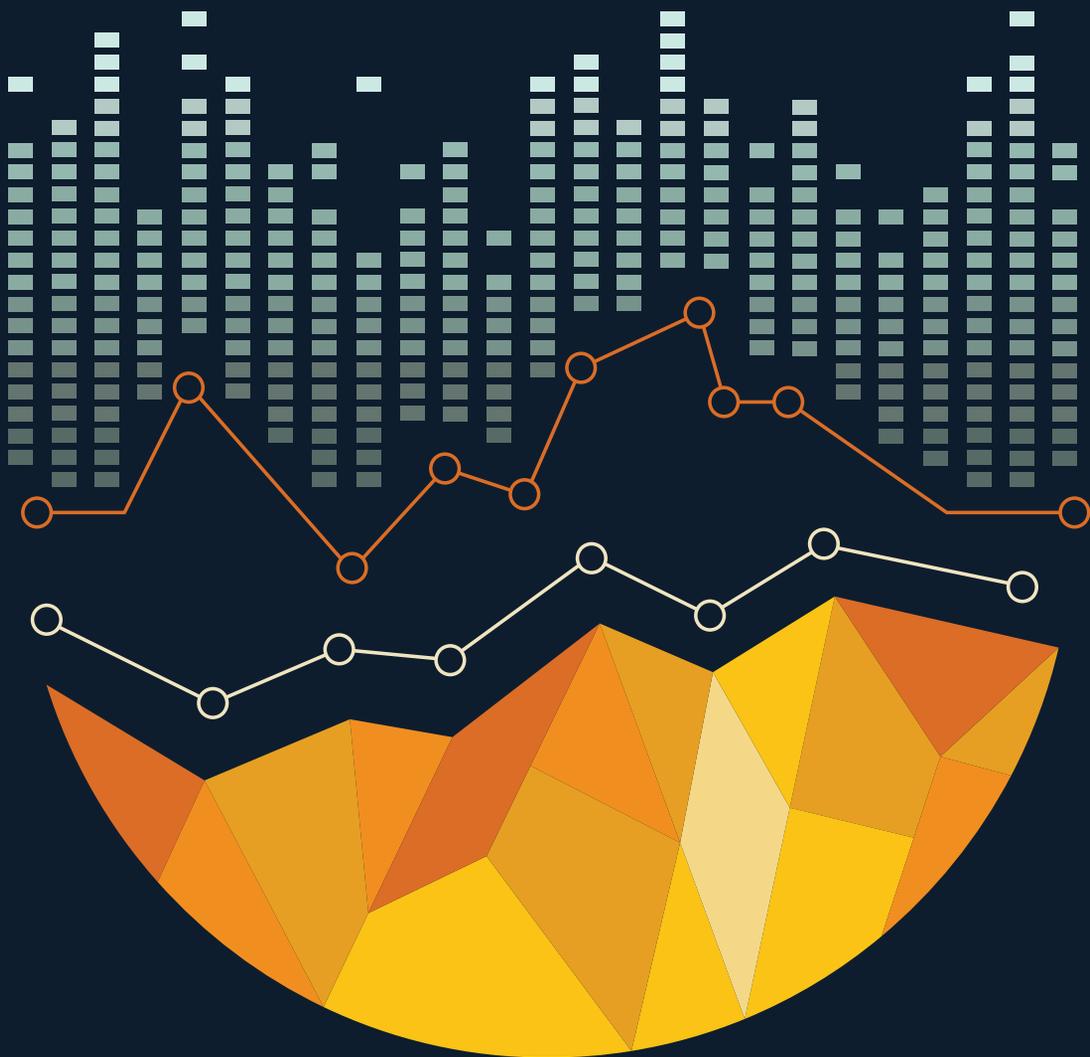


## 2020 ANNUAL FRANCHISE DEVELOPMENT REPORT



The title 'Cleaning Up' is written in a large, teal, cursive font. The word 'Cleaning' is on the top line and 'Up' is on the bottom line. There are several blue bubbles of various sizes floating around the text. Two green leaves with stems are positioned on either side of the word 'Cleaning'.

# Cleaning Up

Ron Holt is living  
the dream

Written By  
**KERRY PIPES**

**R**on Holt is the first to admit that Two Maids & A Mop operates in an “unsexy” industry. But the founder and CEO of the Birmingham, Alabama-based residential cleaning franchise has built one of the fastest-growing home cleaning franchises in the country in less than 6 years.

Two decades ago Holt was a 20-something bored at his job and looking to be his own boss. He had an idea, but it would require \$150,000 to start and he was earning \$30,000 a year and had less than \$1,000 in the bank. Over the next 6½ years he raised enough money to open the first Two Maids & A Mop. Two years later he was turning a profit. He bootstrapped his company in those early years, working long, hard hours.

“It wasn’t easy, but the journey forced me to make serious sacrifices that are paying big dividends today,” he says. Today, Two Maids & A Mop has 78 franchises and more in the pipeline, and Holt’s goal is to open 20 to 25 new locations every year.

You can’t miss his passion for the business. For example, he says, Monday morning is the most exciting time of the week because, “I have an entire week to change the world.” He expects that same passion from his team members and assumes that everyone who works for him is working with a similar passion and shared purpose.

## Ron Holt, 45

CEO & Founder

**Company:** Two Maids & A Mop

**Units:** 78

**Years in franchising:** 6

**Years in current position:** 16



Innovation has always been a part of his strategy. From Day 1 he has striven to reshape his industry by delivering a unique customer experience. “I want to build a nationwide brand that completely disrupts the residential cleaning industry,” Holt says.

One example is his unique approach to creating a successful business through an incentive-based system. He created a “Pay for Performance” compensation scale under which employees’ wages are based on customer feedback, not simply on the volume of homes cleaned. He says this gets buy-in and results.

Holt remains dedicated to his original goal of building a nationwide brand that disrupts the residential cleaning industry. “My vision has always been to build the largest, fastest-growing, most innovative residential cleaning company in America.” If everything goes as planned, he says, “Two Maids & A Mop will generate more than \$400 million in network revenue by serving at least 400 markets across America.”

### LEADERSHIP

**What is your role as CEO?** I’m the founder of the brand, which means that I still remember cleaning nasty toilets and dirty floors. It’s a different experience leading the brand today, but the roots are still firmly entrenched in my day-to-day activities. I believe my job is to lead by example and to create a shared purpose so that our home office staff members, franchisees, and local employees can deliver an unparalleled customer experience in the residential cleaning industry.

**Describe your leadership style.** I started this business because corporate America failed me. As a result, I’ve always believed that it’s my job to never fail one of my own employees. My goal is to build a business that creates life-changing solutions for anyone who shares the same dream as me. So my leadership style is pretty easy to explain. Basically, dream ridiculously big and then enlist others to accomplish the dream together.

**What has inspired your leadership style?** My vision has always been to build the

largest, fastest-growing, most innovative residential cleaning company in America. I know that my vision can’t be accomplished alone and others need to be just as passionate as I am. So I lead people because I want people to follow me, which ultimately allows them to achieve their own life goals.

**What is your biggest leadership challenge?** I want people to be happy, and I take it personally if they aren’t experiencing the same kind of happiness as I do. I want people to tap dance to work and laugh out loud inside the office. I believe it’s possible for everyone to feel that way, which makes my job difficult because our 1,300-plus team members don’t all love their job. But that’s my goal and I’ll continue to fight for it because no one should go through life without joy and purpose.

**How do you transmit your culture from your office to front-line employees?** I show up every single day. I don’t hide from anything or anyone. People see me working, and they feel my passion. Work isn’t that difficult when you love what you do. Monday

mornings are the most exciting time of the week because I have an entire week to change the world. People feel my passion, and that’s the best way for them to learn how to perform their own job functions.

**Where is the best place to prepare for leadership: an MBA school or OTJ?** The best way to prepare for anything is to feel some pain. It took me almost 7 years to raise enough capital to open my original location and 2 years to earn my first profits. I struggled, and worked crazy long hours to boot. It wasn’t easy, but the journey forced me to make serious sacrifices that are paying big dividends today. I encourage others to seek out some pain today so that life can be better tomorrow.

**Are tough decisions best taken by one person? How do you make tough decisions?** I don’t make every decision for the brand, but I do believe that all of our decisions are based on my leadership. We think franchisee-first around here, and it’s easier to make decisions when your primary objective is to create a better life for the franchise owner.

**Do you want to be liked or respected?**

I would not be having fun growing this brand if people didn't like or respect me. I'm not that guy who believes power can reside only in an ivory tower. I'm a people pleaser. I want our franchisees to consider me part of their family. I want to know their kids' names and also want to experience pain with them. Our franchisees are my business partners and I hope they all know that I care deeply about their success. So yeah, I want my business partners and family members to like and respect me.

**Advice to CEO wannabes:**

Assume someone is watching you at all times. Treat people like you want to be treated. And most important, create a shared purpose within your organization so that everyone can fight toward the same goal.

**MANAGEMENT**

**Describe your management style:**

I prefer to let people manage themselves since my assumption is that everyone who works for me is passionately working with a shared purpose. That means people sometimes make wrong decisions and some even abuse the autonomy. But no one wants to work in a factory, and I believe my way of management creates passion you won't see in many other workplaces.

**What do you think makes up a good management team?**

You need two key people inside every organization. You need someone to deliver new ideas on a regular basis and you need someone to execute the ideas. Most organizations that experience failure have missing pieces somewhere within management. Someone has to dream and then someone has else has to do the work.

**How does your management team help you lead?**

I get tested often, which is great. I don't want people to blindly follow. I want people to believe and have faith, but also to create objections when needed. Those objections make me a better leader because I know that my ideas and suggestions have to be strong for my management team to believe enough in them to start executing.

**Favorite management gurus:**

**Do you read management books?** There's no better book to understand how to manage people than Dale Carnegie's classic *How To Win Friends and Influence People*. Read it, then read it again over and over again. It'll change your life.

**What makes you say, "Yes, now that's why I do what I do!"?**

I get excited when visiting a successful franchisee. A \$1 million franchise inside our network employs approximately 30 people. That's 30 people earning a living because of my dream from 16 years ago. A \$1 million franchise also employs a couple of managers. Those managers are earning a great living and their life is better because of the growth of the franchise. And of course, a \$1 million franchise also has an owner who is able to enjoy an incredible work/life balance because of the success of their business. I love what I do, but I truly do what I do because my business changes people's lives.

**PERSONAL**

**What time do you like to be at your desk?**

It drives me crazy when I see other leaders brag about their early morning schedules. I don't arrive to the office until 8 a.m., mainly because I'd prefer to see the kids off to school. I also leave the office before 4 p.m. most

days so that I can exercise. But I don't take lunches. I work after midnight. I read constantly. I brainstorm every day. I use my vacations to generate new ideas. In other words, I never stop working even though I may not be at my desk at 5 a.m. I have fun leading this brand, which means I never actually leave my desk.

**Exercise in the morning?**

**Wine with lunch?** I don't eat lunch. Seriously, I don't eat lunch. As far as exercise, that's an afternoon thing for me because I like to experience the outside while jogging. So I skip lunch, run in the afternoon, and then head home to spend time with the family. Later in the night, I'm back working by reading a business book, talking with a franchisee, or answering emails.

**Do you socialize with your team after work/outside the office?**

Yes, I believe it's important to talk about more things than business with my employees. We have fun with one another and it never feels forced. The day that I'm too important to mingle with my employees is the day that a private equity group needs to call me with a buyout proposal.

**Last two books read:**

*Never Lose a Customer Again* by Joey Coleman and *Thanks for Coming in Today* by Charles Ryan Minton.

**What technology do you take on the road?**

My laptop and some earbuds. I'm a sucker for a good business podcast.

**How do you relax, balance life and work?**

Working inside my office feels the same as hanging with family. I love both of them and never feel the need to separate the two as a result. Of course there's a balance, but it's a pretty organic balance because I don't view

either of them in a negative manner. I own my day and love every second of it, which creates a pretty good balance for me.

**Favorite vacation destinations:**

I need heat, humidity, and palm trees on a regular basis. I'm listening to Bob Marley right now, in fact. As far as the actual destinations, the Florida Keys and Turks & Caicos Islands. I even brought back a dog from my last visit to the Turks & Caicos.

**Favorite occasions to send employees notes:**

I stink at this, but it's mostly because I speak to my people every day. I don't need to send them a note because I get to talk with them face-to-face every single day.

**BOTTOM LINE**

**What are your long-term goals for the company?**

My plan today is the same as it was 16 years ago. I want to build a nationwide brand that completely disrupts the residential cleaning industry. We have more than 300 territories available for development and operate in a space that generates \$25 billion annually. If everything goes as planned, Two Maids & A Mop will generate more than \$400 million in network revenue by serving at least 400 markets across the U.S.

**How has the economy changed your goals for your company?**

I've experienced all sorts of economic changes over the past 16 years. Our economy is booming right now, with household income levels at an all-time high. So it seems logical to assume that people are going to continue hiring people like us to clean their home. But like I said, I've seen it all over the course of my entrepreneurial life and never take tomorrow for granted. We're extremely bullish on

the economy, but prepared for a slowdown if the economy were to change abruptly. Either way, we believe that our business model can survive no matter if we're in a recession or another boom.

**Are there any trends in your industry you foresee having an impact on your brand?** A huge part of my job is ensuring that our brand stays in front of the industry. There's a reason we've always included the words "most innovative" inside our company's long-term vision. We want to be disruptive and totally reshape the industry by delivering a unique customer experience that begins with the booking process and continues beyond the house cleaning. To accomplish this, we have to build the right kind of culture that encourages outside-the-box thinking. In addition, we need to make life easier for our franchisees and local customers by automating as many tasks as possible. My goal is to change

the world, and to do that means we have to lead rather than follow.

**How do you measure success?** Success equals happiness. Making money with a pit in your stomach is no way to live in my opinion.

**What has been your greatest success?** I created a business plan that required \$150,000 to build the first Two Maids & A Mop. At the time, I had less than \$1,000 in the bank and earned less than \$30,000 per year. No banks wanted to finance my idea and my friends assumed I had gone crazy. The journey from \$1,000 to \$150,000 seemed way too ambitious at the time, so I broke down the journey into 52 weekly goals over a 7-year period. Basically, I had a weekly goal of saving \$330 each week for 7 years. With the help of compound interest, a bunch of second jobs, and a frugal lifestyle, I was able to raise the \$150,000 within

6½ years and then promptly moved down to Florida to open the original Two Maids & A Mop. It was a crazy time of my life because my entire purpose was to either make more money or save more money to slowly but surely fight my way to \$150,000. I wouldn't want to do it again but I'm so glad that I experienced that period of my life.

**Any regrets?** I've experienced plenty of failures, but my biggest regrets are the missed opportunities. It took me 10 years to embrace the idea of franchising the brand. Where would Two Maids & A Mop be today if we had started franchising earlier? I also pinched way too many pennies early on while building out our proprietary scheduling software. Where would the product be today if I had allocated our capital better and invested more on the early development of the software? Those missed opportunities have cost me so much more time and money

than any of my actual failures.

**What can we expect from your company in the next 12 to 18 months?** We have an internal goal to open anywhere from 20 to 25 new stores per year. Growth with new stores is important if we want to become the largest residential cleaning company in America. However, our primary and most ambitious goal is to generate significantly more revenue and profits for our current franchisees. Our business model is pretty simple. We need to generate a bunch of qualified leads, convert as many of those leads as possible, and then retain a significant percentage of the recurring clients. If we can successfully accomplish each of those three goals, we truly believe that all our franchise owners can build businesses that generate tremendous success with a very healthy bottom line. ■

