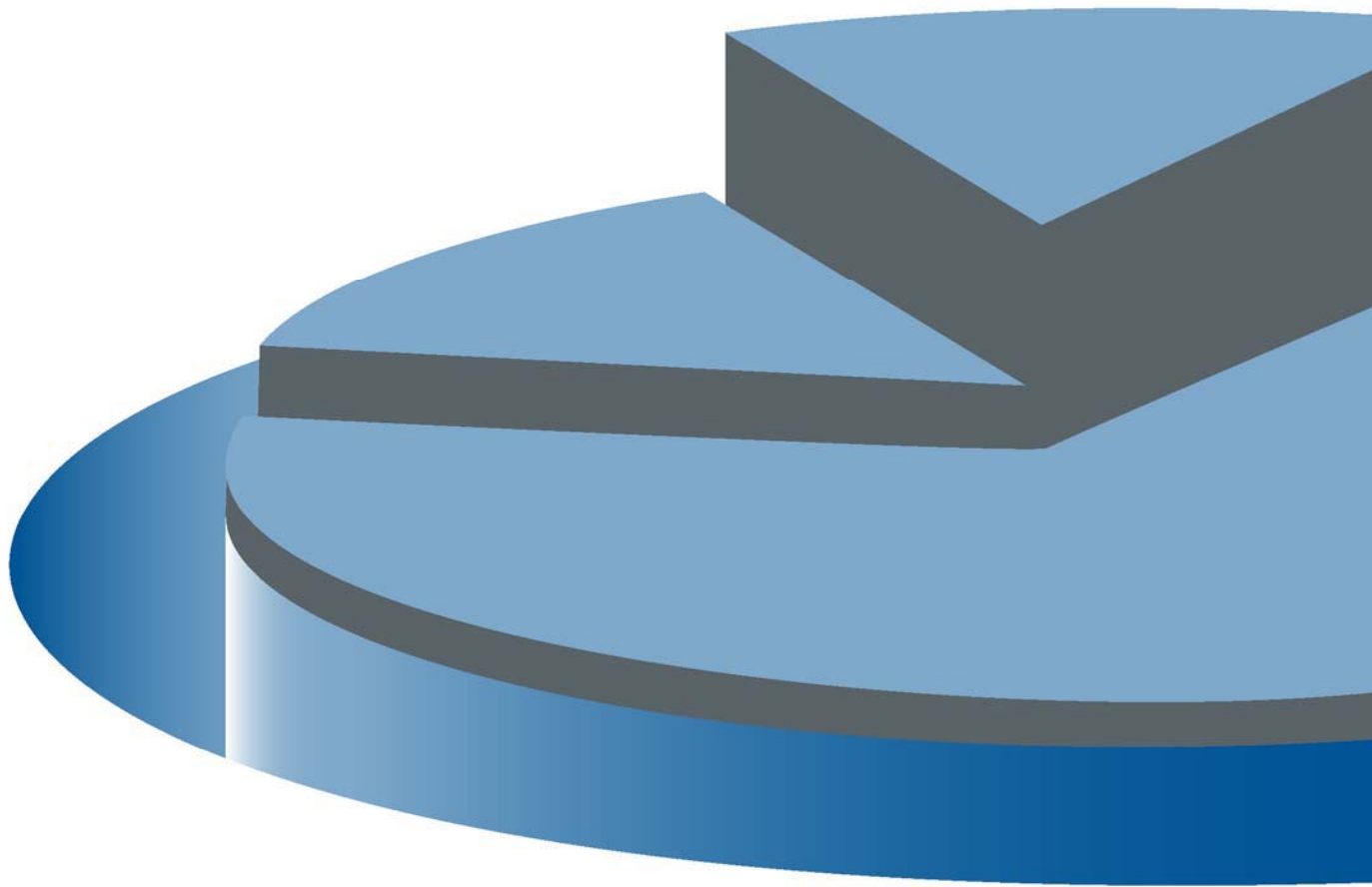


# Franchising in the Maids Services/Residential Cleaning Sector

A Comprehensive Industry Report

June 2006



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## Franchising in the Maids Services/Residential Cleaning Sector

### Source Material

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## Introduction

According to the Association of Residential Cleaning Services International, the residential cleaning sector is one of the fastest growing sectors in the U.S. and is comprised of both independent and franchised companies.<sup>1</sup> This report deals exclusively with the cleaning service business who are actively franchising and compares both their overall performance as a company and their franchising terms – the terms of the agreements that a franchisee in their systems must sign.

There are 14 actively franchising Maid Services/Residential Cleaning Services franchise systems. Many, in fact most, cleaning businesses provide both commercial and residential services and there are many other franchised cleaning companies who cater to both markets. This report attempts to focus on those systems whose primary audience is the residential market.

The franchising companies examined in this report\* are:

| DBA                              | FRANCHISOR   |
|----------------------------------|--|
| A Special Touch Cleaning Service | A Special Touch Cleaning Service, Inc.                       |
| CottageCare                      | CottageCare, Inc.  |
| DayMaid                          | DayMaid, Inc.  |
| Home Cleaning Centers Of America | Home Cleaning Centers Of America, Inc.                       |
| Maid To Perfection               | Maid to Perfection, Corp.                                    |
| Maidpro                          | MaidPro Franchise Corporation                                |
| Merry Maids                      | Merry Maids Limited Partnership (The Service Master Company) |
| Molly Maid                       | Molly Maid, Inc.   |
| MTO Cleaning Services            | Maids to Order, Inc. (Merrymeeting, Inc.)                    |
| The Cleaning Authority           | The Cleaning Authority, Inc.                                 |
| The Maid Brigade                 | Maid Brigade Inc.  |
| The Maids                        | The Maids International, Inc.                                |

\* Two (2) additional franchise systems exist, for whom current information was not available at time of publication. These systems are Neat Fleet and Mini Maid. Information about these systems may be published as addendums when information becomes available.

Together these businesses have 2,949 franchised and 190 company-owned locations across the U.S. In the past five (5) years, this sector has grown by 47% in number of units. Also, two (2) of these systems only began franchising within the past 3 years – DayMaid (started franchising in 2005) and A Special Touch Cleaning Service (started franchising in late 2003).

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## Business Model Comparisons

### Lines of Business

Besides franchising their system, franchisors often, either directly or through an affiliate, have complementary lines of business. The following table shows which of these systems have such lines.

*Explanatory Notes:*

|                                |   |
|--------------------------------|---|
| Cleaning Franchises:           | While each franchisor obviously sells residential cleaning franchises, they may have an affiliate who sells franchises in commercial or other vertical cleaning markets, as well. |
| Cleaning Products:             | Cleaning products sold to the franchisees, to the public, or both.  |
| Specialized Cleaning Services: | Cleaning services more specifically defined than general house cleaning, such as window-washing, carpet cleaning, etc.  |
| Other:                         | Non-cleaning products or services related to the franchise system operations, such as proprietary software, leasing/financing services, etc.                                      |

| BRAND                            | CLEANING FRANCHISES |           | CLEANING PRODUCTS |           | SPECIALIZED CLEANING SERVICES |           | OTHER |           |
|----------------------------------|---------------------|-----------|-------------------|-----------|-------------------------------|-----------|-------|-----------|
|                                  | SELF                | AFFILIATE | SELF              | AFFILIATE | SELF                          | AFFILIATE | SELF  | AFFILIATE |
| A Special Touch Cleaning Service | •                   |           |                   |           |                               |           |       |           |
| CottageCare                      | •                   |           |                   |           | •                             |           | •     |           |
| DayMaid                          | •                   | •         | •                 |           |                               |           |       |           |
| Home Cleaning Centers Of America | •                   |           | •                 |           | •                             |           |       |           |
| Maid To Perfection               | •                   |           | •                 |           |                               |           | •     |           |
| Maidpro                          | •                   |           |                   |           |                               |           | •     | •         |
| Merry Maids                      | •                   | •         | •                 |           |                               |           | •     |           |
| Molly Maid                       | •                   | •         |                   |           | •                             | •         |       |           |
| MTO Cleaning Services            | •                   |           |                   |           | •                             |           |       |           |
| The Cleaning Authority           | •                   |           |                   | •         |                               |           | •     | •         |
| The Maid Brigade                 | •                   |           | •                 |           |                               |           | •     |           |
| The Maids                        | •                   |           | •                 |           |                               |           | •     |           |

### Detailed Descriptions:

A Special Touch Cleaning Service has no affiliates, nor complementary business lines. They offer no extended specialty services other than house cleaning, nor any operational support products or services for their franchisees.

CottageCare is testing a carpet-cleaning system and provides proprietary software for their franchisees use. Additionally, they offer marketing services to franchisees.

DayMaid has a Canadian affiliate, Consumer Care Services, Inc., offering commercial and residential franchises. They offer goods and services to both their franchisees and to the general public.

Home Cleaning Centers of America has no affiliates. It sells supplies to franchisees as part of a partnership with Zep Manufacturing Company. Franchise operations also include carpet and upholstery cleaning.

Maid To Perfection requires franchisees to purchase initial equipment, supplies and a business forms package, then offers these products on an ongoing basis.