



SHIFTING INTO HIGH GEAR

California Store Owner Discusses Life in Laundry's Fast Lane

by Bob Nieman

Things move quickly in Doug Baron's world. The southern California laundry owner has opened four stores since 2003, has already sold two of them—and has another self-service operation under construction, which is scheduled to open its doors in August.

Given Mr. Baron's side gig, this is quite understandable.

"I run a business where I coach amateur race car drivers," explained Baron, who began his own racing career in 1982, hitting the thriving amateur circuit up and down the West Coast. "My clients will buy race cars, but they'll be fairly new to the sport. They need somebody to keep them from killing themselves or somebody else.

"I'm also a member of the Porsche owners club out here," he added. "I was the chief driving instructor for that club, and I've been hired by different organization's to teach driving clinics and seminars. However, these days, I'm just involved in private coaching. I'll get a client for six months or a year, and we'll hit all of the races he's interested in."

How does one find his way from the racetrack to the laundromat?

In Doug Baron's case, he took a shortcut through the menswear department.

"I was in the clothing business for 20 years," he said. "It was a family business that my parents started in 1955. We manufactured men's accessories—neckties, suspenders, cummerbunds and so on."

The family sold the business in 1998, but Baron stayed on for a few more years. However, he was searching for new business opportunities.

During this time, he also continued to work with his father in the family's commercial real estate business. And it was here that his interest in the self-service laundry industry was piqued.

"Our largest tenant is Cardenas Markets, a huge Hispanic market company in California," Baron noted. "In one of their shopping centers in Riverside, Calif., they had taken over an old laundromat where the owner had just walked away from the business."

Because of the strong business relationship the Cardenas owners have with the Baron family, Doug was offered the

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opportunity to turn around the old laundry.

And he hit the ground running.

“I come from an industry where you’re only as good as your last order,” Baron said. “In the clothing business, you can sell an order at Christmas, and if that order doesn’t sell in the store, you’re going to have a hard time getting an order in the spring.

“If a retailer bought product from me and wasn’t successful, it wasn’t always my fault they weren’t successful,” he added. “It wasn’t clear cut whose fault it was if the goods weren’t performing well. I just didn’t like that lack of stability in the whole industry.

“In the laundry industry, my idea was that, once we got them up and running with competent people as attendants, I wasn’t going to spend nearly as much time as I was in the other industry. It would afford me the ability to take off and spend time with my family. I was looking for something that would require 10 to 20 hours a week, and give me an ongoing cash flow.”

In addition to the existing laundry, which re-opened in November 2003, Baron also built a second, brand new store in one of his family’s strip centers in December 2003.

“We built two laundries right off the bat,” Baron said. “In a nutshell, I opened two stores the first year. Then I opened two more stores, and I have since sold two of the stores.”

All of Baron’s laundries are called Speed Wash and feature a racing theme, complete with a checkered flag logo on the



wall—clearly a tribute to the owner’s hobby and side business.

Baron is currently operating that very first laundry he took over in 2003, as well as a 3,200-square-foot store in Corona, Calif., which he built from the ground up—also in a center anchored by a Cardenas Market—in early 2006.

THE CORONA STORE

Baron’s most recent Speed Wash location (at least until his third store, located in Riverside, is complete next month) also was offered to him by the powers that be at Cardenas Markets.

“Because of our relationship with them, when they go into a new center, if they have any space, they’ll offer it to me as a potential laundry space,” Baron said. “At that time, I had already done two laundries that were pretty successful. And I like the tie in with the markets; we have similar clientele.”



friendly environment. In fact, Speed Wash currently competes with five other self-service laundries within a two-mile radius.

To keep the neighborhood's customers coming through his doors, Baron has experimented with a number of advertising vehicles. In addition to his Yellow Pages ad, he has hung door hangers, sent out direct mail pieces, run ads in the local Penny Saver publications and even places coupons at the checkout area of the market next to his laundry.

Furthermore, Baron just recently launched his Speed Wash Web site, which promotes all three stores and includes coupons that can be printed out and redeemed at each location.

Baron also has separated his business from the other stores in town by installing card technology in his Speed Wash laundries.

"Because of our card system, I can automatically give all of my customers 10 percent discounts," Baron explained. "They put in a \$20 bill, and I give them \$2 of value right off the bat.

"Then, every time they use a washing machine, they can earn 'wash points,' which translate back to 5 percent of the vend price," he added. "If it's a \$2 wash, they get 10 points for that wash. After the accumulate 200 points, they get another \$2 bonus.

"Also, because I'm a card store, I can price to the penny.

The clientele at the Speed Wash in Corona is more than 60 percent Hispanic, according to Baron. He added that much of the surrounding area features larger, expensive, newer homes, which has been a boon to the store's drop-off laundry business.

"We started doing drop-off laundry this year, and we're already doing more than 1,000 pounds a month," said Baron, whose business is open 6 a.m. to 10 p.m. daily. "It's a mixed demographic, but we do get the people driving up in their Escalades to drop off their laundry."

Walk-in business also has been strong, as the Speed Wash in Corona is surrounded by burgeoning destination businesses, including an Office Depot, a Blockbuster video location, a clothing store, a drycleaners, a pizzeria and, of course, the popular Cardenas Market. What's more, Baron's laundry is situated right next to a major freeway.

Of course, others also have discovered Corona's laundry-



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If my competition is at \$1.50 on a toploader, I can be at \$1.49.”

Of course, there is a certain amount of education that is required when one opens a card store, especially if it is in a neighborhood that has never seen such technology before.

“I spent a tremendous amount of time and energy training the attendants before we ever opened,” said Baron, who employs a minimum of six part-time attendants at each store. “They have to spend at least a day or two just understanding how I want to run my laundries. I have a 25-page employee manual that we go over. And I have another manual just for drop-off laundry.

“If you leave it open to interpretation, it’s never going to turn out the way you want,” he added. “You want to spell it out for them—exactly what and how it is done.





EQUIPMENT MIX
Speed Wash • Corona, Calif.

- 6 Whirlpool toploaders\$1.49
- 18 Continental Girbau 20-pound frontloaders\$2.04
- 16 Continental Girbau 30-pound frontloaders\$2.89
- 10 Continental Girbau 40-pound frontloaders\$3.89
- 4 Continental Girbau 75-pound frontloaders\$6.98
- 25 Dexter 30-pound stack dryers29¢/10 min.
- 4 Dexter 80-pound dryers69¢/10 mins.
- 3 Hamilton Engineering EVO 99 water heaters,
with a 500-gallon, insulated storage tank
- 1 Card Concepts card system
- 1 Standard Change-Makers bill changer
- 20 R&B Wire Products laundry carts
- 5 two-sided bench-and-table sets
- Ceramic tile flooring
- 1 Vend-Rite soap vending machine 65 cents per box
- 1 Crane 10 spot Merlin IV soda vending machine
- 1 Crane 168 snack vending machine
- 10 arcade-style video and prize-redemption games
- 3 19-inch color televisions
- 2 satellite TV receivers
- WIFI hot spot
- 3 evaporative coolers for air conditioning
- 8-camera digital surveillance system, with Internet
connection for security and access from a laptop or PDA
- Wash-dry-fold service:\$1/pound; 10-pound min.
- Distributor: Sparklean Laundry Systems.
Santa Fe Springs, Calif., (562) 942-1771

That's the key to be successful with a card store.

"I have to get everybody thinking the same way so that there is continuity from one to the next. I've taught wind surfing. I've taught skiing. And I'm now teaching race car driving. There are similarities when it comes to training."

However, Baron admits that, once he trains his employees, he is more than happy to let them take the wheel and make the decisions that are necessary to keep the stores profitable.

"I don't pretend to know everything that goes on there on a daily basis," he said.

With two laundries already open and another on the way, plus commercial real estate holdings and his racing consultancy, Baron doesn't have time to get bogged down in the details.

"I live 75 miles away from my closest store," he laughed. "In southern California, that can take three hours."

Then again, perhaps not the way he drives. 

