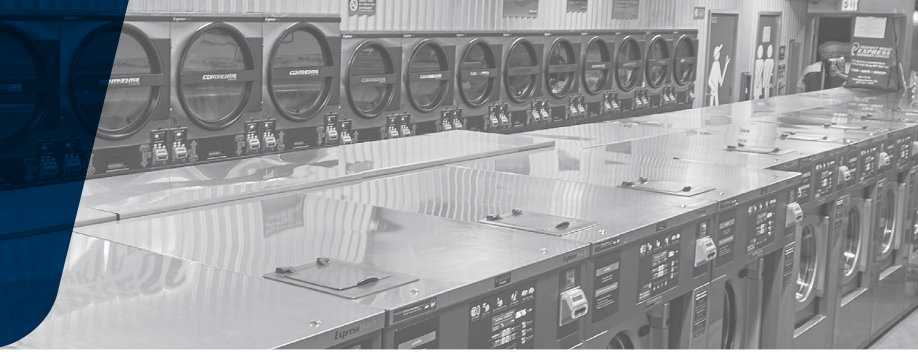


Insider Info

Vended Laundry Solutions
with Joel Jorgensen



Developing a Laundry Service Center

There's no doubt that the "laundry service center" concept is gaining ground within our industry. And for good reason. A true laundry service center packs multiple services into the laundry footprint in order to appeal to, and benefit from, a broader demographic. Owners of laundry service centers, as a result, enjoy favorable financing; a diverse revenue-generating portfolio; more protection from economic downturns; fewer competitors within a given geographic area; and generally, boosted revenue-per-square-foot. Laundry service centers successfully capture every possible customer within a given geographic area, while fully utilizing attendants and equipment. If you own an existing laundry, or are developing a new laundry, strongly consider the "laundry service center" concept. Laundry service centers generally attain more favorable financing and compete well in today's marketplace.

1) Analyze the Location's Demographic Makeup

This is your starting point. Analyze your location's demographic makeup. This will help you effectively retool/equip your business; develop different services to appeal to an array of demographic groups; and provide amenities that bring customers in the door. Most demographic reports provide information on income, housing, racial/ethnic composition, transportation, education and population, among others. Most equipment distributors will provide demographic studies and help you analyze them. Ask yourself, "What equipment, amenities and services do we need to: eliminate the competition; serve big families, singles and parents; attract college students, vacationers and campers; appeal to white-collar professionals and blue-collar workers; cater to small and large businesses; draw every ethnic group in my demographic; and entertain and attract kids?"

2) Select Equipment Mix

Laundry service centers are equipped and staffed to support multiple streams of business. High-performance, energy-efficient equipment is essential to lower operating costs (and higher profits), while a smart mix of equipment will draw more customers and demand a higher vend.

Your equipment mix should cater to every group in your demographic study and support every service you plan to offer. Try for a mix of small- to large-capacity washers and dryers.

Develop an Equipment Replacement Plan

Replace outdated and inefficient equipment. If this seems overwhelming to do all at once, phase new machines into your equipment mix gradually. Consider installing soft-mount (freestanding) high-speed washers for maximum efficiency and revenue per square foot. High-speed washers remove more moisture during extract - reducing dry times. Customers



complete laundry more quickly, which improves customer turnover (not as much standing in line waiting for a machine). Finally, lower dry times reduce natural gas consumption and utility costs.

Include Large-Capacity Washers

Go with at least a couple of large-capacity washers to handle extra large laundry loads and bulky items, such as comforters, sleeping bags, blankets and rugs. This will help your store draw families, parents and students, as well as the homeowner looking to wash comforters and blankets.

I regularly talk to owners who say their 90-pound capacity Continental ExpressWash® Washers are their most popular machines. If 90s are too big to fit into your existing laundry, opt for more compact 70s or 80s.

3) Develop A Services Plan

Refer to your demographic analysis to help you nail down offered services, such as wash/dry/fold, commercial laundry service, pick-up and delivery, drop-off dry cleaning, student laundry services, etc. Your goal is to appeal to your laundry service center's entire demographic (renters, homeowners, businesses, parents, families, students, professionals, vacationers, etc.)

Wash/Dry/Fold

By offering wash/dry/fold, laundries draw customers who don't do laundry themselves, such as professionals, college students or parents with big families. Additionally, they attract people in need of clean comforters and blankets. Wash/dry/fold harnesses attendant labor and idle equipment to create a new revenue stream and maximize profit-per-square-foot.

Drop-Off Dry Cleaning

If you haven't partnered with your local dry cleaner, now is the time. After all, you are already paying attendants to handle wash/dry/fold. Why not have them take in dry cleaning as part of their job? Once again, a new demographic group will use your store, and hopefully in the process, come to rely on your other services, as well.



Commercial Laundry Services

Eventually, many laundry service centers move into the commercial side of business and handle laundry for salons, spas, small hotels, moving companies, and more. Some owners take it a step further and install on-site Continental ironers to process bed sheets and table linens. In doing so, they open the door to more, and new, commercial business – operations requiring ironed linens. Once again, this added revenue bolsters the bottom line.

According to the 2017 Coin Laundry Industry Survey, 58 percent of responding laundries offer wash/dry/fold; 35 percent offer commercial wash/dry/fold and pickup and delivery; and 18 percent offer ironing services. For more about developing commercial services, visit cgilaundry.com/support-materials.html and cgilaundry.com/coin-laundry-commercial.html.

4) Decide on Amenities that Set You Apart

Of course, laundry service centers also provide enticing amenities. These might include free WIFI, TVs, snack bars, play areas, coffee bars, dog washes, vending machines and video games. Owners get creative and embrace amenities that generate dollars and attract an array of customer types

Remember that even small revenue generators add up! An extra \$200 a month from one video game can nicely benefit the bottom line.

5) Develop an Attendant Hiring & Training Plan

Attendants are also critical to the success of any laundry service center. They need to know how to assist customers with equipment and services. As services are added – from snack bars, to wash/dry/fold and drop-off dry cleaning – they should be cross-trained to handle any need in the store. Join the Coin Laundry Association (CLA) and visit coinlaundry.org to learn how other owners train their employees.

6) Secure Favorable Financing

Now that you've outlined your plan, you are equipped to secure favorable financing. Lenders want to see how your laundry will compete (and serve a broad demographic) before offering financing. Additionally, they are much more likely to offer favorable, low-interest financing to businesses that provide multiple services, tap into a broader demographic, generate multiple revenue streams, and fully utilize equipment and labor.

7) Execute

In the end, it's about revenue and profit. Why wouldn't you, as a laundry investor or owner, want to fully access equipment and labor to diversify and grow revenue? The laundry service center concept is successful because it gleans revenue from multiple services and demographic groups; embraces efficient use of equipment and attendants; warrants favorable financing; and outshines the competition.

8) Check Out Continental's Express Laundry Center

This branded turnkey laundry package is already designed for multiple services and revenue streams. Is it time to invest? Visit expresslaundry.com to learn more!



Joel Jorgensen, vice president of sales at Girbau North America, holds over 28 years of laundry industry experience. A frequent contributor to a variety of laundry industry publications, he is considered an expert on vended laundry development and operation. Please contact him with any questions at jjorgensen@cgilaundry.com or call 800-256-1073.