

Insider Info

Textile Care Solutions
with Michael "Stucky" Szczotka



Expansion into the Vended Sector: Why it's a Trend & How to Get There

More and more dry cleaners looking to diversify are embracing the vended laundry business. And for good reason. By adding a vended laundry or two to their business portfolios, dry cleaners can capture new revenue streams, expand and lockdown on a given geographic area, and achieve economy of scale thanks to shared routes, locations, labor and marketing. Plus, when compared with dry cleaning, vended laundries are much simpler businesses to operate. If you're interested, yet need more convincing, or if you're convinced and want to know where to start, read on ...

First let's review the benefits of a dry cleaner adding a vended laundry, or several of them ...

Diversification

A vended laundry allows you to diversify and expand revenue streams and clientele. The traditional vended laundry is resistant to economic fluctuations because clean clothes are a basic human need. When downturns occur, generally fewer people can own homes (and their own laundry equipment). They frequent vended laundries more often. There are also full-service revenue streams in which vended laundries serve residents and businesses alike with wash/dry/fold (WDF) and flatwork processing. Such diversification helps protect you as a dry cleaning operator, counter economic downturns and maximize revenue.

Maximizing Business Overlap

Many dry cleaners have satellite locations and an established clientele within a specific geographic region. By adding a vended laundry, you can reach new markets — self-service customers, full-service customers and full-service commercial accounts. Use the vended laundry as a drop-off dry cleaning site, and simultaneously, use your dry cleaning plant and satellite locations to support and grow full-service vended laundry services like WDF.

In Michigan, Sheldon Cleaners recently opened two vended laundries and a third is in the works. It plans to close most of its satellite locations moving forward. Instead, the vended laundries have become distribution and drop-off/pick-up sites for everything, including dry cleaning. Sheldon Cleaners' third laundry will be 2.5 hours away from the central plant, but it will be used as distribution



center and route drivers will disperse to grow a whole new territory.

Similarly, in Maine, Pratt Abbott Garment Care (Pratt Abbott) is the state's largest provider of dry cleaning, vended laundry and linen/uniform rental services. Pratt Abbott's vended laundry sector significantly contributes to the success of the company as a whole. Most Pratt Abbott vended laundries and dry cleaning stores are located side-by-side. This configuration draws revenue from a broader demographic, creates shared operational savings and encourages consumer crossover.

The idea is to use routes already established on the dry cleaning side and expand them to pick-up and deliver "anything laundry or dry cleaning." Meanwhile, you'll also streamline management and labor. Maximize the overlap to your advantage and clinch down on your geographic area to help eliminate competition.

Vended Laundries Are Simpler Businesses

Vended laundries are simpler to operate than a dry cleaning business. I'm not saying they are easy, but there are fewer specialized variables requiring skilled labor with specialized training. There are no presses, air compressors or boilers. The level of government regulation is much less, as well. By investing in a vended laundry, you can dramatically decrease your percentage of payroll in total, which ultimately increases profit.

Vended Laundry First Steps

Ready to expand into the vended laundry sector?
Use these steps a guide for either developing or purchasing a location.

1



Step One: Partner With a Qualified Laundry Equipment Distributor

Be picky. Interview multiple distributors and select the best one based on what they can provide you. Look for a distributor that offers help with site selection, demographic studies, operational training and marketing, equipment mix and installation, proformas, financing, and obviously, local service after the sale.

2



Step Two: Establish Your Location

Your distributor must be able to provide you with demographic, traffic and competitive analyses to help you evaluate a location. Zero in on opportunities within the geographic areas you already serve through your dry cleaning business.

3



Step Three: Diversify Your Equipment Offering

Stand apart from the competition and glean maximum revenue and profit. If you have plans to process flatwork, ensure you've got space to operate a flatwork ironer, and possibly, a back-of-store area for doing full-service wash/dry/fold. In general, choose high-speed laundry equipment with flexible programmability.

4



Step Four: Launch Wash/Dry/Fold

Utilize idle attendants and machines to offer and process drop-off wash/dry/fold. Harness your dry cleaning plant and satellite locations to take in wash/dry/fold laundry processed at the vended laundry. Use the vended laundry as a drop-off site for dry cleaning. When you have your arms around it, go after commercial accounts, including spas, vacation rentals, salons and moving companies.



Michael "Stucky" Szczotka, owner of Eagle Star Equipment, in Troy, Mich., is a textile care, dry cleaning and wet cleaning expert with more than 45 years of hands-on industry operations experience. He is a frequent contributor to industry journals and associations. In this column, he shares his insights on how a flatwork ironer can impact business.