

JOIN THE REVOLUTION

Rick Stoor, Managing Director of Templa, explains why cleaning companies should not feel that integrated software systems are inappropriate for them.

Outside the world of cleaning, big corporations use integrated software systems like SAP or Oracle to manage their businesses. Why? Because they have huge volumes of transactional data moving through the business, internally and externally, across business units and clients. If that data was all held in unconnected systems, for example one system for managing product costing and another for client billing, they'd need to find ways of interfacing those systems to ensure the correct data was being used for each transaction. They'd also need armies of management accountants to pull data from the disparate systems to perform meaningful business analysis. Otherwise they'd find it impossible to make business decisions.

So why does the cleaning industry need a joined up system? Cleaning contractors are so much smaller, I hear you say. The answer is that cleaning contractors have a lot more in common with big corporations than you think.

COMMON FEATURES OF CLEANING CONTRACTORS AND LARGE CORPORATIONS

The most notable similarity is the amount of staff. Here's a statistic. In the UK, the average turnover of a medium to large company (defined as having more than 50 staff) is £63m per annum, and its average number of employees is 335, backed up by a sizeable HR/Payroll department. Compare that to a cleaning contractor with 335 staff and a turnover of around £3.4m. Then ask yourself whether the staff in a cleaning contractor need any less administrative support than in the average medium to large company.

The answer, of course, is that despite there being far less money available to fund the department, for several well documented reasons administering the 335 staff in a cleaning contractor actually requires far greater support.

These are:

1. Staff often work across different locations at different pay rates, as well as covering for each other.
2. The contractor requires a plethora of documentation in the form of timesheets, training, and right-to-work entitlements in order to manage payroll and comply with company/client requirements.
3. Staff's holiday entitlements and accruals, pension entitlements and sickness are particularly difficult to manage.

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And all of this before you consider that staff turnover is more than five times higher in cleaning than in the average UK company, and that absence rates are considerably higher too. So the cleaning contractor with 335 staff could actually be administering nearly 570 individual staff members in a year, equivalent to an average UK company with a turnover of nearer £100m.

Looking at the statistics below comparing the cleaning industry to UK industry at large, it raises the question: How do cleaning contractors manage this disproportionate burden? How can they effectively control the cost of staffing with such a small office resource?

	All UK companies with 50+ staff	UK Cleaning Industry
Annual revenue per employee	£199,000	£9,800
Staff turnover	9.9%	70%
Staff absence days	2.3%	5.2%
No. of staff per HR/Payroll employee	70	250-500 (estimated)

VARIATION BETWEEN CLIENT CONTRACTS

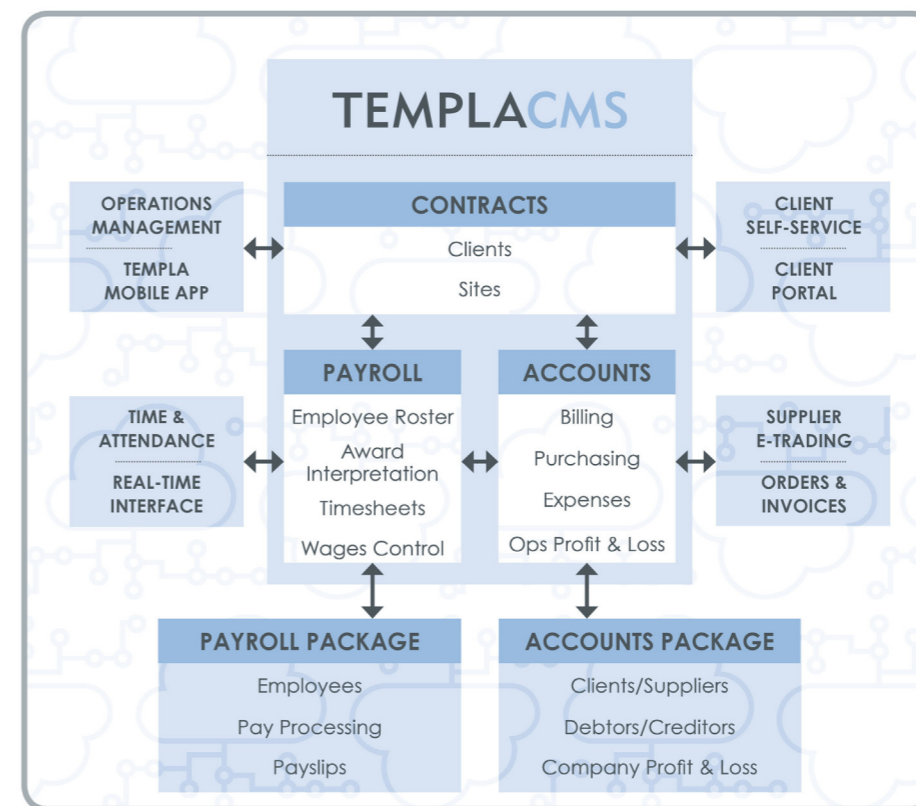
Then there's the complicating factor that no two client cleaning contracts are the same. Each one varies by cleaning machinery and products deployed, third party suppliers and subcontractors used, frequency and type of one-off work, re-charge mark-ups, quality auditing schedules, invoicing requirements, reporting protocols, pricing anniversaries – the list goes on. This requires substantial back office processing to ensure that clients are invoiced in full for work done whilst remaining satisfied with the service.

So it's no surprise that contractors often move to larger premises just to keep up with the growth in administration that comes with business expansion. Yet margins are constantly under pressure from clients, squeezing the overhead needed to manage the huge information flow created by staff and contract administration.

And this requirement shows no sign of receding. So the larger cleaning contractors become, the keener they are to find an IT solution for managing and integrating all these requirements. In fact the two most common reasons for purchasing integrated software are to manage payroll better and to keep general administration costs under control whilst revenue rises.

THE NEED FOR SOFTWARE INTEGRATION TO MANAGE THE BUSINESS

To be effective in controlling the cost of overheads, software systems need to be both integrated internally as



well as being capable of integrating effectively to external systems.

Internal integration is the most important element of the two. In a truly integrated system, each of the software's business modules shares the same data source in order to process company business transactions. There is only one version of the data, held in the single, central contracts database. This makes it simple to update and eliminates data errors caused by staff having to enter the same data into several different systems – more often than not using complex spreadsheets. For example, in order to process transactions such as stores orders, or to analyse data such as wage budgets versus actual.

INTEGRATION TO EXTERNAL SYSTEMS

As managing staff attendance is one of the most important areas of a cleaning contractor's operations, seamless integration to a time and attendance system is a key way in which a software system can add value. To use our own software, TemplaCMS, as an example, it delivers a two-way interface with any compatible recognised time and attendance system. Hours worked by

employees automatically enter our real-time timesheets, which are then fully reconciled to contracted hours and budgets.

The key features of the interface are as follows.

- TemplaCMS acts as the 'master' and driver of the 'slave' time and attendance software, meaning the database of client sites, employees, rosters, caller IDs and escalation protocols is all set up in TemplaCMS and the data is then shared seamlessly with the time and attendance software.
- Using the 'cloud', data from the time and attendance system is delivered in real-time to TemplaCMS's real-time timesheet environment, available to operations managers 24/7.
- TemplaCMS provides reconciliation control for the managers between the hours worked and the contracted hours on the timesheet.
- In a multi-contract building where landlord and tenants are separate clients, TemplaCMS handles the breakdown of the cleaners' hours between each individual contract.

- Cover staff are automatically added to timesheets.
- One-off work is controlled via a login number linked directly to the works order.

So what is the TemplaCMS difference when it comes to integrated contract management software?

TemplaCMS is a modular solution where each module will link to the other seamlessly. This design strategy is the foundation for extending integration out to external systems and stakeholders to help manage company business from end to end.

Our clear objective in product design is for dynamic integration of data and software whenever possible, as manual file export and import is unreliable and time consuming. As well as being more accurate, dynamic integration saves valuable time both in field operations and administration. It makes information more immediately available, to the right people at the right time, presenting a professional image to staff and clients alike.



When it comes to cost, a well-known contractor in London who uses TemplaCMS was able to recoup their investment within twelve months from savings and efficiencies achieved in the payroll area alone. So it's a case of timing your investment early to reap the benefits of your revenue growth. TemplaCMS is the ultimate solution to the complex world of the cleaning contractor. The UK contract cleaning sector is no different in many other parts of the world, which is why we are installed across the UK, Ireland, Australia and Europe.

www.templacms.co.uk