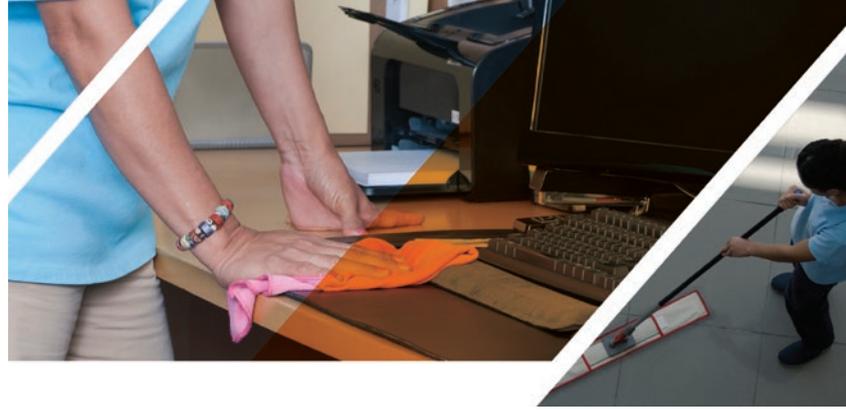
# WHO'S CLEANING MY BUILDING?

The cleaning market is competitive. It can be a race to the bottom for price, and many are tempted to join the race. Every company in the world would be interested in reducing their overhead, but when a cleaning provider cuts costs, what else is getting cut? And what are the consequences? Cost-reduction measures can affect the quality of cleaning supplies and reduce environmentally conscious practices. Additionally, planning, evaluation and quality assurance are all areas that could be viewed as superfluous when cutting costs.

The most important area to consider, however, is where cleaning companies incur the largest proportion of costs. As an extremely labor-intensive industry, 70%-80% of costs incurred by contract-cleaning companies come from labor. So much relies upon the team that the company assembles and how management empowers them to succeed. In the race to the bottom, cut-rate cleaners must decide where to cut their rates within their labor force.

Because so much of a contract cleaning company's resources are devoted to their hardest working team members, a building manager should evaluate not only

the quality of their work, but also their relationship with their employer and leadership. Often, the companies who adhere to best practices understand the investment in their team members and enable their professional development. A large investment in training and ongoing development for a career path is a signal that a company is hiring their team members not just for today, but also tomorrow and years down the road. The adage of quality being better than quantity is accurate when it comes to human resources.



Conversely, some contract cleaning companies will often subcontract their cleaning jobs to other companies. This not only provides less assurance of the type of cleaners who will be attending to the building, but also demonstrates a more transactional approach to each customer. Instead of working directly with a customer to build relationships and integrate into the customer's company culture, the subcontractor will provide hired guns who have less of a long-term approach to the job.

However, situations where it would be more efficient to subcontract work out to specialized companies present opportunities for better results. Small, specialized jobs that are single-run or rarely run jobs like painting, patching and power washing are very often better left to specialists who can perform the work more effectively while providing cost savings due to the efficiency that their specialized knowledge affords them.

Another cost to the customer can come in the form of customer service. Since the subcontractor does not report directly to the company who the customer hired, the customer must now rely on a cleaning team with whom they have no direct relationship. With so many degrees of separation, it can become difficult to ensure that the customer's specific needs are being met. A short-term approach may require less in-depth preparation or intensive labor, but that approach may not be sustainable in the long run. It does, however, alleviate many of the costs associated with a workforce: payroll taxes, worker's compensation and employee benefits. There are also other opportunity costs, and not all of them can be measured quantitatively.

In the long run, the best cost savings for a contract-cleaning company can come not from hiring less-qualified employees for a lower wage, but rather hiring highly qualified individuals and investing in a compensation and benefits package that ensures that they stay in the position for the long term. Why is that? Many companies have learned investing in a comprehensive training program often leads to a workforce that has low turnover and high retention, which can end up saving money in the long run. Additionally, the efficiency that comes from a knowledgeable, highly experienced workforce minimizes costly mistakes and the tendency to make up for lack of quality with a higher quantity of workers.

Most importantly, successful companies ensure that their prized team members understand how appreciated they are. Again, going back to the importance of company culture, successful contract cleaning companies create a culture that not only rewards employees financially, but also recognizes and celebrates their achievements. A study by Bersin and Associates on employee motivation shows that when management recognizes and honors their team members' achievements, their company enjoys a voluntary turnover rate that is 31% lower than companies who do not recognize their team members' achievements. Reinforcing financial incentives with recognition not only more effectively empowers team members, but it also motivates them to grow within the company and continually try to reach new, higher performance benchmarks.

On the other hand, high turnover within an organization can lead to a lower quality of cleaning technician and subsequently unsatisfactory results. These are often the results of cost-cutting measures at the employee level, which can become increasingly detrimental over

time. Especially with the current labor environment, in which unemployment rates have dropped to new 16-year lows, as 2017 has seen the lowest unemployment rates since 2001. Because unemployment is so low, the competition to hire and retain the best employees has become more challenging. The priority that a company puts into creating a work environment and compensation package that maximizes employee retention can be very important.

The best team members find both intrinsic and extrinsic motivations, which play a large part in meeting and exceeding a company's goals. But without direction or guidance, even the best team members would perform like a ship without a rudder. While great team members make the job easier, it is easy to underestimate the importance of great leadership, especially because great leaders will often give so

much of the credit to their team members. At the same time, there are many different ways that leadership can inspire and empower team members to achieve success.

When evaluating contract-cleaning businesses, price is certainly an important consideration, but there are many more elements that can positively or negatively affect a client's business and their building. In order to fully understand the big picture, the full range of value that building managers derive from their contract cleaning partners must be considered.

EMPLOYERS WHO RECOGNIZE  
THEIR TEAM MEMBERS'  
ACHIEVEMENTS ENJOY A VOLUNTARY  
TURNOVER RATE *31% lower*  
THAN THOSE WHO DO NOT

# TEAM LEADERSHIP

When selecting a contract cleaner, a close inspection of the management structure can be very telling. How involved is management with their team members? A close relationship not only helps provide guidance, instruction and feedback for team members, but it is also telling of a company's culture. Successful companies develop management who lead by example and earn the respect of their team members. They understand their customer's needs and effectively show their team members both how they can meet these needs and help them to understand how important they are to the process.

Effective managers understand how strongly their actions and attitude affect their team members. Good leadership cascades down to the lowest team members. Like Vince Lombardi said, great leaders know that success is not a sometimes thing, but rather an all-the-time thing. Great managers understand the importance of accountability. When selecting a contract cleaning company, a customer should know exactly who will be accountable for the team's performance. A strong leader will work directly with the customer, take charge when any problems may arise, and ensure that the team takes measures to remedy the situation.

There are many areas in which a deeper examination is necessary. Does management fully understand the relationship with the client? Are the customer's needs being effectively communicated to the company's management and employees? Are all customer concerns being addressed? And what kind of review and evaluation is taking place? Customers like to know that they are being listened to and that what they say is taken seriously and acted upon.

The leadership's approach to planning and preparation are another important element for prospective clients to evaluate. Does management have a proactive or a reactive style? A proactive leader has a strong plan and implements it effectively. They have contingencies in place for anything that may arise and are ready to deal with whatever comes their way. On the other hand, a reactive management style can easily be overwhelmed. By thinking one step at a time, instead of many steps

ahead, unforeseen circumstances can have a ripple effect, especially when there is no plan in place to deal with any sort of surprise. In those cases, a small problem can easily escalate into a much larger issue.

Finally, a customer should examine not only the procedures that a leader has in place before undertaking a job, but also the methods of evaluating performance and using data as a tool for improvement.



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**COMPANIES** OVER 50,000  
**RESULT** COMPETITIVE  
LABOR MARKET



# USE OF TECHNOLOGY

There should be comprehensive methodology available for leaders to objectively evaluate performance. If any sort of abnormality or flaw in a team's execution of its tasks goes unnoticed, the effects could possibly escalate and cause more adverse effects than it would have if it were noticed immediately. Many effective leaders will work directly with their customers in evaluating performance so that the customer can enjoy peace of mind and also take a proactive role in guiding the cleaning company's performance.

It is essential to continuous improvement and performance review, both as an organization and on the individual level, that a company has processes in place that set benchmarks, measure performance, and provide avenues to facilitate improvement. Data is important, but understanding that data, analyzing it and using it to find quantifiable ways to measure performance make that data valuable. Without a system to create timely and relevant feedback and support for leadership, technicians and the organization as a whole, there is no reason to collect that data.

Leveraging data collection for continued, long-term success depends upon review, data analysis, reporting and evaluating key performance indicators (KPIs). Before the first day on the job, the best contract cleaners evaluate the building's needs and its unique

layout, then draw from their experience and metrics to formulate a plan that avoids any sort of disruption during the transition period. After implementing this plan, they use their wide range of methods to find ways to perform even better.

Of course, when discussing technology, a company's investment in the new equipment with features that empower technicians to work efficiently while promoting a healthy work environment will often pay for themselves in the long run through more efficient performance and employee satisfaction. For a few contract cleaners, they use industrial engineering concepts and practices. In implementing these practices, they can sometimes reduce wasted time, improve production rates, and provide additional services to the scope without adding cost.

# WHAT WORKS FOR YOU?

There is a wide range of factors to consider when selecting a contract cleaning company, and many of those depend on each client's unique needs. How will the contract cleaner adapt to meet those needs and how can they find new and unique ways to do so? What types of processes do they use and how will they fit within your scope of work.

And perhaps the most overlooked aspect of the whole process is to ask, "Does this feel right?" Sometimes it all boils down to whether or not the contract cleaning provider jibes with your own company. Will the cleaning technicians feel comfortable in your work environment? What is the company culture like? Does it mesh well with your office environment? How does the janitorial services provider's leadership work in conjunction with the client's leadership team?

Each company is different, just like every building is different. There are many factors that go into finding the right contract-cleaning company, many of which go beyond simply the initial costs. When evaluating costs for a company, there is much to consider beyond simply writing a check. These factors can directly affect the tenants' health, assets and overall bottom line. Make sure to understand what exactly is needed from a building services partner and how those factors can affect the company and the building. The right choice is not just a number, but it is also a consideration of long-term benefits and how even the smallest nuances can become a big deal.

CLEANING  
TECHNICIANS

TEAM  
LEADERSHIP

TECHNOLOGY  
IMPLEMENTATION



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Building Solutions