

# Starting a Cleaning Business

## 1 Perform Market Research

Areas to research:

- **Business Models** (franchise, sole proprietor, acquiring an existing company, partnership, etc)
- **Competitive Intelligence** (research other successful cleaning companies)
- **Market Trends**
- **Gap Analysis** (is there a lack of service providers for a specific niche or use case)
- **Local Market Demand**



## 2 Write a Business Plan

The Ten Most Important Components of a Business Plan Include:

- Executive Summary
- Business Description
- Market Analysis and Strategy
- Competitive Analysis
- Management Hierarchy
- Services
- Operating Plan
- Financial Projections
- Exhibits and Appendices



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### Get Funding

Options for funding your cleaning business:

- Borrow from Friends and Family
- Small Business Loans
- Short-Term Loans and Credit Cards
- Bootstrapping (funding it by yourself)

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### Select a Market

What zip codes in your area need cleaners and have a low supply of quality providers?



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### Select a Niche and Specialize

- **Niching down** means targeting a sub-section of the broader demographic. Example: Targeting commercial contracts such as offices, warehouses, or facilities
- **Specializing** means offering a specialized service. Examples: Outdoor cleaning, green cleaning, UV disinfecting, etc.

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### Plan Your Budget

- **Supplies:** When starting out, try Costco or Sam's Club. As you grow, transition to purchasing wholesale from suppliers.
- **Labor:** Full time employees or 1099 independent contractors.
- **Equipment:** Commercial-grade vacuums, wet/dry vacs, service vehicles, etc.



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### Register Your Business

Below are some popular options for registering a cleaning business:

- **Sole Proprietor:** This type of company is operated in the owner's name and offers no liability protection. It is also the easiest to set up, with virtually no paperwork. The only caveat is that if you intend to market your business under a name other than your personal name, you'll need to file a DBA (doing business as).
- **LLC:** A Limited Liability Company will require paperwork to be filed with the state and a business registration fee. The LLC will have its own tax ID, but any net profit or loss from the company will 'pass through' to the owners' personal tax returns.
- **S-Corp:** An 'S-Corp' is a tax designation that can be filed for and granted to an LLC or a C-corp. With it, a certain percentage of the profit can be distributed to its owners as a 'dividend', thus bypassing the self-employment tax for that portion of the income received.