

A person in a blue uniform is using a vacuum cleaner in a conference room. The room has a long table, chairs, and water bottles. A blue vacuum cleaner is visible in the foreground.

A VETTED BIZ GUIDE:

CLEANING AND MAINTENANCE INDUSTRY

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Opportunities in the Cleaning and Maintenance Industry

"Cleaning and Maintenance" is an industry that is overlooked by many, yet has a strong **potential for profits**. The industry is constantly in **demand** as there will always be a need for an office building or retail store to hire professional cleaners or for homes or commercial spaces to undergo maintenance and repair services.

Cleaning and Maintenance has **strong recurring revenue potential** as many of these businesses involve signing clients to contracts. The likelihood for client retention is high so long as the business is able to fulfill the obligations of the contract and do a good job. This helps produce the potential of strong **profit margins of >25%**. Vetted Biz believes that the Cleaning and Maintenance industry has great opportunities for growth in today's market.



Cleaning and Maintenance Industry Numbers



The Cleaning and Maintenance Industry is valued at **\$10 billion annually**, and has had a **5% year-over-year** growth for the **past 5 years**. The wide array of services included in this spectrum also allow for **multiple revenue streams** derived from businesses providing painting, outdoor cleaning and commercial cleaning.

Cleaning and Maintenance Industry 10-year Business Success Record



The SBA Loan Success Ratio (developed by Vetted Biz) is a vital measurement for **financial strength and can be applied to many small business categories**. The loan success ratio calculates **how many businesses have successfully paid back their loans for each business that defaulted and most likely closed**. Beware of loan success ratios below 4:1 as there is a substantial risk for failure in that business sector.

Franchised Success Ratio

5 : 1

Cleaning and Maintenance Industry

10 : 1

All Industries

Non-Franchised Success Ratio

11 : 1

Cleaning and Maintenance Industry

11 : 1

All Industries

*Data was obtained from the Small Business Administration (SBA) records.
SBA loan data is taken from 567,734 loans issued from 2010 to 2019.

Cleaning and Maintenance Industry 30-year Franchise Success Record



Cleaning and Maintenance
Franchise Success Ratio

5 : 1

All Industries
Franchise Success Ratio

4 : 1

From 1991 to 2019, **2,010 loans** were issued to franchises within the **Cleaning and Maintenance** industry, out of the **108,404** loans issued franchises overall. SBA Loan Success Ratio is considered an important measurement of past business success, and takes into account the **number of businesses** that **successfully pay back** their business loans, for every **1 business** that **defaults** on their loan and most likely **closes down**.

Cleaning and Maintenance Franchise Information

Cleaning and Maintenance businesses provide a range of services, such as restoration, outdoor cleaning, or commercial cleaning. The past 10-year **success ratio** for loans issued to franchises within the Cleaning and Maintenance industry showed that for every **5 loans** that were **Paid In Full, 1 Defaulted**.

The standard
Cleaning and Maintenance
franchise industry
investment amount
is **\$115,000**

Average Franchise Royalty* and
Marketing Fees
within this industry
are **7.9%** and **2.8%**
respectively**

Industry Example Franchise



It helps to look at a specific example of a franchise concept with historical financials that is part of the Cleaning and Maintenance industry to have a clearer picture regarding financials for a franchise operating in this industry.

Industry Example Franchise

The specific example subsequently shown provides **outdoor maintenance** and **house detailing** services.

Industry Example Franchise Numbers

The specific example subsequently shown was founded in **2014**, and currently has **22 units** established across a number of US states.

Industry Example Franchise Financials



Calendar Year	Franchisees Operating Over 24 Months		Franchisees Operating 12-24 Months		Franchisees Operating Less than 12 Months		All Franchisees in System	
	2017	2018	2017	2018	2017	2018	2017	2018
# of Franchisees in Range	0 of 6	3 of 14	3 of 6	3 of 14	3 of 6	8 of 14	6	14
Total Gross Revenue	n/a	\$845,361	\$737,633	\$682,495	\$288,785	\$947,719	\$1,026,419	\$2,475,575
Average Gross Revenue	n/a	\$281,787	\$245,878	\$227,498	\$96,262	\$118,465	\$171,070	\$176,827
# and % at or above Average	n/a	1/33%	1/33%	1/33%	1/33%	3/38%	3/50%	7/50%
Median Gross Revenue	n/a	\$280,695	\$230,740	\$200,394	\$90,860	\$84,757	\$170,393	\$165,024
# and % at or above Median	n/a	1/33%	2/67%	1/33%	2/67%	4/50%	3/50%	7/50%
Highest/Lowest Gross Revenue in Range	n/a	\$435,012/ \$129,654	\$353,484/ \$153,409	\$406,251/ \$75,851	\$187,376/ \$10,549	\$233,904/ \$37,673	\$353,484/ \$10,549	\$435,012/ \$37,673
Average Job Size	n/a	\$468	\$410	\$414	\$346	\$515	\$378	\$468
# and % at or above Avg. Job Size	n/a	2/67%	1/33%	1/33%	1/33%	4/50%	4/67%	10/71%
Median Average Job Size	n/a	\$469	\$393	\$350	\$312	\$521	\$393	\$479
# and % at or above Median Job Size	n/a	1/33%	2/67%	1/33%	2/67%	4/50%	3/50%	7/50%

Final Thoughts

- Cleaning and Maintenance is an industry that allows for a steady stream of **recurring revenues**, with many services offered for a high margin.
- The **business to business** aspect provides the investor with a client base that will **keep returning** as long as they provide a good service.
- Vetted Biz has identified numerous **low cost, high profit** potential franchises in this industry
- We at Vetted Biz are here to help our clients find the **best Cleaning and Maintenance opportunity** that fits their investment and personal goals.



Visit our business listings to find the best business or franchise for your entrepreneurial goals!

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