




WHITEPAPER

ISSUE 5 / APRIL 2019

THE MYTH OF IN-HOUSE EFFICIENCY

AN ARGUMENT FOR
OUTSOURCED CLEANING



THE MYTH OF IN-HOUSE EFFICIENCY

AN ARGUMENT FOR OUTSOURCED CLEANING

Deciding whether to keep an in-house cleaning staff or outsource the job seems to be a common quandary among facility managers, especially those in charge of hospital and school buildings. In many cases having an in-house custodial team is a traditional practice and hiring an outside company is never considered. Maintaining control over their operations and not needing to “fix” something that isn’t broken is often at the heart of what keeps facility managers from making the switch from inside to out.

WHITEPAPER

ISSUE 5 / APRIL 2019



800 535.8285
www.4-m.com

BUT IS AN IN-HOUSE TEAM REALLY THE BETTER OPTION?

Just when has maintaining the status quo ever been a good reason for not making a change for the better? Managing a facility is not an easy task. Taking the additional responsibilities of hiring and supervising an in-house cleaning team off your plate allows you to focus on the more important facets of your job.

Still not convinced? Here's our argument for outsourcing your commercial cleaning.

1. **You'll save money!**

Contrary to what you might initially think, keeping an in-house cleaning team is *not* a cost saver. In fact, a study conducted by the International Facility Management Association (IFMA) found that in-house cleaning costs an average of 23 percent more than contract cleaning services. Surprised? Don't make the mistake of comparing the full-service of a commercial cleaning company with just your payroll expense. In order to make an informed decision, you must compare apples to apples. Here are a few of the "hidden" costs in time and money associated with an in-house team:

- Payroll taxes, benefits and absences. According to a survey conducted by the Bureau of Labor Statistics in late 2018, the **average cost of benefits** for one employee is \$11.60 per hour; that is in addition to the employee's regular hourly wages. An outsourced

cleaning company will absorb that cost and eliminate other costs to you, including 401k plans and paid time off for vacations and illness.

- Hiring, training and turnover. **Employee turnover** in the commercial cleaning industry is high, averaging around 200 percent and sometimes reaching as high as 400 percent annually. When you take into consideration the cost and time investment of posting jobs, interviewing candidates and training new employees, losing a Team Member due to a bad hire is significant. A commercial cleaning company has already vetted and hired high-quality staff and trained them in the latest cleaning techniques, so you don't have to spend time and money finding the right fit for your team.

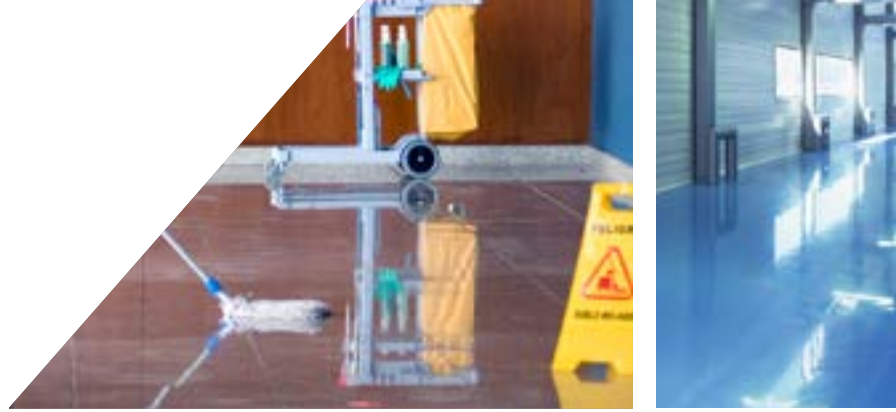
A CAREERBUILDER SURVEY ESTIMATES OVER \$7,000 TO \$10,000 AS THE AVERAGE COST OF HIRING THE WRONG PERSON FOR AN ENTRY- OR MID-LEVEL POSITION.

- Cost of equipment, chemicals and supplies. When you have an in-house cleaning team, you are responsible for purchasing all of the equipment, chemicals and supplies they need to do their job. When you outsource, the contractor can purchase all of these items, most likely in bulk at reduced prices, resulting in more cost savings for you.
- Cost to maintain equipment. Equipment that is not maintained can easily cost the facility manager the purchase price again in service.

Here are a few more eye-opening statistics:

- On average, 28 percent of equipment in any given facility needs repair or is not working effectively.
- 88 percent of all facilities have downed equipment, and most of the time the facility manager is unaware.
- 70 percent of facility managers blow the repair budget due to lack of maintenance.





When you outsource, every component of your cleaning operation becomes your contractor's responsibility, including maintaining equipment. If something breaks or needs to be updated or replaced, it's not your responsibility to make that happen, which allows you to focus your attention and funds on managing the facility.

- Insurance and worker's compensation. **Slips, trips and falls** are a major cause of workplace injuries. In fact, according to the National Safety Council Bureau of Labor Statistics, and U.S. Department of Labor, 25,000 slip, trip and fall accidents occur daily; more than 95 million workdays are lost each year due to

injuries; and \$70 billion is spent annually in medical expenses and workers' compensation claims. Those are pretty painful statistics.

Relying on an in-house team means the facility manager needs to be confident his or her workers can do their job safely with little supervision. Commercial cleaning companies train their employees on how to effectively and safely clean and maintain your facility, eliminating the burden and worry associated with accidents and the financial implications, as well as the need to conduct ongoing safety training and safety audits.

DID YOU KNOW THAT THE ESTIMATED COST OF SUPPLIES AND EQUIPMENT NEEDED TO CLEAN EVEN A SMALL FACILITY (15,000 TO 50,000 SQUARE FEET) CAN RUN ANYWHERE FROM \$600 TO \$10,000 DEPENDING ON THE TYPE OF EQUIPMENT? FOR LARGER FACILITIES THAT CAN RANGE ANYWHERE FROM 150,000 TO 300,000 SQUARE FEET, THAT COST IS EXPONENTIALLY HIGHER.



THE JANITORIAL AND CLEANING INDUSTRY RANKS THIRD HIGHEST AMONG THE NUMBER OF CLAIMED INJURIES AND ILLNESSES.

2. You'll get better results in less time.

Janitorial workers employed by commercial cleaning companies are highly trained, responsive, flexible and efficient professionals whose expertise is difficult to match in-house. They use the best products and the newest equipment to get the job done well, in less time for less money and with fewer headaches.

In a research study, titled "Facility Management Shared Services: The Balance Between In-House Services and Outsourcing," by Jeffrey R. Campbell, Ph.D. and published by [APPA](#), Leadership in Educational Facilities, Gary Falasca, Director of Facility Services at Lehigh University, had this to say about the attributes of outsourcing:

"It's experience more than anything. You can ask them to do things or have them do things for you that you might not be able to accomplish with an in-house staff because of the nature of the specifics of what they do. In other words, they can be well schooled in specific things where we are asked to do a lot of different tasks. We have a small staff and have to wear lots of different hats. I don't know that I can sustain a staff that could do the things that we're asking other people to do for us in a continuous fashion with the same continuity. If my grounds manager (from the outsource provider) were

to leave because it's a very large national company, they could bring in somebody that is just as knowledgeable to replace them and we wouldn't miss a beat. Whereas, if it was a person on my staff, I may struggle a little bit more to find a replacement and then train him or her and bring them up to speed."

3. You'll receive detailed quality of service reports.

Many reputable commercial cleaning companies will provide you with **regular reports** based on Key Performance Indicators (KPIs). KPIs are a set of quantifiable metrics you use to determine how well the cleaning company is meeting your objectives of maintaining a clean, healthy and safe facility.

KPIs include:

- Quality of Service. Determined through regular audits and inspections
- Client Satisfaction. Determined through periodic customer surveys
- Safety. Number of injuries on the job and a detailed safety training program
- Employee Engagement. Rate of turnover
- Budget. Ways to eliminate waste in the process

4. You'll never have to worry about coverage.

Commercial cleaning companies ensure that your facility will always be maintained to your specifications. Once you outsource you'll never have to lose sleep again worrying about a worker calling in sick and leaving you in the lurch, especially during peak times. Staffing night shifts can be a particular challenge. Outsourcing alleviates the stress of finding workers to take these less than desirable time slots, and allows you to leave when the day is done, even if the cleaning crew doesn't start until later.

5. You'll get specialized expertise.

An experienced, effective commercial cleaning company spends time and money training its workers

on the most advanced, state-of-the-art methods, including "green" cleaning, to clean and maintain your facility. They also offer industry-specific cleaning, such as medical, education and industrial. Many commercial cleaning companies also offer a menu of other services, such as carpet cleaning, power washing and minor handyman services, which saves you time searching for a reputable, affordable contractor when you need one.

6. You'll have more time to do what you do best.

At the end of the day, managing the cleaning staff is not the optimum use of your talent as a facility manager, school principal or superintendent. The biggest benefit you'll receive when outsourcing is being able to shift your focus to working ON the business, not IN it.



WE REST OUR CASE.

If getting back to what you do best and saving money at the same time appeals to you, we encourage you to explore outsourcing your janitorial services. Customized cleaning solutions, professionally trained, effective and efficient team members and responsive, cost-effective cleaning and maintenance make outsourcing a great option. With the right cleaning partner, you can get back to running one business instead of two.

At 4M Building Solutions, we take you out of the janitorial business. Our highly trained and dedicated Team Members offer state-of-the-art customized cleaning solutions, and our on-site management and continuous tracking and reporting provide full-service support and responsiveness at your facility. For 40 years we have worked hard to become the absolute best building services partner in the industry for our clients. [Contact us](#) to learn more.