

WHAT BUSINESS ARE YOU REALLY IN??

By Steve Marsh

Why do so few carpet cleaning businesses really succeed? Carpet cleaning technicians are able to generate up to \$100 per hour or more and are surrounded by an unlimited market to service. Virtually every home and office in the country has carpet and/or upholstered furniture which needs regular maintenance cleaning. The business requires relatively small overhead expenses. Despite all this, very few cleaning business owners are able to create a comfortable life style. What is wrong with this picture?

A major reason business owners lack success stems from their view of what business they believe they are in. If you ask an owner of a carpet cleaning business what business he's in, he'll most likely give you the obvious answer; "the carpet cleaning business." Unfortunately, this answer makes succeeding very difficult. It is not so much what he says, but the perception he has of his business.

Having the wrong perception of your business will cause problems in three major areas:

Self-esteem: If I am in the carpet cleaning business and I am the person doing the work, that makes me a "carpet cleaner." Unfortunately, in our society a carpet cleaner does not claim the same prestige as a doctor, attorney or other white collar professional. Carpet cleaners are generally viewed as part of the housekeeping/janitorial service industry and are paid about \$30,000 per year. I could be the nicest person in the world, but if this is the way I viewed myself it would be difficult to be proud of my chosen profession. I would also have a difficult time justifying to myself that I deserved to earn more than \$30,000 a year. Many times people subconsciously sabotage their own efforts to earn more. Low self-esteem limits what you think you are worth.

Goals: If I'm in the carpet cleaning business, it seems logical that my goal is to clean carpets. I would be focused on cleaning as many carpets as possible; the dirtier the better since this would better demonstrate my expertise. Of course, if I want to take pride in my work, the closer to perfection I can achieve in my

cleaning, the better. If this is my goal, my thinking would be "just point me in the direction of a dirty carpet and let me at it." It would make no difference how big or small the job, how far away, or whether it was commercial or residential. This focus on just the technical aspects of cleaning makes for an ideal employee, but results in financial hardship if it's the owner's thinking.

Priorities: If I make cleaning the number one priority; everything else takes a back seat. "Details" like paying bills, marketing, data entry, reminder cards, schedule vehicle maintenance, cleaning the van, returning customer calls and writing a customer newsletter will "just have to wait until I have the time and energy." Even though taking an IICRC class or a marketing seminar would be a good idea, if it prevents me from doing even one cleaning job, "It will just have to be put off."

A different Point of View

What happens if I redefine my perspective? Instead of being in the carpet cleaning business, I realize I'm in the business of creating and maintaining very profitable residential customers. The primary service I provide to accomplish this happens to be carpet and upholstery cleaning.

Self-esteem: I no longer have to view myself as just a carpet cleaner. I am a business owner, the same as Bill Gates. I have created a business and have to face challenges similar to any major corporation. If I succeed, the unlimited profit I earn is well deserved. The actual service my business provides is secondary. I am entitled to be proud of all that I have accomplished. If I survive and produce a true profit, I will have accomplished what 80 percent of all other businesses have failed to do.

Goals: Instead of just focusing on cleaning, I have three goals: 1) creating customers, 2) retaining them and 3) making sure they are profitable. Getting new customers is a vital part of any successful business but it's just as important to hold onto them. There are two important elements that go into customer retention. First, make sure the customer receives good value.

This is accomplished by delivering more perceived service, quality and peace of mind than what they paid for. Secondly, don't allow the customer to forget the business name or phone number. This is accomplished by having a complete follow-up system for staying in touch with the customer. Acquiring new customers and holding onto them is only valuable if I am making a profit. Every job doesn't necessarily produce a profit and some are more profitable than others. Time, energy and money need to be invested in creating as many highly profitable customers as possible. Instead of looking for dirty carpets, I now look for customers with clean carpets who want to keep them looking that way.

Priorities: quality workmanship is important, but the level of quality has to be balanced with delivering good customer value and producing a healthy profit. I can't afford to strive for cleaning perfection on every job, instead I need to match the quality and service provided with the amount being charged for the job. I need to track customer profitability and try to increase it by replacing the less desirable customers with more profitable ones.

For maximizing profit all aspects of the business need to be taken care of – paying bills, returning calls, van and machine maintenance and customer follow-up are as important as providing the service I advertise to my customers. Receiving the best technical and business education is vital for producing profit. Seeing the importance of all parts of a business and keeping a good balance is not easy, but the end result will be worth all of the work invested.

How you answer the question "what business are in you?" makes a huge difference, not only to your financial success, but in the pride of ownership that goes with it. When you operate under the assumption you are in the business of creating and maintaining very profitable residential customers as opposed to "just cleaning carpets" you'll find your business much more enjoyable and profitable.