SPPI for Cleaning and Facilities Services in Austria

Christian Stock
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SPPI for Cleaning and Facilities Services

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Special conditions and restrictions
Results
Future prospects
Cleaning activities are sometimes more complex than it seems!
SPPIs for building-cleaning and industrial-cleaning activities (ISIC Rev. 3.1 7493)

According to the OECD inquiry (2008):

25 Countries: AUS, BEL, CZE, CYP, DEU, DNK, ESP, EST, FIN, FRA, GBR, GRC, HUN, JPN, KOR, MEX, NLD, NOR, NZL, POL, SVK, SVN, SWE, USA, ISR

Price Collection:
- Quarterly: 15
- Monthly: 7
- Others: 3

Pricing Method:
- Prices of repeated services: 10
- Contract pricing: 17
- Unit values: 3
- Model pricing: 2
- Time-based methods: 5
SPPIs for building-cleaning and industrial-cleaning activities (ISIC Rev. 3.1 7493)

According to the OECD inquiry (2008):

**Type of index:**

- b2b: 10
- b2all: 6
- a=b: 6

**Availability:**

- Publishing the index: 11
- Development phase: 6
- Others: 8
Definition of the service being priced

Services to buildings and landscape activities

ISIC Rev. 4: Code 81
NAICS 2007 : Code 5617
ANZSIC 2006: Code 731
NACE Rev. 2: Code 81

This division includes:
81.2 ÖNACE 2008 - NACE Rev. 2 - ISIC Rev. 4

81.21-0 General cleaning of buildings
81.22-1 Chimney cleaning
81.22-9 Other building and industrial cleaning activities n.e.c.
81.29-1 Snow and ice removal
81.29-9 Other cleaning activities n.e.c.
### Key figures of ÖNACE 81

<table>
<thead>
<tr>
<th>ÖNACE 2008 category</th>
<th>Number of enterprises</th>
<th>Share on turnover of ÖNACE code 81 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>81 Services to buildings and landscape activities</td>
<td></td>
<td>in 1000 EURO</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>4.557</strong></td>
<td><strong>2.627.474</strong></td>
</tr>
<tr>
<td>81.1 Combined facilities support activities</td>
<td>1.046</td>
<td>19.80%</td>
</tr>
<tr>
<td>81.2 Cleaning activities</td>
<td>2.671</td>
<td>66.42%</td>
</tr>
<tr>
<td>81.3 Landscape service activities</td>
<td>840</td>
<td>13.78%</td>
</tr>
</tbody>
</table>
## Key figures of ÖNACE 81.2

<table>
<thead>
<tr>
<th>ÖNACE 2008 category</th>
<th>Employees</th>
<th>Number of enterprises</th>
<th>Share on turnover of ÖNACE category 81.2 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>81.2 Cleaning activities</td>
<td></td>
<td></td>
<td>in 1000 EURO</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>2.671</td>
<td>1.745.205</td>
</tr>
<tr>
<td>0 - 9</td>
<td>2.160</td>
<td></td>
<td>19,10%</td>
</tr>
<tr>
<td>10 - 19</td>
<td>238</td>
<td></td>
<td>7,43%</td>
</tr>
<tr>
<td>20 - 49</td>
<td>143</td>
<td></td>
<td>9,69%</td>
</tr>
<tr>
<td>50 - 249</td>
<td>90</td>
<td></td>
<td>18,01%</td>
</tr>
<tr>
<td>≥ 250</td>
<td>40</td>
<td></td>
<td>45,77%</td>
</tr>
</tbody>
</table>
## Key figures of ÖNACE 81.2

<table>
<thead>
<tr>
<th>ÖNACE 2008 category</th>
<th>Share on turnover of ÖNACE category 81.2 2008</th>
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<tbody>
<tr>
<td>81.2 Cleaning activities</td>
<td>in 1000 EURO</td>
</tr>
<tr>
<td>Total</td>
<td>1.745.205</td>
</tr>
<tr>
<td>81.21 General cleaning of buildings</td>
<td>67,87%</td>
</tr>
<tr>
<td>81.22 Other building and industrial cleaning activities</td>
<td>15,87%</td>
</tr>
<tr>
<td>81.29 Other cleaning activities</td>
<td>16,26%</td>
</tr>
</tbody>
</table>
### Pricing unit of measure

<table>
<thead>
<tr>
<th>Depends on the surveyed service product</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cleaning activities</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Depends on the chosen pricing method</th>
</tr>
</thead>
<tbody>
<tr>
<td>Model pricing/ Direct use of prices of repeated services</td>
</tr>
<tr>
<td>Direct use of prices of repeated services</td>
</tr>
<tr>
<td>Contract pricing</td>
</tr>
<tr>
<td>Model pricing</td>
</tr>
<tr>
<td>Hourly charge-out rates</td>
</tr>
</tbody>
</table>
Model pricing/Direct use of prices of repeated services

81.21 General cleaning of buildings (ÖNACE 2008)

Real transaction prices are surveyed

Representative service products were chosen (Office cleaning service, etc.)

Representative types of cleaning were chosen (Maintenance cleaning, basic cleaning, etc.)

Additional price information is observed (Discounts, surcharges)

Burdensome for the respondent
Direct use of prices of repeated services (Standard case)

81.22 Other building and industrial cleaning activities
81.29 Other cleaning activities (ÖNACE 2008)

Respondents choose representative services

Advisable for non-standard service products

Additional price information is observed (Discounts, surcharges)

Not so burdensome
SPPI Pricing Methods in Austria – Alternatives

Direct use of prices of repeated services (Contract pricing)

81.2 Cleaning activities (ÖNACE 2008)

Services for which an (almost) exact repetition occurs by the same producer for the same client

Model pricing

Unique services

Hourly charge-out rates

Simple services
Special conditions and restrictions
81.2 „Cleaning activities“ (ÖNACE 2008)

- General cleaning of buildings
  - Outsourcing
  - Market concentration
  - Highly competitive

- Chimney cleaning
  - Strongly regulated

- Other building & (industrial) cleaning activities
  - Nonstandard services
Prices are sensitive subjects when competition is high

81.21-0 General cleaning of buildings

Difficulty to have full/or representative coverage of services

81.22-9 Other building and industrial cleaning activities n.e.c.
81.29-1 Snow and ice removal
81.29-9 Other cleaning activities n.e.c.

Missing support from trade associations
Results

ÖNACE-2008-Group

ÖNACE-2008-Class

ÖNACE-2008-Subclass

Service product

Cleaning activities

General cleaning of buildings

General cleaning of buildings

Office cleaning service

Other building and industrial cleaning activities

Chimney cleaning

Cleaning services for hospitals etc.

Other cleaning activities

Other building and industrial cleaning activities n.e.c.

Construction area cleaning service

Other cleaning activities n.e.c.

Residential building cleaning service

Other cleaning activities n.e.c.

Window cleaning service

Snow and ice removal

Cleaning services for transport vehicles

Other cleaning activities

Other cleaning activities n.e.c.

Special cleaning services

Cleaning activities

General cleaning of buildings

Construction area cleaning service

Other cleaning activities n.e.c.
Results

ÖNACE 81.2

2006 = 100

<table>
<thead>
<tr>
<th>Year</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>q107</td>
<td>102,9</td>
</tr>
<tr>
<td>q207</td>
<td>102,9</td>
</tr>
<tr>
<td>q307</td>
<td>103,0</td>
</tr>
<tr>
<td>q407</td>
<td>102,9</td>
</tr>
<tr>
<td>q108</td>
<td>106,3</td>
</tr>
<tr>
<td>q208</td>
<td>106,2</td>
</tr>
<tr>
<td>q308</td>
<td>106,4</td>
</tr>
<tr>
<td>q408</td>
<td>106,3</td>
</tr>
<tr>
<td>q109</td>
<td>109,4</td>
</tr>
<tr>
<td>q209</td>
<td>109,3</td>
</tr>
<tr>
<td>q309</td>
<td>109,3</td>
</tr>
<tr>
<td>q409</td>
<td>109,3</td>
</tr>
<tr>
<td>q110</td>
<td>110,7</td>
</tr>
</tbody>
</table>
Future prospects

How to handle sub-contracting

Difficulty of seasonal cleaning services (e.g. Snow and ice removal services)

New products

Productivity changes

Improvement of quality adjustment methods
Thank you for your attention

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