



# A Plan Comes Together

*A Conversation at CLA's Fall Conference Develops into Pioneering Laundry Project*



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In past columns, I've discussed the value of networking and the ideas I've picked up at industry events – ideas that have helped me save and make more money at my stores.

A perfect example of this occurred last October, when I was in Palm Springs for the Coin Laundry Association's Excellence in Laundry Conference. In addition to educational sessions, this event featured a mini trade show, where several manufacturers were showcasing their latest offerings.

While I was there, I struck up a conversation with Adam Stratton of Hamilton Engineering. He was presenting a new version of the company's San-O<sub>3</sub>-tyzer, which enables laundry owners to offer their customers the ability to add ozone to their wash.

As we talked, I found out that Hamilton had taken the ozone concept, which it originally marketed as a full-store concept, and were now proposing an alternative bulkhead concept as well – so an owner need only devote a single bulkhead to ozone washing if he or she chose to do so.

As Adam and I talked, I felt the problem with the bulkhead concept, from my perspective, is that when I built my laundry each bulkhead typically includes one type of washer. So, in essence, they were asking me to devote an entire row of 20-pound machines, or 30-pounders, or 40s or whatever to ozone washing.

I also told Adam that they still weren't creating an ROI on this investment. Store owners want to know how they're going to make money.

Interestingly enough, the following week I was scheduled for a software upgrade to my Card Concepts laundry card system at my Sherman Oaks store. The company had launched its Version 7.0, which adds a lot of functionality, including a multi-vend pricing option – so I had been dwelling on how I might leverage this tiered pricing option.

The timing was perfect, and I was lucky to be at this CLA conference with all of the people I needed to speak with. So, I literally ran over to Joel Jorgensen, the executive vice president of Continental Girbau, who also was attending the show in Palm Springs. I told him what I just saw at the Hamilton Engineering booth... and I said I had an idea.

### The Idea

My thought was to offer an ozone wash, but only to customers who choose the "superwash" cycle in my Sherman Oaks store's new tiered pricing structure. Those who chose "hot," "warm" or "cold" would still be able to get their normal wash cycle.

Right there, Joel called up the engineers at Continental's headquarters in Wisconsin to see if it was even possible – and they felt that with the

existing functionality of their washers they could come up with a solution.

Steve Marcionetti of Card Concepts also was at this CLA event, so I checked with him to be sure his equipment could provide me with what I needed to make this work from their point of view. And Steve didn't anticipate any problems.

Next, I went back to the Hamilton Engineering booth, and I added an extra complication into the mix – I explained that I wanted ozone for just my "superwash" customers, but I also wanted this option on two bulkheads, not just one.

For me, it just wasn't worth it to offer this option on only seven or eight machines. My store has three bulkheads. The front bulkhead has back to back 40s and 20s, while the middle bulkhead has 30-pounders. In my mind, if I put the San-O<sub>3</sub>-tyzer on top of the middle bulkhead and ran piping, I could service 23 machines. That way, if customers liked it, I would have enough washers offering the more expensive "superwash" to justify the expenditure.

And that is where things stood as we all left Palm Springs.

## Selling My Idea

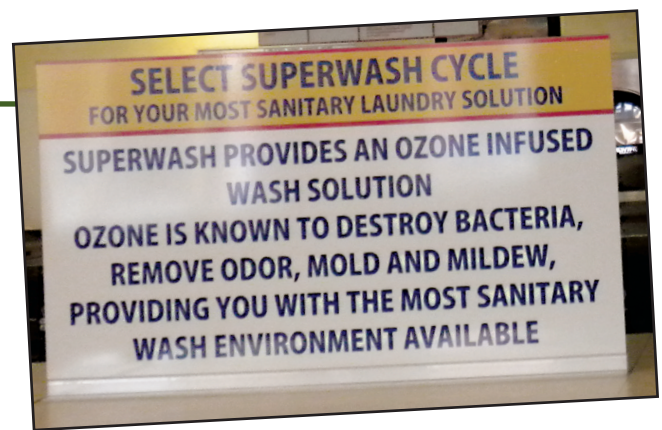
Coincidentally, the very next month, I was scheduled to speak at the Daniels Equipment show in Boston. At that show, once again, literally everyone I needed to meet with would be there – Hamilton Engineering President Jeff Deal, Continental President Mike Floyd, Card Concepts President Steve Marcionetti... and, of course, Daniels Equipment's Ralph Daniels, whose company Aquawing created the technology for the San-O<sub>3</sub>-tyzer.

So, I put together a presentation for them. I created a mockup of the marketing I would do for it, as well as a financial pro forma indicating the three areas where I show us being able to increase revenues from this concept, from a store owner's point of view. I then used actual figures from my washers, wash-dry-fold customers and comforter customers. I forecasted a percentage of those categories that would be using this new technology, and I estimated the cost of the project.

I wanted to convince each of them this was a worthwhile solution. I determined that 20 percent of my customers would select "superwash" in both the 20- and 30-pound cycles, and 25 percent would select it in the 40-pound cycle. I also estimated that 15 percent of my wash-dry-fold customers would opt to use ozone and we would wash 12 comforters using ozone. Using these forecasts I calculated a payback period of about two and a half years, with a 40 percent return on investment.

So, I arrived in Boston the night before the Daniels Equipment show for a welcoming dinner. After dinner, we went back to the hotel and were all at the bar – and that's when I collected everyone at a table and shared my numbers and marketing presentation.

It couldn't have been more serendipitous. Everybody I needed was right there, and they all green-lighted the project that night.



## Taking Action

At this point, everyone involved jumps into action. And the period from mid-November until the end of April became a flurry of starts, stops, trial-and-error experiments, headaches and eventually success.

This is the first time anything like this had ever been done, so everyone was developing their own portion of the project and putting it into operation for the first time.

In essence, I first installed a second plumbing system for just the "superwash" cycle on those 23 machines, to carry the ozone from the city water supply, through the San-O<sub>3</sub>-tyzer and then on to those washers that would have the third fill valve for ozonated water.

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With that done, one of Continental's senior engineers arrived the week of January 28 to install the additional inlet valves, timers and electrical wiring needed for this project.

On February 8, my plumber returned to install the San-O<sub>3</sub>-tyzer.

Then, during the week of February 11, Gary Clark of Continental and Dave Spofford of Aquawing arrived to ensure that the system was working properly and that we were getting the amount of ozone we needed – which we weren't, a bit more design engineering would be required.

The last step was to have Edgar Gaskevicius of Hamilton Engineering; the actual designers and manufacturers of the San-O<sub>3</sub>-tyzer come out and make some component adjustments. He then dialed the system in, tested for proper ozone levels at all washers, and ensured that all of the water in the new ozone delivery plumbing maintained a ready state to deliver ozone on demand to all 23 washers.

However, before I could offer this to my customers, I had other bugs (large and small) to work out – everything from incorrectly connected wiring to having an incompatible software version of the microprocessing control units installed on my washers. Having this special design of mine certainly posed some design problems, but in the end, having such a high level of cooperation from all of these companies involved prevailed, and the system works exactly as desired (and promised).

Finally, on April 23, I was comfortable enough to launch. At this point, I changed all of the multi-vend prices to provide the projected profit on the washers that offer ozone. I set up my in-store marketing materials, including an exterior banner that had been gathering dust just waiting to be hung. And we went live that morning.

### Going Live

Do you remember the usage percentages I estimated back in Boston?

Between April 23 and May 20, 89 wash-dry-fold customers converted to ozone (13% of WDF customers during that period), and we washed 32 comforters with ozone. Also during that period, 25 percent of the 20-pound washers, 32 percent of the 30-pounders and 38 percent of the 40s selected the ozone "superwash" option.

The customers love it, and I'm not losing or alienating anyone. My customers are being sold on a value proposition, not being forced to just accept something.

My feeling has always been that the best way to convince a laundry owner to purchase new technology is to be able to show them an acceptable ROI. If not, you're asking them to take a huge leap of faith... and that's extremely difficult and very risky from an owner's point of view.

All of the companies involved have been able to show off the versatility of their equipment, and I've been able to set my store apart from the competition and increase my profit margins. To me, this is a win-win for everybody. It's why I wanted to get everyone together to make it happen.

And, of course, a big reason it all came together was thanks to the great initial networking opportunities offered through the CLA. Leveraging those types of relationships has proven invaluable to me throughout my time in this industry.

