

The Editor's Overview

Industry Challenges Emerging From Many Directions

With all the upheaval going on in the power sweeping industry, it's hard to know where to start.

by Ranger Kidwell-Ross



There are an enormous number of emergent issues in the power sweeping industry right now. Our monthly newsletter, though otherwise ready to go for about two weeks, was delayed until the last week of March in order to gain as much information on these as possible.

One way to illustrate the enormity of current issues was to include the graphic that shows four-dollar-a-gallon fuel prices, which was sent to me by Dave Ross, president of Boston area-based [Millennium Maintenance & Power Sweeping](#). The fact is – as serious as is the issue of rising fuel prices – this isn't a topic that can earn much more than an honorable

mention for this month's editorial.

By now, those of you who follow the pages of WorldSweeper.com regularly will know that Allianz Sweeper Company appears to be out of business and that it has gone into receivership. Although we reported initially that a purchase was likely by the Alamo Group, owners of the Schwarze and Nite-Hawk line of sweepers, this deal has reportedly fallen through.

There is little doubt that when a 35+ year Allianz vice president left his post several weeks ago – and was quickly followed by several other senior members of the sales team – there would have been a serious impact on the viability of the deal. We were also told that due diligence may have uncovered some discrepancies about the number of Allianz sweepers out there, where they were located, etc.



Over the last two weeks I have heard from a wide variety of people associated with, or formerly associated with, Allianz. These seem to fall into two general categories.

One group are Allianz owners and users who are concerned about parts and support. Fortunately, it appears that their needs will be met. A group of former Allianz employees, including Chad Bormann, Sebastian Mentelski and Jason Condon, have formed a parts supply company, [Global Sweeping Solutions, Inc.](#), to fill the void. The goal of the newly organized firm will be to supply OEM parts to owners and operators of Allianz-brand sweepers. That's the good news.



Unfortunately, the reports I have been receiving from the second group, former Allianz employees, are extremely disquieting. Several inside sources report that Allianz fully paid its Canadian employees. However, U.S.-based Allianz employees were let go with no warning and, at least at the time this editorial is being written, they were not paid for the month of March even though U.S. Federal and California State laws require that to occur.

In addition, I was told by several former Allianz managers, U.S.-based employees did not get reimbursed for prior months of travel and expenses, vacation and overtime pay due, charge card balances – and even that salaried U.S. employees have to date not been provided with Cobra insurance access. As one long-time Allianz manager related, "It is a blatant 'spit in the face' to loyal employees, some of which have been with the company

for over thirty years."

Apparently a number of the affected employees are seeking action and help through the U.S. Department of Labor and the California Labor Board. Time will tell which of these agencies will take charge of this matter. If Allianz has, in fact, gone into receivership, there may be little that can be done to extract justice from the Canadian-based firm.

It was rumored through sources at Allianz Madvac, Inc. in Boucherville (Canadian office) that not paying employees at the Ontario, California, office was a "direct plan by Monette and approved by The Fund QFL." According to Canadian news media, The Fund QFL refuses to comment about this. If even a portion of the above information is true, one would hope that former president Claude Monette did not, in fact, receive an approximately \$500,000 commission package for his part in all this, as was reported.

Because of the industry uproar surrounding this issue – and in the interest of total fairness in reporting – I invite any current salaried Allianz employee to [contact me](#) in order to set the record straight on any of the above issues. We can only hope the Allianz organization will ultimately choose a path with integrity in regard to these wide-ranging negatives, and that whatever monies are owed to the company's former employees will be paid.

On a very related topic the largest sweeper manufacturing organization in the world, Johnston Sweeper Company, is reentering the US marketplace as Johnston North America. As a result of touching bases with Johnston via email, I received a call from Steven Douglas, product manager for Johnston's Sweeper Group.



Douglas will be the lead person for organizing Johnston's entrance into the US marketplace. Although they had a direct presence in the US prior to the formation of Allianz as the representative of the Johnston product line, it was based in Canada. This will mark the first time Johnston will be basing operations in the US. Douglas reconfirmed that the US headquarters will be in North Carolina, as well as the April 29th startup that is posted at [the Johnston North America website](#).

"The Johnston organization is very concerned about ensuring continuity with our dealers and customer network," Douglas told me on the phone. "We intend to have our offices fully stocked with parts and ready to go on our April 29 start date. We will then be able to provide a high level of support for our dealers and end-users on all of the Johnston sweeper line. This includes the VT500, VT650 and VT800 chassis-mounted vacuum sweepers, the RT655 chassis-mounted regenerative air model, and the C101 and C200 compact sweepers. We will not, however, be providing parts or other support for the Allianz or MadVac lines.

"Our pledge is to be both dependable and reliable. When it comes to sweepers, the Johnston organization understands that relationships and service matter greatly. We very much regret what has occurred with the demise of Allianz, especially with the impact it has had on the sweepers made and supported by the Johnston Sweeper Company. Because our sweepers have been licensed through Allianz, we have been more cut off from the North American market than we would otherwise have been.

"It will be my job in leading the North American project to make sure we meet the needs of the North American marketplace. I look forward to this challenge and am confident we can provide to our American customers the top level of service that Johnston is known for throughout the world."

Now, on to the other topic of the enormity currently faced by the industry. A continued rollout from East to West of USM taking control of Wal-Mart's sweeping, powerwashing and landscaping services is underway. One result is that my office has been flooded with calls from sweeping contractors. For what many consider an hour-and-a-half cleanup, in many areas USM is suggesting a pricing level of around \$30. This comes with an increased level of reporting requirements and, reportedly, a widespread lag time for payments.

Consupo



However, even with the numerous complaints that are being raised to us, I see no one has yet taken the plunge to write up something at [USM's Consupo.com rating page](#). As far as we know, there's no better place to

articulate your concerns about any of the national service aggregators than via [the webpage](#) we put up for that exact purpose.

It's one thing to complain to each other, or to call the WorldSweeper.com office with your story. However, the only way to actually effect a change in operation methods is to make known what you know to be going on, and to do so at a place where it can become common industry knowledge. Until that occurs, there will be little impetus for change.

As we roll into the busy spring and summer sweeping season, the sweeping industry is being barraged on a number of different fronts. The cost of new sweepers is clearly on the rise, given pressures in the steel market and the increased cost of chassis to the manufacturing community. Added to this are the increasing cost of consumables like gutter broom and main broom inserts and, perhaps most significant of all, fuel prices that may well reach the \$4.50/gallon mark by mid-summer.

Combined with the advance of national service aggregators on the parking lot side and shrinking municipal budgets on the highway sweeping side of things, there is no question that pressures are mounting. I encourage everyone reading this to closely scrutinize all aspects of their business. If you are a sweeping contractor, get a handle on your every expense. Also do the same with all your pricing and service routines. Check every account to see that it remains profitable now and, given the fast-moving pace of cost increases, at what point it will become a loser for you.

If you are a municipal sweeping manager and have not yet sought to combine your street sweeping program with your storm water runoff program, there is no better time. Only by making sweeping eligible for your storm water dollars will many of you be able to allocate the correct resources toward sweeping.

The fact is, pollutant removal via sweeping is less expensive by a magnitude than doing the same thing at the end of the pipe. Only by doing a cost analysis that compares pollutant removal by a sweeping with the cost of doing so in other ways will you be able to come up with the most cost-effective sweeping schedule for your organization.

As always, the articles in this issue are designed to help you find crucial insight for your business. My hope is you find they all help in one way or the other. If you have ideas about articles you'd like to see in the future, please [let us know](#) that, as well. Our goal is to write about what you want to read. And, if you have a sweeping-related need please [contact us](#) about it. We'll try to assist in any way we can.

I routinely reference WorldSweeper.com articles and studies, provide information from my "[Fundamentals of the Power Sweeping Business](#)" manual and put contractors and city officials in touch with others who may have answers to their informational needs. By the same token, if you have a story you can provide, additional information on any of the topics we've covered – or need more details – please [let me know](#). I'll be glad to help if at all possible.

By the way, if you don't have a listing yet in our [Contractor Locator section](#), you are missing out on what is arguably the best advertising value in sweeping. At the same time, you'll be helping to keep WorldSweeper.com online and active.

Good Sweeping!



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[Newsletter Contents](#)

[Site Map / Table of Contents](#)