



## Background

CleanStart Property Services is a social enterprise based in the Downtown Eastside (DTES) of Vancouver, British Columbia. We are a Buy Social Canada and Living Wage-certified social enterprise that offers comprehensive property services while providing employment opportunities to people experiencing barriers to employment.

In 2010 our CEO Dylan Goggs founded [CleanStart](#) with a single truck based out of Vancouver's Downtown Eastside (DTES). In the past 13 years, we have grown far beyond the DTES to do work all across the Lower Mainland and are now one of British Columbia's most prominent social enterprises.

## Vision and Mission

CleanStart's objective is to provide professional services for the most difficult jobs while staffing a team facing traditional barriers to employment. To accomplish this, we hire, train, and support marginalised individuals in order to facilitate economic growth at a grass roots level. Our motto is "Difficult Done Right."

And we don't stop at hiring. We pay our employees at least a living wage, provide full health and wellness benefits, and offer all kinds of specialised employment support, including modified work duties, extended leaves, and interest-free housing loans. We also re-invest profits back into organizations or charities that share our vision. To date, CleanStart ownership has never paid out any dividends and has re-invested 100% of our profits.

We are not a charity or a non-profit (we don't receive grants or donations), but a for-profit business that competes in the open market and tries to act ethically and responsibly, using our economic power to drive social change. We believe that by working with us, our customers receive a social return on their spend.

## Organisational Structure

At present, CleanStart operates as a for-profit social enterprise. We are a Community Contribution Company that is required to re-invest at least 60% of profits back into the organization or a charitable organization that shares our mandate. Currently, we reinvest all the profits. We have 25 full-time employees that break down as follows:

Department	Positions	Titles/Roles
Field Staff	14	Drivers, Swampers (Labourers), Pest Control Technicians
Supervisors	5	Field Supervisors
Management	3	Operations Manager, Office Manager, Marketing Manager
Executive	2	CEO, COO
Administrative	1	Dispatch/Front Desk



As part of our social mandate, we pay all our staff a living wage at minimum, which means a company base pay of \$24.50 per hour. This is greater than the living wage for BC of \$24.08 (as determined by [Living Wage for Families BC](#)) and far exceeds BC's current minimum wage of \$16.75/hour, and is notably higher than our competitor's base wage.

### Services

We provide three main services: Junk Removal, Cleaning, and Pest Control. These services complement each other with jobs often requiring at least two of these. The following is a brief overview of the various kinds of work done within these services:

- Junk Removal: Illegal Dumping Removal, Junk Room Clearouts, Hoarded Unit/Home Clearouts, Pest-Infested Item Removal, Construction Debris
- Cleaning: Extreme Cleaning, Janitorial Work, Outbreak Sanitization (COVID-19, Shigella), Carpet and Upholstery Cleaning, Sharps/Biohazards
- Pest Control: Pre- and Post-cleaning Pest Control, Bed Bug Management, Baiting, Spraying, Integrated Pest Management, Exclusion Work

### Customers and Markets

Most of our work is done in the Social Housing space, working for a variety of non-profit and government housing providers, though we also operate in the standard residential and commercial markets. The following is a breakdown of the major customer groups and approximate revenue share:

- BC Housing directly-managed sites: 40%
- Non-profit housing organizations (funded by BC Housing): 40%
- Residential customers: 10%
- Commercial customers: 10%

Because CleanStart holds the contract for Junk Removal at BC Housing's directly-managed sites and we are firmly entrenched in the social housing landscape, we see a proportionally large amount of work in this market. We estimate our market share breaks down as follows:

- At least 75% of the junk removal for social housing (BC Housing and non-profit) in the Lower Mainland.
- 40% of the Cleaning market for social housing in the Lower Mainland
- 20% of the Pest Control market for social housing in the Lower Mainland
- For residential and commercial, we see less than 1% of the work across all our service lines.



### Competitors

The landscape for all our services is very busy with many competitors that work in each service we provide, but none that work in all, or even two of them. Our main competitors are:

- 1-800-GOT-JUNK (Junk Removal)
- 505-JUNK (Junk Removal)
- Jan-Pro (Cleaning)
- AspenClean (Cleaning)
- Orkin (Pest Control)
- Westside (Pest Control)

Our main competitors are generally much larger organizations than us, with the Junk Removal, Cleaning, and Pest Control markets having large, international presences and very large marketing spends. They operate almost exclusively in the residential and commercial markets. They tend to target quick and easy jobs, and have been known to recommend CleanStart when called to jobs that have hoarding or pests (particularly bed bugs.)

### Sales and Marketing

Historically, CleanStart has focused our marketing efforts almost exclusively on the social housing market. The business development in this area has always taken the form of business-to-business relationship building and social value messaging through participation in DTES committees and groups, and leveraging our association with these groups to encourage social procurement and/or purchasing. Some of these organizations are:

- [Buy Social Canada](#) - A non-profit organization that promotes social enterprise, social procurement, and social value finance
  - Buy Social has historically been a very strong advocate for CleanStart and has driven many Requests for Proposals (RFPs) down the Social Procurement route
- [Exchange Inner City \(EIC\)](#) - An awareness and advocacy organization in the DTES that works with social enterprises, non-profits, charitable organizations, and government to build a low-barrier employment ecosystem
  - EIC works closely with CleanStart to develop a continuing conversation about low-barrier employment and social value with CleanStart and numerous other organizations. We meet with many of our largest customers on a regular basis through EIC
- [BC Non-Profit Housing Association \(BCNPHA\)](#) - A membership and advocacy group for Non-Profit Housing Providers across the province,
  - The BCNPHA runs multiple networking events and tradeshow that CleanStart is a part of. We are also currently working on a member program for their members with discounted pricing and guaranteed service



For the residential and commercial market, it wasn't until 2023 that we had any concerted effort to target this market. To test the appetite, we have invested approximately \$60,000 in marketing and advertising our Junk Removal, Cleaning, and Pest Control services for this segment since January 2023 (with \$80,000 budgeted for 2023.) Our messaging has focused on the social value we create and our professional approach to difficult work. We have seen a moderate amount of success, but not the return we had hoped for this investment. Our marketing efforts in this space have been:

- Search Engine Optimization (SEO) - We have employed a digital marketing agency (Jelly Marketing) to improve our search rankings. The focus for these efforts have been on our services where we have a competitive advantage: hoarding, difficult job, pest infestations, etc.
- Digital Advertising (Google Ads) - Also using our digital marketing agency, we have developed a Google Ads Campaign that has also focused on our competitive services like bed bug control.
- Public Relations (PR) Efforts - Social entrepreneurship and creating social value is a very relevant and important topic these days, and we have leveraged it to create some PR for CleanStart. Most of these have had limited exposure, but we were successful in getting a [profile on Global News](#).
- Social Value Messaging - All of the above, while trying to differentiate our services from our competitors, have also focused on the social value we create as an organization that hires people with barriers to traditional employment.

### Financial Situation

Over the past few years, CleanStart has experienced a good deal of volatility in revenue and cash flow. In particular, there was a surge of cleaning and sanitization work related to the COVID-19 Pandemic and it resulted in a rapid and massive scaling of CleanStart, a large influx of cash, and an equally rapid shrinking of work and revenue post-pandemic. In the following two years, we have seen similar "special projects", albeit smaller spikes in revenue from pathogen outbreaks and encampment moving projects. At present, we have not seen any notable special projects. Some other considerations:

- Revenues (particularly Junk Removal) and profitability fluctuate month to month, but our expenses remain consistent.
- Profitability largely depends on revenues, which fluctuate month-to-month.
- Cost controls have been put in place and further cost cutting would put our ability to service customers under great pressure.
- Large projects (related to Covid, shigella, decampments, etc.) are extremely profitable for CleanStart but are not consistent and cannot be counted on.
- We have the capacity to expand a great deal with existing infrastructure, so a moderate amount of revenue increase (\$40k/month) would see consistent profitability.



## **Current Context**

### **Residential and Commercial Market**

- Our marketing efforts in these markets have not been as successful as we had hoped.
- We do, however, see a general trend in markets overall toward socially-minded companies.
- We have found that residential customers are more drawn to our social message than commercial customers.
- Our costs and prices are higher than our competitors.
- It is expensive to compete with the marketing budgets of larger competitors.

### **Geographic Scope**

- Currently, our geographic scope is effectively Squamish to Hope, with about 95% of our work being done from Vancouver to Abbotsford.
- Social housing organizations outside of the Lower Mainland, particularly in Victoria, have expressed a great interest in using our services “when available.”
- If successful, this could create a framework for further geographic expansion to other regions in BC.

## **Considerations**

The next steps for CleanStart are critical for the future of the company. Assuming that the status quo is unacceptable, even if cost controls bring us to a trend of moderate profitability, we are faced with what seems like two options:

**Consideration 1:** Focus more effort on the local market for a short period of time (2-3 years), trying to grow our share of the social housing market as well as trying to capture more of the commercial and residential markets. This scenario has a particular viability with regard to pest control, which is a line of work with great margins, recurring work, and a lot of room for us to grow. There is a risk of stagnancy and lack of diversification in the social housing market, as well as the ongoing concerns over price and profitability overall.

**Consideration 2:** While not losing focus on the work we do in the Lower Mainland, CleanStart has opportunities to expand geographically, taking our working knowledge and experience in the social housing space to other cities, beginning with Victoria. Keeping our administrative work in Vancouver and running a satellite branch will ensure it operates at a more profitable level, and there is a significant appetite for social enterprises to do this kind of work. As with all expansions, however, there is a significant risk with unfamiliar markets and the expenditures required to make the move.



### **Moving Forward**

CleanStart is looking to scale and achieve consistent profitability. What are the paths forward that balance risk and opportunity while retaining the core values and mission of our company? How might CleanStart expand its services further into the private residential market in the Lower Mainland? How might CleanStart build a strategy to effectively expand to other markets beyond the Lower Mainland in BC?