



Cleaning Services Co - Litter Pickup Business Plan

Executive summary

Current Status and Experience

Over the last six years we have maintained a contract with the local neighborhood association to pick up over six cubic yards of trash across five miles daily. We are now looking to grow this program in order to expand employment opportunities for more clients to aid in their journey from homeless to home. All revenue generated by the Cleaning Services Co will be reinvested in the [Parent Nonprofit] and employment program.

Industry Analysis

Cleaning Services Co will be operating within the litter pickup subset of the waste collection services industry. Litter pickup is an \$11 billion industry in the maturity stage in the US market. The demand for this industry will remain steady as long as trash is disposed of on public ground. This industry is fragmented due to different state regulations and the geographical locations of population centers.

Competition is high due to low barriers to entry such as low startup costs and minimal skills training. In order to distinguish ourselves we will leverage our extensive contacts within the [City] community and provide competitive pricing with a strong focus on fulfilling contractual obligations. In order to ensure customer satisfaction, customers will be followed up with after the first week of service and then once a month following that.

Market Analysis

The target market of Cleaning Services Co is segmented based on geography. Contracts with the city government and other local businesses that require regular litter pickup are Cleaning Services Co's target consumers. There are currently several organizations that we have identified to try to partner with initially including the Waste Management Division and the Parks and Recreation Department. Cleaning Services Co is set to enter the market in the summer of 2016 and sell a total of two annual contracts by the end of the year for an approximate total of \$120,000 in sales.

Marketing Plan

Our marketing tactics will be targeted, low-cost, and purposeful. The marketing plan for Cleaning Services Co is focused on building relationships with customers to generate word-of-mouth sales and build a reliable brand. Direct selling will be used in order to secure new annual contracts as well as inform clients of our ability to pick up special one-time events. We will also use our contacts within the local government to expand and secure additional routes with the city. Initial awareness will be achieved through leveraging [Parent Nonprofit]'s existing relationships within the [City] community to acquire the first few customers as well as leveraging

existing social media platforms. An informative flyer will also be sent out to all current volunteers and donors.

Management Team & Company Structure

[Redacted]

Operations Plan, Service Design, and Development Plan

The biggest challenges involved in operating a new litter pickup service are:

- 1) Public Consumers: Securing the initial contract with the local government through the federal bidding process
- 2) Private Consumers: Convincing businesses to make the switch to a new litter pickup business
- 3) To manage material and labor costs in order to maintain strong gross margins while offering our service at a competitive price.

As a result our operations will be centered around:

- 1) Aggressive lead generation, follow up, and direct personal selling
- 2) Coordinating multiple litter crews that will work together to pick up trash efficiently
- 3) Customer service and quality control to ensure that the job is done right the first time to build a strong reputation with our customers

Company Description

The Cleaning Services Co has recognized that the [City] has a need for private community partners to partner with the city to clean up litter around the city. As [City] works to continuously improve the city and maintain its pristine image, it is important to employ regular individuals to keep [City] beautiful. Due to this, [Parent Nonprofit] is looking to partner with the Waste Management Department for annual litter pickup contracts. This partnership would provide the opportunity for [Parent Nonprofit] to expand upon the vocational grounds and litter pickup program of [Parent Nonprofit].

The Cleaning Services Co will also create a direct benefit to the [City] community. All employees of the Cleaning Services Co will be homeless or disadvantaged individuals who are clients of the [Parent Nonprofit]. By providing steady employment, and sheltered housing, the Cleaning Services Co will provide the city an estimated savings of \$40,000 per person that is off the streets. Beyond that, it will provide hope and restore dignity to our employees by removing the barriers to employment that homeless individuals often face. The goal of the program is to transition our employees from the Cleaning Services Co into their own housing within four months of employment, and a full time position within six months.

Our Company

The [Parent Nonprofit] programs were established to provide gainful employment as well as skill development in order to aid clients in their journey from homeless to home. The Cleaning Services Co is one of three of the social enterprises that the [Parent Nonprofit] is planning to launch in 2016 and 2017. A full list of the social enterprises is included on the next page. All will be located in the [City].

Social Enterprises:

1. Cleaning Services Co: litter pickup
2. Commercial janitorial service
3. Commercial Kitchen Rental

A social enterprise directly addresses a social need through its products and services or through the employment of disadvantaged individuals. The social mission is equally as important as generating revenue.

Mission

[Redacted]

Vision

[Redacted]

What We Believe

[Redacted]

Guiding Principles

[Redacted]

Social Outcomes

70% of employees will be homeless when hired

50% of employees will maintain employment for 6 months

50% of employees will move into their own housing within 4 months of employment

85% of employees that move into their own housing will maintain housing for at least 12 months

Economic Outcomes

100% of profits will provide operating support for the [Parent Nonprofit]

Industry Analysis

Cleaning Services Co will operate within the waste collection services industry which was a \$44.4 billion industry in 2015 and has a projected growth rate 0.5% in 2016. The \$44.4 billion does not account for federal contracts related to waste collection. Within the waste collection services industry, Cleaning Services Co will operate specifically within litter pickup which costs an estimated \$11.5 billion annually.

Businesses account for over \$9.1 billion or 80% of the annual expenditures, state and local governments spend over \$1.3 billion, and educational institutions spend an estimated \$241 million annually. A full table that explains the direct costs of litter to various agencies is below.

Direct Costs of Litter	
Entity Type	Cost (millions)
States	\$363
Counties	\$185
Municipalities	\$797
Businesses	\$9,128
Educational	\$240
NGOs	\$769

The Department of Public Safety operates on a state level and is responsible for keeping the federal highways clean. In [State], highway litter cleanup cost taxpayers and the Department of Public Safety over \$47 million annually and this number is expected to increase with the state's population growth. The Department of Public Safety contracts with [Competitor SE] and private companies for highways within [County] were worth \$1,827,000 in 2015. At a local government level, highway and residential litter is estimated to cost the cities within the [Region] approximately \$23 million annually. Indirect costs of litter include decreased property values and various environmental impacts relating to highway safety, water cleanliness, clogged drainage systems, wildlife industries, and degraded ecosystems.

Industry Characteristics

The structure of the waste collection and litter pickup industry can be broken down by geography, and then by private or federal contracts. From there, the industry is highly fragmented and there are no major companies that hold a majority market share. As the central nonprofit, [Competitor SE] has the largest amount of litter pickup contracts within the [State] for a single business. However, these contracts are carried out by different Community Rehabilitation Partners (CRPs) that receive their contracts through the programs that provides employment to disabled individuals. As a whole, the industry is mainly made up of many small companies that operate within a given niche where they have found success. This characteristic is mainly due to the barriers of entry being low in this industry because a relatively small amount of startup capital needed is required to launch.

Within [County], there has been a push towards community rehabilitation and development. With the “Keep [City] Beautiful” campaign as well as the Water Department’s “Reverse Litter” campaign, there is a growing awareness and push to keep public areas clean and litter free. Furthermore, the Code Compliance Department is expected to present a solid waste management plan to the city council in August 2016, and it will be one of the largest green initiatives ever undertaken by the city. As these projects gain community attention, there are increasing opportunities for the Cleaning Services Co to partner with the city to help with their trash initiatives. Specifically, the Waste Department is looking to begin partnering with private companies for litter pickup so that they can shift their crews and attention to code enforcement and larger projects as required by city projects.

As we take into account the various and growing opportunities within [County] as well as possible partnerships with neighborhood associations and private business, we think the long-term prospects for the Cleaning Services Co are incredible. The industry is set up in a manner in which we should be able to enter rather effortlessly with opportunities to grow steadily beyond our initial contracts in both the public and private sectors. [Parent Nonprofit] will leverage current relationships with city officials to gain initial leads for new contracts. Our ability to provide competitive market rates, partnered with our social mission, will provide incentive for companies to make the switch to Cleaning Services Co.

Market Analysis

All City Agencies that we may have identified as a possible opportunity to partner with are:

[Redacted]

Other Agencies and Private Businesses:

[Redacted]

Target Market Selection

Cleaning Services Co will be operating within [County] as a private company that works with both local government agencies and private companies. Initially we will try to partner with the Solid Waste Services Department for an annual contract on a local trash route. Once we secure an initial government contract, the contract can be amended to include more local routes without having to go through the bidding process. We will try to use this to our advantage and expand our contract to include more routes and create relationships with other agencies such as the Parks and Recreation Department.

After targeting the local city government, we will look into securing contracts with private companies such as [Media Co], [Entertainment Co], and [Entertainment Co]. Other companies that put on large special events that will require trash cleanup will be approached for one time special events contracts.

Finally, we will look to securing contracts with local neighborhood associations for trash and litter pickup. Most neighborhood associations also desire landscaping maintenance which is an added service the Cleaning Services Co will provide if the project is determined to be profitable.

Marketing Plan

While each enterprise will have a separate marketing budget, all marketing for the three social enterprises will be cohesive and fit with our brand strategy. Our overall goal is to generate a trusted brand that generates word of mouth (WOM) about our program, mission, vision, and various enterprises. By nurturing organic efforts to raise awareness about our program as a whole, we hope to generate connections and sales that will lead to employment opportunities.

Direct selling will be used in order to secure all new contracts. Current contacts will be leveraged in order to identify new contract opportunities. Informative flyers and newsletters will be sent out to raise initial awareness with our employees, volunteers, and current donors. Newsletters will be sent out on a quarterly basis to keep those mentioned prior informed of new developments. Targeted selling brochures will be supplied to community partners such as [Nonprofit 1] and [Nonprofit 2] in order for our sales teams to work in collaborative efforts since we have different strengths and capabilities.

Pricing Strategy:

Cleaning Services Co will operate as a normal for profit business. Bids for the city will be in the \$15-\$18 as determined by the average market rate. Bids for private companies will be in the \$18-\$20 as determined by the scope and length of the project.

Promotional Activities

Supportive promotional activities for the sale process are as follows:

Newsletters. Informative newsletters will be sent out to our employees and donors to inform them of the Social Enterprise Program. After the initial newsletter updates will be sent out outlining the status of the various social enterprises.

Sale Expertise. By building relationships with local event coordinators and business, Cleaning Services Co can gain word of mouth vendor recommendations from trusted sources.

Referral Program. We may incentivize our customers to recommend our services to others.

Consumer Reviews. Consumers that have a positive experience and interact with a brand are 60% likely to share their experience with someone. This number increases to over 80% if the company asks the consumers after a relationship has been formed. By purposefully asking consumers to review us, we will generate more sales. Two-thirds of all purchasing decisions are based off of other consumer reviews.

Secondary Efforts

The current [Parent Nonprofit] website will need to be updated to include information about the Social Enterprise mission, vision, and guiding principles. This will be a vital resource for our clients, donors, and employers. It will serve as a platform that not only informs others about the Social Enterprise Program, but a resource that increases our brand credibility. Search engine optimization strategies (SEO) should be researched and invested in as long as it remains cohesive with [Parent Nonprofit]'s overall marketing strategy.

The opportunity for a blog focused on the Social Enterprise Program should be explored. Creating online content is important with today's media focused consumer. This blog will provide the following:

1. Increased information and therefore brand credibility with the online consumer
2. A platform with which the online community can actively engage with the social enterprises
3. An information source on a trending and growing community
4. A possible revenue source in the future

Social Enterprise is a growing field. By starting a resource for others working or entering the field, we help educate others through our success and failures.

Social Media Strategy

The Social Enterprise Program should remain on the same profiles and platforms that are currently used by the [Parent Nonprofit]. The reason for this is twofold:

1. The [Parent Nonprofit] already has strong brand equity within the [City] community that lend credibility to our social enterprises.
2. Sharing profiles saves time and resources that would be otherwise required when starting new profiles. It would provide instant access to current followers instead of starting from scratch.

The Social Enterprise Program will need to work closely with the Development Team in order to build a social media strategy that is concurrent with the overall [Parent Nonprofit]'s in order to share the profiles. An overall brand strategy, number of designated social enterprise posts per month, client stories, and event awareness will need to be discussed and determined.

Company Structure & Management Team:

Cleaning Services Co's management philosophy is centered on commitment, professionalism, customer service, and teamwork. Team members will be selected based on their work ethic and quality of character. It is imperative that the homeless employees demonstrate a desire to better their situation. Cleaning Services Co is a department that operates under the [Parent Nonprofit] which is incorporated as a nonprofit 501(c)(3)

Management Team:

[Redacted]

Organizational Structure:

[Redacted]

Operation Plan, Service Design, and Development Plan

Litter pickup is a low skill job that provides little to no opportunity for points of differentiation as discussed in the marketing section. Our operational goal will be to fulfill our contracts to the best of our ability while providing small services at no extra cost as a gesture of goodwill and commitment to providing the best services possible.

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Backstage Activities

Backstage (behind-the-scenes) activities include staff selection, an operations manual, and employee training.

- 1) Staff selection will start after the initial contract is secured. A crew of clients who are currently homeless and staying with [Parent Nonprofit] will be selected after submitting a resume and completing an interview. It is important that we find crew members who are dependable, have a desire to work and change their situation, and want to move into independent housing.
- 2) The Operations Manual will be a resource that includes all of our contracts, the contractual obligations, trash routes, and added services. This manual will also outline the required OSHA requirements for roadside safety for every contract we secure. The requirements outlined will be unique to every route based on the location and the speed limit.
- 3) Employee training for litter pickup will be minimal but still required for employees involved in our business operations. It is important to quickly and properly train our employees in appearance standards, job responsibilities, expectations, and roadside safety.

Litter Pickup Business Startup Costs

Used Truck		\$	10,000.00
Enclosed Trailer		\$	5,000.00
Safety Equipment and Supplies		\$	12,300.00
<i>Safety Cones</i>	<i>10 @ \$18.75</i>	\$	<i>187.50</i>
<i>Trash Collection Wands</i>	<i>20 @ \$20</i>	\$	<i>400.00</i>
<i>Employee Uniforms</i>	<i>3 per employee; 20 @ \$157</i>	\$	<i>9,600.00</i>
<i>Misc. Supplies</i>		\$	<i>100.00</i>
<i>Trash Bags</i>	<i>6 cartons @ \$78</i>	\$	<i>468.00</i>
<i>Dumpster Expense</i>	<i>6 months; 2x's per week @ \$255.16</i>	\$	<i>1530.96</i>
Marketing Material		\$	1,000.00
Program Development		\$	13,500.00
Total Startup Expense		\$	41,800.00