

JANITORIAL COMPANY TYPES

AND WHICH ONE IS BEST FOR YOU

Your company has decided that it is time to make a change in the cleaning/janitorial services at your facility. Your supervisor has asked you to contact a few vendors to obtain proposals. A quick Google search for cleaning companies in your area reveals everything from “Marsha’s Merry Maids” to “ACME Global Facility Services.” So, which is best for your company?

There are generally four types of companies in the commercial janitorial services industry. Finding the right type of company to service your facility depends on the size of your facility, your type of business, and what you hope to achieve from your janitorial services program. The four types of commercial janitorial service companies are (1) Local Companies, (2) Regional Companies, (3) National/International Companies, and (4) Franchise Companies. The following provides a general overview of each type of company.

LOCAL COMPANIES

- **Annual Revenue:** \$100K – \$2 million
- **Geographic Footprint:** Typically serve a smaller geographic area; one city or a section of a large city.
- **Organizational Structure:** Owner(s) is involved in all aspects of the business. Often the owner(s) themselves perform some of the cleaning/janitorial tasks. May have some Team Lead/Supervisor positions. Many are family owned and have family members working in several levels of the organization.
- **Capabilities:** Can perform most basic cleaning/janitorial duties (trash collection, dusting, vacuuming, etc.). May also have the equipment and manpower to perform small “one-off” project such as window cleaning, floor care, and small post-construction cleaning. Local companies may also serve residential clients. May also provide residential cleaning and residential disaster (fire/flood damage) service.
- **Best suited to serve:** Clients with monthly cleaning budgets of less than \$3,000. Segments served include residential, out-patient medical facilities, small commercial office buildings, and some smaller manufacturing facilities. Local companies tend to also serve clients who require less than 5-day per week service.
- **Strengths:** Access to the owner of the company if you have problems or questions. Typically quick to respond to calls, and in certain cases, can offer a very high level of care and pride in their work.
- **Challenges:** Lack significant liability coverage required in large facilities, limited line of credit to purchase equipment, inadequate ability to manage payroll “float,” and lack of professional managerial depth.
- **Truth in Advertising:** Will often advertise “no job too big or too small.” Only half of that state-

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ment is typically correct because there are certain jobs that are too large for local companies to effectively manage.

REGIONAL COMPANIES

- **Annual Revenue:** \$2 million – \$30 Million
- **Geographic Footprint:** Typically serve a regional area or multiple regional areas.
- **Organizational Structure:** Typically privately owned. Management Staff in place for key functional areas – Operations, Finance, Human Resources, Sales and Marketing. Operationally, Branch/Area Managers oversee a cluster of accounts. On-site Project Managers provide oversight and management of large clients. Typically, will have a Branch Operational Office and resources in larger cities that they serve.
- **Capabilities:** Can perform most any type of interior and exterior cleaning services including day porter services, production equipment cleaning, paint booth cleaning, overhead cleaning, large post construction cleaning, interior and exterior window cleaning, and cleaning of exterior walkways and parking lots. May also provide light maintenance and painting services.
- **Best Suited to Serve:** Clients with monthly cleaning budgets of greater than \$5,000. Segments served are larger out-patient medical facilities, corporate headquarters, large manufacturing facilities, public venues, large churches, K-12 schools, colleges and universities, and malls and outdoor shopping centers.
- **Strengths:** Well connected to the labor market in their service region, professionally managed, sufficient resources (funding, liability coverage, staff, equipment) to manage large projects, midlevel management active in accounts leads to a high level of service.
- **Challenges:** Difficulty managing projects that are long distances from branch locations, do not have all the resources for clients wanting “turn-key” facilities management (security, HVAC/plumbing systems, energy management, etc.).
- **Best of Both Worlds:** Resources to manage large projects but with local leadership and management, these companies provide a good fit for a large facility that wishes to have a high level of service. In other words, “big enough to handle almost any project, but small enough to offer a high level of service.”

NATIONAL/MULTI-NATIONAL COMPANIES

- **Annual Revenue:** Greater than \$50 million
- **Geographic Footprint:** Serve clients in most states and in other countries.
- **Organizational Structure:** Typically publicly traded company. Board of Directors and C-Suite staff function as leadership team. May be a part of a larger diversified company. Regional Vice-Presidents typically manage the work in large sections of the country, with regional managers serving clients in multiple states.
- **Capabilities:** Provide a wide variety of services that extend beyond janitorial services. May provide electrical services, HVAC and mechanical services, security services, landscape and turf services, food services, facilities engineering, and energy efficiency programs.
- **Best suited to serve:** Clients who have large diversified needs and wish to have one vendor coordinate all their facility activities. Clients with a significant number of facilities spread throughout the country.

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- **Strengths:** Provides a broad array of services; can become a “one-stop shop” for all facility needs, has significant resources (funding, coverage, equipment).
- **Challenges:** Service consistency due to frequent managerial and corporate transitions. Lack of local work force network makes it difficult to hire quality staff.
- **Jack of All Trades, Master of None:** While having an impressive “buffet” of services, these companies may not be as capable performing the janitorial and custodial duties.

FRANCHISE COMPANIES

Franchise companies are unique in that the annual revenues, management structure, and capabilities are different from franchise to franchise. There are numerous companies in this segment. Some of the most well-known companies in this segment are Jani-King, Service Master, Vanguard Cleaning Systems, Jan-Pro, CleanNet USA, Building Stars, Anago Cleaning Systems, Stratus Building Solutions. As with any type of franchised organization, the level of service depends on the local franchise owner.

- **Proceed with Caution** – Franchise companies tout the “low investment required to get started” mantra to entice people to start a cleaning company under their banner. However, while franchise companies provide some marketing and operational support services, they tend to fall short in providing the franchisor enough detailed information and support to adequately serve large clients with more complex needs. These companies are typically a better fit for small facilities with minimal complexity.

SUMMARY

Your needs will determine the type of janitorial/cleaning company that is right for your business. The best way to understand your needs is to consider the level of service that your facility and company require and discuss those requirements with key internal stakeholders. Once you have this information, you might contact businesses in your area with similar needs to gather some recommendations. Remember, make sure to call those companies with similar size and scope. Next, prepare a list of questions and start making some calls.

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