

A COIN LAUNDRY IS MORE THAN JUST WASHERS AND DRYERS

by Robert J. Renteria

After 15 years of having built and helped develop more than 450 coin laundries both nationally and internationally, it has been my experience that too many prospective investors have the misunderstanding that that self-service laundry business is merely about washers and dryers.

The fact of the matter is that I have sold just about every product on the market—and they are all basically the same. What I mean is that they are all pretty good, and they all provide the customers the service they want, which is washing and drying clothes.

But the coin laundry business is so much more than washers and dryers. There are many additional sources of income, which can have a huge impact on your bottom line. And, after all, it's the bottom line that is the reason why most of us go into business in the first place—not because we have some kind of love affair with washers and dryers.

In my business, I have an obligation to educate the investor, as well as the existing laundry owner, to help create the proper business model for his specific location. The days of “cookie cutter” laundries are over. Every laundry needs to be site-specific to meet the needs of its particular marketplace.

More times than I can remember, prospective laundry investors have inquired as to which washers and dryers are best—or which equipment has the best price. There is much more to be concerned with when entering this industry.

LIGHTING THE WAY

As a result, I wanted to shed some light on the path in which many people will travel as they become members of this great industry.

The self-service laundry business is a “good will” business, selling a service and doing a job that nobody I know really wants to do. Have you ever seen anyone walk into a laundromat smiling? I haven't, but that's OK. It's your goal to turn that frown around.

First things first, finding the right distributor—who knows your intended marketplace and can understand your financial goals—is important. A distributor can play a key, long-term role in helping you meet your financial objectives.

Remember that washers and dryers are not the key to the success in this business. Yes, a distributor can take you through

the maze—get you through the purchase, the financing, the development and the marketing. But once that is complete is when your distributor should roll up his sleeves and really get to work for you.

Therefore, beware of the line: “We have the best washers and dryers.” My question would follow: “What else are you selling?”

The first question you should ask is: “How do I really make money?” Follow it up with: “How can you help me do that?”

It's important to get several references from coin laundry owners who have either build or purchased laundromats from the person with whom you're working. Clearly, it is critical to search out the right people with right credentials.

Most coin laundry owners do not have a solid business and marketing plan. It's like trying to hit a target blindfolded. You can't hit what you can't see—and you can't reach a goal you don't have. Again, you are after the bottom line. Follow a business and marketing plan. Follow a strong, well-thought-out road map.

The first step to building the solid bottom line is obvious—look in the mirror. Nobody wants to take dirty clothes to a dirty laundry. Keep your store clean, clean, clean. This will help retain customers, and they will spread the word about your sparkling laundry.

Also, the lighting is important. The old cliché “the brighter the lights the cleaner the clothes” is true. If your store is brighter than your competitor's, customers will believe their clothes are getting cleaner at your laundry.

Find a good maintenance man. You can't make money if your washers and dryers are continually out of service.

Attendants also are critical, especially when it comes to opening your store on time, and not closing earlier than scheduled. Also, your attendants must be trained thoroughly because they are a direct reflection of you. In fact, they can literally make or break your business. It's a good idea to provide your attendants with some type of uniform in order to project a professional image, as well as to clearly identify your employees to the customers.

Moreover, I strongly recommend security cameras. They enable you to monitor your laundry from your home or business office; plus, they provide your customers with a feeling of safety. In addition, surveillance cameras keep your attendants honest, as they are well aware that they are being watched.

Cameras will allow you to protect your investment and sleep more soundly at night, knowing you have no “silent partners.”

MORE THAN WASHERS AND DRYERS

Ancillary products have become a much larger source of income than ever before. For example, over-the-counter bulk soaps often have more than a 300-percent markup. And laundry bags can offer the same profit potential.

Snacks are an example of yet another area for big profits. I, personally, have a customer who sells 200 servings of nachos every week on average. His cost of goods is 36 cents, and he sells them for \$2—for a return is \$1.64 each. Multiply that by 200 servings per week by 52 weeks, and he’s making \$17,056 per year on nachos.

A jukebox and other video vending will generate you a nice profit, the rate you should expect is 50% of the gross take on a monthly basis. As an example, we have customers who take in their split up to \$3,000.00 per month. That is what I mean by additional bottom line revenue!

Ice cream machines, soda, chips, candy, coffee, hot chocolate, hot dogs, bottled water, phone cards, pay phones, Internet terminals, ATMs, fax services, mailboxes, postal services, rental space for currency exchange services, laundry bags, bulk sales and more. Get the picture?


Did I hear drop-off laundry service? Here is a service that has an almost endless income potential, if you look at developing the commercial accounts that are no doubt all around you. There are hundreds and hundreds of opportunities out there that you can reach out and grab, if you just want it bad enough. The key word that comes to my mind is passion.

FOOD FOR THOUGHT

In the end, it’s all about service and being the best you can possibly be. Let me finish with some food for thought. Listed below are some recommendations to help further enhance your income potential, while better servicing your customers:

- 1 Create a theme for the laundry (for example, “Rock and Fold”).
- 2 Add pictures to the walls, featuring Elvis, Buddy Holly, artists from the ‘50s and ‘60s, etc.
- 3 Remove all plastic and real plants from inside your laundry.
- 4 Install wall-mounted TVs, and play DVDs of movies like “Grease,” “Saturday Night Fever,” etc.
- 5 Replace all of the plastic light covers with new, clear-face covers for brighter lighting. (Adding new, exposed lighting is even better.)
- 6 Install signage within your coin laundry (for example: “Thank You,” “Please Come Again,” etc.) Also, perhaps install neon signage for nighttime exposure, as well as highly visible exterior signage to lure traffic.
- 7 Keep your storefront windows spotless at all times.
- 8 Replace your ceiling tiles as needed, specifically around the air coolers.

- 9 Keep your washers and dryers clean and polished.
- 10 Paint the fronts of your steel bases below the frontloaders to maintain a clean look.
- 11 If space permits, arrange the shelves for your drop-off area. Stay organized.
- 12 Provide uniforms for your attendants.
- 13 Maintain all machines at all times. You can not make money with broken machines.
- 14 Maintain key control. If in doubt, replace all money boxes to avoid “silent partners.”
- 15 Regularly clean your vents to save energy, provide more efficient dryers and help avoid fires.
- 16 Forbid smoking in your laundry.
- 17 If you have room outside the laundry, provide seating and tables in addition to the ones you have inside.
- 18 Hold a grand opening and/or an annual picnic/customer appreciation day. It is important to give back to the community. Treat your customers right, because they are paying your bills.
- 19 Meet and greet all of your customers.
- 20 Join your local Chamber of Commerce. (Let others know who you are and what you do.)
- 21 Cross-promote your laundry business with other local business owners. This will help everyone make money.
- 22 Take a hard look at developing commercial business accounts.
- 23 Replace all old, inefficient washers and dryers.
- 24 Consider replacing an older, inefficient water heating system with a newer, high-efficiency model. This will definitely boost your bottom line.
- 25 Create a children’s play area, space permitting.
- 26 If you don’t already have air conditioning, consider installing it.
- 27 Work with a laundry professional to develop your marketing plan.
- 28 Execute your marketing plan effectively.
- 29 Open on time. Close no earlier than scheduled.
- 30 Set up a bulk sales counter.
- 31 Install a suggestion box at your store to get feedback from your customers. They will tell you what services they need to help make their washing experience more pleasurable.
- 32 Attend industry-related seminars.

These are just a few areas upon which a new or even existing laundry owner should focus. Keep in mind that this is your business and that you alone are responsible for making this opportunity as success. 

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