



# Industry Trends & Projections

By Lisa Kopochinski, *Services* Editor

AS BUILDING SERVICE CONTRACTORS CONTINUE to survive—and even thrive—in today’s continuing tough economy, one thing stands out above all else. That is, the strength and resilience of those in our industry.

Though many serious issues still loom before us—immigration reform and health care reform, for example—there are also a number of trends emerging, or perhaps reemerging. Some might argue that these really aren’t fads at all, but standard business operating procedures that simply need to be adhered to more closely. These include diversification, cost control, proper hiring and training of staff, strong clients relationships and, of course, Service is a capital “S.”

Green cleaning is more popular than ever and really cannot be considered a trend anymore, but rather a fundamental part of this industry. I mean, who can argue against the merits of green cleaning and its impact on our health and the environment?

*Services* magazine is proud to present our annual Industry Trends and Future Projections report. We interviewed numerous industry experts—BSCs, vendors and consultants—to get their feedback on what is

happening right now and what their projections are for the near future.

A big thank you to the following individuals who took the time to help educate us all:

Jill Frey, president of Cummins Facility Services in Prospect, OH; Mario Levasseur, owner of Empire Maintenance in Montreal, Quebec; Alan Wickstrand, president of Follow Through Cleaning in Portland, Oregon; Mark Malerba, vice president of Metropolitan Maintenance in London, Ontario; Chris Gwin, president of Beelabor Janitorial Services, Inc. in Fairfax, VA; Rich Parillo, BSC specialist of ProLink in Canton, MA; Amy Bradshaw and Joe Solitro from PAK-IT (JBI Inc.) in Philadelphia, PA; Bradley Nyholm, product manager commercial/dealer, TTI Floor Care North America in Cleveland, OH; and veteran industry consultants Chuck Strobel of Greensburg, PA and Thomas Chase of Elk River, MN.

## Top Advice Tips

If you want to survive and thrive in today’s tough business environment, the experts suggest these tips:

- Diversify your services
- Think outside the box
- Don’t be shortsighted
- Maximize workers’ productivity
- Contain costs
- Implement green cleaning as a fundamental way of doing business
- Update software
- Become technologically savvy
- Continue to learn
- Pay attention to the basics
- Maintain strong relationships with peers and customers
- Strong communication skills are a must
- Give back to your community
- And...
- Offer outstanding service

**WHAT ARE THE LATEST TRENDS IN THE CLEANING INDUSTRY?**

**Jill Frey:** There are three trends in the cleaning industry that are really hitting home for BSCs. One is cost pressure. We are under such huge restraints to keep costs down and maintain high levels of service. Second is vendor consolidation. We are seeing a lot of companies going with regional or national RFPs. And third, the hiring and training of employees. This is really becoming a big one, combined with the other two trends. We have to make sure our employees have national background checks. To keep the business, we have to train our employees to be able to work very fast and effectively to make sure they keep up with the service schedule and the price points. The cleaning business is heading to cleaning for health, and not just for appearance anymore.

**Mario Levasseur:** Think diversification, such as value-added services to existing customers. The present economy worldwide is slow with no development by developers. Therefore, our need for constant growth will have to come from selling our customers on the idea of transferring more of their needs to one supplier. Think outside the box with supplying personnel that your customer cannot afford to

hire on a full-time basis, but would entertain hiring specialized personnel as required. Find more than one customer for this service and hire a full time person.

**Bradley Nyholm:** The U.S. economy has been a major force when it comes to budgets. The end user is asking, "How can we get more for less?" They're seeing a short-term solution as repairing old equipment rather than replacing it with new. As a result, "reliability" and "low maintenance" are common needs in today's marketplace.

Also, regulatory agencies—such as LEED and CRI—are getting involved to ensure that requirements provide better and healthier indoor environments. This direction has both the end user and manufacturer developing products and applications that will meet the standards established, including sound levels, filtration, dirt removal, and environmentally friendly cleaning chemicals, to name a few.

**Rich Parillo:** In my opinion, the biggest trend in the cleaning industry today is the continual improvements to worker productivity and account retention. They go hand in hand and BSCs are looking for every edge—whether it is equipment, supplies or processes, that can help them in this area.

**Mark Malerba:** I think the biggest trend is definitely green cleaning. This has been the hot topic for a few years now. Whether it's cleaning products, equipment or consumables, manufacturers and suppliers are talking "green." When a rep visits my office, it's almost always about a green initiative.

**Amy Bradshaw:** Yes, the biggest trend is toward safer, green cleaners. We see our customers moving toward less harsh, more environmentally responsible solutions for their cleaning needs.

**WILL GREEN CLEANING CONTINUE TO BE POPULAR INTO 2011 AND BEYOND?**

**Chris Gwin:** We treat green cleaning as the standard now and not an "option." It is now a prerequisite for LEED certification of buildings.

**Jill Frey:** Green cleaning is fundamental. It is not an option anymore. You have to be green and figure out how to get rid of trash, strip and refinish floors and clean carpets without affecting the health of anyone. There will be more to come from this, and right now we are working on zero waste landfill. We are trying to figure out how to have zero trash for the landfill by 2019.

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**Michael Wickstrand:** Green cleaning is popular and will continue to be popular, but is a "feel good" concept. Green cleaning is a marketing slogan; by itself it is meaningless. Sustainability (which can include green cleaning) is a vital part of our business model. Green cleaning works best when employees see superior results. As an example, backpack vacuums are advertised as being "green." We gave them trials in several buildings. At the end of a 30-day trial, only one employee preferred back packs to uprights, and floors and carpets were less clean than with conventional methods. The machines were awkward and cords caught on furniture, so were used less thoroughly in fewer places. Field experience trumps lab results every time.

**Chuck Strobel:** Green cleaning is certainly what all savvy contractors should be doing. It is not hard and it does not cost more. However, the term "green" is still being used as buzz word, much like a fad. Green can be a valuable marketing tool for a contractor's customer. When a contractor helps my business, it greatly improves the relationship, and success in the business is at least 70 percent in bringing value to the relationship.

**Thomas Chase:** I feel, in the medical field, green cleaning will continue. In other areas, the cost has become a factor with chemicals and it doesn't seem to be as popular.

**Mario Levasseur:** I believe we are responsible to keep finding new and better ways to save our world. We are involved in a process that purifies the air in buildings, removing the particles that carry viruses, etc. This also improves the dust situation. After the completion of tests, we realize a drastic drop in the amount of dust on horizontal surfaces. Tests also show personnel have less trouble with fatigue, eye soreness and are alert all day. This procedure is patented and is installed in the return air ducts of any building.

#### HOW IMPORTANT IS UP-TO-DATE SOFTWARE TO A CLEANING COMPANY?

**Amy Bradshaw:** Software is the tie that binds an organization and its stakeholders together. It is very important to have accurate data and reporting to meet the real-time needs of all parties, including customers, suppliers, distributors and internal employees.

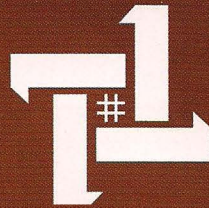
**Brad Nyholm:** It is very important. The Internet is an information highway and if you're not connected, good information can

pass you by. Manufacturers provide detailed information on product, service and parts, which are critical to the cleaning companies. Since communicating purchase orders, delivery schedules and invoicing is all systems driven, you need to be up to date. Websites are a great way to showcase the business and provide the link necessary for customers to stay informed and connected.

**Rich Parillo:** Up-to-date software is critical to any professional cleaning company. Without it

you cannot be truly competitive. All of the major contracting companies have this type of software and, regardless of your size, it is needed strictly from a business management perspective.

**Chris Gwin:** Anyone who has not totally automated any data that is handled in their business, to include payroll, bidding, communication, etc., has unconsciously put a limit on how large they will become. If they think they will wait until they need it, it will then be too late. One advantage some may not consider is



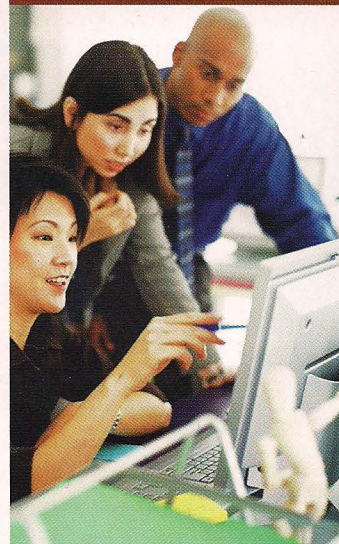
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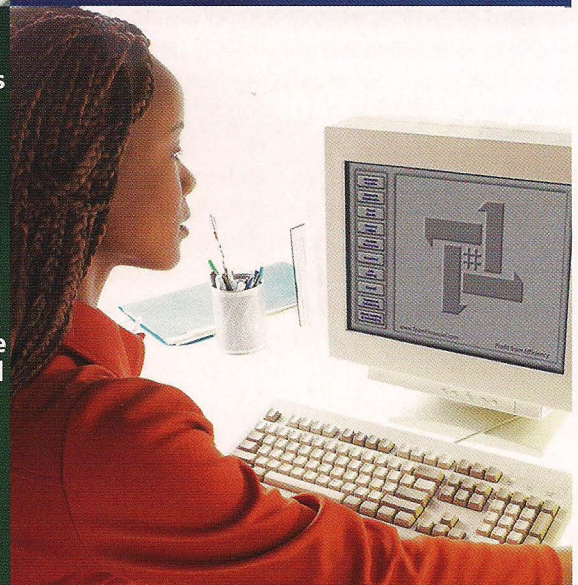
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## ABOUT THE EXPERTS

**Amy Bradshaw and Joe Solitro****PAK-IT**

PAK-ITs, which are manufactured by JBI Inc., are individual, pre-measured membrane-encapsulated cleaning concentrates that completely dissolve in tap water. PAK-ITs provide solutions of superior quality and cleaning power with a fraction of the environmental impact of pre-mixed cleaning products.

[www.jbiglobal.com](http://www.jbiglobal.com)

**Thomas Chase****Thomas E. Chase Consulting, LLC**

Thomas Chase is committed to employing his many years of industry experience towards helping his customers design a program that suits their needs. He has designed numerous comprehensive special service programs that work with businesses from getting started to developing their green cleaning.

[www.thomaschaseconsulting.com](http://www.thomaschaseconsulting.com)

**Jill Frey****Cummins Facility Services**

From its beginnings as a small, family owned company in 1972, Cummins Building Maintenance is experienced in all types of facilities, whether public or private, small or large, corporate, educational, retail, or a distributed network of facilities.

[www.cumminsf.com](http://www.cumminsf.com)

**Chris Gwin****Beelabor Janitorial Services**

BeeLabor maintains more than 2.5 million square feet of commercial office space for property management firms, Fortune 500 companies and national associations. Its portfolio of properties includes class A" office space, industrial facilities, medical and professional buildings.

[www.beelabor.com](http://www.beelabor.com)

**Mario Levasseur****Empire Maintenance**

Empire Maintenance offers a range of cleaning services and maintenance services, whether basic or a more elaborate set of services to buildings and equipment of high technology, all backed with its promise of quality by highly qualified staff.

[www.empiremaintenance.ca](http://www.empiremaintenance.ca)

**Mark Malerba****Metropolitan Maintenance**

Metropolitan Maintenance is a family-owned janitorial service provider that has been in business since 1980. The company services airports, professional office complexes, government buildings, medical facilities, industrial plants, financial institutions, retail centers, institutional locations and much more.

[www.metromaintenance.ca](http://www.metromaintenance.ca)

that it is a great selling point when differentiating their company from the competition.

**Mark Malerba:** Technology is changing rapidly and if you fail to keep up, your competitors will. Whether it's for administrative purposes, purchasing, time keeping or inventory control, proper software is essential to ensure accuracy and responsiveness.

**Chuck Strobel:** The cleaning industry is labor intensive with small margins. It is absolutely essential to know profitability by each account each week, and I would say a smart contractor should know labor costs daily in actual time. Knowledge days after the time expended is too late. I am reminded of a new owner who bought a company with \$2.5 million of sales. He did not have the appropriate software and really did not understand the details needed to be successful in this demanding business. His financial picture was going from good to bad to worst. Since he was unwilling to learn, his last decision was to sell or declare bankruptcy. It was a bit like the old story about a kingdom lost for the want of a horseshoe nail. With the proper software and a better understanding of the business, he would still be in business.

## WHAT ARE THE LATEST TRENDS WHEN IT COMES TO MARKETING YOUR BUSINESS? DO YOU FIND SOCIAL NETWORKING SITES SUCH AS LINKEDIN, FACEBOOK AND TWITTER HELPFUL?

**Chris Gwin:** This is an area that I am not sure about. I think the jury is still out on that.

**Mario Levasseur:** Personally I do not feel these venues actually have a return on investment. Our sales team still finds relationships very important. The customer will always want to deal with a person they already know and have confidence in. The most steady return on marketing in our firm is membership in different associations.

**Mark Malerba:** At this point in time, I do not find social networking sites helpful. I think we're at the very early stages for these types of media in our industry. I can see it progressing, but very slowly. Referrals through word of mouth have been and always will be the best way to market your business. There isn't a more powerful statement than a customer testimonial. If you deliver what you promise, provide a high level of service and are responsive to your clients' needs, your company will sell itself.

**Rich Parillo:** Marketing is not my strength, but I can tell you that social networking is growing in use and effectiveness. As more younger people begin to take a larger role in the industry, so will their forms of communication and networking.

**Brad Nyholm:** Social media tools, like Facebook and Twitter, have become important marketing tools to communicate with the consumer today. It's a fast response mechanism, so you must have someone dedicated to monitoring this information and responding.

## WHAT DO BUILDING SERVICE CONTRACTORS NEED TO DO TO KEEP UP TODAY—NOT JUST TO SURVIVE—BUT THRIVE?

**Alan Wickstrand:** There are three things—which is the theme in all we do: competence, consistency and communication. Pay attention to the basics. We mess up not because a situation arose that was unknown to us, but because we didn't do something we already knew to do.

**Jill Frey:** BSCs need a competitive edge and a realistic vision for the

**Bradley Nyholm TTI Floor Care North America**

TTI Floor Care North America was established in February 2007 and is home to two consumer brands, Hoover and Dirt Devil. As a subsidiary of Techtronic Industries Co. Ltd. (TTI), TTI Floor Care North America brands are part of a powerful portfolio that includes trusted home improvement and construction tools.  
[www.ttifloorcare.com](http://www.ttifloorcare.com)

**Rich Parillo****Pro-Link**

Pro-Link is a national janitorial supply and service organization with more than 100 distribution points throughout the United States. Pro-Link and our distributors offer high quality janitorial products, green cleaning products and innovative services to deliver better cleaning, increased productivity, improved worker safety and lower total costs.

[www.prolinkhq.com](http://www.prolinkhq.com)

**Chuck Strobel, CBSE****Industry Veteran**

A veteran of the cleaning industry, Strobel sold his cleaning company in 2004 but has remained as a consultant and on a number of committees. Very active in the merger and acquisition aspect of the business, he is also the author of a fun book called *Tales from the Janitor* (available at [www.talesfromthejanitor.com](http://www.talesfromthejanitor.com)). As the owner of a couple of multi-tenant office buildings, he says he now has an opportunity to experience the cleaning industry from the customers' perspective.

[Cstrobel3116@gmail.com](mailto:Cstrobel3116@gmail.com)

**Alan Wickstrand****Follow Through Cleaning**

Follow Through Cleaning was formed 30 years ago and, since that time, the company continues to focus on what it does best—providing regular commercial cleaning service to clients who want to see the same faces providing competent, reliable service day after day, year after year. The company does what needs to be done, which can range from pressure washing, removing pigeon droppings from a clock tower, final construction cleaning, stripping and refinishing, and seemingly everything in between.

[www.followthroughcleaning.com](http://www.followthroughcleaning.com)

company. Have a clear business and operations plan that defines the elements, and that realizes the vision and the talent. My favorite line is, "If it can be measured, it can be controlled."

**Mario Levasseur:** Offer the best value possible. Part of this is to have employees that are proud of the firm and want to grow. In order to grow within the firm, they know the firm must grow. Offer extra services to your customers. Talk to them. Find out how you can help make their job easier. Give every employee wages that will permit them to have a decent level of life. Involve them with suggestion programs, employee day celebrations, honor gifts, etc.

**Brad Nyholm:** In today's marketplace, the more service you can provide, the better satisfied your customers will be.

**Mark Malerba:** You have to keep learning and you have to be hands on. You have to know what challenges your employees are facing and help them grow. You have to research new practices, products and equipment. Focusing on your core business and taking care of your clients is essential. Once you believe that you know all you need to know and have done everything that you can do, the game is over.

**Chris Gwin:** Maximize your worker's productivity! Supplies, paper cost, equipment costs, and union costs will only continue to increase; we have very little control over that. These direct costs must be passed on to the client. The client is being hit from all sides with higher vacancy rates, increasing taxes and utility costs. To avoid pricing ourselves out of the competition, we have to do more with fewer man hours.

**Rich Parillo:** In order to thrive, BSCs (particularly small and medium-size companies) need to stop focusing on the pennies and look at the dollars. By this, I mean that all too often these companies focus on short impacts and do not or will not look at investing in tools, practices, relationships and equipment that will improve their organizations over the long haul. Especially in these economic times, it is more important than ever to plan for the long term. The old adage remains as true today as when it was first spoken; "You get what you pay for."

**Joe Solitro:** From a supplier's perspective, we see that BSCs are working to reduce costs, streamline operations and find creative solutions to their customer's needs. Competition is all around, so BSCs must find ways to differentiate themselves to grow and prosper.

**Chuck Strobel:** The biggest failure and the greatest opportunity that I see is keep up the relationships. As a building owner, it is easy to change a contractor if I never see the management staff or a second-level supervisor. If the contractor never brings an idea to make my buildings better, why do I really need that contractor? If I like the onsite cleaners, they will most often go to work for a new contractor, so if that is the only relationship, why would any contractor be surprised to get a cancellation letter? Remember that business is about bringing value to the customer and the interactive relationship is what facilitates bringing that value.

**DO YOU HAVE FURTHER COMMENTS YOU WOULD LIKE TO SHARE?**

**Thomas Chase:** I feel there is a lot of opportunity for growth within a customer base to carve out a niche that works for you and your operations.

**Mark Malerba:** The janitorial industry is not "sexy." Therefore, you have to brand yourself as a professional organization that gives back to the community. This builds your reputation and does not go unnoticed. We donate to several local charities and sponsor several youth sports teams.

**Mario Levasseur:** We must work at creating an environment that will make people want to work for the industry. Illegal labor is eating away at our industry and it is our job as managers and owners to find ways to encourage people to join our forces and earn a clean honest living. Not easy, but doable. Encourage all levels of management to spread this word. Make everyone proud of what they do. Of course acquisitions are a beautiful way to grow. Study your competition with an eye to approaching other BSCs to sell their firms and join yours to become a bigger player in your geographic area. Subcontract to other BSCs that are outside your area, but have a national account with possible work in your area.