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UP CLOSE: CHEMICAL PROPORTIONING

Warewashing: A Labor-intensive Sale

Customer service is key when offering foodservice and laundry chemical dispensing systems

By Cynthia Kincaid
Email the SM editors

In today's economic climate, jan/san distributors are searching for ways to expand profits, now more than ever. For many distributors, adding warewashing products can help grow the bottom line.

That's what Nick Spallone, owner and general manager of Carson-City, Nev.-based [Tahoe Supply Co.](#), learned when the company added a large casino to their clientele. The facility wanted a single source supplier, so it forced Spallone to add warewashing to his product offerings.

"It's turned into a great part of our company. It's probably the one area that has really grown during this downturn," says Spallone.

Warewashing equipment automatically dispenses cleaning chemicals with hot water to wash dirty dishes and cutlery in foodservice facilities or wash soiled linens and towels for hotels, hospitals and other facilities with in-house laundry operations. While adding this service is profitable, it's not always guaranteed to make money.

"There are a lot of economics involved," says Philip Correia, director of sales for [AmSan](#), Pompano Beach, Fla. "It's the type of program you can grow very fast, but you've got to have a plan. You can spread yourself too thin and dilute your efforts if you try to sell everybody on the program."

In AmSan's case, the company decided to offer a select warewash product and service line to the laundry side only because of its profitability. The company now services nursing homes and healthcare facilities, which has greatly enhanced its bottom line.

Providing warewashing is more than making a one-time-sale of proportioners, it's a continuing partnership with clients that comes complete with a service plan, training and on-site visits.

Do Your Homework

A successful warewashing program can only be achieved with careful analysis and thought.

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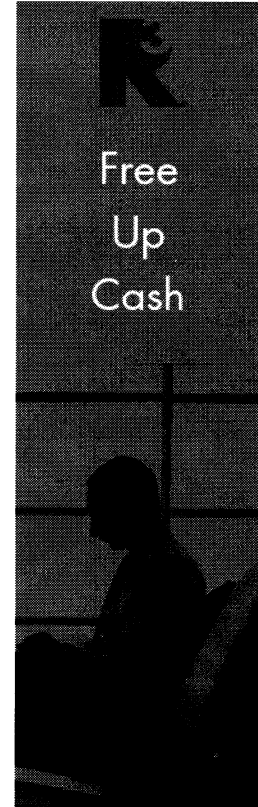
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For laundry service veteran, Bruco Inc., in Billings, Mont., providing a dish and cutlery warewashing service is offered only if a customer needs laundry services, as well.

Distributors must weigh the costs involved for equipment, chemicals, training and services to see if offering warewashing is profitable for them. Warewashing can be labor-intensive, especially when customers are restaurants or other foodservice facilities who need clean dishes and cutlery fast. Chemicals need correct dispensation, equipment will have to be routinely calibrated, serviced and repaired, and employees and customers will have to be trained.

"We don't pursue a lot of warewashing because it's not real profitable for us, unless there is a tie in with the laundry," says Matt Kaiser, Bruco's laundry warewash program manager. "The account has to wash so many racks of dishes per day for us to solicit that business; otherwise, it's not profitable for us."

The decision to competitively offer a line of warewashing chemicals can also be an important factor in profitability.

"If you look at the bottom line, the profits on chemicals is not spectacular," says Spallone. "And there are additional costs associated with going out [to service] the client. It's very labor-intensive, and you have to account for that at the end of the day."

But providing chemicals can be a valuable way to build and maintain relationships, says Correia.

"They are not as profitable as the typical daily cleaners that we sell, but [providing them] helps us be closer to our customers," he says. "It creates that added value that makes you indispensable as a supplier."

Service Your Customers

In many cases, providing a warewashing component will also mean offering some type of service contract, either in-house or outsourced.

"Most of the customers that we deal with are looking for a distributor that can give them, not just the product and the service, but can also repair their equipment, provide parts and do preventative maintenance," says Correia. "We are geared to do calibration on the equipment, but when it comes to the actual repairs, we either outsource that or refer customers to somebody else who specializes in it."

However, outsourcing servicing does not mean being an absent service-provider, says Correia.

"You still have to be present and involved," he adds. "This is not something that you can set and forget. It requires a Monday through Sunday full-time response."

For example, a laundry machine might go down once a year, but a warewashing system in a restaurant may go down every two weeks and distributors can't let those dishes pile up.

Still, warewashing services can strengthen a distributor's business over time.

"If you want to be successful at warewashing long term, servicing your customers needs to be a part of your business," says Spallone. "If you can offer additional services and help the customer with what their needs are, in this case making sure they are in compliance and have clean dishes, then I think it gives you the opportunity to make a little bit more money."

Service plans typically include customer training as well. As part of AmSan's training program, the company makes a standard visit to every account each month to address customer concerns or training issues.

"During that time, we provide any training that needs to be done, review equipment calibrations and make any adjustments that are needed on the equipment," says Correia.

It's A Partnership

How a distributor approaches a customer who might not be totally sold on a warewashing system



can make the difference in gaining or losing a sale. For example, Tahoe Supply starts with a no-pressure examination.

"We'll go in and do a survey of their facility, almost like an audit," says Spallone. "If we can come up with a way to help them, this audit will show that, and that's typically how we sell our system."

Another approach is to educate customers on the savings warewashing can provide through labor and utilities.

"We've been able to take people and shift their focus away from saving pennies on chemicals to saving bigger dollars on utilities and water, using equipment they already have," says Kaiser. "We achieve this by programming washing machines to work more efficiently on shorter cycles and using different water temperatures."

For example, by taking a standard laundry formula, which usually runs 40 to 45 minutes and shortening it down to 28 to 32 minutes, and keeping the chemical costs comparable to what they were already buying, Bruco shows its customers how they can get more loads done a day using less water and energy.

"We've had customers save \$500 a month just in utility costs," says Kaiser.

Another aspect of the partnership is a guarantee that their products will remove any potential health hazards from dishes and cutlery in foodservice facilities. With the recent outbreaks of salmonella in tomatoes, peanut butter and pistachio nuts, the public is more concerned than ever about food-borne illnesses and the cleanliness of restaurants, hospitals, nursing homes and hotels. And companies in these industries know it.

"If there's a food-borne illness in a restaurant, it's like the kiss of death," says Spallone. "A facilities' reputation starts with us, and they rely on us to make sure they are kept safe."

If done right, a good warewashing system can provide both the protection and peace of mind many end users are searching for, while also adding to a distributor's bottom line.

Cynthia Kincaid is a freelance writer based in Portland, Ore.