



## REINVESTING IN YOUR LAUNDROMAT

A guide to maximizing profit potential, minimizing costs and optimizing your business

**Speed Queen®**





## WHY SHOULD I REINVEST IN MY LAUNDROMAT?

The laundromat landscape is rapidly changing. More and more customers are seeking out clean, safe laundry environments that offer newer, larger-capacity machines and value-added amenities, such as televisions, games, Wi-Fi, comfortable seating, community services and more. When you reinvest in your laundromat to meet those demands, you can attract and retain more customers, as well as stay one step ahead of the competition. Plus, the right mix of new, cutting-edge laundry equipment reduces utility expenses, offers new profit-generating opportunities, presents opportunities to grow your business, increases your overall monthly cash flow and much more.

- **Reduces Utility Costs**
- **Increases Revenue Opportunities**
- **Creates an Attractive, Welcoming Environment**
- **Boosts Customer Satisfaction and Retention**
- **Builds a Competitive Advantage**
- **Reduces Maintenance and Downtime**
- **Offers Employees a Renewed Sense of Pride and Security**
- **Provides Tax Advantage Opportunities**

## HOW DO I KNOW IF MY EQUIPMENT NEEDS TO BE REPLACED?

Every machine has a finite amount of years at which it operates at peak performance. While there are variables that impact the duration of that period (e.g. usage, condition, efficiency, repair and maintenance frequency), laundry equipment's average prime lifespans are\*:

Top or Front Load Washers	5-7 Years
Washer-Extractors	12-15 Years
Tumble Dryers	12-15 Years

When your laundry equipment is beyond its peak performance range, its efficiency starts to decrease. So even if your machines are still technically running, they're not saving or making you as much money as they should.

\* According to the Coin Laundry Association (CLA) whitepaper "Deciding When to Replace Laundry Equipment."

# HOW MUCH CAN NEW EQUIPMENT REDUCE MY UTILITIES?

## THE PROBLEM



67% of laundromat owners cite high utility costs as the largest obstacle for the laundry business.\*



8 out of 10 laundromat owners reported spending an average of 26% or more of gross revenue on utilities.\*

According to the American Water Works Association, water rates across the country have as much as tripled over the last 12 years. Due to factors such as new federal government mandates and the rising cost of resources needed to supply and treat water, these rate increases are expected to continue.

## Water Rates Increasing Across the Country\*\*

San Francisco: +211%

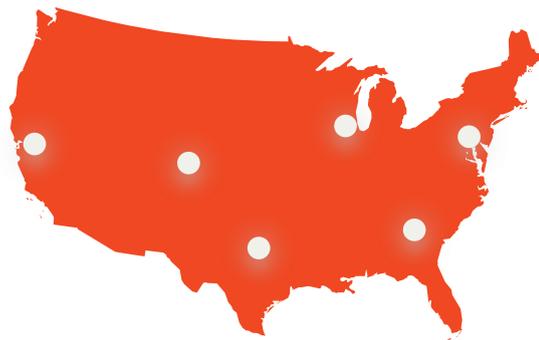
Dallas: +75%

Chicago: +116%

Atlanta: +233%

Philadelphia: +164%

Denver: +78%



## THE SOLUTION

With new technologies, advanced design and larger capacities, today's equipment can do more laundry while using reduced utilities. So not only do you save thousands in expenses, you also elevate customer satisfaction and increase machine turnover, resulting in higher profits.

### Big savings every cycle

Old Washer-Extractor  
Utility Costs Per Cycle:

\$1.04

New Washer-Extractor  
Utility Costs Per Cycle:

\$.33

Total Savings Per Cycle  
After Upgrade:

\$.71

### Even bigger savings over time

Utility Expenses Saved† When Upgrading Your Washer-Extractors†† With Speed Queen®

(Assuming 3.5 Turns/Day)

Savings Per Month  
Per Machine:

\$75.74

Savings Per Year  
Per Machine:

\$908.95

Savings Per Year With a  
Bank of 8 New Machines

\$7,271.60

\* According to the 2013 Coin Laundry Association (CLA) Coin Laundry Industry Survey.

\*\* Based on a 2012 USA Today survey of water rates in 100 municipalities from 2000-2012.

† Based on nationwide average of utility rates. Utility rates for water, sewer and heating vary. Check your local rates and adjust estimated costs accordingly.

†† Based on replacement of a 12-year-old Speed Queen 35 lb washer-extractor with MD2 Controls to a new Speed Queen 40 lb washer-extractor with Quantum® Gold Controls.

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# HOW CAN NEW LAUNDRY EQUIPMENT

## VEND PRICE INCREASES

Customers expect to pay more for newer equipment with updated features. Owners can reasonably expect to charge 10-20%\* more for new equipment of similar capacity.



## CYCLE MODIFIERS

Today's advanced controls allow you to maximize your profit potential with cycle modifiers that give customers the option of upgrading their wash for better results at an added premium.



*When customers take advantage of the cycle modifier options, it means hundreds of dollars added to my bottom line. That's a pretty good return.*

**- Russell Hylton**, Owner, Hylton Laundries

\* According to the Coin Laundry Association (CLA) whitepaper "Deciding When to Replace Laundry Equipment."

\*\* According to a 2013 Coin Laundry Association Industry Survey, the average vend price per turn is currently \$3.77 and is expected to rise to \$4.15 with new equipment.

† Based on replacement of a 12-year-old Speed Queen® 35 lb washer-extractor with MD2 Controls to a new Speed Queen 40 lb washer-extractor with Quantum® Gold Controls.

†† Based on reports from laundromat owners who saw their price per turn increase 5%, on average, from \$4.15 to \$4.36 after upgrading to new Speed Queen with Quantum equipment.

# WHAT CAN HELP ME MAKE MORE MONEY?

## HIGHER SPEED, HIGHER CAPACITY TUMBLE DRYERS



New tumble dryers reduce your minutes per quarter while keeping your revenue the same, leaving a positive impression on customers and

**INCREASING TURNS PER DAY.**

Larger capacities of new tumble dryers allow customers to get clothes done

**FASTER,**

increasing productivity, your profit stream and customer satisfaction.

Upgrading to stack dryers

**MAXIMIZES**

capacity and profit per square foot.

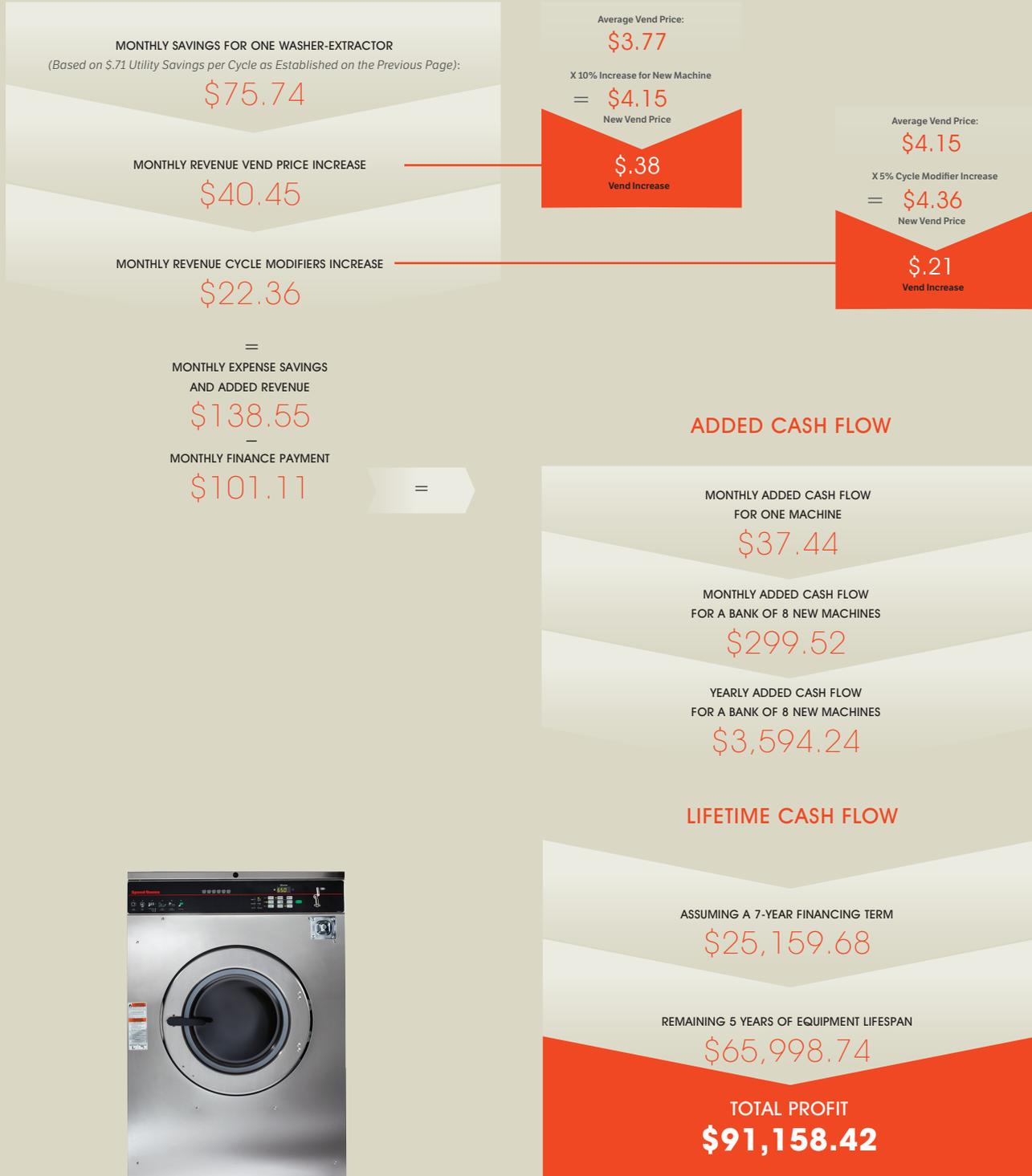
## ADDITIONAL PROFIT OPPORTUNITIES

- **Faster Extraction Speeds & Larger Machine Capacities** get customers in and out faster, making them happier and increasing your machine turnover for added profit opportunities.
- **Multi-Level Pricing** lets you charge different prices for each wash cycle to capitalize on premium selections.
- **Time-of-Day Pricing** allows you to take advantage of peak laundry hours and boost usage during slow periods.
- **Lucky Cycle** encourages customers to revisit your store by rewarding a free wash or dry after a predetermined number of cycles.
- **Stronger Frames & Leak Detection** reduce costly preventative maintenance and minimize utility costs.
- **Store and Revenue Reports** help you understand and adjust your cost structure to maximize cash flow.
- **Wireless Networking, Auditing Capabilities and Routine Diagnostics** allow you to better manage your store's efficiency from any Internet-connected computer, anywhere in the world.

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# CAN YOU AFFORD NOT TO REPLACE YOUR LAUNDRY EQUIPMENT?

## EXAMPLE CALCULATOR SHOWING SAVINGS AND PROFIT POTENTIAL



**The example calculator above is based on the following:**

- Average 3.5 turns per day, operating 365 days per year.
- Nationwide average of utility rates. Utility rates for water, sewer and heating vary. Check your local rates and adjust estimated costs accordingly.
- Replacement of a 12-year-old Speed Queen® 35 lb washer-extractor with MD2 Controls to a new Speed Queen 40 lb washer-extractor with Quantum® Gold Controls.
- Coin Laundry Association (CLA) average vend price per turn according to the CLA 2013 Coin Laundry Industry Survey.
- CLA 2013 Coin Laundry Industry Survey owners can expect to raise vend prices of 10-20% for new equipment of like capacity. Results may vary.
- 5% cycle modifier use per experience of laundromat owners with Speed Queen equipment with Quantum.

- Financing costs based on standard seven-year financing agreement. Does not account for finance or promotion offers. Rates subject to change; all financing requires credit approval.
- Total lifetime value assumes no change in vend or utility rates.
- Total lifetime value does not factor additional benefits such as: depreciation, customer service, maintenance, additional vend or cycle modifiers.
- Based on \$.71 utility savings per cycle x assumed 3.5 turns per day x 365 days / 12 months
- Starting cycle price: \$3.77 x 10% increase per cycle = \$4.15 (\$0.38) x assumed 3.5 turns per day x 365 days / 12 months
- Vend increase price: \$4.15 x 5% cycle modifier increase = \$4.36 (\$0.21) x assumed 3.5 turns per day x 365 days / 12 months

# HOW WILL NEW EQUIPMENT HELP ME **ATTRACT AND RETAIN** MORE CUSTOMERS?

## **OPTIMIZED EQUIPMENT MIX TO IMPROVE USER EXPERIENCE**

New laundry equipment offers the convenience and efficiency customers appreciate. In fact, 64% of customers are flocking to large-capacity 40 lb, 50 lb or 75 lb machines.\* Simple controls allow them to easily customize each load to have more wash/dry options. And larger machine capacities and faster dry times get them in and out quicker, which also improves your turnover and profitability.

## **HELPS CUSTOMERS FEEL SAFE & COMFORTABLE**

Consumers are drawn to places where they feel at ease. A fresh, clean store appearance along with bright new equipment shows customers that your store is well-kept and monitored, helping them feel more relaxed.

## **SEPARATES YOU FROM COMPETITORS**

A good mix of new equipment looks nicer, does laundry faster and gives users the opportunity to customize their wash. Customers value these features and are more likely to seek out laundromats that offer them, positioning your store as the best choice among available alternatives (e.g. competing laundromats, on-site resident laundry facilities).

## **NEW MARKETING OPPORTUNITIES**

Installing new equipment is the perfect time to reinvigorate your marketing program and target new and existing customers with a reason to come into your store. Promote new equipment capacities and customized features that customers are looking for as a differentiator in your market.

## **CREATES A DESTINATION**

Combine the customer convenience and benefits of your new equipment with other store upgrades to create an attractive destination and inspire customer loyalty.

- **Clean, shiny floors**
- **Accessible Wi-Fi**
- **Coffee and/or other food and beverages**
- **Community services (e.g. literacy training, health screenings, etc.)**
- **Fresh, welcoming paint**
- **Activities (e.g. televisions, games, etc.)**
- **Ample, comfortable seating**

\* According to the Coin Laundry Association whitepaper "Deciding When to Replace Laundry Equipment."

# WHAT OTHER **ADVANTAGES** DOES UPGRADING MY EQUIPMENT DELIVER?

## REDUCED MAINTENANCE

Stronger frames and leak detection reduce costly preventative maintenance and repairs as well as minimize utility costs for unmatched, reliable performance.

## COMPLETE LAUNDROMAT CONTROL

Wireless networking, auditing capabilities and routine diagnostics allow you to better manage your store's efficiency from any Internet-connected computer, anywhere in the world.

## TAX ADVANTAGES

When you make a new capital investment, you can write off that investment through several government offered incentives, such as depreciation. Depreciation is an allowance for the wear and tear of certain property, including laundry equipment, that allows you to recover the cost of that property over time.

### EXAMPLE\* DEPRECIATION:

Initial equipment investment	Expected useful life of equipment	Depreciation expense per year
\$50,000	÷ 12 YEARS	= \$4,166

## EMPLOYEE SATISFACTION

New equipment helps renew a sense of pride and security in your employees, motivating them to deliver the best possible customer service.

## SAVED TIME & MONEY

When you can count on your equipment to run consistently, you don't have to worry about lost revenue due to downtime, repair costs, replacement part expenses or waning customer confidence. With upgraded equipment, you also get peace of mind with an industry-leading warranty and replacement parts that are identical to the originals.

\* Assuming salvage value is \$0. Consult your accountant for proper tax and accounting advice.



# WHY REPLACE WITH **SPEED QUEEN**<sup>®</sup>

## **SUPERIOR PRODUCTS**

Speed Queen<sup>®</sup> offers a full lineup of vended laundry solutions built for reliable performance. Where others use plastic, we use metal. Where others hope their products can survive the demands of commercial laundry, we challenge our products in our state-of-the-art testing facility to guarantee our equipment surpasses expectations.

## **INDUSTRY-LEADING CONTROLS**

Revolutionary Speed Queen Quantum<sup>®</sup> controls give store owners unmatched control over their laundry to reduce costs and maximize profitability while providing customers with the features and convenience they're looking for.

- **Wireless networking**
- **Time-of-day pricing**
- **In-depth reporting**
- **30 programmable water levels**
- **Customizable cycle modifiers**
- **"Lucky Cycle" customer rewards**

## **COMPREHENSIVE SUPPORT**

Our best-in-class distribution network is comprised of true laundry experts with extensive knowledge of laundry equipment, the industry and your business. They represent your personal support system to provide you with whatever you need to succeed.

- **Comprehensive product mix analysis**
- **On-site infrastructure consultations**
- **Fast and professional installation from factory-trained installers**

## **UNMATCHED PRODUCT WARRANTY**

Like no one else in the industry, Speed Queen offers a 10-year extended warranty on Speed Queen vended cabinet hardmount washer-extractors with 20 lb through 80 lb capacities, covering the frame, outer tub, cylinder, shaft, bearing housing and seals and bearings.

**Speed Queen**<sup>®</sup>

# HOW CAN FINANCING HELP MAKE MY **REPLACEMENT** AN EVEN BIGGER SUCCESS?

The experts at Speed Queen® Financial Services are completely focused on helping you succeed. They'll create a personalized financial plan that puts you on the right track toward your business goals. Add that to all the additional cash flow we illustrated in the savings calculator, and your business can't afford not to upgrade.



## UNBELIEVABLE BENEFITS

- Relationship Management
- Quick Response Times
- No Hidden Fees
- Uncommon Flexibility
- Seasonal Promotions

## UNBEATABLE PROGRAMS

- Equipment Replacement
- Refinancing
- Acquisitions & Retools

“ If we're spending \$500 a month in maintenance costs, then why not spend that \$500 toward a payment to put in new equipment? It just doesn't make sense to not replace equipment. It's always going to help the bottom line. ”

- Russell Hylton, Owner, Hylton Laundries

# WHEN SHOULD I GET **STARTED** ?

With reduced utility expenses, maximized cash flow, happier customers and all the other benefits we've discussed, there really is no downside to reinvesting in your business with new Speed Queen equipment.

Upgrade today and capitalize on all the lucrative advantages of a reinvigorated business. Give your customers what they're looking for — better machines, a better laundromat and a better laundry experience.

*Learn more and calculate your potential savings and profit increases when you upgrade today at*

***SpeedQueen.com/Reinvest.***





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[\*SpeedQueen.com/Reinvest\*](http://SpeedQueen.com/Reinvest)