

Specialist Vs. Jack-of-all Trades

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Feature

Customers Demand More, But Do You Have A Winning Hand?

Which hand should you deal to customers?

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Even though the professional cleaning industry tends to be less affected than other industries during financial meltdowns, we are no longer immune.

This means that astute building service contractors (BSCs) must take a close look at their businesses and determine not only what steps they should take now to weather the current storm, but also what they can do to actually build their businesses during these uncertain economic times.

After all, in past downturns, many leading companies have actually come out stronger — with more market share and profits — than before.

Many BSCs are now much more cautious about spending, usually making purchases only for products that are necessary or that are perceived to be a good value.

Further, many firms have stepped up their efforts to pay off their debt and have been reluctant to assume new debt.

Additionally, contractors are reevaluating their businesses to see if it might be better to offer more services for their customers or specialize in just one or two.

For instance, many carpet cleaners have expanded their services to offer restoration work in addition to carpet cleaning and floor care.

Others have found that specializing in just one field, such as restoration, has proven to be more lucrative and reduces equipment needs and the amount of worker training necessary.

Some BSCs now offer a range of services, from parking lot and elevator maintenance to lighting and landscaping services.

Others once offered additional services but found it best to let them go and just specialize in what they do best: Cleaning.

Ace Or Wild Card?

Which is the right direction for your business?

Should you be an all-in-one cleaning company or a master of one — specializing in offering a specific task or service?

This is a more complicated issue than you might suspect; even leading business schools across the nation have analyzed and debated these questions.

In 2008, Alexander Chernev, an associate professor of marketing at the Kellogg School of Management near Chicago, conducted a study to evaluate these and related business strategies.

Customers were asked what they perceive to be a better product or service: One that specializes in just one task or service or one that can be used to handle a variety of tasks or services.

These were the study's findings:

- Most customers believe that a "single-attribute" product or service, one that specializes in one service or task, is better than an all-in-one product or service that can do many things. This was true even when the end customers were told that the two different types of products were essentially the same.
- For this group of customers, it is only when the price of the single-attribute product or service is perceived to be excessive does the customer select the all-in-one product or service, and only then if it is significantly less expensive.

In other words, Chernev found that a product specializing in a single attribute is perceived to be superior in that attribute relative to an all-in-one product having the same attribute but multiple other features as well.

In this case, specializing paid off as long as there was no — or a minor — difference in costs.

When comparing toothpaste, for instance, he found that consumers expect whitening-only toothpaste to whiten teeth better than toothpaste that both whitens and prevents cavities — again, even though the two products' whitening agents are essentially equivalent in effectiveness.

Up Economy To Down Economy

As to whether being a jack-of-all trades or specializing in one or two services is better, "there probably is not one 'correct' answer," says Michael Schaffer, president of Tornado Industries. "There are many variables to consider, from employee skills [and] equipment used to geography. In a big city it might work well to specialize; in a smaller area, offering multiple services would probably be imperative."

Schaffer suggests that BSCs that offer only base cleaning services experiment with offering more services to see, first, if there is a market for them and, second, if that market will prove lucrative and help the company through the economic storm.

"Don't venture into anything unless workers are skilled at performing the new service; on-the-job training on the customer's dime is bad business," Schaffer says. "Also, rather than investing in costly specialized cleaning equipment, select tools and equipment that can perform multiple tasks."

As an example, Schaffer points to equipment that can be used to clean carpets as well as hard surface floors. "This [selecting of multipurpose equipment] is a cost savings both when 'testing the waters' for a new service and, if the equipment proves effective, in the long term as well."

Mike Sawchuk, vice president of Enviro-Solutions Ltd., agrees and believes there are times when specialization is called for.

For instance, when selecting cleaning chemicals, he says it is usually best to work with chemicals designed for specific cleaning tasks.

According to Sawchuk, "When removing grease, for instance, always select a degreaser and not an all-purpose cleaner."

Also, he believes the time has come for cleaning contractors to specialize in environmentally preferable cleaning, no matter what other services they offer or what products, tools or equipment they use.

"Green cleaning is becoming the standard, and not offering it will soon start closing doors and opportunities for those BSCs that don't hop on the green bandwagon," says Sawchuk.

An Answer?

Although there may not be one correct answer as to whether to specialize or offer multiple services, an example of how one BSC grew, offered more services and benefited from two very difficult periods may provide some guidance.

A century ago, ABM Industries Inc., now one of the largest BSCs in the world, offered only window cleaning.

Then based in San Francisco, the company expanded into janitorial services after the 1906 earthquake as new office buildings were constructed and the demand for professional cleaning grew.

A lighting service was added during the Great Depression, furthering the company's growth.

In time, the firm expanded into elevator maintenance, security services and parking management.

"What ABM did was not only offer a variety of services, but they soon became specialists in those added services," says Schaffer. "That is possibly the best answer: Offer more services, but just make sure you can provide them as well as or better than anyone else."

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