

Expanding your business by increasing your services

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Go to the bank, pick up the dry cleaning, stop at the post office, maybe find the time to get a haircut. It is Saturday morning and you have a laundry list of places to go and want to get done by noon. And you think to yourself, I wish I could go to just one place (with people that I know and trust) to get all of my needs taken care of at once.

In relation to building services, a company that services commercial properties throughout the same area does just that.

A family of companies can be the ultimate resource for all of your building services needs such as cleaning and maintenance, security and surveillance, messenger centers, metal/stone restoration and painting. Rather than be concerned with having only one vendor, clients will appreciate the savings and attention they receive through these services being bundled from a single provider. In fact, a collective building service provider can help consolidate contracts, improve services and maximize profits.

Anytime you can provide both superior quality and lower pricing, it is a great opportunity to expand your services. Once your building service company is stable and you are looking to grow, you should do what the experts call "benchmarking".

Find a few other building service providers similar to you and see how they are organizing their staff, obtaining supplies and researching the growth of new marketplaces. You can then analyze your strengths and weaknesses and compare them with those of your competitors. Assessing value, technology and employee developments, can also help you determine your next step.

Awareness of market trends should play a vital role in your decision to diversify your services. Target areas where resources are not being utilized or could be in the future as a result of industry trends and changes in supply-and-demand needs.

Getting this information can give you an edge above the rest, as it can show ways in which your service company can benefit the client and be unique. For instance, after reviewing commercial building crime statistics in your area, you may find it beneficial to add a security component to your business.

Another way to expand your company's services is by cross-selling. Cross-selling is defined as "the action or practice of selling among or between established clients, markets, traders, etc." or "that of selling an additional product or service to an existing customer". In other words, because your client receives your services, you could offer them a reason to buy an additional service and/or product. For example, if you provide metal and marble restoration services to a building, you could sell a polishing or buffing product as a follow-up to the restoration service.

Some benefits to the customer include the efficiency and control that result from using a single provider for multiple services and products. For the vendor



the benefits are also substantial. Revenues go up as well as the efficiency benefits in servicing one account rather than several. In addition, service providers that sell more services to a client are harder for a competitor to

replace. The more services that a client receives from your company, the higher the cost to replace you becomes.

Another benefit to this is that your customers already know and trust you because you have a history of doing business with them. According to Alan M. Davis, a principle with Revitalization Partners, a Seattle based consulting firm specializing in business turnarounds: "Exploiting a trend is tempting, but acquiring new customers is less revenue savvy then squeezing more from existing customers. The more you can put through the same sales channel, the more cost-effective it is."

As a mid-to large sized building service contractor looking to expand services, you should also consider merging with or acquiring another company. This can enhance customer base, increase intellectual capital and offer efficient operational activity.

However, it is important to note that acquiring a near bankrupt company is normally an action performed by more established businesses. You should only expand when there are undiscovered opportunities that can be beneficial your

business.

But, you should be cautious when deciding to extend your services. Adding new divisions with little or no connection to your company can be hazardous and end up inhibiting growth. For example, a catering business would not compliment a building maintenance service but on the other hand a painting or electrical company would be a logical fit.

Lastly, both companies involved in a merger or acquisition should also have similar business goals. While divisions of a company may provide different services, they should share one vision: treating employees and clients in the best possible way.

Before you decide to expand services do some employee as well as customer service research. Effectively communicate with your employees for fresh and creative ideas. Employees should be aware of and understand that part of the business strategy is to be a pioneer in the industry. Think of your employees needs as much as your own. For you to expect your staff to be on your team, you have to be on theirs.

Talk to your sales and/or marketing departments to find out what your customers think about your services, products, procedures, capability, etc. More specifically, by changing the business practices of the building service industry, think like an owner and provide

clients with a combination of hands-on experience and high caliber expertise in all of your services. You should not be in business only to make money; but to further your customer service goals.

Most mid to large size building service contractors have options accessible to them to grow their companies. The choice to expand services must be a result of thoughtful consideration of factors such as finances, logistics and even emotional willingness to expand. However, the process of deciding on a business strategy is continuous and the decisions that result can be critical to the future success and growth of any

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service provider company. The right choices can plausibly have a large impact on a business's growth as well as bottom line. If you choose poorly, or decide to remain stagnant when an opportunity comes about, the results can lead to decreased potential growth, declining sales and profitability. Actions should be based on objective financial data, consisting of relevant estimates and forecasts.

It is important to keep in mind that not every strategy can be expected to impact your business in the same manner and over the same period of time. It is your ability to compare options because that is the best way to make informed decisions regarding expansion. ■

Seminar on labor and employment issues

Tarter Krinsky & Drogin LLP will host a seminar for managing agents entitled, Current Labor and Employment Issues Facing Managing Agents, today (Wednesday) from 8:30 a.m. in the firm's offices at 1350 Broadway, 11th floor, in New York City, following breakfast at 8:00 a.m.

Labor and employment issues are critical to the successful management of any property. This one-hour program will provide managing agents with practical information about legal trends that can impact operations in their buildings and increase exposure to litigation.

Tarter Krinsky & Drogin attorneys will discuss the following topics: Liability of owners and managing agents as "joint employers"; strategies for grievance

and disciplinary issues; winning arbitrations and avoiding common mistakes; wage and hour problems; application of harassment, discrimination and other workplace laws; independent contractors and "non-union" employees; union and withdrawal liability issues arising from the sale of a building

Steven Troup, partner, and Thomas Huszar, counsel, will serve as program moderators, and Laurent S. Drogin, partner, and Richard L. Steer, partner, will be the featured speakers for the event.

Laurent S. Drogin serves as head of the firm's labor and employment practice group and practices in the field of labor law, employment law and wage and hour law. Laurent counsels employers on workplace litigation matters, litigation

avoidance techniques and compliance with federal, state and local employment laws, including harassment, discrimination and wage and hour matters.

Richard L. Steer has extensive experience in employment and labor law. He has defended a wide range of employers, insurance companies and their policyholders in employment litigation and restrictive covenant disputes and housing discrimination claims. Rich is an adjunct Professor of Law at Pace University School of Law where he teaches Employment Law and Employment Discrimination Law.

For more information contact Cecelia Vazquez at 212-216-8000 or cvazquez@tarterkrinsky.com. ■

Survey aims to find 'best bets' for energy efficiency

FMLink, the U.S. Green Building Council (USGBC), the Association for Facilities Engineering (AFE), and the Building Owners and Managers Association (BOMA) International have launched what purports to be the largest-ever survey to study what energy-savings measures companies have undertaken.

The goal is to leverage the results of the survey to help companies identify their "best bets" for energy efficiency — which strategies worked well, which didn't, and why. The survey is open to

those who own or manage their facilities, focusing on commercial, industrial, government, academic, medical, and other types of non-residential facilities. To ensure meaningful data, it will apply only to those facilities that have been occupied prior to January 1, 2007.

The survey was launched online on August 28, 2008, and may be taken by going to:

<http://survey.constantcontact.com/survey/a072cp8tkikg32m8/start>

"With the ever-growing need to re-

duce our collective carbon footprint and deal with the skyrocketing costs of energy, it is critical that we better understand not only what our building owners and facilities managers are doing about this, but also to see which actions have made the greatest impact," said Peter Kimmel, Publisher of FMLink. "By being able to survey the members and subscribers of such qualified organizations, we are hoping that these results will be more meaningful and useful than any prior to now." ■