

A Little 'Green' in the Great White North



Energy Efficiency Delivers Solid Profits for Canadian Laundry

A “green” coin laundry in Canada is turning heads. At 900 square feet, the highly profitable, postcard-sized laundry is not only environmentally friendly; it’s the source of much hoopla across Canada. Owned by partners Brant Kelso, his wife, Natasha Bick-Kelso, and Paul Bichler, The Eco Laundry Room recently debuted on YouTube and may soon be aired as part of BBC’s *The Dragons’ Den* television show.

Energy Efficiency Unparalleled

A year-old coin laundry in Peterborough, Ontario, The Eco Laundry Room is a uniquely “green” self-service laundry complete with solar tubing to heat the store’s water; environmentally friendly insulation made with recycled pop bottles; T8 florescent lighting; a recycled rubber floor that mimics hardwood; and energy-efficient washer-extractors and dryers. The entire package is wrapped up in a 100-year-old building – completely refurbished – with a second-floor apartment occupied by one of the owners. Potted outside are indigenous plants given rainwater collected in an outdoor barrel.

The Dragons’ Den

The Eco Laundry Room’s quick success spurred its owners to publicly share the concept in hopes of franchising the business and attracting investors. Bichler, the partner who occupies the second-floor apartment, developed a YouTube video sales pitch about the new laundry. That video was posted on *The Dragons’ Den* Web site. *The Dragons’ Den* is a television show that airs in Canada. During the program, an entrepreneur puts up a portion or all of his/her business for sale by pitching it to five venture capitalists, who might decide to invest.

“We were accepted for the show and taped in July,” said Bichler. “You go on there and describe your business and try to sell it to them by justifying its worth.”

Bichler, who is interested in franchising The Eco Laundry Room concept, offered the venture capitalists a 30 percent stake in the company.

It is still not definite whether or not that taped sales pitch will be broadcast or not on *The Dragons’ Den*. But Bichler does know the result – whether or not the venture capitalists decided to invest in The Eco Laundry Room or not. However, he must keep that information secret until he knows whether his business pitch will be broadcast.

Why A Laundry? Why An Eco-Laundry?

The development of The Eco Laundry Room was driven by a desire to invest in an industry that performs well despite a slumping economy, according to Bichler.

“I’ve developed businesses before and was looking into a ‘green’ business,” he said. Bichler’s partners, who own rental units with vended laundries, knew from experience their profit potential. Thus, the partners developed a unique eco-niche within the marketplace by developing an environmentally friendly self-service laundry. Anchored by eco-friendly, energy-conserving products and equipment to lower utility bills and improve profits, The Eco Laundry Room successfully draws customers.

From the onset, the business met revenue goals, despite its petite footprint. “We’ve been profitable every month since we opened,” Bichler said of The Eco Laundry Room. “I expected to be profitable, but not to this extent. We’re showing a profit of 10 percent and cash flow of between 42 and 50 percent. The cash flow is really strong.”



The Eco-Recipe for Success

Critical to profitability are the laundry's low utility bills – making up just 12 to 13 percent of its revenue. That's really good, according to Bichler, considering the average coin laundry spends 20 percent to 25 percent on utilities, according to the Coin Laundry Association.

"When we looked at expenses for utilities we were very shocked," said Bichler, who holds a bachelor's degree in finance and economics. "We performed better than anticipated." That's because the laundry and its second-floor apartment share gas and water. The electricity is separate. All told, according to Bichler, gas makes up 3 percent to 4 percent, water/sewer makes up 5 percent to 6 percent, and electric makes up 3 percent of the laundry's utility bill. By paying less in utilities, The Eco Laundry Room enjoys more profit.

Developing a 'Green' Coin Laundry

The process of developing an environmentally friendly business involved reworking an historic building and seeking advice from product experts, according to Bichler.

"We ripped the building down to the brick, reframed it and sprayed in foam insulation made of recycled soda bottle plastics and soya-oil extract rated at R30," he said. "It's just like regular spray insulation but environmentally friendly. Our solar tubes provide all the hot water and have turned out to be more efficient than we first thought. The flooring looks like wood, but is partially recycled rubber. It's durable and holds a warranty of 15 years. All the lighting is T8 lighting for specialized energy-efficiency. Some lights are on motion sensors so they aren't running all the time. The washroom lights are also on a motion control, and we put a brick in the toilet tank. It uses half the water that way and is cheaper than purchasing a low-water use toilet."

To round out the "green" aspects of the laundry, the partners provide soap vending machines filled with their own Eco

Sudz, an all-natural, unscented, non-toxic, biodegradable and phosphate-free laundry detergent that's septic and gray water safe.

Freestanding, High-Speed Washer-Extractors and Energy-Efficient Dryers

Equally critical to the store's bottom line are its energy-efficient washers and dryers. Ray Helwig of Sparkle Solutions, a laundry equipment distributor in Concord, Ontario, worked closely with Bichler, Kelso and Bick-Kelso to select the laundry's equipment mix: 10 20-pound-capacity (double load) washer-extractors, two 40-pound-capacity (extra load) washer-extractors and eight dual-pocket, 30-pound-capacity stack dryers.

"We went with Sparkle Solutions because we knew we could count on them in the future," Bichler said. "We wanted energy-efficient equipment, so we looked at the product specifications to see how different products stacked up."

Rather than install topload washers, which use from 30 to 40 gallons of water per load, the laundry features 20-pound-capacity frontload washers, which use about 13.4 gallons of water per load. Energy-Star-qualified, the machines use single-phase power and plug into a regular appliance outlet.

In addition, the washers are freestanding, making them easier to install and service than hard-mount washers. They also offer high-speed extract of up to 354 G-force and superior energy efficiency. Most traditional hard-mount washers extract at between 70 and 150 G-force, according to Helwig. "These washers remove significantly more water by comparison, and in turn, cut the resulting dry time by as much 50 percent," he explained.

By shortening the time it takes to dry a load, customers complete their laundry more quickly and the store uses less gas – a win-win, according to Bichler.

In and Out in 60 Minutes

To maximize washer performance, Bichler customizes each machine's extract speed, mechanical action, wash temperature, water levels and rinse time according to his laundry's needs.

"Our longest wash is the 30-minute 'super wash,'" Bichler explained. "We also have a popular warm-water wash that lasts 26 minutes. Most of our customers can wash in 26 minutes and dry in 24 minutes."

That way, customers complete their laundry in less than an hour – always a welcome convenience.

Drawing a Broad Base of Customers

By delivering a quicker and "greener" wash, The Eco Laundry Room successfully caters to couples, students, working people, retirees and families.

"We are hitting every demographic because of how the laundry is designed," Bichler said.

The business offers craved conveniences, including wireless Internet access, a children's play area, café tables, magazines and snack machines. It's also heavily monitored by the owners, thanks to a security system that allows them to view the laundry remotely via the Internet.

The laundry unlocks automatically at 6 a.m. daily. And, each evening, Bichler checks on the equipment and cleans up.

"I record how all of the machines perform each night, so we know the revenue for each one," he said. "We average four to five turns per day."

And despite a gas rate hike of 30 percent, The Eco Laundry Room hasn't raised vend prices. Some customers are convinced that doing laundry there is less expensive than doing it at home.

"I have an accountant customer who priced out the cost of a washer and dryer and figured it was easier and less expensive to do laundry here," Bichler said. "They decided not to buy a washer and dryer for their house. A lot of people want home frontloads, but they don't compare with the machinery we have here."

An entrepreneur at heart, Bichler maintains he got into the laundry business for its potential. If The Eco Laundry Room continues its performance, he said that he and his partners would realize a full return on investment in less

than five years. With or without additional investors, the partners plan to open more laundries across Canada, all mirroring their flagship eco-store.

Equipment Mix

The Eco Laundry Room

Peterborough, Ontario

- 10 Continental Girbau 20-pound E-Series washer-extractors\$3.00
- 2 Continental Girbau 40-pound E-Series washer-extractors\$5.00
- 8 Continental Girbau 30-pound stack dryerssix minutes for 25cents
- Dryers automatically stop heating when optimum temperature is achieved
- 60 Evacuated Solar Tubes heat laundry water
- 1 Standard Change-Makers bill changer
- 4 R&B Wire Products laundry carts
- 3 customized folding tables constructed from butcher block counters
- 1 Eco Sudz vending machine, offering eco-friendly soap
- 1 soda/snack vending machine
- 1 26-inch television
- T8 ballast fluorescent lighting
- Restroom lights and fan on motion sensor
- Restroom sink faucet features automatic shut-off
- Wall insulation is comprised of soya oil and 7 Up bottles
- Outdoor panels made from MDF, a recycled wood product
- Partially recycled rubber flooring
- Laundry cooled by a furnace fan that pulls cool basement air through the store
- Using a heat exchanger, dryer vent air is used to heat the laundry (in addition to forced-air gas heating)

- Local, indigenous plants are used in pots outside the laundry
- Rain barrel is used to collect the water for the plants

Distributor: Sparkle Solutions,
Concord, Ontario
(866) 660-2282

