



THINK BOUTIQUE—

'DIRTY LAUNDRY' CLEANS UP IN NOLA WITH SMALL HOTELS & CONDO RENTALS

New Orleans-area operator sees brisk growth in niche hotel/rental market as tourism bounces back in the Big Easy

By Jack Morgan

It's been a while since we've visited a plant where the operator told us he was concerned that if business grew any faster, he'd soon hit capacity limits. Given the downturn that operators have experienced since COVID-19 struck in March 2020—we'd guess that overcapacity is a problem that some laundry managers would welcome. But for Jared Johnson, managing partner of the whimsically named Dirty Laundry Linen Service in Slidell, LA, preparing for a future with fewer on-premise hotel laundries (OPLs) requires careful planning.

"I would say that currently, we're close to capacity," says Johnson, who runs the plant and co-owns Dirty Laundry with Len Bazile, who works mainly

on the sales side as "customer experience manager." Johnson's concern is that if current clients return to pre-COVID demand, the 15,000-square-foot (1,393-square-meter) plant could have trouble keeping up. "Not with what we're processing now, but with the accounts that we have, knowing that they're pre-COVID numbers and knowing that we're going to come back. Once they do come back fully, then we will be very close to capacity. So, we're being very cautious with what we take on. We're kind of at the point right now where we're pumping the breaks a little bit because we're waiting on a big F&B outfit to come back online fully. Once they do, we want to make sure that we can handle that. Then we'll go after more business."

TARGETING SMALL HOTELS AND RENTAL PROPERTIES

For Dirty Laundry—the name comes from the title of a pop song Bazile favors—small is beautiful. Located about 45 minutes north of New Orleans, the company operates strictly with washer/extractors to process customer-owned

linens. Johnson says he likes the quality and performance he gets out of their Pellerin Milnor Corp. machines. Dirty Laundry's focus on small or boutique hotels also gives the company a competitive edge over rivals that are geared to larger customers with the throughput necessary to justify their investment in high-volume equipment. "They have the tunnels," Johnson says. "And they're set up for the bigger hotels. I know some folks who say, 'Hey, we don't want 250 rooms or less in our client.'" We have others that say they don't want 400 rooms or less. We're looking at that 150-room mark, or less."

As a niche launderer, Dirty Laundry's strategy reflects their view of the market. Johnson says small hotels are a growth market in the Big Easy. "We're getting calls, I would say three or four calls a month, from folks that are opening up new hotels, but in older buildings, or a new brand in the city." Most of these prospects don't have and don't want OPLs, he says. "We're seeing some new properties come online, and the new properties are not considering OPLs." Some established properties also are closing their OPLs amid labor shortages and the high costs of



ABOVE: A trio of washer/extractors in the plant; the back end of a flatwork ironer for high-end table tops and other items. At top, staff placed a round piece of scrap metal with a pumpkin face drawn on it to add a touch of levity to the finishing department; staff have placed these finished goods, some wrapped in plastic at the customers' request, on carts to await movement to packout.

maintaining equipment, he says. In either case, Dirty Laundry sees an opportunity to serve these companies. "The smaller ones, like the market we're going after (boutique hotels), they're not considering putting up an OPL, so we're having a campaign on that."

The tendency to forgo OPLs is even more pronounced in another fast-growing segment of the hospitality market: rentals of private or company-owned residential sites, such as condominiums, by property-management companies. Dirty Laundry sees these rentals of private homes and apartments with management and linens provided by property-management companies as another ripe opportunity for their laundry to process customer-owned flatwork. "The property management folks have come in, and we process for them," Johnson says. "They may have 15, 20 units, and those units may have two or three bedrooms in each one." While that volume is a fraction of the throughput generated by a 400-room hotel, it's a niche market that Dirty Laundry is eagerly pursuing, including condominiums. "We have a large (property management company site) in the city that we process for, and they have, I think it's five buildings with a sixth one coming online early next year," he says. "And the room count ranges in each one of those buildings, but they're the same thing. They'll have a condo that has two or three beds in each condo, or maybe a two or three bedroom. Each building would equate to 80, 90 rooms." Johnson adds that their work for property-management companies is Dirty Laundry's fastest-growing sector.

BACK FROM THE PANDEMIC BRINK

Today's optimistic growth outlook is a welcome change for Johnson, Bazile, the 27 employees of this business that began in 2006 as an offshoot of a coin-op laundry. Like hundreds of other companies focused on New Orleans' tourism and hospitality trade, the

Business Co-Owner Beats COVID-19

Jared Johnson, a managing partner with Dirty Laundry Linen Service, Slidell, LA, came down with a nasty case of coronavirus last year, even though the plant has experienced no virus outbreaks. He managed a full recovery and was back at work full-time when we visited in November 2021.

Johnson says he started to feel ill around the time that he and his family were headed for vacation last fall to a cabin in the mountains of eastern Tennessee. “We had rented a cabin right outside of Pigeon Forge for the month of September,” he says. “The day that I left to go up, I started to feel bad. It got to the point where I felt bad enough that I said, ‘Hey, I need to go somewhere.’”

A test at an urgent-care clinic on a Monday confirmed a diagnosis of COVID-19. On Wednesday, Johnson was to begin a round antibody injections. However, in the meantime, his condition worsened; he went to the hospital. He was admitted to a medical center at the University of Tennessee, Knoxville, and was treated for several days for COVID-related complications.

Following his discharge, Johnson was on oxygen for a couple of days, but he has since made a robust recovery. “Now I have natural immunity, I guess!” he says with a laugh.

pandemic brought Dirty Laundry to a standstill. “There were a couple months there where we didn’t process one stitch of linen in this plant,” Johnson says. Fortunately, loans from the Paycheck Protection Program (PPP) and a Small Business Administration (SBA) disaster-relief fund helped keep the business solvent during COVID.

Just as importantly, the extra funding helped Johnson and Bazile keep their team together, doing repairs, painting etc., while they waited for the crisis to pass. “I guess it was bittersweet,” Johnson recalls. “We weren’t processing any (linen), so we didn’t have any revenue coming in. But we took that opportunity and freshened the place up. We repainted everything. We epoxied the floors, redesigned the layout, and just took that opportunity to do some upgrades to the plant.”

This effort to get through the pandemic paid dividends when restaurants and hotels began reopening last year.

Business gradually picked up and many of the staff that Dirty Laundry had furloughed due to the downturn returned as demand increased. “Some of them found other employment, but they said, ‘Hey as soon as you all come back full-time, let us know. So, we were very fortunate in getting those team members back.’” Johnson credits the company’s resiliency to Dirty Laundry’s focus on staff. “That’s one thing we do, we do take care of our team,” he says. “We try to make it as friendly and as family-oriented as we can, while still maintaining efficiencies and quality.”

When we visited late last year, Dirty Laundry was only eight team members shy of its pre-COVID staff of 35 people. Its volume had recovered as well to 85% of what it was pre-pandemic. Beyond that there are, as noted, new hotels and property management company clients opening and opting out of OPLs. In fact, the prospects are bright enough for Dirty Laundry to weigh upgrading its wash floor. They’re looking at possibly

adding an Ellis Corp. side loader for additional capacity that they’re anticipating in 2022 and beyond. We got a firsthand look at Dirty Laundry’s current operation during a walk-through of the plant.

IN THE PLANT

Bazile launched his textile service business 16 years ago as essentially a one-man operation. He started with a coin-op laundry as his launching pad for a laundry service company. “He was running it with a pickup truck and a trailer,” Johnson says. “He was doing all the deliveries, all the pickups, all the customer service.” Bazile helped out with the processing too. The business expanded quickly. “It just started growing and growing, and that’s when he and I met.”

Johnson’s laundry career began in 2002 when he signed on as a route driver for Starc Laundry, a not-for-profit enterprise that opened a plant in 1999 to offer job opportunities to people with physical or mental challenges. He advanced to plant manager for Starc and worked through 2013. Along the way, he met Steve Florence, then general manager of Starr Textile Services, Foley, AL. Florence recruited Johnson to run a new Starr plant in New Orleans.

While Johnson was working as a general manager for Starr, he met Bazile, whose business continued to grow. In fact, at the time, Bazile was considering selling Dirty Laundry because he was running out of capacity at the coin-op location. Johnson then learned that Starc was about to close and sell off its operation. Johnson suggested that Bazile look into acquiring the Starc plant. He did and after lengthy negotiations a lease was signed. In October 2015, Bazile and Johnson formed a partnership to run Dirty Laundry out of the former Starc location, where the company continues to operate today in Slidell. “He does sales,” says Johnson. “I do production.”

Since then—aside from the pandemic downturn—Dirty Laundry has grown steadily from its 15,000-square foot (1,393-square-meter) plant. The building itself is nondescript. There are no signs or outside markings to distinguish it as a laundry. Johnson says he sees no need for a high-profile exterior. Inside, however, there are numerous images of the company's logo, as well as its mission statement, which is dubbed "11 Points of Culture." These include Uniqueness, Excellence, Growth, Quality, Customer Service, Determination, Leadership, Honesty, Happiness, Ownership and Teamwork. These 11 qualities, plus a brief explanation of each, are painted on a wall in the breakroom as well as an area of the plant floor. These "Points of Culture" appear in both English and Spanish for the benefit of the company's diverse workforce.

On one wall in the soil area, we see pegs with labels for each of the company's 43 accounts. "We are a strictly COG (customer-owned goods) plant," Johnson says, noting that customers own all the textiles that Dirty Laundry processes—roughly 40,000 lbs. (18,143 kg.) per week. As goods come into the soil area from the plant's three routes across greater New Orleans, employees sort these by customer and move them with an identification tag throughout the process. Goods are also monitored using a laundry-tracking software program.

After sorting, employees manually load and unload the goods into any of three recently purchased Milnor 140 lb. (63 kg.) washer/extractors and several other washers. A new 170 lb. (77 kg.) Milnor washer/extractor was installed late last year, and two more Milnor 170 lb. machines are expected in April. The wash aisle processes goods at roughly 3 gallons per lb. (11.3 liters). The facility has eight 170 lb. (77 kg.) dryers as well, plus dryers for small lots and specialty items for party rental companies, event venues and restaurants connected to hotel laundry customers.

The plant is Hygienically Clean certified for hospitality and observes all the cleanliness and infection-control protocols included in that program. These include ensuring negative air flow from the clean to the soil side of the plant, as well as the use of a quality assurance manual and documented best practices for processing hospitality goods. Johnson says the certification is helpful in prospecting for customers, but their primary focus is on service and quality.

In the finishing area, the plant has two ironers, a Braun, two-roll 32-inch (81 cm.) ironer with a folder/stacker for sheets and a JENSEN 48-inch (122 cm.) single-roll ironer for tabletops. The plant has 60%-40% mix of hospitality and food and beverage goods. The latter are mainly from restaurants connected to the company's hotel customers. Johnson points out that the JENSEN ironer is great for tabletops because it operates without guide tapes on the rollers, thus producing a better finish. We watched as employees carefully removed tabletops from the ironer, folded and placed them on hangers in the packout area prior to delivery.

The owners of Dirty Laundry view system redundancy as critical to their success. They can't afford to have customers waiting for goods. That's why


the plant has multiple washers, dryers and two ironers and two 50 HP boilers.

Towels are inspected, folded and placed on carts with tracking sheets to ensure accurate deliveries. The plant operates three Isuzu trucks. Two are 24-foot (7.3-meters) and one is a 20-foot (6-meter) vehicle. For customers that want added protection for their textile goods, the plant has a shrink-wrap machine that covers textiles in plastic.

TEAMWORK: KEY TO NICHE MARKET SUCCESS

Looking back, Johnson says if they'd anticipated the COVID earlier, Dirty Laundry would have postponed investments. "Hindsight's 20-20," he says. "But I will say this: We did make it through. We're still strong."

Bottom line? Dirty Linen's focus on teamwork—coupled with its investments to keep pace with growing demand—is making this company a leading linen supplier for New Orleans' burgeoning boutique hotel and residential rental market. **TS**

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BELOW: Dirty Laundry Linen Service staff took a timeout from their duties for a photo during our visit. At the far right is Jared Johnson, the managing partner who led our tour of the plant.

