

INVEST IN LAUNDROMAT – CASE STUDY



Mickey Mitchell
Texas Wash Tub
100 S. James Avenue
Monahans, Texas 79756

After spending the majority of his professional life as a high school teacher and football coach, Mickey Mitchell reached retirement. During this time of transition, Mickey saw an opportunity to pursue another interest he'd always kept in the back of his mind to generate additional income – investing in a small business.

Shortly after he retired, Mickey formed an ownership group with four other investors – Billy Neace, Mickey Owens, Tary Anthony and Steve Fine – and sought out a business investment. After doing some initial research, the team quickly saw that their small town of Monahans, Texas – with just over 7,000 residents – was lacking sufficient laundry services. With only one small laundromat to serve the entire town, Mickey and his team recognized a great investment opportunity.

Pairing the unmet need in their small town with the potential to quickly achieve a return on their investment, the team decided to open a vended laundry business. Because none of the investors had previous experience in laundry, they began to investigate potential manufacturers and distributors, comparing the quality of different machines and the varying levels of support and experience available. After three years of thoroughly evaluating their options, Mickey and his team decided to partner with Speed Queen® because of their reputation as an industry leader.

“Each time we looked into another product, our minds drifted back to Speed Queen,” Mickey says. “Speed Queen has the most impressive state-of-the-art equipment and the most knowledgeable distributor support team. Simply put, Speed Queen is the best product on the market.”

After researching the market, Mickey and his team were confident in their decision to build a brand new laundromat. They would open their store, Texas Wash Tub, with Speed Queen machines, working with their distributor partner, Martin-Ray Laundry Systems Inc.

AN IDEA BECOMES REALITY

The store was built from the ground up, which required careful preparation and thoughtful planning. Because the ownership group had much to consider, they partnered with Martin-Ray Laundry Systems Inc., who provided them with expertise and insights on the layout and construction of the store. They assisted in designing a trough system, ensuring proper drainage, and encouraged the ownership group to construct extra troughs, leaving room for future expansion. While the Texas Wash Tub would open with 34 washers and 37 dryers, these additional troughs would accommodate up to eight additional washers and three dryers should they choose to expand.



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“It has been a pleasure to work with a top notch distributor like Martin-Ray who works as a true business partner that is dedicated to their customer’s success,” Mickey says. “It’s a great feeling when you know your distributor is with you every step of the way.”

The team also relied on Speed Queen Financial Services (SQFS) to finance their new project. They chose SQFS over another financial institution because of their flexible loan structures and competitive rates. Additionally, SQFS was familiar with the specific details of the business such as industry trends, ancillary services and pricing knowledge. These were all things that a commercial bank simply could not offer them, and further validated their decision to work with SQFS.

“Because our team did not have previous laundry experience, we wanted to finance with a partner that understood the value of laundry and could provide us insight into operating a successful laundromat,” Mickey says. “Most importantly, their flexible loan structure that offers discounted payments for the first few months of business allowed us to open the laundromat and begin to generate a revenue stream before beginning to pay back our loan.”

ADVANCED TECHNOLOGIES LEAD TO RAPID RETURN ON INVESTMENT

Texas Wash Tub opened its doors for business in November of 2014. Since then, Mickey has been able to take full advantage of the technology and services his Speed Queen machines offer. Specifically, Mickey uses Speed Queen’s Quantum™ Gold networking system to track usage trends and establish marketing strategies. For instance, he implements time-of-day pricing that increases pricing on busier days like Sundays and decreases pricing on slower days like Tuesdays and Wednesdays in order to increase the store’s revenue based on customer behavior.

Additionally, with Quantum controls, Mickey is able to monitor cash flow and profitability at any point in time. He can then generate financial reports and provide them to members of his ownership group, a luxury that has been a key to the group’s success.

“With a team of five investors, it is important to be in constant communication,” Mickey says. “Quantum controls allow me to easily access and share important store information from my personal computer with my team such as machine activity and revenue generated at any time.”

PARTNERSHIPS PROVIDE SUCCESS

Because they recognized an unmet need in their community, the owners of Texas Wash Tub have been able to establish a lucrative business. With the help of Quantum technologies, industry-leading Speed Queen equipment and a strategic store design, Mickey and the rest of the ownership group saw a return on their investment within one month of the store’s opening.

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“We always knew we wanted to create a space that was large, clean and comfortable,” Mickey recalls. “In the end, our laundromat has exceeded our expectations and has come to be a perfect example of a modern laundromat where customers enjoy their experience.”

The team is approaching the one-year anniversary of laundry operation, and while Mickey hopes to spend a little time with his granddaughter before taking on another business, he and his team hope to expand the business and pursue another store in the future.

He adds, “We will continue to rely on Speed Queen for all of our future laundry business endeavors because it is the best equipment in the industry and the business support provided is incomparable to other laundry manufacturers.”

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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