

# Laundry

## Business Plan

### 2022



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## 1 Executive Summary

The Company will be a full-service laundry provider in the US that offers all types of cleaning and washing services to citizens of the country. It will secure a long-term lease for a facility in a strategic location with an option of a long-term renewal on agreed terms and conditions that is favorable to them. It will set to serve the whole of the community as well as visitors and travelers alike.

The Company will revitalize and restore laundry items, extending their lifespan, and using contemporary machinery, solvents, and finishes. The best service quality and client comfort would be its only priorities. Additionally, orders may be submitted using a mobile application for door pickup, or clients can drop off their clothing at designated drop-off locations. It will provide immediate laundry collection at the customer's preferred time slot with a 24-hour turnaround. The software also offers the option to make a payment.

The Company's major objective is to meet the demands of clients who are searching for premium cleaning and laundry services for their homes or places of business at affordable pricing. Customers' needs will be met by offering them the greatest cleaning services, which will be carried out by highly qualified cleaning personnel.

It will provide various types of laundry services such as classic laundry services, laundromats, industrial laundry services, dry cleaning services, and other laundry services. It will target the young generation (students), busy parents, working professionals, retired and elderly people, middle-income groups, and frequent travelers.

The team will be spearheaded by the founders/CEO of the company with prior experience in the same industry. The Company will be backed by a solid professional team capable and committed to the business; they are taught to go above and beyond to address customer complaints.

The Company will utilize traditional direct business channels and online platforms to network with clients. It will execute a strategic marketing campaign that showcases its proven success and value proposition and distinguishes it from other providers in the market.

### 1.1 The Quick Pitch

#### The Market

In contrast to the conventional way of doing business, the laundry industry has undergone significant transformation in the nation. The majority of individuals used to send their clothing to the laundromat primarily for the purpose of ironing rather than for the full washing, cleaning, and drying procedure. However, because they lack the time and energy to do simple home tasks, they choose to hire specialists to handle them for a reasonable fee that won't break the bank.

## 2 Company Overview

### 2.1 Vision and Mission

**Vision:**

To provide our clients with top-notch laundry service while working to grow to be the leading laundry services provider in the US in terms of volumes handled.

**Mission:**

To adopt best practices and invest in cutting-edge technology to provide our consumers with superior quality laundry management experiences through practical, eco-friendly, sanitary, but reasonably priced laundry management solutions.

### 2.2 Company Goals and Objectives

- To establish a service-based business with surpassing client expectations as its top priority.
- To provide clients with meaningful and affordable business solutions by creating and implementing technical innovations that take into account each client's specific demands.
- To deliver trustworthy service that is consistent and on time as promised to our clients.
- To uphold a high level of craftsmanship that results in a superior product.
- To enhance our client's quality of life and provide ease with perfect laundry care.
- To position the company as a trustworthy brand to consumers and to build brand loyalty during the first quarter of business.

### 2.3 Start-up Summary

The Company will lease a facility that is big enough (1500 sq. ft.) to fit into the design of the kind of standard digital marketing agency that it intends to launch.

The Company is currently seeking \$1,20,000 to launch a laundry and dry-cleaning business in the US. Specifically, these funds will be used as follows:

- Startup costs: \$25,000
- Website and App Development Expenses: \$30,000
- QSR Franchisee Cost: \$30,000
- Fixed Asset: \$82,600
- Opening cash in hand: \$6,850

### 3 Industry Analysis

#### 3.1 Market Analysis

##### Market Analysis

Cleaning clothing and furnishings are done with the use of laundry care goods, commonly referred to as washing and fabric care products. Chemical cleaning agents are required to keep the fabric clean and supple. There are a variety of fabric wash products on the market, including detergents, soaps, fabric softeners, bleach, and others. To maintain their finest appearance, many clothing designs require various types of care, such as hand washing or dry cleaning. Fabric products may be used to make a range of garments for various seasons. Among the fabrics suitable for fabric washing are acrylic, denim, cotton, linen, microfiber, polyester, nylon, rayon, velvet, silk, lycra, and wool. The market need for fabric care and washing has grown as the population, and income levels of middle-class customers have expanded. To keep their garments clean, customers are more likely to part with a bigger share of their disposable income. As a result, people spend more on the best cleaning and fabric care products.

The COVID-19 outbreak created havoc throughout the globe. Governments all across the world imposed lockdowns and limits on people's freedom of movement as a result of the virus's spread. Millions of people died as a result of the infection. The increased demand for cleaning materials during the epidemic, however, led to improved sales for several industry participants despite supply chain constraints. Since the COVID-19 epidemic, people have been extremely worried about maintaining their hygiene. During the widespread panic brought on by the pandemic's emergence, sales of sanitizers, disinfectants, and laundry detergent rose. Due to the lockdowns, people also developed a scarcity mentality and began purchasing laundry supplies in large quantities in order to stockpile them.



## 4 Customer Analysis

### 4.1 Target Market

The target market for laundry service providers is quite diverse. All customer groups have opportunities for a service provider who knows how to engage with them, even though some may be more lucrative than others. In essence, the company's target market might be rather diverse, including senior citizens who cannot do their laundry, working mothers who are too busy to do the family's laundry, and college students who don't have access to a washer and dryer at home.

The Company will segment customers in the target market for its laundry services into the following broad categories:



#### Young Generation (Students)

This customer segment in the dry cleaning and laundry industry comprises GenZ and Millennials between 18 and 30, either students or working professionals. More than 90% of this generation is technologically adept and enjoys using new services daily. This generation is driving the world's future. As a result, it becomes imperative to meet the needs and stay up to this age's demands.



#### People Living in Apartments

Many Americans—millions of them—live in apartments without washer-dryer connections. Typically, the building includes a modestly sized laundry room for tenants to use. Still, it will only have a minimal number of machines, most likely not enough to service more than perhaps 5% of the inhabitants at any given time. Most people who live in apartments work during the day and do their laundry at night or on weekends, and many people use a sizable laundromat.



#### Busy Parents and Working Professionals

People in this customer segment in the dry cleaning and laundry industry range in age from 30 to 55; most of them work, meaning they have less time for home duties. These are often wealthy homes; thus, even the most minor details regarding these clients must be taken care of.



#### Retired And Elderly People

People over 55 comprise this customer segment in the dry cleaning and laundry industry. Most elderly couples living alone in their home and whose children have moved out outsource most of their housework. Despite having adequate money to pay for these services, they are physically unable to perform the labor. They might feel somewhat at ease using apps for booking and making payments, but they adore home delivery and pickup services.



#### Middle-Income Groups

Although this customer segment in the dry-cleaning industry may use services less frequently, they are incredibly devoted to each company they work with. They typically dry clean their clothing once a month or for special occasions. Still, once they do, they suggest the dry cleaner to several individuals in their social

## 5 Competitor Analysis

### 5.1 Major Players

Some prominent players in the US laundry facilities and dry-cleaning services market include:

#### 1. Tumble

Tumble developed a consumer app, asset management system, and IoT platform specifically for laundry. The company can pull laundry out of the past and significantly improve consumer happiness by tying the actual laundry room to the digital world.

Founder - Scott Patterson  
Location - San Francisco  
Total Raised - \$7 Million  
Website - tumble.to  
Company Size – 1-10 people



#### 2. Loopie

Loopie is a technologically advanced service that uses the peer-to-peer concept to transform depreciating assets (washers and dryers) into money-making tools while offering a quicker, more affordable substitute to the market's current wash & fold delivery services.

Founder - John Vincent Lee  
Location - Seattle  
Total Raised - \$2 Million  
Website - loopie.io  
Company Size – 11-50 people

#### 3. Lightning Clean

The Lightning One enables users to wash and dry their clothes in the same machine in ten and twenty minutes, respectively. The construction of this device significantly changes how washing machines are created. The Lightning One uses a unibody design to increase strength and stiffness.

Founder - Ethan Blount  
Location - Boise  
Total Raised - NA  
Website - lightningclean.xyz  
Company Size – 1-10 people



## 6 SWOT Analysis

The SWOT analysis provides an opportunity to examine the internal strengths and weaknesses of the company must address. It also allows the company to examine the opportunities presented as well as potential threats.



### Strengths

- Provide a door-to-door dry cleaning and laundry service to provide them with another option.
- Provide a special discount to our devoted and loyal customers.
- Provide a speedy and easy service to help customers save time.
- Employing cutting-edge machinery and methods to deliver a high-quality laundry service (such as washing, ironing, folding, packing, etc.)
- Dedicated employees with suitable expertise and understanding in dry cleaning and laundry services.
- Quick and dependable on-demand laundry service app that uses GPS to track the location of pickup and drop-off points.



### Weaknesses

- New entrant in the market
- Lack of brand reputation
- Need for high investment and outreach to penetrate the target market



### Opportunities

- Everybody needs clean clothes every day of the year, but not everyone lives in a house with a washer and dryer.
- With more people working and having hectic schedules, laundromat owners can boost income by providing wash & fold services to these clients.
- Outsourcing facilities that have on-site laundries.
- Outsourcing is a typical corporate practice in the US, especially in industries like hospitality and healthcare.
- International brands and local and regional operations provide the corporate sector with good service.



### Threats

- Democratization of technology and the growth of social media have made it possible for anybody to launch a creative enterprise.
- Strong laws govern the industry, and more limits may be added due to worries about chemicals and the environment.
- Despite market consolidation, there is still an oversupply, which drives down prices.

## 7 Porter's Framework

This model will identify and analyze five forces shaping the dry cleaning and laundry business in the US. Five forces analysis will also help in determining industry weaknesses and strengths and further leverage the company to structure its corporate strategy.

### Rivalry in the Industry - LOW

Rivalry among existing firms is low because there is little competition among current laundry businesses. Most local laundrettes provide the same service in the same pricing range, and the rivalry between established companies is minimal when the competition is significantly less fierce.

- o Small number and small size of self-service laundry stores
- o Information about the industry is not yet complicated
- o Existing brand recognition is low
- o No or very small advertising expenses

### Bargaining Power of Buyers - LOW

The bargaining power of buyers is low. Since several laundrettes offer comparable services, switching is inexpensive for customers. Customers are well-informed about the laundrettes that are available on the market.

- o There are only so many alternatives offered in the market
- o Low switching costs for comparable dry cleaning and laundry services
- o Only a few suppliers are in this industry, reducing the buyer's bargaining power

### Bargaining Power of Suppliers - MODERATE

The suppliers' low negotiating leverage results from the pressure from substitutes and threat from new competitors. Also, suppliers have significant negotiating leverage due to the limited number of suppliers that provide washing machines and other machinery to numerous customers. As a result, the supplier has substantial negotiating power, and switching to a different provider may result in higher switching costs.

- o Small number of commercial laundry equipment suppliers
- o High cost of switching to other laundry equipment supplier
- o High importance of washing and drying machines in the business
- o Start-up company

### Threat of New Entrants - HIGH

The threat of new entrants is high in the laundry business. There are extremely few entry obstacles for a new firm to overcome in this type of industry, such as:

- o Resources (low start-up costs)
- o Permits and licenses from the government (can be easily obtained as long as requirements are complete)
- o Good geographical area (heavy traffic areas may be clearly seen)



## 8 Marketing Plan

### 8.1 Sales Strategy

The Company will offer its laundry business service online or at its physical location. In order to succeed in the market, it will create itself with the dual goals of exceeding all client expectations and maximizing revenues.

It will employ professional and dedicated staff with in-depth of knowledge and skills in providing laundry and dry-cleaning services to the clients. The employees will also receive ongoing training to ensure they are ready to fulfill its goals and the company's overarching business objective.

Given the aforementioned, selling a variety of laundry services in the following categories will serve as the company's primary source of income:

- o Dry Cleaning Services
- o Ironing, folding, and packaging
- o Laundry pick-up and delivery service
- o Self-service laundry
- o Coin-operated laundry
- o Quick service restaurant (sale of coffee and snacks)
- o Free Wi-fi

The Company will surprise its first-time clients with various gratis services and discounts, which will be a surprise package for them. This will increase their desire to bind us legally to clean their home. The goal is to give the clients the impression that they receive more for their money.

### 8.2 Promotional Strategy

The approach is based on increasing market share across the US using online and offline channels. The laundry business's goals and objectives will lead to the achievement and implementation of effective marketing communication in both online and offline modes in order to persuade a large consumer base and boost the company's brand image.

The Company will use the below-mentioned strategies to stay ahead of the curve and establish credibility in the market:

#### 1. Engage on Social Media

Social media is often used by billions of people each month; it's an undeniably powerful area of digital marketing for connecting with target audiences and generating income. To establish an engaged audience and increase social selling, the company will generate a high-quality post that adheres to industry best practices.

The Company will utilize a variety of social media platforms, including Facebook, Instagram, Snapchat, LinkedIn, and Twitter, etc. to reach as many people as possible in order to engage with potential customers who are interested in the products and services offered by the company.

## 9 Operational Plan

### 9.1 Business Model

#### On-Site Business Model



- Business will continue to put a strong emphasis on delivering a platform geared toward serving B2C customers that use a pickup and delivery laundry service.
- Washers will be able to keep up their laundry reputation while expanding their clientele.

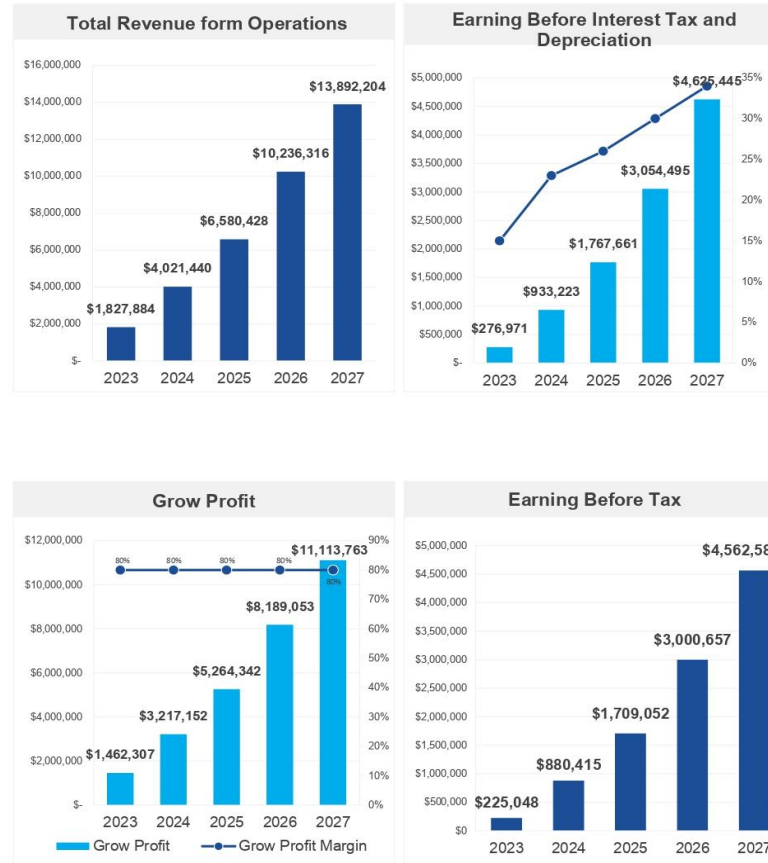
## 10 Financial Plan

### 10.1 Financial Assumptions

Financial computations are based on assumptions and conditions prevailing in the market relevant to the industry and business practices followed in the normal course of the business, such as tax, inflation rates, operating, and other expenses.

| Assumptions                                | Forecasted |       |      |      |      |
|--|------------|-------|------|------|------|
|  | 2023       | 2024  | 2025 | 2026 | 2027 |
| <b>Direct Cost % of Net Revenue</b>        |            |       |      |      |      |
| Administrative Expenses                    | 15%        | 15%   | 15%  | 15%  | 15%  |
| Insurance Expenses per equipment           | 0.05       | 0.05  | 0.05 | 0.05 | 0.05 |
| <b>Operating Expenses % of Net Revenue</b> |            |       |      |      |      |
| Marketing and Advertisement Expenses       | 25%        | 22%   | 20%  | 18%  | 15%  |
| Accounting and Legal Expenses              | 3%         | 3%    | 3%   | 3%   | 3%   |
| Detergents and Washing Expenses            | 5%         | 5%    | 5%   | 5%   | 5%   |
| Sales Commission on Snacks Bar             | 10%        | 10%   | 10%  | 10%  | 10%  |
| Laundry Expenses                           | 2%         | 2%    | 2%   | 2%   | 2%   |
| Salary Expenses                            | 8%         | 8%    | 8%   | 8%   | 8%   |
| Miscellaneous Expenses                     | 2%         | 2%    | 2%   | 2%   | 2%   |
|  |            |       |      |      |      |
| Inflation Rate                             | 7.10%      |       |      |      |      |
| Corporate Tax                              | 21%        |       |      |      |      |
| Depreciation on Computer and equipment     | 40%        |       |      |      |      |
| Depreciation on Laundry Equipment          | 0.15       | Years |      |      |      |

## 11 Graphical Representation of Financials



## 12 Management Summary

### 12.1 Organizational Structure

