

A Case Study of 25 Years of Good Old Fashioned Values and Success

The logo for Mitch Murch's Maintenance Management (MMMM) consists of the letters 'MMMM' in a bold, blue, sans-serif font, centered within a white rectangular box. This box is set against a larger blue rectangular background.

Mitch Murch's Maintenance Management

It was 1978. He was 50 years old, and broke. He cashed out his insurance policies and sold his assets. As he considered real estate and other career opportunities, he was at a major turning point in his life.

Mitch Murch stumbled into the cleaning industry back in 1953. At the time, there were only six cleaning companies in St. Louis, Missouri. Mitch was a young man in a job selling supplies. One day a customer complained to Mitch about the customer's janitor. Apparently, service was hit or miss and sometimes the janitor simply wouldn't show. Mitch looked at the customer and said he'd like to try cleaning the premises. If the customer would let him, Mitch would come in, clean, see how long it took and then give a price. So that night, Mitch cleaned the building and the next day he gave the customer a price based upon the value of the time that it took him to clean the building. He was hired on the spot and Modern Maintenance, his first company, came into being.

When the wave of company consolidations occurred in the late 60's - much like is happening today - and as he was facing a health situation, Mitch decided to sell his company. It was bought in a stock transaction by Macke, a unit of Allegheny Beverage Corporation, and Mitch had an agreement to run the St. Louis operation for five years. However, the stock value fell to a low of twelve and one-half cents on the transaction price and while he fulfilled his commitment to Allegheny, he did not like working for someone else. So Mitch developed an ice skating rink in Columbia, Missouri, which was two hours away from St. Louis. But disaster struck again in the form of a manager who was embezzling from the concern. Mitch moved to Columbia and took over the operation to turn it around.

But in 1978, he was at a crossroads. As he pondered what to do, he was contacted by a former customer, Nooney Company, in St. Louis. Nooney told Mitch that they were very unhappy with the state of the cleaning industry and level of service in St. Louis and asked Mitch to consider going back into the industry to take care of their buildings.

So with \$35,000 borrowed from his best friend, Mitch set off to clean three class A office buildings with one million square feet on the night of October 1, 1978. He embarked on this ambitious project with about 50 people and a fleet consisting of his yellow

station wagon. It was hard work and Mitch's family rarely saw him, but the business, Mitch Murch's Maintenance Management Company (MMMM), began to take off.

Reputation, marketing effort and strong employees got the company to where it is today. Mitch relied on the contacts he had in the market and from BSCAI, which he helped found and where he served as its fifth president. He also tapped into some key people. Steve Allen, RBSM, an 'up and comer' from another cleaning company in the area, was the first employee hired in 1978. He has been a major factor in the company's success and today is a shareholder and serves as Senior Vice President. Mitch also asked his son Tim, who was a sophomore in college at the time, to join him. Tim Murch, CBSE, today runs the company as President and Principal.

The initial strategy was to take on large accounts such as multi-tenant and owner occupied facilities large enough to sustain salaried, on-site supervision, but about 15-18 years ago, the strategy began to falter. In order to sustain growth, MMMM began to accept smaller accounts. However, in the last few years as the company expanded regionally, it went back to its original plan.

Mitch, based upon his bad experience with the ice skating rink where he relied upon local management to run the operation, was apprehensive about expanding outside the St. Louis area. However competition was fierce and MMMM found itself constantly up against two chief competitors and all three companies just kept beating each other up. Plus, there had been a lot of internal promotion, so MMMM felt the need to provide professional growth opportunities for the staff.

In 1993, not long after Tim Murch, CBSE assumed the presidency of the company, an acquisition opportunity presented itself, in the form of a fellow BSCAI member's company with solid operations and good customers. Through the purchase of that company, MMMM had its first branch in Bloomington, Illinois in 1994. Now at its 25th anniversary, the company has a continued pattern of growth through customer satisfaction. As recently as early 2003, the company had operations in five states. It now has a presence

BY DENISE ANDERSON

in eight states and by the end of the year, hopes to be in ten. According to Mitch Murch, II, CBSE, the company has done several things to help remain a force in the industry for 25 years.

First and foremost is involvement in BSCAI. Mitch Murch, Senior is a founding member of the association and although retired, still comes to his office at company headquarters daily to work on philanthropic and alumni projects. On September 12, 2003, Mitch received the Tiger Pride Award from the University of Missouri. It is one of the three most prestigious awards given by the University, and he has already won the other two. He also continues to attend BSCAI conventions and trade shows.

Tim has served two terms on the Board and has chaired and participated on numerous committees. Last year, Tim received the Walter L. Cook Award for outstanding dedication and contribution to the industry and the association. Mitch Murch, II has also served on committees and is currently on the Board. "Even though it is hard work," says Mitch, "It is an honor to serve and the contributions are rewarding and worthwhile." He goes on to say, "Even though the three of us have put a lot into BSCAI, our company has benefitted from our affiliation with the Association to the point that we wouldn't be celebrating nearly as many successes as we have. BSCAI provides education and networking opportunities that cannot be found anywhere else. We can pick up the phone to reach a contractor anywhere in the world to find out how he/she tackled a challenge. On top of that, we always find the interaction with equipment manufacturers that the Trade Show provides to be extremely valuable as well. Every year we find at least one new product or service offering that we bring back and put to use for better results, higher productivity or enhanced profit. It is also gratifying to find that many of the innovations or new offerings are based upon the attendees' stated needs and suggestions to the manufacturers. BSCAI membership has been a key element in staying out in front of the competition."

Secondly, MMMM has pursued a quality-oriented philosophy. There are many companies in the marketplace that lack resources, are over-extended or growing for growth's sake and that results in them not being able to meet customer expectations over the long term. MMMM feels that by having a system of controls and procedures in place to back up operations and deliver what the customer pays for, exceeding customer expectations is a natural result.

Therefore, MMMM has numerous programs in place to measure quality and to strive for continuous quality improvement. One such program is conducting regular proactive customer control surveys. The surveys come from customer meetings or site inspections and vary per customer. For example, one customer is a manufacturing facility with a 72 building campus. A third party inspector measures 32 criteria in each building on a 1 to 100% scale every month. Other customers just want a pass/fail. The important thing, according to Mitch, is that the company should know how it's doing through constant monitoring and measurement. "If we are asking the customer how we are doing, that means we are not doing our job. We should know the answer," he says.

Other programs in place are setting regular schedules for special projects, such as stripping floors, that the customer is fully aware of and can expect. Report to Management forms let the customer know about building problems before tenants call. A performance improvement survey, which is emailed or faxed to customers,

every four months, is a report card tool that customers fill out on their own to grade the company on a variety of measures. The goal is to see improvement in the scores on every report and close the gap toward perfect scores.

The bottom line however, is that management supports the operations end of the business because that is where 'the rubber meets the road'.

Mitch says although MMMM has been accused by peers in the industry that the company is top heavy in operations, it has yielded results. A full-time quality control/customer service manager is employed in each market in addition to field management. This person calls clients monthly and also accepts complaints or requests. Customers know that if they need something, there is a person they can readily contact who will resolve their issues and this has been a major factor in customer satisfaction.

A third factor in MMMM's success has been its employees. Today the company employs over 2,000, some of whom have been a part of MMMM since that first day in 1978. There is a cohesive bond and camaraderie that are extremely impressive and it shows. MMMM provides incentives, bonus programs and recognition for its staff. 'Safety Bingo' is the most popular with employees, some of whom have won up to \$8,000. Most games yield at least \$4,000. All employees from the newest front line worker to the president, receive a bingo card and a number is drawn every day. The game continues until there is either a full card winner or a lost time accident. There are also additional opportunities to win prizes for diagonal and other patterns. It is a great motivator for someone to work safely, especially if he/she is close to a full card. Someone with a vested interest will be on the lookout to make sure peers operate safely. It also encourages attendance, as a worker cannot receive a number if he/she is not at work that day.

"We could not have gotten this far without a great team, and without our customers' loyalty." Says Mitch. "We go to a lot of effort to attract and retain good employees to serve our customers, and the better we support the employees and the customers, the more we differentiate ourselves from the competition."

For the future, the company will continue along the track of sustainable growth through expansion and customer satisfaction. Good old-fashioned values and attention to customer satisfaction have led to MMMM's success over the last 25 years and will continue to drive it in the next 25 years to come.

This article was written in conjunction with Mitch Murch, II, CBSE. Mitch is Vice President of Corporate Accounts at MMMM.

ROCK ISLAND MILLWORK COMPANY	
ST. LOUIS DIVISION	
SALES REPR: DEAN MCALLISTER	
3440 N. Broadway	St. Louis 7, Mo.
1953	
Income	542.17
Disbursements	
Salaries & Wages	481.99
Materials & Supplies	50.88
Office & Ptg. Supplies	31.99
Insurance	49.68
Auto & Truck Exp.	70.00
Info. & Educ. (Bulletin)	3.85
	691.39
Net Loss	2 / 149.22
	874.61

Mitch Murch's first financial statement from 1953 showing a net loss of \$149.22

Services Sweep

Contracting News, Views & Comments

ST. LOUIS, MO

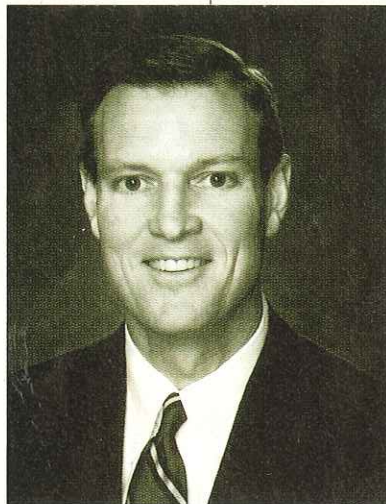
Murch Named Entrepreneur of the Year

Timothy M. Murch, CBSE, was named Entrepreneur of the Year in a *St. Louis Business Journal* story this summer. "I knew I always wanted to do something on my own and be in control of my own destiny," the *Journal* story quotes Murch, president of Mitch Murch's Maintenance and Management Company based in St. Louis Mo.

Murch started the business with his father, Mitch Murch, CBSE, 22 years ago while the younger Murch was still a junior in college.

In the *Journal* article, Murch credited BSCAI as an integral part of his success in the business. "My continuous involvement in the association, along with key members of our management team, has allowed us to...network and share information," Murch said. "This has been our company's reason for our success as we can model what is working best for others."

As much as Murch has gotten from his relationship with BSCAI, the association has similarly benefited from his participation. Tim Murch served on the BSCAI Board from 1987-1990 and again from 1992-1995. He also served as co-



Timothy M. Murch, CBSE

chair of the 1996 Annual Convention & Trade Show and served for 11 years on the Insurance and Safety Council, 3 years on the Bidding and Estimating Committee, 5 years on the CEO Seminar Committee, 3 years on the Certification/Registration Board, and 2 years on the Strategic Planning Committee, 1 year on the Executive Committee, and 1 year on the Awards Committee.

The Mitch Murch Maintenance Management Company started with just 100 employees. Today the company employs 1,700 people and retains 300 subcontractors who service more than 200 accounts in 350 buildings. The company is currently one of the largest building service firms in the competitive St. Louis market and has plans to expand into neighboring Kentucky and Tennessee.

PHILADELPHIA, PA

SEIU Organizes Suburban Philadelphia Janitors

Janitors working in suburban Philadelphia office buildings signed their first contracts with Service Employees International Union Local 36 this summer according to reports in the *Philadelphia Inquirer*. The contracts established compensation rates in line

with city janitors who earn approximately \$12 per hour plus benefits for full-time employees. Suburban janitors, who primarily work, have averaged between \$5.75 and \$8 per hour. The new contract will raise the wage to a minimum of \$8 in January 2002 and \$9 by 2004 when the contract expires.

The contracts are between SEIU members and American Building Maintenance Inc., One Source Inc., Inicco Service Co., Arthur Jackson Co., and HGO Services. An estimated 25% or 1,000 suburban Philadelphia janitors are expected to sign contracts by year's end.

THE FACT IS...

In response to the question "Where do contractors clean?"



Source: *The US Commercial & Residential Cleaning Services Industry, May 2001* published by Marketdata Enterprises, Inc.