

As we transition into a new normal all industries are adapting to a new set of facility standards. When it comes to cleaning and maintenance, the drumbeat we're hearing is "increase standards without increasing costs." In other words, maintaining a facility's health (hygiene and safety) and a business' health (operational and budgetary soundness) have become priorities in equal standing.

There has been a paradigm shift in how people think about hygiene, as well as how corporations and governments approach sanitation-related issues.

Achieving both will be paramount for organizations to stay in business, as workers return in greater numbers to offices, manufacturing plants, and fulfillment centers; while at the same time, consumers resume in-person visits to retailers, restaurants, hotels and resorts, and entertainment venues.

As conditions slowly get back to normal, economists have recently upgraded their economic outlook with the Conference Board now forecasting GDP growth of 6% in the U.S.¹ This boils down to increasing confidence in the economy heading toward an impressive rebound, albeit one that will likely be very different from previous recovery periods. The net net is that more than a year after the pandemic lockdown, strategically managing facilities will be pivotal to organizations successfully moving ahead.

Courtesy of COVID-19, there is dramatically heightened awareness of cleaning and disinfecting among the public. People now expect spaces to be spotlessly clean and to see rigorous cleaning protocols in place. From electrostatic devices to touch point cleaning with disinfectants and virucides, a new baseline for cleaning has been established and it's sticking around for the foreseeable future.

According to Tim Mulrooney, an analyst for investment bank William Blair, there has been a "paradigm shift in how people think about hygiene, as well as how corporations and governments approach sanitation-related issues." The bank's research confirms this paradigm shift will persist and that the commercial cleaning market will "settle at a higher level after the pandemic because of increased attention to hygiene."²

Prior to COVID, facility management budgets—specifically cleaning—were cut significantly. Budgets increased to meet the demands of the pandemic. As vaccination rates climb, organizations in all sectors are looking to adjust their budgets. But going back to pre-pandemic levels won't be sufficient when it comes to meeting the new baseline of expectations, and also managing the evolving conditions related to new virus variants. Then there's the balancing act of tighter budgets, competition for qualified personnel, and a greater need for accountability that makes it even more challenging for organizations to succeed in this new normal.

Here's how facility leaders can rebalance their approach with key strategies that increase standards and lower costs:

FOCUS on 'Core,' Outsource the Rest

PARTNER with Technology and Innovation Leaders

LEVERAGE Partners That
Can Work at Scale

REQUIRE Transparency and Monitor Performance

BUNDLE Services to Streamline and Save



Focus on 'Core,' Outsource the Rest

Move beyond self-serve models and seek out supplier partnerships that can deliver high-quality, innovative solutions.

The Benefits?

When executed correctly, it allows you to focus on the essentials of your business to deliver the results customers and employees expect:



Supermarket employees who are not cleaning have more time to provide exceptional customer service.



Shipping and logistics workers can do what they were hired to do: efficiently handle materials and shipments.



Employees not tasked with enhanced touchpoint cleaning can return safely and productively to work.

Focusing on core business operations helps realize greater operational efficiency at a lower cost while delivering consistent value to customers. In the past, organizations addressed staffing challenges or tight budgets by cutting cleaning frequency or eliminating certain protocols altogether. This doesn't work today because paying less attention to key challenges risks driving away consumers and employees.

Further, during the COVID crisis, vital asset maintenance such as carpet cleaning, floor care and window cleaning has been frequently delayed due to increased touchpoint cleaning and disinfecting. Outsourcing asset maintenance is a sound strategy to preserving facility assets and protecting the long-term investments in the future.

The right vendor can be a key contributor to a successful recovery. That's why it's critical for facilities leaders to seek out partners that can enable them to rebalance their spend and drive efficiency at all points possible—without lowering quality standards.

The KBS Approach: Tailored Solutions that Deliver to the Bottom Line

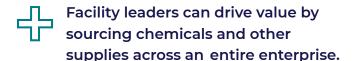
KBS works with clients across a wide range of industries to offer customized and solutions-based facility services. **Here's how:**

- Our team engages with clients at every level to solve problems upstream by leveraging our wide range of services.
- During the pandemic, we sourced proper protection gear for cleaning teams through domestic manufacturers and created a supply chain to ensure materials were delivered. This kept customers' essential operations running safely.
- Our expansive offerings include services like corrugate management and other specialty trade services and facility operations support. KBS also provides contingent labor to address labor shortages or short-term labor demands.
- Our company's approach ensures clients can focus on core expertise while the key functions of facility services receive expert attention that ultimately raises standards while lowering costs.

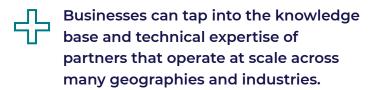
Leverage Partners That Can Work at Scale

Operating at scale has long been a mainstay of driving down costs across many industries. The same holds true with selecting a facility services partner that can operate at scale.

The Benefits?



The ability to compare service, quality, and protocols across an enterprise allows best practices to be implemented quickly throughout multiple sites, magnifying cost savings and efficiency gains.



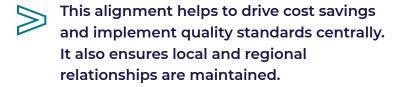
Simply consolidating the oversight of services and billing across multiple sites can help significantly reduce management and administrative costs.

But don't take our word for it. According to the International Facility Management Association, outside facility management services "have already invested their own resources, training and tools into building a janitorial strategy, so you won't need to take on these costs."

- National or regional partnerships can bring together resources across a large footprint.
 This helps drive down cost and enhances consistent quality throughout many locations.
- Operating at scale is about more than going big.
 Any solution implemented across an enterprise should answer the detailed needs of the entire organization, while also addressing key challenges of a single facility.

THE KBS APPROACH: Nationally Strong, Locally Great

KBS aligns with clients on national, regional, and local levels to offer bundled solutions across an enterprise. **Here's why:**



The KBS culture empowers teams at the local and regional levels to proactively solve problems upstream, offer solutions, and communicate across the organization.

To further drive cost savings, we offer clients pricing based on total spend across their enterprise, and alert them to potential savings in one location that can be realized across hundreds, if not thousands, of sites.

These changes quickly impact quality or value—and frequently both.

Our approach customizes solutions to each client's needs at every level so challenges are addressed at single locations or a nationwide network of locations.

Bundle Services to Streamline and Save

Many facilities—from supermarkets to office buildings to advanced manufacturing plants—approach facility services at a departmental level. One team may handle floor care while another is contracted for exterior services. HR may take care of staffing while IT sources data center cleaning. In some organizations, procurement might outsource floor care while another might handle cleaning customer-facing areas.

This siloed approach usually leads to the pitfalls associated with a separation of vendors: higher prices for the company, questionable quality, and reduced accountability. Bundling, on the other hand, presents many powerful opportunities.

The Benefits?



Negotiating lower rates reduces costs due to overall increases in efficiency. For example, a property site that uses parking lot maintenance services and internal floor care can use the same team to audit both tasks. Management can also be shared between services, leading to more efficiency and accountability in a lower cost environment.



Bundled services can bring with it higher standards as well. Restroom care, which is a notorious pain point for many organization, illustrates this point perfectly: restrooms that are handled by a janitorial contract with once-a-day cleaning frequency, or by internal employees who have other tasks, lead to lower customer and employee satisfaction rates.

Bundling porter services that increase restroom cleanings and add other services like entrance sweeping lead to a more consistent level of cleanliness and a better overall experience.

THE KBS APPROACH: Bundled Services That Amplify Value

KBS bundles across our service lines to build value for clients and meet facility service challenges. **Here's why:**

- Bundling focused services—like exterior landscaping, snow removal, and parking lot care—helps KBS implement high-quality programs while centralizing management and customer service, and reducing costs.
- Additionally, bundling services allows KBS to leverage vendor resources to gain the best value for clients.



We also take a broad approach, bundling across all services, such as facility hygiene, trade services, and facility operation support. This allows us to streamline management and customer service, while also addressing broader facility challenges like long-term asset preservation, broad-based waste and recycling management programs, and specialty programs that address highly specific industry needs.

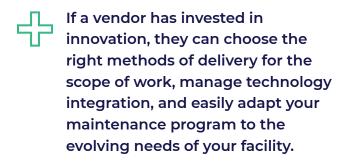
Partner with Technology and Innovation Leaders

Look for a facility service partner that consistently focuses on process improvement and product innovation, and incorporates technology into its solutions. These are the facilities vendors who were quickly able to adapt when COVID-19 hit and have been able to help clients manage circumstances effectively as the pandemic has evolved.





higher productivity, and lower costs.





This past year saw the introduction of new chemicals and technologies due to COVID-19. Testing, verifying, and recommending which ones will be most effective for a facility is something an outsourced partner should be able to do.

This will give your business greater confidence that the solutions used in your facility are science-based, vetted, and strategically aligned with your organization's health and safety goals.

Taking a close look at the technology and innovation expertise of outsourced facility service partners will help facilities leaders identify if what is being promised can actually be delivered.

THE KBS APPROACH: Invest in Continual Innovation

The KBS Innovation Center is a new resource bringing to market the technologies, processes, and chemicals essential to healthy operations. **Here's more:**

Our Innovation Team works in partnership with clients, suppliers, and industry associations to take ideas from concept to reality, leveraging market research, industry knowledge, and testing to ensure effectiveness and viability.

They continually test and evaluate chemicals, processes, and technologies that KBS can bring to the services we deliver, keeping an eye on the bottom line impact for customers.

This team has been able to re-engineer programs that deliver savings and increase standards.

The Innovation Center recently conducted a project with a major national retailer, working with equipment suppliers to reduce the use of traditional consumables and replace them with advanced cleaning technology. This helped reduce labor costs while enhancing overall quality—all without changing the frequency of service.

Similar cleaning programs can help reduce costs by at least 25% while also significantly improving the overall quality of the stores.

Require Transparency and Monitor Performance

An essential component to raising standards and lowering costs is working with vendors that measure and monitor activities, provide complete transparency, and use data to enhance performance. Seek out facilities vendors that offer self-service portals with real-time KPIs and metrics. They should be easy to understand and focus on the performance measurements that matter. Vendors should have a long track record of monitoring quality across one or many sites as a key driver of performance and value.

The Benefits?



Leveraging data has been effective across many industries: vehicles are assembled more efficiently, supply chains run more cost-effectively, customer service delivers better results, and healthcare outcomes are optimized.



For many facilities leaders, implementing performance data protocols and technologies can be daunting or may seem like an extra layer of management and cost. A vendor partner with expertise in data and the associate technologies will take the weight off your shoulders.



These technologies are capable of providing enhanced reports, KPIs, and other metrics that allow facilities leaders to measure vendor performance and improve efficiency.



This heightened level of data collection ensures compliance and—with the right vendor analysis— can keep facility management teams informed of any service gaps, provide actionable data to adjust programs, and achieve higher quality in a more efficient manner.



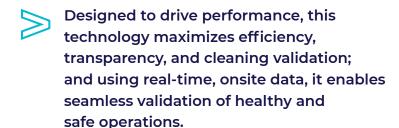
While centralized-system tracking may appear to be an activity more easily performed internally, the reality is that most operations are not set up to monitor facility services activities throughout a single, complex facility or across multiple locations for that matter. In addition. a vendor partner does not have access to that information and/or can not act on it quickly. A vendor partner that utilizes an enterprise system that includes partner and facilities teams on the same goals and ensures program performance is tracked and measured.

An essential component to raising standards and lowering costs is working with vendors that track activity, provide transparency, and use data to enhance performance.

Working with an outside vendor offers greater transparency into cleaning performance, employee activity, quality audits, and more. The central tracking of these activities is essential to not only guarantee efficient spend but also to ensure that these business-critical tasks are performed to deliver optimal value.

THE KBS APPROACH: KBSForce™ Technology

To enable effective tracking and tracing, KBS developed KBSForce, a web-enabled platform that tracks everything from employee time on the job to cleaning audits and documentation. **Here's more:**



deficiencies, establish benchmarks, and drive process improvements with onsite inspection data and real-time reporting across thousands of sites.

Efficient data-mining enables KBS

and its clients to identify trends, correct

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Field managers leverage KBSForce to identify inefficiencies and solve problems upstream, driving continual improvements and optimizations to a facility's performance.

The central tracking of these activities is essential to not only guarantee efficient spend but also to ensure that these business-critical tasks are performed to deliver optimal value.

Summary

Other industries and processes have proven that innovation, strategic outsourcing, technology, and effective solutions at scale make higher quality and greater efficiency possible—without increasing spend. For retailers, the payoff is creating more inviting environments for customers. For manufacturers and logistics centers, it's a more productive workforce. In the hospitality industry, it's ensuring guests feel safe returning to hotels and restaurants that are only just recovering from an economically devastating period.

For these and other industries competing during an unprecedented era of recovery and growth, higher quality and lower costs will be essential to building business in the future. The right facility service partnership can deliver on this strategy and help maintain the healthy operation that keep customers and employee safe.

Kellermeyer Bergensons Services, LLC (KBS), is a trusted partner to leading operations and facility managers across 75,000 client locations throughout North America. We provide essential facility services that deliver healthy operations to businesses through scalable solutions customized to meet client-specific requirements. Our expertise and technology enable our teams to anticipate issues, ensure quality, and maximize efficiency. With decades of experience in facility hygiene, including being on the front lines throughout the COVID-19 crisis, KBS is committed to partnering with clients to Stay Ahead of the Curve™ with the latest advances for maintaining healthy operations. For more information, visit kbs-services.com.



References for Further Reading

All Change: How COVID-19 is Transforming

Consumer Behaviour

Manufacturing Quality Today: Higher

Quality Output, Lower Cost Of Quality

Reducing Data Costs WithoutHow Digital Platforms Will AccelerateJeopardizing GrowthSustainability Goals For Manufacturers

<u>6 Ways Big Data Can Lower Costs</u> <u>More Virus-Zapping Robots Are Coming,</u>

and They're Here to Stay

How Industrial Companies Can Cut Their

Indirect Costs—Fast

Outsourcing Janitorial Services

Big Data and Analytics in the Automotive

Industry

The Value of Clean

Sources

- 1 The Conference Board
 Economic Forecast for
 the US Economy
- 2 More Virus-Zapping
 Robots are Coming,
 and They're Here to Stay
- **3** IFMA: Outsourcing Janitorial Services