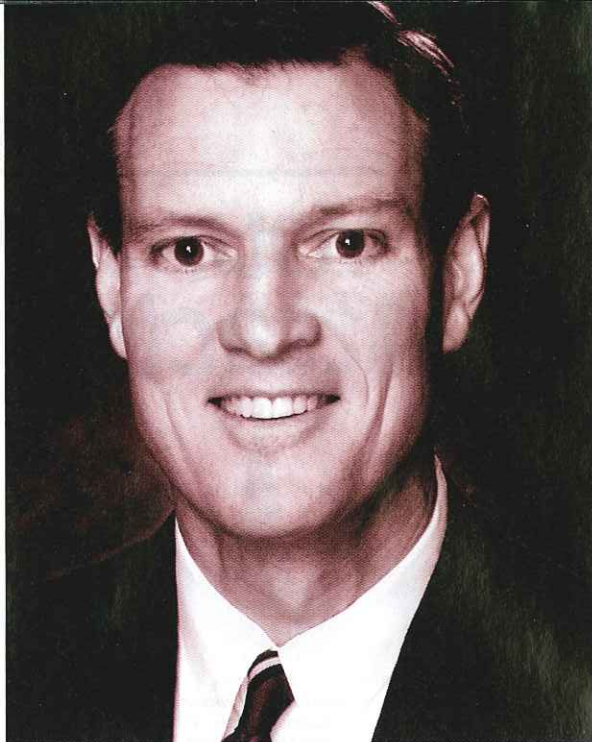


## President & CEO: Tim M. Murch

*Mitch Murch's Maintenance Management has tackled many industry challenges, and is more than willing to share their methods for success*



Mitch Murch's Maintenance Management

# It takes teamwork to get to the top

It can be difficult for a small or mid-size cleaning contractor to imagine becoming one of the large building service contractors. Tim Murch, president of Mitch Murch's Maintenance Management (4M), St. Louis, once felt that way, but he and his management team learned that they *could* grow as big as their peers and are now competing with companies much larger than they ever imagined. What's even better is Tim, who's regional service company's revenues are about \$30 million, is willing to share his methods for success with others who are just as intimidated as he and his father once were.

From rebuilding the family business to partnering with competitors, the Murch family and their employees have tackled many of the cleaning industry's biggest challenges, and seem to be reaping equally large benefits. The company, which started in 1978 with a handful of employees and a few buildings, now employs more than 2,000 workers across three states and in a variety of services.

### A second chance

Tim is part of the second generation to run MMMM, but his story is unlike your typical family succession. His father, Mitch, sold his first cleaning company for all stock in the late 1960s in a consolidation that eventually turned sour, leaving Mitch with much less than his original payout. In his 50s and having lost money on that venture and a few others, Mitch chose to return to cleaning to rebuild security for his retirement.

At the time, Tim was a senior in college — a strong center on his varsity hockey team, according to his father. But Tim sacrificed his spot on the team to help his father start his second cleaning company. It was that sacrifice that proved Tim would be the kind of dedicated leader his father needed to help him rebuild the family business, says Mitch, and so far, that initial observation has rung true.

"I really loved hockey, but I knew that I was my dad's ticket to retirement and he was mine to realizing my entrepreneurial dreams," says Tim, who still finds

BY DIANNA BISSWURM, EDITOR

time to play a couple of times a week.

And that entrepreneurial spirit is something Tim has had since he was a kid cutting grass, shining shoes and selling tomatoes after church on Sundays, says Mitch. Something probably learned from his father who refused to be daunted when rebuilding his company.

Shortly after graduation, Tim began his steady climb through various positions at MMMM that would prepare him to eventually become president in 1991, while his father moved on to chairman of the board and into semi-retirement. All along, Mitch was the spontaneous entrepreneur and Tim was the detail man.

But MMMM's story isn't just one of a father and his sons (Mitch II currently works as director of sales) rebuilding the family business. The company also has helped redefine how BSCs can and *should* operate.

### What really counts

**S**ome companies say that they put their front-line staff first, but the Murchs have spent more than \$500,000 in worker incentives and recognition since 1991 to prove it. That doesn't even account for standard wages, raises or insurance coverage. The company also has a hefty safety incentive program that invests another \$169,000 through programs such as safety bingo, which requires potential winners to have a clean safety record in their buildings.

All of this began at a time when the company only was about \$10 million in revenues, and before many BSCs were seriously concerned with an impending worker shortage.

"We recognized in the early '90s that with the 'graying' of America and increasing affluence, there would be less people coming into entry level positions like cleaning," says Tim. "That's when we started doing everything we could for employees to recognize them and make MMMM the best possible place to work."

In fact, the company credits its low turnover rate, which is about one-fourth that of the industry average, to employee programming.

The company also uses its employee incentive program and lower turnover rates as a major selling point, even using it to convince customers to allow higher-than-average entry-level wages in their contracts. Customers often are more impressed than concerned about the higher costs, realizing the benefits of a better work force in their buildings, says Steve Crain, MMMM's vice president of sales.

Tim warns that such staff incentives aren't just a good idea when unemployment is low or turnover is high, because contractors always need to keep their best employees from moving on to other organizations or industries.

Among the laundry list of MMMM programs that dole out cash are: a "GoodWorks" program that offers a monthly \$100 drawing; annual perfect attendance awards of \$100; an employee of the month award of \$25; a supervisor of the quarter award of \$50; and a custodian of the year award of \$200, which is then entered into the Building Service Contractor Association's (BSCAI) annual contest that, if won, reaps an additional \$1,000.

Maria Cotton, currently a supervisor with MMMM won the BSCAI custodian of the year distinction in 1991 — the first year Tim's team instituted their aggressive incentive programming — and continues to be one of the company's most dependable employees.

"And I could say that about quite a few of our service workers," Tim adds, many of whom have been with the company 5 to 15 years. In fact, the company's first employee, Steve Allen, currently is MMMM's senior vice president of operations and part-owner, and some one many employees consider key in the company's growing success.

"Boy, that relationship has truly made us succeed — Tim and Steve are the nucleus of this company," says Crain.

### Understanding how to expand

**O**ther decisions Tim and Allen have tackled is customer identification and service diversification.

The company has learned from some mistakes, such as a foray into retail cleaning which put employees on third shift

when the company's operations were more set up to staff first and second shift jobs, or a stint in post-construction clean-up shortly before a recession hit in the early 90s. Through all these experiences, the company learned to hone its customer profile for the best fit. Currently, that fit happens to be large facilities with built-in supervision.

To reinforce the company's focus, the sales staff's commission is based on how closely a new account meets the company's ideal customer profile and how high the profit margin is in that account, rather than on how much overall sales the account will generate.

This program has worked well according to Crain, but only because he and his staff work closely with Allen's operations people to make sure that MMMM can make good on any promises they sell customers. This has led to Crain turning down some accounts, but he says everyone understands that they would only have caused more trouble than profit.

Customer requests for added services, however, are harder to turn down. MMMM usually is willing to accommodate new services if the client is willing to work with Tim's staff to make sure they properly learn the new work.

"Because of the advent of total facilities maintenance, we are strategizing to discuss the realm of our services," says Tim. "And while some managers were afraid we were spreading ourselves too thin to begin offering unusual services, they were amazed to find out how many additional services we already provide on an individual customer basis."

Essentially, MMMM has decided that if they can offer something such as pest control, laundry service or even staffing industrial production lines, for one client, then they can offer those same services to others. It may not be for everybody, warns Tim, but if the customer is willing to work with a BSC to understand the scope of services, or if a trusted subcontractor in the area can do the work, any contractor can expand services responsibly.

Always looking for a new opportunity to grow, MMMM even has spun off an information technology compa-

ny, Network Specialists LLC. after realizing there was a large demand for the same IT services the staff already was doing in-house. Now, Network Specialists offers needs assessments, value-added reselling, and voice and data infrastructures for other BSCs, as well as companies in completely different service industries, across the country.

One way this company has helped MMMM is by developing a customized quality control/inspection program for operations. MMMM worked with Network Specialists to come up with a program that is part of the BSC's "Continuous Quality Improvement" process which scores and tracks inspections on hand-held computers that can easily download information to customers or into the company's own database.

Tim's advice on technology is to only invest in what you need: "We've bought Maserati's before that just were driven in first gear and that's an expensive proposition for any size company."

### Covering more ground

**T**he IT business isn't the only area handling accounts outside of Missouri. Customers have helped bring MMMM into Indiana and Illinois, where the company now has fully operational branches.

The company's most common method of moving into a new territory is to buy an existing BSC with a solid enough book of business to support the new branch. Then, the branch manager and sales team begin looking for other facilities to add to its portfolio.

Tim also always is on the look-out for new acquisitions, having purchased about eight or nine firms in the last decade, ranging from \$2.5 million to \$100,000 companies. They're very time consuming to do correctly and every one has different terms, but it just depends on if they fit our needs, he says.

And don't expect MMMM to sell to anyone anytime soon. Tim is quick to say he doesn't want to sell his company as others in the industry have done over the last few years.

"First, I don't want to, and I think we're just scratching the surface of the

opportunities we have to grow the business and benefit from that in every respect," he says.

If there's one thing Tim still takes with him from his hockey playing, it's a fierce sense of competition. Add to that his feeling of responsibility for his father's success and he's more driven than many other entrepreneurs. In fact, it has helped put him in the running for Ernst & Young's Entrepreneur of the Year in St. Louis this year. It also is why, instead of giving in when facing stiff national competition of late, he's buckled down and gotten creative.

"It may have seemed unrealistic 5 or 10 years ago that we could go after a national account, but now, it's a reality with the alliances we've created," he says.

What Tim is referencing is the National Service Alliance (NSA), a group of 25 local and regional contractors he helped gather from around the country who together can cover every state in the union. All told, the member companies generate about \$1 billion in sales and openly pool their resources to help one another. Some even have branches in competing areas.

"When it comes down to it, there aren't any secrets — you just may do something a little more uniquely or a little better, quicker or more efficient, but by sharing with others it cuts down that learning and implementation curve that can be so daunting to smaller contractors," he says.

Richard Fowler, one of the NSA founders and president of SunStates Maintenance Corp, Greensboro, N.C., had gone back and forth with MMMM for years sharing programming, training and quality control tips. Then they realized it made sense to work together to go after business the companies might lose if they couldn't offer service outside their geographic reach.

Since the group's inception a few years ago, MMMM has stepped up again to help out by offering Network Specialists services to create a secure network for members to relay bidding and other data.

How common is it to find a company so willing to open it's doors and then to continue to offer help beyond what

it takes to win bids as MMMM has? Rare, says Fowler. "It's very beneficial for companies who want to go to another level and be more professional but don't understand just how to do it or if they ever could," he says.

And that's exactly what Tim says about the many contractors who helped him along the way. "It's very scary when you're at one point and you want to grow, but you just can't fathom getting to that next level. We visited with enough contractors who showed us that it is attainable and that with their help we could do it with less of a learning curve. That's something no owner can ever measure."

### Giving back

**A**nd that support drives Tim's desire to give back to the industry that helped him, by participating heavily in the Building Service Contractors Association International. Tim has served on or chaired eight of a possible 17 committees, some more than once, and been on the board of directors for two, three-year terms. The organization has approached him about a stint as president, but his father says Tim declined so that he can keep his focus on his family and the company's growth, which are his main priorities. Instead, Mitch is the one who has been president of both BSCAI and the World Federation of Building Service Contractors, making strides to help contractors from around the world to successfully network as his company has done in the U.S.

Both Skip Marsden of Marsden Building Maintenance, Minneapolis, and Fowler, who have been equally active in BSCAI agree that the time and information people such as Tim volunteer is invaluable for smaller companies in the association. Tim just considers it payback for the help he's been given. And he reminds BSCS that no matter how big they get, humility and humbleness are necessary to stay successful.

"No one likes you if you're cocky," he says. "And in this industry, your reputation, and the staff who trust you, can be all you've got." ■