

INVESTING IN THE EXPRESS LAUNDRY CENTER BRAND

ROB MAES DIVES INTO LAUNDRY INDUSTRY WITH TWO CARD-OPERATED STORES



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Rob Maes, a corporate sales and marketing veteran of 20 years, extensively researched the laundry industry before giving it a spin. Two years ago, he developed two card-operated high-speed laundries in the Houston area. Highly successful and located just 11 miles apart, the branded Express Laundry Centers were financed and developed simultaneously as unique area offerings.

The Significance of the Express Laundry Center Brand

Critical to his decision to exit corporate life and get into vended laundries was the Express Laundry Center brand. Developed by Continental Girbau, the brand represents a vended laundry concept that markets a quicker wash and dry thanks to high-speed Continental ExpressWash laundry equipment. Using an Express Laundry Center customers can complete laundry in less than 60 minutes. "And that's what customers want," says Continental President Mike Floyd. "Extra time is a commodity that most people don't have in today's busy society."

The Express Laundry Center brand, according to Maes, not only differentiates his laundries from the competition as places where customers can complete laundry sooner, it is growing in recognition across the country.

"As a marketing person, I appreciate the value of a brand because it creates familiarity," says Maes. "People naturally gravitate to branded products and services." Adding power to the punch, the Express Laundry Center brand, which is backed by a successful business model, provided added credibility for acquiring financing and negotiating favorable lease agreements, according to Maes.

Pulling the Project Together

In order to pull the laundries together, Maes hurdled financing and site selection obstacles. In the end, the Express Laundry Center brand provided the framework banks and landlords sought. "Owning an Express Laundry Center is like having a franchise without having to pay a franchise fee," he says. "A lot of banks don't like franchise fees, but they do like a franchise concept." Ultimately, a single

bank gladly financed both laundries.

But, it took a year to find the right locations. "I repeatedly ran into landlords with a strong bias against coin laundries, because the laundries in their area were in poor condition," Maes says. One landlord liked the Express Laundry Center concept, however, and Maes secured favorable lease agreements with that landlord for two different locations.

In the end, by investing in two laundries at once, Maes trimmed costs. Developing two stores provided leverage on construction and equipment costs and also helped Maes establish the Express Laundry Center brand.

A 60-minute Wash/Dry

It turns out the double-whammy worked. He ultimately innovated 6,000- and 3,500-square-foot laundries, located in Houston and Spring, Texas, respectively. Each store is densely equipped with

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ExpressWash high-speed washer-extractors in 20-, 30-, and 40- pound capacities, complementing Continental drying tumblers, and super-sized 75-pound capacity Continental PowerLoad Washers. While Maes' equipment mix caters to customers looking to get in and out quickly, it also serves those laundering bulky loads. The 75-pound washers are as plentiful—with six in both stores—as they are popular, says Maes.

"The 75-pounders are great for non-traditional customers who have their own laundry equipment at home," adds Maes.



Equipped with ExpressWash Washers, Express Laundry Centers deliver unmatched energy savings.



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"They do a great job cleaning sleeping bags, blankets and bulky items, and are handy for commercial business. Having giant washers is a good marketing tool," he says. "It makes you stand out."

The E-Series Difference

But, the meat of the store is focused on high-speed technology. The difference is that ExpressWash washers save water, electricity and gas, when compared with similarly sized hard-mount washers. "Because they are freestanding, they are easier to install and reach extract speeds of up to 387 G-Force," explains Floyd. "Hard-mount washers must be bolted to concrete foundations and most only hit extract speeds between 70 and 120 G-force. As speeds increase, more water is removed during extract."

Thus, ExpressWash are not only less expensive to operate and simpler to install, they remove more water from each load—cutting dry-time and resulting gas usage. This translates to a shortened wash/dry time, dollars saved and money earned...

"Our customers think we have the world's greatest dryers," says Maes. "But, it's really our washers that cut dry time. Customers are surprised by how they can dry loads so quickly."

Moreover, according to Maes, customers generally complete wash cycles in 20 to 30 minutes, and dry cycles in 21 minutes. Because customers use machines for



A 60-minute wash and dry draws customer to the laundries.

shorter periods of time, customer turnover improves and utility consumption declines, creating boosted profit potential.

"One of the reasons we decided on the ExpressWash Washer was we fully expected the benefit of lower utility bills," adds Maes. At each location, utility costs consume 17 and 20 percent of wash/dry revenue, compared to a national average of 25.5 percent, according to the "2010 Coin Laundry Industry Survey." "They'd be lower but we air condition the stores for six months out of the year," Maes adds. "We have had some months where utilities ran less than 13 percent."

Services Bolster Bottom Line

Adding to the stores' profit centers are smartly placed vending machines and arcade games, as well as wash-dry-fold service. These ancillary sales make up 13 and 26 percent of gross revenue at the individual laundries. "This is one of the fastest growing and most profitable portions of our business," says Maes. "With the exception of arcade games, we own and stock all the vending machines ourselves." That includes machines containing soda, ice cream, soap and snacks.

Wash-dry-fold continues to build as well, as Maes captures additional commercial accounts, including area spas, catering companies, health clinics and churches.

The Card Advantage

Helping to keep everything humming is Maes' card system—a management tool that allows him to remotely view and control machine vend pricing and promotions, as well as garner loads of data, including turns per day, client usage and more...

"The neatest part is using the card system for marketing," says Maes. "I can pull up the system remotely and use my smart phone to run a promotion. I can do a loyalty or bonus program, or schedule time-of-day pricing. The card system allows you to see what customers are using which machines."

With this information, for example, Maes plans to relocate his freestanding ExpressWash Washers depending on their usage. Since customers tend to use washers located at the end of a row more frequently, Maes can switch the machines from the end to the middle in order to ensure more equal use and wear-and-tear.

The laundries, according to Maes, are busy with washers, on average, turning at least three times per day. "The businesses are still growing and have consistently grown over the last two years," he adds, "despite one of the worse economies our country has seen in 50 years. It's a good business and I enjoy seeing a direct result of my efforts."



Both Express Laundry Centers feature large 75-pound washers to serve customers laundering bulky loads.