



Universal Overhaul

—From Vision to Reality!

After overcoming hurdles during a major plant renovation, this Louisville launderer is poised for growth

By Jack Morgan

This independent laundry undertook a \$5 million plant refurbishing/image makeover based on a plan devised in 2002. While the process took longer than expected, today's Universal is far better prepared to compete with advanced systems in place throughout its main facility and on its routes.

Things don't always turn out the way you plan. But if you stick to your vision and work as a team toward a common goal, you can succeed.

Universal, a textile service company based in Louisville, KY, experienced this truism firsthand when it undertook a \$5 million dollar plant overhaul and image makeover. This mixed plant ... F&B, hospitality and medical ... overcame challenges to reinvent itself, including equipment issues that disrupted the refurbishing effort. Company President Don Dimmitt says "I tell people all the time, I've been through a divorce. The move to the new plant was much worse! I think we would all say this project was probably five times harder than we anticipated.

CEO/owner Tom Austin, who in 2002 spearheaded the 5-year plan for the plant overhaul, noted that he and his team encountered various setbacks. Now, however, the upgrades in the plant and route operations are finally completed.

Taking on a project of this magnitude can be particularly challenging for independents with limited experience in plant layout and design. "Regardless of what others tell you, if you build a new facility like this and put in new equipment, it takes twice as long as you

expect," Austin adds that, "You better add at least 25% additional costs for contingencies that you can not predict. Now that may not be true for a larger company because they've got the engineering staff and have gone through this so many times. But for an independent it is essential to have an industry engineer that is familiar with the industry. We used Ed Kwasnick from Turn Key and were extremely pleased with his planning, layouts and ongoing guidance.

Today, Austin says he's excited about Universal's growth prospects including geographic expansion into Evansville, IN. "Looking forward, I feel like we've got a great facility," he says. "We've got a great management team in place, the right structure, the right technology, the right software, route-accounting and we're defining additional new markets where we will expand geographically."

Route efficiency

While the term 'continuous improvement' is a given at Universal, the company recently implemented one of the final pieces of its five-year plan: route optimization.

Vice President Kurt Rutkowski says this project was launched with support from UPS Logistics Technologies, Baltimore, over a four-week period shortly before Thanksgiving. The process includ-



Universal's management team (l/r) Kurt Rutkowski, vice president; Bart Darke, vice president of production; Tom Austin, CEO/owner; and Don Dimmitt, president. Dionta, a route service man who started in 2002 the soil department, stands beside a truck that bears his image. The idea of putting the photos of route drivers on their vehicles is designed to underscore the personal relationships the company has with its customers.

ed training sessions with drivers. Before the process started, letters were sent to every customer, explaining the investment in the UPS software and the route changes that would be taking place to improve their efficiencies. In addition to the letter, customers were given a personal phone call informing them of their new delivery day. "We also gave an open invitation to visit our facility and a direct line to call for concerns," Rutkowski says. "In addition, we went through a four-week process where we had meetings with the route guys every week," "We provided them with a list of what their new routes were going to be, and we gave them a change form where they had something to give to every customer. It said something like, 'Your current route day is Tuesday. Starting on such-and-such a day, it's going to go to Thursday.'"

Rutkowski says that in some ways the process went smoother than expected. The software quickly began earning ROI for Universal by enabling the company to eliminate two of 20 routes—at an estimated savings of \$100,000-\$200,000. "The return on investment is substantial," he says, but like other aspects of Universal's overhaul, it was no cakewalk.

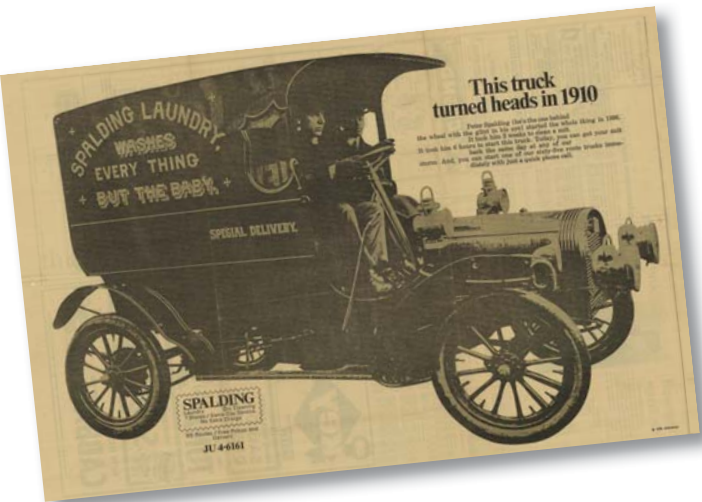
"There was pain along the way," he adds, noting that the route changes affected some 60% of the company's customer base. This

inevitably disrupted long-standing relationships/schedules with drivers and customers. Roughly 10% of Universal's customers balked at the changes, though that was about half the number that Rutkowski had anticipated. "We've done route changes before and they're always painful," he says. Focusing on getting the message out to customers helped ease the transition. "I think that from a planning standpoint, we couldn't have been more effective in communicating. But until you implement it, you don't know what bumps in the road you're going to run into."

In any event, the implementation is a success, not only because of the savings, but due to the fact that, "It forced us to sit down and look at each of our routes and make them more effective," Rutkowski says.

A key feature of the software is that it allows operators to set parameters based on customer preferences. For example, it can organize routes so that restaurants receive no deliveries between 11 a.m. to 1 p.m.; and country clubs receive no deliveries on Mondays, when they are nearly always closed.

In time, Universal would like to integrate its route optimization system with its route-accounting software, which is provided by Textile Technologies LLC, Arlington, TX. As of now, the route-



Fourth Generation: Universal CEO Tom Austin's wife Lisa is the great-granddaughter of Peter Spalding, who founded Spalding Laundry in 1896. Lisa's father, Bill Tate, left Spalding to start Universal in 1979.

Universal's image makeover included the adoption of icons that emphasize the different segments of the company's business, such as uniforms, linen and dust control.

A view of the press area of the plant's tunnel washer.



An employee reads a computer monitor that tracks goods through the tunnel.

Darke stands by a sign directing visitors and job applicants to the plant.

An employee checks the computer monitor on a washer/extractor.

accounting system, which features hand-helds and online ordering for customers, doesn't interface with the route-optimization software. "They're totally separate," Rutkowski says. "If they were integrated, then again, that would be something that would make it more user-friendly."

Progress and change come in phases. Universal implemented its route-accounting program several years ago as part of its five-year improvement plan.

When I visited the plant, staff reported significant improvements in that delivery personnel now can make changes to orders electronically. Customers also can alter their orders online. The company's Web site has a very user-friendly tutorial and the company also sends staff on location to assist in training their customers on how to use this state-of-the-art tool. This makes it much easier to fulfill change requests quickly so that customers get what they need, when they need it. "It's a cost-effective approach for them and for us," says Austin. "We don't have to deliver a product that they say 'Oh, we don't need that today.'"

During the plant tour, Vice President Bart Darke, points to a long row of (at the time) empty desks where route reps come in and download information from their handhelds at the end of their shifts.

"Each customer has access to their next delivery," Darke says. "They can change them daily if they want to add something, or if they want to reduce it. Within probably two minutes, an e-mail is sent through the system and it's entered." Darke also is copied on e-mail change notices, so he can keep track of adjustments. The company can accommodate all changes made before 10 a.m. in the next day's deliveries. Those that come in later are made whenever possible. For security, all data is automatically backed-up to an off-site server.

Healthcare clients, larger hotels, convention centers and other larger venues, use online ordering, but smaller businesses, especially restaurants, often prefer to make requests by phone or in person to the route rep. Part of the challenge of implementing this technology is accommodating customer diversity. Additional upgrades now in the works include making the system fully wireless, so that route reps can download information off-site from their handhelds. Darke says Universal also plans to put printers in each truck so that invoices can be printed out for customers.

When asked about the impact of tech upgrades to date, he says, "It has really sped up the whole process of settling invoices. It used to take a whole day. Now I'd say it's three hours, depending on



The tunnel washer, conveyors and other heavy machinery is secured with fencing, gates and automatic shut-off sensors. Various departments are identified by numbered signs.



One of three 100 HP Miura boilers save energy by heating up quickly when needed and powering down when demand drops.



Universal's executive offices include a number of homey touches, including this mounted shark's head.



A dryer awaits a load of textiles.



A hot water storage tank in the plant.



An employee checks a sling that's attached to an automated lift system.

interruptions.”

Universal uses a Radio Frequency Identification (RFID) System for all garments and specialty items. The testing continues with RFID systems that allow counting on the route of RF-chipped items and leaving the actual count with the customer at the time of pickup, or e-mailing a detailed list of the soiled items before the route service man (RSM) even leaves the stop. “The customers would see more credibility in the soil count if they saw it being done at their location,” he says.

Plant redo—safe & sunny

Speaking of counting soil goods, the loading dock at Universal's fully refurbished plant is where our tour begins.

The building is a 1924 structure that originally was part of a large manufacturing complex owned by B.F. Avery Tractor and Plow Co., the world's largest plow manufacturer in the 19th century. The brick and wood plant is beautifully refurbished and restored. The reconstruction maintained enough of the original structure to qualify for a listing on the national register of historic places. The reception area and executive offices are exceptionally warm and inviting, with oriental rugs and lots of mahogany wood. Austin's office and adjoin-

ing spaces feature personal items, such as fine art, a University of Oklahoma football helmet, a mounted shark's head and golf memorabilia. When asked about these personal touches, he replies that the office is, “an extension of our home; we spend a lot of time here.”

Austin and his team applied a similar approach to reconstructing the plant floor. While reconfiguring an 85-year-old building has limitations compared to constructing a new building, the renovation of the 50,000-square-foot facility south of downtown Louisville included the addition of windows to improve visibility and morale. Austin says he wanted a new image for the rebuilt facility. “Most plants, are dark; you can't see out of them,” he says. “You can't see the sun shine. It does kind of change things, though, when the sun shines over the ironers.”

When asked if the sunny space has improved morale, Dimmitt adds, “It certainly has. In our old plant there were no windows by the ironers. You're able to see the sunshine and it's bright. The plant is kept 'tour worthy' at all times and the team has finally realized that cleanliness and organization go hand in hand with quality and service.”

The plant staff of roughly 82 team members processes about 320,000 lbs. per week for more than 1,500 customers. This includes

Plant



An employee walks by a shuttle that moves clean wet goods to the dryers.

A view of lint-collection equipment

A view of chemical storage units in the plant



Darke stands beside an Ultrax chemical injection system from Dober.

A view of a shuttle system that moves wet goods from the tunnel to the dryers

about 20% COG goods for hotels, in an operation that's roughly 60% food and beverage, including restaurants, hotels, country clubs and taverns. About 20% of the company's work is healthcare, including clinics, labs and nursing homes.

Incoming soil goods are dropped at one of roughly a half-dozen loading docks. From there, they're moved to a Fairfield Laundry Machinery (FLM) 12-bay auto-sorting system. More delicate, specialty, or low-volume items, such as CRTs, cotton napkins and high-end towels are moved to 24 manual sorting bays. From there, employees sort and drop them into chutes that lead to slings that move by an FLM rail conveyor to a Kannegiesser tunnel washer/press, or to one of three 400 lb. Brim washer/extractors. The Brim System uses a dual shuttle for loading and unloading the washers/dryers.

Walking through the wash aisle, I am struck by the commitment to safety at nearly every turn. The tunnel washer with its 12-220 lb. modules and the shuttle that moves goods from the tunnel and washer/extractors to the dryers are fenced off and equipped with automatic shut-off systems to keep anyone from putting him or herself at risk. "Safety is a huge priority," says Austin, who adds that the company hired a safety specialist to advise Universal on how to

minimize risks to staff in the refurbished facility. Wash aisle machinery is equipped with various safeguards designed to deal with both human and mechanical errors. "First of all, you can't be in that area unless you're authorized," Austin says. "Second, you're going to have a lot of training if you're in that area. And third, if you move near the equipment sensors will shut off the equipment."

Universal has invited Kentucky OSHA into the plant to advise on any problems they see. "We've had OSHA come in; we've requested that OSHA do a voluntary safety assessment," Austin says. "We want OSHA to be our partner in safety."

Another goal in the plant redesign was to make the entire facility user-friendly, both for employees and visitors—especially prospects. Throughout the plant are big blue signs with white type and numbers identifying departments: soil sorting, washing, ironing/finishing, etc. These signs lend a clean and organized look to the wash floor and help customers understand the process. When asked if the look of the plant helps sell prospects, Dimmitt says, "I'll bet our closing rate is 90% when they visit our laundry. And current customers always become better customers once they have visited."

Austin adds that the signage and layout reflect a strategy of presenting a clean image of the company that benefits both marketing



(l/r) A view of shaker screen equipment for removing impurities from wastewater and a heat-recovery system A lint-collection system in the wash aisle This equipment filters air in the plant to remove lint.



A shuttle system in the wash aisle moves goods from the washer/extractors to the dryers. Another view of the heat reclaimer and shaker screen equipment

and production. “I think you can tell there’s an enormous emphasis on cleanliness and organization,” he says. “We put the signage in the plant. My expectation is: when it is clean and organized, it’s just going to flow much better.”

Whether it’s the machinery or the layout, or a combination, Austin says productivity in the new plant has improved significantly. The current pounds per operator hour (PPOH), for all operations, including a uniform facility next door to the main plant that’s still undergoing renovations, stands at 89. Before the redesign, it was in the mid-60s. “We’ve had about a 25% improvement in productivity,” Austin says. Dimmitt adds that, “Soiled linens are processed quicker. We have less of a backlog of soiled linen so we feel that’s going to ultimately improve our merchandise costs by making the product last longer and that’s a real plus.”

Getting to this point wasn’t automatic. Not everything went by the book. “In general, the plant improvements went very well,” Austin says. “But as in any remodeling/makeover, we did hit some road-blocks. As we’ve overcome those, we’ve made steady progress.”

New Equipment Includes:

3 Muira Boilers

- : 1 Sullair Air Compressor
- : TEA Heat Reclaimer and water storage system
- : FLM Automated Soil Sort System
- : FLM Soil Sort Rail System
- : 3 Brim 400 lb. Open Pocket Front Loading Washers
- : 2 Brim 400 lb. Dryers
- : 1 Brim Shuttle Dual Conveyor Belt
- : 1 Kannegiesser CBW Tunnel Washer— 12 pockets— 220 lbs. Per Pocket
- : 1 Kannegiesser Tunnel Press
- : 4 Kannegiesser 250 lb. Dryers
- : 1 Kannegiesser Fully Automated Shuttle/Conveyor System
- : 1 Kannegiesser Small Piece Feeder, Ironer, Stacker - 6 lanes
- : 1 Chicago 4 Lane Stack and Store
- : 2 Chicago Large Piece Folders
- : 2 Chicago Small Piece Folder

Plant



Employees feed flatwork into an ironer.



An employee works on a folder. The back of her shirt reads, "Every Piece Counts."



Employees feed textiles into an ironer.



Small piece stacking equipment at the back end of an ironer



An employee feeds sheets into a spreader/feeder.



An employee processes towels next to a small-piece folder.

1 FLM Clean Sort Rail System

Existing Equipment that was transferred from the old plant

1 Braun Spreader Feeder – 1 lane and a Braun Large Piece Folder

3 American 8 Roll Super Sylon Ironers

1 American Hypro 6 Roll Large Piece Ironer

The boiler room is another area where Universal is working to control costs. A stack economizer and three new 100 HP Miura boilers save energy. The boilers heat up quickly when steam is needed and power down as demand drops. A Thermal Engineering of Arizona heat reclaimer water process system also conserves natural gas.

Every Piece Counts

While plant upgrades are essential to any program to revitalize a company, the plant overhaul was part of a larger effort at rebranding Universal.

Upon arriving at the plant, one of the first things I notice is that the route trucks are personalized with large photos of the RSM on each side of the truck. This decision was made to highlight the "face

of the company" as Austin puts it. Should an RSM leave Universal, the truck photo is replaced with the new RSM, although that almost never happens, says Dimmitt. "It is a rare, rare occasion that we lose an employee that we don't want to lose."

Austin adds that, "I think they trust the environment that they're in. People only stay where they are because they like the people they work with, or the people they work for."

That statement encapsulates the philosophy behind the plant redesign and Universal's image makeover. It centers on the idea of promoting an independent company, with a long-standing heritage in the community, a progressive outlook and a commitment to reinvesting in technology, automation and personnel. Looking at Universal's trucks, marketing materials and the signage used in the plant drives that message home. Key features include the adoption of the catchphrase "Every piece counts," and the use of icons to represent different market segments. In addition, the company name was shortened from Universal Linen Service to "Universal."

"It's a fresh new look," Austin says. "We felt like, well we're more than just a linen service. We do uniforms, dust control, lodging and healthcare. And so we wanted to encompass that. We use icons. Then we added our tagline: Every Piece Counts. That's all brand



Employees feed a tablecloth into an ironer.



Finished goods in carts await packout and shipment to customers.



A view from a raised platform shows employees feeding textiles into a spreader/feeder



Universal provides textile services to a wide range of customers, including Churchill Downs, home of the Kentucky Derby.

new. We came up with the concept while partnering with a company that specializes in company branding as well as using several customer/employee focus groups. ”

ROI: Worth the effort

It’s now been nearly five years since Universal kicked off its plant and image overhaul. When asked if he’s satisfied with the ROI produced so far, Austin says, “We’re a stronger company because of it.” However, despite the upgrades, gross margins have barely budged. The recent fall in commodity prices may accelerate the payback on energy-saving wash aisle and finishing equipment.

Measuring the impact of Universal’s image makeover is more difficult. But, at minimum, the new look has achieved the best of both worlds by maintaining the identity of a well-known local company, while giving it new promotional tools to sell customers on an array of services, such as uniform rentals and dust control. In a competitive market that’s experiencing minimal growth, survival hinges on increasing your market share. With several national chains as well as independents serving the Louisville metro area, Austin says his company is now prepared to expand geographically. Dimmitt credits Austin with having the technical and marketing

savvy to have seen long ago what Universal needed to do to secure its future. “We have a great owner who sees the big picture,” Dimmitt says. “Tom is really a visionary. The five-year plan that he put on the table for us is exactly what has happened. And it needed to happen.”

Making changes on this scale entails a degree of risk. Unanticipated problems emerge along the way. “If you choose to be on the cutting edge, you stub your toes a little bit more than other people,” says Rutkowski. However, for an independent like Universal, failing to take the lead in upgrading systems can pose even greater hazards. “I can’t imagine where we’d be if we hadn’t reinvested in technology and innovation,” says Austin. “And a new plant.” Universal may have hit a few bumps in the road during its plant overhaul. However, by turning the vision of its 5-year plan into reality, the company’s willingness to invest in future growth has greatly enhanced its long-term prospects. TR



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