

GOING THE COMMERCIAL ROUTE

It's no secret that most operators are in search of some extra revenue. And when it comes to generating extra revenue, one's thoughts often turn to extra services.

Have you ever considered taking on commercial accounts? It may sound overwhelming at first, but on further consideration, this extra service may be ideal for your self-service laundry.

Like anything else, there are pros and cons to taking on commercial accounts. However, operators are doing them, and with some success, according to recent surveys and interviews.

I think it's always best to hear from the people who are doing this type of work in order to get a better feel for the challenges and benefits.

An expanding operation

Len Bazile operates Hollywood Laundry in Kenner, La. His commercial linen division is called Dirty Laundry LLC. (He is also preparing to open a second laundry.)



Len Bazile (left) handles a variety of linen, from military to university orders, at his 1,500-square-foot Louisiana store.

Bazile started out dealing with bar mops (towels) and aprons. That wasn't profitable enough, however, a new source of revenue emerged: Bazile's partner had a catering business and sent some work his way. He handled table linen, and soon another caterer utilized his service.

"This didn't require any advertising or marketing," Bazile recalls. "It was just word-of-mouth that led me to picking up the work."



Seek out businesses looking for better value

By Paul Partyka

During the summer, Bazile took in dorm bed linen from Tulane University. Next was linen from a military base. He even got a call recently from the Department of Homeland Security to handle post-emergency laundry work. "Last year just exploded."

Bazile, on average, handles about 1,500 to 2,000 pounds a week at his 1,500-square-foot store. His largest equipment is one 60-pound washer, four 45-pound dryers, plus a 75-pound dryer. He also rents a 500-square-foot suite right next to the laundry that he's dedicated to linen processing — folding, packaging, etc.

He processes linens of different sizes — from 60 x 60 to 90 x 156 inches. A normal workday may start at 6 a.m., with the work concluding at 10:30 or 11 a.m. Larger orders may require some late-night work at times, and certain attendants will focus solely on the commercial work.

He says his schedule must be flexible since walk-in customers get first priority. "I will pull linen out of a machine if need be for customers."

Bazile works at soliciting new business, but admits that he doesn't utilize any "scientific" method for attracting new customers. He has cards made with a price list. He stops in at area party rental/catering businesses and introduces himself. He once even landed a new account by calling a number that he saw on a delivery truck. "I don't use phone books or the Internet. I just keep my eyes open looking for opportunity."

Bazile has been doing commercial work for several years, and is still learning about cleaning techniques — food oil on linens is his toughest problem. He often tests new chemicals. "[Cleaning] is also about applying common sense. I now do all colored linen/polyester linen using a medium temperature, not hot. I also don't overload dryers."

With the thought of adding accounts, he wonders if he should rent a 3,000-square-foot warehouse and use larger machines, a flatwork ironer, etc. However, he's worried about

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the downtime involved with a larger operation.

If you're thinking about commercial accounts, do some market research and make sure your competitors aren't doing the same work, he advises. "Most larger commercial firms own their own linens. I do customer-owned goods. It's a small niche market. The last thing you want to be is the fourth person in the market getting into the business. I almost left this segment years ago because I couldn't find more work.

"I didn't know all the different avenues; I now look for caterers, party rentals, and universities in the nearby area. If no one is doing the work, give it a shot!"

Sell yourself

Joe Bellino has been doing commercial work for 13 years at his 2,500-square-foot store in Stoneham, Mass. It was items from a sports medicine/therapy business at first. Customers would even bring the work in and pick it up. Bellino also deals with barbershops and salons. More specifically, he handles plenty of towels.

"Some of the work just came in right off the street, and some of it I get myself," Bellino says.

When looking for business, he enters a business, introduces himself, and gives out business cards. By chatting with store customers, he has learned of some work at

places that are potential accounts. His store window and business cards say "commercial accounts welcome." Bellino even lists his personal cell phone number in the phone book for those interested in commercial service.

While business has slowed recently, one thing hasn't changed: he guarantees that he will beat the price of the account's current work provider.

He processes about 1,000 pounds of commercial work a week, although this figure was larger in the past. His largest washers are 50-pound capacity, and his largest dryers are 75-pound capacity.

Bellino has utilized educational material to aid with commercial cleaning, and is always looking for cleaning tips. "Knowing a few drycleaners doesn't hurt," he jokes.

He urges those interested in commercial work to stay away from the large accounts. "There are many concerns, such as OSHA." The biggest challenge, however, is balancing walk-in customer and account concerns. Currently, the attendants do the commercial work during the day, but a night shift would be added if needed.

Networking is also a key. "Get to know all the local businesses," he says. "I go to the businesses personally, boast about what I can do, and tell them that all my machines are factory-set, that I have water filtration, etc. Sell yourself and what sets your laundry apart from others. Don't go for the big account right away — that's the one that causes you to sweat!"

Small operations have an edge

Jim Fingerman can handle commercial accounts on two levels — he operates Pilgrim Cleaners, a self-service laundry/drycleaner, in Richfield, Minn. The two-story business is about 9,000 square feet. On the laundry side, the largest equipment is two 80-pound washers and five 75-pound dryers.

Fingerman handles a good number of towels and dentist's coats (the coats are drycleaned). He admits having some good fortune — some of his business just came to him. He credits the appearance of his large store with attracting attention. He also says that "sometimes it's better to be lucky than good."

If you're investigating the commercial world, keep in mind that the large commercial laundries have set things up carefully, he says. "It's difficult to get hold of any of the business geared toward them. People are locked into contracts with commercial laundries. To get out of those contracts, people really have to be motivated."

Recently, Fingerman launched a website that mentions his business is seeking commercial accounts.

Designated workers handle the commercial work. "I have a person in charge of [the commercial work] who

What are your fellow operators saying about commercial accounts? Based on a recent survey (Page 6) and chatting with some operators who offer this service, several tips emerge regarding this extra-profit offering:

- Current equipment trends favor commercial work. Today's larger washers and dryers offer the capacity to aid in linen processing.
- Always factor in delivery costs (gas, insurance, etc.).
- Deadlines are crucial. Missing a deadline can cost you an account.
- First things first: Learn basic wash, dry, and fold service before venturing out into the commercial world.
- Some commercial work may require special cleaning knowledge. It doesn't hurt to befriend a drycleaner.
- Be prepared to deal with claims.
- In order to fully take advantage of this service, you need to market the service on some level.
- Establish a pecking order, such as making sure your regular customers come first when it comes to machine usage.
- The profit margin may be small, but the work will keep your attendants and machines occupied during slow store periods.

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also works the counter. I don't just let anyone oversee this, although there are aspects of the commercial work (such as folding towels) that can be handled by anyone. This way, you get better value for their time."

Deadlines exist, he says, but since he's been doing commercial work for 12 years, deadlines are no longer a major concern. "However, anytime you take on a project, you always worry about what you have got yourself into. You can't know all the variables at once. There are time constraints that have to be dealt with."

Soliciting business can take different forms. "Get more out of your existing customer base. Talk with customers. Many of them are my friends. Take an interest in them, and you can stumble across business leads."

"A good friend came in about seven or eight years ago, and saw me washing car mats. He asked, 'Do you wash car mats?' And then he asked, 'How would anyone know this?' An advertising program was born from this."

If you believe commercial accounts are the way to go, ask for a sample or two from a potential client to see if you can handle the work rather than boasting that you can handle everything, he advises. "We turned down accounts because we couldn't handle some things. It can take a lot of work to process some garments. Realize what you are good at, and what your limitations are. And make sure that your work is satisfactory with what the client wants. Once we know what we can do, finding the price-value ratio that works is the next step."

Fingerman is optimistic about the future of commercial accounts. "My commercial customers are getting smarter every day. They investigate alternatives in the marketplace. The economy will force them to look things over, and they may take a closer look at laundries. They may want better relationships and better value than they are getting from large commercial firms."

"Small guys have the advantage of providing quality and service that can't be easily obtained on a large scale."

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