

INVEST IN LAUNDROMAT – CASE STUDY



Ed and Rachael Ellis
1 Clean Laundry
4036 13th Street
St. Cloud, Florida 34769



Living just south of Orlando, Florida, owning a property management company that rented large vacation homes to tourists was a likely business venture for Ed Ellis and his wife Rachael. However, tending to the homes and renters' needs was a 24/7-business operation that needed their constant attention. After many years of running the business, they found themselves ready for a new business opportunity that would not have the same demanding schedule. They began to look into a new investment opportunity that would bring in a steady income but did not require them to “reinvent the wheel.”

They considered buying a health and fitness center franchise, but given the state of the economy in 2009, they realized that gym memberships might not be a priority for many people. As they investigated further, they discovered an investment that was recession-resistant and well-established – the vended laundromat. A laundromat would also provide them with a set schedule of their choosing and the flexibility of hands-off management that was desired.

THE BENEFITS OF TRUE BUSINESS PARTNERS

Once Ed and Rachael made their decision to open a laundromat, they began looking at the options available to help them finance their new business. They spoke with multiple banks but decided to work with Speed Queen® Financial Services (SQFS), the industry-leading equipment manufacturer Speed Queen's in-house finance solution.

“Different from a commercial bank, SQFS understood the unique needs of the laundry industry and anticipated my requirements before I even knew I had them. For a first-time owner, their knowledge was invaluable. At the end of the day I knew they were there to support us,” Ed recalls.

Ed and Rachael opened their first laundromat in 2009 and after five-and-a-half years of running a successful business, their Speed Queen distributor, Statewide, contacted him about a new laundromat location. An old laundromat at a strip mall had recently gone out of business and the property owner was looking for a new owner to take over the space. Ed and Rachael wanted to jump on the opportunity due to the location and proximity to their house, but they needed to make sure this was a smart business decision. As an expert in the laundry industry, SQFS had the knowledge to provide demographics and background information on the new location to ensure there was a continued need for a laundromat. While their first laundromat was still profitable, they chose to sell it to focus on opening and running the new laundromat. They knew that owning a laundromat that was closer to their home would reduce their commute, providing them with even more time and freedom to manage the business.

Once again, Ed and Rachael found that SQFS and Statewide were able to provide the support they needed to open the new laundromat. Due to SQFS's expertise in the laundry

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industry and Ed and Rachael's experience opening and running a profitable laundromat, they were able to work together to establish terms that would set them up for success, such as developing a customized payment plan to ensure that they had the funds needed to open and run the store.

Statewide provided support throughout the planning and build of the new laundromat, including design services. Statewide's design services created a seamless process for the construction team to review the professional designs, obtain the proper permits and complete the build in a timely manner. Ed and Rachael finalized paperwork for their new store in mid-March 2015, and twelve weeks later opened 1 Clean Laundry on June 15, 2015 in St. Cloud, Florida.

"I can't say enough good things about my experience working with Speed Queen and Statewide," Ed shares. "They are true partners in my business and we are all working together to achieve the same goals. When one of us succeeds, we all succeed."

SUPERIOR TECHNOLOGY

Drawing on his experience running a successful laundromat, Ed knew he needed Speed Queen equipment. He replaced all of the Dexter machines that had previously existed in the store with brand new Speed Queen washer-extractors and tumble dryers, equipped with Quantum™ controls. These controls provide customizable cycle options and add convenience for Ed and Rachael's customers by accepting coin or card. The controls also help generate more revenue by allowing Ed and Rachael to run pricing specials at different times of the day, such as a regular deal they run on Tuesday mornings – one of their slower times – to attract customers.

The Quantum controls have positively impacted the store from a business management perspective, as well. Ed and Rachael receive daily emails in the evening that provide an update on machine usage, daily revenue generated and any machine maintenance needed. The controls also allow Ed to manage machine operation from his personal computer, making it possible for him to be constantly connected to the machines, without having to be physically in the store.

"I can't imagine running my business without the Speed Queen Quantum controls. The controls allow me to stay up to date on machine operation and revenue at all times, which has been very helpful in tracking profit since I opened the laundromat in a new neighborhood with a new customer base. I have taken advantage of all the benefits the Quantum controls provide, and I love being connected to the equipment from the comfort of my own home," Ed says.

MORE THAN A LAUNDROMAT: BUILDING A BRAND

"I knew that opening a laundromat would be a lot of work, and I would need to be 100 percent committed and involved because I was not just opening a business, I was building a brand," Ed shares.

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To build a strong customer base and brand, Ed and Rachael not only wanted to build a place where people could do their laundry, they wanted to create a space where people enjoyed their experience. To create a positive customer experience at 1 Coin Laundry, they provide additional services and amenities for customers, including free Wi-Fi, automatic sliding doors, snack and beverage machines, an attendant on the premises at all times, wash-dry-fold services, a change machine with a bill breaker and additional items for purchase such as laundry detergent and bags.

Additionally, when Ed and Rachael opened the laundromat at the new location, they needed to get the word out, so they turned to social media, the internet and the community to promote the new business. 1 Clean Laundry utilizes multiple communication channels to share deals and advertise the business, including Facebook, Twitter and Living Social, as well as ads in the local church bulletin and local paper. They also use alternative forms of promotion, including announcements and signage at the local rodeo. By including a \$2 off coupon with some of his advertisements, Ed is able to track the leads generated through his advertising, which has proven to be successful in just a few short months.

"I feel that my advertising has helped attract customers, which is why I invest both money and time in it. By including coupons in my advertisements, I can track the success and am also able to generate more customers and please my existing customers," Ed says.

AN UNEXPECTED INVESTMENT LEADS TO A PROFITABLE BUSINESS

While Ed never expected to invest in laundry, he is very happy with his decision. Ed expects to break even with his investment and start to turn a profit within four months of opening the new laundromat.

The laundromat provides Ed and Rachael with a set schedule and the ability to manage the business and stay up-to-date on machine operation and revenue at all times. Running the laundromat is a full-time job for Ed and Rachael, but it is a job they enjoy, and they look forward to a future where they own multiple laundromats.

"I saw laundry as the recession-resistant business I needed and it met the criteria I was looking for, but I didn't know it would be as much fun as it is," Ed says.

For more information about profitable business investment opportunities with Speed Queen, please call **800-590-8872** or visit **www.investinlaundromats.com**.



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