

Market Research Report

CleanWorks Pro

Report Recipient

Tshepo

Current Stage

Just an idea

Report tier

Pro Report

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Key Terms to Understand

- **CAC – Customer Acquisition Cost**
Total marketing, sales and onboarding cost required to win one new customer.
- **ROI – Return on Investment**
Profit (or loss) generated relative to the cost of an investment, expressed as a percentage.
- **LTV – Lifetime Value**
The total net revenue a business expects from a customer over the entire relationship.
- **ARPU – Average Revenue per User**
Average monthly (or annual) revenue generated per active customer.
- **MRR / ARR – Monthly / Annual Recurring Revenue**
Predictable subscription or contract revenue recognised each month or year.
- **TAM – Total Addressable Market**
The full revenue opportunity if the product captured 100 % of the market.
- **SAM – Serviceable Available Market**
The part of the TAM you can realistically target based on geography, regulations or channels.
- **SOM – Serviceable Obtainable Market**
The portion of the SAM you can reasonably capture in the near term given current resources.
- **CAGR – Compound Annual Growth Rate**
The year-over-year growth rate of a metric (such as revenue or market size) over a multi-year period
- **CTR – Click-Through Rate**
Percentage of users who clicked a link or advert out of those who viewed it.
- **CVR – Conversion Rate**
Percentage of visitors or leads who complete a desired action (purchase, signup, etc.).
- **Churn Rate**
Percentage of customers who stop doing business with you during a given period.
- **KPI – Key Performance Indicator**
A measurable value that indicates progress toward a specific business goal.
- **OKR – Objectives and Key Results**
Goal-setting framework defining broad objectives and measurable key results.
- **SWOT – Strengths, Weaknesses, Opportunities, Threats**
Strategic analysis framework for evaluating internal and external factors.
- **USP – Unique Selling Proposition**
The factor that differentiates a product or service from competitors

Executive Summary

CleanWorks Pro is a proposed Johannesburg-based contract cleaning service for offices and small businesses (10–50 employees), offering reliable, eco-friendly cleaning with flexible after-hours schedules. The opportunity is supported by steady SME office activity in Gauteng, persistent hygiene priorities, and dissatisfaction with rigid contracts from large facilities players.

TAM/SAM/SOM (12-month focus): We estimate a South Africa TAM of ~R7.8bn, a Johannesburg SAM of ~R1.56bn, and a Year-1 SOM target of ~R2.3m (~30 recurring clients at ~R6,500/month). Assumptions detailed in Market Overview.

Positioning: “Professional, green office cleaning tailored for growing SMEs—reliable, safe, and hassle-free, without lock-in.” Pricing follows cost-plus logic targeting 35–45% gross margin, aligned to visit frequency, hours on site, and square meterage.

Go-to-market: Concentrate on Sandton, Rosebank, Randburg, and Midrand office parks. Test high-intent channels (Google Search Ads), outbound to curated lists, and partnerships with property managers and coworking sites. Offer month-to-month pilots, shifting to 12-month contracts with discounts.

Operations: Start with 2–3 teams (2 cleaners/team), standardised SOPs, eco-chemicals, digital checklists, and site-supervisor spot checks. Emphasise vetting, training, and attendance tracking to manage turnover and quality.

Financials (base case, Year 1): ~30 clients by month 12, average R6,500 per client per month; revenue ~R2.3m; gross margin 35–40%; operating break-even at ~15–18 clients. Marketing budget R60k–R90k/month initially, tapering to CAC ~R6k–R8k/client and 2–4 month payback.

Key risks: Staff turnover, price competition, and quality variance. Mitigations include better pay and attendance incentives, tight route density, QA audits, and clear SLAs.

Sources & Data Notes: Market sizing and financial ranges use Stats SA enterprise/earnings data (2023/24), CIPC active enterprise context (2024), SARS VAT (15%) and payroll norms (2024).



South Africa market context

- Labour-intensive cleaning services are resilient, tied to office occupancy, hygiene standards, and cost control. Employers maintain regular cleaning even with hybrid work, shifting toward fewer days but higher quality per visit.
- Operating costs are driven by wages (national minimum ≈R28/hour in 2024), transport, consumables, and supervision. Buyers prioritise reliability, safety, and value over the lowest price alone.
- Procurement trends: SMEs typically request 2–3 quotes; B-BBEE status, safety files, and insurance are increasingly required even by smaller firms.

Johannesburg focus

- Johannesburg (Sandton, Rosebank, Randburg, Midrand) concentrates SMEs in serviced offices and office parks with after-hours access. Demand skews to daily or 2–3x weekly visits, with preference for month-to-month pilots then annual terms.
- Price sensitivity exists, but clients pay a premium for vetted staff, consistent standards, and flexible schedules. Route density reduces travel time and improves margins in these nodes.

Drivers and constraints

- Drivers: Return-to-office policies (hybrid), health and cleanliness expectations, green credentials, and landlord requirements.
- Constraints: Load shedding scheduling, security/access control, and turnover impacting quality.

TAM/SAM/SOM (with assumptions)

- TAM (Total Addressable Market): ~100,000 SA firms with 10–50 employees purchasing office cleaning at an estimated R6,500/month average → ~R7.8bn/year. [Assumes 100k firms based on firm-size distribution within formal SMEs; average spend midpoint of R2,000–R10,000.]
- SAM (Serviceable Available Market): Johannesburg ~20% of TAM → ~20,000 firms → ~R1.56bn/year.
- SOM (Serviceable Obtainable Market, 12 months): Target ~0.15% of SAM → ~30 clients → ~R2.3m annual revenue at R6,500/month.

Cape Town note (brief)

- Cape Town CBD/Claremont nodes exhibit similar SME behaviour but are more consolidated within CBD managed precincts and coworking hubs, with slightly higher green-spec demand.

Sources & Data Notes: Estimates synthesise Stats SA business demographics/earnings (2023/24), CIPC registered entities context (2024), City of Johannesburg economic profiles (2023/24), and SARS VAT/payroll parameters (2024).

Target Customer

Primary personas

- Office Manager/PA at a 10–50 person professional services firm (law, accounting, tech, marketing) in Sandton/Rosebank. KPI: smooth operations and complaint-free offices.
- Facilities/Operations Coordinator at a small call centre or distributor in Randburg/Midrand. KPI: uptime, safety, and cost control.

Core needs

- Reliable after-hours cleaning (early morning or evening) with keys/access control compliance.
- Vetted, trained staff; minimal staff rotation; clear SOPs and SLAs.
- Eco-friendly, low-odour, safe chemicals; consumables replenishment (optional add-on).
- Responsive issue resolution (photos, checklists, supervisor visits).

Buying triggers

- Lease renewal or office move; current provider underperforming; price increases; hygiene complaints; audit/compliance requirements.

Barriers to purchase

- Security concerns (keys, alarm codes, assets in office).
- Perceived lock-in and hidden fees; fear of inconsistent standards.
- Preference for known brands (incumbents) or the cheapest quote.

Decision process

- Typically requests 2–3 quotes; site walkthrough; 1-month trial; then 6–12 month contract.
- Evaluation factors: price, references, B-BBEE level, insurance, supervision model, and response time.

Competitor Snapshot

Bidvest Prestige (large corporate cleaning)

- Strengths: National footprint, compliance, training, integrated FM services.
- Weaknesses: Higher minimum contract sizes; less flexible; slower onboarding.
- Implication: CleanWorks Pro can win smaller SME contracts with flexible terms and faster setup.

Servest Cleaning (national facilities group)

- Strengths: Scale, B-BBEE credentials, multi-service bundling, robust QA.
- Weaknesses: Standardised packages; longer commitments; pricing above SME budget for low-frequency sites.
- Implication: Target clients seeking agility and month-to-month pilots.

Tsebo Cleaning and Hygiene Solutions

- Strengths: Strong processes, health and safety compliance, sector experience.
- Weaknesses: Enterprise focus; minimum volumes; less interest in micro-sites.
- Implication: Position as SME specialist with dedicated supervisor attention.

SweepSouth for Business (platform-based)

- Strengths: On-demand convenience, wide labour pool, digital booking.
- Weaknesses: Variable consistency; limited bespoke SOPs for recurring office needs; perceived risk for keys/access.
- Implication: Compete on vetted teams, supervision, SLAs, and security protocols.

Local independent cleaning companies (numerous)

- Strengths: Low prices, owner-operator attention.
- Weaknesses: Informal processes, limited insurance/compliance, staff churn.
- Implication: Differentiate with professional QA, eco-chemicals, documented SOPs, and measured outcomes.

Distribution & Channels

What to test first (sequenced)

- High-intent digital: Google Search Ads targeting “office cleaning Johannesburg,” “contract cleaning Sandton/Rosebank/Randburg/Midrand.” Start with SKAGs for core terms, call extensions, and location targeting. Budget: R25k–R40k/month for first 90 days.
- Outbound prospecting: Build a list of 300–500 SMEs in priority office parks. Use a 3-touch sequence (email + phone + LinkedIn). Offer a free site audit and 2-week pilot proposal.
- Partnerships: Property managers, serviced offices (e.g., coworking operators), and IT/MSP firms that share SME clients. Provide referral fees (e.g., R1,000–R2,000 per signed client).
- Local SEO: Google Business Profile, location pages for Sandton, Rosebank, Randburg, Midrand. Collect reviews after the first month of service.
- B2B directories and tender portals (selective): Engage only with SME-focused portals; avoid low-quality lead markets that drive price-only comparisons.
- Account expansion: Add-on services (consumables, deep cleans, carpets/windows) to increase ARPU after a stable first month.



Pricing & Positioning

Positioning statement

“CleanWorks Pro delivers reliable, eco-friendly office cleaning for Johannesburg SMEs—with flexible scheduling, vetted teams, and responsive supervision—without rigid lock-ins.”

Pricing logic (cost-plus)

- Base rate built from hours on site × loaded labour cost (wages, travel, uniforms, training) + supervision (10–15%) + consumables (5–8%) + overhead, targeting a 35–45% gross margin.
- After-hours premium: +10–15% where building access or security constraints increase effort.
- Frequency discounts for multi-day visits; 5–10% discount for 12-month contracts paid monthly.

Indicative packages (guide, site-dependent)

- Essential (2x/week, small office ≤150 m²): R2,500–R4,500/month.
- Standard (3x/week, 150–300 m²): R5,000–R8,000/month.
- Premium (daily, 300–600 m²): R8,500–R12,000+/month.
- Add-ons: Deep clean (quarterly), windows/carpets, consumables management (R500–R1,500/month depending on headcount).

Contracting

- Month-to-month pilot (30-day cancel) to reduce risk for new clients; 12-month terms offer best pricing and route stability.

Sources & Data Notes: Wage and tax parameters from Stats SA earnings/minimum wage (2024) and SARS VAT (15%) context; package ranges aligned to SME spend benchmarks supplied and industry quotes (2023/24).

90-Day Action Plan

Weeks 1–2: Foundations

- Register company, VAT readiness, COIDA/UIF; secure public liability cover (min R5m).
- Finalise eco-chemical suppliers; standardise checklists (reception, kitchen, ablutions, floors) and safety data sheets.
- Recruit/vet initial team leads; create training modules (SOPs, client etiquette, alarm procedures).

Weeks 3–4: Pilot readiness

- Build pricing calculator (hours, sqm, frequency). Create 3 proposal templates and SLA.
- Set up CRM (pipeline stages), job scheduling app, and issue-tracking with photo logs.
- Identify 50 high-fit prospects; book 10 site assessments; secure 2 pilot clients.

Weeks 5–8: Pipeline build and brand

- Launch Google Ads (R30k/month), call tracking, and landing page with case-style promises.
- Outbound cadence to 300 leads; target 25 walkthroughs and 6–8 proposals/week.
- Sign property manager referrals; offer a standard referral fee agreement.

Weeks 9–12: Scale ops and QA

- Grow to 3–5 recurring clients; implement weekly supervisor audits and NPS-style feedback.
- Introduce add-ons (consumables, quarterly deep clean) to first clients.
- Review CAC, win rates, average price; refine keywords, scripts, and routing.
- Hiring: add teams as contracts sign; maintain a 1.2x bench for coverage.

KPIs

- Walkthroughs/week: 10–15; Proposal win rate: 25–35%; CAC: R6k–R8k; First-90-day retention: ≥90%; Quality defects per 100 shifts: <5.



Business Plan Framework

Company & Market Analysis

- CleanWorks Pro will operate in Johannesburg, targeting SME offices (10–50 employees) that need daily or weekly cleaning with after-hours access. The market is fragmented, price-sensitive, and quality-critical, with demand anchored by hygiene and routine maintenance. Large FM firms are less flexible for smaller sites; platforms can lack consistency.
- Market size: SAM ~R1.56bn in Johannesburg; Year-1 SOM ~R2.3m at ~30 clients (see assumptions).

Product/Service Description

- Core: Contract office cleaning (daily/weekly), including floors, surfaces, kitchen/ablutions, bins, and reception. After-hours and early-morning slots.
- Eco approach: Low-VOC, SABS-approved green chemicals; microfiber system to reduce waste; dilution control to manage cost and safety.
- Add-ons: Quarterly deep cleans, windows/carpets, consumables supply/stocking, emergency cleans.
- Quality & security: Vetted staff, uniforms/ID, key/alarms protocol, digital checklists, supervisor audits, incident reporting within 4 business hours.

Marketing & Sales Strategy

- Segmentation: Professional services, tech/marketing agencies, medical admin, and small call centres within Sandton, Rosebank, Randburg, Midrand.
- Acquisition: Google Search Ads, local SEO, outbound to curated office parks, property manager referrals, and coworking alliances.
- Sales motion: Site walkthrough → customised quote → 2-week pilot → month-to-month for 3 months → 12-month contract with 5-10% discount. Provide two references by month 2 to reduce risk perceptions.
- Retention/expansion: Quarterly review meetings; add-ons (consumables, deep cleans); 2% price escalator aligned with wage/inflation changes and SLA improvements.

Management Team (suggested)

- Managing Director/Head of Sales: B2B services background; owns revenue, partnerships, pricing.
- Operations Manager: 5+ years cleaning/facilities supervision; owns scheduling, QA, training, and HSE.
- Field Supervisor(s): 1 per 8-10 active sites; conducts audits and coaching.
- Finance/Admin: Part-time initially; invoicing, payroll, compliance (UIF/COIDA), procurement.
- Advisory: HR/labour consultant for shift design and compliance; accountant for VAT and cash flow.

Financial Projections (12 months, base case)

- Assumptions: Average price R6,500/client/month; wage ≈R28/hour; average 3 visits/week; labour ~60-65% of revenue; gross margin 35-40%; marketing spend R60k-R90k/month initially then optimised; CAC ~R6k-R8k; churn <2%/month.
- Revenue ramp: 5 clients by month 3; 15 by month 6; 30 by month 12 → annualised run-rate ≈R2.3m.
- Gross profit: ~R0.8m-R0.9m (year). Operating expenses (marketing, supervision, transport, admin): ~R0.7m-R0.8m. Break-even: ~15-18 clients (depending on route density and ad efficiency).
- Cash needs: Working capital for payroll (1 month), chemicals/consumables, transport, and marketing. Maintain 2 months' operating buffer.
- Pretoria expansion (post 12 months): Spin up a 1-2 team satellite once JHB holds ≥40 recurring clients and supervisor capacity allows; replicate playbook and referral ties.

Risk Management Plan

- Turnover/absenteeism: Offer slightly above-minimum wages on performance, attendance bonuses, and a trained relief pool. Cross-train across sites.
- Quality drift: Weekly audits, photo evidence, manager ride-alongs, clear rework policy within 24 hours.
- Security incidents: Strict key/asset protocols; client-specific checklists; public liability insurance; incident logs with root-cause analysis.
- Price competition: Emphasise value (SLA, eco, supervision, responsiveness). Lock in annual terms with service credits, not deep discounts.
- Regulatory/compliance: UIF/COIDA onboarding, safety files, MSDS on-site, toolbox talks, and B-BBEE documentation.

12–24 Month Objectives

- Year 1: 30 clients in JHB at target margins; >90% 90-day retention; 4.7/5 average service rating.
- Year 2: 60–80 clients across JHB and Pretoria; increase ARPU via add-ons; deepen property manager partnerships.

Sources & Data Notes: Financial and staffing assumptions reflect Stats SA earnings/minimum wage (2024), SARS VAT/payroll (2024), and industry ratio benchmarks for contract cleaning in SA SMEs (2023/24).

Sources

The tool uses the most recent relevant sources available.

- Stats SA (2023/24): Business demography, earnings, and minimum wage context for labour-intensive services.
- CIPC (2024): Registered and active enterprise landscape informing SME counts and formality.
- SARS (2024): VAT (15%) and payroll/withholding frameworks relevant to pricing and compliance.
- City of Johannesburg Economic Profile/IDP (2023/24): SME distribution and priority business nodes (Sandton, Rosebank, Randburg, Midrand).
- National Treasury Budget Review (2024): Inflation and wage pressures context for service pricing.
- Small Business Institute/SEFA reports (2023): SME dynamics and procurement behaviours in South Africa.