



THE LAUNDROMAT GUYS
GROWING PROFITABLE LAUNDRY BUSINESSES

HANG WITH THE PACK OR GO SOLO?

Strive for an acceptable level of cooperation with other laundry owners

This month's column touches on a somewhat unusual topic — self-service laundry owners working with the competition. I have to admit that this was not a subject easily tackled ... that is, until I got over this silly urge to be politically correct. (If being politically incorrect bothers you, you might want to turn to another page in this magazine.)

Can laundry owners derive some value from working together and sharing business tips? You bet. Should we embrace this concept fully and march down the street to a competitor and offer him/her ideas on how to improve their business? Heck no. If you feel compelled to tell another owner that the broken window out front and the dirty floors are really hurting his business, I'll share some crucial advice: sell your store and volunteer at the competing store.

MIXED EMOTIONS

Let's be honest, the run-down condition of the neighboring store is probably one of the reasons you set up shop in this area. That store's customers, who deserve better, are the proverbial "low-hanging fruit" that you decided to serve.

Laundry owners can look at this two ways. First, the run-down store is casting a shadow over our entire industry. As owners who do things the right way, we are trying to change perceptions of the selfservice laundry industry as a whole. That effort, we can all agree, is made more difficult by this dingy laundry down the block. However, as businesspeople, we also can argue the point that this shabby purveyor of laundry services is necessary in the market, and we welcome him. This laundry is our best means of selling the benefits of what we are offering.

I love it when customers engage me in the discussion about how that "other laundry" around the corner has less expensive vends on its washers and dryers. I've had this discussion so many times that I don't miss a beat in launching into my sales pitch.

The inquiring customers hear myriad questions. Whose store is cleaner? Whose equipment is newer? Whose store has more equipment out of order? Whose store is air-conditioned during the summer? Whose store do you feel safer in? Being the highest-priced store in the neighborhood isn't a bad thing, provided customers are getting quality commensurate with their higher vend.

OK, so I digress from the point of this column, which is working together. But to finish up my thoughts, perhaps markets have a need for both types of stores. Often you'll find a McDonald's down the street from an Applebee's. Both places offer similar items, but are catering to different clientele. The market is being served.

WORKING TOGETHER

Competition is good. It should breed excellence in the market. And those businesses that do an excellent job in operations and serving customers will win the largest share of the customer pie. However, there's something to be said for working together and looking out for one another.



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Laundry owners should pair up and do all they can to harness their group buying power. Owners in a nearby geographic area should look into efficiencies and savings to be gained by teaming up to order products. You may be in a position to negotiate a discount or free shipping for the larger order. For example, co-ops can work when it comes to locking in natural gas prices. The same may hold true when it comes to purchasing soap or snack vending items.

While we may be competitors, we also live in a society that believes (for the most part) we should treat people how we want to be treated. In my book, that means engaging in healthy competition that's never meant to undermine or damage the reputation of the laundry down the street.

If we are doing things the right way, we should communicate with other owners in the area. If you had a washer or dryer down and needed a part on the weekend, wouldn't you hope the guy down the street could help you out? Don't forget, that means extending him the same courtesy should he need a belt or some other part in a time of need.

Not long ago, I noticed that several streetlights were out in front of my store. After a few phone calls, I learned who I needed to get in touch with to have them repaired. Once notified, the utility company quickly took care of the problem. Later, I noticed a streetlight was also out in front of a nearby store, and called the owner to tell him how easy it was to take care of the problem. Sure, we are all competing, but we also reside in the same neighborhood. We both should care about safety and appearance.

There are exceptions when it comes to working with your competitors. We cannot discuss pricing. Self-service laundry owners serving the same market should never broach this topic, lest they be accused of illegal price-fixing.

I encourage active participation in industry forums and bulletin boards. There's so much we can learn from our fellow owners and operators. In addition, it's also fun to swap some industry "war" stories, ideas on how to deal with difficult customers, ways to improve profitability, ideas on starting up wash, dry and fold, or just let off a little steam about how those darn water/sewer rates and impact fees are driving us crazy.

Remember, we're all in the same boat, and share the same challenges. Laundry owners sharing the same market should strive for an acceptable level of cooperation. This should develop with a mutual respect for one another, tempered by the understanding that we all have separate businesses to run.