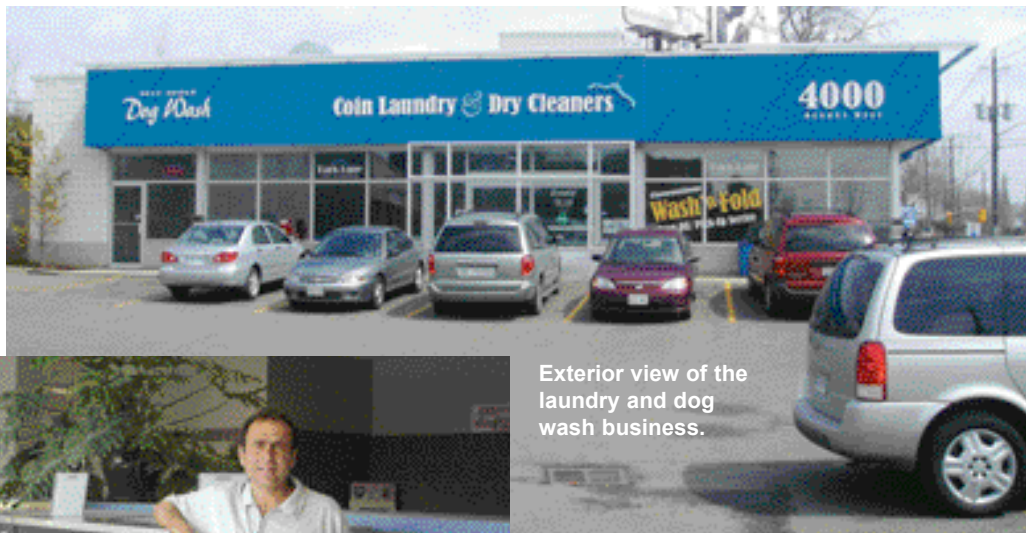


Vito Cosentino at his new laundry facility.



Exterior view of the laundry and dog wash business.

Clean Results

Laundry delivers as extra profit center

by Randy Radtke

Like many in the car wash business, Vito Cosentino was looking for additional profit centers. The car wash he opened several years earlier in Toronto was doing well and he'd added a dog washing station that also was a solid performer.

So how did Cosentino's search for extra income at this location end up with his owning Canada's largest coin laundry? He says it was a simple case of a great demographics served by a quality approach.

"I really felt that there was a big opportunity here to capitalize on the demographics (of this area)," Cosentino said, adding that he liked the laundry's similar setup as the car wash as well as it being a cash business.

The Setup

Cosentino's car wash features 12 bays and offers air guns, spot-free water, engine/tire cleaner, vacuums, Blasto-Dry and more, as well as a variety of detailing options ranging from \$14.95 up to \$245. The dog wash delivers an eight-minute self-serve wash for \$8. While this setup was successful, Cosentino was looking to make his business even more of a destination when he purchased an acre of land adjacent to the car wash.

He entertained several ideas, including a doughnut franchise popular in Canada, before a friend in the laundry equipment business suggested a vended laundry would be a great additional profit center especially in his market. Plus, its operation was similar and complemented the car wash. Investigation of the area showed demographics perfectly suited to a successful vended laundry, while existing laundries in his market were downtrodden and not delivering a quality customer experience.

Creating a Plan

Working with his distributor, Coinmatic in Ontario, he built a 3,000-square-foot laundry, offering the latest in high-efficiency washers and dryers as well as wash, dry and fold service.

"With a mixed demographic of middle class and upper class clientele, I wanted to capture the entire marketplace," Cosentino said of his offering wash and fold service for busy upper class clients to complement the self-service laundry.

Wash 'N Go, however, didn't burst onto the market like he had anticipated. "The first week, I thought 'what have I done,'" Cosentino joked, adding that the business required more marketing from the start than a car wash to "change peoples' habits."

So he set out doing direct mail marketing to inform prospective customers of the time savings that could be had with his large-capacity frontloading washers versus the dated toploaders in their apartment complexes.

Cosentino's extra work paid off and at a year into the venture he was breathing a sigh of relief having reached a mature volume and growing. "Patience is the key to it," he said.

Ready for Takeoff

From that point, the laundry delivered on the promise of excellent profits; and key to those results has been the wash-and-fold service.

"I had a feeling it would be popular," Cosentino said. "We charge \$1 per pound and we're doing a huge volume." So popular is the service that he's had to add extra labor to meet the demand.

And as customer traffic grew, quickly Cosentino saw the need for the laundry to increase in size as well, adding a 2,600-square-foot addition to the store. With the addition, Wash 'N Go comes in at 5,600 square feet—believed to be the largest vended laundry in Canada.

The Benefits

Cosentino said while there are specific considerations in terms of venting and the weights of the machines to consider in building a laundry, it's still easier than starting a car wash.

"With a laundry, you're not faced with the severe restrictions as a car wash," he said. "Zoning restrictions are much easier to overcome."

In addition, he recommends the vended laundry as an additional profit center, especially for car wash owners who have extra land. Owning the site for the laundry removes the ongoing lease payments that many laundry owners face, thereby increasing the store's profitability.

Having the laundry also has improved customer service at the car wash. Where before a customer who had a problem with equipment had to leave a note, now the client can visit the laundry attendant and receive immediate service or their money back.

"It also helps our appearance as the attendant can pick up garbage around the car wash," Cosentino said.

Best of all, however, is the "synergy" he has between the car wash and laundry. "Laundry users have 30 to 35 minutes to kill [between cycles] ... they look out and see the car wash," he said. "It's all part of the atmosphere; we're a destination-type stop."

Marketing Green

Recently Cosentino took another proactive step toward improved profitability by installing solar panels, which are used to heat water for both his car wash and laundry.

"I was horrified by my natural gas bills," he said. After investigating a variety of options, he decided the return on investment (ROI) for the solar water heating system made the most sense with an eight year payback. That ROI may be increased, however, as the businesses have seen improved traffic due to their new green initiative.

"The true payback has come from marketing environmentally friendly," Cosentino said, adding that it has increased sales. But Wash 'N Go is doing more than just heating water with energy from the sun.

Cosentino's car wash uses only environmentally friendly soaps and employs water reduction initiatives, he's looking into a water reclaim system. Meanwhile, the laundry offers a recycling program, recently upgraded to larger more efficient stack dryers and serves as a drop-off for donated clothing. But he's not done there. This combina-

Vended Laundry Fast Facts

- ▶ According to a 2006 survey by the Coin Laundry Association, six percent of vended laundry owners surveyed also include a car wash as part of their business.
- ▶ Vended laundries often post ROI rates of 25 to 35 percent or higher.
- ▶ After five years, coin laundries have an almost 100 percent success rate.
- ▶ The large-capacity washer-extractors vended laundries utilize are generally more efficient than single-load homestyle units, making the laundries a water/energy efficient option.

tion business has been so successful, Cosentino is actively seeking sites for a second Wash 'N Go car wash/vended laundry.

"I've got a winning formula I'm trying to replicate," he said, adding that with the right location and demographics, the business model can be highly profitable.

He cautions car wash owners to make certain they have adequate space to add the laundry. "It's a delicate balance with extra profit centers," he said. "You have to have adequate parking." Without sufficient area, he suggests at least one to one and a half acres, you may not have space to handle peak demand. Getting people in and out easily with good ingress and egress is equally important.

Advice to Newcomers

Cosentino's advice to current car wash owners pondering adding a laundry as an extra profit center is quite simply to look at all facets of the business. He recommends talking to current owners, equipment suppliers as well as visiting industry-specific Internet forums.

"You have to look at all factors in play—parking, visibility ...," he said, as well as the traffic past the location. His Wash 'N Go business sees traffic of 40,000 slow-moving vehicles going by per day. That count has also opened the additional profit center of billboards on his property.

He recommends a detailed business plan and accurate pro forma as well as being conscious of components that could derail your business such as a traffic pattern shift or changing demographics.

The important thing is to equip yourself with as much information as possible to ensure there are no surprises when the project gets off the ground. **ACCB**

Randy Radtke is a public relations specialist for Alliance Laundry Systems, a world leader in manufacturing commercial laundry equipment. For more information about Alliance Laundry Systems, visit www.comlaundry.com. To learn more about the coin laundry industry, visit IPSO's new investor site at www.ipsousa.com/investor/.