

THE ECO LAUNDRY ROOM

ENERGY-EFFICIENT PRODUCTS & CONTINENTAL LAUNDRY EQUIPMENT DELIVER SOLID PROFITS

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A 'green' coin laundry in Canada is turning heads. At 900 square feet, the highly profitable, postcard-sized laundry is not only environmentally friendly; it's the source of much hoopla across Canada.



Owned by partners Brant Kelso, his wife, Natasha Bick-Kelso, and Paul Bichler, The Eco Laundry Room recently debuted on YouTube and may soon be aired as part of BBC's The Dragons' Den television show.

Energy-efficiency Unparalleled

A year-old coin laundry in Peterborough, Ontario, The Eco Laundry Room is a uniquely 'green' self-service laundry complete with solar tubing to heat the store's water; environmentally friendly insulation made with recycled pop bottles; T8 florescent lighting; a recycled rubber floor that mimics hardwood; and energy-efficient Continental E-Series Washer-Extractors and Drying Tumblers. The entire package is wrapped up in a 100-year old building—completely refurbished—with a second-floor apartment occupied by one of the owners.

The Dragons' Den

The Eco Laundry Room's quick success spurred its owners to publicly share the concept in hopes of franchising the business and attracting investors. Bichler, the partner who occupies the second-floor apartment, developed a YouTube video sales pitch about the new laundry. That video was posted on The Dragons' Den

Web site. The Dragons' Den is a television show that airs in Canada. During the program, an entrepreneur puts up a business for sale by pitching it to five venture capitalists, who might decide to invest.

"We were accepted for the show and taped in July," said Bichler. "On air, you describe your business and try to sell it to them by justifying its worth." Bichler, who is interested in franchising The Eco Laundry Room concept, offered the venture capitalists a 30 percent stake in the company ...

It is still not definite whether or not that taped sales pitch will be broadcast. But, Bichler does know the result—whether or not the venture capitalists accept his offer. Bichler, however, must keep that information secret until he knows if it will be broadcasted.

Why A Laundry?

Why An Eco Laundry?

The development of The Eco Laundry Room was driven by a desire to invest in an industry that performs well despite a slumping economy, according to Bichler.

"I've developed businesses before and was looking for a 'green' business," he said. Bichler's partners, who own rentals with vended laundries, knew from experience their profit potential. Thus, the partners developed a unique eco-niche. Anchored by eco-friendly, energy-conserving products and equipment to lower utilities and improve profits, The Eco Laundry Room successfully draws customers.

From the onset, the business met revenue goals. "We've been profitable every month since we opened," Bichler said of The Eco Laundry Room. "I expected to be profitable, but not to this extent. We're showing a profit of 10 percent and cash flow of between 42 and 50 percent."

The Eco Recipe for Success

Critical to profitability are the laundry's low utility bills—making up just 12 to 13 percent of its revenue. Those numbers are well below the average 20-25 percent utility costs, according to the Coin Laundry Association. "We performed better than anticipated," said Bichler. All told, according to Bichler, gas makes up three to four



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percent, water/sewer makes up five to six percent and electric makes up three percent of the laundry's utility bill. By paying less in utilities, The Eco Laundry Room enjoys more profit.

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Developing a 'Green' Laundry

The process of developing an environmentally friendly business involved reworking a historic building, according to Bichler. "We ripped the building down to the brick, reframed it and sprayed in foam insulation made of recycled soda bottle plastics and soya-oil extract rated at R30. It's just like regular spray insulation but environmentally friendly," he said. "Our solar tubes provide all the hot water and have turned out to be more efficient than we first thought. The flooring looks like wood, but is partially recycled rubber. It's durable and holds a warranty of 15 years. All the lighting is T8 lighting for specialized energy-efficiency. Some lights are on motion sensors so they aren't running all the time. The washroom lights are also on a motion control and we put a brick in the toilet tank. It uses half the water that way and is cheaper than purchasing a low-water use toilet."

The Equipment

But equally critical to the store's bottom line are its energy-efficient washers and dryers. Ray Helwig of Sparkle Solutions, a laundry equipment distributor in Concord, Ontario, worked closely with Bichler, Kelso and Bick-Kelso to select the laundry's equipment mix: 10 20-pound capacity E-Series Washers, 2 40-pound capacity E-Series Washers and eight dual-pocket, 30-pound capacity stack ExpressDry Dryers.

Rather than install top-load washers, which use from 30-40 gallons of water per load, the laundry features 20-pound capacity E-Series front-load washers, which use around 13.4 gallons of water per load. ENERGYSTAR qualified, the machines use single-phase power and plug into a regular appliance outlet.

The Continental washers are also freestanding, making them easier to install and service than hard-mount washers. They offer high-speed extract of up to 354 G-force and superior energy-efficiency. Most traditional hard-mount washers extract at between 70 and 150 G-force, according to Helwig. "These washers remove significantly more water by comparison, and in turn, cut resulting time dry-time by as much 50 percent," said Helwig.

By shortening the time it takes to dry a load, customers complete laundry more quickly and the store uses less gas—a win-win, said Bichler. "Most of our customers can wash in 26 minutes and dry in 24 minutes." That way, customers

complete their laundry in less than an hour—a welcome convenience.

A Broad Base of Customers

By delivering a quicker and 'greener' wash, The Eco Laundry Room successfully caters to couples, students, retirees and families. "We are hitting every demographic because of how the laundry is designed." The business offers craved conveniences including wireless Internet, a kids' play area, café tables, magazines and snack machines. It's also heavily monitored by the owners thanks to a security system that allows them to view the laundry from remote locations via the Internet. The laundry unlocks at 6 a.m. daily, automatically.

And despite a gas rate hike of 30 percent, The Eco Laundry Room hasn't raised vend prices. Some customers are convinced that doing laundry there is less expensive than doing it at home. "I have an accountant customer who priced out the cost of a washer and dryer and figured it was easier and less expensive to do laundry here," said Bichler. "They decided not to buy a washer and dryer for their house."

An entrepreneur at heart, Bichler maintains he got into the laundry business for its potential. If The Eco Laundry Room continues its performance, he said that he and his partners will realize a full return on investment in less than five years. The partners plan to open more laundries across Canada, all mirroring their flagship eco-store.



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