VOLUME 1

Coverall Franchised Business Training Workbook

This material is proprietary data developed and owned by Coverall North America, Inc., and this Coverall Franchised Business Training material is strictly limited to current authorized Coverall employees and active Coverall Franchised Businesses. Unauthorized access to or use of this material is strictly prohibited. Coverall North America, Inc. will prosecute to the fullest extent permitted by law any unauthorized access to or use of this material and will seek injunctive and/or civil monetary damages.

© 2016 Coverall North America, Inc.
FB-FBTW-VOL1-061616
VOLUME 1:
Business Training

FRANCHISED BUSINESS TRAINING WORKBOOK
# Table of Contents

**Introduction** ........................................................................................................... 5

**Class 1: Orientation** ................................................................................................... 7

- Welcome to the Coverall® System .............................................................................. 9
- The Coverall® Brand ................................................................................................... 11
- Training Overview ...................................................................................................... 15
- Introduction to Coverall Franchised Business Ownership ........................................... 21

**Class 2: Running Your Business** ................................................................................ 31

- Budgeting and Tracking Finances .............................................................................. 33
- Record Keeping and Compliance ................................................................................. 55

**Class 3: Growing and Maintaining Your Business** ...................................................... 63

- 5 Ways to Grow your Business .................................................................................... 65
- Introduction to Selling .................................................................................................. 73
- Introduction to Bidding ............................................................................................... 87
- Hiring and Managing Employees ............................................................................... 99
Introduction:

Congratulations on your new Coverall Franchised Business!

Knowing how to run a business is as important and knowing how to use the Coverall Core 4® Process. This Workbook is a guide to business processes, accounting and planning. Bring it to class and use it to take notes. The Coverall Instructor will refer to it during the training.

Please feel free to write in this Workbook. Make it your own. It will be your personal reference guide as you run your franchised business, so use it to learn.

This Workbook covers 3 classes including practice exercises:

► Class 1: Orientation
► Class 2: Running Your Business
► Class 3: Growing and Maintaining Your Business
CLASS 1

Orientation

In This Class
► Welcome to the Coverall® System!
► The Coverall® Brand
► Training Overview
► Introduction to Coverall Franchised Business Ownership
Welcome to the Coverall® System

The Coverall® System provides you with a solid framework for building your commercial cleaning business. With Franchised Businesses throughout the United States and in several foreign countries, the Coverall System is one of the largest commercial cleaning franchise systems in the world.

Support Centers

The Coverall System is a large network that includes the Coverall North America, Inc. Global Support Center in Deerfield Beach, Florida, local Support Centers and Master Support Centers. The Support Center in your area exists to support you and other Franchised Businesses.

Get to know the people in your local Support Center and how they can help you. Examples below:

General Manager or Regional Director

► Manages the team that trains and supports Franchisees
► Offers new business or additional business to Franchisees
► Addresses your special needs or issues
► Manages the Franchised Business Referral Program
► Conducts Business Reviews with Franchisees

Training and Franchisee Support Team

► Train Franchised Business Owners and help them develop their businesses
► Answer questions about Core 4® Products and offerings
► Explain and demonstrate new products and techniques
► Walk through new customer facilities with you to review the Service Plan (work schedule)
► Help with supplies, equipment and other things you need for your business
► Identify opportunities for additional services in customer facilities
► Help you with customer relations, business planning, and answers to day-to-day questions
Welcome to the Coverall® System

Sales Team
► Find new customers who want their facilities cleaned by the Coverall® System Franchisees
► Develop Service Plans (work schedules) and bids (pricing) for new customers

Administrative Team
► Answer questions about your statements, billing and collections, insurance
► Support your business by handling calls from your customers and contacting you as needed
► Help you with new customer proposals
► Manage paperwork for the Coverall System
► Update Coverall systems with address changes, phone number changes, etc.

Franchised Business Owner Feedback and Helpline
► For additional support after contacting your Support Center, team, contact the Franchise Owner Feedback & Help Line. (866) 649-0963
► franchisefeedback@coverall.com
The Coverall® Brand

Coverall began in 1985 in San Diego as a commercial cleaning franchise company with a big idea: helping the world be a cleaner place. In 2008, we launched the Coverall Health-Based Cleaning System® Process to focus on removing the maximum amount of soil and germs as efficiently as possible using the latest cleaning technology.

Coverall Franchised Businesses are independently owned and operated by entrepreneurs across the country and around the world. Your Franchised Business is part of a large community called the Coverall® System that supports your business.

What is a brand?

Many people think a brand is just a logo or symbol.

► How many brands can you think of right now?

► What brands are you wearing, carrying or driving today?

A logo is how customers recognize a brand. It is the “face” of the brand. But a brand is so much more. In the Coverall System, your Franchised Business has a lot to do with the strength of our brand. Your customers will have an expectation about the service they receive from your business, and they will value the Coverall brand more if their experience is a good one.

What does the Coverall brand mean to your customers?

When your customers think of the Coverall brand, they think:

► A cleaner facility

► Fewer germs

► Consistent service

► Easy to do business with

► High integrity

In this Initial Training Program you will learn how to build your business and deliver the high level of service that your customers expect from the Coverall brand.
The Coverall Core 4® Process

The Coverall Core 4® is the basis of our brand strength. It refers to the four tools that you will use to kill germs and remove the maximum amount of soil in your customers’ facilities.

The Core 4® also separates your business from others. It makes your business special because you offer and provide your customers with a cleaner, healthier workplace while “janitors” do not.

In this training program, you will learn to use the Core 4® to build and operate your business.

► Hospital-grade disinfectants
► Color-coded microfiber
► HEPA backpack vacuum
► No-dip microfiber flat mop

Happy customers are your business!

When customers get what they expect, they are happy.

What does the Core 4® have to do with building your franchised business? Everything. Your customers’ satisfaction with your business can be boiled down to 2 things: Brand Promise and Brand Delivery.

Brand Promise is what your customers expect to get when they choose Coverall®. Brand Delivery is what they actually experience. The closer the Promise is to Delivery, the happier your customers will be.

Here’s a real-world example. You’re on the highway and want fast food because you’re hungry and in a hurry. At the next exit you can pick from a burger chain that you like and know well, a taco chain that you’ve heard about but have never eaten at, or a mom-and-pop restaurant that you know nothing about. Which do you pick?

You know what to expect from the burger chain, and if your experience has matched your expectation in the past, then you’ll probably eat there again. It’s a known quantity. You know what you will get, how long it will take, and how much it will cost. You can trust that they will deliver what they promise.

The Brand Promise to your customers is a cleaner, healthier workplace. Brand Delivery is the Coverall Core 4® Process used consistently and professionally by your Franchised Business.
# The Coverall® Brand

## Customer Expectation vs. Customer Experience with your Franchised Business

<table>
<thead>
<tr>
<th>Customer Expectation</th>
<th>Customer Experience with your Franchised Business</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less dust and soil</td>
<td>HEPA Backpack Vacuum removes 99.97% of soil and germs, reducing dust and improving air quality.</td>
</tr>
<tr>
<td>Cleaner carpets</td>
<td>Hospital-grade disinfectants kill germs and color-coded microfiber removes 99% of them and helps reduce cross-contamination by using a specific color microfiber towel for each specific area.</td>
</tr>
<tr>
<td>No spreading of germs</td>
<td>No-dip microfiber flat mop means that floors are never mopped with filthy water, and that a specific color mop pad is used for each specific area to avoid spreading germs.</td>
</tr>
<tr>
<td>Cleaner floors</td>
<td>Core 4® Process kills and removes germs, cleans floors and reduces odor-causing bacteria.</td>
</tr>
<tr>
<td>Cleaner restrooms</td>
<td></td>
</tr>
</tbody>
</table>

Think of a time when you were HAPPY with the service you received:

_________________________________________________________________________________________________
_________________________________________________________________________________________________

Think of a time when you were NOT HAPPY with the service you received:

_________________________________________________________________________________________________
_________________________________________________________________________________________________

What made the difference?

_________________________________________________________________________________________________
_________________________________________________________________________________________________
Training Overview

The Coverall Initial Training Program is designed to teach you to use the Coverall process for commercial cleaning, and the basics of running a Coverall Franchised Business.

Training consists of a series of classes and hands-on exercises, along with this workbook. You might be in some classes by yourself, and sometimes with other Coverall Franchised Business Owners or their employees. Most classes are taught at your Coverall Support Center, although some require you to go to a customer facility to get real-world experience. Each class is taught by a Coverall Instructor who is certified and experienced with the Coverall System. Occasionally you might have a guest instructor who offers a specialty in a specific area.

Training Classes

There are 3 parts of your Initial Training Program:

► **Business Training** – learn how to operate a Coverall Franchised Business
► **Core 4® Training** – learn our unique commercial cleaning process
► **Healthcare Facility Training** – learn how healthcare facilities are cleaned

To earn your Coverall Core 4® Certification, you will successfully complete 12 classes and a test.

<table>
<thead>
<tr>
<th>Workbook</th>
<th>Class</th>
<th>Topic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business Workbook</td>
<td>Class 1</td>
<td>Orientation</td>
</tr>
<tr>
<td></td>
<td>Class 2</td>
<td>Running Your Business, Business Plan</td>
</tr>
<tr>
<td></td>
<td>Class 3</td>
<td>Growing and Maintaining Your Business</td>
</tr>
<tr>
<td>Core 4® Workbook</td>
<td>Class 4</td>
<td>Safety and Security</td>
</tr>
<tr>
<td></td>
<td>Class 5</td>
<td>Coverall Core 4® Tools and Service Tasks</td>
</tr>
<tr>
<td></td>
<td>Class 6</td>
<td>Restroom Cleaning</td>
</tr>
<tr>
<td></td>
<td>Class 7</td>
<td>Hands On: Restroom Cleaning</td>
</tr>
<tr>
<td></td>
<td>Class 8</td>
<td>Customer Facilities</td>
</tr>
<tr>
<td></td>
<td>Class 9</td>
<td>Hands On: General Office Cleaning, Team Cleaning</td>
</tr>
<tr>
<td></td>
<td>Class 10</td>
<td>Introduction to Special Services</td>
</tr>
<tr>
<td></td>
<td>Class 11</td>
<td>Customer Service and Communication</td>
</tr>
<tr>
<td></td>
<td>Certification</td>
<td>Coverall Core 4® Certification</td>
</tr>
<tr>
<td>Healthcare Workbook</td>
<td>Class 12</td>
<td>Introduction to Healthcare Facility Cleaning</td>
</tr>
</tbody>
</table>
Support during and after training

People:

► Coverall Instructor
► Coverall Support Center Staff

Reference:

► Coverall Franchised Business Training Workbooks
► Online training classes

More Training Opportunities:

► Additional training offered by Coverall, equipment or supplies vendors, or others such as business and financial planning, advanced sales skills
► In-service training – a Coverall Representative meets you at your customer to teach you a specific tasks in a real-world setting
► Retraining – a Coverall Instructor teaches you a part of the Initial Training Program again to help increase your knowledge and skill

Certification and Advanced Training

After you successfully complete the Coverall Initial Training Program, you will earn your Coverall Core 4® Certification. This means that you are certified to deliver the four most important parts of the Coverall® Program to your customers, and run your franchised business according to Coverall Policies and Procedures. You will also have a card from the National Safety Council (NSC) proving that you completed their Bloodborne and Airborne Pathogens Course.

After Initial Training, you might want to complete other Coverall advanced training programs as you build your business, such as:

► Coverall Interim and Restorative Hard Floor Care Program
► Coverall Interim and Restorative Carpet Care Program
► Coverall Healthcare Facility Cleaning Program
Training Overview

Tests and Exercises

Tests and hand-on exercise help make sure we are doing a good job with the training, and that you are learning what you need to know.

For example, your Training Workbook includes review questions. At the end of each class the Instructor will review those questions and clarify anything that needs more discussion. In the last class the Instructor will review all questions in the Workbook, and then you will complete a test to earn your Core 4® Certification. The questions on the test are straightforward and focused on the main points that you learned and reviewed in each class.

Coverall’s Core Values

The purpose of Coverall training is to help you be as successful as you want to be with your Coverall Franchised Business. Our role is to teach, guide and support you.

Our training philosophy is based on our Coverall values:

► **Integrity.** Each of us carries our integrity with us every day to guide our decisions, actions and interactions.

► **Mutual Respect.** Every person deserves to be treated with respect.

► **Honesty.** When we are honest with each other, we will find the right solutions together.

► **Trust.** When we trust each other to do the right thing and be respectful of our thoughts and ideas, then we can have trusting conversations.

► **Team.** With integrity, honesty, mutual respect and trust, we can unite as a team that works together toward a common goal: your business success.

Coverall is committed to put these values into action, and we trust that you and your employees will approach training with the same commitment.

**COVERALL CORE VALUES**
Training Overview

Your Commitment to Learn

No one can force a person to learn. You have to want to learn.

People who start businesses want to succeed. As a Coverall Franchised Business you will need to learn a lot of things about running a business and using the Core 4® Process.

Learning will require:

► Your time – make time to attend training
► Your preparation – read materials assigned to you before class
► Your attention – when you are at training, focus on learning
► Your desire to succeed – set your goals and make them a reality

What 3 things will you do to commit to learning?

1. _______________________________________________________________________________________________

2. _______________________________________________________________________________________________

3. _______________________________________________________________________________________________
Welcome to the Coverall® System

1. The Coverall® Program removes the maximum amount of ____________________________ and ____________________________.

2. Coverall Franchised Businesses are independently ________________________________ and ____________________________.

3. When your customers think of the Coverall brand, they think of: a cleaner facility, fewer germs, ____________________________, easy to do business with, and high integrity.

4. Happy ____________________________ are your business!

5. Brand ____________________________ is what your customers expect to get when they choose Coverall. Brand ____________________________ is what they actually experience.

6. After you successfully complete the Initial Training Program, you will earn your Coverall ____________________________ Certification.

7. The purpose of Coverall training is to help you be as ____________________________ as you want to be with your Coverall franchised business.

8. Coverall is committed to put these values into action, and we trust that you and your employees will approach training with the same commitment: Integrity, Honesty, Mutual Respect, Trust and ____________________________.

Answers: Soil and germs; owned and operated; consistent service; customers; Promise, Delivery; Core 4®; successful; Team.
Introduction to Coverall Franchised Business Ownership

When you purchased your Coverall Franchised Business you signed documents that define the relationship between the Franchisee (you) and Franchisor (Coverall).

In this class we will review the main points of the document that governs that relationship: the Janitorial Franchise Agreement (JFA). Refer to your JFA for detail.

What is a franchised business?

A franchised business is an independently owned and operated business that pays for the right to use the franchisor’s brand, processes, business expertise, support systems and training to deliver services.

One of the best known franchises, McDonalds, was started in 1955. Today franchises such as Subway, Domino’s Pizza, Massage Envy, Jiffy Lube, Supercuts, US Lawns, UPS Store, Anytime Fitness and many more do business across the U.S. and around the world. Each franchised businesses is owned and operated by an independent franchised business owner.

Franchising is a popular way to start a business. The franchised business, or franchisee, follows a proven business model and brand as opposed to starting from scratch, and pays a fee to the franchisor. Following the system is critical to a franchisee’s success.

The relationship between franchisee and franchisor is very important. The franchise system is a community of people who support each other for the greater good of all. Coverall has built its system on 5 Core Values: Integrity, Mutual Respect, Honesty, Trust and Team. Communication between franchisees and franchisor, based on those values, is essential to the relationship.

Whether you are starting your first business or have run a business before, we encourage you to take full advantage of Coverall’s resources. The experienced team at your Support Center can answer questions, provide information, and support you in many ways as you begin business ownership.
Wearing 3 hats

As you run your business you will wear 3 hats:

1. **Business Owner** – You run a business, manage your finances, pay taxes, manage customer relationships, provide customer service, make decisions about investments, comply with laws, and ensure the success of your business.

2. **Franchisee** – Your business represents the Coverall brand to your customers as part of a large community of other Franchisees, and you are a commercial cleaning expert certified to deliver the Coverall Core 4® Process.

3. **Employer** – You hire employees, train them, manage them, pay them and ensure that each customer receives excellent service from your team.

Coverall Governing Documents

Refer to your Janitorial Franchise Agreement (JFA) and Franchised Business Policies and Procedures Manual (P&P) for details on the topics discussed in this class.

**JANITORIAL FRANCHISE AGREEMENT (JFA)**

Your relationship with Coverall is governed by the Janitorial Franchise Agreement (JFA). The Janitorial Franchise Agreement (JFA) is the contract that you signed to buy a Coverall Franchised Business. It explains what you can expect from Coverall and what Coverall requires from you. If you have employees, it is your responsibility to make sure they also follow the Coverall System’s Policies and Procedures. In all cases the JFA and Franchised Business Policies and Procedures Manual are the ruling documents for your Franchised Business.
Introduction to Coverall Franchised Business Ownership

FRANCHISED BUSINESS POLICIES AND PROCEDURES MANUAL (P&P)
The Franchised Business Policies and Procedures Manual (P&P) is a summary of the JFA as it applies to day-to-day business interactions between your company and Coverall.

The Manual contains 5 chapters:

**Chapter 1: The Coverall® System**
- Coverall description, Support Centers, customers

**Chapter 2: Support**
- Accounting, collections, taxes, statements

**Chapter 3: Operations**
- Training, package fulfillment, customer assignments, customer service, safety, security

**Chapter 4: Selling, Marketing and Advertising**
- Selling to prospects and using the Coverall® brand to promote your business

What did I buy?
When you made the decision to buy a Coverall Franchised Business, you:

- Became an independently owned and operated business
- That pays Coverall North America, Inc. a monthly Royalty and Support fee
- For the right to do business as a Coverall® Franchised Business
- With rights to use the Coverall brand, logos and processes
- And an initial customer base
- Supported by the Coverall® System
Introduction to Coverall Franchised Business Ownership

What is my business required to do?
The JFA defines the rules you must follow, including:

*Communicate and participate – examples:*

- Attend required Coverall training classes
- Provide a current email address and cell phone number to Coverall
- Contact your customers regularly to check their satisfaction with your service

*Respect the brand – examples:*

- Protect the goodwill of the Coverall System at all times, understanding that Coverall’s reputation must be protected for the benefit of all Franchised Businesses
- Protect the confidentiality of Coverall’s processes, brand and services
- Use only approved equipment, materials and supplies as defined by the Core 4® Process to provide the services that your customers expect
- Act professionally at all times with your customers

*Follow laws and rules – examples:*

- Abide by local, state and federal laws that apply to your business
- Protect the safety and security of your team and your customer’s facility
- Provide workers compensation insurance coverage for your employees or anyone providing services to your customers
- Renew Bloodborne and Airborne Pathogens Course Certification for Franchised Business Owner(s) and your employees
Introduction to Coverall Franchised Business Ownership

What is initial business?
When you bought your Coverall Franchised Business, you invested in a package that provided a specific amount of “Initial Business.” Initial Business is the gross monthly dollar volume for the package you bought.

Examples:
- P-2000 is a franchise package for $2000 initial gross monthly dollar volume
- P-3000 is a franchise package for $3000 initial gross monthly dollar volume

Gross vs net:
“Gross” is the amount Coverall bills your customers before anything is subtracted. “Net” is the amount left after expenses and other items are subtracted. Expenses can include Coverall fees and note payments, as well as other business expenses such as cell phone and gas.

Simple example:
$2000 gross - $1000 expenses = $1000 net

When will I start servicing customers?
After you successfully complete the Coverall Initial Training Program, obtain an Initial Equipment and Supply Package (Starter Kit) that meets Coverall’s specifications, and meet other requirements of business ownership defined in the JFA and Franchised Business Policies and Procedures Manual, then Coverall will begin offering you customers.

When will my initial business offering period begin?
The Initial Guarantee period begins on the date that you begin servicing each customer. Coverall has between 120 and 330 business days after (1) your background screening is approved, and (2) successful completion of Initial Training to offer you your initial gross monthly dollar volume, depending on the franchise package that you bought.

What if Coverall doesn't offer my Initial Package on time?
If the Initial Business timeframe expires and Coverall has not offered you enough gross monthly dollar volume to fill your franchise package, then refer to your Janitorial Franchise Agreement (JFA) and talk with your Support Center to discuss options.

What kinds of customers will I service?
The Coverall System is used by many types of businesses including general offices, medical offices, retail stores, fitness and gyms, education centers, manufacturers, studios, car dealerships, restaurants and others.

Coverall also sells to National Accounts, which are businesses that have many facilities across the U.S. You might be offered National Account locations to service.
Introduction to Coverall Franchised Business Ownership

How does Coverall offer customers to me?
Coverall has a local sales team in your Support Center and a National Accounts sales team that find new customers, develop bids, and get signed Service Agreements. Customers are offered to Coverall Franchised Businesses for servicing.

Your local Support Center will contact you to offer customers. Some customers will be new to the Coverall System, and others could be existing customers. When Coverall offers a customer to you, a Coverall Representative can walk through the customer’s facility with you. At that time you will decide whether or not to accept the customer. If you accept, then you will sign a Customer Acceptance form, the customer’s Service Agreement will be assigned to your Franchised Business, and you will begin providing service to your new customer.

What if I refuse a customer offered to me?
For each customer offered, you will have the opportunity to do a “walk through” to tour the facility and review the Coverall Service Plan. If you refuse the customer, then Coverall will document your refusal. If Coverall offers you customers and you unreasonably refuse them, then we may have met our obligation to offer your gross monthly dollar volume timely. When offered a customer, talk with the Coverall Representative to ask questions, get answers and understand the scope of work.

What happens when I accept a customer?
Once you accept a customer, Coverall will assign the Service Agreement to you, subject to your payment in full of your Franchise Fee. An assignment is a legal agreement between Coverall and your business that gives you rights to the customer Service Agreement, subject to the terms of your Janitorial Franchise Agreement.

Are all customer Service Agreements assigned to my company?
No. National Account Customers, some customers with multiple-locations, and customers that prohibit assignment will not be assigned to your business because of the nature of their contracts with the Coverall System.

Can I sell more services to my customers?
Yes. Coverall encourages you to find opportunities to propose additional services, Special Services and supplies to customers. Follow the Franchised Business Policies and Procedures for selling additional or Special Services.

Coverall also has the right to sell additional services, Special Services and supplies to your customers. These additional sales can help increase the gross monthly dollar volume of the Service Agreement, protect you from competitors, and improve customer satisfaction.
Can I get more customers beyond the package I bought?

After your Initial Business is fulfilled, Coverall may, but is not obligated to, offer you Additional Business. If Coverall offers you Additional Business, the cost of Additional Business is the gross monthly dollar volume of the customer \(X\) \((\text{times})\) the current Sales and Marketing Fee multiplier. A **50% down payment is required**, and financing is available for the remainder. Coverall may, but is not obligated to, also offer discounts or special programs, such as “90 days same as cash,” as a way to pay for Additional Business. Ask your Support Center for current programs.

Another way to get more customers is to find and bid them yourself. (**Note that you must first submit a Lead Form to Coverall before you begin selling to them.**) If you sell your own customers, then you do not pay a Sales and Marketing Fee to Coverall, and the customers are not guaranteed by Coverall. Coverall bills and collects for all customers of your Franchised Business, whether you found them on your own or bought them from Coverall. All customer billings are subject to the 10% Support Fee and 5% Royalty Fee on these customers, plus any other amounts payable to Coverall.

What fees does my business pay to Coverall?

You will pay 5% of your gross monthly dollar volume as a Royalty Fee for use of the Coverall brand, and 10% as a Support Fee. The Support Fee covers, but is not limited to, Coverall services including customer billing, collections and records, Cash Flow Protection Program, customer relations support and on-going training.

Any other fees or costs?

Coverall offers a variety of support services at a fee or cost. For example, if you decide to buy more equipment or supplies, you must pay for them. If you purchase Additional Business from Coverall, you must pay for it. If you owe Coverall for a note, then you will pay a note payment and interest. You would pay a Special Services Finder’s Fee if you decide to accept a Special Service that Coverall sold to a customer.

Do I need insurance for my business?

You must carry certain types and levels of business insurance under the terms of your Janitorial Franchise Agreement. Coverall may offer some of the required insurance, but you do not have to buy it from us. You can buy it on your own. If anyone provides services for your Franchised Business, then you must get Worker’s Compensation insurance for them.
Introduction to Coverall Franchised Business Ownership

What is a limited customer guarantee?
If you lose a customer through no fault of your own during the applicable guarantee period, then Coverall will replace the gross monthly dollar volume of the customer you lost. See the Franchised Business Policies and Procedures Manual for details.

If the replacement customer(s) has a bigger dollar volume than the one you lost, then you will have to pay Coverall for the additional dollar volume.

What if my customer is not happy with my service?
It is very important for your Franchised Business and the Coverall System to keep customers satisfied with your service. If your customer is unhappy with your service, then they may terminate their Service Agreement. In that case you may lose your customer. Loss of a customer for poor service damages Coverall’s brand and the public image of the entire Coverall System.

Talk with your customers often and ask them to complete and sign an Account Survey Report each month. Tell them to call, text or email you anytime, and then get back to them quickly. If there is a problem, fix it fast!

Some customers will contact the Coverall Support Center if they have a problem. Usually that happens if they are unable to reach you or get their problem fixed. By the time a customer contacts us, they may be very upset and want to end their Service Agreement. If your customer calls the Support Center, then we will support your business in any way we can and contact you right away so you can take action.

The “Customer Service and Communication” class in your Initial Training covers customer communication and problem resolution in more detail.
Introduction to Franchised Business Ownership

1. As you run your business you will wear 3 hats: ____________________,
   ____________________ and ____________________.

2. Your relationship with Coverall is governed by the ____________________
   ____________________ (JFA).

3. The Franchised Business ____________________ and ____________________
   Manual (P&P) is a summary of the JFA as it applies to day-to-day business interactions
   between your company and Coverall.

4. The Initial Guarantee period begins on the date that you begin
   ____________________ each customer.

5. TRUE or FALSE. Coverall encourages you to find opportunities to propose additional
   services, Special Services and supplies to customers.

6. TRUE or FALSE: Coverall also has the right to sell additional services, Special Services
   and supplies to your customers. These additional sales can help increase the gross
   monthly dollar volume of the Service Agreement, protect you from competitors and
   improve customer satisfaction.

7. After your Initial Business is fulfilled, Coverall may offer you ____________________
   ____________________. A 50% down payment is required, and financing is available
   for the remainder.

8. You will pay 5% of your gross monthly dollar volume as a _______________ Fee
   for use of the Coverall brand, and 10% as a _______________ Fee.
9. You must carry certain types and levels of business insurance under the terms of the Franchise Agreement. If anyone provides services for your Franchised Business then you must get ________________________   ________________________ insurance for them.

Answers: Business Owner, Franchisee, Employer; Janitorial Franchise Agreement (JFA); Policies and Procedures; Initial Business; servicing; true; true; Additional Business; Royalty, Support; Workers’ Compensation.
CLASS 2

Running Your Business

In This Class

► Budgeting and Tracking Finances
► Record Keeping and Compliance
Budgeting and Tracking Finances

Many traits help businesses succeed. Enthusiasm, hard-work, honesty, dependability, and customer-focus are very important. Behind the scenes is another skill set that impacts success: business planning, budgeting, tracking income and expenses, and complying with regulations.

The training won’t make you a financial and accounting expert. You will learn common terminology, Coverall-provided services and reports, and tools that can help you budget and track finances.

HOW IS YOUR BUSINESS GOING?

Fast-forward 12 months from now. You’re talking to a friend who asks, “How is your business going?” How will you answer?

“It’s going great! I learned a lot about running a business. I’ve been meeting all of my budget goals and paying my expenses on time. I own equipment and know how to order the right amount of supplies. I even added $500 of monthly Additional Business to my original franchise package. Next year, I’m planning to start selling my own customers and hire an employee!”

Common Accounting Terms

Regardless of your business experience, you’ll need to understand some common accounting terms.

Revenue (Cash In) – Payments received from your customers for your services.

Expenses (Cash Out) – Payments that you make to run your business such as Royalty and Support Fee, insurance, employee wages, employee taxes, car, cell phone, loan payments, equipment and supplies.

Start-up Costs – Costs (expenses) that you paid to start your business and form your company such as Initial Franchise Fee, Starter Kit, business licenses, cell phone, computer, printer, other office equipment.

Ongoing Costs – Costs (expenses) to run your business such as car lease, loan payments, employee wages, chemicals and supplies, office supplies, taxes, gas, accountant or lawyer. Ongoing costs vary from month to month.

Note – A promissory note, or “note” is similar to a loan. The terms of a note include the principal amount, the interest rate, and final payment date when the principal and interest are due to be paid in full.

Cash Available – Money in your account to cover unexpected expenses and/or grow your business.
Tracking Business Revenue and Expenses

Track details about your revenue and expenses so you have insight into your business and good records for taxes. Tracking revenue and expenses can be done on paper or with a computer. Consider getting help from professionals, such as an accountant or bookkeeper.

The example below shows a record of revenue, expenses, dates and amounts. Some of this information is on your monthly Coverall Franchised Business Statement (example on following pages).

### Revenue Example (Cash In)

<table>
<thead>
<tr>
<th>Date</th>
<th>Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>31-Jan</td>
<td>Dec Regular Service Billing</td>
<td>3,309.50</td>
</tr>
</tbody>
</table>

### Expenses Example (Cash Out)

<table>
<thead>
<tr>
<th>Date</th>
<th>Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>19-Jan</td>
<td>Internet service</td>
<td>52.50</td>
</tr>
<tr>
<td>31-Jan</td>
<td>Gas - Jan</td>
<td>140.00</td>
</tr>
<tr>
<td>31-Jan</td>
<td>Coverall Fees</td>
<td>742.02</td>
</tr>
<tr>
<td>31-Jan</td>
<td>Coverall Note Payments</td>
<td>758.47</td>
</tr>
<tr>
<td>31-Jan</td>
<td>Coverall Supplies/Equipment Purchases</td>
<td>19.07</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>1,712.06</td>
</tr>
</tbody>
</table>

**NOTE:** Salary and taxes are other examples of expenses, whether you pay yourself or someone else.

### Grand Total

<table>
<thead>
<tr>
<th>Item</th>
<th>Jan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>3,309.50</td>
</tr>
<tr>
<td>Expenses</td>
<td>-1,712.06</td>
</tr>
<tr>
<td></td>
<td>= 1,597.44</td>
</tr>
</tbody>
</table>
# Budgeting and Tracking Finances

## Monthly Franchised Business Statement

### 1ST PAGE: FRANCHISED BUSINESS STATEMENT SUMMARY

Below is a sample Franchised Business Statement Summary, which is the first page of a monthly Franchised Business Statement.

<table>
<thead>
<tr>
<th>Sample Franchised Business Statement #1</th>
</tr>
</thead>
</table>

**Franchised Business Statement Summary**  
January, 2014  
*(Sample Statement for training)*

<table>
<thead>
<tr>
<th>Service Billing</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Monthly Commercial Cleaning Service</td>
<td>3,305.00</td>
</tr>
<tr>
<td><strong>Total Service Billing</strong></td>
<td><strong>3,305.00</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Fees</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Royalty and Support Fee</td>
<td>-495.75</td>
</tr>
<tr>
<td>General Liability Insurance</td>
<td>-161.00</td>
</tr>
<tr>
<td>FOI</td>
<td>-79.32</td>
</tr>
<tr>
<td>Janitorial Bond</td>
<td>-5.95</td>
</tr>
<tr>
<td><strong>Total Fees</strong></td>
<td><strong>-742.02</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Customer Receivables</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Chargeback for Customers non payment</td>
<td>0.00</td>
</tr>
<tr>
<td>Payback</td>
<td>0.00</td>
</tr>
<tr>
<td>Collection Recovery</td>
<td>0.00</td>
</tr>
<tr>
<td><strong>Total Receivables</strong></td>
<td><strong>0.00</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Note Payments</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Note Principal</td>
<td>-684.13</td>
</tr>
<tr>
<td>Note Interest</td>
<td>-74.34</td>
</tr>
<tr>
<td><strong>Total Note Payments</strong></td>
<td><strong>-758.47</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Supplies/Equipment Purchased</th>
<th><em>(Does not factor into total)</em></th>
</tr>
</thead>
<tbody>
<tr>
<td>Equipment Purchased</td>
<td>0.00</td>
</tr>
<tr>
<td>Supply Purchased</td>
<td>-17.99</td>
</tr>
<tr>
<td><strong>Sub Total for Purchases</strong></td>
<td><strong>-17.99</strong></td>
</tr>
<tr>
<td>Taxes</td>
<td>-1.08</td>
</tr>
<tr>
<td><strong>Total for Purchases</strong></td>
<td><strong>-19.07</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Other Deductions and Charges</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>-19.07</strong></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Check Amount</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1,785.44</strong></td>
<td></td>
</tr>
</tbody>
</table>
Sample Monthly Statement Summary:

► Service Billing ($3305.00) – Gross dollar amount billed your customers for your services in that month
► Fees ($742.02) – Royalty and Support, insurance, and other programs provided by Coverall
► Customer Receivables – Chargebacks, paybacks, collections if applicable ($0)
► Note Payments – Payment for Coverall loan ($758.47)
► Supplies/Equipment Purchased ($19.07) – If applicable, including taxes
► Check Amount ($1,785.44) – The dollar amount that Coverall remits to your business after all other amounts due to Coverall are deducted.
► Note: The Check Amount is not the same as your business Profit because you will have other Expenses, such as gas, cell phone, wages, taxes, insurance and business supplies.

Other notes about Fees section:

► Royalty and Support Fee: Paid to Coverall each month for the right to own a Coverall Franchised Business and for support services provided to your business by Coverall. The 15% fee is calculated on the gross dollar amount billed to your customers each month.
► General Liability Insurance: Cost of insurance purchased through Coverall. The fee is calculated on the gross amount billed to your customers each month, plus an additional $15.00 per month for each additional owner of your business.
► FOJ accident coverage or similar program: On-the-job occupational accident insurance program that may be offered through Coverall. The fee is calculated based on the gross dollar amount billed to your customers each month, plus $15.00 per month for each additional owner of your business.
► Janitorial Bond: A janitorial surety, or honesty, bond policy that may be purchased through Coverall.

THE REST OF THE MONTHLY FRANCHISED BUSINESS STATEMENT

The rest of the monthly Franchised Business Statement is the detail of the Summary:

► Services Performed – Customer, billing information, amount billed, Royalty and Support fee.
► Note Payments – Description of each note (loan), previous balance, principal owed, interest, current payment, current balance.
► Supplies/Equipment Purchased – Date of SO (Sales Order) and type of supplies or equipment, quantity, price, tax. Note that Supplies/Equipment Purchased is not subtracted from the total. The actual monthly charge for Supplies/Equipment is noted in the “Other Deductions and Charges” section.
► Other Deductions and Charges – Monthly payments for Supplies/Equipment Purchased, or ACH fee (Electronic Funds Transfer).
### Sample Franchised Business Statement #1

<table>
<thead>
<tr>
<th>RS Cust #</th>
<th>Customer Site</th>
<th>Start/End</th>
<th>Inv #</th>
<th>Billed</th>
<th>Gross</th>
<th>R/S</th>
<th>Net</th>
</tr>
</thead>
<tbody>
<tr>
<td>National</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>600-21</td>
<td>Ferguson 012345678 Commercial Cleaning Services</td>
<td>1/1/2014 - 1/31/2014</td>
<td>6000123</td>
<td>198.00</td>
<td>29.70</td>
<td>168.30</td>
<td></td>
</tr>
<tr>
<td>600-23</td>
<td>Scottrade OB3 Commercial Cleaning Services</td>
<td>1/1/2014 - 1/31/2014</td>
<td>600147</td>
<td>125.00</td>
<td>18.75</td>
<td>106.25</td>
<td></td>
</tr>
<tr>
<td>Regular</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>501-13901</td>
<td>Gangbusters Commercial Cleaning Services</td>
<td>1/1/2014 - 1/31/2014</td>
<td>5011134</td>
<td>165.00</td>
<td>165.00</td>
<td>24.75</td>
<td>140.25</td>
</tr>
<tr>
<td>501-20434</td>
<td>JJ Way Way Commercial Cleaning Services</td>
<td>1/1/2014 - 1/31/2014</td>
<td>5011133</td>
<td>150.00</td>
<td>150.00</td>
<td>22.50</td>
<td>127.50</td>
</tr>
<tr>
<td>501-30849</td>
<td>Medical Center Five Commercial Cleaning Services</td>
<td>1/1/2014 - 1/31/2014</td>
<td>5011136</td>
<td>265.00</td>
<td>265.00</td>
<td>39.75</td>
<td>225.25</td>
</tr>
<tr>
<td>501-59038</td>
<td>Flanigans Furniture Gallery Commercial Cleaning Services</td>
<td>1/1/2014 - 1/31/2014</td>
<td>5011164</td>
<td>1,200.00</td>
<td>1,200.00</td>
<td>180.00</td>
<td>1,020.00</td>
</tr>
<tr>
<td>501-45733</td>
<td>St Paul Auto Parts Commercial Cleaning Services</td>
<td>1/1/2014 - 1/31/2014</td>
<td>5011137</td>
<td>160.00</td>
<td>160.00</td>
<td>24.00</td>
<td>136.00</td>
</tr>
<tr>
<td>501-96533</td>
<td>Two Blood LLC Commercial Cleaning Services</td>
<td>1/1/2014 - 1/31/2014</td>
<td>5011194</td>
<td>175.00</td>
<td>175.00</td>
<td>26.25</td>
<td>148.75</td>
</tr>
<tr>
<td>501-56673</td>
<td>St Johns by the Ocean Commercial Cleaning Services</td>
<td>1/1/2014 - 1/31/2014</td>
<td>5014563</td>
<td>344.00</td>
<td>344.00</td>
<td>51.60</td>
<td>292.40</td>
</tr>
<tr>
<td>501-24457</td>
<td>No No Nail Salon Commercial Cleaning Services</td>
<td>1/1/2014 - 1/31/2014</td>
<td>5017435</td>
<td>198.00</td>
<td>198.00</td>
<td>29.70</td>
<td>168.30</td>
</tr>
<tr>
<td>501-47333</td>
<td>Bazinga Legal Commercial Cleaning Services</td>
<td>1/1/2014 - 1/31/2014</td>
<td>5013758</td>
<td>160.00</td>
<td>160.00</td>
<td>24.00</td>
<td>136.00</td>
</tr>
<tr>
<td>501-32225</td>
<td>Architects R Us Commercial Cleaning Services</td>
<td>1/1/2014 - 1/31/2014</td>
<td>5011887</td>
<td>165.00</td>
<td>165.00</td>
<td>24.75</td>
<td>140.25</td>
</tr>
</tbody>
</table>

**Section Total:** 3,305.00 495.75 2,809.25

### Note Payments

<table>
<thead>
<tr>
<th>Note #</th>
<th>Payment #</th>
<th>Previous Bal.</th>
<th>Principal</th>
<th>Interest</th>
<th>Cur. Payment</th>
<th>Cur. Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>501-73904 5 Of 6</td>
<td>4426 – 4-6 Month Additional Business Note – 501-45733 – St Paul Auto Parts</td>
<td>187.00</td>
<td>-93.03</td>
<td>-1.87</td>
<td>-94.90</td>
<td>93.97</td>
</tr>
<tr>
<td>501-94028 5 Of 5</td>
<td>4426 – 4-6 Month Additional Business Note – 501-45734 – St Paul Auto Parts</td>
<td>102.00</td>
<td>-102.00</td>
<td>-1.02</td>
<td>-103.02</td>
<td>0.00</td>
</tr>
<tr>
<td>501-48903 5 Of 6</td>
<td>4426 – 4-6 Month Additional Business Note – 501-56673 – St Johns by the Ocean</td>
<td>220.98</td>
<td>-109.95</td>
<td>-2.21</td>
<td>-112.16</td>
<td>111.03</td>
</tr>
<tr>
<td>501-49947 4 Of 5</td>
<td>4426 – 4-6 Month Additional Business Note – 501-47333 – Bazinga Legal</td>
<td>233.84</td>
<td>-116.34</td>
<td>-2.34</td>
<td>-118.68</td>
<td>117.50</td>
</tr>
<tr>
<td>501-94730 13 Of 36</td>
<td>4418 – Initial Sale Long Term</td>
<td>5,411.55</td>
<td>-161.77</td>
<td>-54.12</td>
<td>-215.89</td>
<td>5,249.78</td>
</tr>
<tr>
<td>501-40489 5 Of 12</td>
<td>4817 Equipment Revenue – 7 – 12 Mth Note</td>
<td>852.07</td>
<td>-101.04</td>
<td>-12.78</td>
<td>-113.82</td>
<td>751.03</td>
</tr>
</tbody>
</table>

**Section Total:** 7,007.44 -684.13 -74.34 -758.47 -6.323.31
# Sample Franchised Business Statement #1

## Supplies / Equipment Purchased

<table>
<thead>
<tr>
<th>SO #</th>
<th>Date</th>
<th>SO Type</th>
<th>Qty</th>
<th>Price</th>
<th>Extended</th>
<th>Tax</th>
<th>Billed</th>
</tr>
</thead>
<tbody>
<tr>
<td>501-44949</td>
<td>1/31/2014</td>
<td>Supply</td>
<td>1</td>
<td>5.49</td>
<td>5.49</td>
<td>0.33</td>
<td>5.82</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Stride® Citrus Neutral Floor Cleaner</td>
<td>1</td>
<td>12.50</td>
<td>12.50</td>
<td>0.75</td>
<td>13.25</td>
</tr>
</tbody>
</table>

Section Total: 19.07

## Other Deductions and Charges

| SO #: 501-44949 |         | 1 of 1    | -19.07 |

Section Total: -19.07
BUDGETING EXERCISE #1

Use Sample Franchised Business Statement #1 to fill in the missing information. Discuss.

1. What is the gross monthly Service Billing for January? _________________

2. Why is the Royalty and Support Fee $495.75? _________________

3. How much was taken out for Notes, including interest? _________________

4. What was purchased for $19.07? _________________

5. How many payments are left on Note # 501-94028? _________________

Discussion:

How do you think this Franchised Business is doing?

a. What could improve the business?

b. What could hurt the business?

What is the business impact of keeping your customers happy?

Answers: $3,305.00; 15; $758.47; Supplies/Equipment; 0 (zero).
Billing and Collections

How do my customers get billed for my services?
Coverall bills and collects from all of your customers, even the ones you sell yourself. Billing and Collection services are covered under your 10% Support fee (part of the 15% Royalty and Support fee). At the beginning of each month, Coverall bills (invoices) your customers for services they will receive from your business that month.

Customer Billing Cycle

<table>
<thead>
<tr>
<th>January</th>
<th>February</th>
<th>March</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning of Jan: Your customers billed by Coverall for January</td>
<td>Beginning of Feb: Your customers billed by Coverall for February</td>
<td>Beginning of Mar: Your customers billed by Coverall for March</td>
</tr>
</tbody>
</table>

Coverall Franchised Business Statements
On the last calendar day of the month following the month in which you provided service, Coverall pays your franchised business the amount billed to your customers, minus any amounts you owe to Coverall.

What is the Cash Flow Protection Program?
While we are collecting the monies due from the customers you serviced, we will advance (loan) to you the amount we billed your customer (“Cash Flow Advance”) for up to 2 months, minus any amounts you owe to Coverall, even if they haven’t paid yet for your services.

What happens if my customers don’t pay on time?
If, at the end of 3 months from the invoice date, the customer has not paid, then we will stop advances to you for that customer, and you must repay Coverall the amounts billed and advanced. Repayment will ordinarily be over a period of 2 months through statement deductions.

- Chargeback – If your customer doesn’t pay by end of third month (90 days), then the amount they didn’t pay will be taken out of your monthly gross billing.
- Payback – If you had a chargeback and your customer pays later, then the amount that was previously taken out will be credited to your monthly Franchised Business Statement.
Budgeting and Tracking Finances

Trial Statements and Aging Reports

What if there is a mistake on your Franchised Business Statement?

At the end of each month you will receive a Trial Monthly Franchised Business Statement from Coverall for the month that just ended, along with your final Franchised Business Statement and check for the month before. A Trial Statement looks the same as a final Monthly Franchised Business Statement, except it is labeled “Trial.”

Look carefully at your Trial Statement each month and talk with your Support Center right away if something is not right. For example, if you did not turn in the paperwork for a Special Service, then Coverall will not have the information needed to bill your customer for that service, and you will not see the service billing on your Trial Franchised Business Statement. Turn in paper right away, not at the end of the month!

You will also receive an AR (Accounts Receivable) Aging Report at the end of each month (National Accounts are excluded). This report shows the amount that your customers were billed and the “age” of each invoice (bill). Use this report to determine:

► Customers that were billed and have not yet paid
► How much they owe
► Their “term” (how many days they have to pay)
► If they are past due

Remember that the Cash Flow Protection Program is based on the number of days that your customer’s invoice is past due. If your customer is past due Coverall will attempt to collect the billed amount on behalf of your franchised business.

► Your Support Center will let you know when a customer has been sent a service suspension letter for not paying.
► Coverall’s Collection Center will send you a letter when the billing for your customer has been stopped and when you will be charged back for cash flow.

Monthly Franchised Business Statement and Reports

<table>
<thead>
<tr>
<th></th>
<th>January</th>
<th>February</th>
<th>March</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>End of Jan:</strong></td>
<td>Jan Trial Statement, Dec Final Statement, Net remittance paid via Check or EFT</td>
<td>Feb Trial Statement, Jan Final Statement, Net remittance paid via Check or EFT</td>
<td>Mar Trial Statement, Feb AR Aging Report, Feb Final Statement, Net remittance paid via Check or EFT</td>
</tr>
</tbody>
</table>
### Sample AR Aging Report

Date: Jan 28, 2014

#### AR Aging Report

*(Sample for training)*

<table>
<thead>
<tr>
<th>Customer #</th>
<th>Inv Date</th>
<th>Due Date</th>
<th>Total Due</th>
<th>1-30</th>
<th>31-60</th>
<th>61-90</th>
<th>91-120</th>
<th>121 +</th>
</tr>
</thead>
<tbody>
<tr>
<td>501134</td>
<td>12/01/2013</td>
<td>12/11/2013</td>
<td>165.00</td>
<td>0.00</td>
<td>0.00</td>
<td>165.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Term: 10</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commercial Cleaning Services</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5011005</td>
<td>01/01/2014</td>
<td>01/11/2014</td>
<td>165.00</td>
<td>0.00</td>
<td>165.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Term: 10</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commercial Cleaning Services</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>50156673</td>
<td>01/01/2014</td>
<td>01/30/2014</td>
<td>344.00</td>
<td>344.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Term: 30</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commercial Cleaning Services</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5011164</td>
<td>11/01/2013</td>
<td>11/11/2013</td>
<td>1,020.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>1,020.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Term: 10</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commercial Cleaning Services</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Total:**

<table>
<thead>
<tr>
<th></th>
<th>330.00</th>
<th>0.00</th>
<th>165.00</th>
<th>165.00</th>
<th>0.00</th>
<th>0.00</th>
<th>0.00</th>
</tr>
</thead>
</table>

**Total:**

<table>
<thead>
<tr>
<th></th>
<th>344.00</th>
<th>344.00</th>
<th>0.00</th>
<th>0.00</th>
<th>0.00</th>
<th>0.00</th>
<th>0.00</th>
</tr>
</thead>
</table>

**Total:**

<table>
<thead>
<tr>
<th></th>
<th>1,020.00</th>
<th>0.00</th>
<th>0.00</th>
<th>0.00</th>
<th>1,020.00</th>
<th>0.00</th>
<th>0.00</th>
</tr>
</thead>
</table>

**Total:**

<table>
<thead>
<tr>
<th></th>
<th>1,694.00</th>
<th>509.00</th>
<th>165.00</th>
<th>0.00</th>
<th>1,020.00</th>
<th>0.00</th>
<th>0.00</th>
</tr>
</thead>
</table>

Sample AR Aging Report
BUDGETING EXERCISE #2

Use Sample Franchised Business Statement #2 (next pages) and the Sample Aging Report
to fill in the missing information. Discuss.

Aging Report:

1. What are the payment terms for customer 501-13901? _________________

2. Is customer 501-56673 past due? _________________

3. Is customer 501-59047 past due? _________________

4. Discuss: What will happen if your customer doesn’t pay by the end of the third month?

Franchised Business Statement #2:

5. What is the amount billed to customer 501-59047 in January? _________________

6. How much was subtracted for a Chargeback? _________________

7. What are possible reasons for a Chargeback? _________________

8. Discuss: What could this Franchised Business do differently to improve profits?

Answers: 10 days; no (30 day term); yes; chargeback; $0; $867; customer didn’t pay or cancelled service.
## Franchised Business Statement Summary

January, 2014  
*(Sample Statement for training)*

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Service Billing</strong></td>
<td></td>
</tr>
<tr>
<td>Monthly Commercial Cleaning Service</td>
<td>2,105.00</td>
</tr>
<tr>
<td><strong>Total Service Billing</strong></td>
<td><strong>2,105.00</strong></td>
</tr>
<tr>
<td><strong>Fees</strong></td>
<td></td>
</tr>
<tr>
<td>Royalty and Support Fee</td>
<td>-315.75</td>
</tr>
<tr>
<td>General Liability Insurance</td>
<td>-116.00</td>
</tr>
<tr>
<td>FOJ</td>
<td>-50.52</td>
</tr>
<tr>
<td>Janitorial Bond</td>
<td>-5.95</td>
</tr>
<tr>
<td><strong>Total Fees</strong></td>
<td><strong>-488.22</strong></td>
</tr>
<tr>
<td><strong>Customer Receivables</strong></td>
<td></td>
</tr>
<tr>
<td>Chargeback for Customers non payment</td>
<td>-867.00</td>
</tr>
<tr>
<td>Payback</td>
<td>0.00</td>
</tr>
<tr>
<td>Collection Recovery</td>
<td>0.00</td>
</tr>
<tr>
<td><strong>Total Receivables</strong></td>
<td><strong>-867.00</strong></td>
</tr>
<tr>
<td><strong>Note Payments</strong></td>
<td></td>
</tr>
<tr>
<td>Note Principal</td>
<td>-1,038.29</td>
</tr>
<tr>
<td>Note Interest</td>
<td>-61.56</td>
</tr>
<tr>
<td><strong>Total Note Payments</strong></td>
<td><strong>-1,099.85</strong></td>
</tr>
<tr>
<td><strong>Supplies/Equipment Purchased</strong></td>
<td><em>(Does not factor into total)</em></td>
</tr>
<tr>
<td>Equipment Purchased</td>
<td>0.00</td>
</tr>
<tr>
<td>Supply Purchased</td>
<td>-17.99</td>
</tr>
<tr>
<td><strong>Sub Total for Purchases</strong></td>
<td><strong>-17.99</strong></td>
</tr>
<tr>
<td>Taxes</td>
<td>-1.08</td>
</tr>
<tr>
<td><strong>Total for Purchases</strong></td>
<td><strong>-19.07</strong></td>
</tr>
<tr>
<td><strong>Other Deductions and Charges</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>-19.07</strong></td>
</tr>
<tr>
<td><strong>Check Amount</strong></td>
<td><strong>-369.14</strong></td>
</tr>
</tbody>
</table>
## Budgeting and Tracking Finances

### Sample Franchised Business Statement #2

<table>
<thead>
<tr>
<th>RS Cust #</th>
<th>Customer Site</th>
<th>Start/End</th>
<th>Inv #</th>
<th>Billed</th>
<th>Gross</th>
<th>R/S</th>
<th>Net</th>
</tr>
</thead>
<tbody>
<tr>
<td>National</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>600-21</td>
<td>Ferguson 012345678 Commercial Cleaning Services</td>
<td>1/1/2014 - 1/31/2014</td>
<td>6000123</td>
<td>198.00</td>
<td>29.70</td>
<td>168.30</td>
<td></td>
</tr>
<tr>
<td>600-23</td>
<td>Scottrade OB3 Commercial Cleaning Services</td>
<td>1/1/2014 - 1/31/2014</td>
<td>6000147</td>
<td>125.00</td>
<td>18.75</td>
<td>106.25</td>
<td></td>
</tr>
<tr>
<td>Regular</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>501-13901</td>
<td>Gangbusters Commercial Cleaning Services</td>
<td>1/1/2014 - 1/31/2014</td>
<td>5011134</td>
<td>165.00</td>
<td>165.00</td>
<td>24.75</td>
<td>140.25</td>
</tr>
<tr>
<td>501-20434</td>
<td>JJ Way Way Commercial Cleaning Services</td>
<td>1/1/2014 - 1/31/2014</td>
<td>5011135</td>
<td>150.00</td>
<td>150.00</td>
<td>22.50</td>
<td>127.50</td>
</tr>
<tr>
<td>501-30849</td>
<td>Medical Center Five Commercial Cleaning Services</td>
<td>1/1/2014 - 1/31/2014</td>
<td>5011136</td>
<td>265.00</td>
<td>265.00</td>
<td>39.75</td>
<td>225.25</td>
</tr>
<tr>
<td>501-45733</td>
<td>St Paul Auto Parts Commercial Cleaning Services</td>
<td>1/1/2014 - 1/31/2014</td>
<td>5011137</td>
<td>160.00</td>
<td>160.00</td>
<td>24.00</td>
<td>136.00</td>
</tr>
<tr>
<td>501-96333</td>
<td>Two Blood LLC Commercial Cleaning Services</td>
<td>1/1/2014 - 1/31/2014</td>
<td>5011194</td>
<td>175.00</td>
<td>175.00</td>
<td>26.25</td>
<td>148.75</td>
</tr>
<tr>
<td>501-56673</td>
<td>St Johns by the Ocean Commercial Cleaning Services</td>
<td>1/1/2014 - 1/31/2014</td>
<td>5014563</td>
<td>344.00</td>
<td>344.00</td>
<td>51.60</td>
<td>292.40</td>
</tr>
<tr>
<td>501-24457</td>
<td>No No Nail Salon Commercial Cleaning Services</td>
<td>1/1/2014 - 1/31/2014</td>
<td>5017435</td>
<td>198.00</td>
<td>198.00</td>
<td>29.70</td>
<td>168.30</td>
</tr>
<tr>
<td>501-47333</td>
<td>Bazinga Legal Commercial Cleaning Services</td>
<td>1/1/2014 - 1/31/2014</td>
<td>5013758</td>
<td>160.00</td>
<td>160.00</td>
<td>24.00</td>
<td>136.00</td>
</tr>
<tr>
<td>501-32225</td>
<td>Architects R Us Commercial Cleaning Services</td>
<td>1/1/2014 - 1/31/2014</td>
<td>5011887</td>
<td>165.00</td>
<td>165.00</td>
<td>24.75</td>
<td>140.25</td>
</tr>
</tbody>
</table>

**Section Total:** 2,105.00 315.75 1,789.25

### Note Payments

<table>
<thead>
<tr>
<th>Note #</th>
<th>Payment #</th>
<th>Previous Bal.</th>
<th>Principal</th>
<th>Interest</th>
<th>Cur. Payment</th>
<th>Cur. Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>501-73904</td>
<td>5 Of 6</td>
<td>187.00</td>
<td>-93.03</td>
<td>-1.87</td>
<td>-94.90</td>
<td>93.97</td>
</tr>
<tr>
<td>501-94028</td>
<td>5 Of 5</td>
<td>102.00</td>
<td>-102.00</td>
<td>-1.02</td>
<td>-103.02</td>
<td>0.00</td>
</tr>
<tr>
<td>501-48903</td>
<td>5 Of 6</td>
<td>220.98</td>
<td>-109.95</td>
<td>-2.21</td>
<td>-112.16</td>
<td>111.03</td>
</tr>
<tr>
<td>501-49947</td>
<td>4 Of 5</td>
<td>233.84</td>
<td>-116.34</td>
<td>-2.34</td>
<td>-118.68</td>
<td>117.50</td>
</tr>
<tr>
<td>501-94730</td>
<td>13 Of 36</td>
<td>5,411.55</td>
<td>-161.77</td>
<td>-54.12</td>
<td>-215.89</td>
<td>5,249.78</td>
</tr>
<tr>
<td>501-40489</td>
<td>1 Of 3</td>
<td>1,355.60</td>
<td>-455.20</td>
<td>0.00</td>
<td>-455.20</td>
<td>910.40</td>
</tr>
</tbody>
</table>

**Section Total:** 7,510.97 1,038.29 61.56 -1,099.85 -6,472.68

Sample Franchised Business Statement 2 for Training
Sample Franchised Business Statement #2

**Supplies / Equipment Purchased**

<table>
<thead>
<tr>
<th>SO #</th>
<th>Date</th>
<th>SO Type</th>
<th>Qty</th>
<th>Price</th>
<th>Extended</th>
<th>Tax</th>
<th>Billed</th>
</tr>
</thead>
<tbody>
<tr>
<td>501-44949</td>
<td>1/31/2014</td>
<td>Supply</td>
<td>1</td>
<td>5.49</td>
<td>5.49</td>
<td>0.33</td>
<td>5.82</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Stride® Citrus Neutral Floor Cleaner</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Water Clear Hose</td>
<td>1</td>
<td>12.50</td>
<td>12.50</td>
<td>0.75</td>
<td>13.25</td>
</tr>
</tbody>
</table>

Section Total: 19.07

**Other Deductions and Charges**

| SO #: 501-44949 | 1 of 1 | -19.07 |

Section Total: -19.07

**Chargebacks**

<table>
<thead>
<tr>
<th>Cust #</th>
<th>Customer</th>
<th>Start</th>
<th>Inv #</th>
<th>Net</th>
</tr>
</thead>
<tbody>
<tr>
<td>501-59047</td>
<td>Bob's Veterinary Service</td>
<td>11/1/2013</td>
<td>5011164</td>
<td>-867.00</td>
</tr>
</tbody>
</table>

Section Total: -867.00

Sample Franchised Business Statement 2 for Training
BUDGETING EXERCISE #3

Use Sample Franchised Business Statement #3 (next pages) to fill in the missing information. Discuss.

1. How much January Service Billing is for Special Services? 

2. What Special Services were delivered? 

3. Why did this Franchised Business pay a Finders Fee?

4. Why is the Special Service gross amount for customer 501-30849 $280 instead of $350?

5. What % of Special Service billing is a Finders Fee? 

6. Why is there a credit for customer 501-59038?

Answers: $1,175; Carpet Cleaning and Strip/Refinish; Coverall sold the Special Service and offered it to the Franchised Business for a Finders Fee; amount billed – Finders Fee = Gross; 20%; the frequency of service was decreased from 5x a week to 3x a week.
### Franchised Business Statement Summary

January, 2014  
*(Sample Statement for training)*

<table>
<thead>
<tr>
<th>Service Billing</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monthly Commercial Cleaning Service</td>
<td>3,305.00</td>
</tr>
<tr>
<td>Special Commercial Cleaning Service</td>
<td>1,175.00</td>
</tr>
<tr>
<td>Credit Special Commercial Cleaning Service</td>
<td>-142.00</td>
</tr>
<tr>
<td>Finders Fee</td>
<td>-70.00</td>
</tr>
<tr>
<td><strong>Total Service Billing</strong></td>
<td><strong>4,268.00</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Fees</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Royalty and Support Fee</td>
<td>-661.50</td>
</tr>
<tr>
<td>General Liability Insurance</td>
<td>-161.00</td>
</tr>
<tr>
<td>FOJ</td>
<td>-102.43</td>
</tr>
<tr>
<td>Janitorial Bond</td>
<td>-5.95</td>
</tr>
<tr>
<td><strong>Total Fees</strong></td>
<td><strong>-930.88</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Customer Receivables</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chargeback for Customers non payment</td>
<td>0.00</td>
</tr>
<tr>
<td>Payback</td>
<td>0.00</td>
</tr>
<tr>
<td>Collection Recovery</td>
<td>0.00</td>
</tr>
<tr>
<td><strong>Total Receivables</strong></td>
<td><strong>0.00</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Note Payments</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Note Principal</td>
<td>-684.13</td>
</tr>
<tr>
<td>Note Interest</td>
<td>-73.34</td>
</tr>
<tr>
<td><strong>Total Note Payments</strong></td>
<td><strong>-758.47</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Supplies/Equipment Purchased</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equipment Purchased</td>
<td>0.00</td>
</tr>
<tr>
<td>Supply Purchased</td>
<td>-17.99</td>
</tr>
<tr>
<td><strong>Sub Total for Purchases</strong></td>
<td><strong>-17.99</strong></td>
</tr>
<tr>
<td>Taxes</td>
<td>-1.08</td>
</tr>
<tr>
<td><strong>Total for Purchases</strong></td>
<td><strong>-19.07</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Other Deductions and Charges</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>-19.07</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Check Amount</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2,559.56</td>
</tr>
</tbody>
</table>

Sample Franchised Business Statement 3 for Training
## Sample Franchised Business Statement #3

<table>
<thead>
<tr>
<th>RS Cust #</th>
<th>Customer Site</th>
<th>Start/End</th>
<th>Inv #</th>
<th>Billed</th>
<th>Gross</th>
<th>R/S</th>
<th>Net</th>
</tr>
</thead>
<tbody>
<tr>
<td>National</td>
<td>Ferguson 012345678 Commercial Cleaning Services</td>
<td>1/1/2014</td>
<td>6000123</td>
<td>198.00</td>
<td>29.70</td>
<td>168.30</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Scoctrade OB3 Commercial Cleaning Services</td>
<td>1/1/2014</td>
<td>6000147</td>
<td>125.00</td>
<td>18.75</td>
<td>106.25</td>
<td></td>
</tr>
<tr>
<td>Regular</td>
<td>Gangbusters Commercial Cleaning Services</td>
<td>1/1/2014</td>
<td>5011134</td>
<td>165.00</td>
<td>165.00</td>
<td>24.75</td>
<td>140.25</td>
</tr>
<tr>
<td></td>
<td>Ji Way Way Commercial Cleaning Services</td>
<td>1/1/2014</td>
<td>5011135</td>
<td>150.00</td>
<td>150.00</td>
<td>22.50</td>
<td>127.50</td>
</tr>
<tr>
<td></td>
<td>Medical Center Five Commercial Cleaning Services</td>
<td>1/1/2014</td>
<td>5011136</td>
<td>265.00</td>
<td>265.00</td>
<td>39.75</td>
<td>225.25</td>
</tr>
<tr>
<td></td>
<td>Flanigans Furniture Gallery Commercial Cleaning Services</td>
<td>1/1/2014</td>
<td>5011164</td>
<td>1,200.00</td>
<td>1,200.00</td>
<td>180.00</td>
<td>1,020.00</td>
</tr>
<tr>
<td></td>
<td>St Paul Auto Parts Commercial Cleaning Services</td>
<td>1/1/2014</td>
<td>5011187</td>
<td>160.00</td>
<td>160.00</td>
<td>24.00</td>
<td>136.00</td>
</tr>
<tr>
<td></td>
<td>Two Blood LLC Commercial Cleaning Services</td>
<td>1/1/2014</td>
<td>5011194</td>
<td>175.00</td>
<td>175.00</td>
<td>26.25</td>
<td>148.75</td>
</tr>
<tr>
<td></td>
<td>St Johns by the Ocean Commercial Cleaning Services</td>
<td>1/1/2014</td>
<td>5014563</td>
<td>344.00</td>
<td>344.00</td>
<td>51.60</td>
<td>292.40</td>
</tr>
<tr>
<td></td>
<td>No No Nail Salon Commercial Cleaning Services</td>
<td>1/1/2014</td>
<td>5017435</td>
<td>198.00</td>
<td>198.00</td>
<td>29.70</td>
<td>168.30</td>
</tr>
<tr>
<td></td>
<td>Bazinga Legal Commercial Cleaning Services</td>
<td>1/1/2014</td>
<td>5013758</td>
<td>160.00</td>
<td>160.00</td>
<td>24.00</td>
<td>136.00</td>
</tr>
<tr>
<td></td>
<td>Architects R Us Commercial Cleaning Services</td>
<td>1/1/2014</td>
<td>5011887</td>
<td>165.00</td>
<td>165.00</td>
<td>24.00</td>
<td>140.25</td>
</tr>
<tr>
<td>RSCR Cust #</td>
<td>Customer Site</td>
<td>Start/End</td>
<td>Inv #</td>
<td>Billed</td>
<td>Gross</td>
<td>R/S</td>
<td>Net</td>
</tr>
<tr>
<td>Regular</td>
<td>Flanigans Furniture Gallery</td>
<td>1/28/2014</td>
<td>5019380</td>
<td>-142.00</td>
<td>-142.00</td>
<td>0.00</td>
<td>-142.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1/31/2014</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SS Cust #</td>
<td>Customer Site</td>
<td>Start/End</td>
<td>Inv #</td>
<td>Billed</td>
<td>Gross</td>
<td>R/S</td>
<td>Net</td>
</tr>
<tr>
<td>Regular</td>
<td>Medical Center Five Special Commercial Cleaning Service – Carpet Cleaning</td>
<td>1/1/2014</td>
<td>5011476</td>
<td>350.00</td>
<td>280.00</td>
<td>42.00</td>
<td>238.00</td>
</tr>
<tr>
<td></td>
<td>Flanigans Furniture Gallery Special Commercial Cleaning Service – Strip and Refinish</td>
<td>1/1/2014</td>
<td>5087197</td>
<td>825.00</td>
<td>825.00</td>
<td>123.75</td>
<td>701.25</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1/31/2014</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Section Total: | 4,268.00 | 661.50 | 3,606.50 |

Sample Franchised Business Statement 3 for Training
### Sample Franchised Business Statement #3

<table>
<thead>
<tr>
<th>Note #</th>
<th>Payment #</th>
<th>Previous Bal.</th>
<th>Principal</th>
<th>Interest</th>
<th>Cur. Payment</th>
<th>Cur. Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>501-73904</td>
<td>5 Of 6</td>
<td>4426 – 4-6 Month Additional Business Note – 501-45733–St Paul Auto Parts</td>
<td>187.00</td>
<td>-93.03</td>
<td>-1.87</td>
<td>-94.90</td>
</tr>
<tr>
<td>501-94028</td>
<td>5 Of 5</td>
<td>4426 – 4-6 Month Additional Business Note – 501-45734–St Paul Auto Parts</td>
<td>102.00</td>
<td>-102.00</td>
<td>-1.02</td>
<td>-103.02</td>
</tr>
<tr>
<td>501-48903</td>
<td>5 Of 6</td>
<td>4426 – 4-6 Month Additional Business Note – 501-56673–St Johns by the Ocean</td>
<td>220.98</td>
<td>-109.95</td>
<td>-2.21</td>
<td>-112.16</td>
</tr>
<tr>
<td>501-49947</td>
<td>4 Of 5</td>
<td>4426 – 4-6 Month Additional Business Note – 501-47333–Bazinga Legal</td>
<td>233.84</td>
<td>-116.34</td>
<td>-2.34</td>
<td>-118.68</td>
</tr>
<tr>
<td>501-94730</td>
<td>13 Of 36</td>
<td>4418 – Initial Sale Long Term</td>
<td>5,411.55</td>
<td>-161.77</td>
<td>-54.12</td>
<td>-215.89</td>
</tr>
<tr>
<td>501-40489</td>
<td>5 Of 12</td>
<td>4817 Equipment Revenue – 7 – 12 Mth Note</td>
<td>852.07</td>
<td>-101.04</td>
<td>-12.78</td>
<td>-113.82</td>
</tr>
</tbody>
</table>

Section Total: 7,007.44 -684.13 -74.34 -758.47 -6.323.31

<table>
<thead>
<tr>
<th>SO #</th>
<th>Date</th>
<th>SO Type</th>
<th>Qty</th>
<th>Price</th>
<th>Extended</th>
<th>Tax</th>
<th>Billed</th>
</tr>
</thead>
<tbody>
<tr>
<td>501-44949</td>
<td>1/31/2014</td>
<td>Supply Stride® Citrus Neutral Floor Cleaner</td>
<td>1</td>
<td>5.49</td>
<td>5.49</td>
<td>0.33</td>
<td>5.82</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Water Clear Hose</td>
<td>1</td>
<td>12.50</td>
<td>12.50</td>
<td>0.75</td>
<td>13.25</td>
</tr>
</tbody>
</table>

Section Total: 19.07

| SO #: 501-44949 | 1 of 1 | -19.07 |

Section Total: -19.07

Sample Franchised Business Statement 3 for Training 3
Creating a Business Plan

As part of Initial Training you are required to create a business plan and review it with Coverall. You can use any format that you like for your Business Plan. The Small Business Administration’s website is a free resource that offers guidance and templates: http://www.sba.gov/category/navigation-structure/starting-managing-business/starting-business/writing-business-plan. Microsoft offers a variety of free business plan templates as well: http://office.microsoft.com/en-us/templates.

What is a business plan?
A business plan is a roadmap for how you will run your business. Your plan can help you create a realistic view of your finances, find opportunities for growth, and avoid costly mistakes.

A basic business plan usually includes the following:

1. **Vision Statement.** Describe the purpose and goals for your business.
2. **Business Profile.** List the services you will provide and the reasons why your company is prepared to succeed.
3. **Profit and Loss Projection.** Develop a one-year cash flow that clearly defines your expected revenue (income) from your business, expenses and profit or loss. See sample on next page.
4. **Growth Plan.** How big do you want your business to be? What will your role be in the business? Describe how and when you plan to grow your business. Include any anticipated revenue and expenses related to your growth plan, such as purchase of equipment or hiring employees. For example, if you plan to add an employee you could project the increased revenue as well as employee wages, taxes, worker’s compensation or other costs.
5. **Marketing and Sales.** Document the strength of your brand, how you will promote your business, your process for building customer satisfaction, and how you plan to get new customers.
## Sample Profit and Loss Projection

<table>
<thead>
<tr>
<th>REVENUE (Cash In)</th>
<th>Month 1</th>
<th>Month 2</th>
<th>Month 3</th>
<th>Month 4</th>
<th>Month 5</th>
<th>Month 6</th>
<th>... YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Regular Service</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Existing Regular Service</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Special Service</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| EXPENSES (Cash Out) | | | | | | | |
|---------------------|---------|---------|---------|---------|---------|---------|
| Royalty and Support Fee |         |         |         |         |         |         |
| Insurance |         |         |         |         |         |         |
| Supplies |         |         |         |         |         |         |
| Phones and Internet |         |         |         |         |         |         |
| Car Expense |         |         |         |         |         |         |
| Labor |         |         |         |         |         |         |
| Other |         |         |         |         |         |         |
| **Total Expenses** |         |         |         |         |         |         |         |

## GROSS PROFIT

| Note Payments | | | | | | | |

## PROFIT BEFORE TAX


Business Plan

In this exercise you will begin working on your business plan. Before the end of your Initial Training, review your completed business plan with Coverall. Make some notes today to start thinking about how you would like your business to perform. Discuss.

VISION STATEMENT

- What is the purpose of your business? Why does it exist?
- What are your goals for your business? They can be financial, personal, or other.

BUSINESS PROFILE

- Will your business specialize in any way?
- What Coverall services will your business provide?
- How is your business planning to succeed?

PROFIT AND LOSS PROJECTION

- What revenue do you expect for your business?
- How will your business revenue change over the first year? Why?
- Is your revenue projection realistic? Too optimistic?
- What expenses will your business have on an ongoing basis?
- How will your business expenses change over the first year? Why?

GROWTH PLAN

- How “big” do you want your business to be? By when?
- What will your role be in the business?
- How will you grow your business?
- What additional revenue will be needed to cover your business expenses?

MARKETING AND SALES

- What is the strength of the brand you represent? Why is it different?
- How will you promote your business?
- What process will you use to build customer satisfaction?
- How will you plan to get new customers?
**REVIEW**

**Budgeting and Tracking Finances**

1. _________________ (Cash In) is payments received from your customers for your services.

2. _________________ (Cash Out) are payments that you make to run your business such as Royalty and Support Fee, insurance, employee wages, employee taxes, car, cell phone, loan payments, equipment and supplies.

3. ___________ - ________ Costs are costs (expenses) that you paid to start your business and form your company such as Initial Franchise Fee, Starter Kit, business licenses, cell phone, computer, printer, other office equipment.

4. _______ - _______________ Costs are costs (expenses) to run your business such as car lease, loan payments, employee wages, chemicals and supplies, office supplies, taxes, gas, accountant or lawyer.

5. A promissory __________________ is similar to a loan.

6. Would a Chargeback be a + (plus) or a – (minus) on the Statement? _________________

7. Would a Payback be a + (plus) or a – (minus) on the Statement? _________________

8. If your customer doesn’t pay by end of third month (90 days), then the amount they didn’t pay will be taken out of your monthly gross billing. This is called a __________________.

9. If you had a chargeback and your customer pays later, then the amount that was previously taken out will be credited on your Statement. This is called a ________________.

10. As part of Initial Training you are required to create a __________________ plan and review it with Coverall. This document is a roadmap for how you will run your business. Your plan can help you create a realistic view of your finances, find opportunities for growth, and avoid costly mistakes.

Answers: Revenue; Expenses; Start-up; On-going; note; minus; plus; chargeback; payback; business.
Record Keeping and Compliance

Businesses are faced with a lot of paperwork. It's very important to be organized. You can use any record-keeping system that works for you as long as it clearly shows your income and expenses.

When it comes to organizing your business files, the most important thing is to KEEP RECORDS. Don’t wait until tax time to find receipts and write things down. Make a habit of filing documents immediately.

If you fail to keep necessary records, you may expose your business to liability. The length of time to keep business documents is governed by federal law and state law. Be sure to consult the laws of the state in which you operate.

Getting a Business License

You may need a business license before starting your franchised business and opening your business bank account. Check with your local city and/or county to determine what licenses you need. You should be able find this information online, and may even be able to register for your business license online.

Business Bank Accounts and Credit Cards

You are required to have a business bank account in the name of your business. Never mix your business bank account with your personal account. For example, don’t pay personal expenses from your business account or pay business expenses from a personal account.

Consider getting a credit card for your business, separate from your personal credit cards. Never mix your personal and business credit cards. Use your business credit card for business expenses only.
Organizing and Storing Files

All Coverall Franchised Business Statements, receipts, copies of checks, customer files and so on should be organized and stored in a filing system. Whether you work from home or in an office, get a filing cabinet or designate a place for your files.

All accounting records should be kept for at least seven years (7) in case of a tax audit by the Internal Revenue Service (IRS), bank errors, or other reasons that require you to show your files.

Recommendations/Suggestions:

► Use a computer to store records as much as possible. Using software can help you create a monthly budget and a monthly income statement.

► Save every tax filing, document and communication from federal, state and local government.

► A log book to record mileage (odometer) readings for business use of your car

► Save every receipt for expenses you or your employees incur.

► Save every Coverall Franchised Business Statement.

► Save every Coverall communication.

► Make copies of paper checks.

► Create a separate file folder for every customer.

► Create a separate file folder for every person or company that you pay (employees, contractors).

► Keep files in alphabetical order beginning with A and ending in Z so you can find them quickly.

► Keep a separate set of files for each year.

► Shred documents you no longer need if they contain sensitive business or personal information.

► Your business files are confidential information.

Should I hire an accountant?

When it comes to owning and operating a business, you have to determine what you can do on your own and when you should hire a professional, or buy a tool to simplify things and save time.
Record Keeping and Compliance

Many business owners can do day-to-day bookkeeping on their own, but when it comes to tax laws and business compliance, we recommend you work with a certified public accountant (CPA). A CPA can file your annual tax return and ensure that you are in compliance with tax laws including quarterly income tax payments and FUTA (unemployment tax) payments for employees. A CPA can also act as a consultant to your business, helping you decide how and when you should grow your business. **Coverall does not provide financial services or give specific advice regarding your personal or business finances.**

**What’s the best way to do my bookkeeping/accounting?**

If you keep your accounting records on paper, then consider buying a ledger from an office supplies store and use it consistently.

You can also do simple accounting with a spreadsheet program such as Microsoft Excel. Microsoft offers many get free accounting templates online.

There are several accounting software programs, such as QuickBooks and Peachtree, and free accounting programs for small business, such as Freshbooks or GnuCash. Some programs automate employee payroll, tax calculations, and check-writing and give you access to planning and budgeting tools and reports. Check with your accountant to see if they have a preferred accounting software program.

You are not required to use a computer and accounting software to track your business, but we recommend it because it saves you time, reduces errors and helps you plan for future growth as compared to paper/pencil or spreadsheet accounting.

**Tax Law Compliance**

The taxes you pay on your business profits and how you pay depend on your business entity (LLC or corporation). You will owe tax on the net profits for the year.

If you know you will make a profit for the year, you should make quarterly estimated tax payments (note these may be required). Consult an accountant to determine the best way to structure your business and how you should pay yourself the business profits.

In addition to business taxes required by the federal government, you will have to pay some state and local taxes. Each state and locality has its own tax laws.

**Tax Recordkeeping Guidance:**
Record Keeping and Compliance

Business Tax Records
Throughout the year, keep any document that proves your income and expenses:

► All monthly Coverall Franchised Business Statements
► Purchases/receipts
► Sales slips
► Payroll
► Invoices
► Copies of paid bills
► Deposit slips
► Canceled checks
► Bank Statements
► Credit card charge slips
► Petty cash slips for small cash payments

*IRS Information about Business Expenses:*

**Can I deduct car expenses from my taxes?**
You may be able to deduct car expenses from your taxes. Talk with an accountant. For more information, see IRS Topic 510 – Business Use of Car at http://www.irs.gov/taxtopics/tc510.html
Record Keeping and Compliance

OSHA Compliance

*Occupational Safety and Health Administration (OSHA) Compliance:*
https://www.osha.gov/dcsp/compliance_assistance/quickstarts/index.html

OSHA requires that you keep and maintain records on all employee training, specifically specialized training. This includes training in:

- Bloodborne and Airborne Pathogens
- Hazardous Communication Standard
- Personal Protective Equipment
- Hepatitis B vaccination records (for certain environments)

When creating training records, be sure to log the dates, times and places of training along with the name of the employee undergoing training. Also note on the log the dates when the training expires and the employee is required to be retrained. Check OSHA statutes for specific information on training and certification periods and expirations.

Training records should be kept in employee files and in a separate training file for as long as the person remains employed with you plus three (3) years.

**SAFETY DATA SHEETS (SDS)**

Safety Data Sheets (SDS) contain details of the hazards associated with a chemical, and gives information about its safe use.

OSHA requires that SDS for all chemicals being used are maintained both on-site at each of your customer accounts as well as at your main office for all employees to see and read. At your customer account, SDS should be hung on the inside of the janitor closet or on the cleaning cart. Employees should also be made aware that SDS are on every job site for their reference.
Record Keeping and Compliance

Employee Records and Labor Law Compliance

In addition to requirements for keeping payroll records of your employees for tax purposes, you must also keep records about your employees. The following sites provide more information about federal reporting requirements:

Recordkeeping

Employee Records to Keep on File

Employee Benefits
http://www.dol.gov/compliance/guide/erisa.htm

Employee Handbook
http://www.sba.gov/content/managing-employees

Equal Employment Opportunity
http://www.eeoc.gov/

Fair Labor Standards

Operating Records

Throughout the life of your business, you will collect a large amount of “operating records” that don’t directly relate to cash flow or employees such as:

► Articles of Incorporation or Business Entity Declaration
► Tax Identification number
► Coverall Janitorial Franchise Agreement (JFA)
► Equipment Warranties, User Guides, Service Contracts and Agreements

Operating records are important to your business and should be organized and stored in a location where they can easily be found.
Record Keeping and Compliance

1. When it comes to organizing your business files, the most important thing is to _______________ _______________. Don’t wait until tax time to find receipts and write things down. Make a habit of filing documents immediately.

2. You may need a business _______________ before starting your Franchised Business and opening your business bank account. Check with your local city and/or county to determine what you need.

3. You are required to open a business bank account in the name of your business. Never mix your business bank account with your _______________ account.

4. Many business owners can do the day-to-day bookkeeping on their own, but when it comes to tax laws and business compliance, we recommend you work with a certified public _______________ (CPA).

5. In addition to business taxes required by the federal government, you will have to pay some _______________ and _______________ taxes.

6. _______________ requires that you keep and maintain records on all employee training, specifically specialized training (including Bloodborne and Airborne Pathogens training).
7. Throughout the life of your business, you will collect a large amount of _________________
_________________ that don’t directly relate to cash flow or employees such as Articles of
Incorporation or Business Entity Declaration, Tax Identification number, and Coverall JFA.
These records are important to your business and should be organized and stored in a
location where they can easily be found.

Answers: Keep records; license; personal, business; accountant; state, local; OSHA; operating records.
CLASS 3

Growing and Maintaining Your Business

In This Class

► 5 Ways to Grow your Business
► Introduction to Selling
► Introduction to Bidding
► Hiring and Managing Employees
As a business owner you will set goals for yourself and your business. Are you satisfied with your business or would you like to increase revenue, profits and success? Growing your business requires focus on fundamentals: making good decisions, delivering great service, and creating happy customers who refer you to others.

5 WAYS TO GROW YOUR BUSINESS

5 suggestions for growing your business:

1. Increase customer retention
2. Offer Special Services
3. If offered to you, buy Additional Business
4. Get your own customers
5. Market your business

#1: Increase Customer Retention

Your best customer is the one that you have. You can’t grow your business if you are caught in the cycle of replacing lost customers.

“Customer retention” means keeping your customers. The best way to keep customers is to keep them happy with your service. The longer you keep a customer, the more profitable that customer becomes to your franchised business.

3 keys to customer retention:

► Consistent Service
► Communication
► Trust
CONSISTENT SERVICE
► Follow the Coverall Service Plan for each customer – the services they paid for and expect.
► Do what you say you’re going to do. Only make promises you can keep.
► Customers tend to be loyal to businesses that give them the experience they expect.

COMMUNICATION
► Talk to your customers often. Don’t be a stranger who services at night.
► Advise customers on ways to improve the cleanliness of their facility. You are the expert.
► Be kind and polite. Listen. Respond. Say “thank you.” Make sure your employees do the same.

TRUST
► Show pride and confidence in your company and the Coverall brand.
► Look people in the eye when you talk to them and speak clearly. Shake their hand.
► Look professional and worthy of their trust. They trust you with the keys to their building.

The financial advantage of keeping customers
The longer you keep a customer the more likely you are to profit from your investment.

Each time your business loses a customer you also lose some value in your business, and it takes time to build that value back up. Starting a new customer takes more time than keeping a current customer.

The Financial Advantage of Keeping Your Customers

- Takes time to replace customer and recover profit
- Replacement customers may cost you a fee
- As you pay off notes, profit should increase
5 Ways to Grow your Business

What if one customer is more demanding than the others?

Not all customers are the same. Some demand more time and attention, and others less. When you look at all of your customers, your portfolio will usually balance out.

The single most important question to ask your customers:

Would you recommend my company to someone else?

If your customer's answer is “not sure” or “no,” then there may be a problem with your relationship.  
Suggested response:

- I’m sorry to hear that. My goal is to make sure you are happy with our service.
- What are we doing well and should keep doing?
- What are the things you would like us to do better?

If your customer's answer is “yes,” then the relationship is good.  
Suggested response:

- I’m glad to hear that. My goal is to make sure you are happy with our service.
- Please feel free to talk with me at any time if there’s something else we can do for you.
- If you know of others who would like our service, I’d appreciate your recommendation. It would mean a lot to us.
#2: Offer Special Services

A great way to increase your revenue is offering Special Services such as:

- Hard Floor Care: Burnishing, Scrub and Recoat, Strip and Refinish
- Carpet Care: Extraction, Encapsulation
- Window Cleaning
- High Dusting
- Upholstery Cleaning
- Special Event Cleaning

Look for opportunities each time you visit your customers:

- Are their floors dull, marked up or without shine?
- Do their carpets have spots on them or look dirty?
- Is there a build-up on baseboards, especially in restrooms?
- Do their lobby windows look dirty?
- Is there dust on their high air ducts?
- Are they planning an event or holiday party that will require extra clean up?

If you see an opportunity, propose a Special Service to your customer or call your Support Center for help with the sale.

If a customer complains about something that is not part of their Service Plan, suggest a Special Service to solve the problem. For example, if the customer complains about a dirty carpet (that cannot be cleaned thoroughly with your HEPA backpack vacuum and occasional small spot removal), suggest a carpet cleaning.

If the complaint is about a small area, such as the carpet in the hallway near the lunchroom, and you know it won’t take much time to clean it, then you might want to consider providing a small Special Service carpet cleaning at no cost. Note your service in the log book and discuss it with your customer. A complimentary small effort could result in greater customer satisfaction and an opportunity to propose a larger Special Service for the entire facility in the future.
5 Ways to Grow your Business

#3: If offered to you, Buy Additional Business

“Additional Business” is customer Service Agreements you buy beyond your original franchise package. For example, if you bought a P-2000 and want more customer revenue beyond $2000 gross monthly dollar volume, then you may have an opportunity to grow your business by purchasing new customers from Coverall. Coverall may or may not have Additional Business to offer you. If Coverall does offer you Additional Business and you accept the customer, then you pay Coverall a Sales and Marketing fee for the purchase of the customer.

#4: Get your own Customers – Customer Next Door

What facility is next door to your customers? That facility could be your new customer. Finding new customers starts by talking with the “customer next door” to your current customer.

When you have a prospect you want to sell, fill out a Lead Form at your Coverall Support Center. If Coverall is not already trying to sell that prospect or the prospect is not already a Coverall customer, then you have 90 days to sell the prospect yourself.

When you sell a new customer on your own, you do not pay Coverall a Sales and Marketing fee, as you got the customer on your own.

See “Introduction to Selling” in this Workbook for details about selling to new customers.
#5: Market your business

Marketing means promoting your business and services to others. As a business in your community, you can take some basic steps to promote yourself:

► Establish a phone for your business; set up voice mail that represents your business
► Answer every phone call as if it were a prospect or customer
► Use business cards to introduce your business
► Wear Coverall-branded apparel when representing your business
► Get sales brochures from your Support Center and give them to local businesses
► Use Coverall vehicle magnets to identify your business
► Work on an “elevator pitch” for your business – what you say when people ask, “What does your business do?”
► Use the Coverall website to represent your business (www.coverall.com)

Can I create an advertisement?

Yes. You may want to advertise in a local newspaper, church bulletin, or other place. Send your advertisement to marketing@coverall.com for review before you place the ad.

Make sure that you include this statement on your ad: An Independently Owned and Operated Coverall Franchised Business. Small ads do not need the Coverall logo, but larger ones do.

See the Franchised Business Policies and Procedures Manual for guidelines and approved content for use on ads, and rules you must follow to protect the Coverall brand.

Can I create a Coverall website?

Yes, you may create a website for your business following Coverall brand guidelines and templates. See the Policies and Procedures Manual for more information.

See the Franchised Business Policies and Procedures Manual for more information.
5 Ways to Grow your Business

How to promote your business online

Consider creating a Facebook page and a LinkedIn page for your Franchised Business. Both are popular ways to promote businesses online.

See the Franchised Business Policies and Procedures Manual for guidelines and approved content for use on local listings. It includes rules you must follow to protect the Coverall brand.

We encourage your Franchised Business to follow or “like” Coverall on the social media sites listed below. If Coverall posts an article, video or other item, then comment on it and share it on your social media site. Keep comments positive, remembering that you represent the Coverall brand.

Blog: http://blog.coverall.com

Facebook: https://www.facebook.com/coverall

LinkedIn: http://www.linkedin.com/company/coverall-health-based-cleaning-system

YouTube: http://www.youtube.com/coveralldotcom

Twitter: https://twitter.com/coverallhbcs
Growing and Maintaining Your Business

1. Customer ________________ means keeping your customers.

2. The longer you keep a customer, the more likely you are to ________________ from your investment.

3. Three ways to keep customers: Consistent ________________, ________________ and ________________.

4. If your customer will not recommend your business to others, then there may be a ________________ with your relationship.

5. A great way to increase your revenue is offering ________________ ________________ such as Hard Floor Care, Carpet Care and Window Cleaning.

6. When you have a prospect you want to sell, fill out a ________________ Form at your Coverall Support Center. If Coverall is not already trying to sell that prospect, then you have ________________ days to sell the prospect yourself.

7. TRUE or FALSE: When you sell a new customer on your own, you will pay the required monthly fees, such as the 15% Royalty and Support fee for all billings and collection services.

Answers: Retention; profit; service, communication and trust; problem; Special Services; Lead, 90; true.
Introduction to Selling

Every time you talk with someone about your business, you have an opportunity to sell to a new customer or get a referral.

Do you like to sell?

Many people answer “no” to that question because they see “selling” as something negative. But business owners “sell” every day in very positive ways.

“Selling” is as simple as having a good conversation with a prospect. The prospect has a problem or a need, and you have a solution: a professional commercial cleaning service delivered by a certified expert. The key is to see if there is a match between what they want and what you offer.

Finding Prospects

Your next best customer might be in the office next to your current customer. Or, it may be a referral from someone who knows a company that might want your services.

A “prospect” is someone who might want to buy your services and become your customer.

► Ask people for referrals: “Who do you know that might want a high quality cleaning service?”
► Write down the names of the companies that are next door to your current customers.
► When you have a prospect, fill out a Lead Form at your Coverall Support Center. If Coverall is not already trying to sell that prospect, then you will have 90 days to sell the prospect yourself.

Get ready to sell to a prospect:

► Wear clean Coverall apparel, such as a shirt, and your Franchised Business Owner ID badge.
► Bring your Coverall business card and a Coverall brochure.
► Create a “brag book” of letters from your current satisfied customers, Special Service “before and after” pictures, and other items that show your business success.
► Bring a notepad to write notes about what the prospect expects from their cleaning service.
► Bring brochures and other sales tools.
Introduction to Selling

Ask to talk with someone:

► Walk into the prospect’s building with confidence. Smile.

► Introduce yourself and your business:

  – Hi, I’m _______. I own a Coverall commercial cleaning company, and the business next door is one of my customers.

  – I would like to talk with you about cleaning services and what’s most important to you.

► If the prospect is able to talk with you right away, then talk with them.

► If the prospect is not able to talk right away, then get a business card and schedule a meeting. Confirm the time. Leave a Coverall brochure and your Coverall business card.

If no one will talk to you about your business:

► Leave in a positive way so you can talk again.

  – Sorry to hear that. Situations can change. Here’s some information about my business. My customer is next door so I’m around here all the time. I will stop in again in a couple of months to see how things are going.

  – Thank you!

► Always be polite, even if the prospect is not polite to you.

Ideas:

► The more often the prospect sees you, the less you are a stranger.

► Find a reason to stop in again in a few months:

  – I noticed that your glass front door could use a good cleaning.

  – With all the bad weather lately, I thought it might be a good time to talk about cleaning your carpets and floors.

  – Now that winter is over, a lot of our customers are looking for a spring cleaning.
Introduction to Selling

Coverall Sales Process

The Coverall Sales Process looks like a baseball diamond:

1st Base: Connecting
- Look the prospect in the eye, shake hands.
- Thank you for talking with me.
- My name is ____ and my company is ____.
- Present your business card.
- I’m a certified Coverall Franchised Business. That means that I’ve been trained on a process that kills germs while it cleans. It’s a better cleaning program than most people have used before.
- I’d like to ask some questions to learn what’s most important to you about your cleaning.

2nd Base: Check: Keep going?
- Coverall Site Survey

3rd Base: Consulting
- Core 4® Sell Sheet

Home: Closing
- Coverall Service Plan (proposal) and Service Agreement

1st Base: Connecting
Connecting = finding your prospect’s pain points.
Introduction to Selling

Fact-Finding Form
At first base use the Fact-Finding Form (next page) to ask questions and find out if the prospect has some “pain” or problems with their current cleaning. Take time to ask all of the questions.

1. Tell me about your current cleaning program. How are things going?
2. What is most important to you about how your office is cleaned? Why is that important?
3. What is one thing you would like to have cleaned better? Why is that a priority for you? Have you had trouble getting that done right in the past?
4. What is important to you about the communication between you and your cleaning service?
5. What else would help create a great customer experience for you?

Other parts of the Fact-Finding Form:
► Identify their key concerns about cleanliness, safety and security
► List 3 things to improve right away
► Discuss their decision process

Show you are listening:
► Look the prospect in the eye, nod, and say uh-huh, yes, got it, etc.
► Take notes.
► React when appropriate. Be curious but not obnoxious.
  - Oh wow. Sorry to hear that.
  - Yes, I see that a lot.
  - Oh, that could be bad.
  - Gee, that doesn’t sound good.
  - Well, we can make that better for sure.
Introduction to Selling

Fact-Finding Form: What’s Important to the Customer?

1. Tell me about your current cleaning program. How are things going?
2. What is most important to you about how your facility is cleaned? Why is that important?
3. What is one thing you would like to have cleaned better? Why is that a priority for you?
   Have you had trouble getting that done right in the past?
4. What is important to you about the communication between you and your cleaning service?
5. What else would help create a great customer experience for you?

Key Concerns about Cleanliness, Safety and Security:

<table>
<thead>
<tr>
<th>Floors and carpets</th>
<th>Dusting and Wiping</th>
<th>Germ Removal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carpet spots or stains</td>
<td>Dust on furniture</td>
<td>Unprofessional cleaning products</td>
</tr>
<tr>
<td>Poor shine on hard floors</td>
<td>Dust on vents, lights</td>
<td>Paper towels or cloth rags</td>
</tr>
<tr>
<td>Sloppy baseboards</td>
<td>Dirty windows</td>
<td>String mops</td>
</tr>
<tr>
<td>_________________</td>
<td>Dirty blinds and window sills</td>
<td>Dirty buckets</td>
</tr>
<tr>
<td>Restrooms</td>
<td>Dirty partition glass</td>
<td>Upright vacuum</td>
</tr>
<tr>
<td>Bad odor</td>
<td>_________________</td>
<td>Old cleaning technology</td>
</tr>
<tr>
<td>Soil around toilets/urinals</td>
<td>Kitchen Areas</td>
<td>Safety and Security</td>
</tr>
<tr>
<td>Mirrors</td>
<td>Microwaves</td>
<td>Unlabeled chemicals</td>
</tr>
<tr>
<td>Walls and stalls</td>
<td>Refrigerators</td>
<td>Wet floors</td>
</tr>
<tr>
<td>Floors</td>
<td>Sink areas</td>
<td>Unsafe situations</td>
</tr>
<tr>
<td>_________________</td>
<td>Tables and chairs</td>
<td>Keys or passcodes</td>
</tr>
<tr>
<td>Trash Removal</td>
<td>Floors</td>
<td>Bonded and insured</td>
</tr>
<tr>
<td>In offices</td>
<td>_________________</td>
<td>_________________</td>
</tr>
<tr>
<td>In kitchen areas</td>
<td>Specialty Areas</td>
<td>Communication</td>
</tr>
<tr>
<td>In restrooms</td>
<td>Special cleaning required</td>
<td>_________________</td>
</tr>
<tr>
<td>_________________</td>
<td>Special disinfectants needed</td>
<td>_________________</td>
</tr>
<tr>
<td>_________________</td>
<td>Germ Removal</td>
<td>Safety and Security</td>
</tr>
<tr>
<td>_________________</td>
<td>_________________</td>
<td>Unlabeled chemicals</td>
</tr>
<tr>
<td>_________________</td>
<td>_________________</td>
<td>Wet floors</td>
</tr>
<tr>
<td><em>Dusting and Wiping</em></td>
<td>_________________</td>
<td>Unsafe situations</td>
</tr>
<tr>
<td><em>Germ Removal</em></td>
<td>_________________</td>
<td>Keys or passcodes</td>
</tr>
<tr>
<td><em>Safety and Security</em></td>
<td>_________________</td>
<td>Bonded and insured</td>
</tr>
<tr>
<td><em>Communication</em></td>
<td>_________________</td>
<td>_________________</td>
</tr>
</tbody>
</table>

3 Things to Improve Right Away

1. __________________________________________________________________________
2. __________________________________________________________________________
3. __________________________________________________________________________

Decision Process

1. When do you want to start your new cleaning service?
2. What is your current cleaning budget?
3. What are the steps you will take to make a decision about Coverall?
4. What will you base your decision on?
5. How soon can we review the proposal?
Introduction to Selling

2nd Base: Check – Keep going?

_Check = keep going with the meeting and conduct a Site Survey._

At second base take time to find out if the prospect wants to keep talking. Ask a simple question that they can answer with a yes or no.

Questions you might use:

► It sounds like you have some cleaning problems you’d like to fix. Is that right? (yes/no)

► I think it makes sense for us to keep talking. Do you agree? (yes/no)

► I’m learning a lot. Can you show me some of the things we’ve talked about? (yes/no)

*Great! Let’s do a Site Survey so you can show me what’s most important to you.*

When to do a Site Survey:

► At this point you want to get permission to walk through the facility with the prospect and make notes so you can calculate a bid price. The Site Survey also helps you see what’s important to the prospect about their cleaning program. The better you understand their current situation, the better you can position the value of the Coverall Core 4® Process.

► Sometimes a prospect will want to start walking through the facility right away. Other times you might need to use the Core 4® Sell Sheet earlier in the sales process to discuss the cleaning program. Use the Coverall Sales Process as a best practice, but be flexible – some prospects will want to move faster or slower.

► In all cases, take time to ask questions and understand the prospect’s needs.

During the Site Survey:

► **DO:** Fill out the Site Survey Form. You will learn to use this tool during “Introduction to Bidding.”

► **DO:** Look in the janitor’s closet for unlabeled chemical bottles, string mops, cloth rags, old dirty buckets. Unlabeled bottles and no Safety Data Sheets are OSHA violations.

► **DO:** look behind doors, touch the tops of door frames, run a finger through dust without being too obvious to the prospect.

► **DO say:** There are things that we can definitely improve for you.

Always be professional:

► **Do NOT** say bad things about their current cleaner. (It could be family member!)

► **Do NOT** say bad things about a competitor.

► **Do NOT** tell them their building is filthy, even if it is.
## Site Survey

<table>
<thead>
<tr>
<th>Customer: ____________________________</th>
<th>Contact: ____________________________</th>
</tr>
</thead>
<tbody>
<tr>
<td>Phone: ______________________________</td>
<td>Email: ________________________________</td>
</tr>
<tr>
<td>Address: __________________________________</td>
<td></td>
</tr>
<tr>
<td>Start Date: ______________</td>
<td>Frequency: __________</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Room or Area</th>
<th>Flooring</th>
<th>Length</th>
<th>x Width</th>
<th>= Sq Ft</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Total Cleanable Square Footage:**

<table>
<thead>
<tr>
<th>Simple</th>
<th>Medium</th>
<th>Hard</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Flooring Totals**

<table>
<thead>
<tr>
<th>Carpet</th>
<th>VCT</th>
<th>Tile</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Total Restroom Square Footage:**

<table>
<thead>
<tr>
<th>Total Fixtures:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
</tbody>
</table>

©2014 Coverall North America, Inc. Confidential Information.
PRACTICE EXERCISE

Connecting and Check

The Instructor will play the role of your prospect. Introduce yourself, use the Fact-Finding Form to ask questions (1st base) and decide if the prospect wants to keep going (2nd base) with a Site Survey.

INTRODUCE YOURSELF:

• Shake hands. Look them in the eye. Introduce yourself.
• Tell them about your business.
• Tell them what you’d like to do.

ASK QUESTIONS USING THE FACT-FINDING FORM:

• Are they using a cleaning service?
• Do they think their cleaning is good?
• What's important to them about their cleaning program?

SHOW YOU ARE LISTENING:

• Look the prospect in the eye, nod, and say uh-huh, yes, got it, etc.
• Take notes.
• React when appropriate. Be curious but not obnoxious.

CHECK – KEEP GOING?

• Questions you might use:
• It sounds like you have some cleaning problems you’d like to fix. Is that right? (yes/no)
• I think it makes sense for us to keep talking. Do you agree? (yes/no)
• I’m learning a lot. Can you show me some of the things we’ve talked about? (yes/no)

Great! Let’s do a Site Survey so you can show me what’s most important to you.

NOTE: We will not practice a Site Survey in this class.
Introduction to Selling

3rd Base: Consulting

Consulting = showing how you can help.

At third base use the Core 4® Sell Sheet (next page) to talk about how your company will clean differently.

► Some things I see are…
  – Be honest but respectful about the cleaning that needs to be done
► What we will do is…
  – Show them how the Core 4® is better
► That will help you…
  – Tell them the difference that they will see

<table>
<thead>
<tr>
<th>Some things I see are:</th>
<th>What we will do is:</th>
<th>That will help you:</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Bad odors (in restroom)</td>
<td>Use hospital-grade disinfectants that kill germs</td>
<td>Get a cleaner facility that looks great and is odor free (smells better)</td>
</tr>
<tr>
<td>• Unlabeled chemical bottles</td>
<td>Use color-coded microfiber – acts like a “magnet” for soil</td>
<td>Pick up more soil and make sure harmful germs are not spread from place to place (toilet to desk)</td>
</tr>
<tr>
<td>• Unprofessional chemicals</td>
<td>Use a no-dip microfiber flat mopping system</td>
<td>Get floors cleaner because dirty water is never used on floors Color-coded mop pads make sure germs are not spread from place to place (restroom to kitchen)</td>
</tr>
<tr>
<td>• Cloth rags or paper towel</td>
<td>Use a HEPA backpack vacuum</td>
<td>Remove dust and other particles as small as 0.3 microns (very small); less dust; help improve air quality</td>
</tr>
<tr>
<td>• Dirty rags</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Streaks on glass or mirrors</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Dirty string mop</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Old fashioned bucket</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Dirty water left in bucket</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Upright vacuum cleaner</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Full vacuum cleaner bag</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Worn out vacuum cord</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

How else could you use the Core 4® to help solve a prospect’s problem?

__________________________________________________________________________________________
__________________________________________________________________________________________
__________________________________________________________________________________________
Introduction to Selling

The Coverall Core 4®

Is Your Office CORE 4® Clean?

The technology behind cleaning has changed dramatically over the last decade. It’s not enough for your janitor to just make things look nice. The Coverall® Program goes much deeper to create a healthy work environment that helps reduce the risk of infection and illness.

1. Hospital-grade Disinfectants
   - Proven to kill germs
   - OSHA packaging and labels
   - EPA-registered chemicals

2. Color-coded Microfiber
   - Helps prevent cross-contamination
   - Picks up 99% of dirt and germs
   - Environmentally friendly

3. No-Dip Microfiber Flat Mopping System
   - 80% better cleaning than a string mop
   - Reduces cross-contamination
   - Never uses dirty water

4. HEPA Backpack Vacuum
   - Captures up to 99.97% of airborne particles down to .3 microns
   - Helps improve indoor air quality
   - Quieter than most vacuums (62db)

To learn more call 800.537.3371 or visit www.coverall.com

©2016 Coverall North America, Inc.
Consulting

You just completed a Site Survey and saw some problems that can be fixed with a better cleaning program:

► Odor in restrooms
► Dusty desks, vents
► String mop and dirty bucket
► Upright vacuum cleaner

Make notes in the chart below, then role play and use the Core 4® Sell Sheet to discuss how your company can help.

<table>
<thead>
<tr>
<th>Some things I see are:</th>
<th>What we will do is:</th>
<th>That will help you:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Home Plate: Closing

*Closing = signing a contract.*

Home plate is when you score a home run by gaining a new customer. Before you close you will need to calculate a price (bid). The Initial Training Program includes an Introduction to Bidding.

**Closing means asking for their business**

If you want a new customer, then you must ask them to do business with you. You can say it in a way that’s comfortable for you, but you must say it!

- **3 ideas:**
  - It sounds like we can help you here. So let’s sign the paperwork and get started!
  - Would you like to start service on ___ or ___? Great! Then let’s sign the paperwork.
  - It sounds like it makes sense for us to work together. When can we start?

**What does your prospect sign?**

Your prospect must sign a **Coverall Franchise Owner Service Agreement**, which is a legal document that says they agree to your price and accept your services.

You should also prepare a **Coverall Service Plan** (work schedule and proposal) that lists your services and how often you will clean the prospect’s facility.

As part of your Support Fee you can get Service Agreements and proposal help from your Support Center. Your Instructor will show you examples.
Closing the Sale

You are closing a sale and need to ask the prospect to work with your company. The Instructor will play the role of the prospect. What will you say to close the sale?

3 ideas:

► It sounds like we can help you here. So let’s sign the paperwork and get started!
► Would you like to start service on ___ or ___? Great! Then let’s sign the paperwork.
► It sounds like it makes sense for us to work together. When can we start?

Or write your own idea:

______________________________________________________________________________
______________________________________________________________________________
______________________________________________________________________________
______________________________________________________________________________
______________________________________________________________________________
______________________________________________________________________________
Introduction to Selling

1. A ________________ is someone who might want to buy your services and become your customer.

2. At first base use the _________________________ - _________________________ Form to ask questions and find out if the prospect has some “pain” or problems with their current cleaning.

3. At second base take time to find out if the prospect wants to keep talking. Ask a simple question that they can answer with a _________________________ or _________________________.

4. At third base use the _________________________ Sell Sheet to talk about how your company will clean differently.

5. Home plate is when you score a home run by gaining a new _________________________. Before you close you will need to calculate a price (bid). This training program will include an Introduction to Bidding.

6. If you want a new customer, then you must _________________________ them to do business with you. You can say it in a way that’s comfortable to you, but you must say it!

7. Your prospect must sign a Coverall Franchise Owner _________________________ _________________________, which is a legal document that says they agree to your price and accept your services.

Answers: Prospect; Fact-Finding Form; yes or no; Core 4®; customer; ask; Service Agreement.
Introduction to Bidding

“Bidding” means calculating a price for your Franchised Business’ cleaning services.

Before you calculate a bid, use the Coverall Sales Process (from “Introduction to Selling”) or your own sales process to understand the prospect’s situation.

REMEMBER: You must complete a Lead Form and submit it to your Support Center before you sell to a prospect. The form is available from your Support Center.

Measuring Square Footage of the Prospect’s Facility

Before you calculate a bid you need to know the square footage (area) to be cleaned. This is called the “cleanable area.”

Most people measure square footage during a Site Survey.

Square footage is calculated by multiplying the length of a room by the width:

- The square footage of this area is $15 \times 10 = 150$ sq ft
- The square footage of this area is $100 \times 50 = 5000$ sq ft

Measuring wheel

One way to measure square footage is with a measuring wheel. This tool is rolled along the floor and measures distance.

Laser tapeless measuring tool

A laser measuring tool is a fast, easy way to measure distances accurately. Hold it in your hand, point, and press the button to measure length and width.
Introduction to Bidding

Counting tiles

Another way to measure square footage is by counting tiles on ceiling or floor. Most ceiling tiles are 2 by 4 feet, or 2 by 2 feet. Floor tiles also come in different sizes. You can calculate square footage of a room by counting tiles.

What if the room is an odd shape?

If the room is an odd shape, such as an oval or an L, then draw a picture of the room so you can remember its shape. Think of the room in box or rectangle shapes, measure those shapes and make a best guess at the area that falls outside the shapes.

Think about the oval having a square or rectangle around it. Measure the area of the square or rectangle, then make your best guess at the rest of the area.

Break the room into squares or rectangles. Measure the area of each shape. Add the areas together.
### Site Survey

**Customer:** St Johns by the Ocean  
**Contact:** Sarah Jones  
**Phone:** (216) 327-3838  
**Email:** sjones@stjohnsocean.com  
**Address:** 19304 Ocean Way, Deerfield Beach FL, 33441  
**Start Date:** May 1, 2014  
**Frequency:** 4x  
**Days of Service:** x M x T x W x R x F _ Sa _ Su

<table>
<thead>
<tr>
<th>Room or Area</th>
<th>Flooring</th>
<th>Length</th>
<th>x Width</th>
<th>= Sq Ft</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cubicles</td>
<td>Carpet</td>
<td>100</td>
<td>50</td>
<td>5000</td>
<td>Some small spots</td>
</tr>
<tr>
<td>Kitchen</td>
<td>VCT</td>
<td>30</td>
<td>20</td>
<td>600</td>
<td>Needs strip and recoat</td>
</tr>
<tr>
<td>Lobby</td>
<td>Tile</td>
<td>40</td>
<td>20</td>
<td>800</td>
<td>Glass entrance door</td>
</tr>
<tr>
<td>Offices with doors</td>
<td>Carpet</td>
<td>260</td>
<td>10</td>
<td>2600</td>
<td>Normal clutter</td>
</tr>
<tr>
<td>Hallways</td>
<td>Carpet</td>
<td>220</td>
<td>8</td>
<td>1760</td>
<td>Stains near kitchen entrance</td>
</tr>
<tr>
<td>Training Room</td>
<td>Carpet</td>
<td>40</td>
<td>20</td>
<td>800</td>
<td>Not used regularly</td>
</tr>
<tr>
<td>Big Conference Room</td>
<td>Carpet</td>
<td>30</td>
<td>20</td>
<td>600</td>
<td>Used daily, glossy table</td>
</tr>
<tr>
<td>Small Conference Room</td>
<td>Carpet</td>
<td>10</td>
<td>8</td>
<td>80</td>
<td>Crowded room</td>
</tr>
<tr>
<td>Marketing Storage</td>
<td>VCT</td>
<td>20</td>
<td>10</td>
<td>200</td>
<td>Items stored on floor</td>
</tr>
</tbody>
</table>

**Total Cleanable Square Footage:**  
- Flooring Totals: 10,840  
- VCT: 800  
- Tile: 800

**Total Restroom Square Footage:** 648  
**Total Fixtures:** 20

---

©2014 Coverall North America, Inc. Confidential Information.
Introduction to Bidding

Counting Fixtures
To calculate a bid you need to count fixtures in the restrooms. A “fixture” is a sink, toilet, or urinal. In the pictures below, there are 13 fixtures (8 sinks, 3 toilets or toilet stalls, 2 urinals).

DISCUSSION – TIME IT TAKES TO CLEAN:
The bidding process determines how much time it will take to clean. Time equals money. Discuss the following and how they could impact the time it takes to clean.

The more often you clean, the less time to clean.

WHY is this true? ________________________________________________________________

The more carpet and wide-open areas, the less time to clean.

WHY is this true? ________________________________________________________________

The cleaner the work environment (offices), the less time to clean.

WHY is this true? ________________________________________________________________

The newer the facility, the less time to clean.

WHY is this true? ________________________________________________________________

The more detailed cleaning and high dusting, the more time to clean.

WHY is this true? ________________________________________________________________
Introduction to Bidding

The more clutter (desks, chairs, boxes on floor, knick-knacks), the more time to clean.

WHY is this true? _______________________________________________________________

The more difficult the building layout and access to water or trash area, the more time to clean.

WHY is this true? _______________________________________________________________

The higher the customer’s expectations, the more time to clean.

WHY is this true? _______________________________________________________________

Simple, Medium and Hard Clean

During the walk through, decide if the clean will be simple, medium or hard. Most facilities will be a “medium clean.” Below are general rules of thumb.

<table>
<thead>
<tr>
<th>Simple</th>
<th>Medium</th>
<th>Hard</th>
</tr>
</thead>
<tbody>
<tr>
<td>Light cleaning</td>
<td>Combination of simple and hard</td>
<td>Detailed cleaning</td>
</tr>
<tr>
<td>Open areas, not much furniture</td>
<td>Normal amount of furniture</td>
<td>Crowded areas, lots of furniture</td>
</tr>
<tr>
<td>Mostly carpet</td>
<td>Combination of carpet and tile</td>
<td>Mostly tile floors</td>
</tr>
<tr>
<td>Low # employees (&lt;250 sq ft per employee)</td>
<td>Normal # of employees (201 to 249 sq ft per employee)</td>
<td>High # of employees (&gt;200 sq ft per employee)</td>
</tr>
<tr>
<td>Clean environment (office)</td>
<td>Combination of clean / dirty</td>
<td>Dirty environment (plant)</td>
</tr>
</tbody>
</table>

Square footage per employee:
Total square footage / # employees = square footage per employee
Introduction to Bidding

Calculating a Bid

In this training you will learn blended rate bidding for commercial cleaning services. Blended rate bids are based on a standard set of cleaning tasks that are performed in a standard cleaning: dusting, restrooms, vacuuming, mopping, and trash removal. For most prospects a blended rate bid is fine.

If your prospect’s situation is more complicated, then a detailed bid might be needed. Your Support Center can help you with detailed bids.

Before we calculate a bid:

WHAT IS A SUGGESTED RETAIL RATE?
The Coverall System establishes suggested retail rates by market. Ask your Support Center for local rates.

WHAT IS A PRODUCTION RATE?
A production rate is how many square feet can be cleaned in one hour. Organizations such as ISSA establish production rates for the commercial cleaning industry. ISSA’s rates are published in the 612 Cleaning Times booklet.

Coverall also publishes production rates based on the actual time it takes to clean using the Core 4® Process. Ask your Support Center for a Production Rate Card.

Bidding Tools

Coverall suggests the following tools to help you calculate bids. A Bidding Worksheet example is on the next page.

► Coverall Site Survey

► Coverall Bidding Worksheet
Bidding Worksheet

Step 1: Organize your information

Total cleanable square footage = ______________________________
Total restroom square footage = _____________________________
SQ FT = Total cleanable square footage - total restroom square footage = ________________________________
Simple, Medium, Hard = _______________________________
Frequency (how often) = _________________________________
Production Rate = _________________________________
Suggested Retail Rate for your local market = ________________________________
# Restroom Fixtures (total number of toilets, urinals, sinks) = ________________________________
Restroom Rate = ________________________________

Step 2: Calculate the $ for general cleaning

(SQ FT ÷ Production Rate) x Frequency x 4.33 x Retail Rate = $ __________ for general cleaning

(_________________ ÷ ________________) x _______________ x 4.33 x ________________ = $ ________________

Step 3: Calculate the $ for restroom cleaning

(# Restroom Fixtures x Restroom Rate) ÷ 60 x Frequency x 4.33 x Retail Rate = $ __________ for restroom cleaning

(_________________ x ________________) ÷ 60 x _________________ x 4.33 x ________________ = $ ________________

Step 4: Add the two prices together

$ ___________ general cleaning + $ ___________ restrooms = $ ___________ monthly Regular Service (RS)
Introduction to Bidding

Bidding Worksheet Example

Step 1: Organize your information

Total cleanable square footage = 13,088
Total restroom square footage = 648

$\text{SQ FT} = \text{Total cleanable square footage} - \text{total restroom square footage} = 12,440$

Simple, Medium, Hard = Medium

Frequency (how often) = 4x

Production Rate = 3,650

Suggested Retail Rate for your local market = $18

# Restroom Fixtures (total number of toilets, urinals, sinks) = 20

Restroom Rate = 3

Step 2: Calculate the $ for general cleaning

\[
\frac{\text{SQ FT}}{\text{Production Rate}} \times \text{Frequency} \times 4.33 \times \text{Retail Rate} = \text{general cleaning}
\]

\[
\left(\frac{12,440}{3,650}\right) \times 4 \times 4.33 \times 18 = $1,062.55
\]

Step 3: Calculate the $ for restroom cleaning

\[
\left(\frac{\text{# Restroom Fixtures} \times \text{Restroom Rate}}{60 \times \text{Frequency}}\right) \times 4.33 \times \text{Retail Rate} = \text{restroom cleaning}
\]

\[
\left(\frac{20 \times 3}{60 \times 4}\right) \times 4.33 \times 18 = $311.76
\]

Step 4: Add the two prices together

$1,062.55 \text{ general cleaning} + $311.76 \text{ restrooms} = $1,374.31 \text{ monthly Regular Service (RS)}
Use a Bidding Worksheet and the information below for Bidding Practice Exercise #1. Your instructor will help with the suggested rates.

**Step 1: Organize your information**

Total cleanable square footage = ________________

Total restroom square footage = ________________

\[ \text{SQ FT} = \text{Total cleanable square footage} - \text{total restroom square footage} = ________________ \]

Simple, Medium, Hard = ________________

Frequency (how often) = 2x per week

Production Rate = ________________

Suggested Retail Rate for your local market = ________________

# Restroom Fixtures (total number of toilets, urinals, sinks) = ________________

Restroom Rate = ________________

**Step 2: Calculate the $ for general cleaning**

\[(\text{SQ FT} \div \text{Production Rate}) \times \text{Frequency} \times 4.33 \times \text{Retail Rate} = \$ ________________ \text{ for general cleaning} \]

**Step 3: Calculate the $ for restroom cleaning**

\[(\# \text{ Restroom Fixtures} \times \text{Restroom Rate}) \div 60 \times \text{Frequency} \times 4.33 \times \text{Retail Rate} = \$ ________________ \text{ for restroom cleaning} \]

**Step 4: Add the two prices together**

\$ ________________ general cleaning + \$ ________________ restrooms = \$ ________________ monthly Regular Service (RS)
Use a Bidding Worksheet and the information below for Bidding Practice Exercise #2. Your instructor will help with the suggested rates.

Step 1: Organize your information

Total cleanable square footage = ______________________________

Total restroom square footage = _________________________

SQ FT = Total cleanable square footage - total restroom square footage = ________________________________

Simple, Medium, Hard = _______________________________

Frequency (how often) = ________________________________

Production Rate = ________________________________

Suggested Retail Rate for your local market = ________________________________

# Restroom Fixtures (total number of toilets, urinals, sinks) = ________________________________

Restroom Rate = ________________________________

Step 2: Calculate the $ for general cleaning

(SQ FT ÷ Production Rate) x Frequency x 4.33 x Retail Rate = $ __________ for general cleaning

_________________ ÷ ___________________ x ___________________ x 4.33 x ___________________ = $ __________

Step 3: Calculate the $ for restroom cleaning

(# Restroom Fixtures x Restroom Rate) ÷ 60 x Frequency x 4.33 x Retail Rate = $ __________ for restroom cleaning

_________________ x ___________________ ÷ 60 x ___________________ x 4.33 x ___________________ = $ __________

Step 4: Add the two prices together

$ __________ general cleaning + $ __________ restrooms = $ __________ monthly Regular Service (RS)
Introduction to Bidding

1. ______________________ means calculating a price for your cleaning services.

2. Before you calculate a bid you need to know the square footage (area) to be cleaned. This is called the ______________________ area.

3. Most people measure square footage during a ______________ Survey.

4. Square footage is calculated by multiplying the ______________________ of a room by the ______________________.

5. To calculate a bid you need to count fixtures in the restrooms. A “fixture” is a ______________________, ______________________, or ______________________.

6. During the Site Survey, decide if the clean will be simple, medium or hard. Most facilities will be a ______________ clean.

7. A ______________________ rate is how many square feet can be cleaned in one hour.

8. ______________________ is how often you will clean, such as 1x a week, 2x a week, etc.

Answers: Bidding; cleanable; Site; length, width; toilet, urinal, sink; medium; production; frequency.
Hiring and Managing Employees

As your business grows, you may need to consider hiring employees. They can help you work faster by “team cleaning” and using other efficiencies that you will learn in your Coverall training. Working as a team can give you the opportunity to service more customers than you could alone.

When to think about hiring an employee

If your business is doing well but you’re struggling to keep up, then an employee can help. You may want to consider hiring an employee when you are spending more than 50 hours per week in your business, whether you are providing service, contacting and visiting your customers, or managing the paperwork and finances.

There is no hard and fast rule. Every situation is different, and your goals for growing your business are unique to you. The decision to add employees is yours to make.

Questions to ask yourself:

► What is my plan for growing my business?
► How can an employee help increase customer satisfaction and retention?
► When do I think I’ll need help?
► Part time or full time employee?
► What do I want an employee to do? Service customers? Contact and visit customers? Manage paperwork and finance? Other?
► How will an employee’s pay, workers’ compensation insurance, and taxes work in my budget?
Employee records

Before you hire an employee, think about how you will manage paperwork, payroll, insurance and taxes. Consider using a service to help.

In addition to requirements for keeping payroll records of your employees for tax purposes, you must also keep records about your employees and ensure compliance with OSHA and other regulations.

There are also many websites that can help. See the chart below for suggested websites. Also review “Record Keeping and Compliance” in this workbook for more information.

Note: Regardless of state law, your Janitorial Franchise Agreement requires you to carry workers’ compensation insurance if anyone other than an owner of your Franchised Business provides services to your customers.

<table>
<thead>
<tr>
<th>Information</th>
<th>Source</th>
<th>Site</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hiring employees</td>
<td>Small Business Association</td>
<td><a href="http://www.sba.gov/content/10-steps-hiring-your-first-employee">http://www.sba.gov/content/10-steps-hiring-your-first-employee</a></td>
</tr>
<tr>
<td>Employee guidelines and requirements</td>
<td>Social Security Administration</td>
<td><a href="http://www.sba.gov/employer">http://www.sba.gov/employer</a></td>
</tr>
<tr>
<td>State and local tax information</td>
<td>Small Business Association</td>
<td><a href="http://www.sba.gov/content/learn-about-your-state-and-local-tax-obligations">http://www.sba.gov/content/learn-about-your-state-and-local-tax-obligations</a></td>
</tr>
<tr>
<td>New hire reporting by state</td>
<td>Small Business Association</td>
<td><a href="http://www.sba.gov/content/new-hire-reporting-your-state">http://www.sba.gov/content/new-hire-reporting-your-state</a></td>
</tr>
<tr>
<td>E-Verify to confirm employment eligibility</td>
<td>US Citizen and Immigration Services</td>
<td><a href="http://www.uscis.gov/e-verify">http://www.uscis.gov/e-verify</a></td>
</tr>
<tr>
<td>Workplace posters</td>
<td>Small Business Association</td>
<td><a href="http://www.sba.gov/content/workplace-posters">http://www.sba.gov/content/workplace-posters</a></td>
</tr>
<tr>
<td>Worker’s Compensation requirements</td>
<td>Worker’s Compensation website</td>
<td><a href="http://www.workerscompensation.com">http://www.workerscompensation.com</a></td>
</tr>
</tbody>
</table>
Hiring and Managing Employees

Finding an employee

One of the best ways to find an employee is to get a recommendation. Talk to people you know and tell them about the type of person you’d like to hire, and ask if they know anyone who might be a good fit.

Another way to find employees is through non-profit organizations that help people find jobs. Some are focused on military veterans who are looking for work. Others help place low-income community members into stable jobs.

You can also place an ad online (e.g., craigslist) or in a newspaper, church bulletin or other community publication. Some ads are free. Most newspapers have online advertising at a cost.

If possible provide the compensation (pay) in your advertisement so people know what to expect.

Sample ads from Craigslist:

**Part time Janitorial service**
Hello job seekers! I’m looking to add to my team. I’m looking for someone with a high level of attention to detail, trust worthy and dependable. Most job sites are office locations and generally takes 1-1.5 hrs to complete. So if you’re in the market for some part time work, please don’t hesitate to contact me via email. You must be able to pass a background check and prior cleaning experience is a definite plus, but not required.

**Commercial Cleaner Needed**
Commercial cleaner needed for part time evening hours. Must be dependable and have reliable transportation. Commercial cleaning experience preferred.
*** Job requires 2-3 hours Mon-Fri evening hours ***
** MUST HAVE CLEAN RECORD & BE ABLE TO PASS BACKGROUND CHECK **
SERIOUS INQUIRIES ONLY!

**Experienced Janitor Needed**
We are a locally based, environmentally friendly commercial cleaning service seeking to fill an open position. Looking for experienced candidates who are responsible, respectful, neat and presentable, and can take direction in a fast paced demanding work environment.
The ideal candidate will have experience in commercial janitorial and floors: buffing, waxing, resurfacing, grout. Experienced window washers are also welcome. Additionally, you must be able to clear a criminal background and a drug check as well as possess a valid US Driver’s license and have reliable transportation.
Below are some standard practices and examples that you might consider as you hire employees.

**Write a Job Description**

Consider preparing a job description for the position. When people interview for the job, give them the description so they understand your expectations. If possible email the description to them before you meet so you don’t waste time with someone who doesn’t want the job.

---

**Sample Job Description:**

**Job Title:** Commercial Cleaner

**Normal Work Hours:** Evenings and nights, depending on the customer

**Job Description:** Looking for a trustworthy, detailed-oriented person to clean offices and other businesses in the evening or night. May work with others or alone. Prior commercial cleaning experience is preferred but not required. We will teach you our health-based cleaning process, safety and security. You must pass a criminal background check, be bondable, eligible to work in the U.S., and have dependable transportation.

- Learn our health-based cleaning process
- Show up on time, stay until the work is done
- Be polite to customers
- Follow a work spec for each customer facility
- Vacuum and mop floors
- General cleaning
- Restroom cleaning
- Restock supplies
- Clean indoor windows
- Empty trash
- Wash soiled cleaning towels and equipment correctly
- Maintain a clean, organized, and safe janitor's closet
- Prepare and use cleaning chemicals and equipment properly
- Wear proper Personal Protective Equipment (gloves, etc.)
- Wear our branded shirt while cleaning
- Make notes in a customer log book
- Tell us when you need more supplies
- Follow OSHA standards for safety
- Inspect your work to ensure high quality

**Physical Requirements:** The work requires routine walking, standing, bending, stooping, kneeling, crouching and manipulating (lift, carry, move) items weighing less than fifty pounds.

This job description is not a job offer or employment agreement.
Hiring and Managing Employees

Employment Application Form

Consider creating an Employment Application Form for your company. Ask all job applicants to fill it out and keep it on file, whether you hire the person or not.

Sample Employment Application Form:

Name: __________________________________________________________

Address: ________________________________________________________

__________________________________________________________________

Phone: ___________________________ Email: _________________________

Applying for what position: _______________________________________

How many hours can you work weekly? ____________________________ Can you work nights? ______________

Social Security Number: ___________________________ Date Available To Start: ______________

EMPLOYMENT INFORMATION

List your employment for the past three years:

<table>
<thead>
<tr>
<th>Employer</th>
<th>Address</th>
<th>Phone</th>
<th>Start Date</th>
<th>End Date</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Are you over 18? _________ Eligible to work in the U.S.? _______Dependable transportation? ______

REFERENCES

Please list three references. May we contact your references? _____________

<table>
<thead>
<tr>
<th>Employer</th>
<th>Address</th>
<th>Phone</th>
<th>How they know you</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Signature of Applicant: ___________________________ Date: _______________________

© 2016 Coverall North America, Inc. Confidential information.
Interviewing

It’s helpful to prepare questions for the interview. See sample questions below.

Set realistic expectations for the job. For example, if you tell the applicant that the hours are flexible or they can “work it into their schedule,” then they might think they can show up to work when they want, not when you need them there.

Hire for vs train for

Hire for personality traits and train for cleaning skills.

► MOST IMPORTANT: Hire an employee for their integrity, honesty, dependability, communication, teamwork and other personality traits that cannot be easily trained.

► After they sign a confidentiality agreement, train your employees on the Core 4® cleaning process. That is a skill you can teach.

Phone screen

A “phone screen” can save you time by eliminating people who didn’t understand the job or the pay. Talk with the applicant on the phone for 5-15 minutes before you meet in person.

► Introduce yourself.

► I see you are interested in the job I posted.

► Ask why they are applying for the job.

► Ask if they have questions about the job. Answer questions briefly and honestly.

► Get them talking so you get a feel for their personality and communication style.

► If you think that the applicant might be a good fit, arrange to meet with them for an interview.

► Either way, thank the person for applying.

► If possible find out if the person has a driver’s license, social security number, can work in the U.S. and pass a background check.

Interview

Ask questions to determine if the applicant has the right skills and personality traits for the job. Use the Job Description as a guide.

Start by telling the applicant why you are adding an employee and what that employee will do.

► Have you done this kind of work before? Where? What did you like most about it? What didn’t you like about it?
Hiring and Managing Employees

► What was one of the best jobs you’ve ever had? Why was that a good job?

► I’m looking for someone who pays attention to details. Tell me how you would do that.

► Sometimes the person I hire will work alone at night, and other times with a team. How do you like to work? How do you like to be supervised?

► My customers have high expectations for the cleaning we deliver. I want to make sure they are happy with our service. How could you help us be the best cleaning service they’ve had?

► If I talked with people who know you, what would they tell me about your personality?

Hiring an Employee

Set up each new employee correctly. You may want to use documents that clarify the employee-employer relationship to protect your business. The Small Business Association (www.sbaonline.sba.gov), federal and state government websites and local agencies can help you. Coverall recommends that you talk with a lawyer before hiring employees.

Job Offer

A job offer confirms the job description, pay, benefits (if any) and relationship between the employee and your company.

Sample Job Offer:

Your company name
Your company address
Date

Applicant’s name: ________________________________________________

Position: ______________________________________________________

Start date: ______________ Compensation: ________________________

This job offer is contingent on your ability to pass a criminal background check, be bondable and eligible to work in the U.S., and have dependable transportation. Your employment is “at-will.”

I understand and accept this job offer:

Applicant’s signature: ___________________________ Date: __________
Hiring and Managing Employees

**Confidentiality/Non-Compete Agreement**

Coverall requires you to have each of your employees sign a Confidentiality/Non-Compete Agreement to protect the Coverall brand. Get a copy of the agreement from your Support Center.

**Training Employees**

Just as you were trained on the Coverall Core 4® Process, train your employees before they start servicing customers. After they sign a confidentiality agreement, take time to teach the employee using Coverall training materials, and train them at customer sites so they get hands-on practice before servicing customers by themselves.

Talk with your Support Center about training options for your employees.

5 important skills to teach your employees:

1. Core 4® Process
2. Safety and Security, including Bloodborne and Airborne Pathogens Course
3. Customer Service
4. Quality Control
5. Team Cleaning

Note that you and your employees must renew your Bloodborne and Airborne Pathogens Course certification each year.

**DISCUSSION:**

1. How can your employees affect customer satisfaction?
   - Positive
   - Negative

2. If one or more of your employees are working alone at a customer facility, how can you ensure that they will deliver high quality service?
Hiring and Managing Employees

1. As your business grows you may need to consider hiring ___________________.
   Working as a team can give you the opportunity to service more customers than you
   could alone.

2. In addition to requirements for keeping ___________________ records of your
   employees for tax purposes, you must also keep records about your employees and
   ensure compliance with ___________________ and other regulations.

3. One of the best ways to find an employee is get a ___________________.
   Talk to people you know and tell them about the type of person you’d like to hire, and
   ask if they know anyone who might be a good fit.

4. Coverall recommends that you talk with a ___________________ before hiring
   employees.

5. Coverall requires you to have each of your employees sign a ___________________
   /Non-Compete Agreement to protect the Coverall brand. Get a copy of the agreement
   from your Support Center.

6. Just as you were trained on the Coverall Core 4® Process, train your employees
   ___________________ they start servicing customers.

7. Note that you and your employees must renew your ___________________ and
   ___________________ Pathogens Course certification each year.

Answers: Employees; payroll, OSHA; recommendation (or referral); lawyer; Confidentiality; before; Bloodborne and Airborne.