

Achieving \$7 Million: Financial Responsibility in Commercial Cleaning

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SPEAKERS

Tim Clagg, Chris Mondragon

Tim Clagg 00:00

Welcome into the business of cleaning podcast your number one source for information on the commercial cleaning industry. We release new episodes monthly live from the janitorial manager studio, located here in Toledo, Ohio. I'm Tim Clagg, the marketing communication specialist here at janitorial manager and your host of the business of cleaning Podcast. Today, we welcome in owner of Queen Bee cleaning and coach in the industry. Chris Mondragon. And Chris, thank you for coming on the show. I truly believe our listeners going to walk away astonished from hearing your story and the lessons that you have learned in the industry during your time.

Chris Mondragon 00:42

Thank you for the introduction Tim. I'm happy to be here really looking forward for this interview. We chatted a brief minute last week and it was really good to connect, so I'm really happy to be here.

Tim Clagg 00:56

I want to start back early 2000s, back in 2002, 22 years ago, you had made the decision to move from Mexico to Washington. And at that time you were studying to become a mechanical engineer. You had a lot of big life changes that were just starting to happen in your life. When did you know, when did you realize, with all these changes, you needed to make a move, not only for yourself, but for your future and for your upcoming family?

Chris Mondragon 01:30

Yeah, so I did actually go a year back before. I was in college, I was studying for mechanical engineering and that's when I met my now wife, she was studying business administration. One thing led to another and then now we're having a baby coming up, and I'm like, oh my god, what am I gonna do? I didn't want to leave school because I knew education was gonna be a big tool for me to have, regardless whether I was going to be an engineer or do something else. But the education was a big part. So, I was at a crossroad like, Okay, do I go to college, or do I work and feed the family? And at the

time, I figured well, let's go to America, with the idea of just go there, work very hard for a couple of years. I remember I used to picture it like, I'm going to look for two jobs. I'm going to look for, what is the minimum wage? I'm just assuming I'm gonna get minimum wage. And I'm going to make this much in dollars, which if I translate it to pesos, I only need to be there for two years, and I'll be back with enough money to cover my college, finish school, and then that should be done. I did not account that it was expensive to live in the US. So, I remember that was one of the things, the amount of money that that goes away used to pay where you live, that was a big part of it. I was like, ouch, I did not account for that. Language barrier and whatnot. But yeah, I guess the decision was, I need to go make money and work very hard, save a lot of money as much money as I can, go back and finish. And I did. I came here, lasted for a year and a half, a year and eight months. And I went back. And this is a time where we found out that my son was - I remember, we noticed something. He was huge. He was a normal developing kid. And then when he hit like a three-year-old mark, he started to stop talking. He was just not talking at all. So we took him to different clinics and then that's when we found out that he was diagnosed with Asperger's, a form of autism. So I'm like, well, in Mexico, there's not many options for him, nor the schools, nor treatments, nor nothing. Your best bet is going back to the US, and then move everyone there. At that point, I'm like, I'm not thinking twice, I need to do that. It was more about my son, I'm like, You need to figure out how I'm gonna make it because my question was this, I was like, how do you treat autism? And it was like, there's no treatment. It's very new, so all you can do is speech therapies and social, you know, group therapies and, you give them as much support and so I'm like, okay, US again. But this time, I remember I'm like, I need to learn English because that was a big part of the first year and a half, even though I did okay. The language barrier was very, it was very uncomfortable to just to get anything. I used to go to the grocery store. It was very uncomfortable. You know, so I needed to fix that first. So I got into an online course to learn, I guess like express English, you can call it, and then I decided to move back. I am here in 2004.

Tim Clagg 05:10

So two years had passed here. And, you know, obviously you're learning a new language you're in a new place. Can you dive in and give us the culture shock that you faced? Because, you're a long way from home. There are a lot of uncertainties really, at this point. What do you remember about the culture shock right away?

Chris Mondragon 05:31

Well, definitely it was the, well the language was the biggest one. And then the food. You know, I remember I used to picture the US very similar as to Mexico, you know, we're neighbors. But when I moved here, it was totally not the case. I mean, the language is totally different. But you know, when you speak, and you want to try to translate it, like the way it is, it sounds weird. So there's rules that you need to kind of follow in order to make sense of it. I did not know this. And that was a big part, right, to ride the bus. It was very awkward. The first time I rode the bus, I'm trying to pay the guy and the guys like, no, no, because I had to pay at the end of my ride. And I didn't understand this person, like such a dummy here. And it was all these nuances. Then, like I said, I used to even go to the doctor. And then, you know, to add, to make an extra barrier, right? Yeah, I moved to Washington, this is back in 2000. In the early 2000s, there was no Spanish there. I mean, I was probably one of the early ones. Now there's more people, right, but at the time, it was very, very few people. And so that made a challenge. And so that's when I'm like, I need to learn the language, I definitely have to. So, with the second time I came

back, I figured the best way is to go to college. And that's when I went, I went to college so I gotta work at the restaurant and work for an hour every, it was Wednesday, three times per week. And then practice it and practice it. And literally that was when I started opening myself to more opportunities, see more options. But the culture was the language, it was definitely very hard.

Tim Clagg 07:26

And the journey to getting to your company is a fascinating one. So you held some pretty unique positions. Prior to opening your cleaning company you worked as a chef. Food's, your first passion. I got to ask, did you ever get the opportunity? I'm a huge Gordon Ramsay fan, right? To you know, Yes, Chef. Oh my god, yeah, it's a gold mine, but a construction worker and the most intriguing - car salesman, because you were looking at that time for some extra income. And you were thinking, Well, I'm just going to maybe detail clean the cars. Wrong. Day one you get there, you know what, we need somebody bilingual and be able to help speaking Spanish and they put you on the sales floor. How did those skills, because you stayed there for about seven years, Correct?

Chris Mondragon 08:21

That's right! That was also a big turning point in my life. I was content with the job I had, you know, I was a chef at the time, I had a good, I remember, I thought I had a good salary, and I was comfortable. I didn't have to work outside in the rain, anything. So I'm like, I love this job. But I needed an extra income, and thus I went to this dealership, and like I said, they're looking for a car salesperson and the only requirement is for that person to speak Spanish. And I'm like, alright, I can do that, but I don't know how to sell. And they're like, well, I remember the owner said this, I'm pretty sure you've sold before. And I'm like, no I haven't. Like you've never sold a car in your life before? I'm like, Well, I have sold my car. So he's like, that's the same thing. I'm like, okay. So I showed up and then yeah. It was back in the early, like I said, that was 2008 when I got the job. There was a lot of people moving from Nevada and from California because they were losing their homes. And then they were relocating to Washington, at the time it was more affordable. And, people need a vehicle to drive, and now I'm the only one to speak Spanish. And I was just making a lot of sales, and I was baffled because that's the most amount of money I was ever making, behind a computer. I didn't have to burn my hands anymore, I didn't have to get yelled at from the kitchen. It was totally different. So I figured, oh my god, this is a sweet sweet job. And sales kept increasing. I remember for me, it was lucky, for us really, that during that time, I jumped into that opportunity because the demand of salespeople in Spanish was high. There was a lot of people moving into Seattle. So made good money, I had benefits, so I had dental, medical, everything. I was paying, I used to have a salary and then commission. And I was super happy. I never thought that the next level was going to be to open a business. Looking back, I probably would have stayed there if it wasn't for my wife. My wife, credit to her, she's the one that spotted the opportunity and she's like, Chris. She was working for another cleaning company, cleaning homes that are built, like they're new construction. And then we'll clean it up before they sell them. And it was like, We can do this ourselves. And I'm like, You're out of your mind. We I never open a business. I don't know how to do this. I don't think it's a good idea. That was my answer. But she's like, Chris, give me some business cards, dude, answer the phone calls, and then I'll do the work. I'm like, deal. And that's how I started.

Tim Clagg 11:19

So I gotta ask, going from car sales, being there, you mentioned being behind the computer being forced out of that comfort zone, dealing with customers, seeing the day to day right? And understanding day to day business. Yeah. What are the biggest takeaways from that job that you were able then to dive in right away to your cleaning company?

Chris Mondragon 11:42

There's quite a few. The first one, sales. Getting used to talking to people, right? I think most people think that they're not good at sales. I think everybody can become good at sales. It's all about listening, right? If you listen to the customer, and then they feel understood, that's half the sale. You already have the battle won, but it's usually to get comfortable and get used to notice. And that's okay, too. So definitely, getting used to talking to new people. That was a big, big weapon that I had, aside from that, that is attached to that, when you work in sales in cars, in the car industry, if you have a you have a lobby, I'm not going to say there was no technology. I mean, there was technology, but that is a little backwards. So, it was a big paper law. And you had to call every day, all the leads that you had the days before, right, you had to do follow up, follow up. And that was ingrained in me to do the follow up. And it is to say, you know, the money is on the follow up. Funny story, that's where I met Grant Cardone, because at the time Grant Cardone was giving trainings for car salesmen around the country, and it was all about follow up. So that part, also the sales part of talking to people, but also taking the time to do the follow up, those were two big things that when I applied to the cleaning business, it really showed right away. There was, and maybe we'll look into more details into this piece of information. But on the second year, we doubled our sales. And we didn't have a CEO we didn't have enough reviews. But how did I do that? It was by cold calling property managers left and right. And that's how we were able to double our sales from year one to year two, because I was really coming from that sales background. And so that definitely was the biggest two tools, getting comfortable talking to people and doing the sales.

Tim Clagg 13:52

You mentioned that your wife was the one that came to you with the opportunity. And it's funny because I've talked with numerous guests on our show who their wives were the driving force and the foundation behind them getting into the cleaning industry, and then the opportunity existing. And, you know, it's just incredible that that's how it unfolded for you as well.

Chris Mondragon 14:19

That's right, it really is. And it was just scary because, remember, I had a good salary and good pay plan with commission with insurance and now here's like, well, there's this opportunity, you can make more, but you have to say bye to those things. Yeah. That was another challenge, right? It's the fear of failure. What if I do this and this is a big mistake? And the opposite. I think it's also a test that you have to go through, that you had to pass, but I remember I quit. I was ready also. I was already tired kind of burnout of these long hours.

Tim Clagg 15:04

Seven days a week too, right? To be a car salesman?

Chris Mondragon 15:07

Seven day a week, exactly. You don't really have a social life or family life. And so I'm like, I'm ready to change. And I'm going to start my own, and, just like anything, you get your first bad review your first bad person that doesn't pay you, or threatens you with leaving a bad review. And then you start punishing yourself, what did I do? Oh my god, maybe I want to go back and get my job and be on the safe side. And because that happened, I was so close, I remember like, maybe this was a bad idea. Maybe I should go back and get my job, but I didn't. I stuck with it. And I'm like, let me learn from this. And every time there's something wrong, I'm gonna fix it so it doesn't happen again, and I think that's key.

Tim Clagg 15:58

And you mentioned this is 2015, you found early success. Your third month in the industry, you guys made an \$18,000 profit. But quickly, you guys were humbled from that success in month three too, as you mentioned, one bad review. What advice can you give to our audience on how to learn from a bad review? To keep your reputation of your cleaning company a positive one?

Chris Mondragon 16:26

No, absolutely, it's hard, right? Especially when you're starting your business, it's like your baby. So you take baby, you know, high five on having good reviews, whether they're only five or 10, whatever. But you know, you're doing that extra effort to make everyone happy. And inevitably, you're gonna run into the situations where it could be the cleaner, it could be maybe the customer, they have expectations, a number of things, and that person is going to leave you a bad review. It hurts, it really hurts. And then you can do these two things. One is ignore it, or responded in a emotional way that you don't want to do. Because that could create a bigger problem, right? Or take a step back, analyze what what went wrong, and then figure out how you can solve it for that customer, whether it could be a partial refund, or, it could be, maybe you say Hey, I'm sorry, we really messed up and I'm not going to charge you. Whatever you going to do. And then learn from it and start applying, I guess creating your standard operating procedures. When this happens, you know, let's do this right so it doesn't happen again. But again, I think key is you can spin the review around, you can be very professional about it., and then acknowledge the situation. One tip I can give you even though sometimes the customer is at fault, never say that because that will make the problem even more. Take ownership and blame, say that's on me and you will be amazed how even, let's say even if that person doesn't remove their review, but you answer it in a professional way, there's people who read that, and then will be like, you know, what it's true, not everybody's gonna be happy with the with the services, but look at how they respond. They take care of it at the time, they took ownership. So I will say take the time to even respond to the bad ones. And respond to that in a cool-headed way. Sometimes we're emotional and sometimes we just react. I'll say take a step back and then come back and then spin it around.

Tim Clagg 18:51

You were able to get on top that situation, addressing the problem with that customer and coming to a resolution, that resolution your spin, and getting all the details out there led to them pulling the negative review. Have you ever thought, you know, sometimes I do my best thinking when I'm laying down in my bed at the end of the night kind of recapping. Have you ever thought, man, what would have happened if that bad review, you know, when you were contemplating closing the doors, what would have happened if you did close the doors there? Have you ever had that chance to think about that?

Chris Mondragon 19:27

Yeah! That and many other things where you were like, you know what? That could have been easily the one of the things, everything was going backwards I remember we had a person that didn't pay us, well they paid us on a check but it bounced so now we're taking your money. And then we got our first bad review, and it's a long one and we really messed up on that one. And then the payments and some of the accounts were going to pay us but then that's when I found out about this term net 45, which you have to wait 45 days to get paid on the commercial end. I did not know that, I'm like, Oh God, now I'm waiting for money arms stretched. I get my review, this is a bad idea. Let's just close shop. Let's go back. I could have done that and that would have been a pretty, pretty bad decision. I'm glad that we took it around and we spun it around. We didn't make money on that job. We worked for free. But that was better than to have a bad review that was gonna affect us with more potential sales. So it was a learning experience for sure. And I think it was also just this little test that you just have to figure out. How do we want to get around it?

Tim Clagg 20:43

And the gain, the massive gain that came from going year one from 195,000, to double, to over 400,000. Were you shocked? And this is now 2016. Were you shocked when you more than doubled that revenue in 2016? Did you anticipate, were you ready for the for the scaling of the business side of things?

Chris Mondragon 21:07

No, I remember this. So we had finished our first year. And we did good for the first year of cleaning. I was happy. But like I said, I didn't understand SEO or paid ads or any of these methods of getting more people to call or see your company. So I'm like, You know what, let me start Googling property management companies, they need cleaners. And I'm going to start calling. So I start calling a list of them. And then, some people are like, yeah, give me your prices. No, already have someone. Yes, perfect timing. This the early months of the second year. So January, February, March, I already get some yesses, but they're not sending me enough customers. But then May, June, July, a lot of people move all the time. And then the job starts, move out here, move out there, deep clean. And then you start rolling. And at that point I remember I stopped answering the phone because I had to jump on the field. Yeah. And I was now doing the working seven days a week. I was surprised because I always tell people that if you're starting go with the property management companies, they need contractors, whether it's cleaners, whether there's another type of service, you may be window cleaning, perhaps or whatever, go to them, they already have, I'm pretty sure they already work with someone, but never hurts to try and get in touch with them

Tim Clagg 22:48

Right. You want that relationship, right?

Chris Mondragon 22:50

Yes. That's right. And so for me, it was very surprising. When I achieved that, I was like, Man, I'm good. I need to open another business. Because at that point I had thought I had finally cracked the code.

Tim Clagg 23:05

I'm glad you said that because you transitioned into you know, life, right? When you think you have things figured out, things are going great. Well, success comes here year two. Yeah. But you had a business opportunity, to kind of get back within your your first love. Working in food, partnering, investing in a restaurant, tell the listeners how this experience changed your life.

Chris Mondragon 23:33

In many ways, I think that year two was the toughest thing that happened to me as an adult. It was a dark, dark time. And just another way to vent. It is positively the gist of it. So second year, you know, we're making 400k a year. Very, very low overhead. It's very profitable. I get this opportunity to open a Mexican restaurant in the city of Seattle. I remember I thought, This is it. This is God sending me another opportunity to say Hey! seems like you're good at business, here's another one! And I really thought, or saw it that way because I'm like wow my background is the kitchen, I love cooking. It's one of my passions. This is great for two reasons. One, because even though I was very proud of achieving the sales that we had achieved on the cleaning business, I was still not 100% in it. Because it was cleaning. And I guess you know, being a man, I was like, I don't really want to get into cleaning. I want to have my own thing. So I see this opportunity in the restaurant. I'm like, perfect, this is gonna be my business and then the cleaning is gonna be my wife's business. And now between two businesses, this is it. This is this it. I'll retire before 40, so I thought. And so, my wife, this is a true story. My wife, she's very supportive, always tells me let's do it. But I remember she tells me, she's like, Chris, we're doing great right now. I think we should focus on to grow more. And I'm like, no, no, no, you don't understand. I can do more. And she's like, well OK. I'm gonna support you, but just so you know, I'm not okay with this decision. And looking on when everything went down I remembered that phrase when she told me that. Because this is what happened. Yes, it's a new business. I was very new at business. I didn't know anything about it, looking back. I thought I knew. But I didn't. So I get into another business that's totally a different animal. Here, you're dealing with sales tax, you're dealing with different pay rates, tips, refunds, you name it. It's a different animal. And the margins in the restaurant are not that great. You have a lot of overhead. And I didn't think about that. I really thought I had this aura of invincibility. Like, I can do this no problem. And if I don't know it, I'll figure it out. And I think that attitude on some things helps because you know, you're not vulnerable. But if you don't see everything around you, you're in trouble. And that's exactly what happened. I get into the job. Now we're working seven days a week, totally different businesses that have nothing to do one with each other. I tried to cross promote it, I even put cards into every single order promoting the cleaning service. We got some traction in there, but I was so distracted, trying to do too many things. I would get home, I could not do the invoicing for the cleaning company or just have energy to do the restaurant. And then a year ago, one goes by, the restaurant is not profitable, but it's not taking money away though. It's there. And I'm like, it's gonna come around, you just need to have faith. Give it another another year. Well, mistake number two. I get another offer of buying a butcher shop, and this will solve the problem of cost of food. I'm like Oh, I'm gonna get the meat at a much much better price, I'm gonna sell it at the butcher shop and the meat that doesn't sell for two to three days then I'm gonna take it to the restaurant, cook it, and then I don't have any any food waste, right? I have a chain of everything. In plain view. I don't know what I was thinking. It looked great. At this point, I don't have any more money savings, but I have credit cards. And I'm like, You know what, I have a 0% APR, I can do this. I'm gonna pull it off. And I get myself involved into the third business from their illegal use went down just non stop because now I have three businesses with

three payrolls. Now I'm constantly driving money from the cleaning business to the restaurant to the restaurant to the store to the store backwards and the money is all over the place and is nowhere to be seen. And I'm stressed through the roof and then credit cards, everything started getting behind because now my bills are very high. The income is not coming in. So I'm spending more than I'm making. It was horrible. And eventually I'm like, I need to close shop. I could've closed shop earlier. But then also again the feeling of maybe it's too soon, maybe I need to push through a little bit more. Waiting for that break to come, and it didn't. All I did was prolonged the inevitable and eventually be like there's no more money in the bank account. Credit cards are completely exhausted. Now with the vendors that give us invoices, now they're not sending us products because we're behind. We're toast we're done. So what's the option? Bankruptcy. And at this time, I'm 38. It was the hardest thing to do because my two kids were about to go to college. I have minus, the debt that I accumulated was 600 and something thousand dollars. And I'm like, What did I do? This is this is the worst thing ever. But the only option was really bankruptcy. But out of that 600 and something thousand, there was payroll taxes, and anything that you owe to the government, you cannot take to bankruptcy. It has to be paid. Uncle Sam came. Uncle Sam says, I'm sorry, you're going through this but you pay me. And I owed them 85,000. After all is said and done, they're like, Okay, you still owe us 85,000. You don't have the restaurant anymore. But we're gonna let you operate the cleaning business and you had to pay us \$2,000 a month for that balance. And you have to be current with the current year. And I'm like, Thank you, I actually thought it was like they are letting me keep the house cleaning company. Great. Oh, this is good. And now really there's no wall. I had nothing else, right? I had no debt, but no credit whatsoever. Nothing. And when you hit bottom, there's only one way and that's up.

Tim Clagg 31:04

Up! And that's when you went all in and kind of expanded those duties too. And the interesting thing is you paid everything back within one year, right?

Chris Mondragon 31:17

One year, that's right. Unbelievable. All thanks to cleaning, really. It's a very, what is the word I'm looking for? It's not profitable. It's in Spanish, we have a word for it. It's called novel, it's a very novel job, right? It's very profitable, anybody can start it. You can make good money doing it. And looking back, it paid for both of my kids' college. Paid back the IRS. It funded a semi failing restaurant for a year and a half and a store and still came back. All of these years, the cleaning business just kept standing and supporting everything, all of my experiments. And now back to that, that was the learning thing for me. It was stop trying to do too many things. Focus on the one thing that you're good at, and double down on that.

Tim Clagg 32:22

And you'd mentioned too, while you were still running both businesses, hey, I'm still new at this game. Well, how did you become not only more involved, but this is where you started to do independent research of just everything pertaining to businesses. So what were the biggest areas you found out, I really need to focus here? To help it better the future of the business on the cleaning side?

Chris Mondragon 32:50

Absolutely. Yeah, that's another one. I have an idea that I'm like, the government of the city, if you open a business license, they should go and give you like a crash course in what are the things that you need to be aware of. Because, anybody can open a business and then we get in trouble later because we didn't understand the rules. And there's a lot of rules to play by. A lot of rules. But it's like, in order to win the game, you need to know the rules. And for me, when I went through all these mistakes, and I got behind on the payroll taxes and all this, I'm like, I need to understand the fundamentals because I don't even understand them. So I started doing research and there's a lot of information nowadays. There is a sense called ignorance is you know, in the age of information is a choice, because you can learn anything nowadays, so for me, I'm like, I need to learn the fundamentals. And I found this website that it's things associated with the government is called score.org. And they have a ton of seminars, some are paid, some are free, but they have everything from creating a business plan, creating budgets, how to pay taxes, how to, just about everything about business is there and I'm like, Okay, I need to learn this. Because even though, it sounds like you already had two businesses. Yeah, but I didn't know what I was doing. That's what happened.

Tim Clagg 34:28

And the one was thriving, and it's continued.

Chris Mondragon 34:32

I need to understand how everything works so I can make the right decisions. From there. I thought Okay, what did I miss? Okay, Payroll taxes. Oh, my God, that was a big one I didn't understand. Most business owners probably like yeah, dummy. When you have employees, the government will withhold a certain amount from their total pay, and that amount stays on in your bank account. And then you have to match it as an employee, I didn't understand that. I just saw a whole bunch of money. I'm like, Oh, this is great. And then a month, two months, and three months, and then after a year, then you get the letter saying, hey, we haven't received the payroll taxes for quarter one, two and three in Florida. What are you talking about? I thought that was my money. And then they're like, no you owe this much. Plus penalties plus interest. Oh, yeah, then it starts getting into deep waters very quickly.

Tim Clagg 35:35

What keeps you motivated during this time? You mentioned your kids are getting older, and that's something I noticed that kind of keeps coming up and that I correlate with myself. Family, over everything, family above everything. And how did they keep you motivated during that time when you just feel so small, you're going through those struggles? To you know, I need to do this for my family?

Chris Mondragon 36:02

Yeah, no, that is important. It is also part of my life, really, too. It was all, I was defeated. Mentally I was defeated. I think my plan was to go to Mexico, and then apply for visa to Canada. I figured, I remember that was the quickest way to exit for me. I'm like, let's just get out of here. Let me go back to Canada. It's a similar country, I can start from scratch. Nobody knows me there. I don't know. For me, it was more like embarrassment. Like, I literally felt like I failed terribly. And that feeling of embarrassment? It was very hard. And I wouldn't want to go to the mall, because I'm like, I don't want to run into someone that knows me. I don't want to see him. It was like a full year, I did not want to see anyone it was very, like an internal struggle to get out of that. And it was the kids in the wife right? Let's go here, let's go

there. And I'm like, don't worry we'll get out of it. And during this time that I was like, kind of locked into my house, I was also learning, right? I also was like, I need to learn. I just don't want to go out. I'm embarrassed of what happened and eventually I started off. So this is a big thing. Self development. I think that's also a big part of being an entrepreneur. And sometimes we're very hard on ourselves as well. But I started listening to what is this? Bob Proctor? And you know, somebody might not believe in the law of attraction or something? No, I think it all comes down to, really wish, what you want, and not that the universe is gonna give you what you want, because that doesn't work. But if you work towards that, then then I guess, yes, the other part starts becoming reality. So I started believing on that. And I'm like, you know, I need to try it. If I can visualize it, I can see a path towards it. So it was a lot of self development. You know, a lot of going into meditating. I remember start doing meditation, because I would get, I don't know if you guys run into this, where you have a lot of things to do, you have things to do, but your mind is so occupied, that you cannot even know where to start. And then a day goes by and you're not doing nothing.

Tim Clagg 38:39

And you're overwhelmed.

Chris Mondragon 38:40

Yes, you're overwhelmed. And meditation. The practice of meditation, you know, to be aware. To not be on autopilot, but to be aware of what you're doing. Also, it helped me to get out of that loop of like, I failed, I failed, I failed.

Tim Clagg 38:59

Yeah, get out of that cycle and that negative energy.

Chris Mondragon 39:02

And negative thoughts just constantly, constantly. So yeah, I guess mental health is definitely something to take into consideration. You need to also go out, breathe fresh air. Even if you have a bad day. That's okay. Go out and smile. Tomorrow is another day. And then I think that's a big part of it. I guess work hard but pause on the way to enjoy the sweet nectars of life.

Tim Clagg 39:31

We're talking with Christobal Mondragon owner of Queen Bee Cleaning Service and coach in the industry. While businesses were closing their doors or out of work in 2020. In 2020, you earned your first 1 million in revenue but again, it wasn't without some struggle early on. When the pandemic of course, a closed pretty much everything down, your CPA came to you, to allow you to apply for the PPP loan that allowed you not only to keep your doors open, but, increase the pay rate for your employees and put it back into the business to people that are helping you achieve those goals as a company.

Chris Mondragon 40:22

Absolutely hit the nail right. That's also another turning point for us. For the longest time, we were charging, not low, but not enough. I will say we were just doing okay, where there was enough margin to be doing better and attract better, better candidates and offer better pay. But I was talking to like,

let's just be affordable, and try to sell as much as possible. But then COVID hits, and then we get shut down for a month, and then it was going to be two months max. And then when they're like it's going to continue for maybe another two months. Who knows? At this point, I'm worried because now it's been two months without work. Customers are canceling us themselves, because they don't want us at their home. And then cleaners themselves, they're like, I don't want to clean because I don't want to get sick. I'm like, ouch. Well let's just weather the storm and let's see what happens. Then we get a call from a CPA. He's like guys, you can qualify for the PPP loan, apply for it. I'm like, let's do it. We got approved within days, I remember, it was all about sending some proof of how many employees you had at the time and, and then literally, money's there. Following this, I was so happy because I'm like, okay, it was not a crazy amount of it was like \$72,000. If you use it completely for the employees, you don't have to pay anything, I'm like, perfect. I exactly want that. But I'm like, I'll need to pay them more, if I want them to come and work for me.

Tim Clagg 42:15

Exactly they are risking their health, absolutely.

Chris Mondragon 42:18

They're risking their health, so I need to increase that and I went from paying 15 to 18 to start to 20 if you can drive. Because for me someone to drive, I can create a route. So definitely, I can pay a little bit more. So I go and start recruiting people and people start applying because now it's a little more and first month was perfect. Okay, we got cleaners, but I need to fix something else, I need to fix my prices, because in order to continue paying this amount, I need to charge more. So I go back to my pricing list and I increase everything in order to cover the new labor that I have.

Tim Clagg 43:04

And also with the pandemic, it also allowed you to expand into a new area of cleaning, commercial cleaning as well. How many opportunities did you see right away that you guys are just hop right into?

Chris Mondragon 43:21

Oh, a lot! If you remember at the time, certain industries were declared essential.

Tim Clagg 43:29

Frontline? Yeah, essential.

Chris Mondragon 43:31

Car dealerships were one of them. They were shut down, but then they opened back up.

Tim Clagg 43:36

Car dealerships coming back in the picture again for you.

Chris Mondragon 43:38

They're coming back, uh huh. So I had the connections from the outside calling, like, Hey, guys, do you need this? Oh, we do. And then they start sending me to all their businesses. It was the commercial side of things. And it was all because of calling. Things were going haywire, right? But but there's

opportunities there. And then if you spot them, you can make good money and then you can learn new things. So that's what got me to the commercial side of things, disinfecting and the car dealership again. And from there we now expand it, now we have residential side and we have commercial side. And then this is something shocking for me. I was so afraid of increasing my prices, because I was thinking in my mind Oh, they're gonna say, you know, I'm cancelling services. Yes, I did get a few people that cancel. But it was very few people. Most of the people say that's fine with the new price and the new people that I was getting they didn't care because they didn't know the price before. So it was a win-win. I'm like, I should have done this before.

Tim Clagg 44:52

How did that help kind of change your bidding process for contracts for just maybe one time jobs? How did that allow you to, big picture wise, develop a process, maybe more in depth for for each job and your bidding?

Chris Mondragon 45:11

Yeah, well, at this point, I need to figure out two things. How much am I spending per month in cost of operations, that's a big number that you need to know. And then how much I'm paying per hour. And then how much I'm paying on taxes and workers comp. And then the company also needs to make a profit. So if you add the operation costs plus your labor and taxes, and then you add your profit margin that you want to shoot for now, you have your hourly rate. That should be specific to you, I see how I did this mistake myself. And I see other companies do this mistakes. They copy other company's prices. And well, that's okay, right? You don't really want to do that, because how do you know that company isn't struggling?

Tim Clagg 46:06

Right, what works for Company A may not work for Company B.

Chris Mondragon 46:10

Mhmm, so you need to take the time to find out how much you are spending and how much you is costing you the labor and the taxes. And then also pay yourself at least another mistake I see. Many, many cleaning businesses. Like, I have a business has been earning for four years. Right now I don't pay myself because I'm sacrificing it. And I'll make it work. Well, if you're not paying yourself, your numbers are skewed.

Tim Clagg 46:37

Right, yeah.

Chris Mondragon 46:39

And that is no bueno, so we need to fix that. So yeah, anyway, anybody should take the time to see how much you're spending on operations, on labor, taxes, yourself, your salary. And then you have to let the company roll a healthy profit. If you take the time to do this, you'll find out how much you should charge. And then probably you will be either surprised, maybe you were overcharging or maybe you should charge less. And now you have a better competitive price. That is specific to your company that you just need to make sure that covers everything. But it really allowed me you know, taking the step

back, because I'm like, Okay, I increased my prices but I need to make sure that everything is covered. And I'm paying myself, too. So, I need to make sure that everything matches. So, it just really helped me to streamline my pricing for everything.

Tim Clagg 47:38

2020, almost a little over four years ago now at this point. That was your first \$1 million dollar year. Now, your company has just surpassed over 4 million dollars.

Chris Mondragon 47:47

Actually 7.

Tim Clagg 47:48

7? Okay, wow! huge growth, huge growth. Wow.

Chris Mondragon 47:53

It's been a huge ride. And, looking back, Tim, this is funny. I remember, I have a brother, you know, now I poke at him because when I started the business. He told me like, a cleaning business, man? He's like, there's tons of them. He's like, your competition is gonna crush it. And I remember that also got me like thinking like, maybe he's right. Maybe this is not a good idea. But looking back, I mean, there's always going to be competition, right. And if there's competition, there's a market for it. So I will say even looking back they were already saying, oh, there's a lot of cleaning companies. I can tell you that that is not true. The industry keeps growing year after year. And there is more businesses, more people that need cleaning services, or businesses that need cleaning services. So it's an industry that keeps growing. I don't see anytime, you know, slowing down. I think that right now is a good time to open a business or yesterday, right? Really.

Tim Clagg 48:53

Yeah. And you also went into studying marketing. Researching, because you had a lot of success getting contracts through ads on Google, and Facebook. If a new owner in the industry is listening, what strategy would you offer them today?

Chris Mondragon 49:14

I want to focus on three things really, that have the biggest impact on the amount of eyes that are going to see your company. The first one is SEO, right. That is a long term game. definitely focus on SEO and hire someone that tells you how things are working, right? How you are ranking currently, and how you're going to rank. You monitor them. And that's something you need to look into it. But once you have that figured out, I will say spend on Google ads, that's where most people are gonna search your services for and if you're at the top either organically or paid. You're gonna nail them. Exactly, exactly. Track more eyes. More eyes. And now if some people that land on your website if for whatever reason leave, they got distracted or whatever, you can retarget them on Instagram or Facebook, and then show them again an ad say, hey, come back. We forgot to submit your quota or something along those lines. And now you have the biggest platforms, you know, Google being the biggest one you've captured in there organically or paid. And now in the leave, you can follow up following them on Instagram or Facebook. And if you focus on these three, I think you should be good. You don't, there

isn't many lead generation companies out there. And usually some advice, I'll say give them a shot. For the most part, you can just generate your own leads, that's better. But I will say, if you focus on those three platforms that I mentioned, you should be fine in a very short time.

Tim Clagg 50:50

I want to get your opinion on one more that I started to kind of see some industry owners and industry experts having success using, believe it or not, Tik Tok and some conversations I've seen people have, they've been able to gather 10-15 thousand dollars in business. Is that an area you've kind of thought I need to target there?

Chris Mondragon 51:16

I've seen other people or cleaning companies doing that. Either showing the process, you can either monetize, you know, either reach more people, of course, but then promoting products. I have seen other people but I've never looked into that. Maybe that is something, an area that I'll definitely look into it, because, hey why not?

Tim Clagg 51:39

Exactly. When you first started in the industry, you received some bad information, people didn't necessarily want to give you good advice. Now, you've taken everything you've learned every piece of adversity you went through. And now you've entered the coaching side of things. Tell us a story about how you were able to break into the coaching aspect in the industry.

Chris Mondragon 52:05

That's a funny story. I was not expecting to become a coach. It was really an opportunity that fell on my lap. I remember, I got an email from a YouTube channel saying that they wanted to interview my cleaning business. At the time, I was really coming out of the bankruptcy and like I don't have time for this. And I replied to them, so you know, thank you for the opportunity. But it's not a good time for me. But doing the work, my wife said you should have said yes. And I'm like, You're right. I need to tell them yes. So I go back, I email them back, say, You know what, I do want to do the interview. They did not respond. And I'm like, Oh, I blew it.

Tim Clagg 52:46

Ghosted! Right?

Chris Mondragon 52:47

Uh huh. So months go by, months go by. And I think six months after, they showed up at my house, and they're like, hey we're here to do the interview. Are you ready? I'm like, sure? Then they started asking me questions. Hey, how do you get your first customer? How do you answer the phone? How do you have virtual assistants answering the phone in the Philippines? How can you do that? And I was just telling everything. Oh, go on this website and hire people in here or use this software, use open form. Everything that I was using, I was just giving it away. And little did I know, that seemed to resonate with a lot of people. Because, the video was public. And the owner of the YouTube channel called me like Chris, go and respond to some of the comments.

Tim Clagg 53:42

How many did you think? You thought there was a few. But how many comments were there?

Chris Mondragon 53:49

First when I went there, there was more than 100. It took me a while to respond to all of them and then what happens next? My virtual assistants start calling me like Chris, there is a guy from Texas who wants to talk to you. And another guy from Florida, and another guy from New York, and from Spain. YouTube is incredible. I talked to people from Australia, from the UK, and Germany. They saw the video and they want to start a business and I'm like, Man, I'm in America, I don't know how things work in your place, but I'm thinking I probably could and it was amazing. And I'm just giving free advice, right? Because this is the same question. How do you get customers? How do you get cleaners? And how do you put them together? And I saw the opportunity to monetize after a month of giving free advice. I'm like, You know what, there is a demand for it. And I knew that the reason why so many people were into talking to me is because I spilled the beans on that video. If you watch that YouTube video, you'll see that I give a lot of secrets and people love that and I'm like, I'm gonna do the same thing. I'm gonna give the best advices I'm gonna say don't do this and do this because this is what happened, right? And based on my experiences, so I launched the course. And I'm thinking I'm gonna make 20k. I'm happy, right? If I'm making 20k for a few hours of recording, why not? My God, I launched the course on Black Friday, two years ago. Saturday, check my Stripe account, literally \$6,000 a day. I'm like, how? How did this happen? And I'm thinking that's it, right? I'm still thinking, Okay, well, the course is great. I'm gonna put more hats on, I keep running it. But then people started talking to me, Chris, love the content, love everything, but I need help implementing everything.

Tim Clagg 55:48

And then your courses just expanded, everything took off for you on that side of things in a short time.

Chris Mondragon 55:57

It really did right after that video really went public. Like I said, I saw the opportunity. And I'm like, I need to jump into this. It's a good timing. People can start a cleaning business. There's business everywhere I can do this. It was a little scary again, like at the beginning of like, what if the things that I teach, don't work? But once I started getting my first coaching students like, oh, you work. You start feeling okay. My systems work. And a whiteboard that I write, when you have really like a like a blueprint its like a manual. This is how you do things, right. It just makes it easier. And so yeah, that's how I ended up becoming a coach. So it was through a video that ended up becoming viral. People start approaching me, I decided to create a course so I can answer the most common questions. And that's turned into I need help implementing. And here we are. So now you're running the cleaning company, is still operating, the coaching program and I also create content. So courses and new trainings.

Tim Clagg 57:10

I got to ask you, when you have when you have the opportunity, end of the day, when things slow down, and you just kind of are able to stop and just think, what does being able to coach being able to share your journey and your journey is still going right? You're still developing that self learning that you mentioned earlier? We never stop learning. But what does this mean to Chris? Because you went

through a lot of things, trials, tribulations, to be able to give back to the industry with people that right now. They were where you were at back in the early 2015 with the company?

Chris Mondragon 57:50

No, absolutely. It's been so rewarding. Like I said, it was totally unexpected. I was not really expecting any of this. Yes, I'm teaching people and then I'm getting paid for it. But I remember one student of mine, and if you listen to this man is really cool. His name is Joseph. And he was coming from a cleaning business that he was doing the work and he was burned out, about to shut it up. And he came to me, he's like, Chris, I need help. I said sure. And then we started working. And he turns the ship around. And last time, when I talked to him a few months later, he's like, Chris, you changed my life. Like I have eight people working for me. I don't have to do the work anymore. I'm getting more accounts. And if it wasn't for you, I don't know what I would be and when he said that, the money that came in, it was just it's irrelevant at this point. It was a very rewarding feeling that I was able to touch someone and that someone is also touching other people, right? And getting jobs. It was like, Wow, this took another meaning now.

Tim Clagg 59:09

Chris, I want to thank you coming on this month's episode sharing your story of determination, learning from your mistakes, owning your situation, teaching our listeners about budgets and coaching. Where can people find you online? As well as follow you on social media as well?

Chris Mondragon 59:29

Yeah, so anybody can find me on my personal website, which is cristobalmondragon.com Or you can also look on my courses online training. pioneeringclean.com I'm also active on Instagram and Facebook and also Tik Tok under [chris.mondragon425](https://www.tiktok.com/@chris.mondragon425). And so yeah, if you ever just need any advice or help, don't hesitate to reach out. You know, I know a thing or two

Tim Clagg 1:00:00

Yes you do. That will complete this month's edition of the business of cleaning podcast. Be sure to subscribe to us on Spotify, Amazon, Apple Podcasts, or wherever you get your podcasts from. Also, be sure to leave us a five star review with your comments from everyone a Janitorial Manager, our guest Cristobal Mondragon. I'm Tim Clagg saying so long. Until next time.