

Insider Info

Vended Laundry Solutions
with Tod Sorensen



New Vended Laundry Development

How Your Continental Distributor Can Help

As a vended laundry investor, be as certain as possible that your money and efforts result in a successful, profitable outcome. As you look to invest in an existing vended laundry, or develop a new one from scratch, there are multiple critical factors to consider that will ultimately shape your business' success. Nobody understands those factors — site selection, store layout, equipment mix, financing, lease negotiation, design — more than your local Continental laundry equipment distributor.

As laundry experts who know the markets they serve, Continental distributors become lifetime business partners who've got your back — and provide ongoing services — before, during and after the equipment sale. Read on to see how your Continental distributor can help turn your vision or plan into a viable, profitable reality.



Location Selection & Estimating Sales Volume

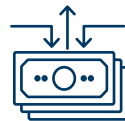
Early on, your Continental distributor works closely with you to evaluate any potential sites for your new vended laundry by analyzing competition, traffic flow, visibility and demographics. Once a site looks solid, your distributor will estimate your laundry's sales potential by applying value to your demographic data, competition, equipment mix and utility costs, etc. This tells you whether or not you move forward with that location.



Equipment Mix, Utilities, Services and Customer Turnover, Design

Once the location is a go, your Continental distributor works to conceptualize your store's equipment mix, payment system, utilities, customer space and design in order to provide a financial snapshot to you and the lender. He/she will take you through equipment sizes, types and performance levels, while factoring in criteria like efficiency, accessibility, G-force and programmability. Together, if your business model calls for it, you'll plan space for additional services/revenue streams, including vending, drop-off wash/dry/fold, dry cleaning, commercial laundry services, and pickup and delivery, among others. Remember, by planning for and offering additional services, a vended laundry can often better penetrate its demographic and serve a wider variety of customers, generate bolstered revenue, and better utilize employees. Added services can help your business better utilize the

unused capacity of your laundry, which makes you less reliant on only the walk-in customer. Finally, your distributor will provide detailed line drawings of the laundry.



Proforma Summary & Financing

At this step, Continental distributors take all this data and generate a Proforma, or cashflow summary. This is a financial statement that overviews a new laundry's capital outlay, return on investment, wash and dry income, services income, taxable income, losses, expenses, and more. This summary is essential to securing favorable financing and is submitted along with a detailed laundromat site plan, competitive analysis and equipment proposal to lenders by your distributor. As a side note, most distributors work with lenders familiar with the laundry business, which often becomes critical to getting funded. This lender becomes a key partner and long-term ally, just like your distributor. Make sure you get to know them as you would your distributor.



Laundry Buildout

Once financing is approved, you and your Continental distributor will engage an architect and a general contractor to perform necessary plans, process for permits and buildout your space. The general contractor coordinates subcontractors and your distributor provides all your store's laundry equipment, laundry carts, vending machines, electronic payment systems, etc.

Services Provided When You Partner With a Quality Distributor



Marketing

This is the point where you start marketing your new vended laundry. Continental distributors can connect you with affordable marketing packages tailored to new store development — helping with branding and logo development, signage, door hangers, websites, social media management, public relations and grand openings.



Training

When the laundry is complete — or nearly complete — your distributor will provide training on maintaining equipment, operating machines, programming machines, serving customers and providing services such as wash/dry/fold. Many offer hands-on training and offering preventative maintenance schedules and service contracts. They want you to be successful.



After the Sale Services

Of course, your Continental distributor also delivers after-sale services including preventative maintenance, technical repairs, replacement parts and replacement equipment. Some host events and seminars where vended laundry owners are briefed on industry trends and technology. Such events are great venues for swapping ideas; learning ways to improve efficiencies and profits; connecting with industry experts; and examining new technology or programming. Finally, your distributor business partner should always be looking for ways to help improve your business' profits — even 2, 5, 10 and 15 years down the road!



Tod Sorensen is a regional business manager at Girbau North America and vice president of Continental Girbau West, a full-service distributorship serving the Southern California vended, on-premise and industrial laundry markets. He holds more than 20 years of experience in vended laundry development and market analysis. Please contact him with any questions at tsorensen@gnalaundry.com or call 866-950-2449.