

Maid Service

Vital Information

Start-up Investment

Low - \$150 (liability insurance, ads or flyers)

High _ \$1000 (putting together a employee team)

Break - even time - One week to three months

Estimate of Annual Revenue and Profit

Revenue \$15,000 - \$500,00 (solo at low end, with twenty full-time employees at high end)

Profit (Pre-tax) - \$13,000 - \$200,000

Not Just for the Rich Anymore

The number of women working outside the home has now exceeded the 45 million mark and continue to grow. Is it any wonder that more and more women are finding it impossible to keep up with the responsibilities of a career and home? An off shoot of this phenomenon is an upsurge in the demand for good maid services.

Starting a business in this industry requires very low initial expenses and, other than good organizational ability and not hating housework, not a great deal of experience. It is also an industry where you can work alone actually doing hands-on work or you can spend time managing a group of employees and rounding up jobs. There are really only three areas of overhead expenses you'll need to worry about: advertising, supplies and insurance.

Cleaning Up

Of course the service you'll be providing is house cleaning, and you probably know how to clean a house. But that doesn't mean you know how to run a house

cleaning business. Even if you are running a solo enterprise, it will be necessary for you to advertise your service and set up your schedule to ensure that each client receives the services he or she is paying for. You will need to have liability insurance in case of breakage and have a good idea of who will furnish the equipment and supplies (you or your client).

If you are intending to hire employees to do the cleaning, it is even more imperative to hone your organizational skills and keep on top of scheduling, marketing, purchasing of supplies, and all the work that goes along with hiring employees, i.e., advertising, interviewing, and checking references.

You will want to formulate a plan for the way you want your employees to do the work at hand. You may want to design a training course or write a manual detailing the methods you would prefer your employees to use. Go over this information with your employees before you send them out on a job and it is probably a good idea to go with your new employees on their first assignment in order to teach them your methods by example, and to see if their techniques and standards meet with your own.

Some Maid Services provide a checklist for the employee to take with them on each job so that you have a record of the time spent on the job and any extras such as laundry, oven cleaning and/or window washing for which you need to add additional charges.

Many services use a team system, sending a group of maids (2 to 4) to visit the same houses each week. This allows them to become familiar with the customer's needs to rotate chores to reduce the monotony.

Some services don't like the team system cause clients may prefer to have their own personal housekeeper who will be in the house for a set period of time each week. Also, a team will probably not develop a loyal following that an individual maid might if he/she gives exemplary service.

You may wish to furnish all your own supplies and equipment thereby ensuring that you will have quality tools of the trade to use and/or supply to your employees. Or you may wish to have the supplies and equipment with you, or having an employee riding the bus carrying a mop.

Making a Name

There are a number of advertising methods available which won't cost you an arm and leg. You can hand out or mail flyers via bulk mail. Most supermarkets have bulletin boards where you can put your name and number. In most areas, there are

a number of neighborhood or pennysaver newspapers who charge very reasonable rates for advertising. And if your employees are driving to and from assignments, you can have magnetic signs made to attach to the car doors for mobile advertising.

Spend some time thinking about the most lucrative geographic area at which to target your advertising. Maids are no longer an exclusive luxury for the very rich, but low income households can't afford their services either. Target professional neighborhoods where the average income is \$40,000 or more and both spouse are working. Families with children probably have the greatest need for your services.

The majority of your business will probably come from residential homes, but don't limit yourself. Be creative! Perhaps you could offer gift certificates for your clients to give to friends for pre-holiday clean-up or new mothers. You may not be looking for one-time cleaning jobs, but if a person wants you to clean their home for the holidays, and you do a bang-up job, you could turn them from one-timers into steady clients, or get good-as-gold referrals from them to their friends.

There are plenty of real estate agents out there who might have apartment houses that need cleaning or could recommend you to their buyers to clean houses for sale. Newly built homes also need cleaning before or after a sale, so try contacting building/construction entrepreneurs who could use your services.

Targeting offices may not be the best use of your advertising dollars. They frequently require a complicated bidding process and more heavy janitorial work than you are prepared to do. They can be lucrative but perhaps not fit within your parameters.

How and What to Charge

When you have been contacted by a potential client, it is a good idea to make a home visit (probably in the evening or on weekends to accommodate working people) in order to make a fair and equitable estimate of the charge for services. You can make an estimate over the phone, but if you haven't seen a client's home you won't know about extras and the scope of the work necessary to do the job.

There are a number of factors to keep in mind when pricing a job. Of course the basic rate will be determined by the hourly fee you will be paying your employees and how long it will take to clean the house. But households with children, large collections of knick-knacks, or pets will require more time. If

the family is always at home, it will take more time if you are dealing with a single person who is regularly out of town on business. You may need to charge a higher first-time-clean rate to put a house in order to be kept clean on a weekly basis or higher rate to those who wish only monthly or bi-weekly services. A house that has been thoroughly scrubbed the previous week will certainly not take as much time as one that is cleaned on a monthly basis.

Most of the large maid service firms bond their employees to cover theft in addition to liability insurance but smaller firms can probably get along with blanket liability insurance. Thorough pre-screening of employees can eliminate the chances for theft so be careful. You are putting good name on the line every time you send a client into someone's home and one bad apple could spoil your business.

It's Hard to Get Good Help These Days

Finding and keeping good employees may well be the hardest and most frustrating aspect of this business. Employee turnover is extremely high in this industry and you will have to constantly be refilling your ranks. You will probably have to expend as much effort advertising for employees as you do for new clients. You may want to offer your employees some monetary incentive to recommend their friends or relatives who might want jobs. State employment agencies may also be a good source for employees.

Be prepared! Getting an employee in this industry to stay committed is even tougher than finding employees. More often than you'll like, employees will simply not show up for the job. You may need to go in yourself and do the work, or have some back-up folks willing to take last minute assignments. Turn-over is a hard cold fact in the Maid Services Industry, but there are ways to curtail the turn-over as much as possible.

First of all, let them know they are important and doing a good job. You may want to issue uniforms to the employees in order to give them a sense of belonging and being part of a "team".

Next, you Don't make money if you Can't get anyone to work for you, so pay your employees well. They know they do the lion's share of the work, and they deserve to get their fair share. Set up your unskilled labor jobs are offering. Remember the longer an employee stays with you, the more efficient they will become.

Be flexible. Your employees will often have families and want to work part-time. If you need help at inconvenient times, pay bonuses. Make it attractive for them to work for you and to stay with you.

An alternative to the type of Maid Service we've described above is to become more of a placement agency than a service agency. You may wish to continue recruiting employees but match them directly with the homeowner. The maid will actually be an employee of the homeowner instead of your employee and you can charge a fee for the placement service.. You could continue recruit and train the maids but wouldn't have to worry about the high turnover rate, supplies and equipment, or insurance.

No matter which direction you choose to go in, you've picked an industry with infinite possibilities. Houses never stay clean and fewer and fewer professionals have the time to do their own homemaking. If you can keep good people and provide a dependable and satisfactory service, the possibilities are endless.

Resources

Cleaning Management Institute, 1550-D Rockfield Blvd., Irvine, CA 92718 (714) 770-5008.

National Maintenance Management Association, P.O. Box 3916, Texas City, TX 77592 (703) 871-8236

For additional information helpful in setting up your new business, information about licenses, permits, the legal structure of your new business, taxes, insurance and much more refer to the Business Start-Up Fact Finder Manual