

Maintaining Over 1 Million Square Feet of Carpet



This is one of a number of northern Illinois office buildings owned by Hamilton Partners and cleaned by Chip Schneider's company, Classic Contract Cleaning.

Over a million square feet. A nice round number any way you look at it. But when you consider that's the number of square feet Chip Schneider of Classic Contract Cleaning maintains yearly with HOST®, it's pretty

impressive indeed. What's more, he achieves that with only two full-time employees using Freestyle® extractorVAC™ machines. What's his secret? Actually, he has several.

Dynamite Demonstrations

"I try to show the facility manager prospect a dynamite HOST demonstration. Proving you can solve a carpet cleaning problem for a potential customer is the best way to get the job. Those who have been cleaning using HOST for awhile become accustomed to the everyday miracles the system works on carpets around the world.

"Typically, you tape a square in the middle of the worst looking carpet the prospect can find in a facility, often carpet everyone else has tried and failed to clean with

other methods. Clean with HOST, remove the tape and allow the prospect to be dazzled," said Chip.

Classic Contract Cleaning's First Big Contract

Chip got his first big account at the end of the first year in business in this way, "I proposed cleaning an eighteen building apartment complex. The owner asked me to demonstrate on the 10 year old carpet in an entrance lobby. The carpet looked black and was matted almost past recognition as being a carpet and not a hard floor.

"The owner wanted me to clean along the wall. After several applications of HOST, brushing and vacuuming, the carpet color was bright, the pattern was visible and the pile was lifted again. The owner exclaimed, 'You mean you



Chip Schneider, Executive V.P. of Classic Contract Cleaning, shown here with client, Nancy Lucht, Asset Manager for Hamilton Partners.



Chip calculates that the Freestyle® picks up HOST SPONGES® five times as fast and eliminates the need for an additional worker to run an upright vacuum.

can make all the carpet look like that?’ I replied confidently that I could, and the job was mine. I charged a fair price for the carpet restoration and set up a maintenance cleaning for the complex thereafter.”

How the Company Started

Walt Schneider, CBSE, Chip’s father, has run a janitorial service business for over 35 years. Chip began to work in his father’s company at age 14. He used shampoo and bonnet machines in various accounts though he never cared much for hot water extraction, describing it as too hot and too difficult to use. Chip wanted to come into the company full time after high school but Walt, foreseeing the changing landscape of the educated facility manager, recommended that Chip complete college first.

After college Chip proposed setting up a branch of the company with a single focus. They investigated blind cleaning, truck mount carpet cleaning and other options. Finally Chip hit on

the idea of using the HOST Machines and product that was being stored in the family garage. (Walt had used HOST a few times but had not yet become a believer.)

In Chip’s eyes it was the ideal choice, he could use existing equipment, a company truck and a helper who was already on the janitorial business’ payroll. In effect, he’d be starting out with no direct out-of-pocket costs to the family business.

Walt saw it another way. Drawing from business statistics and his own experience, he knew that most special service companies set up as a division of a janitorial business fail. Though he had his doubts, Walt gave the go ahead. Chip attended a HOST School to get to know the system and then went out after new accounts.

Building the Business by Referrals

One of Classic Contract Cleaning’s largest accounts is a major property management firm that handles many

Class A office buildings in the northern Illinois area. Once again a demonstration did the trick. “Nancy Lucht, an asset manager for the management firm, asked me to demonstrate on a carpeted area in a lobby. She was impressed. When the new budget year came around, I was given the carpet maintenance contract for the whole building. That was eleven years ago.”

Saving the Customers’ Carpet (and lots of money)

“One of the management company’s building tenants was FedEx. Their office complex was carpeted in beige carpet tile that was so badly soiled and matted that it was scheduled to be replaced. Classic Contract Cleaning’s services and HOST saved that carpet, which lasted another five years, ringing in a savings of tens of thousands of dollars for that facility alone!

“Nancy referred me to a colleague, Kim Place, the manager of an office tower complex in the Lake Cook area. Formerly, when old tenants moved out of this complex, the carpet was replaced for the new tenant. This was a considerable expense and caused a scheduling headache. Now we simply clean most spaces with the HOST System! Kim has introduced me to other managers and, as each has had a problem to be solved, I’ve had the opportunity to expand into new accounts.

“Often carpet cleaning is an add-on service offered by the building service contractor. In the case of Hamilton Partners, they have me perform all the carpet work and the building service contractor does the rest.

“Sometimes tenants request carpet cleaning as part of the lease and I get those jobs too. At one complex I had begun to work with Zenith Data Systems, a major tenant at that time. I had proposed a maintenance plan for them but before I could begin they were bought out, the office

slow periods in others.

“If the prospect has an issue with the cost of the monthly maintenance, I propose cleaning alternate floors in the facility, which halves the amount the manager must pay but is frequent enough to maintain the appearance level. That way we have a win-win

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closed and the space subleased to a major insurance company.

“The insurer has a facility manager whose only job is to open new offices. He had a problem with the carpet in some executive offices. I was called in to clean two rooms and, as usual, I solved the problems with HOST. Kim suggested they have me maintain the carpet and they accepted my maintenance proposal which I had originally prepared for Zenith! An initial restoration cleaning was needed on seven floors of the complex. We then implemented a carpet maintenance plan that included monthly cleaning of elevator lobbies on alternating floors as well as key traffic paths in core hallways that lead to restrooms and other areas.”

Controlled Cash Flow

“This strategy is a key to my financial success. I sell maintenance contracts that are performed monthly, so my company’s income is steady. I avoid jobs or situations that cause a lot of activity in some months and

situation. The carpet looks good and lasts years longer and my employees and I have paychecks we can count on month by month.”

Back on the Office Complex Campus

“Back to the insurance company account—the site was designed to accommodate an additional office tower which was built for them to occupy. I now clean all of the carpet in this new facility which includes carpet tile, broadloom in the executive offices and in a very large cafeteria that is used by literally thousands of people daily. The cafeteria carpet is three years old and after being cleaned monthly with HOST it looks virtually new.

“The office building floors are cleaned on alternate months, that is, each floor is cleaned every other month. A few high traffic and prestige areas are cleaned weekly. A special executive area that branches from a security station has maple floors with an elegant pin dot carpet laid as rug. That area is also cleaned

weekly.”

Other Secrets of Success

Chip has some other ways of working which help his company’s cash flow.

“My employees are paid a percentage of each job, but not for call backs. So each employee has a vested interest in doing the job right the first time in a timely way, since the more jobs they do the more money they make.

“If a maintenance contract works out to be best maintained on a quarterly frequency, I structure the proposal so that it fits in with the other quarterly contracts I have so there are no peaks and valleys in scheduling, just a steady stream of year-round work.” Chip’s emphasis on controlling expenses and creating



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a steady cash flow is a strong foundation on which to grow.

Productivity Gains from New Equipment & Improved Cleaning Formula

Chip's HOST business is growing at about 20% per year. Interestingly, his level of HOST cleaner purchases remains about the same. What's the explanation? Chip firmly believes, "the HOST SPONGES® formula cleans better than ever. Being a Charter Member of the HOST Professional Carpet Cleaners Association (HPCA), I receive bulletins from company headquarters about product improvements. HOST has an ongoing process of quality control and improvement and I can really vouch for the fact that product performance is excellent.

"When I started with HOST, I was using T6 machines and had a helper from the janitorial service who went on jobs specifically to vacuum up the dried HOST after I had finished machine brushing. That helper, David Pacheco, is now the key employee in the carpet cleaning service. David recruited his son-in-law three years later when growth meant more help was needed."

Labor Savings of 64%

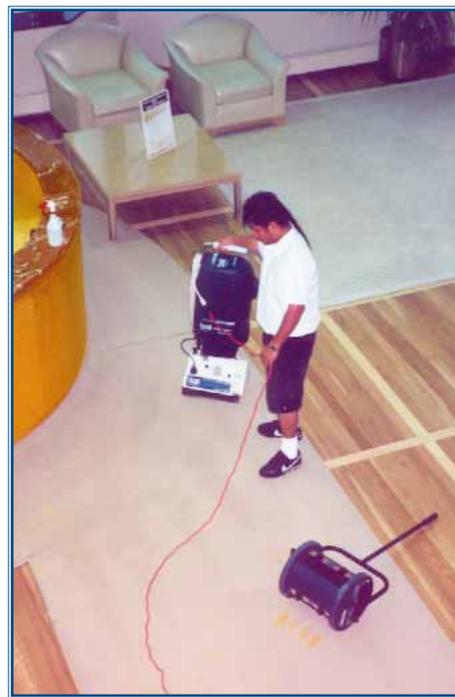
"We invested in a Freestyle extractorVAC when they were first introduced and later added two more." (The Freestyle is a machine that brushes in the HOST SPONGES and vacuums it up again while it is still damp.)

"I calculate that the Freestyle picks up HOST SPONGES five times as fast and there is no need for an additional worker to run a conventional upright vacuum. An office floor of 18,000 square feet used to be cleaned by four workers and took an entire shift of seven hours—a total of 28 man hours. Now two men clean the 18,000 square feet in five hours—totaling only ten man hours. That's a 64% labor savings!" And, as Chip notes dryly, "There are no payroll expenses for the Freestyles."

Formula for Success

So you can see, Chip Schneider and his company are well positioned for further growth in the years to come.

You can be too by focusing on his formula for success: "Invest in yourself, in training and education, good equipment and people. Give a terrific demonstration, seek out ongoing maintenance contracts, be persistent to get large accounts, offer flexibility in your maintenance



"My employees are paid a percentage of each job, but not for call backs. So each employee has a vested interest in doing the job right the first time."

contracts and schedule to provide an even cash flow," Chip concluded.

And, a final quote from longtime client Nancy Lucht, "Now my carpet care is hassle free!"



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