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2023 Distribution Benchmarking Survey

Data & statistics for professionals who work in distribution and the supply chain

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How Should Manufacturers Improve Their Distributor Relationships

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INDUSTRY DATA

The 2023 Cleaning Industry Distribution Benchmarking Survey

Data and statistics for professionals who work in distribution and the supply chain

In our diverse business landscape, especially in the distribution and supply chain industry serving the cleaning industry, staying informed isn't just an advantage – it's a necessity. Business owners, stakeholders and those in corporate management need powerful tools that encapsulate the collective voice of their peers. The most important tools come packaged as *knowledge*.

That's why ISSA, the worldwide cleaning industry association, commissioned its first-ever distribution and supply chain survey, a complex and complete overview of the data and statistics distributors and supply chain professionals need to make decisions, and plan the future of their organizations.

These survey results offer more than simply numbers and statistics, however. They provide insight into industry standards, forecast emerging trends and spotlight potential challenges.

For example, when distribution and supply chain professionals were asked in the survey what they would like to see from their supplier partners to serve customers better, the majority chose "product innovation" to top their wish list. Then came "inventory/supply chain management" as the second most important item to them. Better payment terms was third on the list.

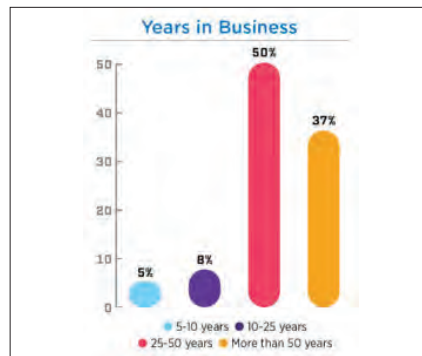
When choosing a supplier partner, "quality" topped the list, followed by a close tie of "price" and "on-time delivery," with "support" right behind.

And let's not forget emerging technology. When asked what distributors

have recently implemented to be more productive and competitive, the list was long with innovations from AI tools to route planning software to warehouse management technology – and many more.

In the following pages, we provide a snapshot of the survey results, information to help with business decisions, and data to help you drive innovation. Dive right in and read, analyse and use the following information as you continue to grow your organization.

You can download this report and see these results online at issa.com/distribution-survey-2023, along with information about additional data available.



About the report: The data recorded in this survey is based on results from distribution and supply chain professionals responding to invitations to participate in this survey.

There are many legacy distribution companies in the cleaning industry, all contributing to the growth and profit-

continued on page 4 »

YOU MADE HISTORY!

We're celebrating 100 years of the Cleaning Industry by releasing the special ISSA Cleaning Times 100th Limited Anniversary Edition.



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IN THIS ISSUE

Industry Sponsor Dustbane Products Ltd.	2
The 2023 Cleaning Industry Distribution Benchmarking Survey	3
How Should Manufacturers Improve Their Distributor Relationships	5
ISSA Releases 100 th Anniversary Limited Edition of <i>The Official ISSA Cleaning Times</i>	6
Unleash the Power of ISSA Show North America 2023	7
Healthy Air in Any Building with Fellowes® Array™	9
AI and Distribution	11
The Connection Between Cleaning and Facility Image	13
Calendar of Events	15
One Industry. One Mission. One Show – ISSA Show North America 2023	16

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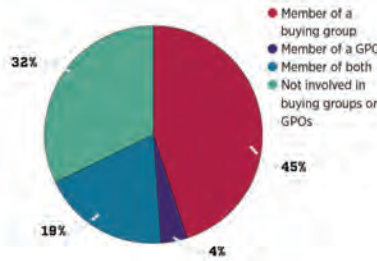
Henry Reimer
Enterprise Paper

« continued from page 3

The 2023 Cleaning Industry Distribution Benchmarking Survey

ability of customers served. Approximately 50 per cent of survey respondents have been in business for 25 to 50 years, with nearly 38 per cent at 50 years or more. For end-users, choosing a distribution partner with a proven track record that provides accurate information on products and services is key to success. Many equate the longevity of a company with experience and value. In addition, approximately 50 per cent serve customers from one location, with 35 per cent using two to five locations, and just under 10 per cent at more than 10 locations.

Participation in Buying Groups or Group Purchasing Organizations



There is power numbers. Being part of a buying group or a group purchasing organization (GPO) gives purchasers more muscle when it comes to ordering and obtaining preferred pricing. It also solidifies relationships between sellers and buyers. While the buying group and GPO strategy works for all companies, it especially benefits small- and medium-sized businesses that might need improved negotiating power, reduced administrative burden, support, education and more. In the cleaning industry, 45 per cent of distributors are part of a buying group, with just three per cent as members of GPOs. Yet, some do both, with nearly 20 per cent belonging to both a buying group *and* a GPO.

Driving revenue is the lifeblood of any company and often serves as the primary indicator of the health of a business and its ability to grow and sustain operations,

2022 Annual Revenue

Less than \$500,000	4%
\$500,000 - \$999,999	8%
\$1MM - \$2,999,999	12%
\$3MM - \$4,999,999	7%
\$5MM - \$9,999,999	41%
\$10MM - \$49,999,999	8%
\$50MM - \$99,999,999	10%
\$100MM - \$299,999,999	6%
More than \$300MM	5%

which builds confidence in clientele. For distribution companies responding to the survey, the vast majority are seeing robust sales. A small percentage (three per cent) are at less than \$500,000 in annual revenue for 2022, with the majority (40 per cent) landing between \$5 and \$20 million in annual revenue. There are approximately five per cent at \$30 million in annual revenue.

Distribution companies serving a broad clientele offer a diverse range of products for various market segments (see the “Percentage of Product Sales by Categories” chart on page five). Yet this is the cleaning industry, so it’s no surprise that the janitorial product category dominated all others. Nearly 50 per cent offer janitorial products more than any other product type, followed by paper and packaging products at 27 per cent, and industry maintenance and repair products at 16 per cent. In total, some eight different product category types were reflected by respondents. It’s evident that distributors and those who are part of the global cleaning supply chain are meeting customer needs by investing in a diverse portfolio of product offerings.

Revenue by Vertical Market

Building service contractors (BSCs)	19%
Commercial (office/property management)	11%
Education	21%
Food service	10%
Government	14%
Health care	13%
Hospitality (hotel, motel, lodging)	12%
Industrial/manufacturing	13%
Packaging	7%
Public venues (arenas, stadiums, convention centers, museums)	5%
Retail (shopping centers, casinos, entertainment)	7%
Transportation (airports, mass transit, cruise)	6%
Other	20%

Selling into diverse vertical markets is smart business (see the “Revenue by Vertical Market” chart above). It’s a strategic move to focus on different, yet complementary, organization types. Risk diversification might be top-of-mind for many smart distribution entrepreneurs, along with creating a stable revenue stream with greater growth and profit potential, as well as

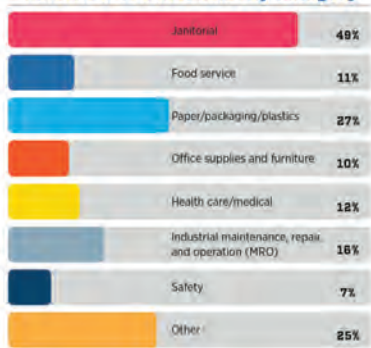
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The 2023 Cleaning Industry Distribution Benchmarking Survey

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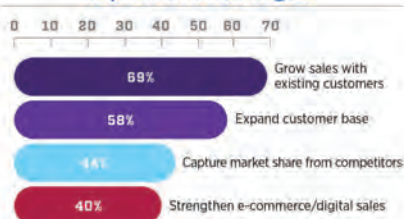
with brand resilience. And, thinking of the sales force, this provides more cross-selling opportunities. By market segment, education topped the list, with 21 per cent of respondents making that their primary focus. Coming up next was serving the building service contractor (BSC) market at 19 per cent, with health care, hospitality, commercial facilities and food service following, in that order.

Percent of Product Sales by Category



Distribution companies seeking to thrive in today's competitive and complicated marketplace are smart to employ a combination of traditional and innovative growth strategies (See the chart "Top Growth Strategies"). Some respondents indicated they were growing, with some strategies including increasing warehouse capacity and increasing the sales force team. Yet the vast majority see their existing customers as key to additional growth, with nearly 70 per cent planning to sell more to existing clientele, and 58 per cent looking to expand their customer base. Then we have nearly 44 per cent who will not only do that but also look to capture market share from their competitors. Almost 40 per cent of those surveyed indicated they have strengthened their e-commerce/digital sales strategies to be more competitive.

Top Growth Strategies



In other data relating to growth strategies, many indicate that adding more outside sales staff is planned. However, that traditional role is also the most difficult to fill, according to nearly 70 per cent of those surveyed. Most offer a mix of salary plus commission to their outside sales team. In all, there were more than 10 growth strategies as part of this survey, in addition to other data collected.

Top Concerns



While most survey respondents indicate a healthy organization and growing profits, that doesn't mean there aren't concerns. When asked about their top concerns (see chart above) in the coming year, economic conditions topped the list at 42 per cent, followed by customer and product demand at 34 per cent. E-commerce and digitization are creating headaches for some respondents as well, with 33 per cent citing that as something they are watching and analysing. Some (20 per cent) are concerned about the increase in mergers and acquisitions, and how that can impact their own profitability.

Everyone buys online, especially consumers. Yet business professionals are increasingly purchasing products by tapping into the power of the Internet (see "Website and E-Commerce Sales" chart below). Distribution companies are responding by offering e-commerce solutions. When asked if they were generating website or e-commerce revenue, 87 per cent said they were offered the option and saw sales. Yet in a follow-up question, the percentage of overall sales seems to avoid the e-commerce world, with 45 per cent seeing less than 10 per cent of revenue from online purchases.

continued on page 6 »

DISTRIBUTION UPDATE

How Should Manufacturers Improve Their Distributor Relationships

By TOM FOURNIER, Chair, ISSA Canada Distributor Council

In a recent survey conducted by Baird Analysis on behalf of Modern Distribution Management, there was an interesting "rotating question" which garnered distributor responses. The question was: "From your perspective, what is the biggest thing manufacturers could do better to reduce friction in their distributor-manufacturer relationship?"

I thought I would highlight and comment on several of the ones that jumped out at me, and offer a few more based on my experiences working as a manufacturer that sold through distribution and my consulting work with a number of distributors.

From Baird:

- **Collaborate on problem resolution.** This seems so simple. But when I see "problem," I read conflict. Conflict is difficult for all parties to manage. The worst way to do it is a late Friday afternoon email dump. Ouch! That will blow up. Also, I have seen too many of these escalate through exchanges of emails. If it is sensitive, pick up the phone and call. If it is very serious, be proactive, and get the most appropriate senior leaders involved so they can come to resolution and cascade this down through their organizations. Hiding from a problem is not going to make it go away. Prolonging the resolution can mean hard feelings that will be difficult to overcome.

- **Collaboratively Build Annual Growth Plans.** Another

continued on page 6 »

How Should Manufacturers Improve Their Distributor Relationships

simple and practical step that is seemingly not all that common. This applies to significant partnerships. Not only build the plan, but also set a cadence for joint business reviews that measure progress against the plan. If collectively you are not on target, then you need to adjust the plan or adjust expectations.

- **Manage Price Increases – Limit the Number of Times. Offer Proof of Sources so Distributors can sell the increase.** A price increase needs to be sold through to a distributor’s customers. They do not have the margin to absorb manufacturers’ increases. If the manufacturer can provide indices showing input price increases, then there is a better chance the distributor can sell the increase with justifications rather than simply blaming the manufacturer for the increase.

- **Limit Distribution.** For a manufacturer, what is your strategy? Can everyone buy? Then you need to market the heck out of your products creating demand so that end user customers can source through their preferred distributor. Do you want to work in conjunction with distributor partners to develop business together? Then you need a plan to show that you respect distributors and the work you expect them to do on your behalf creating business opportunities for you!

- **Product Information Ready for Ecommerce.** Manufacturers need to give easy access to product specifications including weights and measures, and sub-packs, product descriptions, suggested applications, and product images and logos to support quality product listings on a distributor’s website/ecommerce portal.

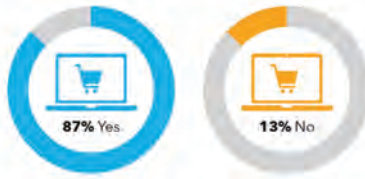
From me...

- **Leads and Qualified**

continued on page 12 »

The 2023 Cleaning Industry Distribution Benchmarking Survey

Website and E-Commerce Sales



Only six per cent of respondents see more than half of revenue tied to e-commerce efforts.

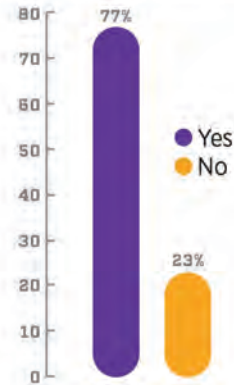
Some say there is nothing more reliable than providing private-label product lines, as those sales are to organizations that will purchase and consume large amounts of product. For distribution, this strategy seems to be a smart move, with more than 75 per cent of respondents engaging in private-label offerings. Is this the most profitable move? That can be debated as 52 per cent said they see less than 20 per cent of revenue tied to private label product lines.

THE BOTTOM LINE

Respondents were asked additional questions about revenue, sales and profitability. Nearly half of those surveyed

indicated they saw an increase of more than 10 per cent of gross sales revenue in 2022, with an increase in profits compared to 2021. The overall gross margin for 2022 was more than 40 per cent for

Private-Label Opportunities



the largest segment of respondents. And the future? For 2023, more than 30 per cent see this year as profitable, with indications pointing to an increase of another 10 per cent in revenue growth.

You can download this report and see these results online at issa.com/distribution-survey-2023. 🍁

ISSA Releases 100th Anniversary Limited Edition of The Official ISSA Cleaning Times

ISSA, the worldwide cleaning industry association, is proud to announce the 100th Anniversary Limited Edition of *The Official ISSA Cleaning Times: The Cleaning Industry’s Most Trusted Tasks, Tools & Workload- ing Resource* has been recently updated and is available for pre-order today.

First released in 1963, this invaluable resource has been updated upon industry demand from its previous revision in 2021, providing the average cleaning times for both individual tasks as well as bundled processes.

This new eighth edition was developed as a collaborative effort with ISSA members to add practical real-world information submitted by both

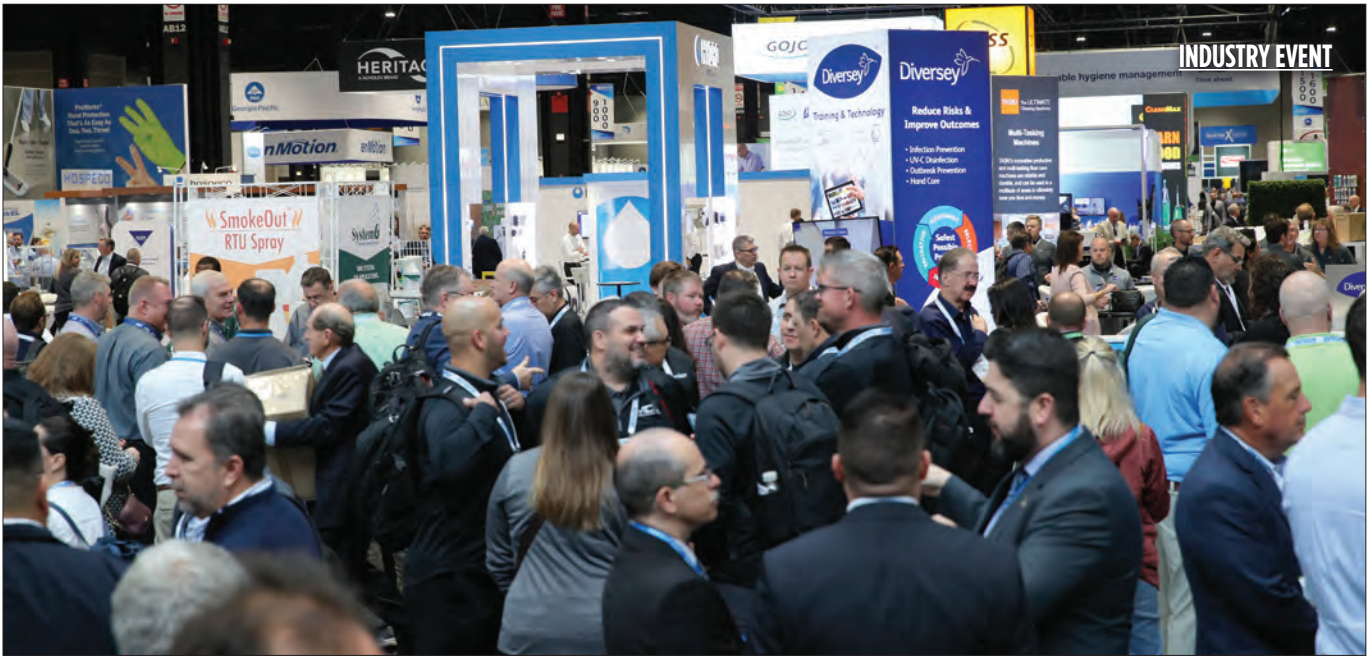
manufacturers and end users.

The updated *Cleaning Times* features a glossary of common cleaning terms as well as sections inclusive

of ISSA’s entire membership with specialized industry-specific segments for the transportation, retail, residential, educational, hospitality and correctional facility markets. In addition to revised and expanded cleaning times, this latest version includes new equipment data for using walk-behind vacuum units, auto scrubbers and



continued on page 13 »



Unleash the Power of ISSA Show North America 2023

Your gateway to transforming the cleaning industry

Mark your calendars for November 13-16, as ISSA Show North America 2023 comes alive. Dedicated to delivering impactful solutions to all the challenges facing the global cleaning industry, ISSA Show North America is the ultimate platform where you can discover cutting-edge products, embrace innovative ideas, gain valuable education, and connect with like-minded professionals and industry pioneers to tackle the crucial challenges of today's cleaning landscape.

It's all coming to the Mandalay Bay Convention Center in Las Vegas. This is the industry's biggest and best event and you do not want to miss it. Join us as we continue to rethink what clean means.

SHOW EXPECTATIONS

(1) **Explore the latest products and innovations:** Witness a comprehensive showcase of state-of-the-art products and technology in the cleaning industry. Get first-hand access to everything you need to propel your organization to new heights of efficiency and effectiveness.

(2) **Elevate your knowledge and**

skills: Dive deep into a wealth of educational opportunities tailored to advance your career. Benefit from expert-led sessions, workshops and seminars designed to empower you with invaluable insights, strategies and best practices to excel in your profession.

(3) **Engage with peers and visionaries:** Connect and network with a vibrant community of fellow professionals and industry leaders who share your passion for cleaning excellence. Exchange ideas, collaborate on solutions, and gain inspiration from those at the forefront of innovation, all while build-

ing long-lasting relationships that fuel personal and professional growth.

(4) **Stay ahead of the curve with the latest cleaning technology:** Discover the future of cleaning technology and learn how to integrate it seamlessly into your operations. From robotic technology and automation to sustainable solutions, ISSA Show North America 2023 is your gateway to staying ahead of the curve and capitalizing on the industry's evolving landscape.

Don't miss out on this unparalleled opportunity to supercharge your career, revolutionize your organization and stay at the forefront of the cleaning industry. Join us at ISSA Show North America 2023 and witness the transformative power of knowledge, innovation and community.

Navigate to issashow.com for all the details you need. Hope to see you there! 🍁

— Ed Nichols is the Director of ISSA Show North America

SOURCE: ISSA Today

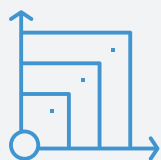
Introducing

Fellowes® Array™



The Most Advanced Networked Air Quality System

Fellowes Array includes a breakthrough range of air purifiers, sensors, and monitoring software that can be connected to form a complete network for optimal air quality in any room, floor or space.



**Seamless &
Scalable Integration**



**Automatic Sense &
React Technology with
EnviroSmart+™**



**Effective &
Efficient Filtration**



**Monitoring &
Real-Time Data
with Viewpoint**

Fellowes leveraged over 106 years of workplace solutions experience, and 15 years in air purification, to deliver this industry-leading system.

Learn More: new.fellowes.com/ca/array



Healthy Air in Any Building with Fellowes® Array™

Fellowes conducted an annual survey of workers in the United States and Canada to understand the state of air quality in the workplace and employee perceptions of the air they breathe at work. The survey of nearly 1,100 employees who work in an office at least one full day per week revealed that **only 25 per cent** of Canadian respondents believe the air in their workplace is very clean.

Employees are aware of the importance of clean air to their health and well-being, with more than 95 per cent acknowledging that clean air should be a right for all workers. A similar number of respondents (93 per cent) also stated that clean indoor air helps them perform their best at work.

Considering the high priority employees place on air quality, and their opinions on the current state of air quality in their workplace, the time has come for employers to meet the demands for a healthier work environment through improved IAQ.

Ensuring optimal air quality across

an entire building is no easy task though. Segmented spaces, outdated building infrastructure, insufficient ventilation and lack of insights into your indoor air quality status all contribute to degraded air quality conditions that threaten the health and performance of your building's users.

Designed to empower organizational leaders and facilities management to regain control of their indoor air quality, Fellowes® Array™ breaks new ground as the most advanced networked air quality system. Using proprietary technology to combine the benefits of H13 True HEPA filtration, a full suite of indoor

air quality sensors, and monitoring with real-time air data collection, Array allows cleaning professionals to monitor, track and automatically improve building-wide air quality. With Array, it has never been easier to have complete visibility and control over the air quality of your spaces, and the confidence of knowing each breath is protected.

Unlike traditional stand-alone air purifiers that may have limited placement options, fragmented coverage and an obtrusive presence, Array's diverse range of units and installation styles seamlessly scale and integrate with any existing architecture or design. Working in unison alongside commercial HVAC, Array's networked air purifiers, sensors and monitors securely connect over LTE to form a complete air quality network throughout any room, floor and building. With each Array unit connected to the wider network,

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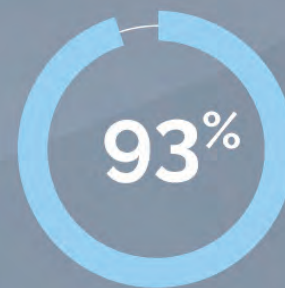
Employee Perceptions of Their Workplace



of respondents believe the air in their workplace is very clean



acknowledge that clean air should be a right for employees



state that clean indoor air helps them perform their best at work

Fellowes

*Fellowes fielded a survey on Aug. 24-29, 2023 about indoor air quality topics via SurveyMonkey audience to 1,085 U.S. and Canadian adults who are employed full-time or part-time and who work at least part of the time indoors at their employer's location. The survey had a margin of error of +/- 3%.

« continued from page 9

Healthy Air in Any Building with Fellowes® Array™

Advanced EnviroSmart+™ sensors can proactively monitor their surroundings with automatic sense and react technology-detecting contaminants, sharing air quality data throughout the network, and coordinating a purification response to clean the air faster and more efficiently. Once Array restores the air quality to an optimal threshold, the system will shift into standby mode to conserve energy and reduce operating expenses.

Every building faces unique air quality challenges, which is why Array was engineered to protect against the most common and dangerous contaminants. Array's pioneering filtration is powered by a three-in-one filter that is 99.95 per cent effective in capturing particles as small as 0.1 microns including viruses, allergens and germs. Consistent air circulation is critical for healthy spaces, which is why the system incorporates a proprietary mixed-flow fan design that is carefully engineered to optimize air flow while maintaining quiet operation.

As Array's purifiers, sensors and monitors continuously track air quality data throughout your space, you can see real-time air quality status via Viewpoint, the cloud-based

dashboard. Viewpoint provides comprehensive air quality data – complete with notifications, trends and insights – that enable you to evolve your air quality strategy.

Learn more about Fellowes Array and how we're partnering with Canada's janitorial and sanitation professionals to pioneer a new chapter in indoor air quality management at [new.fellowes.com/ca/array](https://www.fellowes.com/ca/array).

ABOUT FELLOWES

Fellowes® is a fourth-generation family business serving at the intersection of family, innovation, quality and care since 1917. Delivering industry-leading records storage solutions, business machines and design-focused environmental solutions, we help people be at their best.

Throughout our long history, we have strived to respond to the needs of our customers quickly and boldly. This spirit of customer-focused innovation is more alive than ever in the launch of the Most Advanced Networked Air Quality System: Fellowes Array™. Developed from our 15 years of air purification experience and our state-of-the-art product engineering, Array makes monitoring and improving indoor air quality faster and easier than ever. By implementing an advanced networked air purification system that seamlessly compliments commercial HVAC systems, building stakeholders can finally provide H13 True HEPA air quality for their team and guests, without extensive renovations or mechanical updates. Array is a groundbreaking innovation fundamentally demonstrating our commitment to helping people be at their best.

The time has come for employers to meet the demands for a healthier work environment through improved IAQ

ABOUT THE SURVEY

Fellowes fielded a survey Aug. 25-29, 2023, about indoor air quality topics via SurveyMonkey Audience to 1,085 U.S. (585) and Canadian (500) adults who work at least part of the time indoors at their employer's location. The survey had a margin of error of +/- three per cent at the 95 per cent confidence level.



By ROBERT KRAVITZ

AI and Distribution

A recognized thought leader in the professional cleaning industry decided to test the capabilities of an artificial intelligence (AI) technology. He typed a paragraph discussing a specific topic and asked the AI system to write a poem about it.

Within 30 seconds, a poem of about 150 words – well-written and well-thought-out – was created. Amazed, he shared the poem with several associates.

Across town, a college graduate was having trouble writing the cover letter for his resume. After four drafts, he turned to an AI system to write the cover letter providing the technology with the basics he wanted to discuss. Once again, in about 30 seconds, the system provided him with not one, but four samples to

select from, each written slightly differently; one was more professional, the other more personal, one technical and the fourth the most persuasive.

As with our thought-leader, the college graduate was astonished at how well the AI technology worked. But, taking this a step further, will AI technology find a place in the distribution industry, specifically the many independent distributors in the janitor, packaging, hospitality and related industries?

If someone in those industries needs a quick – but high quality – poem, or an eye-catching cover letter for a request for proposal, for example, the answer is yes.

However, if they need something substantially more comprehensive, and predictions hold true, AI will provide distributors with new ways to improve efficiency, reduce costs, predict customer purchasing behaviour and improve customer relations.

WHAT IS AI?

With all the hoopla about the technology, many would believe it was invented virtually overnight. However, the concept of AI dates all the way back to 1950, when Alan Turing, known as the “father

continued on page 12 »

« continued from page 6

How Should Manufacturers Improve Their Distributor Relationships

Opportunities. From what I experienced, if you have marketing resources then distributors assume you are generating leads and they never feel they are getting their fair share, if any. You need to be able to discuss with distributors what your corporate approach is to lead generation and how they can participate. If you do not have a good approach, then consider developing a distributor specific program for important partnerships! (see [video](#) from Integrity Leads).

- **Be Clear on Your Strategy Around Ecommerce Giants.** If a manufacturer is busy creating listings with Amazon Business and making them a part of their distribution strategy, then it is important to be transparent with distributors around that shift in their distribution strategy. You need to set your strategy so that if a distributor meets you via an ecommerce platform, they are not at a significant price disadvantage.

- **Make Sure Your Sales Team Understands a Distributor's Financial Needs.** For manufacturers, they need to make sure their sales organization and their product managers have a clear and proper understanding of the margins that a distributor needs to be able to operate profitably. I can not begin to describe the number of times that I heard a sales representative say, "I gave them 10 points, that should be plenty."

It continues to be a tough market with margin compression at all levels of the supply chain. A great opportunity to succeed in this environment is to build respectful and collaborative relationships with distribution. 🍁

— Tom Fournier is the founder of the Shade's Mill Group and chair of the new ISSA Canada Distributor Council.

SOURCE: Shade's Mills Group Blog



« continued from page 11

of computer science,” published a paper on the then-unnamed technology. Turing wondered if machines could think, and if so, provide answers to an array of challenges along with presenting intelligent responses similar to that of a human.¹

That, in many ways, is the essence of AI technology. According to an IBM blog post, “Artificial intelligence leverages computers and machines to mimic the problem-solving and decision-making capabilities of the human mind.”²

In simpler terms, AI is a software or group of software programs. It’s a tool capable of processing and storing large amounts of data, learning from this data and then providing valuable insights for businesses, such as those in distribution. Those businesses that have already put the technology to work often say that it supplies them with “predictive analysis” – a suggestion of one or more possible actions that can be taken to address a situation, along with the potential outcomes of each action.

As to the recent hype around the technology, it is likely related to the fact that it has accelerated significantly in the past few years. It has reached the point that many – business, governments, educators, as well as individuals – can put its problem-solving capabilities to work. In fact, most of us have already been using AI every time we use a chatbot, virtual agent³, or voice assistant⁴, have writing checked using an online grammar checker, or allow computers and/or smartphones to suggest words and entire phrases when writing emails.

AI and Distribution

HOW SOME COMPANIES HAVE PUT AI TO WORK IN DISTRIBUTION

Several of the largest companies around the globe are now using AI technologies in distribution. For example:

- UPS uses AI to optimize delivery routes, saving the company 100 million miles and 10 million gallons of fuel per year. View it as a GPS – but on steroids.
- Amazon uses AI to predict product demand, to help keep inventory levels in check and avoid over-purchasing or under-purchasing.
- Walmart uses AI to detect fraud in shipments. All too often, what a delivery vehicle leaves with from a warehouse and what it unloads are not the same. AI has helped Walmart prevent millions of dollars of losses.
- FedEx uses AI-powered robots to monitor delivery procedures, ensuring that shipments from the warehouse to the final location are delivered on time/all the time.

But how about smaller distributors, such as independents? How can they benefit from AI? For this, we turn to Radhika DeLaire, vice president of technology for AFFLINK, a network of distributors in the country.

INTEGRATING SALES, MARKETING AND CUSTOMER SERVICE

According to DeLaire, many distributors, especially those not part of a network of distributors, often have different divisions and people that simply don’t talk to each other. Inside sales-

continued on page 13 »

AI and Distribution

« continued from page 12

people, may not share information with outside sales or customer service reps (CSRs). On the other hand, CSRs may not share information with either sales group. Further, both divisions may know little about what is being purchased online.

“AI has the capability of combing all of this information into one channel,” says DeLaire. “Everyone now knows who the customer is, what they regularly purchase and insights into their business operation, all of which helps the independent distributor make highly accurate predictions of the customer’s future needs.”

REDUCING COSTS

The past year has resulted in many distributors (along with most businesses) scrambling to find ways to combat diminishing profit margins. At least initially, many passed the buck to end customers, increasing product costs. Some manufacturers turned to “shrinkflation,” a practice of reducing the size of a product while keeping it at the same price.

“AI has helped eliminate this by improving efficiency,” adds DeLaire.

As referenced earlier, AI helps optimize and predict purchasing patterns, and “avoid trial and error purchasing. It can also be trained to look for inefficiencies that can increase costs for distributors and suggest ways to increase worker productivity.”

According to a study by the business consulting firm McKinsey⁵, at least 30 per cent of current worker activities can be automated using AI technology, helping to reduce costs further.

ENHANCED CUSTOMER RELATIONSHIPS

We know it can help determine and predict purchasing cycles. “But AI chatbots can also learn the answers to frequently asked questions about products and any issues the customer may have with the product,” according to DeLaire. “This can significantly improve customer experience without the need for human intervention.”

AI is also usually aware of all the products an end customer has selected when they contact a company for assistance. This information speeds up re-

sponse times and can refer the customer to appropriate support agents, if needed.

BRINGING IN A COPILOT

In March 2023, Microsoft announced they were integrating Copilot into Office 365. Copilot is already being used by many distributors. Using AI technology, Copilot allows business professionals to quickly produce sales presentations in PowerPoint, create marketing content using Word, automatically generate customer collection letters and make analysing data in Excel far easier.

It is part of Enterprise Resource Planning (ERP) business applications. “What some users are reporting is that ERP can automate many operational tasks in business areas, such as finance, accounting, human resources, sales, procurement, logistics and supply chain management,” says DeLaire. “It can help simplify business complexity, optimize cost control and improve productivity, along with data analysis and reporting.”

THE DOWNSIDE

With all its possibilities, there are downsides and actual risks in using AI. That’s why educators and business leaders in various industries have asked Congress to intervene to put the brakes on AI or take steps to regulate it.

In May 2023, more than 350 professors, industry leaders and top executives at Microsoft as well as Google, signed a statement from the Center for AI Safety⁶ that says, “Mitigating the risk of extinction from AI should be a global priority alongside other societal-scale risks, such as pandemics and nuclear war.” Their big concern is that the technology may put millions of people out of work and be used for nefarious purposes.

Beyond this, more immediate concerns with the potential to negatively impact distributors are the following:

- **Mistakes.** AI is only as good as whoever puts the system together. Some have coding and programming errors that are only realized once the machine is used. For example, making a mistake in predicting customer purchasing patterns can be costly.
- **Cyberattacks.** Just wait. We have

continued on page 14 »

« continued from page 6

ISSA Releases 100th Anniversary Limited Edition of The Official ISSA Cleaning Times

micro scrubbers.

“ISSA is viewed as the industry’s leading resource for productivity rates revolving around industry equipment and tools,” said ISSA Chief Global Education Officer Brant Inero. “We are so excited to launch the newest version of the *ISSA Cleaning Times* this year.”

In recognition of ISSA’s century-long commitment to the industry, *The Official ISSA Cleaning Times Eighth Edition* is available in a limited 100th anniversary version. This exclusive publication comes with a hard cover celebrating the cleaning industry, a special message from ISSA, and a commemorative notepad and pen. An excellent opportunity to own a piece of the cleaning industry’s history, this one-of-a-kind publication is only available for a limited time and would make a tremendous gift for your employees and customers.

“It is with immense enthusiasm that I extend my heartiest congratulations to the entire cleaning industry, esteemed ISSA members, and the dedicated *ISSA Cleaning Times* team as we embark on a momentous journey with the launch of our 100th Anniversary Limited Edition,” said ISSA Executive Director John Barrett. “This remarkable milestone not only commemorates a century of excellence within the cleaning industry but also spotlights the profound impact that *ISSA Cleaning Times* has had on its growth, innovation and advancement.”

Don’t miss your only chance to purchase a part of the cleaning industry’s history. Once this limited version is sold out, it will not be released again, so pre-order your version today at [Shop ISSA](#) through November 16. Discounted member pricing is available for bulk purchasing, contact CMI@issa.com for more information. 🍁

AI and Distribution

yet to hear much about AI cyberattacks, but online hackers are developing ways to access all that data the AI systems use, as well as develop malware and viruses, which can cost distributors dearly. When using AI technology, update it regularly, specifically to stay one step away from malicious actions.

- **Insensitive chatbots.** AI chatbots learn how to respond to customer issues, but their responses often need more sensitivity. For instance, a customer contacts a company about a serious – and costly – problem with a product. The chatbot typically responds by just providing more information. This can make the customer angry and frustrated. Chatbots can answer with data, but there's room for improvement when presenting it in a customer-sensitive manner.

As we can see, AI technology is the next big disrupter in the distribution industry. If predictions are correct, it will bring a great deal of improvements now and into the future. 🍁

– *A former building service contractor, Robert Kravitz is president of Altura-Solutions Communications, a Chicago, IL-based firm that provides corporate communication services to organizations in the janitor and building maintenance industries. He can be reached at info@alturasolutions.com.*

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SOURCE: ISSA Articles



The Connection Between Cleaning and Facility Image

Banish the white glove standard and clean for health

By KEITH SCHNERINGER

If you are a professional in the facility management field, you know how important it is to maintain the image of your building. Whether it is a building occupant who is in the facility regularly or a visitor who comes in periodically, everyone is taking note of their surroundings, and making a judgement about whether or not this is a “good place.”

In these post-pandemic times, having a positive facility image is more important – and more challenging – than ever.

FLOORS – FIRST IMPRESSIONS OF YOUR FACILITY

Think about it, what is one of the first things you see when you enter a building?

Chances are, one of the first aspects of a facility that you will notice is the flooring. Vinyl composition tile (VCT), concrete, wood, stone or carpet, the cleanliness of the floors is going to have a big influence on the first impression you form about the overall cleanliness of the entire facility.

Not only does floor appearance impact the impression people make of your facility, but floors are also one of the biggest reservoirs for contaminants as well. As building occupants cough and sneeze, those aerosolized drop-

lets land on surfaces and floors. And as building occupants make their way through the facility, those pathogens are spread by their shoes or bags, or other objects placed on the floor.

RESTROOMS – THE HIGHEST TRAFFIC AREA OF YOUR FACILITY

It is fair to say that restrooms are one of the most visited areas of any facility. The restrooms are the only part of any building that is virtually guaranteed to see a visit from each of the building occupants and visitors at least once during a workday.

Because of the high-traffic nature of restrooms, they can also play the role of a “germ transfer station.”

When considering your facility's image, it is worthwhile to consider the overall aesthetics and user experience of your restrooms. Perhaps your rest-

continued on page 15 »

The Connection Between Cleaning and Facility Image

rooms could use a “refresh.” New toilet partitions and restroom accessories can make a huge difference in the appearance of your restrooms.

It is also critical to consider your cleaning process for the restrooms. Do restroom visitors see dirty and unsightly grout lines? Do they notice foul odors from an undetermined source? Building occupants will frequently judge the overall cleanliness of a facility based on the cleanliness of the restrooms.

WHAT IS “CLEAN”?

Now that we have identified a couple of the primary areas that will improve the image of your facility and show they are clean, what do we mean by the word “clean”?

Merriam-Webster defines the word “clean” as “free from dirt or pollution” or “free from contamination or disease.” It is pertinent to note that there is no universally accepted definition of “clean” that has been adopted by everyone in the cleaning industry.

According to the Cleaning Industry Research Institute (CIRI) website, Michael Berry, chairman of the Science Advisory Council for CIRI, has proposed defining clean for the cleaning industry as an environmental condition free from unwanted matter. While the industry has not universally accepted this definition, it is a good place to start.

Typically, people have assumed that “if it looks clean, it is clean.” In other words, people in the cleaning industry have traditionally strived for a facility that was cleaned for “appearance.” This “white glove” method of determining facility cleanliness has long been referenced as a premium standard to meet.

While we can derive a certain amount of truth from performing a white glove cleaning test, we now know that while removing the visible dirt is important and helps with improving the image of the facility, it is just the beginning of a clean and hygienic facility that is free from all pathogenic bacteria. Oftentimes it is the dirt and bacteria that cannot be seen that is the cause for the most concern.



Although there is no shortage of anecdotal evidence to support marketing claims touting the efficacy of a variety of cleaning products and equipment that leave a clean surface appearance, scientific data has not validated all of these claims. But can the total cleanliness of a facility be measured?

CLEANING FOR WELLNESS, AS WELL AS IMAGE

Enter science. Many professional cleaners use adenosine triphosphate (ATP) testing systems to measure the biological load present on a surface or floor in their facility. These tests serve as a qualitative measurement of the overall cleanliness of surfaces.

And while there are different opinions on what to ultimately do with the science behind cleaning, everyone agrees that better cleaning results contribute to improved facility image as well as improved occupant wellness. 🍁

— Keith Schneringer has been in the sanitary supply industry since 1990 and is currently the director of Marketing Facility Care + Sustainability for Envoy Solutions, a specialized distributor and solution provider in facility care, foodservice, and industrial packaging. In his current role, Schneringer is responsible for developing vertical-market-specific programs to better assist customers, for oversight of product management, and for leading the company's sustainability initiatives. Before assuming his current responsibilities, he worked as an account consultant and sales manager for WAXIE Sanitary Supply.

SOURCE: CMM Online

CALENDAR OF EVENTS

November 13-16: ISSA Show North America 2023, Mandalay Bay Convention Centre, Las Vegas, NV. [Click here](#) for more information.

November 13: ISSA CIMS Certification Expert Workshop, held in conjunction with ISSA Show North America, Mandalay Bay Convention Center, Las Vegas, NV – 8:30 a.m. to 4:00 p.m.. [Click here](#) for more information.

November 14: IEHA 33rd International Housekeeping Olympics, Mandalay Bay Convention Centre, Las Vegas, NV – 7:30 a.m. to 11:30 a.m. [Click here](#) for more information.

December 6: ISSA Hygieia Network, Sustainability: The Impact on the Cleaning Industry Webinar, 2:00 to 3:00 p.m. (Eastern). [Click here](#) for more information.

December 7: Beyond Fresh Air: IAQ Webinar, 1:30 to 2:30 p.m. (Eastern). [Click here](#) for more information.

January 16, 18, 23 & 25: CMI Supervisor and Management Bootcamp, Virtual Event, Noon to 4 p.m. (Eastern) each day. [Click here](#) for more information.

March 12, 14, 19 & 21: CMI Train the Trainer, Virtual Event, Noon to 4 p.m. (Eastern). [Click here](#) for more information.

April 25: SAVE THE DATE! ISSA Hygieia Network, Networking & Leadership Conference – Mississauga, ON. More details will be available soon!



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