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The Economy and the Jansan Industry

Here's something you have likely not heard many people say lately: our business is expanding. But in our case, we have recently added a new Midwest manufacturing/distribution center, and four new janitorial distributors have joined our company in the past couple of months.

Does our success mean that the professional cleaning (jansan) industry will not be affected by the current downturn? The answer, of course, is still a bit hard to determine. Historically, the jansan industry has been only mildly affected by recessions. In fact, some contract cleaners have even indicated that their businesses have grown during economic downturns.

However, this recession may be more serious than past ones and have considerably more impact on facility managers. This is because of its effect on current building tenants and the fact that many companies will not be looking for larger spaces or making location changes during economic uncertainties. It is possible that these

issues and others during this economic slowdown will be passed on to janitorial contractors as well as janitor distributors and manufacturers this time.

However, the impact will likely not be the same across the board. For instance, one reason our business is up is because a good number of our products are environmentally preferable cleaning chemicals. Chemicals in general are a relatively small expense for most facilities. On the other hand, it appears large-item purchases may be delayed or postponed, at least right now, until some of the economic uncertainty has passed. At least one manufacturer of carpet cleaning extractors has noticed a significant slowdown in sales recently. Whereas a gallon of cleaning chemicals may cost \$10 to \$20, an extractor would likely be several thousand dollars.

Additionally, the type of industry served will determine how much of the downturn is passed on to facility managers and cleaning-related professionals. For instance, we do not see any downturn in the cleaning needs of health care facilities. Similarly, K-through-12 educational facilities as well as public and private universities appear to be growing markets.

As for multi-tenant office buildings, some janitorial contractors indicate that facility managers are considering reducing the frequency of service--for example, from five visits per week to three--especially if available rental space grows. Also, add-on services such as carpet

cleaning, floor refinishing, and window cleaning, which typically are charged as “extras,” may be delayed at some facilities.

Impact on Green Cleaning

Picture the professional cleaning industry as a large ocean liner in the middle of the Atlantic. For decades that ocean liner has been forging ahead at about the same speed in the same direction.

However, something very different has occurred with that ocean liner in the past two to three years. It has been gathering speed and has virtually changed course. It is now going full speed ahead toward "Greener" pastures. In recent years, the professional cleaning industry has not only transferred from conventional cleaning products and equipment to those that are environmentally preferable but has actually become a leader in showing others how an industry can go Green.

But in recent months, there has been considerable concern that the Green movement in the professional cleaning industry will stall. The belief is that during uncertain times, facility managers and others will delay going Green, especially if they believe it will cost more.

Facility managers well versed on Green cleaning know that, for the most part, transferring to environmentally preferable cleaning products and equipment is cost neutral. And even if Green products do cost more money initially, chemicals only impact 2 to 4% of overall cleaning costs, and in addition, some of the Green Certified products

may in fact work better than traditional products or be of higher concentration.

Further, the astute manager knows that studies indicate building tenants are usually healthier and more productive in Green buildings. And that Green is a very effective marketing tool. When given the choice between selecting rental space in a conventional facility and one that has incorporated environmentally preferable operations, as long as all other factors are comparable, the tenant will select the Green building.

The reason is simple. In addition to the health and productivity benefits, Green buildings are typically viewed as better operated than conventional facilities. Historically, many facility managers have even charged higher rents for a Green building.

Because of these and other reasons, it appears the concerns about the future of Green, at least for now, can be put to rest. Experts throughout the janitor industry, as well as Green advocates in many other industries, believe the continued growth of Green is secure. This is especially true for professional cleaning tools and equipment, which for the most part are not considered big-ticket items.

The Common Denominator: Sell Solutions

No matter how much the economy deteriorates, it does appear clear that the facility managers, janitor distributors, manufacturers, and contract cleaners that will do the best are the ones that offer *solutions*

for their customers. When selling in a slump, whether it is office space or cleaning services or products, we must offer solutions to our customers' problems and challenges. This may take the form of helping customers transfer to Green cleaning in order to provide their tenants with a healthier indoor environment or addressing a variety of their cleaning and building-related challenges.

The bottom line is that if we can solve problems for our customers, we have earned their trust, loyalty—and business.