

‘IF YOU’RE NOT LOOKING AT YOUR BUSINESS, NOBODY IS!’

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I have a tremendous amount of respect for the small-business owner. As someone who has played on both sides of the fence, i.e. corporate executive and independent business owner, I have come to understand how small-business owners do not receive enough credit for the risks they take.

Major corporate executives are always playing with other people’s money with their greatest fear losing their position and having to accept their “golden handshake.” On the other hand, each time we make a decision, we are investing our own funds or signing a personal guarantee, thus putting our families’ net worth, retirement and future well being at risk.

With that level of responsibility confronting us, we must certainly be developing plans for protecting our investments and, hopefully, growing them. A constant and vigilant oversight is required in what you do. I'm always telling myself: "If I'm not looking at my businesses, then nobody is."

Having a plan you are working toward will provide the guidelines under which you can better analyze opportunities and make decisions. Having this plan allows you to quickly move on opportunities that may present themselves and fit into your planned objectives.

Develop relationships ahead of time that will be available to you when needed, e.g. banking, legal, accounting, distributors, contractors and sub-contractors, equipment installer, etc. One of the most important things an owner can do is put together a rolodex (if that term is still allowed) of key contacts. It can include a graphic designer, a webmaster and a sign-maker, in addition to the hard services of an electrician, a plumber and a service technician. Knowing who is going to be part of your team allows you to move quickly and confidently when opportunities arise.

While there are certainly benefits to having a formal business plan, not having one should not be the excuse for not planning. If you are a business owner, you already have the innate ability to know what your business needs. All you need is the confidence – and maybe a kick start – to initiate the execution.

It shouldn't matter what size your store is, the age of your equipment or the budget with which you are working. There must be the ability to put together a plan of where you are now and where you feel you should be. Knowing where you want to end up will allow you to determine the method and timing of how you get there.

I can't begin to tell you how many owners I've spoken with who tell me they can't afford to reequip their outdated equipment. When I ask for a few details, it turns out they have 10 or 12 or 24 toploaders, and they can't afford to replace them. Then, I'll ask how the rows are arranged. And, as it turns out, the machines are typically in rows of six or eight washers, etc. My suggestion: why can't you replace six toploaders every six months? If that's too much, what about four machines... or even two?

There should always be a plan that provides you with the comfort level you require while heading you in the direction you've decided to go. After a year, you'll turn around and realize you've replaced an entire row of washers.

Constant improvement is a must, and this is not limited to your store. To better plan for

your business, you may be helped by learning new skills such as using QuickBooks for your bookkeeping and Excel spreadsheets for your analytical work. I've seen these courses – as well as other management and forecasting/planning curriculum – offered in adult night classes, by local Chambers of Commerce and through local government business improvement initiatives. Having the ability to use fact-based data from your operation will greatly assist (and comfort) you as you make your business decisions.

When I started in this industry 10 years ago, I prepared a formal business plan. Among other things the plan told me I would need three stores to be able to achieve my desired income. After I built my first three stores, I realized the plan didn't tell me that these were the wrong three – and, ultimately, I sold those three stores and moved on to others.

At a time when I owned two stores, the landlord for my location in Santa Clarita, Calif., called me to give me a heads-up that he had Vallarta Supermarkets coming in as a 75,000-square-foot tenant in another shopping center he owned in Simi Valley. As my business planning told me, I still needed that third store, and the demographics and services would definitely fall within my current business model; so I felt comfortable moving ahead when this opportunity presented itself.

I built my Simi Valley store with a fully developed infrastructure that would allow me to add washers and dryers when needed on virtually a plug-and-play basis. It was this built-in flexibility that served me well when a laundry owner called me to discuss his change in business model from a self-service laundromat to a commercial laundry, which provided me with the opportunity to purchase practically new double-load washers that didn't fit into his new plan, allowing me to fulfill my objective of adding equipment to Simi Valley in anticipation of the supermarket opening.

Aside from opening my Simi Valley location in 2012, my other objectives for the year were to replace 17 washers in my Santa Clarita location and to refinance all of my business loans to take advantage of the lower interest rates (and, accordingly, greatly improve my monthly cash flow).

While attending the Coin Laundry Association's Excellence in Laundry Conference last October, I was sitting in the audience for a panel discussion, and one of the panelists mentioned how he had consolidated all of his operations under one master group insurance policy and, thereby, reduced his premiums. At that moment, I gave myself a new objective, and came home and did the exact same thing for my three locations.

For 2013, the objectives I've given myself are to add washers to Simi Valley prior to the

Vallarta opening, develop a marketing plan to take advantage of their grand opening period, re-do my Santa Clarita website that is now six years old and needs a clean, modern-looking update, and to add an ozone wash select option with multi-vend capability to my Sherman Oaks location.

And I have already either finished or am in the process of completing all of these commitments.

As you finish each objective you have given yourself, you will certainly feel a sense of accomplishment and pride in what you have done – and it will be well deserved. Your active participation in your business will continue to make it a success and a source of income for your family. And, it also will serve as a strong defense from encroachers into your territory.