

# Residential and Commercial Cleaning

## Orion Cleaning Service

Pflugerville, Tx 78660

Jeff Camacho

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## INTRODUCTION

### Executive Summary

Orion Cleaning Service (OCS) will be a local cleaning service operating out of Pflugerville, Tx. Owned and operated by Jeff Camacho, OCS will serve upper-middle and upper- income families who own their own home in Pflugerville / North Austin and older people who cannot or prefer not to clean their own home. Couples, especially two-income couples with children, are the primary target market, as they tend to have the least amount of time to spend house cleaning. It is not hard to convince such couples that a house cleaning service will benefit them, and OCS's ability to schedule a cleaning appointment almost immediately after gaining a new client will help those clients feel confident and happy with their decision to hire OCS.

The secondary target market is small business. OCS plans to work closely with local small businesses to generate mutually exclusive cleaning agreements. Local businesses to target are real estate companies/realtors, small businesses looking for cleaning solutions and strategies, and partnerships with service-based businesses that cater to homeowners.

### Business Philosophy

The philosophy at OCS is that having a clean home or business improves a family's and business' quality of life, helps families realize, both mentally and physically, that condition. OCS finds great satisfaction in bringing peace of mind and a sense of relief and contentment to people who want a clean environment but do not have the time or inclination to do it themselves.

## Goals and Objectives

- Gain a small client base on which OCS can build in the first three months of business.
- Have enough clients within the first year to justify the hiring of two more employees.
- Earn net revenues of \$70,000 in the first year of business.
- Launch one Community Impact Program.

## Organization Structure

OCS is a Veteran owned Limited Liability Company (LLC) and operated by Jeff Camacho. Initially, all cleaning will be done by two part-time employees. Jeff will handle all accounting and bookkeeping, including payroll and taxes, scheduling, and customer service issues.

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## **INDUSTRY AND MARKET**

### Industry Analysis

According to American Demographics, about 10 percent of Americans hire someone else to clean their home. In addition, a report released by the Home Cleaning Centers of America (HCCA) in 2007 showed that residential house cleaning has become one of the fastest-growing industries in the country. The industry had \$20 billion in annual revenue, and HCCA predicted growth rates of 20 percent per year.

In 2008 the U.S. Census Bureau reported 1.5 million people employed as maid/house cleaners; 29 percent of these were employed by private households. The Census Bureau also predicted a growth rate (14 percent) through 2016. According to the 2009-10 edition of the Occupational Outlook Handbook, “Much of the growth in these occupations will come from cleaning residential properties. As families become more pressed for time, they increasingly hire cleaning and handyman services to perform a variety of tasks in their homes. Also, as the population ages, older people will need to hire cleaners to help maintain their houses.”

In regards to small businesses, researchers for RewardExpert found startup growth in the Austin area to be in the 89th percentile, and the five-year survival rate for startups is likewise quite high, in the 92nd percentile. Austin also benefits from Texas' business-friendly lack of a corporate income tax.

### Competition

There are several house cleaning businesses in Pflugerville / North Austin, including Merry Maids and numerous individually owned agencies. However, the market is not saturated, and the quality of service is an important issue for those looking for cleaning services. Whereas Merry Maids is one of the larger companies in town, and has generally good publicity, both locally and nationally. In addition, according to research by the DemographicsNow, people searching for house cleaners are making \$60k+ annually, and represent 59.6% of the population in Travis and Williamson counties. Projected through 2023, this segment of the population

will increase from 410,335 households to 498,010 households, showing an increase in 5.3% of the target market.

In order to compete with Merry Maids and individually owned businesses such as The Maids at Work, and Maids in Motion, OCS will focus on providing premium services at an affordable price, backed by training, dedicated staff, and a responsive relations team.

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## **PERSONNEL**

### Management

Jeff will handle the day-to-day business of OCS, including scheduling appointments, providing estimates, and handling all bookkeeping and other support activities for the cleaning work done by the staff. Jeff has a bachelor's degree in Electrical Engineering from Texas State University, team leading and building skills from the United States Army, and has the drive needed to keep the business on track.

### Staffing

Other than Jeff, OCS will employ two part-time workers, each of whom will work 20 hours a week. To find these employees, Jeff will conduct a thorough search using online job sites and local networking. Because Austin / North Austin is home to a four-year college and two major state universities, the demand for part-time jobs is high, so there should be no lack of applications. The more important factor will be the quality of the people the company chooses to hire. They will conduct background and reference checks on all potential employees so as to ensure, as much as possible, that the people they do hire are dependable, trustworthy, and willing and able to do what is required.

When a hiring decision is made, employees will receive a detailed job description and sign an agreement stating that their first month of employment is on a probation basis. If during the training period the person is not able to complete the duties as required, he or she will be released from employment, and a new employee will be sought. Jeff will conduct hands-on training. Jeff's home will be used as a training ground for new employees. Each new employee will clean a minimum of two houses with Jeff before he or she is considered ready to go out on a real job. Employees will carry a written checklist with them to each home in order to ensure each job is completed correctly.

Employees will be paid \$14.50 an hour, which is a competitive salary for the sector. No vacation time will be included, as is most common with part-time jobs. Partial insurance will be offered to employees on staff longer than 90 days, with 20 hours of work logged per workweek.

### Professional and Advisory Support

Because Jeff will take care of all accounting for the company, the only professional support needed by OCS upfront will be an insurance agent (X) and a CPA (Montoya & Monzingo CPAs). Additionally, a consultant may be hired for outside advice and guidance.

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## BUSINESS STRATEGY

The strategy for conducting business is as follows:

A customer will schedule a one-time appointment, or other frequency, from our company website. Payment will be handled through the scheduling site. Our customer will receive an email verification and a text notification prior to services rendered.

For jobs or job sites that require an on-site visit, Jeff or a team lead will visit each interested client's home or job site to gather information needed to provide an estimate and inform the client (via a brochure) of the services that OCS will provide, then he will follow up—within one day—by phone or email with the actual estimate. If the client agrees to use the service, Jeff will take the service contract to the client's home or site for signing. At the same time, they will set up a schedule of cleaning, based on the customer's needs. All information will be input into the schedule using the industry-specific scheduling site, Launch27. After a client has been contracted, a two employee team will follow up with the cleaning based on the schedule that has been set up.

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## PRODUCTS AND SERVICES

### Description

OCS will provide residential cleaning services to households in the Pflugerville / North Austin area. Basic cleaning services include dusting furniture and removing cobwebs; sweeping, vacuuming, and/or mopping floors; cleaning and disinfecting bathrooms, kitchens, and laundry rooms; picking up and straightening living areas, removing the trash; and performing other cleaning duties as requested or contracted. Whereas other cleaning services can do the same basic job, OCS can do it consistently (the same people will clean the same homes, even as the business expands) and well. Consistent quality service is vital to keeping customers, and OCS will make this one of the primary focuses of business.

### Pricing

All estimates will be determined by a formula made available through a web-based application designed specifically for the industry. The client inputs all factors online, including the number of bedrooms and bathrooms, square footage, number of pets and/or children, and so forth, and the program calculates how long it should take to clean the house. As a baseline, OCS charges \$40 an hour for residential cleaning, with a 3 hour minimum for booking and a square foot and service estimation for businesses. Using the figure gained from the application, Jeff can determine an accurate estimate, which then becomes the amount charged to the customer for each cleaning. For example, a typical 2500-square-foot, 3 bedroom / 2 bath home housing a family of four would cost \$X to clean. This figure can be adjusted based on customer preferences such as having only certain rooms cleaned, having additional cleaning tasks completed, or other variations. The frequency of cleaning (e.g., biweekly, weekly) also factors into the cost, as more frequent cleaning results in less work each time.

OCS pricing is comparable with individually owned competitors and lower than that for franchises such as Merry Maids, which charges approximately \$150 for one-time cleaning of a home with pets and children.

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## **MARKETING AND SALES**

### Advertising and Promotion

Initially, OCS will use a website and focused on online advertising as its main form of advertising. The web site will list services included, reasons to use a cleaning service—as well as reasons to use OCS—and other pertinent information. A photo of Jeff and the other employees will be posted to give customers a personal link to the company. Photos will also be used to inspire and convince potential customers that they would benefit from the service. Ads and posts will contain the same basic information as the website in a condensed and form. Another form of advertising will consist of signs for vehicles, which will be placed on cars driven by employees.

Word of mouth is considered another form of advertising. As people use OCS's services and are satisfied, they will recommend the company to friends and family. Word of mouth is considered one of the most effective means of advertising for this type of company. The company plans to facilitate word of mouth through a referral program which would provide discounted services on the successful booking of a referred client.

### Cost

Advertising costs are expected to be minimal and include approximately \$120 annually for web site fees and \$250 a year for online advertising.

### Image

“Professional” is an important characteristic of a house cleaning company. Sometimes this is a challenge if other local companies have given a different impression. For OCS, professionalism is the number-one focus of the image. Quality that is consistent is also key and a characteristic that is hard to find in residential cleaning companies. Finally, the price is a part of a company's image and OCS will exhibit competitive prices for exceptional service. Focusing on these three factors—professionalism, consistent quality, and value—OCS will build an image that will set them apart from other cleaning companies.

In order to maintain this image, employees will wear uniforms, adhere to dress code standards, and must provide their own transportation.

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## OPERATIONS

### Customers

According to DemographicsNow, people who hire outside cleaning help are typically dual-income households, professional single adults, high-income single-parent families, or affluent empty-nesters or retirees. (The latter category represents a smaller portion of the market in Pflugerville / North Austin due to the city's relatively young population.) Typically, clients range in age from 35 to 65 years old and have household incomes of \$60,000 or more annually. The following is a breakdown of the related demographics for Pflugerville / North Austin:

	2010 Census		2018A Estimate		2023 Projection		% Change 2010 to 2018A	% Change 2018A to 2023
Total Households	557,073		688,462		767,343		23.60%	11.50%
Age 15 - 24	43,400	7.80%	37,683	5.50%	38,787	5.10%	-13.20%	2.90%
Age 25 - 34	127,658	22.90%	151,491	22.00%	155,458	20.30%	18.70%	2.60%
Age 35 - 44	124,512	22.40%	152,716	22.20%	176,884	23.10%	22.70%	15.80%
Age 45 - 54	110,810	19.90%	131,653	19.10%	141,148	18.40%	18.80%	7.20%
Age 55 - 64	80,431	14.40%	107,638	15.60%	117,206	15.30%	33.80%	8.90%
Age 65 - 74	40,073	7.20%	66,734	9.70%	85,932	11.20%	66.50%	28.80%
Age 75 +	30,189	5.40%	40,547	5.90%	51,928	6.80%	34.30%	28.10%
Median Age of Head of Household	43.6		45.2		45.8			

### Equipment

OCS will provide all cleaning supplies and equipment. Equipment will include vacuum cleaners, buckets, mops, cleaning solutions, rags and sponges, and other necessary cleaning supplies.

### Hours

Cleaning services will be provided Monday through Saturday from 7 a.m. to 4 p.m. and will be determined by the clients' needs and schedules.

### Facility and Location

The business will be operated out of the Camacho home in Pflugerville, Tx.

### Legal Environment

All site working employees of OCS will be insured.

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## **FINANCIAL ANALYSIS**

Initial start-up costs are as follows:

### **Start-up expenses Cost**

Equipment  
\$1000 Cleaning supplies  
\$ 250 Office supplies  
\$ 250 Uniforms  
\$ 100 Brochures  
\$ 250 Vehicle signs  
\$ 100 Computer hardware and software  
\$ 500 Insurance  
\$ 200 Business license  
\$ 100 Misc costs  
**Total start-up expenses**  
**\$2750**

Funding for start-up costs will be provided by money from a personal savings account.