

# BUILDING A COMMERCIAL LAUNDRY REVENUE STREAM & BOOSTING STORE PROFITS



NOVEMBER 2013 • By Haley Jorgensen

Nearly any vended laundry can capture commercial wash/dry/fold business and significantly boost store revenue and profits, according to storeowners Mike “Stucky” Szczołka, Rob Maes and the “Laundry Doctor” Jeff Gardner. They advise laundry owners to start small; harness available labor and equipment; offer unsurpassed service to niche accounts; and make additional equipment investments at key moments.

“I started with small accounts, such as local hair salons, and then started knocking on doors,” says Gardner, a frequent *Planet Laundry* contributor and Coin Laundry Association (CLA) Board member. Nearly a decade since he purchased Sel-Dale Laundromat, in St. Paul, Minn., Gardner has grown commercial wash/dry/fold sales to more than \$22,000 per month. Meanwhile, his self-service revenue hums at \$12,000 monthly.

In a suburb of Detroit, Stucky’s New Wave Laundry caters to a demographic mix that’s not a big self-service sales generator. Early on, he knew he needed to capture commercial business. “My son, Darin, picked up new accounts and we established a commercial route,” he says. Ten years later, 40 percent of Stucky’s total sales are fed by commercial accounts; 10 percent are generated by over-the-counter drycleaning, wash-dry-fold and vending; and 50 percent come from self-service business.

Rob Maes, who owns two Express Laundry Centers in the Houston area, tells a similar story. He boosts total gross revenue by 20 percent with commercial-only sales—gleaning \$7,000-10,000/month from one client alone.

No wonder these storeowners work to continually expand commercial business; it generates another powerful revenue stream that impacts profits and business value. “Commercial work allows you to create profitability, especially if you have debt service,” says Stucky. As commercial volume increases,

utilities-to-gross decreases substantially, he points out.

“For example, by ramping profits \$10,000 per year, you increase the selling price of your business by \$50,000.”

## Expanding from a Vended Laundry Foundation

Maes, Stucky and Gardner agree there’s no better place to cultivate commercial business than from a self-service laundry—a location with most of the needed equipment capacity and labor already in place. A successful self-service laundry is only fully utilized 15-20 percent of the time, according to Stucky. Rather than let equipment and staff sit idle, why not busy them with commercial work?

In the beginning, Gardner’s staff kept pace with incoming commercial work. “But, at a certain point,” he says, “I had to expand and hire staff to handle just the commercial side of business—leaving laundry attendants to help out self-service customers.” It’s important not to sacrifice in-store customer service as commercial volume grows, he warns.

In Houston, Maes looks for employees who can work on a will-call basis to match his volume. “We have a lead attendant who floats—allocating his time between commercial business, training staff, filling in for sick employees and stocking vending machines.”

They all agree commercial wash/dry/fold is simpler than personal wash/dry/fold to manage in terms of labor production, and simultaneously, much more profitable.

## Making Equipment Investments for Bolstered Sales

As they grew their commercial businesses, Maes, Stucky and Gardner carefully considered client needs and the equipment required to best serve them. For a time, their vended laundries provided all the equipment required to succeed. Wanting more business, and realizing they could get it from accounts craving ironed items, they each invested in a Continental Flatwork Ironer. In each case, the ironers were installed away from self-service customers in a separate area—ensuring safety.



At New Wave Laundry, in a suburb of Detroit, Darin, left, and Mike “Stucky” Szczołka, right, glean 40 percent of their sales from commercial wash/dry/fold business.



A New Wave Laundry attendant makes the most of slower self-service laundry periods to complete laundry for commercial accounts.



2500 State Road 44 • Oshkosh, WI 54904  
920-231-8222 • Fax 920-231-4666  
800-256-1073 • [www.continentalgirbau.com](http://www.continentalgirbau.com)

The ironers catapulted commercial revenue and Maes, Stucky and Gardner discovered they could leverage larger accounts, even when those accounts required very little ironing.

Maes's big opportunity came from a company that rents corporate apartments. "We started doing 20 pounds of laundry at a time, and over six months, earned all of their business," says Maes. "We purchased a delivery vehicle and babied them. It takes time to develop commercial business. When you find it, you have to be prepared to handle that opportunity."

Shortly thereafter, that business owner requested pressed sheets and duvets. To meet her needs—and to capture addition-

al commercial business—Maes installed his Continental Flatwork Ironer in February 2012. The ironer opened the floodgates to new business, strengthened overall profits and differentiated his laundries from their competition.

Meanwhile, Stucky and Gardner had already added Continental Ironers to their equipment mix. In doing so, they successfully captured larger commercial accounts, even when the percentage of ironed goods was small. All three experienced a return on their ironer investment of less than a year.

"The ironer paid for itself in the first year," says Gardner. "Now it pays for itself every month."

They chose Continental ironers because they quickly finish an array of items—from pillowcases, napkins and tablecloths, to sheets, duvets and lab coats. Because they are engineered to automatically modify cylinder speed based on variations in the cylinder temperature, operators can feed damp items into the ironer directly from the washer—bypassing dryer conditioning. This boosts laundry productivity.

Using the 76-inch ironers, Maes, Gardner and Stucky process tablecloths and napkins in one pass, as well as large items, such as queen and king sheets by first folding them in half. "I selected the smaller ironer because I was short on space and did not want to add staff to run it," says Maes. "One person operates the ironer and folds items as they are pressed."

For Maes, it's about finding niche markets and customers who demand high-quality results and service. "I'm not here to compete with commercial laundries and drycleaners," he says. Thanks to the ironer, however, he has differentiated his Express Laundry Centers from "99 percent of the other Laundromats offering wash/dry/fold service."

Gardner, who caters to an array of clients, maintains sales mushroomed because of his ability to iron sheets and pillowcases. "We are very profitable because of the ironer's speed and quality finish," he says. "That single piece of equipment allowed me to do work for massage therapists,

spas and acupuncturists. They started talking about my business to friends. Then business boomed."

Thanks to the ability to process flatwork using the ironer, Stucky elevated profits by \$800 per week, while Maes doubled wash/dry/fold sales in less than a year.

## Moving into Food and Beverage

Stucky, who is an experienced drycleaner and vended laundry owner, quickly tapped the food and beverage market. He uses the ironer in combination with highly programmable Continental Washer-Extractors to properly clean and finish table linens, which are notorious for stains and grease. Following suit, Gardner just installed three 40-pound capacity E-Series Washer-Extractors with Inteli Controls. They are dedicated to commercial work.

Using the ironer in concert with the soft-mount washers, Gardner plans to expand into the food and beverage market. "It's hard to properly clean food and beverage items using a public coin washer because there should be breaks in between chemistry baths and items require extreme water temperatures," he says. "I needed a fully programmable washer with hundreds of on-premise programming options. We run linens straight from the soft-mount washers through the ironer, making the process a lot quicker."

Gardner's new E-Series on-premise washers allow him to control water temperature by degree, wash rotation speed and duration, water levels, bath cool-down by degree and extract speed. He can also program a wash cycle of as little as three minutes up to an extended program lasting for hours or days. In time, Gardner attests he'll bolster commercial revenue significantly. "I think I can easily do \$70,000 per month in my store without getting in customers' way," he says.

Always future-focused, Gardner, Maes and Stucky know well the value of continued commercial growth. By nurturing commercial clients and making key equipment investments, they've successfully catapulted revenue and profits—garnering more bang for their vended laundry buck.

To discover more about Continental laundry equipment, visit [www.continentalgirbau.com](http://www.continentalgirbau.com), or call 800-256-1073.



Rob Maes owns two Express Laundry Centers in the Houston area. He bolsters profits with a hearty commercial wash/dry/fold business.



The new Continental Flatwork Ironer at Maes's Express Laundry Center is credited with doubling wash/dry/fold sales in less than a year.



A laundry attendant, left, and Jeff Gardner, right, stand alongside a new on-premise Continental E-Series Washer. Gardner installed the on-premise washer for its superior programmability.