

## **SA CLEANING EQUIPMENT - GUIDE TO OPENING A LAUNDRETTE BUSINESS**

**1. Choose a site.** To do this you need to find a gap where there is a definite demand but either no supply or inadequate supply. You need a site that is highly visible, convenient (preferably with parking right outside the door) and larger than your initial requirements to allow for expansion. The rent per sq. metre must be very attractive as this could be the most expensive cost to you. The escalation must also be reasonable because it is a disaster to have to move a successful business which you have built up in a particular spot as you would also have to repay for re-installation costs. The size of the site depends on how you intend to operate. If you are going to have a self service you will need place for a waiting area, the equipment, an ironing area, folding tables, some small industrial machines if you are going to add some contract customers and place for storage. The most important factors in choosing a site are these: 1) Is there a need for this business in this area? 2) A high density living area 3) Parking / Convenience 4) Suitable premises available with sufficient power. 5) Not least important – Premises available at a very good rental!

**2. Check** that your preferred site has easy access for equipment as well as customers. Check that you have good water supply and pressure. Does it have sufficient electricity, preferably three phase with at least 100 amps per phase and a supply point (sub-station) close to the shop? The floor must be concrete and in good condition. Does the shop have an external wall for the exhaust of the tumble dryers? If not where can the exhaust exit?

**3. Decide** if the machines will be coin operated or not. It is wise to make sure that you have the technical specifications of the machines you intend to buy and get a technician to check the suitability of the premises where you will install the machines. Get a quotation from your service providers for the plumbing, electrical supply, shop fittings and décor. Also get a quotation for the installation of the machines.

**4. Do a costing** of all the factors above and decide what you are going to charge. Then work out your break even analysis, cash flow projections and overall viability. Do a business plan.

**5. Take your proposal to your bank manager** if the project requires bank finance. You will need a business plan and a cash flow statement to impress him/her. However, if you have serious collateral he/she won't be the slightest bit interested in your plans and cash flow !

**6. Visit your lawyer** to handle the lease agreement of the premises and find out the date of occupation. Be careful and negotiate very hard for the best deal with the landlord or you may find yourself working for him instead of yourself for some years to come.

**7. Purchasing Equipment:** Maytag were the first commercial laundrette machines imported into SA and have been the leading brand sold here for over 40 years. They are still regarded worldwide as being exceptionally reliable and robust with a long service life and sold with a 36 month guarantee. Therefore deciding what make of machines to buy is easy, what is more difficult is deciding how many machines to start your business with.

The number of machines to order depends on the location of your store, the turnover you expect to do, the hours you intend to operate, the space you have available (after allowing for seating if self service) the power availability and last but not least the amount of money you have to invest. Other factors unique to your situation may affect the final decision. The only general rule of thumb is to buy the minimum of machines at first and add on as the business demands. Once you have decided, get a formal quotation from your supplier. Make certain that they will be available or delivered before your opening. Other items are the folding tables, advertising signs, promotional leaflets, furniture for the waiting area etc.

**8. Installation:** You will need an electrical contractor to put in the necessary wiring, a plumber to provide the water inlets and drain outlets and possibly a builder for any alterations or improvements to the premises. You may also need a carpenter or joiner to provide counters, service access facades etc and a metal works specialising in ducting requirements if your dryers have to vent through the roof. When you have got all the basic utilities in place the installation or "hook up" as the Americans call it is fairly straight forward.

**9. Finally, promote the opening** of your new business in your area. Remember that the laundrette business is a service business so the better the service the better the business is likely to do. It is like most things in life - the more you put in the more you usually get out.