

Business plan laundry essay sample

[Business](#), [Organization](#)



The mission of the Davidson College Laundry is to provide laundry services to students, college departments, and private individuals. By doing so in a convenient, timely, personalized and financially responsible manner, the College Laundry enables students to spend more time in academic and extra-curricular pursuits and effectively supports departmental activity. Services include the care and handling of personal clothing, bed linens, dry cleaning, and catering linens. Core Values

- Integrity Every member of our organization behaves in an ethical manner. We will do the right things for the right reasons.
- Customer Service We will act in the best interest of our customers, providing the highest level of customer satisfaction through service, quality and responsiveness.
- Collaboration Through collaborative efforts we will foster opportunities for individual and organizational growth. We will treat all employees with dignity and respect.

Vision Statement

The Lula Bell Houston Laundry continues to provide high quality service to its customers by implementing services and programs that provide greater convenience to their lives. The College Laundry has provided broader services and greater accessibility with enhancements like the after hours laundry drop-off, a larger, more accessible self-service washroom with amenities allowing students to study or relax while waiting on their laundry. Simultaneously the College Laundry has grown its cash business significantly through improved marketing and promotions efforts. S. W. O. T. Analysis

Strengths

- Provide great laundry service
- Impressive pricing for services
- Quality Dry cleaning
- Alterations
- Meeting expectations
- Getting good feedback from Customers (Gratitude from customers)
- Bringing money to the college
- Teamwork
- Prompt service
- Flexibility
- Communication with other department
- Home like atmosphere

Weaknesses

- Low exposure to the outside market
- Hours of operation
- An adequate amount of staff
- Not having enough equipment (washer / Dryers and Folding table space)
- Trying to keep up with the Joneses when there is day to day work to get done.
- Health issues keeping people out of work
- Taking on too many different jobs, being too diverse
- Becoming so care to the person that we forget about the larger group

Opportunities

- Air Conditioning Now!
- Teamwork
- Communication
- Great Facility
- Beauty of the campus
- Location of the Laundry
- Sense of job security
- Growing Student enrollment
- Growing town

Threats

- Changing Economy
- Laundry closed at down times – lose \$
- Not having the money or approval to make the necessary changes
- Our own fears of getting so big/diverse that we lose what we've had for so long... our sense of family

Critical Issues

- The current self-op wash/dry room for student use is very small and students clamor for more such space. The residence hall satellite laundry rooms run the gamut in terms of size of space, condition of equipment, and cleanliness and represent a headache administratively from both the Residence Life Office and the Physical Plant.
- Keeping up with volume increases on “fixed” revenue is a budgetary challenge, particularly in the area of labor, our single largest expense item.
- “Cash customers” are not

cultivated from a marketing or promotional standpoint and represent opportunities for new dollars. • Should an expanded self-op program be implemented, current responsibilities and roles at the Laundry do not include its management.

Strategic Goals

- Increase revenue from cash business by developing creative marketing strategies that promote non-student wash-dry-fold business and dry cleaning business from all customers. Utilize web in particular.
- Develop a business plan for the establishment of an expanded self-service washroom option within the footprint of the current Laundry facility. Use plan to gain approval and funding for the project.
- Advocate for additional work-study students in our labor force to control labor expenses as volume of work increases.

SAMPLE PLAN

Xpress Laundry Service Business Plan

1. Executive Summary

Xpress Laundry Service is a laundry service designed to save Xavier University students the one commodity that they can never get more of: time. The average student wastes an average of 1 ½ hours in the laundry room either weekly or bi-weekly. This unproductive use of time has created a strong demand among Xavier resident students for a company to take this burden of endlessly washing and folding clothes off of their hands. Xpress Laundry Service seeks to meet this demand by providing a much needed high quality service to these students at a fair and always low price.

2. Company Description

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Xpress Laundry Service is a full service laundry service designed with the college student's budget in mind. Basically, Xpress picks up the students' laundry from their residence hall, washes and folds the laundry using only Tide premium detergents, and drops the laundry off within 48 hours. This service is provided at the low price of just \$8 per wash which is defined by the amount of laundry that the customer can fit into an Xpress Laundry Bag (about 25lbs.) Currently Xpress' clientele is continuing to grow each week. This growth is due mostly to Xpress' cheap and aggressive marketing during the past eight weeks.

3. Market Analysis

The demand for Xpress' service at Xavier is great. To determine the actual demand for the service a market research survey was conducted in the middle of December 2005. The survey was taken of 102 respondents in Brockman Hall which represents about 30% of the dorms' total population. In the survey 76% of respondents said that they would be interesting in using the laundry service while 68% responded that they would be interested in purchasing a laundry plan. Further 80% reported that they personally do their laundry in the laundry room at Brockman and on a scale of 1-10 65% rated Brockman's laundry facilities between 5 and 7. Clearly these statistics show that Xavier students have an explicit interest in using such a service. Continually, the survey was only conducted in Brockman Hall because Brockman is serving as a test market this semester. By starting the service only in Brockman, Xpress will better be able to tailor its services to the entire Xavier campus in the fall of 2006 after working out any possible problems.

Also, Brockman students serve as an investment for the company as anywhere from 75% to 85% of the residents will live on campus next year whereas many students living in other dorms will move off-campus in the fall. For this reason the majority of the marketing budget has been directed at Brockman residents.

4. Marketing Plan and Previous Marketing

Xpress has been and will continue to use cheap and extremely effective marketing tactics. To this point in time, three marketing promotional days have been conducted in Brockman.

1. First a table was set up in the lobby where we passed out donuts in the morning along with our Xpress business cards. This proved extremely effective as we found that many students instinctively put the cards in their pockets, many waving them to us as they passed by our table for the second time.

2. Next, on Valentine's Day we passed out flyers with heart-shaped Valentine's Day lollypops taped to them. The flyers had a brief description of the service and had an Xpress contest number individually printed on each one. The flyer instructed the students to visit our website to see if their contest number was a winning number. Prizes for the event included a \$25 iTunes gift card and two prizes for two weeks of free laundry service. This also proved extremely effective as we saw traffic to our website (www.XpressLaundryService.com) increase by 82 hits that week. The main goal of the activity had the Rule of 9 in mind which states that a potential customer

has to see, hear, or speak the company name approximately 9 times before they will become an actual customer.

3. For our third event a professionally made Xpress Laundry Service banner was purchased and displayed at our table in the lobby of Brockman and we passed out our custom made Xpress Laundry Service pens which list our phone number, website address, and pickup and drop-off times. Moreover, I received permission from Dan Yaeger to display triangular flyers on the tables in the Cintas cafeteria. New flyers are placed on the tables each week and have generated some 25 phone calls and 7 new customers. The flyers give general information about the service, provide special promotion information, and answer frequently asked questions.

Xpress' marketing future has also been carefully planned.

- First, a \$150 investment will allow Xpress to put flyers in each one of the 800 Manresa folders for incoming students.
- Secondly, a \$250 investment will allow Xpress to have a physical presence during move-in day which again draws the 800 new students but much more importantly, over 1100 parents and family members. During move-in day laundry plans can be sold and the business can be further promoted. As college students are very habitual, move-in day will be crucial to future success by "hooking" the students from the beginning of their college careers.
- Cafeteria flyer promotions will also continue weekly and during the first four weeks of the fall of 2006 promotional days will be held in the lobbies of

Brockman, Kuhlman, Buenger, and Husman Halls with two promotions being conducted per week. Continual experience in marketing coupled with hard work will undoubtedly lead to future success for Xpress Laundry Service.

5. Operations Plan

Xpress' operations have been carefully planned and the previous eight weeks have allowed many problems to be addressed and taken care of. First, Xpress will wash all of its laundry at X. While planning the service many possibilities for washing the laundry have been considered. One possible idea was to act as middle man as many college laundry services around the country do, charging \$1. 20 per pound and paying another service \$1. 00 per pound to do the laundry for them. This idea was dismissed after we discovered that the average load of laundry is at least 15lbs. which would put the customers' bill at nearly \$20, essentially pricing Xpress out of the market. Instead it will be more profitable for Xpress to adopt a lower price, higher volume business model that also allows for greater profit margins. This is achieved by doing the laundry ourselves rather than outsourcing the work. The actual operations will run as follows.

1. First, laundry will be picked up from the students on Monday, Tuesday, or Wednesday between the hours of 2: 30 and 6: 00pm. During those hours Xpress will be on call for pickup. Orders can be placed via telephone or by using the online pickup page on our website.

2. Next the laundry will be washed and folded using only Tide premium detergents which allows us to market the service as a “ premium service”.

3. Also, using brand name detergents only increases our costs by about 10 cents per load and actually provides better results as evident in Consumer Reports and through personal experience.
4. The laundry will be put into the machines at 15 minute intervals which will allow adequate time for folding laundry (laundry that sits dormant in a dryer tends to wrinkle horribly).
5. To ensure continued quality Xpress uses a 10 Step Care Process that states that pockets will be checked for pens, clothes will be separated between whites and darks, etc. After the laundry is removed from the machines it will be folded and placed back in the Xpress Laundry Bags horizontally. (The nylon bags measure 26×14'' and hold approximately 25lbs of laundry. On the bags ' Xpress Laundry Service' is printed along with our phone number, website address, and pickup and drop-off times. They are also equipped with a drawstring to ensure that no loose garments like socks ever fall out of the bags by accident.)
6. Next the clean clothes will be delivered to the students at a time specified at the time of pickup 48 hours after their laundry is picked up.
7. Students are also required to sign the Xpress Laundry Service Terms of Usage agreement which can be found on our website before their first laundry pickup. The terms give liability restrictions for Xpress and were carefully drafted with the help of a lawyer who is a family friend. Also, Tide Coldwater will be used on all laundry washes as well as Oxiclean. Bounce fabric softeners will be used during the dryer cycles and Shout stain remover will be used as needed.

6. Financial Plan

Currently Xpress thrives on a roughly X% profit margin at our price of \$8.

Recently, profit margins have increased by using Tide Coldwater which saves 40 cents per wash as white clothes can now be washed in cheaper cold water rather than warm. Below is our cost function: Cold Water Cycle for Whites: \$X

Cold Water Cycle for Colors: \$X

Tide for whites: \$X

Tide for colors: \$X

Oxiclean for whites \$X

Oxiclean for colors \$X

Dryer cycle \$X

Bounce fabric softener \$X

Total: \$X

By generating high enough volume Xpress will easily be able to pay for the labor required to do the laundry while maintaining a healthy margin. The cost function of labor is such that a constantly busy worker will generate the most profits for the company while a worker that has less work to do possibly due to a small amount of orders for the day will be less productive. For this reason high volume is essential. To explain the labor function, please consider the following hypothetical situation. Xpress has established that one person can comfortably launder 5 orders per hour. Over 4 hours the total number of orders would be 20 which would bring in \$160 of revenue (20 orders X \$8 per order). \$80 or approximately X% would represent our fixed cost leaving \$X of profit. At \$X per hour the worker would be paid \$X while

Xpress would profit the other \$X. Xavier students are perfect for this job as many don't need steady income and many would also like to earn extra money for the weekend. Flexible scheduling could be arranged and a call list could be established.

This way, if Xpress was particularly busy we could call on 3 or 4 of the already trained employees on our list and if some weren't available we could move down the list until the desired number of workers was reached. This relatively low margin (for the industry) will prove the best strategic move for Xpress by allowing for higher volume. Other laundry services such as Commodore Laundry at Vanderbilt University charge \$19.99 for a single laundry pickup and over \$18 per pickup after a customer signs onto their semester laundry plan. However, while they make more money per load it costs them about 17 marketing dollars to get a new customer compared to the \$5 that Xpress spends to get a new customer. (This information was derived from the owner during a telephone conversation about Commodore Laundry's operations.)

7. Conclusion

Xpress Laundry Service is an up and coming company with a future that will be supported by the great demand for an on-campus laundry service among Xavier University resident students. Through aggressive marketing Xpress has been able to continue to grow its client base week after week without falter. Xpress' carefully planned operations will allow for terrific growth in the future and continue to evolve as the experimental semester continues. In conclusion, through strategic marketing and attention to detail and quality

Xpress will be able to achieve success unmatched by any other student run company at Xavier.