

Purchasing Groups: NSA Breaks Down Why You Should Join a GPO...

📅 Thu, 10/7 4:53PM ⌚ 1:08:18

SUMMARY KEYWORDS

nsa, business, members, bsc, distributors, cleaning, people, space, debbie, pandemic, partners, support, member, products, supply, staff, customers, provide, systems, spend

SPEAKERS

Michael Conrad, Debbie Wakefield, Ryan LeMire, Halie Morris

Halie Morris 00:00

The business of cleaning the podcast that brings cleaning industry expertise straight to your ears. Hello, everyone, and welcome back to the business of cleaning. My name is Hayley Morris. I'm your podcast coordinator and host. And today I have with me Michael Conrad, and a few other special guests from the National Service Alliance. And I'm going to go ahead and let them introduce themselves.

Michael Conrad 00:26

Thank you, Halie, thank you for allowing us to time with you today. My name is Michael Conrad, I'm the president part of the NSA national service Alliance. And I've been with the business now about five years. Prior to that spent a couple of years with Spartan chemical working with their national accounts team. And prior to that about 25 plus years in distribution spent most of that with a company called jam pack that ultimately sold to company called inner line brand, which is now recognized in the market as Home Depot Pro. And so spent a lot of time in the distribution side of the business. And while in the distribution side of the business were many hats, whether it was operational, whether it was sales, ended up leading the sales organization for jam pack. We built the national accounts team and and ultimately ran the national accounts team for the Home Depot pro before I left, one of our largest and most influential and targeted customer bases or segments was the BSc property management space. And that's how I got really introduced to and understand this business by working with them from the distribution side. And now working closely with the bf C's in the marketplace provides tremendous opportunity for the NSA to help this segment in this space. What I'd like to do at this point is introducing and have them give a further introduction of Debbie Wakefield and Ryan Amir. Debbie is our Director of Member Services. And she works closely with most of our members on a day to day basis. And then Ryan is our Director of member development who is working with prospective bscs interests interested in joining in NSA. So Debbie, if you could go first and give a little introduction.

Debbie Wakefield 02:14

Sure. I have been with NSA for coming up on 13 years, hard to believe 13 wonderful, wonderful years. And prior to being within sa my husband and I operated a small BSc in the Charlotte, North Carolina market. And we did that for about seven or eight years before we decided that that was just a really hard business. And we have a great respect for

all the people who do it. And we decided it was not for us. And I joined the NSA. And it gave me a great insight when I'm talking to bscs as to what they go through on a daily basis.

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Ryan LeMire 03:01

Thanks, Michael. Yeah, so I'm Ryan LeMire. I've been with the NSA for just over two years now. My background, like mica like, Debbie, like the rest of our team, we've all worked together at some point through the distribution era. So we understand the business, we've got many years of experience, I am in charge of bringing on new members. So after you listen to this podcast, and you're not a member, feel free to reach out to me. And we can get you set up. Yeah, we got a great team. But thanks, thanks for giving us the opportunity to come on.

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Halie Morris 03:38

Thanks for joining us. And I appreciate the introductions it is it's really cool to connect with you guys. And especially we just passed our year mark on September 1. So it's a great point to have you on the show and to bring you on for our listeners to listen to and really pull from your expertise. Because that's what we're seeking to do. We're seeking to come in and the business side of it clarify, offer advice. And just make it a little easier to run your business the way you got to run your business. And so for today's topic we're actually going to be talking more about before we jump into that, we're going to talk more first about the national service Alliance, and what you guys do as a whole what your history is, and really dive in deep into why you're such great guest for for this upcoming month for us or for October, I should say.

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Michael Conrad 04:40

So let me give you a brief history of who the NSA is if that's okay, Halie, please. So first off, I want to recognize that the NSA is celebrating our 25th anniversary. Matter of fact, that day is right around the corner. So we're excited to to spend 25 years in a space and in that 25 years, we've seen a lot of development in the marketplace, not only on the BSc side, but manufacturing and distribution. So we continue to grow within that space. Today, the NSA has an opportunity have 183 members of the NSA, so those are member companies. But underneath that there's subsidiary of those businesses that constitute just over 500 cleaning companies across the United States. So those 500 cleaning companies across the United States have an annual combined revenue of just under \$6.8 billion. Now, that's not what they spend in Janssen. So some of our suppliers and distributors, you know, we'd love to see that, but that is your top line revenue. And so we're pretty proud that our business is now approaching the \$7 billion size. We currently have members effectively, just about three or four weeks ago, added a member in Alaska. And that now puts the NSA in all 50 states, as well as have any member in Puerto Rico that we work with. And when you look at that, that's it's pretty exciting to know that every state in the US is covered with one or many of our members or their subsidiary companies. We're currently exploring an expansion into Canada at this particular moment, we're working with several of our partners to put together a proposition that would help our Canadian BSE companies enjoy the same value that our US members get from the NSA. The NSA is more than just our members, those 500 cleaning companies. It's also our district, our partners and our manufacturing partners in our business service providers. Because without the support of that group, we would not be able to drive the value the savings to support that our members receive on a daily basis. We have five distribution agreements in place with three national companies in two national organizations. Those distribution companies offer our members in excess of 1300, almost 1400 distribution sites across the company where they can access products with the NSA contracts. So we're excited to have such a broad reach for our members to receive products. Those five distribution partnerships support our programs with 49 manufacturer companies, and these are the largest manufacturing companies and each one of the spaces whether it's a category like town tissue, cleaning chemicals, can liners, and janitorial goods, equipment,

small and large equipment. So we have the strongest the best partners and manufacturers in those categories that support our members on an ongoing basis. And outside of the products that our members buy to support their business, we also have 29 relationships with companies that provide Business Services. That is stuff like renting equipment, whether uniform rentals, health and wellness programs, hiring procedures, HR programs. So we have a lot of support systems in place with companies that help our members not only on the product side of the business, but also on how to run their business more effectively, efficiently and at a cost savings. That's kind of who the NSA is today.

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Halie Morris 08:38

Thank you, I think it gives us a really good look at why you were the perfect people to talk about what we have today. And we really want to jump in to talking about the building service contractor space and how they can better handle their supply management to save money, make it a lot, lot less stressful for them, but really just increase their bottom their bottom line through through proper management there. And so as far as working with you as a building service contractor, what is that experience like? that lends to increasing that bottom line through the supply management.

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Michael Conrad 09:23

Good question, Halie. And let me take a couple minutes on that the the the NSA is a group purchasing organization and we are the largest in the space. So we focus in all of our energies around the building service contractor cleaning, contract cleaning company. So that's where we specialize. So we understand their business. We know the products, the services they need. We know the support that they need to have from distribution or manufacturing. So with our experience and knowledge and in knowing that space, we provide that expertise that in some cases, our bscs or members don't have. You know, their core competency is providing a healthy, clean, safe work environment for their customers, that's what they do every day and that they're damn good at it, pardon my French, what I would say is our job is to support them in those efforts. And when we look at allowing them to really focus on their core competency allows us to focus on our core competency. And our core competency is the largest GPO in this space, is to identify the best solutions, the best products, the best offering at the most competitive prices available to their business. And if they allow us to support that business and get more engaged with their businesses, they will reap greater benefits and greater rewards by either one lower costs on the same products and services or they're using today. And increased incentives, because we have rebates and incentives in place for most of our supply programs, that if they just continue doing what they're doing, they buy from the same distributor they've been buying from, they buy from our programs with our distributors, they enjoy cost savings on the products they use, they enjoy rebates and incentives that they otherwise would not be available to. And all of that can just flow right down to their bottom lines and helps them in a long run. Our expertise is really about how do we help them do that. several ways we do that is one look at the who they're buying supplies from, and and help them consolidate that down. It's not cost advantageous to buy from a lot of different sort of distributors, or a lot of different suppliers. So we help them through a rationalization program and try to help them consolidate the number of items they buy, and buy it through a fewer number of distributors, where they become more important to those distributor partners. When they become more important, those distributor partners won by joining the NSA to by consolidating the net spend, they get higher levels of support and service at a street level where they need it the most. And when you look at joined in the NSA, that gives our members the ability to access our national contract cost basis, which they would not be able to get to those deep discounts. as a standalone business, it just wanted to happen for them. And so they join the NSA, they automatically get the access to our contracts, they can start saving immediately on day one on the same products they buy. So when we look at that side of the business, our members get tremendous support. When we look at our supplier side, our suppliers see the NSA is a tremendous value in one growing their business because they're selling to the best vscs in the industry, to when they look at testing some of their latest innovations. They look to NSA members to test in the marketplace get feedback. How is this new system, this new technology, when they

invest in r&d, they want to make sure it works before they deploy it in the marketplace. And he has a lot of NSA members in which to do that. So those are another key benefits that our members receive. So they get to see technology, new systems, new products, even before they get launched into the marketplace. The other area that I would like to speak to that's not improving their bottom line from a dollars and cents. But they get to network with our members who are the best and leading bf C's in the marketplace. And they can network and collaborate and understand what these companies have gone through in their past as they evolved and grown as a business, and gives him the ability to learn from others before they make those mistakes and trial and error through experience on their own. So we think we have a lot of different valuable opportunities for bscs to understand and be delivered as a member of the NSA.

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Halie Morris 13:54

I'm curious, you said networking. So in what ways do your members get that chance to network and learn from each other then?

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Michael Conrad 14:03

So one, we introduced them to each other? We have members that say Hey, who do you know in this market? Who do you know in that market? Do you know anyone that has run into this situation. And then Debbie and Sherry another lady on our team will introduce them to other bscs or other members to help them collaborate and kind of appear with each other. Another way we do it is we participate in the BSc AI the BSc as a Industry Association trade association. So we partner closely with them. We're a sponsor that organization. And during their events, we tried to put together a networking event for the NSA to join in and spend time with one another. So that those are a couple different ways we did that.

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Halie Morris 14:48

I was curious it's a very I've been in 50 states by the way that is amazing. Congratulations on that milestone but that that's a lot of businesses and a lot of people that potentially bring together. So I was curious on how that how that looked from your side?

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Michael Conrad 15:07

Well, one, we're excited to be in all 50 states, we think that's pretty neat. You know, a few years ago, we weren't quite there. And over the last few years with the team at the NSA, they've really done a wonderful job. You know, in the last five years, the NSA has more than doubled. Its size and membership, really coming up on almost twofold or threefold. Excuse me. So, you know, we've been able to expand the capabilities, our business with talented people on the NSA, we've been able to get higher levels of support from our distributors and our from our supplier partners, which drive even greater value to our members. And so with that, we see tremendous collaboration, not only in peer to peer, or other bases, but the support we get from our distributors and our manufacturers that help our members understand what's going on, not only in their market, but across the US.

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Halie Morris 16:02

Oh, no, it's, it's impressive. And now like you really can say all the way across the US

M**Michael Conrad 16:07**

Yes, we can even go into Canada or to Alaska and overturn Hawaii, I always want to get out to why you haven't seen me yet face to face. But when the pandemic settles down, we'll definitely get over there.

H**Halie Morris 16:19**

Yeah, no, I would be fully on board with the trip to Hawaii. Like with the rain, the rain and the cold getting ready to settle in, in this area. So with I mean, it sounds like a win win on every side. So I'm really interested to know what are some misconceptions as members start to come to you, or are just joining that they have, and that you kind of have to combat?

M**Michael Conrad 16:46**

Really good question Halie, what I'll tell you, I'm going to list a couple of the misconceptions we kind of run into and then I'm going to ask Ryan to kind of jump in and really speak to them, and how those misconceptions are really, truly misconceptions and not a challenge. When we look at misconceptions. A lot of our members before they join, think, well, if I join the NSA, all my purchasing has to be changed from who I'm buying. From today, it has to go through the NSA. That's one misconception. Others are well, we have to change our relationships from who we're working with today. And sometimes that's a misconception. And sometimes it's not, we'll touch base on that. Another misconception is if they join the NSA, their information, and when I say their information, who their customers are, what they buy, who they buy it from, what they pay for products, that they think that that information is visible to others in the industry, and it's not. And so they get a little fearful or concerned that, you know, they're sensitive, confidential information would be accessible by others. And it's not. Some say, they're not going to get the same level of service, because their local distributors provide great hands on service. And we think they actually get better service by joining the NSA. And another one thing, so just be operational disruptions, which is farthest from the truth. So those are about five that we run into on an ongoing basis, I'm going to ask for it to kind of speak to how we communicate that to our potential new members.

R**Ryan LeMire 18:17**

Right? Yep. Yep. So I, every day daily, I hear these conversations with you know, everything sounds good. That sounds like a no brainer to join the NSA. But there are always some, you know, questions and misconceptions that do come up and, and the main one is that the information is visible, the others, I understand the and we we all come from this industry from this from the background. And we understand information is key. So we truly do not share information we put a nondisclosure agreement in place before really discussing the full details of the program. So we put that NDA in place, not only to keep your peace of mind, keep your information confidential, we want our information confidential as well. So we do have that in place and that kind of eases everyone's mind that the second most common one we run into is that operational disruptions. The last thing you want to do is you just switched over last year to another distributor or whatever it may be supplier and now here comes the NSA saying let's you got to join getting an onboard and you get to switch everything. You don't need to switch everything. operationally nothing should change. You continue to keep purchasing however you're purchasing so if you if your partner with one of our partners if one of your distributors is within our distribution group, you continuously order the same way. What we do is we send the contracts over to the distributor and they basically just tie it to your account on the back end. So you just automatically receive better pricing. And that's not making any changes whatsoever. Now, if a distributor is not part of our program, then yes, you wouldn't, you wouldn't need to meet to make changes. But obviously that comes down to a business decision and what the value of the NSA brings in. And I

think we bring quite a bit of value. Everyone asked, Well, do you have a website we can purchase through, again, you do not purchase through the NSA, we're simply supplying the contracts to the distribution groups, and they're making sure that it's tied on the back end. Part of our, our ongoing value add is, you know, once we get a new member on board, as part of the onboarding process, you know, once we start seeing some of the data come through, you know, our account managers will go through, and they'll make sure that all pricing is accurate. They're constantly monitoring during that to make sure that distribution did set it up, right. So no work on on the, on the new members, we don't ask you to go, you have access to all the contracts, so you can verify as well. But we'll take we'll take the take charge there and go ahead and make sure that everything's validated. And back to the services side, it's, some people say, Well, I'm not going to get the best service, and we understand the relationships built with distribution. And we're not here to change that. We're simply here to help you get better service to get you better pricing, and make sure that there's no disruption in operation. So service wise, everything should at least remain the same. But again, like Michael's point, your service is going to be better with the NSA. And we'll make sure that but that's really it. Those are the key misconceptions and, and after we have the discussion, you know, with the prospect or they're comfortable with that, and the NDA makes a huge difference in the in the confidence of those individuals. So it's, it's it really is a win win for everyone.

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Halie Morris 21:58

It sounds like when you have somebody who's kind of going through that interest and signup phase, that there is quite a lot of discussion to four that fit and to clear up any, any gaps in the communication, we can get that point where it sounds more like a partnership that you have existing with your your bsCs.

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Ryan LeMire 22:19

Yes, trade transparency is key. It really is. That's what that's the key driving force to build those relationships. And in in really getting people at the end of the year saying, oh, man, why did I not join this? This was a no brainer, why have I not joined? Why don't I join earlier. So we get a lot of that, as we build the relationships and go throughout the throughout the years.

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Halie Morris 22:41

I'm curious, when is the best time to sign up with with an organization like yours?

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Debbie Wakefield 22:52

Yesterday,

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Michael Conrad 22:56

we we think our you know, Ryan, use the word no brainer, we think it is a no brainer. And a lot of our members after they join to Ryan's point earlier, say I should have done it sooner, and I wish they would have done it sooner. You know, when you have the ability to access contracts that are put in place in a competitive position for \$7 billion worth of business that the NSA has, as far as revenue, our prospects just cannot get to those deep levels of discount. And so we like to be there to offer that support, we'd like to be there to offer that value. And all they got to do is just call Brian and Debbie and sign up and we can get them on board. Now there is some criteria, the criteria is a BSc

must have an annual revenue of \$2 million a year. Those are agreements that we have in place with our distributors and our manufacturer partners that kind of put a threshold in there. We also look for BSc don't do a ton of sub contracting. We're not eager to allow subs, the access to the NSA and allow companies that wouldn't otherwise join the NSA have the same value proposition that our members who are a member of the NSA and have been for years, we want to make sure they have that competitive advantage in the marketplace.

H Halie Morris 24:19

Yeah, makes sense. You don't want somebody who's not paying for the service to be getting what others are paying for. Absolutely. No, I was curious with you know, because a lot of the thing is like, well, I can't do that right now. Like I don't have time to sign up or doesn't. I'm too busy, right? So you answer that question. There's there's not a better answer, right? Get on it.

M Michael Conrad 24:47

Hey, lady, I'm gonna sign you up. So you can go out and tell people just get on and do

H Halie Morris 24:53

it. What are you doing?

M Michael Conrad 24:55

We think, you know, our job is to help drive that value for our members. So We're not competing with them, we're here to help support them in what it is they're trying to accomplish. And if we allow them the ability to just focus all their energy on their core competency to get better at that part of their business, and allow us to handle all the other things around sourcing and supply management, then we think it's a win win for both parties.

H Halie Morris 25:23

Then, what are some examples of success that you have seen, you don't have to mention names? If you, you know, you can't, but as far as where you seen it really come into play? And you're like, Oh, yeah, we helped with that, you know,

M Michael Conrad 25:40

yeah, you know, it's always rewarding when you help somebody grow their business. And I'm gonna let Debbie jump in here and speak about a real significant win for one of our members. Kind of she was involved in helping spearheaded, and how it not only helped their business, but it's going to help the distributor who helped us in that process. So it was a collaboration of all the partners of the NSA to make this thing happen. So Debbie, if you could spend a minute or two on it?

D Debbie Wakefield 26:08

Sure. Um, so we had an NSA member of current NSA member that was looking at an opportunity that was outside of their normal market. And so they reached out to me and said, Hey, can you help because we want to participate in this opportunity, we want to be involved in the bidding process. But we, we don't know anybody in that market. We don't know a distributor in that market, can you help us. And so we, we connected them with a distributor, a local distributor that was in that market, helped the distributor, get all the pricing information, and everything to help put the bid together. And we even you know, we're involved in helping them write letters to the to the prospective customer for them, you know, letting them know what being part of the NSA would help how it would help them in that process. And they ended up winning the bid. And it was a very large, large bid for the for the BSc and the in a long term bid at that. So they were overjoyed that they were able to win. And we felt really good that we helped do that. And to Michael's point, we helped the distributor that was in that market as well, that was really beneficial and helped in that whole process also.

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Michael Conrad 27:26

So that's just one example. But a couple others, I just want to highlight in the same process. Sherry, a teammate here on the NSA is currently working with another one of our members going through a proposal. So they're working on a large bid, and that RFP is asking for supplies. And that member says How can you help me and so we've done some cross references, Sherry has been working with them and continues to work with them. So those are support pieces that we have in place, that when our members engaged, they don't have to invest in resources for their business, they just utilize the resources they have available through the NSA to help grow that business and what that business wanted grows, again, that provides impact to their bottom line. Another example, a member called us and said, hey, I've got this local account. It's more of a national account, and they have other divisions and other cities across the country. And they told us what cities they needed help and support with. And so we connected them with other NSA members and those other cities who agreed to help them. And they put together a combined proposal and ended up winning a national account. If our member who was more localized, who floated that up to us if he didn't have the NSA to help support him in other markets, he would have lost that business because he doesn't have the national footprint or reach to be competitive and offer those services. So we have the ability to connect our members to grow their business and collaborate on national accounts or large opportunities. Another member as they join the pretty significant member, when when they looked at the contracts that they had available to them through the MSA compared to what their current spend look like the significant savings they would enjoy made it a true no brainer for them. They join the savings was somewhere close to 13%. And just the products alone, not not even to add into on top of that incentives and rebates that our programs offer our members. So when you look at a significantly large BSc that does a lot of spend on janitorial supplies and consumables and having the ability to save 13% to their bottom line. That is a significant win for that BSc in our and our partners

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Halie Morris 29:54

especially when you think like how much that ends up being You know, that's a considerable,

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Michael Conrad 30:03

I try not to share money numbers in this one was significant because of the size of their business. And, you know, when we look at it, as Ryan and Debbie are looking at new prospects and their annual spend, the average is somewhere between five to 15% on the under just on those supplies spend, they're going to save that, and a lot of that just depends on, you know, their current support at the local level. But in most cases, five to 15% is very doable on supplies. And then you would add additional savings by the incentives and rebates and the built into these programs. So it even gets more lucrative as they go.

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Halie Morris 30:46

Even if you're looking at like 5%. And when you when you look at that as a whole. And when you look at how that impacts. That's so considerable and to think that like then you had rebates or even possibly more than that, that is

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Michael Conrad 30:59

alien that. I couldn't say it better.

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Halie Morris 31:04

Yeah, no, it's just it's really cool to hear, especially like examples of where you've come in and not just showing them this connection helped them get the deals, but actually stepped in and helped them take the steps to gain bigger accounts and to to expand their business. And another way like, there's a strong relationship that you have there.

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Michael Conrad 31:29

Well, as we talked about earlier, the rationalization of their bundle and trying to consolidate the products they buy, with Debbie and Sherry and Priscilla and the team do on a daily basis is they're looking at what our members buy. And we try to offer alternatives. So if they're buying a system or product, that's one not part of the NSA program, we try to look at what would that look like if it was in the NSA program, and do a cross reference and comparison and look at what they're paying now and what they would be paying under program, and then try to offer those alternatives. If they if we say, hey, you're buying 200 different camera wires, and you should only be buying 25 different cameras, we try to rationalize that bundle because one it, it helps them our members manage their supplies better, it helps the stress load on the distributor, so they don't have to try to stock 250 cameras, I could start 25 cam owners. And that also helps their efficiency and effectiveness which makes them more profitable, which ultimately leads them to help us continue on our aggressive pricing that we have for our members. So we are constantly looking at ways to grow our business with our distributors and our supplier partners. But how does that ultimately impact positively remembers?

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Halie Morris 32:45

Exactly. So with that being said, obviously, there are going to be some businesses that don't make the criteria to join the NSA. And so if they're a company that is just looking at how they can start consolidating themselves, and start improving their their own supply management to get to a point and grow, because they want to be part of the NSA and they want to have a successful business, what are some tips and things that you have for them?

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Michael Conrad 33:15

A couple things one, explore the BSc AI joining the BSc AI, there is a purchase Advantage program that the bsci has, with some of the same suppliers we have. And there's a competitive position there that they probably would not be able to get on their own with some of the same simple distributors that we have our members support today. So look at a trade organization like the bsci in their purchase Advantage program. Secondly, I would look to sit down with your distributors and talk about how they could make recommendations to improve the pricing platforms, whether

it's through changing from one to one brand to another brand, whether it's consolidating or rationalizing their spend, those are ways in which you could do that. And then if you have access or direct access to any of the national manufacturer partners, talk to them about what they can do to offer different systems within their their program that can offer a cost for the for example. Some systems you know are proprietary in some are so those commodity systems can be converted to a proprietary system, which is more controlled, which would end up saving money in the long run. And so there's some ways that you could look at what products you're using within your customers to drive savings. In chemicals you can get away from ready to use they they're expensive when you look at it and look at dilution control systems. Look at equipment that helps improve the productivity of your staff. So if you don't if you can deploy robotics for example, And help make your existing team because today, labor shortages are significant in the marketplace in every segment. But even more so in our space in our industry. But if you could deploy some robotics to help improve the productivity of your current staff, while you're looking to, to add more staff, those are ways that you could always look to improve your business.

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Ryan LeMire 35:21

I basically just say sign them up.

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Halie Morris 35:30

No, I did labor shortages. My goodness, I feel like I'm, I'm running across even more businesses now that are struggling with staffing, than even a month ago, it's, it's getting so crazy. And it's a difficult thing to navigate. So when you can make it easier and make it more efficient for your team to do their job. That helps tremendously so

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Michael Conrad 35:55

and there's technology that helps them you know, smart restrooms, GPS types of programs that alert bscs. And when to go in and change out a trash can or when to go change out a soap dispenser or a towel or Tissue Dispenser, instead of having your people just automatically go to those spaces. technology will now kind of guide you to where you need to go so that you don't have to just make the rounds all the way around and check all of them and that there's no need to check that restroom, then continue doing what you're doing on your normal scope of work. So there is technology that can help you become more productive. And we have programs with many suppliers that offer those types of systems and services.

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Halie Morris 36:37

It's so important right now with those, you know, people shortages, in staff shortages, you're really dealing with the fact that you don't have a lot of wiggle room. So you need your people to be where they're needed. And you can't just sit them out willy nilly. So

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Michael Conrad 36:53

Exactly. And as we talked to our distributors and our manufacturer partners, we understand the stresses that they're facing today, not only our members because finding people to go in and provide that unhealthy workplace is very difficult for our members. But we also see it from a perspective of our manufacturing partners, where they're unable to find enough people just to run the manufacturing line. In years past, they'd have enough people to manufacturer

everything they needed. Now to staff those lines is a challenge. Getting products from their manufacturing plants to the district distribution points is a challenge because of a shortage in truck drivers and truck drivers is also impacting our distributors in their local delivery areas. So it's just it's widespread throughout the marketplace.

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Halie Morris 37:45

Yeah, a b2b b2c space, the ability to get what you need, or to get the services you need. It's just as many people in the world there's. So no, it is definitely crazy. And then you were talking about bsci, we actually do have an episode that we did the beginning of the year, I want to say if I'm thinking back right, with Todd, so we got to talk about bsci and do a little deeper dive. So as far as people who are interested there and haven't yet joined, we have an episode for you, just like we did with this one. So I thought that was that was kind of cool. Like, hey,

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Michael Conrad 38:31

we got resources for that to your top of your game, Halie.

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Halie Morris 38:36

Yeah, trying trying hard. So speaking of some of the things that we're navigating right now, with the current climate, what are some of the biggest changes you've seen, besides, you know, the staff shortages and things that might be trickier to navigate than what we saw a couple years ago. Now,

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Michael Conrad 39:00

speaking specifically, in today's environment with a global pandemic, and you know, we're 18 months into this. So, prior to the pandemic, most of the cleaning done outside of healthcare environments was cleaning for parents. And then immediately it had to be cleaned for health. And so our bscs had to pivot pretty quickly to offer disinfecting services. And that was in the way of not only their traditional, you know, spray and wipe with disinfecting, but then electrostatic spraying became almost a requirement for a building service contractor. And when you do that, not only do you have to get the products, the sprayers. You have to get the systems. You have to have that ready to go. You have to train your people on a new way of disinfecting through electrostatic spraying. You have to make sure you have the PP for your frontline workers. You have to train them through that process. And oh, by the way, when you're looking for masks early on during the pandemic, it was it was terrible. You know, we went out and we had to find sources. And we talked to our distributors, manufacturers and we and ultimately found a source and new source wasn't a part with this previously, that we were able to access mask and get masks for members when they weren't able to get them. And they were competitive with the marketplace. And so when when you were able to find those sources, why our members can still focus on providing the service their cleaning service to their members, and allow us to go out and find things for them. That's another value that we've learned over the last 18 months I had to do at a much higher level. So not only mass, but gloves have been more recent challenge. Not only has the demand skyrocketed, but then there were so many challenges with the supply chain coming from China and Malaysia. And, you know, we still read in newspapers and articles today that there's, you know, 90 of freight line ships outside the largest port in the USA, LA and Long Beach waiting to come in and offload their their products. So the supply chain, the lead times were so stretched, the supply shrunk, but the demand went through the roof. And so not only were you looking at PPE which was a real challenge to get, we found ways to get our partners to give us additional allocation that we were able to move to our members that they were struggling to get. So we help them in that way. Another way is not only on the PPE. But early on in the pandemic when hand sanitizers, everyone needed hand sanitizers you couldn't find it. Then all of a sudden, every every alcohol manufacturer started making the hand

sanitizers, they were bringing in hand sanitizers from outside the country. A lot of them failed when when they started checking them and inspecting them. So our source of supply, not only because they couldn't keep up with the demand and demand was historical, there's no way that you could plan for what we ran into. But the other side of that is they started to prioritize the health care. And you could say rightly so you want to make sure that healthcare systems are adequately stocked with hand sanitizers and disinfectants. But in so many cases, the BSc frontline workers were exposed as much as any healthcare worker. And so how did we help them? We went to our manufacturers to say, how do we make sure we get product to our bscs first and foremost, and not necessarily behind the healthcare workers. And so we pushed hard for that. And we also established agreements with our partners and manufacturers that when this thing happens, again, BSc is because they are true frontline workers now cannot be pushed to the back behind anyone else. So we're learning how to do that at a higher level, electrostatic sprayers those systems are in place now. And, you know, we have plenty of support and supply from our providers. But also finding new innovative systems or systems that you know, we add one new partner that you would step on this device that would sanitize and disinfect the soles of your shoes before you walked into a clean environment or cleanroom. So there's just different ways UV lighting, has come out to a big fold. And they historically looked at as a expensive and really a way to disinfect large spaces has developed in a large, right, so we have partners in the UV space that can also help. So trying to find technology, you know, ATP meters and the swabs that go along to prove the clean that our members are providing their their staffs. So we have programs to support them in those efforts as well.

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Halie Morris 44:01

I'm curious with looking at so many technological options when you got a lot to keep up with because I feel like there's always something but to within this space, because there's so much training that needs to be done. And because a lot of times, you know, they'd rather just get out and do the job versus trying to choose their processes to adapt to these technologies. How do you, you know, how do you display them to your members in a way that they're interested? Or how do you communicate that value to your members?

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Michael Conrad 44:36

You know, that's a good question because at the end of the day, our bi C's are known for training the priority they put on a safe environment for their staff, not only in the PP in the products and the systems but how to use chemicals appropriately, how to use equipment appropriately so that the safety and people don't get hurt is that a paramount for bscs you know, we connect it all in a lot of ways, our members with our suppliers, because our suppliers put a tremendous amount of r&d money into training, and in their systems and in their platforms. And so we connect our members, with our service providers and our manufacturing providers to put them together so that that r&d investment in training and safety can help supplant or complement what our BSc members do on a daily basis in risk management.

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Halie Morris 45:35

I was curious, because I know, typically, we work in the software space. So even whether it's like hard technology to some kind of hardware that they're adopting, or it's a system to support their efforts, it can be daunting, sometimes adopting some of that stuff. So I was very curious on how you approach that with your members and your partners.

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Michael Conrad 45:56

Well, not only is it daunting, but when you have a high turnover rate, which mbse space does. So not only do you

have to train your current staff, but if that staff turns over, you got to continually train the new staff members that join and so it's an ongoing process for our members. You know, one of the things that the the pandemic has brought to the forefront and go back to the bsci, the bsci, and their board of directors has created a frontline training program. And I think it's called COVID-19, disinfection and safety Certificate course. And so this course was put in place at a very low price point to try to have our members and the BSE m, or a lot of our members are associated with the bsci, because it's a great trade association for our industry. And that was rolled out as a frontline worker training program to help keep frontline people trained on COVID, and those pathogens and how to protect themselves and how to work without getting sick. And so, you know, we look in our space to find the best training programs, when we see those we want to communicate, and we want to market them out to our members. So that while they're planning we could do that for again, we tried to support our members when when they're not even looking to give them the best opportunities to have the best systems in their business.

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Halie Morris 47:23

All right, no, it is technological adoption makes a huge difference. And smoothing that pathway I can imagine only helps and adds value in what you're doing. So

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Michael Conrad 47:37

yes, we think it does. And I think if we talked to many of our members, they see value in that as

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Halie Morris 47:43

well. There you go, that's what matters, right? Absolutely. We

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Michael Conrad 47:46

want we want them to be pleased with their membership at the NSA.

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Halie Morris 47:51

Um, so with, with these transitions, and these kind of things, like the different ups and downs, I feel like, you know, there's always if it's not one thing, it's another this EP months going on two years here shortly, which is mind blowing. With the different ups and downs, there's always different challenges that we've seen. So what are some of the different pivots and shifts and ways that you've seen companies adapt that you've kind of just been impressed with just like, perhaps take a step back and be like, yeah,

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Michael Conrad 48:27

it's a big broad question, because the pandemic forced a lot of this. And when I say forced it, they really said, Okay, if you're going to clean for parent, it's not going to be beneficial to us as a customer or client at the end user level. So the disinfecting services that everyone participated in, right down to the gate was important. But the challenge that our clients saw was, all of a sudden anybody that could go to a local hardware store and buy an electrostatic sprayer, got into the business, and started offering electrostatic services. They weren't knowledgeable, they didn't

understand our space. They weren't professional. They didn't understand the true dynamics of cleaning for help like our members to BSc. So folks, we're coming out of the Woodworks and going running around saying hey, we could provide disinfecting services. And some of our cup clients or the customers of our members may have gone with him and found out pretty quickly that they get what they paid for, and came right back to our members who are professional in this space. And when you look at really working with a company like our NSA members of professional BSE cleaning company, they understand cleaning, they understand disinfecting at a high level, they train their people day in and day out. Those are the people you want when you look at the end users looking to provide a clean, healthy, safe environment for their workers as they come back into the workspace. So you know that was pretty cool to see our business. Business and the industry change. And our members kind of evolved into to that. I think some of our members had been a really nice job incorporating ATP meters and swabs which were looked at really in the healthcare space. But how do they deploy that in their day to day business with businesses and not health care, to prove the claim that they're providing to give peace of mind and safety that, hey, not only are we cleaning these spaces, we're coming back, and we're checking them. And here's the results of those checks. To give you peace of mind that Yeah, the disinfecting services that we're providing do do what they're supposed to. Another thing we've seen a significant growth in is air quality. There's a lot of systems out there that are providing air quality, and taking contaminants and COVID molecules out of the air is through a UV lighting and systems that are being deployed into current hv AC units, as well as a standalone units for smaller spaces. And so not only were we cleaning the surface, but our members are cleaning the air around the folks when they come back into their space. Early on, a lot of our suppliers and distributors offered COVID tests, the thermometers that you know, you're pointing at your forehead and take the temperatures. So we were able to provide those things for our members not only for their own staffs and their own teams, but also to provide as a service or a supply for their clients and customers. And so that's just an added value added benefit that a lot of our members were able to provide. And at the end of the day, a lot of these things with what the pandemic has shown the importance of a contract cleaner, the billing service contractors and the service they provide. Historically, janitors are not looked on with high regard. You know, day cleaning is something that was a trend if we went back a few years, but a lot of clients didn't want to see janitors the quote unquote, janitors in their space. Today seen a janitor in their space gives peace of mind, they know someone's in there wiping down, spraying, taking care of the high touch points in order to provide a healthy space for those workers to come in, day in and day out. So the perception of the industry, the building service, contractor cleaning contracting businesses, has been elevated in the eyes of their clients in a big way.

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Halie Morris 52:29

And that's something I know at talking with various people over the last year that we've been doing the show, we've even seen those same things. So same things start to become more common I've seen and part of this I'm I'm newer to the industry, I came in to help our team take our expertise since and start this resource as podcast for it. But it seems like even the conversations a level of expertise and knowledge into the health side and then you know, using in measuring the actual like level of what's on the surface with the ADP. It's been crazy to watch from like maybe occasionally mentioned, during an episode when we first started to now most of our guests that we bring on a comes up somewhere in the conversation, you see these reoccurring themes, and now more of staff will be out during the daytime because it's like you said, you actually want to see them, they want to interact with them. They appreciate what they're doing now. And so I imagine, like when you're interacting with those people who did come out of the woodwork because they saw an opportunity to try to make money, who don't have the knowledge versus those in the industry, who have built the expertise in their business on a solid foundation. There, there's got to be a clear, a clear difference that quality is so much higher than knowledge, the reliability. It's It's impressive to see from my side, but it's just really cool to see on your side, all of the support. And all of you know how many businesses have been able to make those pivots and just continue to grow, despite the fact that this has not been an easy situation.

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Michael Conrad 54:18

And not only is it not easy, it's just been so prolonged that nobody saw this, even as we look at today, when when do businesses get back into full workforce? And then what will that look like when it does will it be at 100% occupancy as it was prior to the pandemic that certain markets and geographic markets are coming back sooner than others some states more aggressive in getting back some less aggressive, some market segments. You know, the entertainment you know, you watch college football and pro football this past weekend. Those stadiums are pretty full. But then you look into some areas where there Back in the office space in New York City, for example, you know, 2030 25%, occupancy, restaurants or in some cases are coming back and other cities and states aren't travel and you know is back. It's not a pre pandemic, but it continues to climb, anyone who travels goes to the airports can see that. So different market segments are coming back, different geographic markets are coming back. But it's all kind of staged. And so our members are just managing the local marketplace as it evolves.

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Halie Morris 55:35

It's a very interesting thing, because it's like you said, Nobody knows what it's going to look like post pandemic, businesses are still hiring for temporarily remote roles. And some business other ones are like, Oh, no, we've already been brought back who we're going to bring back into the office. And we're letting so and so and so and so stay remote. And so it's very interesting. And like you said, there's restaurants and other other groups that are still operating at this dislike distance level. So it's delivery or pickup only they don't have in house eating. And sometimes it's precautionary. And sometimes it's because they just don't have the staff to do it. And people will up and leave the job, the Job says, oh, we're coming back in person, we're bringing everybody back. They're like, I don't want to so by and it's, it's weird, it's, I went on spring break, I was in college still, when this started, and I went on spring break, and they said, well, we're not going to come back yet. But we might be back by the end of the semester. For we'll plan for a couple weeks remote, and then we'll migrate back. And then, you know, I graduated, then that was the day before spring break was the last day I was on campus for class. And then I saw my professors in person. And then like, kids in elementary school, some of them my sister remained remote up until like March of this year, which is like, it's crazy, because it's, you didn't think it was going to last as long you didn't think it would be going on close to two years, that we would still be kind of like, unsure of what it's going to look like,

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Michael Conrad 57:14

well, we're not through it yet. But I'd like to see the finish line in my vision down the road. You know, as we talk to our members, and they're talking to their customers, some of those customers were really in a class A Class B office space area, in those office spaces they were targeting, you know, initially in the first of 2021, then it got pushed to the middle of 2021, then again, push to after Labor Day, the fall of this year when school gets back in. And now we're hearing more and more and more that people are looking to the first quarter, maybe January, February, March of next year 2022, which then says you know, your two years, and there's a lot of things that can happen between now and then that could potentially prolong this. So you know, you have variants that come out. And then there's another variant, the new variant coming after the Delta variant that we don't know how that's going to impact folks that they're confident to get back into workspace. And then to your point A minute ago, some people say I'm not coming back. So what is the work life balance look like as it relates to how many folks will come back into the office five days a week, as maybe opposed to a hybrid, that's three days in two days at home. There's some companies that predict and forecast that it'll be 60% of what it was pre pandemic, when it's all said and done. So there's just a lot to be seen.

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Halie Morris 58:43

And then the thing that's kind of arisen, and will probably stick around for a while, at least in some spaces is like the shared spaces, so shared desk or shared offices, because people are doing more hybrid schedules where they, they

do want to be in an office setting, but just not all the time. And I'm sure from a cleaning perspective, that's very interesting, because you know, when you're in a shared space, there's more germs, there's more consideration of that space has to be cleaning because somebody else is going to interact with it versus a personal desk, it's your space, you know, nobody else is probably going to sit there or mess with your pens or do whatever. So consciously cleaning your surface area, you can usually leave that to the employee. But if you're in a shared space, you can tell them to clean but at the end of the day, you have to take into account that there's probably going to be a good portion of them that won't do it or won't do it well.

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Michael Conrad 59:41

So no better time no better time Halie than to engage in NSA member and talk to them about how to properly disinfect and clean your environment. Whether it's a hybrid or a non hybrid workspace going forward.

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Halie Morris 59:56

That that knowledge is so important. And then I've seen some VCs talk about, you know, sharing some of that knowledge with how to clean it, you know how to wipe down a desk, so that it's disinfected before the next person comes in with their, their own clients. So it's a, it's an interesting climate, it's a mess, it'll eventually change again, and we know that we've settled into this pace right now. Or at least some people have, and some people are still changing. So

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Michael Conrad 1:00:32

when you look at the NSA membership, by and large, they're all independently owned first second, in some cases, third generation businesses. This is what they do every day, they wake up, and they understand the space. And so anyone looking to have a clean, healthy workspace for their staff. There's no better folks than the NSA members to get involved and build a strategy around how to protect your staff, and how to make sure that your space is clean.

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Halie Morris 1:01:05

Yep. So as far as our episode goes, and our content that we've talked about, is there anything else that you would like to add in regards to NSA or supply management in general, that would be useful for our listeners,

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Michael Conrad 1:01:21

there was some some hidden benefits of the NSA, we think these are kind of important than that was something that you brought up. And I'd like to ask Debbie, to touch on a couple of these hidden benefits that we think you don't think about as a BSc. But at the end of the day, these are things that could really help your business, Debbie, if you can, you know, touch on a couple of those.

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Debbie Wakefield 1:01:46

I'm sure. So some of the hidden benefits of being an NSA member, we sort of touched on some of them in other areas that we were talking about. But the relationships that we have with our supplier manufacturer partners, is really beneficial to our members, because they're sometimes offered promotions, special promotions that are just

exclusive to NSA members, there are new and innovative products that sometimes our partners share with our members to get their feedback on to help them either roll out a new promotion, or see if changes are needed to a particular product or promotion that they're focusing on. Being an NSA member, a lot of times we say makes you stickier with your customers, because you can show them that you're part of a national group that is helping with supply cost and is connected to those supplier manufacturer partners. So if you're a smaller to medium size BSC, it sort of gives you a broader scope with your customers and shows them that you're really engaged in the industry as a whole and have resources maybe beyond your competitors. So that that's a another hidden benefit that maybe people don't think of. We help a lot of times with the rationalization that Michael spoke about helping people rationalize the bundles, making sure that they're buying the best products that they need to be buying. That's a benefit that you don't have to spend time as a BSc doing that. And a lot of our BSc partners don't have a procurement team per se, or a procurement person, they don't they don't have that on their staff. And so we can be a great resource for them in that regard by helping them make those decisions and, and really get the most out of the supplies they're buying and making sure that they're getting the best price on those supplies as well. So those are some of them.

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Michael Conrad 1:03:53

Thank you, Debbie, that a couple I want to just add on top of that is for a BSc. If you don't even if you have someone on your staff, as Debbie mentioned, or in most cases, a lot of our folks don't have people on our staff if they don't have the size and scale yet, as they continue to evolve and grow. Creating an RFP or going out and shopping pricing. It is a timely, cost intensive process. To try to evaluate, you can do that on an ongoing basis because it's fluid. It's an ever changing. Case in point one of our large manufacturer just rolled out a price increase to the marketplace and one of our members said hey, somebody told me there's an increase in it doesn't impact the NSA. So it's just a market increase that if they weren't in the NSA, they would be impacted by so we protect them from a lot of market increases. But at the end of the day, they go out and try to manage that process day in and day out. When you have an organization in your space and understand your business. That's tied to the best suppliers and distributors in this space, providing an already discounted Pricing that you're probably not going to get access to, unless you join just makes it in our case, a really good business decision in most cases, when we really all cases. I'll give you one at one more example. One of our members wasn't a significantly large number, but one of their largest customers came to them and said, Hey, we're struggling with our supply costs. And so our member at the time was not selling them consumables, because they didn't think they could be competitive. When they found out what they could secure those products with using the NSA contract, and then resell to their client, they were only providing cleaning services at the time. And what happened was is they were able to provide a cost savings, a significant cost savings on those consumable items, how tissue skincare came on yours, those types of products, gave them a, they provided their customer with a significant cost savings, which ended up that customer was able to reallocate those savings into other business initiatives that they were trying to find ways to finance ended up getting our member who was able to deliver that kind of value, a customer award. So that customer acknowledge that the MSA member did this to help them save money, provide finance savings, so that they can go ahead and finance other initiatives within their business that they were struggling to finance gave them a word for that. And when Debbie mentioned stick here, that's how you get stickier with your clients find ways to help them with their business. So not only were they provide a healthy, safe work environment, but they were able to help them finance other initiatives within their business space, which you know that those are hidden benefits that the NSA program affords our members.

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Halie Morris 1:06:49

Yeah, I can't imagine that what that does for that retention of that customer just long term. It's gotta be I mean, why would they ever switch now you know,

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Michael Conrad 1:06:59

so when, when that BSc or fake BSc just bought a electrostatic sprayer comes and talks to that customer says, Hey, I want to clean your building. He doesn't stand a chance, because they got a great relationship with a business that's providing a healthy workspace environment, who's invested in our business helps them with their business, it becomes a true Win win.

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Halie Morris 1:07:20

Now Now it's their buddy over there, they're not going to break with them. Absolutely. No. All right. Anything else that you guys would like to touch on.

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Michael Conrad 1:07:29

We just want to thank you for taking the time to chat with us today. We appreciate what you're doing. We thank you. And if you or anyone that listens to this has any interest in exploring the NSA, just reach out you can go to our website and a nsa.org. And it's got all of our contact information to give us a ring.

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Halie Morris 1:07:53

And I will attach all of that information in our blog post for this episode, so it's easy to find for everybody. Excellent.

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Michael Conrad 1:07:59

Thank you again, Halie.

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Halie Morris 1:08:01

Yeah, thank you, everybody. Thank you, Michael, Debbie and Ryan for coming on for joining us. I think this has been a great episode. And I can't wait to see the feedback from our listeners. Thank you, everybody who's tuned in this month. Have a great rest of your month.