

Luxury Linens & Garments

—Full Speed Ahead



Recession or no, hospitality & healthcare groups still want high-end textiles, and outsourcing laundry is an attractive option

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By Matt Alexander

The demand for luxury textiles is today greater than at anytime during our 40 years of international laundry consulting. The demand is coming from hospitality companies that traditionally have operated on premise laundries (OPLs) for rooms textiles, food & beverage (F&B) goods and associates' uniforms, and from healthcare organizations that are offering VIP services.

Why every laundry should care about luxury textiles

Luxury textiles provide opportunities to develop sales of core laundry services by opening opportunities that otherwise would be closed and also provide for enhanced revenues through expanded product offerings.

Small laundries are challenging some of the industry's most established operators for large portions of business, provided that the small company can meet the need for luxury textiles and extend that into providing all laundry services for thousands of hotel rooms.

Uniform suppliers have managed to close hotel valet processing departments by providing services to meet the entire spectrum of uniform needs at a hotel—including luxury uniforms. The best healthcare laundry companies have invested in the machinery necessary to process the high thread-count cotton sheets required for VIP sections of their elite hospital clients. Why? Because they know that failing to do so would invite competitors to step up to meet their clients' complete requirements.

Hotel companies that traditionally have operated OPLs are in some cases electing to close them and develop hotels that don't have laundries. The recently opened Four Seasons Baltimore, for example, is one of the first Four Season hotels that we know of that doesn't have a laundry, and the Four Seasons Church Street (Ground Zero) is similarly planned for construction with no OPL.

Some of the nations' leading hospitals have upgraded, or otherwise constructed new facilities for VIP customers that feature celebrity chefs; world-class amenities and the finest high thread-count sheets and plush terry.

Niche marketers of luxury textile services have penetrated previously closed markets in world-class casinos and hotels by meeting the need for higher service quality in a restaurant or Spa. Before long, the niche marketer gains traction with the customer and even-



Photo: © Hyatt Hotels

usually takes over the entire laundry contract.

This movement toward outsourcing by world-class hotels has created a larger market for luxury laundry services than previously was available in the hospitality industry. The shortage of capital for investment in new machinery and the expanded space needed to meet the requirements of maintaining OPLs also has contributed to the outsourcing of hospitality laundry.

Therefore, the luxury textile market is one that offers great opportunities for expanding business and for securing customers who require a wide range of textiles, including luxury textiles.

Defining luxury textiles

The following is an overview of the typical products that we define as luxury textiles.

The typical luxury bed package includes:

- Triple sheeting
- Duvet covers
- High thread-count cotton-rich sheets
- Heavy-plush towels
- Down comforter inserts for duvet

Luxury healthcare textiles include:

- High thread-count cotton-rich sheets
- Upgraded blankets
- High-grade lab coats and patient gowns
- Heavy-plush towels

Luxury uniform supply includes:

- Front-of-the-house uniforms
- Dry-cleaned uniforms

Luxury linen supply includes:

- High-end napery
- Chef coats
- Uniforms

The value of providing full services

Most hospitality and healthcare organizations prefer to centralize their laundry and textile services with as few suppliers as possible. While it's common to have separate service contracts for uniforms, dust control and hotel linens, we find that our clients resist or refuse to enter into multiple contracts for the various categories of hotel linens and uniforms\dust-control.

Fabric of Choice



Photo: © Ritz Carlton, New Orleans



Photo: © Embassy Suites

For example, we recently recommended that a major luxury hotel consider closing its valet processing for associate uniforms. We concluded that the hotel could avoid the significant capital investment required for the valet and that the cost of renting uniforms would be less than the internal processing cost.

We qualified two leading uniform companies that were able to meet all of the resort's needs and we identified several more that we believed could do the job.

On their first meeting, the supplier executive indicated they could *not* meet the comprehensive uniform requirements of the resort, including front desk (dry-cleaned) uniforms. The client understandably questioned the feasibility of outsourcing uniform services, and considered continuing to operate their own valet processing facility. We intervened and the supplier responded with a new team offering an expanded lineup of services, including dry-cleaned garments—a total package of rental uniforms for a world-class resort.

This project is likely to put many hundreds of hospitality associates in rental uniforms—some of which are luxury uniforms. Had the uniform supplier not had the ability to provide the luxury uniforms, the hotel wouldn't have considered closing its valet. In that case, several hundred back-of-the-house associates would have had their uniforms processed at the resort's valet. This prospect would have led to an investment of several hundred thousand dollars in capital improvements to the valet and a higher total cost.

This story underscores the value of penetrating the luxury textile marketplace. By meeting the need for luxury uniforms, which were approximately 10% of all the uniforms required, a significant number of people will be wearing rented uniforms—thus expanding the market. This concept plays out across different scenarios, presenting an example of how providing luxury services can open new markets.

Standardize offering—develop strategic alliances

Many of our hospitality and healthcare clients are part of national organizations. Most of the hospitality industry national alignment is through the major hotel management companies, while the health-

care associates are affiliated through nationwide networks.

Laundry is a critical service that receives considerable attention throughout the leadership levels of major hospitality and healthcare organizations. However, in the absence of more cohesive national programs, many organizations delegate the responsibility for laundry service contracts to regional management. We see a strong interest across many organizations to replicate winning solutions from other affiliated markets.

By aligning with other organizations in the same area and across regions to provide standardized services, laundry suppliers can drive the purchasing discussion to a higher level of management. Laundry operators can leverage this model by including the support of national affiliations in order to develop large contracts and purchasing agreements.

Because the comprehensive—i.e., national—needs of a large healthcare or hospitality organization exceed the capabilities of even the most proficient independent laundry supplier, creating affiliations with a larger group can enable most companies to position themselves to meet the need for luxury textiles by large healthcare and hospitality organizations in multiple regions.

While most contracts are regional in nature, organizations gain comfort if a supplier gives them a reasonable expectation of his or her ability to replicate a working model from another region—without creating a completely new relationship and deal structure in multiple regions.

In other words, providing solutions across multiple regions will increase the value of the offering. That, in turn, pushes the debate to higher levels of management within the customers' organizations.

Take the offering to the regional and national audience

Hospitality and healthcare organizations are very interested in driving value and accountability from their existing relationships and to develop programs that benefit their affiliates. Organizations that either directly, or with affiliates, can provide luxury and other laundry solutions across multiple regions should carry that message to national healthcare and hospitality organizations at both the regional

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Fabric of Choice

(Luxury Linens continued from pg. 28)



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and national levels.

Meeting expectations

Luxury textiles require specialized processing, specifically in the areas of flatwork finishing, dry-cleaning, garment finishing and hand folding\packaging. Robust quality-control programs must meet the demands of luxury textile customers. Typical equipment upgrades include:

- Flatwork ironing systems over 136-inch wide for large table tops and extra-wide deep-mattress sheets
- Vacuum-assisted feeding devices for improved feed presentation
- Increased hand-folding stations
- Installation of RFID systems for inventory management of luxury textiles
- Wrapping and packaging equipment and systems for specialized packaging

Luxury textiles should be priced accordingly—with consideration given to the added cost of the product. A luxury textile customer expects a high level of processing and customer care. This typically involves added personnel in customer service and quality control.

Luxury textiles—here to stay

Despite today's economic challenges, luxury textiles are here to stay. The demand for these products and services is booming. The size of the luxury textile market in the hospitality and healthcare sectors is larger than ever, and it's evolving quickly. Laundry services companies would do well to examine the needs of their customers and marketplace, while determining how they can provide expanded services for luxury textiles and also find methods to promote those services across multiple regions. **TR**



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