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## **ECONOMIC JUSTIFICATION OF THE COST OF CLEANING SERVICES FOR SMALL AND MEDIUM-SIZED BUSINESSES**

**Summary.** *The article is devoted to the economic justification of the cost of professional cleaning services for small and medium-sized businesses (SMEs). The relevance of the study is determined by the persistent practice of SMEs to regard cleaning as a line item of current expenses rather than as an investment in operational efficiency and the capitalization of assets. The scientific novelty lies in presenting a comprehensive model for assessing the value of cleaning that goes beyond a simple comparison of costs. The study systematizes the direct and indirect economic effects of high-quality cleaning and analyzes modern approaches to pricing and quality management. Particular attention is paid to the impact of environmentally friendly technologies and optimized processes on the total cost and profitability for the client. The aim of the research is to demonstrate that professional cleaning is a tool for increasing productivity and reducing operational risks. The methodological framework includes a review of the scholarly literature, data synthesis, and economic modeling. Sources on facilities management, labor economics, and sustainable development are considered. The conclusion presents the author's model of integrated value assessment demonstrating the investment attractiveness of cleaning services. The material is addressed to SME executives, procurement managers, and representatives of the cleaning industry.*

**Key words:** *cleaning services, small and medium-sized businesses, economic justification, value proposition, return on investment, facilities management, labor productivity, green cleaning, outsourcing, operating expenses.*

**Introduction.** Under conditions of intense competition, small and medium-sized businesses strive to maximize the rationalization of costs, and cleaning services are often among the first items to be cut. Such an interpretation reduces cleaning to a cosmetic function and fails to account for the aggregate economic effect of cleanliness and order on key business processes. Professional cleaning is not only the maintenance of visual neatness, but also a set of measures that directly affect employee health and productivity, the preservation of the material base (premises, furniture, equipment), corporate reputation, and customer loyalty. Ignoring these factors generates hidden costs: a decline in efficiency due to illness, accelerated asset wear, and customer attrition. Consequently, the scientific and practical relevance of the topic lies in the necessary paradigm shift: from a cost center to a value creation center [4; 7].

The **purpose** of the study is to demonstrate that professional cleaning is an instrument for increasing productivity and reducing operational risks.

The research **tasks** are as follows: to conduct an analysis of existing approaches to assessing the cost of cleaning services and to identify their limitations as applied to SMEs. To identify and systematize the direct and indirect economic benefits of professional cleaning based on an analysis of the scientific literature and empirical data. To propose the author's integrated model for assessing the value of cleaning services that makes it possible to substantiate their cost, both quantitatively and qualitatively, as an investment.

**The scientific novelty** consists in constructing a comprehensive model which, in contrast to traditional estimate-based approaches, takes into account the multiplicative economic effect of cleaning by integrating direct costs, indirect

benefits (productivity growth, reduced morbidity), and intangible assets (reputation, brand).

**The author’s hypothesis** is based on the proposition that applying the integrated value assessment model makes it possible to show that the total economic effect of outsourcing professional cleaning services substantially exceeds their direct costs, transforming this service from an expense item into a profitable investment for SMEs.

**Materials and Methods.** The preparation of the article was based on an analysis of a current corpus of scientific publications covering the economics of services, management of facilities, and the impact of workplace environment parameters on labor productivity. Methodologically, the following were applied: comparative analysis — to compare pricing models and approaches to evaluating cleaning effectiveness; systems analysis — to identify relationships between cleaning quality and key business indicators (productivity, sales, staff turnover); synthesis — to integrate disparate data from sources into a single conceptual construct; economic modeling — to develop the author’s integrated value assessment model.

**Results.** A comprehensive analysis of the scientific literature and consolidated practical experience makes it possible to build a systemic framework for the economic justification of the cost of cleaning services across a number of key areas. Routine calculation that reduces the assessment to direct expenses (hourly labor cost, consumables) is methodologically incomplete and does not capture all the value created for the business.

Professional cleaning providers extract economies from scale effects, well-established regulations, and the use of specialized equipment — capabilities generally unavailable to SMEs when attempting to organize cleaning with an in-house staff. The implementation of clear standards and process maps shortens the duration of operations without quality degradation. According to the author, process optimization and the use of professional chemicals reduce the time of

work, which directly reduces the cost of an hour and, as a result, the final price for the client [1; 3].

Outsourcing allows SMEs to eliminate a wide range of non-core costs: recruitment, training, and supervision of personnel; procurement and storage of equipment and chemicals; equipment depreciation; personnel recordkeeping; and payment of payroll taxes for staff. These functions are fully assumed by a professional contractor.

A hygienic workspace directly correlates with employee well-being and performance; studies record an association between indoor air quality and dust levels and the incidence of respiratory diseases. Reduced morbidity leads to lower absenteeism and increased engagement. In the author’s practice, the use of environmentally friendly, hypoallergenic agents reduced complaints about odors and allergic reactions by 30–40%, forming a safer and more comfortable environment — a direct contribution to the health of the team.

Regular proper care of surfaces and equipment (floors, furniture, office equipment) extends their service life and preserves their appearance. Incorrect selection of chemicals or violations of technology can inflict irreparable damage on property and trigger expenses for repair or replacement. Professional cleaning acts as an investment in preserving the company’s tangible assets [2; 5].

Below, Table 1 is presented, reflecting the key advantages and disadvantages of conducting an economic justification of the cost of cleaning services for small and medium-sized businesses.

*Table 1*

**Advantages and disadvantages of conducting an economic justification of the cost of cleaning services for small and medium-sized businesses**

Aspect	Advantages for SMEs (customer)	Disadvantages / risks
Cost transparency	Understanding what composes per hour/m <sup>2</sup> /object; easier to detect overpayments	Possible analysis paralysis and delays in decisions

Model choice (outsourcing vs in-house)	Comparison of TCO: wages, taxes, inventory, replacements, management	Hidden costs are hard to account for (sick leave, turnover)
Negotiating position	Arguments to reduce price and/or improve SLA	Risk of damaging relationships in hard bargaining
Budget and cash flow	Predictability of payments, convenient pricing	Underestimation of seasonality and peaks
Quality management (SLA/KPI)	Linking price to a measurable outcome	Measurement complexity (audits, checklists)
Tariff comparison (hour/m <sup>2</sup> /result)	Selection of the optimal model for the facility	Risk of choosing a cheap but ineffective scheme
Investments and TCO of equipment	Understanding whether equipment/chemicals will pay off	Incomplete data on service life and maintenance

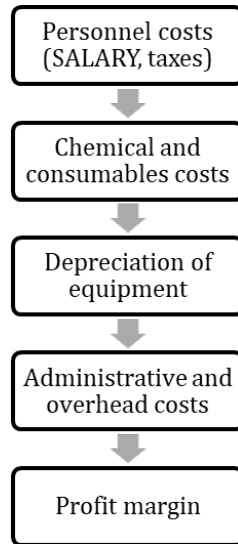
Source: compiled by the author based on [1; 2; 3; 5]

The author's practice in offices, restaurants, and stores confirms that systematic care makes it possible to postpone cosmetic repairs on average by 2–3 years.

For client-oriented formats (retail, restaurants, beauty salons, private clinics), cleanliness is a key determinant of first impressions and choice factors that determine purchase or repeat visit. Impeccable premises conditions are associated with quality, reliability, and care for the customer. The author's experience confirms that high cleaning standards not only expanded the client base but also reinforced the company's positioning as a stable and sought-after supplier, since SME clients received positive feedback from their own visitors.

**Discussion.** The empirical data obtained confirm that the economic assessment of cleaning services should be structured as a holistic, multifactor system. The inertia-driven application of the cost plus profit model does not represent the value created for the customer: it reduces cleaning to the status of a standardized commodity, in which price becomes the sole selection criterion. Such reduction is methodologically erroneous and inevitably leads to incorrect managerial decisions by SMEs.

To remove this constraint, it is advisable to shift from a simplified estimate-based logic to an integrated value assessment model. For greater clarity, the traditional approach will be depicted in Figure 1.



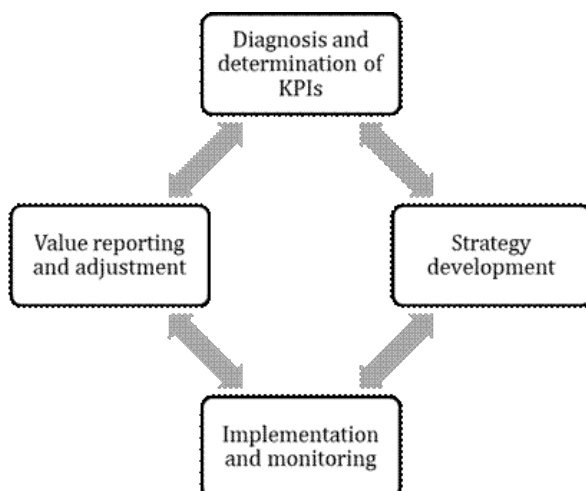
**Fig.1. The traditional Cost-Plus model**

*Source:* compiled by the author based on [2; 4; 10]

As can be seen from the diagram, this model completely ignores the economic benefits received by the client. It does not answer the main business question: What will I get for this money? Based on the results of the analysis conducted, it is advisable to apply a more advanced approach that provides for the consideration of indirect (mediated) economic effects.

Relying on the analysis performed, we substantiate the implementation of the Integrated Value Assessment Model (IVAM). This is not a one-time calculation procedure but a cyclical managerial process that enables a cleaning company to position itself as a partner in the customer's business development rather than an ordinary contractor [3; 7; 9].

Figure 2 below presents the author-developed Integrated Value Assessment Model. The model is structured into four sequential stages that form a continuous cycle of improvement and verification of the value created.



**Fig.2. The author's Integrated Value Assessment Model (IVAM)**

*Source:* compiled by the author based on [3; 7; 9]

As can be seen from figure 2, at the outset a joint audit of the facility and its business objectives is conducted with the client. Instead of asking what to wash, the question posed is which business problem we can help you solve. Key performance indicators (KPI) are recorded, for example: reduction in the number of sick leaves, increase in average ticket size, increase in the establishment's rating. Next, at the second stage, strategy development is carried out. In this case, based on the selected KPI, an individualized cleaning plan is formulated: eco-friendly agents are selected to minimize allergic reactions, a cleaning schedule is structured that does not disrupt clients, etc. The third stage is implementation and monitoring. Execution is accompanied by systematic data collection — air quality measurements are performed, anonymous surveys of the client's employees about their well-being are organized, and visitors' online reviews are analyzed. The final stage is reporting; the client receives a report that demonstrates not the volume of work but the achievement of business KPI [7; 8].

The introduction of IVAM translates the relationship from customer—contractor to partner—partner. The dialogue shifts from the language of costs to the language of investment and return on investment (ROI), which is the only correct logic for the economic justification of the cost of cleaning services for the pragmatic small and medium-sized business segment.

**Conclusion.** As a result of the study, the stated objective has been achieved: a model for assessing the value of cleaning services has been developed and substantiated, demonstrating their investment attractiveness for SMEs. The full set of research tasks was solved sequentially to construct this model.

First, an examination of existing approaches to cost assessment was carried out, revealing a fundamental flaw in the dominant practice—an exclusive focus on direct costs while effectively ignoring the value created for the client.

Next, based on an analysis of contemporary scholarly literature and the author’s applied data, the spectrum of economic effects of professional cleaning was systematized. It was demonstrated that its effectiveness manifests not only in direct savings but also in increased labor productivity, preservation of assets, and brand strengthening. This is supported by quantitative indicators from the author’s practice .

Finally, as a solution, the author’s Integrated Value Assessment Model is proposed—a cyclical loop that makes it possible to identify the client’s business goals, design a cleaning strategy aligned with them, and present the results in measurable ROI indicators.

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