

# To Be or Not: Should a Janitorial Contract Include Disposables?

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Cleaning contractors are always trying to find ways to make more money, which is of course, understandable. One of those ways involves refilling restroom disposables like paper toweling, toilet tissue, deodorizers, and hand soap.

These kinds of add-on services throw wrenches into contracts and quotes though. When it comes to pricing a janitorial contract, the more moving parts, the harder it is to ensure a profit will be made if the contract is won.

I get complaints regularly from cleaning folks that they can't seem to make any money because the customer uses a lot more paper towels and toilet tissue than expected. Likewise, I get complaints all the time from former contract cleaning customers that have decided to do it themselves because they are tired of the restroom disposables running low, trash not getting removed, or grating odors waft from the restroom. I am therefore a proponent of knowing the facts in advance to ensure a suitable profit will be made on exemplary services received. A job well done is the only way a contractor will increase profits. This is an axiom of the janitorial world.

Part of doing a good job should include producing a well-designed contractual agreement which includes compensation for add-on services. Otherwise, add-ons can sabotage a cleaning contract. What are add-ons? Any service over and above the actual labor of doing the job is an add-on, something that brings more profitability to the contract. The trick to making extra money with add-ons is to understand the processes involved with each type. The main types include specialty cleaning such as window washing or carpet spotting, and the performance of stocking restroom disposables. Add-ons must become well-oiled parts are the janitorial machinery and not broken wringers in order to turn more profits.

There are several approaches to handling add-ons in cleaning contracts, each with their own challenges and rewards. Generally, it is best for the customer to provide all towels, tissue, hand soap, plastic trash bags, and a variety of cleaning detergents. This puts the responsibility squarely with them if something goes amiss. Yet, with a bit of study and consideration, a good contract can be written that compensates the contractor for extra services performed. The customer will be happier knowing all bases are covered and no hidden costs will be forthcoming. Everything spelled out; everything above board. That's the way a janitorial contract should be written. The following scenarios each have issues that must be addressed if profits and happy clients are to be made.

## **SCENARIO #1: THE CUSTOMER PROVIDES ALL**

Here the customer handles the purchase and stocking of all items needed for the janitorial contractor to clean the facility, including refillables. This method limits the profits to labor only, the simplest form of contract. In many cases, these items are delivered by a janitorial supply house on an "as needed" basis, or picked up by the customer from a large box store. From a cost standpoint, the customer can price around and do all the work finding items that are right for them, getting those items to the location, and keeping those items in stock for the janitorial staff. It takes no more thought on the contractor's side than figuring the number of labor hours and the cost of travel required to handle the job.

There are several down sides involved with this scenario:

There are many qualities of cleaning items available. Just because the customer buys these

items does not mean that they are the correct ones for handling the job most efficiently. After all, the customer is not the cleaning expert.

The proper stocking of the janitor's closet is a low priority for most businesses, so quality and quantity suffer simply because cleaning experts are not handling the purchases. Ever try using a cleaning chemical that does not work for the job at hand?

Profitable add-ons are limited. A contractor can only charge for extra labor when performing more intense jobs like window cleaning, fine furniture polishing, or carpet spot removal. Expertise is neither required nor compensated under this contract. For contractors wishing to limit the chances of losing money, this scenario is best – or is it?

To improve profitability, tweak the contract by providing the customer with a list of exact chemicals, equipment, and refillables by brand required to do the job. Spell out the details, even down to the correct packaging of the favorite cleaner. Provide an inventory checklist, train your janitorial staff to check the stock levels regularly, keep the customer informed when items are getting low. Nothing costs more than wasted time. A cleaning person cannot perform the job without the proper equipment and materials. As part of the selling approach, the contractor must convince the customer that by using the proper products for the job, the contractor can perform with efficiency, thus reducing the customer's costs. NEVER, simply hand in a quotation for gettin' the job done! As my daddy used to say, "You're cruisin' for a bruisin'."

### **SCENARIO #2: THE CUSTOMER OR CONTRACTOR OR BOTH PROVIDE PART**

For any of these combinations to work, the customer and the contractor must hold up their respective ends of the bargain. It is important that each party keeps a tight stock check; however, the customer handles only a portion of the items needed to clean the facility, perhaps just the refillables. These methods can get confusing because the contractor will take the blame if items are not in stock even though the customer may have overlooked items they agreed to purchase. It is in the best interests of the contractor to simply check the stock of all janitorial items and inform the customer when items on the customer's list are in arrears.

Keeping a tight tab on products needed to perform



the job is of paramount importance, even if the contract states otherwise. After all, the customer does not have to clean the facility. A contractor will save money by insuring the things they need are always on hand, no matter whom else may be responsible. Don't leave it up to the customer to make sure products are on hand when needed, even though the contract doles out responsibility to them on certain items. That's how contractors get caught – out of supplies, out of jobs, and out of profits. Make sure to include a clause that allows breaking the contract by mutual agreement, something along the lines of "with a two week written notice, either the customer or the contractor may terminate this agreement." That way, at least the contractor can flee from uncooperative customers without a major loss of face.

### **SCENARIO #3: THE CONTRACTOR SUPPLIES ALL**

In this scenario, the contractor handles the purchase and stocking of all items needed to clean the facility, including refillables. The onus is completely on the contractor to ensure proper stocking of all items pertaining to the

contract. Unfortunately, this also can cost the contractor the job if miscalculations occur in the amount of disposables. Nothing eats away the profits faster than a math error.

Here's the way it happens: the customer estimates X number of cases of towels used each month. With an increase in business, they hire new employees, which in turn raise paper usage. The contractor has to purchase more towels unexpectedly. Then, along comes a price increase. The towels cost more to boot. Practically overnight, the contractor's bottom line is eaten away.

The contractor then asks for more money; the customer refuses, citing the contract. The contractor begins to cut corners, both in the quality of disposables and chemicals, and in the number of hours on the job. Cleaning quality suffers. The contract is lost. Ill will radiates from both sides. Unfortunately, it is the contractor's reputation that suffers – not the customer's. Remember, word-of-mouth advertising is the biggest way cleaning folks get new business. Good referrals mean greater chances of landing new clients.

Although this scenario is the most complicated to pull off properly, it is also the most profitable. The tightest inventory, the best-trained cleaning staff, the most efficient methods, and the properly written agreement

covering all the bases – all this requires thought and knowledge on the contractor's part. The advantages are these: the contractor knows the products will work for the job; the contractor knows the disposables will work for the job; the contractor knows the job cleanliness will be exemplary. Add-on profits range from filling dispensers to specialty cleaning, instead of just extra labor charges.

A good way to reduce the complexity of purchasing, stocking, and training involved with janitorial products is to find and utilize a reputable janitorial supply house. Even if their pricing on paper, plastics, or chemicals are not the lowest across the globe, these professionals offer the most cost-reducing factor in any cleaning contract – consistency. A janitorial contractor can feel more comfortable knowing that supplies are stocked, improved products and methods are considered, and proper staff training is provided, usually at no extra charge. A good janitorial supply company can be the greatest profit-increasing resource a contractor can have. Find one.

It boils down to this. To avoid agreement issues and improve profits, a contractor must build automatic increases into the contract, or be content to work harder for less money over time. I contend that all janitorial contracts should be designed as win-win scenarios; therefore, regardless of the type of scenario chosen for a particular customer, the only way to achieve harmony (and greater profits) is to apply THOUGHT to the process. For some contractors this may require a change in business philosophy. Consider: janitorial contracting is not about labor, and it's not about profits either. It's about a mutually beneficial process whereby the customer gets a sparkling facility and a contractor gets a living. The entire process of walking in and out of the customer's door should be designed – not left to chance. Shakespeare's Hamlet put it best. "To be or not to be, that is the question." The answer: with knowhow on your side you can be what you wish. If you want to make more money by supplying disposables to your customers, make sure you have the background knowledge coupled with a mutually beneficial



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