

# HMA

**HIDDEN MARKETING ASSETS**

# University

INTERVIEW SERIES

**How To Clean Up In The Cleaning Biz:  
Part One and Part Two**

*Michael Senoff Interviews Matt*

Dear Student,

I'm Michael Senoff, founder and CEO of [HardToFindSeminars.com](http://HardToFindSeminars.com).

For the last five years, I've interviewed the world's best business and marketing minds.

And along the way, I've created a successful home-based publishing business all from my two-car garage.

When my first child was born, he was very sick, and it was then that I knew I had to have a business that I could operate from home.

Now, my challenge is to build the world's largest free resource for online, downloadable audio business interviews.

I knew that I needed a site that contained strategies, solutions, and inside information to help you operate more efficiently

I've learned a lot in the last five years, and today I'm going to show you the skills that you need to survive.

It is my mission, to assist those that are very busy with their careers

And to really make my site different from every other audio content site on the web, I have decided to give you access to this information in a downloadable format.

Now, let's get going.

Michael Senoff

*Michael Senoff*

Founder & CEO: [www.hardtfindseminars.com](http://www.hardtfindseminars.com)

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Any perceived slights of specific people or organizations is unintentional.

## How To Clean Up In The Cleaning Biz: Part One and Part Two.

Matt is widely considered an expert in the commercial janitorial service business. He began only wanting to make a residual income but his dedication, research, and ingenuity grew his business to a lucrative, full time endeavor. Currently, Matt aspires to help other people to start their own commercial janitorial service businesses by giving you an edge on all of the secrets and tricks of the trade that has made him a successful entrepreneur.

Matt began his janitorial service business when he was a 20 year old college student. He did research by reading and talking to owners of successful janitorial service businesses. At one time he considered buying into a franchise but he made the wise decision to go it alone in order to have total control over his business. He'll give an in-depth explanation of the pro's and con's of being a franchisee.

In his research, he found that the market was wide open and he decided to get involved. Starting his business required a small investment of about \$1,000 for the supplies he would need. To begin his marketing, he got out his trusty White Pages and, starting at "A" began to do cold calling to his target type of business – "a code and key account" – which he explains in this fantastic interview. By the time he got to the letter "L" in the White Pages, he had enough accounts to keep him busy more than five days a week!

Here are some important things you will learn in this interview:

- How you can start an office janitorial service business with virtually no equipment and a low investment.
- How to qualify your prospects. Who is your ideal customer? What businesses should you stay away from?
- How to do cold calling to your target businesses.
- What to say to the decision makers of offices to get an account fast.
- How to conduct yourself during your first interview with a prospect and subtle things you can ask or do to impress the decision maker.
- How to present your company's USP.
- How to appear more professional than other janitorial services.
- Follow-up techniques with your prospects.
- Pricing formulas and strategies. Additionally, the profit margins that you can expect.

- Ways to dramatically grow your business.
- ...and much, much more!

Matt eventually sold his company to a large conglomerate in order to spend time with his ailing mother. He then went to work as a Vice President for a carpet cleaning and chemical equipment company handling all aspects of seminars for people who wanted to start their own businesses. He helped to realize huge profits due to his work in developing a complete turnkey course on carpets and carpet cleaning.

Now Matt is ready to help you start your own janitorial service business. Matt's course is will help you start your business with a small investment and his system will give you several short cuts to getting as much business as you want.

If you want to be your own boss and are willing to work hard, you'll be able to use Matt's expertise to create a booming janitorial service business. Don't miss this fact-filled interview that could change your life!

## How To Clean Up In The Cleaning Biz: Part 3

In Part Three of the interview, Matt talks about the kind of money that can be made in the cleaning business and how to make it. His company grosses more than \$3 million a year and adds new accounts all the time. And his personal gross profit is about 35-40% of that.

He also talks about how to get started generating customers by contacting telemarketing companies and getting appointments set. And according to Matt, you'll probably be able to close about 25% of the appointments you make.

He also goes over his collection of proven marketing pieces, what they look like and how to use them to secure clients. And he reveals some...

### Key Marketing Strategies that Work

- Make it Personal – Customers are more responsive if they can relate to the marketing material you send out to them, so Matt talks about ways to personalize your marketing material and really grab your potential customer's attention.

- Show Professionalism – If you show you're a notch above the rest, it'll really pay off. And Matt gives some great tips on how to do that.
- Timing is Everything – Included in the course is Matt's Drip Marketing System. Basically, it's a proven formula for timed, strategic mailings. I won't let Matt reveal his entire formula in the audio, but you'll understand how it works to generate more clients.
- Add Value – The company that gives a potential customer something of value is generally the company the customer goes with. And Matt tells all about his buyer's guide (that took him 6 months to produce) and how he uses it to get more customers. No one else in the cleaning industry is really doing this and Matt is experiencing amazing results with it. (The buyer's guide is also included in the course.)

The cleaning business can really be profitable if you know how to work it, and Matt shows you exactly how to do that. But he not only shows you the lower level stuff, he also shows you in step-by-step modules how to grow your business to be as big as you'd like it to be. In other words, you won't have to guess when to add account managers and HR manuals or how to do that, you'll know exactly when you're ready for that step and you'll have everything you need on hand when the time comes.

This is really a unique course and audio worth checking out. Enjoy.

Michael: I'm just going to read the email that you sent me. I just wanted to let you know it looks like I found a great website, yours, tons of great audio clips and info. I especially enjoyed the interview with old Jewish guy, Morton -- really good stuff. Michael, I'm somewhat well known in the commercial cleaning and carpet cleaning industries. I've had my own company, which I sold at the age of 28 to a large consolidator. I then went to work for the largest carpet cleaning, chemical equipment, and seminar certification training company in the world for six years. The whole time I've been creating my swipe file, my holy grail of how to start your own janitorial and carpet cleaning business. I was recruited away by my best and largest customer and I am now their VP of Sales and Marketing. I've grown the company from \$160,000 per month to \$228,000 per month in less than one year, which allowed us to open two more offices; one in North Carolina and one in South Carolina. We are based in Atlanta, Georgia. I've personally sold over \$350,000 per month in new monthly business in

my career and designed numerous sales plans, human resource guides, operation manuals, marketing calendars, and cleaning business sales and operations software. My time has come to offer my knowledge to the inner circle industry, as well as to all others who may have the need I can fill by helping them start their own business. Not to brag, but I'll put it this way. If Dan Kennedy is the master of direct response marketing, then I am the master of the commercial cleaning industry. I don't know it all, but I know more than anyone else I know or have ever met about the industry. Sounds cocky, I know, but at some point in your life, I am 35, you have to be honest with yourself and I know my stuff. I'm ready to roll on to new venture. I'm in the process of putting together many different systems, sales methods, marketing ways, operation manuals, system training, and audio interviews from the who's-who in the cleaning industry. I can interview all of them with no problem. We're all friends and this makes me very happy. I know this sounds kind of hokey, but I really just want to put the info out there and help people who sincerely want to help themselves. It could be a new business startup or helping a current setup grow their company and help them trim the fat and have better margins without a single sale.

Who do you think the biggest, hungry market is for a product like this?

Matt: I think the hungriest market and the target match for this kind of material, any kind of business opportunity for a small businessperson or a guy that has a family and is tired of punching a time clock or is worried about corporate downsizing. Really somebody that's looking for a unique business with a small investment basically that could grow as large as they could possible handle and manage with whatever kind of education and training they have. It's not everybody, but it's the person that understands you don't get something for nothing. There is work involved. You have to put together systems and procedures. So, I think it's kind of a nice thing to be able to find somebody that has some of that material already for you and gives you a shortcut and your learning curve is shortened. It's going to be the guy that or the older woman that is looking to start out part time and say hey look, I made \$35/\$50 an hour cleaning an office.

Michael: Let me ask you this. Do you think that people out there who are having a hard time making ends meet and \$100 extra a week or \$100 extra a month could really mean a lot to a lot of people?

Matt: Oh definitely.

Michael: When you're talking about the cleaning industry, I think, in my opinion, what's so attractive is it's something that they can start with virtually no

equipment. Now, I'm talking about office cleaning or house cleaning. Carpet cleaning may be a different story. Does your marketing and all your experience work for both ways, office cleaning, compared to carpet cleaning and do you think there's an easier startup with the office cleaning business rather than the carpet cleaning because you don't need the equipment and the chemicals and all that?

Matt: Yes. My strategy, yes, basically you want to start part time with a very low investment. You go into the office cleaning. Now, there are ways that you can make money from carpet cleaning getting more involved in the procedures or signing what I call partners in your network while you're doing your business. Basically if you got a contract and your client comes to you and says we're interested in getting our carpets cleaned, can we get a quote? Sure. You already have ahead of time set up kind of a partnership with another company that can handle that for you. But yes, it is a lower investment to get involved with the office cleaning. It can get kind of equipment intensive on the carpet cleaning if you do it right, but when you look at the return on investment, even once you've got 20 or 30 accounts in the commercial arena, the investment is very much worth making.

Michael: Why don't we start with your story? How did you get involved in all this? Where did it first start? What were you doing before you got into the cleaning business? How old were you?

Matt: I was actually 20 years old and going to school. Going to school and working two jobs is rough.

Michael: You were in college?

Matt: Yes, college. Now, all through high school I was in a work program, so I worked and went to school basically half a day and worked practically full time. So, I've never been afraid of work. While I was in school, about the second year, I started saying there's nothing to doing floors and carpet. I would see people in the hallways doing this. I kind of got to talking to a guy one night that was the custodian there at the school. He was an employee of the school. However, he also had a sideline business that he had started and he kept telling me he made an extra \$1,500 to \$2,000 a month working three or four nights a week part time. He was doing floors and janitorial. I said well that's pretty interesting. So, I did a little bit more investigation and previously I had also been employed while I was in high school in the environmental services division of the local hospital. So, I had some experience with the floor machine, so I wasn't scared to jump on a floor machine or any of that equipment or stuff, which is kind of intimidating if you've never been on one, but it takes a good hour to learn



how to use it. So, I kind of went from there. Started doing research. Looked at all of the companies that were doing it in my area. Called and talked to some people. Got information.

Michael: Were you considering buying into one of those Jani-King franchises at that time?

Matt: I did consider that. You have to really read between the lines on a lot of things. Here's what I think. Their strengths are great. They have their marketing and sales down to a fine art to an extent. They've grown their company internationally. However, I want a little bit more control. For the most part, franchises are a godsend, but there are ways, when your business is not rocket science, to create your own systems and procedures. And the longer you're in this type of industry, the more you learn by networking and talking with other people that are in it.

Michael: At that time what were you looking at, to buy a franchise, back then when you were 20? What does a typical Jani-King or some of these cleaning franchises go for?

Matt: There's a couple of different ways they go about selling their franchises. They have what's called their territorial master franchise, which is basically you buy up a whole city, like for example Atlanta would be a master. Now, that's a lot of investment. That could run you anywhere from a couple hundred thousand up to a million. Now, the other kind of franchise is what they call their local franchisee. That's where they recruit and bring in people that are looking to basically start their own company and they set them up with a package and they guarantee them X-amount of billing for this investment. There are a lot of them out there and there's even more than when I initially looked. There's probably five or six more. They all tend to be extremely high on the end of supplying you with X-amount of number of billing for what you're paying. In other words, if you go in there and say I want \$1,000 a month. Well, they quite possibly would charge you from \$4,000 to \$12,000.

Michael: Let's say for instance I want to buy Jani-King and I'm going to tell them how much I want to make in the business?

Matt: Exactly.

Michael: So, I say I need to make \$5,000 a month in gross sales?

Matt: Right.

Michael: They're going to tell me what? They're going to bill me based on what I want?

Matt: Yes. What they're going to do is they're going to say, okay, we're going to sit down and we're going to sign this contract. They are franchise laws and regulations that control it. I believe the first couple of thousand dollars, maybe it's \$3,000 now, they're allowed 90 days to get that billing. And anything over that, ever \$500 or \$1,000 is another 30 days they have to grant you your contract.

Michael: What do you mean get me the billing? They're going to get me the customers?

Matt: Yes. They actually will.

Michael: So, a lot of these franchises get me the business?

Matt: Yes.

Michael: I've just got to do it.

Matt: Exactly.

Michael: Really? I didn't know that.

Matt: Yes. That is the thing that makes it very attractive to a lot of people. They don't want to sell. They don't like dealing with people. And so, that's actually what's appealing to them. Now, on the flipside, here's what they learn after they've been in it for six months. The franchiser gets 15 to 20% off the top.

Michael: Of the billing.

Matt: Right.

Michael: Gross.

Matt: Right. They also have an insurance program that they deduct from your check. Now, what you have to be careful of is they've got \_\_\_\_\_ franchisees and they all bought \$5,000 a month.

Michael: Does the franchisee have to pay an initial upfront franchise fee?

Matt: Oh yeah.

Michael: So, that could run anywhere from what to what?

Matt: If you're at \$1,000 a month, then they charge you \$6,000 to \$12,000 and typically they'll finance about 50% of it. What you have to be careful of, although, is they will go to their salespeople and they'll say we've got three or five people setup ready to go. We've got 90 days to get them all taken care of. That's not good because what tends to happen is the sales reps are going out there and securing contracts that are (a) not your best type of customer, and (b) they're underbid. I would rather have a higher price and make more money than have a lot of contracts that are underbid, even if it's only 15% to 20%. I'm telling you that can really eat into your cash flow. If you're just willing to do a little bit of reading, you can learn how to do this on your own. You don't have to be scared. There are more customers out there than you could talk to in your lifetime. More prospective businesses out there to be cleaned than anybody could talk to in their lifetime.

Michael: So, the salesmen want to fulfill those contracts and they're going to just take anything to fill the contracts for the new franchisees. So, they're taking the lowest bid jobs.

Matt: They will. And on top of that, any property manager that's been around for any amount of time dealing with maintenance and dealing with cleaning companies and all those kind of things that go into doing operating management, they know these guys and they know the companies. And a lot of times if they turn in an RFP or if they solicit them, they won't even talk to them.

Michael: What's an RFP?

Matt: A request for proposal. So, if somebody is a property manager that's over 100,000 square foot building, one of these guys solicits them, typically they're going to automatically say no because they don't even want to talk to them because they know how they're set up. They don't like the way they're set up.

Michael: They know that they're going to get some new guy who just bought a franchise who doesn't know what he's doing.

Matt: Correct. They sell a dream, which is great. There's nothing wrong with that. These guys have done some things correct. If you want to make a house payment, okay, you can get by with doing that. But if you really want to make full time income with part time effort, do it yourself. There's nothing to be scared of out there.

Michael: So, by the time it's all said and done, the new franchisee, after six months or a year, he's going to be paying out what percentage of his billing?

Matt: Oh, 15 to 20%.

Michael: 15 to 20% off the top.

Matt: And you've got to think, too, everybody in the business, they have the same business expenses as anybody else does. Just because they're a franchisee and are under this umbrella that doesn't mean they don't pay for their own equipment, supplies, pay for their own insurance, which is deducted out of their check from the franchiser, which is way higher than what they could get from their own agent. Things like that. There are different kind of policies to watch out for and things you don't even need. There's a lot of profit centers that that franchiser offers that franchisee that the franchisee doesn't realize.

Michael: Does the franchisee have to buy all their chemicals and supplies from the franchise?

Matt: They don't. They can, but not typically. They're not required to do that.

Michael: Let's get back to the story. You were investigating this at the age of 20 after you saw Frank, the maintenance guy in your school. And then what did you decide after your investigation?

Matt: I decided that it was a viable market and with it not being rocket science. The technical aspects anybody can learn or be trained. So, really what I noticed was the successful companies in that area were concentrating on (1) make sure they were talking to companies that were budgeted for cleaning, and (2) they didn't go after everything. They didn't go after something that didn't count. They didn't go after accounts where they couldn't get a key. They had to be cleaned during the day. They were targeted. If you can be targeted like that in the market that means it's a very wide open market because you don't have to take everything that comes to you in a startup situation. There were a couple of companies in that area, and we're talking about less than 100,000 people in this market, that were doing \$1 million a year. I noticed that and I really started planning and putting together materials. I went to the library. I mean this was free Internet type research. The Internet was just coming around and not many people had it. I'd go to the library and do research on it and find out about it from books written in the 70s and 80s; schedules, contracts, etiquette, business, what the best method was. After that I decided I'm going to go ahead and get involved with this and see what happens.

Michael: How did you get involved?

Matt: After putting everything together, and it took a little time, I went ahead and started just kind of cold calling. Of course, you had to get your business license set up, checking account; all the things that no body really likes to do.

Michael: What was your focus? You were going after janitorial office cleaning or were you in carpet cleaning?

Matt: Janitorial.

Michael: Janitorial. So, you didn't need many supplies; some cleaning, a broom, vacuum.

Matt: Right.

Michael: And at that time how much money did you have?

Matt: A couple thousand dollars. And I went ahead and contacted some suppliers in the area and then luckily found one actually here in Atlanta, a really good company. I ordered things from them and had it ready to go.

Michael: What kind of supplies did you need to order?

Matt: I ordered a vacuum cleaner, toilet bowl brushes, general cleaner, glass cleaner; just general cleaning things. Dusters, rags, things like that, mop buckets, barrels on dollies for larger accounts. Just general cleaning things.

Michael: Did you have a truck?

Matt: Not to begin with, no.

Michael: You were toting everything in your car?

Matt: I was in a Toyota four-wheel drive.

Michael: Did everything fit in there?

Matt: Yes. I would put everything in the back of the Toyota, bungee strap it down. And the first six accounts I had, I just went from account to account and took care of it myself. Now, that's not smart to do, so I learned real quick place all your stuff in each account. Don't load and unload it each stop.

Michael: Oh, I see. So, as you grow, you should have all your supplies located at the account?

Matt: If at all possible yes.

Michael: So when you go there it's there.

Matt: Yes. What ended up happening is, time is money and I spent X-amount of time unloading and loading. I made the decision to go ahead and make a small purchase of six or seven vacuum cleaners. And what would happen was I could estimate with the pipeline, sales, and all that good stuff how many contracts I thought I was going to get in the next 30 days and I'd just go ahead and order however many I thought I was going to need and have them ready to go.

Michael: You had your first six accounts, but this is the very beginning of your marketing. What was your idea? How were you going to get the account? Did you use the telephone to get these?

Matt: I did. I'm going to tell you, even today with all of the fancy Internet marketing, mail, strategic implementation, whatever it is that you have to get this, they work as an equalizer in business. So, you need to be using all of them so you don't get caught and something happens and you can't use another one. I will tell you the phone is an amazing tool. It can make you wealthy. I started calling. This is very, very archaic marketing keep in mind way back when.

Michael: Were you nervous about calling?

Matt: Very nervous. But I was also very hungry. The fear of being broke will automatically catapult you to do things you normally wouldn't do to test things. So, I pulled out the phone book. I said hey I've got nothing to lose. I've got a little script here I wrote up. I'm going to call people and see what happens. I started with the letter A, just going through the phonebook.

Michael: Where were you living at that time?

Matt: I was actually still living with my parents.

Michael: So, you're calling from out of the house. Where you in Atlanta?

Matt: No, still in LaGrange.

Michael: Small town.

Matt: Small town.

Michael: 100,000 people.

Matt: Yes.

Michael: And you've got your LaGrange phonebook.

Matt: The tri-city county, probably 100,000 people total.

Michael: Started in the A's.

Matt: Right. Stated in the A's. Not even the Yellow Pages, just in the White Pages, so I had to figure out which names were companies. I was going through and I made calls.

Michael: When you did your research, what were you identifying? You were looking for in your mind, even at 20, did you have an idea what was an ideal account?

Matt: Yes.

Michael: Were you thinking residual at that time or just quick money?

Matt: Residual is where it's at. What I was thinking was basically I wanted accounts I could get a key and a code, which means the key and code account is bread and butter.

Michael: Tell me why. What's a key and a code?

Matt: A key and a code account means you get a key, you always clean at night when everybody leaves and you get the code to the alarm. So, you're an extension of that company basically. I ended up having keys and codes to probably 80 buildings in that area before I sold out. To get back to your original question, my target was a company that was five days a week that needed cleaning at night and I would get a key and a code. So, I started called the A's. By the time -- I had a computer, but I didn't use any kind of CRM software or database or anything. I had an accordion file. By the time I got to the letter L, I was so covered up business, I didn't do any more calls.

Michael: Let me ask you this. Do you remember your pitch when you would call? What you would say?

Matt: It sucked.

Michael: First of all, when called that number, who were you calling to talk to?

Matt: Even before you get to who you're going to call, you have to figure out who you want to call. Who is your perfect profile of a customer? Need to kind of do that first and decide who is worth calling. You only have eight hours a day, whether you're doing it yourself or you're contracting it out for calling or you hire -- there's only so much time and time and money.

Michael: Before you tell me who is worth calling, tell me who is not worth calling? Who should you absolutely avoid and tell me a story how you learned that?

Matt: There are people that might disagree on this, but I'm going to give you my...

Michael: Give me your opinion based on your experience.

Matt: Work out gyms. The reason I would avoid them, and that's just one of a few, gyms have very low profit margin from what I could tell. They go through a lot of management. There never seems to be a permanent manager there. They seem to be very disorganized. Seems to me with them, they ticked off a lot of their customers because they lock them in a contract, which I don't recommend doing with anybody. So, they're operating under stress from putting up with people calling up and being upset with them and everything. It just doesn't make a very good work environment for them. Typically they're seven days a week. Hard to get a key from them and they just don't pay on time. I like people that pay on time.

Michael: All right. Stay away from gyms. Who else would you stay away from? If you're going to out and there's tons of business, you want the easiest business. Why get the dirtiest places?

Matt: Exactly. And even starting up you can have that attitude. You can do this. You don't want to get beat up. If you're going to get beat up, get beat up for when you're billing the million dollars a year.

Michael: What about restaurants and the kitchens?

Matt: Stay away.

Michael: So, don't even mess with that.

Matt: Don't even call the restaurants.



Michael: Are there people who specialize in restaurants?

Matt: There are and I really can't figure out how they make any money. They usually pay late. Here's what happens with a restaurant. If they don't have a cleaning service from day one when they open their doors, their people get used to having to do it themselves and often this service is higher. Money probably really isn't originally budgeted for that vendor, so what happens is everything gets slapped on the cleaning service...the smallest little thing. Basically they just take advantage of the cleaning service in a restaurant. The people you've got usually working in a restaurant, your waiters or waitresses or servers or so forth, a lot of these are college age kids and some of them are, and it also depends on the kind of establishment it is. And typically if you're going to land a contract with a restaurant, it's going to be something like -- I don't know if I can go into telling names, but it's like a Hooter's or something like that. They will contract on occasion, but it's very dirty work. Go into an office and clean something that's already clean.

Michael: Give me one more type of business to definitely stay away from and then we'll get into the ideal one.

Matt: Veterinarian's offices or anything that has to do with pets or hair, which would also be salons.

Michael: Now, who is your idea prospect, even after all the years of doing this, who is your most favorite, easiest cleaning job when you have a key and a code?

Matt: Let me tell you the size of the buildings, too. That involves this, too. From about a couple thousand square feet up to about 10,000 square feet, one time to five times a week cleaning; insurance, medical. Medical is higher, of course. You can go higher with them. There's no one industry, it's just the way the customers set up. A lot of it anything but those kinds we just discussed. So, you've got insurance companies, you've got manufacturers, sales organizations, lawyers, doctors. And then I'll tell you, automobile dealers are very profitable, large contracts. So, it's 20 employees or more. Typically the industry is marketed to 10 or more. I don't like that because there's too many prospects with 10 or more people you're calling.

Michael: Do you mean the size of the company?

Matt: Yes.

Michael: So, you're saying go after companies with 20 or more?

Matt: Twenty or more employees. If you run a report through Sales Genie or Info USA or any of the other \_\_\_\_\_, if you say 10 or more employees, for instance, in a certain county -- and I always recommend doing it by county -- and it comes back and says we've got 3,000 leads here with 10 or more employees. You go back and do it for 20 and it might come back and say we've got 800. Well, what that tells me is I'm better off spending my time on those 800 with 20 or more because chances are they're doing more business. They've got a budget and they probably have a service. And I'm also a big fan of going after only accounts that have a service. They're already spending the money. They're already budgeted. You just want to position yourself for them to cut the check to you.

Michael: That's good strategy. Going into an office with 20 or more can give you twice the money than going into three offices in different locations with five or less.

Matt: Exactly.

Michael: And then you waste all that time.

Matt: Yes. You have to be smart with the way you spend your time. And once you get it going, you have to be very nimble footed. In other words, you might have somebody you've been working on for a month and they call you and say can you start in three days. I always say if it's possible, yes and then figure out how to get it started because you never want to tell anybody that says can you start in three or four days no, because you've invested all this time to get their interest. Something happened. The cleaner didn't show up. Any number of things.

Michael: Tell me, when you call, who are you asking to talk to when you start telemarketing?

Matt: I do it a little bit different now, but let me tell you how I did it then. Basically I was calling and I was saying I need to speak to the person in charge of handling your cleaning services there. As simple as it sounds, and you know who you want to talk to and know what you're looking for on that end of the phone, on the other end the person may not all the time understand exactly who you're trying to ask for. Sometimes you run into a secretary or receptionist and you have to explain a little bit more, but that's who you're looking for. You're looking for the person that signs the contract or signs the checks; the boss, the office manager, purchasing manager, facility manager, anybody like that. It's very hard to get them on the phone initially, so you're looking to extract that initial information. Ninety percent

of the time I could never get through to them on the first call, so I'd call back. \_\_\_\_\_ information. Stay in touch with them. Go by every couple of months and just say hello, has anything changed. I'm still around. I'm going to be here.

Michael: So, you're saying from those first calls, you're dreaming if you think you're going to get in touch with them on the first call.

Matt: Yes. You're just not going to. Fifty years ago, yes. People are very busy now. Everybody's got some form of attention deficit disorder, whether it's from advertising \_\_\_\_\_ or how busy they are at work, family issues, children. There's just so much going on nowadays in the world, world news. There's a lot of distraction and every day there's more and more.

Michael: Have you noticed this over the years?

Matt: I have. I've noticed that. So, what you have to do is be more original and a little bit more aggressive than the next guy. That involves modifying the way the sales call is made and how everything is interpreted as far as flow with how do I \_\_\_\_\_ their information, how am I using that collateral that I've collected because face it, if you make a call to somebody and you get a contact name and sits there and you do nothing with it, then the call isn't made. So, there's no use in even using the phone as a marketing tool if you're not going to take the initial information you've extracted and use it in some way to leverage yourself. So, I started noticing -- well, actually what happened was I ended up getting so busy I didn't have do anymore calling.

Michael: So, what was your process? Let's say you're teaching me. I need to go make some money fast. I know who I want to prospect. What are you going to tell me to get the ball rolling to do?

Matt: So, we're talking about current...

Michael: Give me your best way for me to get an account fast.

Matt: The best way for you to get an account fast is get on the phone and call and identify the decision maker. Just identify them. Don't even try to talk to them. Get the information. Find out if you can. Usually the person that answers the phone will have the other information; whether they have a service or not. You'd be surprised how many of them know. They're already spending that money in their budget and the secretary is telling you that. Once you get that information, then you've got a couple of key things. You've got the decision makers name and you know they're spending money on cleaning. So, that's where you need to concentrate

your resources. And what you do is you get the information, you don't want to mail anything initially, and what you do is you call back, set up parameters on them if you're using some kind of database to input the information, you call back a couple of days later and you just ask for the person. You just go straight in. You'd be surprised when you've already got a name exactly how many times you get through. Sometimes they'll say what's this in regards to and you say it's something I faxed to them or some information I mailed. You get through a lot of times like that. Now, with saying that, when you actually have a conversation or speak to somebody that's in the position to give you some business, I would say you're looking to set up an appointment. I don't want to try to sell you a service. They've been there and done that. They've heard it all. You come across on the phone as somebody that's just saying I've got a cleaning service, I'm low cost, I can beat your current price. No matter what they say, they're thinking I don't want to hear this. I'm gong to get off the phone right now. You have to do it a little differently. You do go into a pitch, but leverage yourself by giving your information and dropping names. Drop names of people that you've done business with before. Initially you can't do that, obviously, because you don't have any references. But once you get going. But to get those first meetings before you even got any references, be honest. I started this company. This is who I am. I'm interested in talking to you to see if there's something we can do in the future. I'm not looking to hard sell you. I'd just like to stop by and introduce myself. Can we do that? And a lot of times they will. I would say for every 10 to 15 people you talk to with that kind of a script, you're going to get 2 or 3 appointments. And for about every 40 or 50 calls you make trying to get through to the decision maker, you're going to get about 10 or 11. So, from that you can kind of figure how many calls you need to make to get through to the decision makers to book appointments.

Michael: So, 50 calls will get you about 10 appointments?

Matt: About 50 calls, 50 conversations. How many phone calls you make is irrelevant. It doesn't matter how many phone calls you make.

Michael: So, you if you talk to decision makers, to 50 of them, you're going to have 10 appointments. You set up a time, you go by and see them, and what do you basically say?

Matt: Introduce yourself. I'm Matt. I've started this company. Of course, you're going to say some of the things they've heard before; fully bonded, insured, I've got X-amount of training. I'd just like to see if I could give you a proposal on the cleaning here. Things may change. You may not need now, but you might in the future. Any smart manager in any business should have a backup, not just on cleaning, but anything because that's

their job. Their job is to manage that company and part of managing is making sure you don't have a breakdown.

Michael: What would you find when talking to managers? Did they have existing backups?

Matt: I'd say it's about half and half. That's okay because if you present yourself well, it doesn't matter if they have three backups already. If you can do a little something different, give them a piece of advice or come up with a little buyers guide, stuff like that, it's going to set you apart a little bit. You're going to get a call back. You'll get a call back if there's a need. You also have to do a little bit of integrated drip marketing and dual marketing. You have to do that today. You have to. If you want to make a lot of money, it's an investment. If you want to make good money, just provide a good living for your family, you don't have to.

Michael: When you went in there to meet with them, you weren't expecting to get the job then. You really just wanted to introduce yourself to them and just in case there was something that happened with their other cleaning services, you wanted to keep an consistent relationship with them and have a name to drip on in case, which inevitably would happen, that they would need you.

Matt: Exactly.

Michael: So, you know that cleaning services, most of them, are \_\_\_\_\_.

Matt: There are good one. The good ones do things that other ones won't. They show up every time. And I have something that I call expected consistent delivery. Touch points. A lot of these guys don't have that. They don't care. It's kind of funny because they get to a point where they get inundated with work and they get so busy that some of the customers start not to be important to them. You can never let your business get to that point.

Michael: Where's the pain that that manager is experiencing with his existing cleaning company where you could bring up that pain and let them know that they're not going to experience it with you?

Matt: Some people say you go there and go through the office and do a white glove test and say I found some stuff. Look at all this dust. I don't like doing that because it makes the manager feel like they made an error. Basically you're calling the manager an idiot for paying these people. You don't want to do that. It's like going into somebody house and saying it's nasty. What you want to do is...there honestly may be no pain. You just

want to be able to let them know here's my spec and here's what we do. A lot of times your specifications, your work schedule, what you're doing a day of the week or a monthly basis will be enough to get you a call back because they'll compare and they'll say you do this and I'll say yes. Well, I'm not getting that. I have to pay extra for that with this other company. There may be no initial pain. Pain can happen a week from the time you talk to them. It could be a year later they could have pain. So, it can go from one extreme to the other as far as your marketing to that contact person. They may be fine and happy. Like I said, if they're smart and they know it's their job to manage without having a breakdown in the way their company operates, they're going to be open and taking what you propose. You present yourself well and I would say wear a tie, wear slacks, be a professional because you are. The same thing with women, dress professional. You're going to stand out because 95% of the people that go out and have a meeting with a perspective customer...people walk through and do a survey...and that's people...I'm saying that's people that are doing this full time that have been doing this a long time. They get slack. They start wearing polo shirts and jeans. That says something to somebody. There's an old philosophy that says you want to model the person you're \_\_\_\_\_ and it's true to an extent, but I kind of disagree and here's why. If I'm going to go in and talk to a plant manager say at a manufacturing facility, say they're wearing khakis and a polo shirt. But I want to come in there with either a suit or at a minimum dress shirt, tie, and dress pants. The reason why is because the kind of person you want to emulate is who they go to for advice. If I go to a doctor and my doctor walks in with overalls, I'm out of there. You have to look like...the people that you're dealing with, you have to look like who they go to for advice. If you don't look like somebody that they're going to trust or get advice from or that can help them, they're not going to hire you. It's a mini job interview.

Michael: When you go on that first appointment, do you get to do a walk through or are you just basically meeting them? Are you going over price?

Matt: When you initially get there and you're talking to each other...first of all they're going to tell you right away if there are any issues they have, regardless. Easily two or three minutes into the conversation they're going to say come on, let's take a look. I'll walk you around. Sometimes you nudge them. Can we do a quick walk through and look around? And the key there is the word quick because it always ends up taking longer than they even think it is in their mind. It's like say can I have ten minutes of your time. If you do that, it's going to turn into an hour \_\_\_\_\_ getting value from you in that time. So, you do want to give them something of value while you're there. You don't want them thinking you're coming there just to sell them. You are, but you're not. You're building a business.

Michael: So, you have a system that on that walk through it's basically somewhat of a sales presentation. That's when you get to do your selling, right.

Matt: Exactly. But it's very, very laid back. Selling and buying, I like for people to buy. I don't particularly like selling. I like presenting myself and this is what my company can do and this is how we can help you and these are the people we've helped in the past. And people like to buy stuff.

Michael: What are some of the things in that walk through while you have a chance to talk to that manager as you're walking through that are real key selling points that can tip him over to your side?

Matt: Ceiling vents.

Michael: Ceiling vents.

Matt: The ceiling vents.

Michael: Tell me why.

Matt: If you look up and you see a ceiling vent, just don't say a word. You just walk up and look up at it and keep looking at it. And then they'll notice and they'll say I guess I could do that a little better. So, you didn't say a word. You don't ever want to put down your competition. Your competition can actually help you.

Michael: Do most cleaners, they don't like doing the vents in the ceiling?

Matt: It's something they forget. But that is key. If you walk in and you see a dirty vent, you've got a chance.

Michael: And you can see that dust all over it?

Matt: You can see it, yes. Whether it's a louver vent or one of those little checkered ones, it doesn't matter which kind. You can see it.

Michael: There are lots of them in an office.

Matt: Exactly. So, the chances of finding a couple are pretty good.

Michael: Good. I like that.

Matt: I mean you didn't even have to say a word.

Michael: You're looking for dirt, basically.

Matt: Yes you are. In a restroom, the tops of the stall, right there, the dividers for the toilet stalls, the tops of them, they get neglected over and over and over.

Michael: What do you do, run a rag over it?

Matt: Yes, you run a rag with the cleaner and swipe it real quick. Here's why. Restroom cleaning, most of it is what you call wet work. Most people concentrate on the porcelain, the chrome, the glass, and the toilets and the floors. They forget there's dust in a restroom, too. So, that gets missed a lot. So, that's just another point for you.

Michael: So, that gets missed.

Matt: Right. You don't have to say a word. They're going to just sit there and they're going to see you doing it and not say anything. I always make it a habit, if you're talking with somebody, also, don't be afraid to ask them what they're paying now. It might piss some people off, but you know what, that's a key indicator to me I don't want to do business with them anyway.

Michael: And does that manager usually know?

Matt: They know or they can find out. If you ask them, they will look. And I'm very up front with them. Some people don't like to tell me this, some people it makes them uncomfortable, but I'm obligated to ask.

Michael: And you say what are you paying.

Matt: What are you paying now or what is your budget. Some will say, I think we're paying this. I can check. Or they'll say we don't want to go over X-amount. Or some of them will say why is that important. So, you have to have responses for each one of these.

Michael: What if someone says why is that important.

Matt: Here's why it's important. I'm looking at your bills and I want to be able to be paid enough to keep it clean. So, if you're going to tell me -- if I can do a walk through the building, I'll know right away. You'll get experience from this the longer you do it. You're going to walk out of there saying okay I know this is going to about this. But before you even go back and do any number crunch and if you ask them and you know right off the top of your head that's \$1,000 a month account...know that...a minimum and they



say well we really don't want to pay more than \$500, you know where you're sitting automatically and you can adjust how you're going to market to them in the future right away. I'm not saying you don't do the proposal and bring it back to them and talk to them and sit down and go over it. Even as a backup bid. But what I am saying is you then readjust how you market to them in the future. In other words, they're not going to get my attention anywhere near what somebody else would.

Michael: Because there is so much out there, you're probably wasting your time.

Matt: Exactly.

Michael: From your experience, would you say if that occurred, you have been wasting your time and that usually they're not going to come back to you unless it's some unusual, desperate circumstance?

Matt: Yes. They probably won't come back to me.

Michael: For time-wise, you want to get it and get out of there, maybe.

Matt: Exactly. You don't want to be talking to somebody that's got a budget that's half what you'd be able to do because they don't value that service.

Michael: So, it's important to ask what are you paying so you can identify and leverage your time.

Matt: Exactly.

Michael: So, you want to identify and you're in the bathroom and you've identified the vents, the top of the divider, and the stall. What's another nice little area?

Matt: Another thing I ask is if they have an alarm code. You'll notice it as you walk in. Some people you can't tell if they have that. But I'll say have they ever set it off. I'm just curious. Sometimes it happens in our company. Oh yes, they set it off five times in one month. We get fined every time after twice.

Michael: How much are those fines?

Matt: Anywhere from \$50 to \$100. That's when you really start really dealing with pain. Sometimes they'll say they have set it off quite a bit of times and I get a call at home on that. Some things they forget about. You've got to kind of get them thinking, hey am I dealing with a company that's got procedures or am I dealing with somebody that doesn't care enough about

my time and what I do for a living in managing this office to make sure they get those things right. You can bill \$5,000 a month. You can do \$60,000 to \$100,000 a year. Be a smaller company, but still be professional where you're going to get larger.

Michael: What would you say when they say, yes they've set it off three or four times over the month? Do you say anything?

Matt: Yes, you say, we have a system...procedures manual that covers those kind of things. And we actually do a walk through with our cleaner and go over all this with you and take notes. And they sign off on that. And we have an account manager that we assign to your building that's a go to person so if something happens, you're not the one that's bothered, they are. You divert things away from them.

Michael: What's another thing you point out on the walk through?

Matt: I would what in shape are their floors and carpeting. That's important to know, but it could be a key indicator, as well of what kind of prospective customer you're talking to. If the carpet is trash, but they don't pay to have it cleaned, you've got to kind of feel that out. Now, if it's in the agreement to take care of those and they're not, then you're going to call attention to it. I'm going to share something with you here that gets...a lot of people have heard this that are already in the business that don't do it, what I call the right way. It's really going to tick off, but you know what, that's sad because I've got it in my buyer's guide, too, and I hand it to every customer. They get it mailed to them in our new customer box. Everybody gets this. There are companies that will go out and say you have an office. Hey Michael, I'm going to come in here. Here's your monthly fee, \$500 to take care of it. What am I going to get for my money? Here's our work schedule. Here's what we're going to do daily, weekly, monthly. Well, you're also going to say to them, hey I'll also clean your carpets twice a year and it's included. Oh great. Sign me up. Well, you had another proposal that was very close to the same price, but the company is going to charge extra. They should. You should always charge extra for floor cleaning and carpet cleaning. But that company that said they were going to include it in there. Here's what happens. People are busy. They don't keep up. What happens?

Michael: They get billed for it.

Matt: They don't get billed extra. They were promised it was going to be done twice a year.

Michael: And it never gets done.

Matt: Never happens. So, here's what goes on. The customer finds the carpets are looking nasty. Hey they're supposed to clean the carpet. They call them up two years later and say hey you didn't clean my carpets. I'm paying for this. So, they run out there real quick and do what I call a dash and splash and they're gone. The customer gets screwed because they were promised something they're not getting. To do it the right way, you do need to charge extra for it. So, those are just some of the little things that you have to watch out for or for what some people have been promised from the current competition. They're out there doing this. I'm going to say this. It is just as much the fault of the company, as it is the customer, to think they're going to get something for nothing. And once a customer gets burned one time like that, they never get burned like that again. I want those guys to be my customers.

Michael: Anything else you can think of that's going to help sell this client in your walk through?

Matt: A brochure helps. You can have a full color company brochure, tri-fold, a nice logo. If you can make everything in your company look as much like a system as you can, fits in like a puzzle, chances are better you're going to get business faster.

Michael: Are you going to try and close on that walk through?

Matt: No.

Michael: Never?

Matt: Never. You never close. It's an information gathering, pain revealing meeting.

Michael: So, you do the walk through and you're ready to leave and what do you say.

Matt: Say, I appreciate your time. What I am going to do is go back to my office and I'm going to crunch some numbers to see what I can work out. You do want to set up the next appointment. Some people will say that's fine. Bring it back to me Monday at three. Some people say can you just email it to me or fax it to me. There are a lot of sales books out there that don't like that. Don't do the proposal drop off or the fax or the email. Let me tell you, in this industry it's funny. It doesn't matter, unless it's a very large contract. If it's a \$500 to \$1,000 a month service charge you're going to be giving the customer, you can do that. You can email them. If it's what they want, they're going to buy even if you don't have a sit down. That's not

saying I don't want to do a sit down, but if it's more convenient for that customer to say email it and then follow with a phone call, do it. Don't make them feel like you're going to come back and hound them. Say it's no problem. I'll email it over to you and I'll follow with a phone call. If you do have a follow up proposal that you submit, you call them and say I've got it ready. What would be a good time for you? They tell you. Take it back. Sit down with them. You go over it and depending on how your proposal is laid out is how you break it down and go over it with them.

Michael: Do you have proven proposals in place that you use?

Matt: Oh, yes.

Michael: Are they important?

Matt: They're very important. It says a lot about what the customer can expect. I mean let's face it, if you walk in with a nasty typewritten piece of paper as a proposal and a check list of here's what we're going to do, you're not going to get the job if you are the cheapest. I come up with a nice proposal that's bound and has what I call some fluff in it, but has transition procedures. It has lists of the training, it has a copy of the certificates, it has your insurance, it has references, it has testimonial letters, it has a list of exactly what kind of cleaning, your work schedule, cover letter. All those things are important. What supplies that you could resell them; paper products that you might provide. All that's important. The way it's laid out, too. It's like a professional proposal that they may even generate themselves. Some of these companies you're going to be dealing with will write proposals, too. They're in sales, so they know what a professional company looks like on paper because they're a professional company themselves. You'll be able to attract a lot of business just by them saying this company is like we are. They really do care and they look good.

Michael: So, once you have a proposal and you've got a couple clients, then it's just changing the names and addresses and just a few things.

Matt: Exactly. And the pricing. I mean there's different formulas. It's pretty cut and dry on square footage.

Michael: So, let's talk about price. What's your strategy on price? It seems like an industry that sells on price, how do you get a above and get out of that pricing game?

Matt: You're always going to be competing on price. There's no getting away from it. It's a comparative bid industry. The key is to make sure you're putting out as many quality proposals as possible within a given time, say

a 30-day period. In other words, if you put out X-amount of proposals in a 30-day period, I know without a doubt I'm going to close a certain percentage, over 50%.

Michael: So, you put out 30 good proposals, you're going to have 50% of those become accounts.

Matt: Exactly.

Michael: That's pretty damned good.

Matt: It's my job. If I don't, then I've got to go back and see what should I have done differently. Did I do anything wrong here? And that goes back to saying they're qualified people you want to talk to. If they're the perfect profile, qualified prospect, then yes my close ratio is 50%. Now, if you stray away from that list and you go over here, it could drop. The way you get away from the pricing game...

Michael: That you put out enough proposals.

Matt: Sheer volume. Now, I don't want to say you \_\_\_\_\_, but at some point you do. You're being targeted by, so it's not quite like that. If I've got somebody that I'm sitting down with them and we're going over the proposal, every time you turn the page in the agreement where the price is, you highlight it with a highlighter. So, when you turn to that page in the agreement, they see all this mumbo-jumbo on there and you go over it, but you highlight how many times it's cleaned a month and highlight the price per month or how many times it's cleaned in a week and the price for the month. And you make sure you say this is the price per month for one time a week cleaning. This is not your weekly price. This is a monthly price. This does not change whether you have a four or a five-week month. The price stays the same. What their eyes. You can tell a lot from somebody's eye or body language. If they say that's a lot more than I'm paying, you know for a fact they're not getting a good level of service. If your proposal...say it's \$50 more a month, you get them to say this is about \$50 more than I'm paying. My question is well are you happy with what you're getting. And if they say no, I say well that \$50 really you're not wasting \$50. You're wasting what you're spending now. So, you're going to spend \$50 more with my company and be happy, whereas you're spending \$500 a month now to not be happy. It's all in the way you kind of present it. I mean I would rather spend a little more and get what I'm paying for than to blow 100% of my budget and not be happy. You've got to speak their language. Budget it is a key word. Add more satisfaction is probably overused in every \_\_\_\_\_, but how satisfied are they with what they're getting. Are they getting quick response to problems? And I always

tell people this, too, I'm not going to sit here and tell you you're not going to have problems with my company. You are. You're going to have problems with every company. The key is how quick are they to respond to rectify the problem and how do they handle it when there is a problem. That's what matters. You're going to have problems with anybody because we're human beings. We're not robots. You have to have the guts to say that. You're going to have problems with everybody. You're going to have problems with my company. You're going to have problems with this company. It's how they take care of the problem.

Michael: Let's say you have an average size business. How do you structure this proposal? Are they tied into a contract? How much do you figure out to charge them? How do you close the deal and arrange it? What have you found to be the most profitable?

Matt: You want to just try to get away from using the word contract. It does have a negative connotation. And it's not a contract and I always go into that. We don't do contracts because they're not good for me, they're not good for you. When is the last time you bought a cell phone? And they like laugh and say yes you get screwed every time. They get you in a contract. We don't do that. All we ask for is a 30-day notice. And so that helps a lot because some people don't understand it's not a contract. They think it's a contract. They say I see a 12-month thing down here and I'll say yes. That's me guaranteeing my price for 12 months. I'm not contracting with you. I'm just saying I'm going to hold my price for 12 months. I've held my price to 36 months before if the contract is fat enough. If there's enough profit margin in it, I'll hold it for 60 months because I know the level and place and where it needs to be in 60 months. And if this closes, it's worth \_\_\_\_\_.

Michael: Do you charge per square foot?

Matt: There's ten different ways to do pricing. Do it by square footage and then depending on what kind of business it is, what kind of traffic they have, what kind of industry it is, add in percentages to increase your square foot price.

Michael: How do you get the square footage of the whole building?

Matt: You have a roller.

Michael: You measure it all for yourself?

Matt: Yes. I do not like laser pointers. Even the best ones only get it to a couple hundred square feet. Take a pedometer. Called pedometers. I think Home

Depot sells them. You can get one anywhere like that...Lowe's, Home Depot. It's just a measuring device. Do the length and the width of the building.

Michael: From the outside.

Matt: Yes. You can do it outside. Whatever you're more comfortable with. I mean if you want to do it from the outside, that's all right. From the inside it's easier. So, you get that square footage and if you have time and if the customer doesn't mind, you break up the project from the ceramic, from the DCT. The easiest way to do that is if the building is majority carpet, you get the total square footage of the building and then measure the hard floor and deduct it away and then you've got both.

Michael: When you were first starting off...back to those first six accounts, did you figure out what your cost was to clean an office building? I mean what was your cost per square foot compared to what you're going to charge on average, so your average ideal job. How much money can you make with an account? Tell me that.

Matt: First of all, if you're doing it yourself, your profit margin is going to be about...and this is even after equipment...it's going to be about 80% to 90%. That's if you're doing it yourself. I don't recommend doing that very long. I recommend doing that if you really want to learn it and be able to talk passionately about it and know what you're talking about. And other thing, too, I know you've heard this before, it applies in this business too. No matter how much technical stuff you know or how good you are at cleaning, it has nothing to do with you getting business. It really doesn't. It's presentation and having a professional business presence with that prospective customer. And then also, you do keep your word and do what you say you're going to do and make sure their building is taken care of. I have a lot of certifications. I've been around a long time. That customer is not going to do business with me because of that. They're going to do that, and do it because they trust you. But getting back to your original question, I'm going to go into answering that with let's assume that you've got labor that's taking care of the work for you. A minimum of 35% to 40% gross profit.

Michael: Are you paying your labor per hour?

Matt: It depends.

Michael: Let's say if someone was just starting out, what would you recommend if they need to bring on their first or second person?

Matt: Well, the simplest way to do it...

Michael: You could either hire your own or hire it out to other services?

Matt: Yes. Here's what I really like. If you're going to be a large company, initially you want to get employees. Get some employees. Get some good people that you can move up to account managers. Get them going, trained, familiar with the way you do work and the way you operate. As you grow the business, move those guys up to account managers and let them work with other independents; you're correct. The reason that I like that is because the customer gets a better clean. They really do. They get a better job done. It's more efficient. Your labor at that point care a lot more about what they're doing because they've got their own little company. Does that make sense?

Michael: Yes.

Matt: You're working more as a team than you are a master contractor and a sub. I mean you're really working as a team to make sure that this thing keeps going for both of you. I would say you can have profits as high as 50%. I don't like seeing that on a regular cleaning account because it usually means the person that's doing it is getting screwed. They really need to make 75% to 80% of whatever you're doing.

Michael: The cleaner.

Matt: Yes, exactly. They need to be paid and paid well. That's the only way that either one of you are going to stay around. Special services, however, carpet cleaning, pressure washing, window cleaning, stripping and refinishing floors; your profit margin should be 60% to 70%, which is very, very good.

Michael: And this is all backend stuff that you never even expected.

Matt: Exactly. Once you \_\_\_\_\_ you do everything, you're like I'm going to do this in every one of my accounts. You make it a priority. You want to be the go to company to get that stuff done. You don't want a competitive company doing your floor and your janitorial accounts because then if they have \_\_\_\_\_ janitorial, you just opened yourself up. So, you want to make sure you let your customers know all the services you do provide. And all that is based on \_\_\_\_\_, the square foot charge. And the reason all that square foot, it's quick and it's efficient and it works. But I will say this. Once you get to about 250,000 square foot buildings, I wouldn't go any bigger. Actually I don't even like going after anything over really about 100,000 to 150,000. For people that really want to money, large, large,



large companies...I'm talking about multi-million dollar maybe even billion dollar, your companies that are international in this industry, let them have those accounts. Let them have the million square foot accounts. They're running 3%, 1.5% on some of them for profit.

Michael: Really.

Matt: Yes. I don't want that. I want something that my company can make 35%, 40%, 50% on them. And it doesn't matter if it takes 100 of them to reach the same billing as one building because they're only making X-amount on it and I'm make a whole heck of a lot more profit.

Michael: Let's go back to when you were making those calls. You got your first six accounts. Kind of fast forward me through how you grew that business until you sold it off. What happened? Just kind of run through it. You got your first accounts and then what did you do then?

Matt: Well, I kept following up with the leads I had generated and calling them and kept putting out proposals, kept getting new accounts. I mean it seemed like a never-ending saga of putting out proposals and buying new equipment.

Michael: Were you doing all the cleaning yourself?

Matt: I was doing it all the first year and a half.

Michael: Really. Just a one-man operation.

Matt: Exactly. And it wore me out.

Michael: How many accounts were you handling by yourself?

Matt: Too many. Around 20.

Michael: Were you doing it day and night or just night?

Matt: I was working day and night to get it started up. I was committed that this was going to happen.

Michael: And you were making some good money?

Matt: Yes, I was making good money.

Michael: What kind of money were you bringing in?

- Matt: One thousand a week, which was pretty good. That's gross pay.
- Michael: Before your expenses?
- Matt: Exactly. Not bad money.
- Michael: Not bad if you need to make some money.
- Matt: I was making more money than most the companies I was cleaning for; their people.
- Michael: And in each one of these 20 accounts, you had all of your equipment there.
- Matt: Every one of them had their own equipment. That was a little bit of an investment. It wasn't all at one time. I'd get an account and buy equipment. Get a new account and buy equipment.
- Michael: And you probably had a standard order.
- Matt: Exactly.
- Michael: Do you remember what that equipment cost was for each one of your accounts; ballpark?
- Matt: I would say less than \$300.
- Michael: All right. No big deal. A vacuum...
- Matt: The bigger the account, a little more.
- Michael: How long would it take you to go in there and do the cleaning yourself?
- Matt: It depends on the size. I would say production rates on a standard office were about 3,000 to 3,500 square foot an hour. And by the way, I hope anybody listening to this, obviously there's a lot being laid out here and take notes because this stuff is guarded heavily.
- Michael: We're going to have the transcripts and everything. Production rate means how fast you can clean an office.
- Matt: Exactly.
- Michael: One person.

Matt: Exactly; 3,000 to 3,500 square feet an hour. The larger the office, the more square footage. In other words, if there's a 100,000 square foot building, which has what I call standard density, which is X-amount of people per 100 square feet, your production rate can go up to 5,000 square feet an hour.

Michael: Go faster.

Matt: Yes. You go faster. Basically clean 5,000 a week. If you clean the same office only one time a week, you've got a lot more to deal with and it is going to take you longer when you clean it because you clean it less often. The time works out to be about the same.

Michael: Do you like the accounts where you're cleaning 5 days a week compared to the once a week or twice a week or does it matter?

Matt: Yes. Here's why. There's a thing in the industry that's called a fuss factor. Inevitably you're going to get somebody irritated or pissed off that's going to call with complaints. It's expected. It's part of the business. Don't get into this business if you don't expect to get complaints. It doesn't matter if you're perfect. There are going to be complaints because you're invisible, they don't see you doing the work. Sometimes you have to make people see you. You sweat to get them off your back. Cleaning is not rocket science, however, dealing with people is because you do have to become quickly educated on how to deal with psychological issues with people. But getting back to what you were asking, the answer is yes and the reason why is because number one, of course, because they're higher, and number two, they'll stay cleaner. When somebody goes in an office and cleans it every night, it stays cleaner. A once a week account, you've got four days that it's not been touched and you're coming in on the fifth day or you're coming in on the one day, you're catching all of that one time each week.

Michael: So, would you recommend someone getting into this business just focus on five-day accounts?

Matt: No. I'd say take the one, two, three, and five day. Stay away from the seven.

Michael: And when there's a five, what are the days?

Matt: That's what's so great about this business. Here's the way I ran my schedule the first year and a half. People just look at me like I'm crazy when I tell them, but what I would do is I would work Monday through Thursday and I'd take Friday and Saturday off. And you can do that. You

could have 50 one-time a week cleaning accounts and between you and a couple of other people, get them all done on the weekend. If the customer doesn't mind and they're going to trust you enough to give you a key and a code and access to their building for five days a week, you could just run it by them and say do you mind on the last day we clean during the week, do you care if we come in on a Saturday or Sunday. Nine times out of ten they'll say I don't care as long as it's clean for Monday. And on one-time a week accounts, they don't care if you come in on weekends. The reason I stress that is because when you're starting out that may be the only time you have available to do it. You've got to be able realize this is something I can do part time and start out. You didn't want to have to start out going out after you get done with your 8 to 5 job or whatever. There's time available and it makes it -- you can manipulate your market to allow you to get into it. You just asked about residual income. That is what initially I think was the biggest excitement factor for me was the residual income. So many people are looking for residual income. That's why they get involved in some of these opportunities that don't pan out. And I know from listening to some of your recordings, how you feel. You feel pretty much the same way I feel about them. Far too much time is wasted on things like that. If those people that waste or spend all that time to listening for something that isn't there, if they would take half that effort and put it into something like this, they would have huge amounts of success. Ten times \_\_\_\_\_.

Michael: You were growing that business. You had 20 accounts. You worked it for a year and a half. What happened after that? Where did the breaking point come? Did you then realize that this is crazy? I don't want to keep doing all this work myself?

Matt: It got pretty crazy. I mean I was tired. I was taking care of everything. I mean running a business is like any other. I decided it's time to hire some of this out. It's what I did. And that's when everything changed. When I started getting my time freed up, I concentrated on the company during the day and made things happen during the day, that's when things really exploded for me. I was able to go out and buy two or three vans. That's when I was able to get the carpet equipment or floor care equipment to take care of all the special services in my accounts and I had to subcontract it out. I picked up my largest account that I had at that time.

Michael: Were you bringing on the people as employees for company?

Matt: Yes, I was. And the reason for that is different areas of a state or a country dictates how you can hire people from their mindset. In other words, what works in Atlanta or Chicago or New York, people aren't always open minded in smaller towns. That was the way that I had to go. And that was

fine. But you end up having more people than you have to have doing it the other way. But that's really when my time got freed up and I said I am really onto something here. My business thrived. I make a good living. And then as you grow and you mature and get older, you find different ways to do things and you start thinking different ways and you say hey this is a lot bigger than I ever thought, this whole industry. It's almost an invisible hidden industry until you get into it and then you realize just how big it is; over \$50 billion a year. I mean it's a big industry.

Michael: Everything has to be cleaned.

Matt: Yes, exactly. Growing it with more people...you've got to leverage your time. And this is important, very important. I want to say this. You're going to make more money and do your family more justice by getting your accounts and creating employment for somebody than you ever will pulling trash.

Michael: What do you mean pulling trash?

Matt: I mean doing the work yourself. I advise people if you're going to do this, try to be what I call off the truck in six months. Anything more than that, you try to do both for six months full time, you burn yourself out. It's like any company. Get off the truck in six months, work your butt off to get that billing up, and know what your numbers are before you ever get your first account. Know how much you've got to have in billing to get off the truck to replace your current income. And once you replace your current income, then the sky is the limit. You go from there. But you've got to give yourself short-term goals to accomplish, so you have to know where you initially need to be before you start.

Michael: What was your retention rate when you would bring on an account? As long as you treated them right, is there a standard in the industry on how long an account will stay with you?

Matt: No, there's not. There's not a standard retention, but there is a standard bill that every company has. I would say a couple of years. You could have an account for one year. I had one for six years. I had a lot for three years. That's why it's important to make sure your pipeline, your cycle comes through because things happen. Businesses close down. People move. Things happen. Things change. What's the saying, the only thing constant is change. So, you've got to...that famous saying...always be \_\_\_\_\_ even when things get good. You think I'm going to take it easy for a while. Hey I'm all for it. If you want to take an off season like the NFL or NBA, do it. Set your life up where you can take off three months or four months out. But those other seven or eight months, five months you're

working, you'd better work and make sure you get the most value out of the time that you have and make sure you get the most business secured you can during that time. That's what's going to carry you through. God forbid anything ever bad happened, any catastrophe. You always have to be thinking how can I get more contracts so I can have more security. The more you have the more secure you are, but never get comfortable. The most successful people I have ever met in my life never have been content. Don't be content.

Michael: So, when you started bringing on employees, how would you bring your employees on? Run ads in the Sunday paper?

Matt: Yes. It was really simple.

Michael: What would the ads say?

Matt: Looking for cleaning personnel and for X area, weekends. Must be able to lift small amounts up to 25 pounds, so forth. Apply in person.

Michael: Now, today, if you were doing that, is that a minimum wage job?

Matt: No, actually no, not at all.

Michael: What could I expect to pay someone?

Matt: I'll tell you this. If probably could pay somebody \$10 to \$12 a hour and be just fine.

Michael: Any benefits?

Matt: Yes there were some benefits actually. Right before...well, I'd say a year before I sold out yes there were benefits. They weren't perfect. They weren't great, but there were some.

Michael: You'll never be without people. Your phone will be ringing off the hook.

Matt: Oh yes. But what you want to do, you want to hire the best for what you've got.

Michael: Now, handling all of that and the employees, how much a nightmare is that going to be? How do you limit that to where you can get good people, pay them a fair wage, screening; is that something you did all yourself?

Matt: Yes, but here's the way I would recommend doing it today. Until you get up to a certain amount of billing and everybody has their own...depending

on...say 35% to 40%. So, if you're billing \$10,000 a month, you know you're going to be making \$4,000. The reason I say that is because you've got all the extra money laid out there to hire your labor and get taken care of. There are cleaning companies out there that will work with you on that.

Michael: Employee companies.

Matt: Exactly.

Michael: You just go to the temp agencies.

Matt: Well, you could do that or you can go to a company that actually is a competitor and you can work out a deal with them. You could say I've got this account. Here's my no-compete. You guys maybe want to do this with me. You can \_\_\_\_\_. If there's an account that's a very large account and it's going to take more than what you want to pull out of your back pocket to get it started, you can partnership with a company and you guys can go get that account and work it together. Now, I don't recommend doing that a lot, but to get on track with here and getting back to talking about employees, if you're a smaller market, in a small market, I would say \$100,000 or less and you're not surrounded by \_\_\_\_\_ area and it's \$100,000 and you're kind of this area out here by yourself in this market, you're going to have to use only employees because that's just the mindset. That's fine. But don't expect for an employee that you're going to hire to ever clean a building like you were doing. It's just crazy to think that. You're setting yourself up for failure. Instead, concentrate on getting yourself a good account manager or an operations manager to help you help them because you're going to irritate yourself because they don't do it like you did.

Michael: Let's say you have five employees handling a certain amount of accounts. You're going to hire a manager, an operations manager to oversee everything.

Matt: Exactly.

Michael: And he only reports to you.

Matt: Exactly.

Michael: What do you pay this guy?

Matt: Mostly it depends on how large your company is. I mean you need \$40,000, \$50,000, \$60,000 a year income.

Michael: His job is dealing with these people.

Matt: Yes. His job handling any complaints, handling supplies, dealing with the cleaners, taking care of their issues. His job really is to make sure that the cleaning personnel know what's being said, I guess and what the communication is between him and the company they're cleaning for. And he gives them a heads up. He says over we've got this going on. This needs a little more attention. I mean he's really there for retention. To help the cleaning staff keep their jobs.

Michael: Does the hired help go into the building on their own or is the operations manager going with them?

Matt: It depends on what size the building is. If you've got a very large building, chances are you're going to have a crew leader that's going to be the key master. But if it's, say for instance, one cleaning person that is cleaning seven or eight accounts for you, no, they will be on their own. They will drive and go in their accounts. I mean it's very much when you're hiring somebody for this, this is very much...they have to take on \_\_\_\_\_ job. They've got to be very responsible and you've got to know how to pick those responsible people.

Michael: Does each employee have to be bonded and all that?

Matt: Yes. What happens is, real simple, a background check and you do that really fast and quick application. The bonding, it's confusing and I hear a lot, but I just let it go because there's no sense getting involved with it, but I'll tell you since this is a little more independent here. When you get a bond, the company holds the bond. So, no employee is ever bonded. It's just a \$25,000 or \$50,000 bond the company purchases as another piece of insurance to let the customer, prospective customer know that if something happens, we're here and we're going to take care of it. Most bonds don't pay unless there is a conviction.

Michael: I see.

Matt: If there are any issues, and it doesn't happen often, it really doesn't. I can think of maybe one or two times where it's ever been an issue and it turns out the guy \_\_\_\_\_, we investigated together as a team to find out what was really going on. You're more than just a vendor to these people. When you go in either as a cleaner or operations management in an account, you're going to see things. You're going to hear things. You're going to know a lot more than you ever thing you would. It's just from osmosis. I mean you're not trying to know anything. You're not trying to be nosy. It's just the way it happens. So, you have to find people that are very



trustworthy and keep their mouths shut. They're trusting you with their infrastructure basically.

Michael: How many employees did you get up to before you sold off?

Matt: I think I had 32, 33 part timers and about 6 or 7 full time.

Michael: What kind of billing were you doing a month?

Matt: I did close to \$70,000 my best month.

Michael: \$70,000 a month.

Matt: Yes.

Michael: Were you approached by someone or did you approach them?

Matt: A little of both. There's a company that had been in the area forever. I mean they'd been around before I was born and they were a family company. They were doing a couple million dollars a year. Well, there was a very large vending that was there, as well. And they bought them out and they approached me and I said no at first. About a year went by, I guess and they lost half of their billing in the first year and then they lost another, I'd say probably half of that the next couple of months. So, they really went down hill. They basically lost their ass. Another company of there approached them and bought them out. Bought that division off the vending company \_\_\_\_\_. At that time, I was single. I was having fun. I blew a lot of money. I had a good time. I was a young man. Had saved some money, put some away. I wasn't completely stupid with my money. They approached me and we talked and at this time my mother was going through some health issues. I said I can do this anywhere in the country. I can go anywhere in the country and start a company. I can go anywhere in the country and go to work for another company. This industry opens up a lot more opportunities than people think. My mother diagnoses with cancer, and by the way, she has helped me a lot with billing and accounting and things like that. So, we were very close. And I said this is the time in my life where I need to consider taking some time off and I did and I made that decision and worked out a deal where I was able to do that and spend some time with my mother before she passed away. It enabled me to be able to do something that I might not otherwise been able to do working somewhere else.

Michael: So, you sold it off. They bought everything.

Matt: Yes. They actually bought the accounts off of me and everything else.

Michael: Your employees went with them?

Matt: Yes.

Michael: Well, that must have been a nice relief, somewhat.

Matt: Yes it was. It's always a tearjerker to see something you built like that go. Really you're hoping for the best for them when they buy it. You're not sitting back going I hope they lose everything because you really hope they can keep the contracts.

Michael: Did they?

Matt: As far as I know today they probably got 80% of what I had.

Michael: That's great. So, did you make a nice chunk of change?

Matt: I made enough where I could take about four months off completely and put a little away. So, I did okay. I didn't make me rich by any means. But that was okay, too because just the fact of what I learned was worth millions over the years.

Michael: So, then you went to work for the largest carpet cleaning, chemical, equipment, and seminar certification training.

Matt: Right.

Michael: What's that company called?

Matt: Jon-Don. Excellent company. A very good company.

Michael: Did you approach them?

Matt: Yes I did. They had mastered the market. They had \_\_\_\_\_ their information a couple of years before I started out. They had started mailing stuff to all the companies in Georgia. They just opened an office basically in Atlanta in '96. I had done some business with them. This company is really, really good. Never a back order. Everything always tagged right. Very professional. Had been around at that time 20 years maybe. They had a position come open as an equipment seminar chemical development type position for their operation here in Atlanta. I interviewed initially with their national sales manager. Got a call back. Flew to Chicago. Had what I call the gauntlet interview with everybody; about seven people. Was offered the position and took it. And I have to tell

you, it was a very good learning experience for me and here's why. I had already been on the service end. Now, I was on the supply end and I was learning what the other side, how they serviced me when I was a service provider. So, I had a good focus. And I also saw what was working for some companies and not for others just from the mere fact of being in that environment being able to tell who the successful companies were or even so I could tell who the successful people were going to be by they way they conducted their self, how they carried their selves, what questions they had for me. So, it was a very, very, very good learning experience. I really enjoyed it. They're a great bunch of people.

Michael: What was your job there?

Matt: I would actually take in anybody that was coming in that wanted to start a company or replace equipment or upgrade equipment. They did certification in any area. There are about 12 or 13 certification areas at that time that we offered through an organization that does certification for the entire country, basically, in cleaning. Seminar coordinator. Set up all that. Deal with the instructors that were flying in to give the seminars and all that good stuff. Basically, I would say probably 75% of my job was consulting with people that were brought into the company and they didn't know what kind of equipment do I need, what kind of transportation do I need, how do I start this, what's the first thing I need to do, what kind of chemicals do I need, what kind of training material do I need to read.

Michael: This company had these systems already developed, seminars that showed them how to get going?

Matt: Yes. Here's the way it's set up. You have a certification body that's independent. There's a non-profit, which is the IICRC. There they certify people in basically carpet, floor, and restoration, not so much janitorial. They do that now. We would sponsor seminars. I mean we probably had 25 a year.

Michael: How much did these seminars cost?

Matt: A couple hundred dollars to a high of maybe \$500 or \$600, a three-day seminar gives you certification and pass the test. And some of them were hands on and some were just text; it just depends. So, yes we'd bring people in that needed training and get them set up with that. And they also had about a weeklong course in their corporate office in Chicago that people would go through and basically it was pretty nice. Keep in mind this was just carpet and restoration. They really didn't even get into janitorial. \_\_\_\_\_ and then \_\_\_\_\_ special services division, but they're primary carpet, they had a complete turnkey package for residential property

cleaner. I took it a step further with some of the commercial stuff. So, that's what they did. They're very, very, very good at it and they have opened two or three more offices since I left. They're on their way.

Michael: Okay.

Matt: They're a good company.

Michael: Great.