

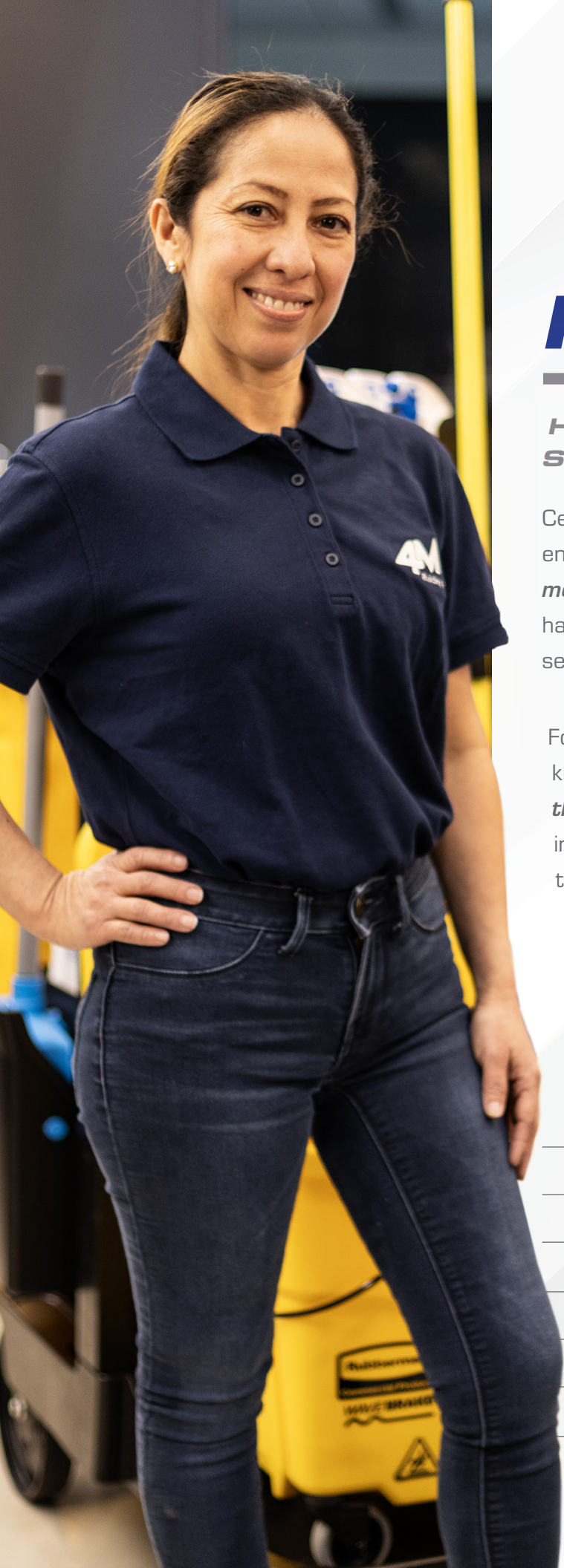
MEASURING KPIs IN THE CLEANING INDUSTRY

**HOW TO EVALUATE SERVICE
PERFORMANCE**



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4M Building Solutions
PRECISION-GRADE CLEAN™



MEASURING KPIs IN THE **CLEANING INDUSTRY**

HOW TO EVALUATE SERVICE PERFORMANCE

Centuries ago, astronomer and physicist Galileo Galilei encouraged us to ***“Measure what is measurable and make measurable what is not so.”*** While the world we live in today has vastly changed ***since Galileo’s time***, the wisdom of this sentiment remains when it comes to measuring success.

For businesses to end up in the right place, they need to know ***what success looks like and how they will measure their performance against it.*** They also need actionable insights to help guide their decisions along the way. And that’s the job of KPIs, or Key Performance Indicators.

In this white paper, we will explore the nature of KPIs as they relate to the cleaning industry, including:

Definition of a KPI	1
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WHAT EXACTLY IS A KPI?

Key Performance Indicators (KPIs) are a set of agreed-upon, quantifiable metrics an organization uses to determine how well it is meeting its operational and strategic goals for success, *ultimately becoming the most important touchstones for the organization.* In our industry, KPIs help the cleaning contractor and the facility manager evaluate the specific services received as they relate to the overall objectives of a clean, healthy, and safe building environment.

KPIs ARE THE MOST IMPORTANT METRICS THAT BECOME STRATEGIC TOUCHSTONES FOR THE ORGANIZATION

THE DIFFERENCE BETWEEN **A KPI AND A METRIC**



All KPIs are metrics but not all metrics are KPIs.

KPIs are metrics that indicate progress towards a strategic goal. That's the "key" in KPIs. If a metric does not help you understand how you're performing against your business objective, it's not a KPI!

As Harvard Business School professor Robert Kaplan famously stated, "If you can't measure it, you can't manage it."

Kaplan co-created *The Balanced Scorecard* — a strategic management tool for defining measurable targets that enable organizations to align business activities with their vision and strategy.

Thus, the challenge with KPIs is to identify the metrics that are truly measurable and contribute to a company's overall success.

***"If you can't measure it,
you can't manage it."***

– Robert Kaplan

5 CHARACTERISTICS OF **EFFECTIVE** **KPIs**



Clear + Simple



Business analytics expert Jay Liebowitz says that an effective KPI is one that **“prompts decisions, not additional questions.”** For example, “How many complaints did we receive per occupant this quarter?” All Team Members should also have a clear understanding of their role in contributing to a KPI.



Relevant + Specific

KPIs need to make sense. They need to be relevant to specific Team Members in an organization. When KPIs are relevant to specific Team Members, it's more likely that they will lead to successful outcomes.



Aligned

KPIs should always support the overall goals of an organization and not unintentionally undermine its efforts. What could be an effective metric for one team might not be in alignment with another team. Good **KPIs support the objectives of the entire organization.**



Actionable

Overwhelming Team Members with large, complex goals is not the best way to achieve them. Smaller, short-term **KPIs that are realistically attainable ensure that teams are more likely to succeed.**



Measurable

Perhaps it goes without saying, but a **KPI should be easy to measure.** Avoid general overview goals for solid, focused ones that can produce qualitative and quantitative metrics.

4 BENEFITS OF **DEFINING KPIs**

Defining and establishing the correct KPIs can help keep a business on track toward constant improvement.



Establishes a Focus

When all Team Members *have a clear understanding of the measurable KPIs*, they will be aligned and better able to focus on what needs to be done to achieve the level of service demanded by their organization and customers.



Promotes Accountability

When Team Members know that their services are being evaluated on an ongoing basis, they are more likely to *take ownership of their work*.



Encourages Transparency

Trust is established when contractors share KPIs with Team Members and customer management.



Offers Clarity

Clear communication of expectations puts *contractors and customers on the same page* and helps to eliminate confusion.

**FOCUS****TRANSPARENCY****ACCOUNTABILITY****CLARITY**

5 PITFALLS TO AVOID WHEN **DEFINING KPIs**

Steering clear of these will help ensure your KPIs are strategic, effective, and contribute to successful outcomes.

Measuring Everything

The “K” in Key Performance Indicators is crucial. Measuring anything and everything regardless of its relevance isn’t effective.

Copying KPIs

Don’t cut and paste KPIs across your customer portfolio. *KPIs should be unique and specific to each customer* and not a duplicate of what another customer is measuring. What is important to one customer is often completely different than what is important to another.

Linking KPIs to Penalties

Some customers like to use KPIs as a “gotcha” method to improve contractor performance. But their *true purpose should be to determine if contractors are meeting mutually agreed-upon strategic goals*; a navigational tool to see where they are and where they need to be in terms of service. If KPIs need to be linked to penalties, there must be an upside for the contractor who performs above and beyond.

Defining KPIs in a Silo

The customer and contractor need to have “skin in the game” when defining relevant KPIs. To ensure success, everyone must have a *clear, strong understanding of the KPIs and the strategy behind them.*

Not challenging and updating KPIs

Once KPIs have been determined, they are often never reviewed and updated. *To ensure KPIs are effective and relevant, periodically challenge them.* Is the correct data still being collected? Is it being collected often enough? Is data being used correctly? Has there been a change in strategy that a new or revised KPI could address?



DEVELOPING & USING A KPI REPORT

Once you've defined relevant KPIs for your objectives and share a clear understanding of the metrics, you'll want to develop a reporting structure to stay aligned with your team. Here are best practices for reporting on KPIs.

- **Collect and track the data.** This can be done manually with surveys, spreadsheets, and CRMs, or digitally with software that pulls your workflow data.
- **Try to assess each KPI as a consistent formula** (e.g., # of current Team Members / # of Team Members hired for a specific time period = turnover rate) and calculate it the same way every time.
- **Create a dashboard** that is stored and managed on your internal website or shared spreadsheets.
- Regularly **discuss and analyze the results of KPIs** with your team to give them valuable insights into performance and create an action plan for continuous optimization.
- **Share the results with stakeholders and customers.** Be transparent if and when improvements need to be made. It will create trust and ensure everyone is always working towards excellence.
- **Allow your KPIs to evolve.** As customer needs change, so should your KPIs. Reviewing metrics on an ongoing basis will ensure you implement new and efficient ways to get the job done.



**KPIs ARE USELESS
IF THEY ARE NOT PROPERLY
REPORTED TO YOUR
TEAM AND CUSTOMERS**

TOP KPIs FOR A WORLD-CLASS **CLEANING SERVICE**

So, how do you apply those best practices to the cleaning industry? Here are the top nine KPIs that a cleaning service should be measuring and reporting to its customers:



Quality of Service

Conducting regular audits and inspections helps to determine if a specific area of service needs improvement. It's important to note that different industries will have unique KPIs. For instance, a healthcare client may prioritize disinfection, while an office building may consider lobby cleanliness a more critical KPI.



Client Satisfaction + Responsiveness

Cleaning contractors should implement **customer service surveys** to fully understand their level of satisfaction with the services provided. If they don't, that's a red flag! Using surveys as a KPI, metrics like the number of customer complaints and compliments received are important, as well as the number of special requests received and successfully completed.



Team Member Productivity

Team Member productivity can be measured by how many square feet are cleaned per facility by the number of direct labor hours used. Another consideration is the labor allocation required to perform the scope of work versus the actual time labor utilized. As a KPI, metrics such as employee absenteeism, availability of on-site training for new Team Members, adherence to safety regulations, and negative attrition should be measured.



Team Member Engagement

A critical metric for this KPI is **retention and turnover**. The inability to recruit and keep quality cleaners should concern customers and vendors because it often leads to poor-quality service.



Appearance

How a building "looks" and if it "appears" clean is crucial for business and morale, as customers will judge a facility on how it appears. Appearance is an uncomplicated metric and can be measured simply through a customer or tenant survey.



Safety

Workplace incidents that could result in serious injury or damage are often called “near misses” or “close calls.” A **safety management program** should include tracking and active reporting of these near misses — which are proven to prevent and decrease future injuries or property damage — along with the number of actual work-related incidents, and the number of Team Member hours lost due to a work-related incident. Floor safety can also be included and measured by conducting floor slip resistance testing and determining the number of slip/fall accidents.



Health

Ensuring a healthy facility environment is certainly a top KPI. Complete removal of contaminants is crucial and should be accurately assessed. According to Rex Morrison, founder of the 501c3 Process Cleaning for Healthy Schools, “*complete removal of soil by standardizing the right tasks and tools is the path to performance benefits, and a carefully crafted process minimizes labor, maximizes ergonomics, addresses bottom-line needs and protects health.*”



Sustainability

Companies with sustainability goals such as Leadership in Energy and Environmental Design (LEED) or WELL Building **certifications require certain considerations.** For example, ready-to-dispense (RTD) chemical systems deliver accurate, pre-measured, portable dispensing in 100% recyclable containers. In addition, paper supplies made from recycled fibers or post-consumer waste materials reduce carbon footprints. Other options are tracking protocols for water conservation, using Greenseal™-certified equipment, and engineered processes for energy savings.



Disinfection

How are disinfection needs, protocols, and schedules handled? Is electrostatic spray disinfection used to destroy bacteria and pathogens on all surfaces? Is the contractor using safer or green chemicals for health and the environment? Once these KPIs are identified, it's also essential that the contractor measures how to continuously improve their disinfection processes.



Budget

A straightforward but crucial KPI, the financial metric generally **addresses whether a cleaning contractor can stay within a facility manager's overall budget.** This KPI can be measured using audits of expenses budgeted for janitorial services compared to actual costs, including labor, equipment, chemical, and consumables costs. As a true partner, the contractor should also measure their ability to pass on savings to the facility manager by offering innovative ways to reduce labor, supply, and even management costs.

CONCLUSION

Here are some key takeaways about KPIs from this white paper:

- All KPIs are metrics but not all metrics are KPIs. KPIs are the essential metrics that indicate progress towards strategic objectives.
- Effective KPIs should be clear and simple, relevant and specific, aligned with an organization's strategic objectives, actionable, and measurable.
- Clearly defined KPIs focus on what needs to be done, offer clarity regarding expectations, encourage transparency with contractors, and promote accountability.
- Some pitfalls to avoid when defining KPIs: measuring everything, not choosing relevant KPIs, linking KPIs to penalties, not collaborating in KPI selection, and not updating KPIs.
- KPI reports should include an assessment of each KPI and a data dashboard. The report should be discussed with Team Members on a periodic basis and shared with stakeholders.
- Top KPIs for a cleaning service include: client satisfaction and responsiveness, Team Member productivity, sustainability, appearance, safety, health, budget, and Team Member engagement.



AT 4M, WE'RE
BRINGING
NEW MEANING
TO CLEANING™

Collaborating with our customers, we determine which metrics define success and then consistently measure against those KPIs to continuously improve our service. We work diligently to achieve unparalleled operational efficiency by providing a leaner, streamlined service. We strive to increase customer satisfaction while minimizing the time, effort, materials, and money required to surpass expectations and provide a new level of clean.

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