



THE LAUNDROMAT GUYS
GROWING PROFITABLE LAUNDRY BUSINESSES

TAKE A WALK ON THE WILD SIDE?

Doing business in rough areas requires an extensive checklist

The Wild West. That's how some self-service laundry owners and distributors view locations in the rough sections of their communities. Being an optimist, I like to view them more as the great frontier. Meaning, there are excellent opportunities for business owners with a little sense of adventure.

The first obstacle to overcome is your perception of the area. Graffiti and some shabby-looking buildings may be what you notice first, but there's certainly more to the story than that. Let's say for this column you've done the homework and the area has great demographics, but you're still a little nervous.

CHATting AND CHECKLISTS

To get the full picture of the area, I recommend speaking with area business owners. Are you unfairly judging this community by its rough, very visible exterior? You could find out this area is on the cusp of a turnaround and that, in fact, not all businesses are rolling down gates by 5 p.m. Managers at the local McDonald's or Rite-Aid should offer valuable insight into the neighborhood. I also recommend speaking with local police about crime and gang activity. If the area is a war zone, it's not worth entering the area.

However, speaking from experience, having developed laundries in certain areas of New York and New Jersey that many would have never considered, you can have success. With the right approach, your laundry can not only be profitable, but a source of pride for the neighborhood.

If you proceed, start with a layout that offers good sight lines from the street. Some owners favor putting their largest machines up front, but you don't want to put your largest machines up front by the windows in these areas. Customers want to see the whole laundry and be seen when they're inside. Good sight lines contribute to safety.

Please don't skimp on your security and camera system. Again, speaking from experience, capturing video and having the capability of printing out a decent picture has on more than one occasion helped me identify vandals and recover stolen property. The residual benefits of demonstrating that your store is not an easy target and that perpetrators are not "faceless" is sometimes more valuable than the actual merchandise missing or destroyed.

I'm a firm believer in card payment systems. They keep money in a central location and also are another safety feature for customers. I advocate having an attendant on duty during operating hours — even if your store is open 24 hours. The key here is knowing who you are employing. Hiring people from the neighborhood sends a nice message to customers. It may take a couple of tries to get a trustworthy candidate. Don't get frustrated; you'll find them.

Here's a basic thing that is sometimes overlooked — lighting. This may mean an added expense, but in rougher areas, my stores will be lit up like Yankee Stadium. I even recommend double the normal lighting — interior and exterior — in some sites. Using high-efficiency T5 lighting helps lower operating costs, and during the day you can shut down a portion of your lights. Much like good sight lines, good lighting is imperative to customers and employees feeling safe.



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At one store, parking-lot lighting was so good that our camera footage was confiscated by the police after a shooting occurred across the street. The footage helped them catch the perpetrator. It didn't take very long for that news to spread in the neighborhood and make the business a very unattractive place for the criminal element to congregate.

One of the biggest challenges will be keeping your store from becoming a site for drug transactions. Bathrooms with drop ceilings are havens for this activity. I recommend a drywall ceiling to prevent this. A card reader on the bathroom door also can help.

UP AND RUNNING

Once the store is up and running, your approach to the business is extremely important to its success...and whether it stays in one piece. Keep it clean! Anything that gets dirty or broken needs to be fixed immediately. I've found that when customers see that you really care about providing them with a clean, well-run environment to do their laundry, they'll police themselves. Don't ever lose sight of the fact that most of your customers are good, hardworking people. Give them what they deserve. They will show you their appreciation.

Vary how you perform collections. Make sure you use different routes and come at different times. Predictability, particularly when it comes to collection, makes you a target. Crime figures are lowest between the hours of 5 a.m. and 7 a.m.; this may be when you want to collect cash. Another idea may be to install an ATM. With this arrangement, collection money can be loaded into the ATM and the owner of the unit will direct-deposit those dollars into your account.

Now for the dreaded confrontation. (You know you are going to have at least one unpleasant encounter.) One scenario would be how you handle gang members loitering in your store selling drugs. Obviously, this isn't a welcome sight for customers, and it won't help your store's success. Likewise, butting heads with them will only lead to more trouble. My approach is to chat with them as the "manager," informing them that "my boss will fire me if I don't speak to you about our policy prohibiting loitering."

I'll also point out that I don't want any trouble, and, as a friend, I want to warn them that anything they do is being videotaped and watched live on the Internet. I have to be honest; this is a scary thing to do. But it's also worked every time. It's certainly satisfying to see these guys return to the store as customers with their girlfriends and moms. It only further reinforces the need for the business and the balance that can be achieved with the right approach.

I don't think this column has sugar-coated any of the challenges these rougher areas present. Nor do I think every owner is ready to tackle these challenges. Stores that are successful become part of the neighborhood. They're not just storefronts that "do business" there. Quite simply, the recipe for success isn't any different from another area with solid demographics. Give people excellent service in a clean environment, and they'll come back. You'll then realize you didn't tame the Wild West, you just claimed your part of the frontier.