Redesigning the Laundry Business Model

Carl Baum- MBA Candidate
Jessica Brown- MBA Candidate
Charlotte Gouveia Neto- MBA Candidate
Zhen Huang- MBA Candidate
Qingxia Liu- MBA Candidate
Executive Summary

Doing laundry is a simple task that takes up valuable time for many people. This time could be better utilized if there were a way of having your laundry done for you in a timely, predictable, and trustworthy manner.

Although companies such as WashClub Cleveland exist in this competitive space already, we feel there are tactics that could be implemented to improve their model. While timeliness, convenience and cost are all factors in the decision to use a laundry service, we found these all to be secondary to the customer’s main concern; trust.

Our group focused on the issue of operation within a laundry service, specifically targeting trust. We observed trust as the key obstacle to this service, and have differentiated our model from current offerings (such as WashClub Cleveland) to overcome these objections.

Our improved customer experience allows a customer to choose a person, not just a company, to do their laundry. We believe, due to our research, the trust issue can be overcome. This will increase the customer base and the proliferation of this service, allowing for greater speed of growth across a larger segment.
Contents

Executive Summary 1
Contents 2
Introduction 3
Problems 5
Hypothesis 6
Design Research 6
Product 13
Final Thoughts 22
Appendix 23
Introduction

Doing laundry has always been a time consuming chore that people have come to accept as a necessity. As such, we have always looked for more convenient ways of completing this tedious task.

Originally, we would take our clothes down to the local waterway (or watercourses) where we would twist, rub, and slap our clothes against rocks in order to remove the filth hidden within. Oftentimes, washing bats were used in order to help remove the soil more aggressively. This old French Laundry advertisement demonstrates how backbreaking this work must have been.

Eventually, people were able to use hot water, which worked better at removing soil and stains. Unfortunately, to heat a large metal cauldron (often Copper), this meant gathering firewood. A typical laundry day would involve gathering 100 lbs. or more to heat the cauldron. Then, while washing the clothes with simple tools, you risked serious burns if you accidently touched the copper to your skin.
Eventually, with the advent of in-home plumbing, people were able to do the laundry inside their own homes. While this was more convenient, the physical labor associated with cleaning your clothes was still incredible by today's standards. Rubbing clothes against a washing board then drying with a “mangle” would be considered cruel and unusual punishment by today’s homemakers, but back then it was a typical laundry day. Even after “washing machines” were first invented, you still had to turn a crank to agitate your clothes in a cylinder of water. These types of “washing machines” and drying with mangles were common even as recently as the 1950’s (although electric motors were added).

Fast-forward to today’s typical laundry routine. While we are able to do our laundry with much more ease today, there is still the time consuming issues of separation clothes before washing, folding them neatly to ensure they don’t wrinkle, ironing our important garments, and (if using public facilities) waiting around to ensure no one tampers with or steals our clothing. While this is still clearly superior to previous solutions to the problem of dirty clothes, it has been too long since there has been an innovation in how the typical household does their laundry.

We believe that SimpleLaundry is the next evolution in the consumer’s journey to a more convenient way of doing laundry.
**Problem Statement**

Customers suffer from difficulties in making time to do their laundry due to unpredictable or long waiting times for washers and dryers. However, customers also **don’t trust** laundry services to keep to their word on delivery times while keeping their clothes protected and private.

**Demographics**

There are multiple problems to overcome when entering the laundry service business. The **first issue** we faced was the challenge of determining who our customers were. Our initial research was based entirely off apartment buildings and other mass residential establishments. The idea behind this was based off accessibility and scale. If a service targeted a specific building, it could have access to 50 or more families, each with potentially limited access to washing facilities. This would be a much more cost-effective approach to targeted marketing than trying to reach 50 households.

We found, through our research, that while some people in apartments would be willing to use this service, it was not something we could isolate to specific buildings. This observation caused us to realize that targeting specific buildings would not be a valid strategy alone.

We had determined some demographics that seemed to be more inclined to use this type of service before meeting with WashClub operator Ed Locker, but he confirmed our findings. Ed offered the following insight; the majority of their customers do not live in apartments. Most of the customers for this service were recent transplants to Cleveland (something we had recognized during our research) and mothers in households of four or more. The busy mother who needs/wants more time for more important events and tasks was a segment that our research had completely missed. This insight helped us better understand the true customer base for this service.

Other characteristics for the customer willing to use a laundry service included young professionals, income in the upper-middle class or above, and existing users of dry cleaning services. Armed with this information we started to tackle the most serious problem facing this industry, trust.

**Trust**

Throughout our surveys, interviews, and own personal feelings, we continually faced the same objection. Clothes define us; they are our expression of our individuality. Our clothes are as much a part of us as our personalities. This connection to our clothes (along with a modesty when concerning our
undergarments) leads to a deep feeling of distrust to others handling our clothing. We fear that they might not be returned in the same condition, they might be damaged, shrunk, stretched, or even lost. Discoloration and other concerns also exist to deepen this lack of trust. When dealing with our unmentionables, women fear even more perverse issues could exist (the dreaded panty sniffer). Unfortunately, existing companies have little other than their word to combat this deep seeded mistrusting of laundry professionals.

**Hypothesis**

**Main Idea to Address Cleveland Laundry Service and Trust Problems**

The group believes the best course of action is to create an application that serves as a *multi-solution platform* for both people needing to do laundry and people who are laundry-washers seeking additional customers, while promoting *trust and customer service*.

Consumers have an attachment to their clothes that extends beyond the physical objects themselves. We value our clothes far greater than the price tag associated with them. As such, we need to trust a company or person before they handle our clothes. This leads us to the most challenging obstacle to overcome in this space; how to build initial trust. By offering exceptional, trust-centric, customer service, we believe we have the best opportunity to overcome this issue.

A local business operating in this segment told us that customer service is severely lacking in this industry. By offering exceptional customer service, we would represent an unexpected shift in the minds of consumers. By exceeding customer expectations, we would position ourselves to take advantage of word of mouth referrals, which, because they come from people the consumer trusts, would increase our initial trust with these new customers.

Also, by employing local area job seekers, we would be potentially benefit from their circles of influence as well. As they tell friends and family about their job with SimpleLaundry, this would spur curiosity in the product. Again, because they trust the person they heard about SimpleLaundry from, they would be more likely to try the service while also being more trusting initially.

**Design Research**

To gain a better understanding of the Cleveland laundry service environment, perspectives of potential Cleveland consumers and feedback from knowledgeable industry representatives was sought in order to co-create an
innovative service that could be supported in the market. The research conducted by the team included **8 phases** consisting of:

**Design Research and Discovery**

![Diagram of research phases]

**The team would like to note that many businesses and organizations were contacted to provide insights into the laundry industry and on demand services sector as this project was not sponsored by one specific company. For the privacy of these businesses and organizations, the group has chosen not to disclose the source of the specific laundry data in the B2C space.**

**Phase 1: Industry Research: U.S., China and Local Cleveland Market**

As business students, many resources are available through the university that may not be available to businesses and other local establishments. Case Western Reserve’s Kelvin Smith Library has a magnitude of resources including industry databases and leading reports that provide key insights into industries in a very focused view, allowing the reader to have a general understanding of an industry in the time it takes to review the article. As shown in Exhibit 2, the IBIS World Reports used for this project include:

Through these reports, it appears U.S. residents are moving more to the suburbs and out of urban centers, therefore opting to buy washers and dryers or opt for a pick up and delivery service. However, the Issue Statement: A Business Opportunity in Laundry Service provided to the group at the beginning of the project reports people in more traditional suburban areas, such as Cleveland, are seeing a revival in their urban areas, and these people moving back to the city center are not pleased with the current state of laundry offerings provided in apartment buildings and other residential communities.

It is important to understand the differing opinions among sources to generate a stronger market potential and product design in order to be successful. This U.S. industry information as well as the information provided in Exhibit 2 on the laundry service environment in China allows for a more creative co-design process, taking concepts from different cultures and applying it to the local Cleveland market.

Phase 2: User Research and Broad Persona Development

In the initial research stages, the team used the laundry service personas template provided with the issue statement, and focused on young professionals, college students, young families, empty nesters and retirees. From these personas the team narrowed the focus based on (1) ability to afford the service and (2) likeliness to utilize the service in the Cleveland market based on several different indicators. The result was to focus on young professionals, young families and the empty nester segments.

From these narrowed personas, the group went out to talk to people who fell into these target demographics in order to observe and gain perspective of their emotions and thoughts about a pick-up and delivery laundry service. First, the group identified local apartment buildings on Cleveland’s East Side in Shaker Square as a good target to distribute user research surveys to as two of the group members lived in the apartment buildings and the same company also owned them. Surveys were created and distributed in the apartment buildings in early November. In-person interviews were also held in the apartment buildings to observe people’s responses first hand (ethnographic-type research).

There were 16 survey respondents (11 female and 5 males) between the two buildings the survey was distributed to. Overall, females are over 50% more likely to never use a pick up and delivery laundry service; whereas more than 80% of the males interviewed stated they would probably use a pick-up and delivery
laundry service once per week or every other week. Further, 14 out of the 16 survey respondents were either between the age of 18 to 25 or 26 to 35, with more than 60% in the latter group. The average highest price people were willing to pay was between $15 and $24 per load.

From the in-person interviews, the group was only able to find women from the young professional segment, empty nesters and young families, although the group did try to find males from these target segments as well. The general consensus from these interviews was:

- All three women would not use the service and are fine with washing laundry at home/ at apartment building facility
- The empty nester and young family interviewee thought the idea of people touching their personal items was creepy (they do not trust current services)
- All three were Cleveland natives
- All believe the cost of having it done would be a waste since they don’t mind doing it now

Phase 3: B2C and B2B Cleveland Laundry Business Research

The team had the opportunity to meet with both B2B and B2C Cleveland laundry businesses. The major similar themes that surfaced include: (1) the difficulty in keeping a strong labor force to work all times needed, (2) high customer acquisition costs, which was even more prohibitive for the B2C model and (3) extremely poor customer service.

The differences for the B2B structure is that there is a better ability to control sales as most companies sourcing laundry services are locked into 2 year or longer contracts. Similarly, the major differences in the B2C model include the difficulty in breaking into the Cleveland market. Over and over the group was told and found through research, Cleveland natives are very risk adverse in having someone else do their laundry for reasons that will be discussed in a later part of this report. Therefore, a lot of B2C companies spend a lot of time educating the public on the benefits of pick-up and delivery laundry services and the features provided to increase privacy and ensure trust in the customer base. Many of these customers may already use a dry cleaning service, so one approach would be to cross-sell a dry-cleaning order with a regular laundry order.

Phase 4: Other On-Demand Services

Cleveland urban professionals have limited time outside of work to disaggregate between leisure and house duties such as laundry, cleaning, grocery shopping,
etc. There is a wide range of other services outside of laundry that exist to make household duties much simpler. For example, on demand services exist for grocery shopping such as AmazonFresh, Instacart (Whole Foods) and PrestoFoods. In addition, there are also cleaning services, however there is not a widely used pickup and delivery laundry service among the Cleveland young professional population, although a few businesses have attempted to enter this market with a disruptive business model, due to many concerns consumers have over the privacy and reliability with laundry services.

To provide a benefit to Clevelanders fitting the same customer profile, the laundry delivery service offered needs to provide consistent and timely product in which the Cleveland population have seen a real benefit, which would need to be a combination between price and opportunity costs of the individual and the dependability of the service in general. One interesting retail service the group looked into was Rent the Runway, a dress rental service started by two female Harvard Business Graduates that offers over 50,000 dresses and 10,000 accessories to rent from over 200 designers. One of the founders wanted to find a solution to a problem her sister was facing, purchasing a designer dress costing thousands of dollars, and only wearing it once because photos were posted on social media wearing the same dress prior. The founders were familiar with the concept of the “sharing economy” model practiced by Netflix and Spotify, and believed in their idea so much, they decided to launch without a business plan. This service also rents accessories, lingerie, tights, shapewear and cosmetics (see Exhibit 6 for more information).

**The group found it very curious that native Cleveland women the group members knew love using Rent the Runway, however were not open to the idea of having an outsider wash their laundry. Both concepts touch on the idea of privacy, and in some ways wearing another person’s lingerie may be beyond the comfort zone of many as well.**

**Phase 5: Major Themes: Consumer & Business**

Through the first 4 phases of research, the group began to identify major themes overlapping for both consumers and businesses operating in this space. These themes were brought to light and modified, and will be discussed later in the section.

**Phase 6: Narrowed Target: Luxury Apartments**

After discussing the major themes surfacing from the consumer and business segments, the group recognized it would be best to target young professionals who are not Cleveland natives that for the most part do not live in apartment buildings. As the group progressed throughout the semester through research
and problem development, it seems many Clevelanders may not be ready for the service until someone they know has tried it and are more comfortable with the idea. In order to test the theory of the market hanging heavily towards suburban areas, the group reached out to three luxury apartment buildings near downtown: The Bingham, The Vue and The Hamptons, all with young professional and affluent residents.

The phone interviews took place on the same day, all with key decision makers in terms of laundry services for the apartment buildings. The Vue and the Bingham seemed to have a similar mix of residents and amenities structure. Both offered dry cleaning services that are contracted out through an independent vendor. When asked why they have not considered a standard laundry pickup and delivery service, both responded simply with “because my contract company does not offer it”. Both confirmed that if the service was offered, they would predict many residents would use it 1 to 2 times per week as many already take advantage of the 24-hour turnaround dry cleaning service (see Exhibit 4 for more information).

**Phase 7: Prototype Pitch and Feedback from Local Laundry Business**

During the middle of March the group met with a local B2C laundry service company that also operates in the Laundromat and B2B laundry service space. The company verified most of the hypothesis the group had made up unto this point, including the narrowed persona of young professionals who are not native Clevelanders, as a lot of their B2C customers also fall into this target segment. Further, the group tested the idea of its prototype and threw around some ideas with the representative. The ideas were verified as being relevant to the industry and applicable, thus most of the components discussed about the prototype made it into the final product, discussed below in the Product section.

**Phase 8: Modified Prototype Pitch and Feedback from Flashstarts**

The finalized prototype was pitched to a local start up, FlashStarts, where further suggestions were made to the individual components of the prototype. The major criticism to the current prototype was that it may be a better business move, especially in the Cleveland market, to develop the platform catered to the B2B market, as the group had originally hypothesized.

**Pain Points and Things to Consider**

A large portion of research collected for the product development was provided by businesses currently providing a laundry service in addition to apartment building management who are responsible for the current dry cleaning and washing services for the residents in their buildings. The research process the
group embarked upon led to some key findings that surface as general themes, of which were heavily used to develop the components of the final product.

**Research Summary: General Themes**

1. **Resistance to Change**

   “He who rejects change is the architect of decay” - Harold Wilson

   Potential native Cleveland customers are stuck in their ways and do not see a problem in their current state of doing laundry. Further, native Clevelanders do not trust an unfamiliar service. This theme captures one of the most important components of selecting an initial target market as launching this service will be tricky in the current state. One way to adapt to this on-demand service is through education and cross selling.

2. **Restoring Trust**

   “The best way to find out if you can trust somebody is to trust them” – Ernest Hemmingway

   Upon utilizing a service where a stranger washes a person's private items, a sense of an invasion of privacy is most likely to be felt by the customer as his or her private items are out for the “world” or this complete stranger to see. This theme captures the need to reinforce trust by increasing the sense of privacy and reassuring the consumer the items will be safely handled and returned. One way to do this is to have privacy bags and allow users to establish a relationship with their clothes washer.

3. **Establishing Efficiency**

   “There is no waste in the world that equals the waste from needless, ill-directed, and ineffective motions” - Frank Bunker Gilbreth, Sr.

   The average person spends most of his or her life working and sleeping. This theme captures the desire for consumers to make the most of their available hours. Since there is a limit on members of the target market’s time, there can be a way to make the most of it.

4. **Lack of Customer Service**

   “The customer experience is the next competitive battleground” - Jerry Gregoire

   The customer should always be placed at the heart of a business. The current Cleveland laundry industry is notoriously terrible at providing quality customer service. This theme is important as customers who are being targeted with these
higher incomes by on-demand services will expect a great amount of attention. One way to do this is through a loyalty program or online platform that allows consumers to track their progress and maintain an open channel of communication so they don’t feel neglected.

**Product**

The major consumer and business themes discussed in the previous research section were explored and combined into one simplified platform, SimpleLaundry. *SimpleLaundry* is a multi-solution platform for both people needing to do laundry and people who are laundry-washers seeking additional customers. The application enables a person needing to do laundry to choose between an available Laundromat for self-washing or a laundry washer profile for a pickup and delivery laundry service. The laundry washer is able to upload his or her online profile and customers can select this person for the pickup and delivery service based on their profile score and previous customer recommendations, providing a more transparent and worry-free experience. A walk through of the application and its features will be discussed later in this section.

**Figure 1: Simple Laundry Logo**

![Simple Laundry Logo](image)

**Redesigning the Laundry Business Model**

The major themes from the research were explored and used to create different parts of the all-encompassing platform. To highlight the components of the application developed from the major research themes, a persona of the target consumer, Nicole, and a persona of the target business operator (laundry washer) Bob, will be used to demonstrate the different components of the application and how it will be used.

**Consumer Persona: Nicole**

![Nicole Image](image)

**Category: Young Professional/ Affluent**

Nicole is a management consultant at a mid-size consulting firm and has spent most of her life in New York and Los Angeles.
She just turned 35 last year, and is looking for more ways to increase her free time at home with her husband when she is not traveling for work.

Nicole earns around $140K per year and is always up to date with the latest technology to increase her productivity and personal time.

Business Profile: Bob Lee

Category: Graduate Student

Bob is a graduate student at Cleveland State University and has one year left until graduation. Bob is not yet working full time and tries to find ways to make extra money between classes, extra-curricular activities and assignments.

Bob has had other jobs in the past and is Vice President of Cleveland State’s Student Government Association. Bob is seen by professors, friends and family as a very responsible person and always comes through on what he promises.

Consumer Themes

Resistance to Change

As seen through the research with local Clevelanders, Cleveland natives are resistant to utilizing a service where strangers are washing their clothing and personal items. However, through further research and interviews with local B2C laundry providers and Cleveland luxury apartment buildings (refer to Exhibit 4), non-native Clevelanders would utilize an on-demand laundry service about 1 to 2 times per week on average. Although non-native Clevelanders may have some reservations about sending out private items such as underwear, they are more likely to utilize the service from its introduction into the market.

Therefore, the SimpleLaundry app will be targeted at Cleveland young professionals that are not native Clevelanders, very similar to Nicole’s profile.

Restoring Trust

Nicole’s friend from New York mentions to her there is a new service that helps reduce the amount of time she needs to spend doing laundry, SimpleLaundry. Her friend stated not only is the service a time saver, it also provides private laundry options. Nicole is interested in the idea because she would like to increase the amount of time she can spend with her husband. Nicole is a bit
hesitate to try the service because she has never sent her laundry out to be washed and dried by a stranger, however through her friend’s suggestion of the privacy option, she is willing to give it a try.

Nicole then downloads (Step 1) the SimpleLaundry app and reads through the options available and how the service works and selects pick-up (Step 2).

![Step 1: Download app](image1)
![Step 2: Select pickup](image2)
![Step 3: Fill in details](image3)

Nicole first enters the ordering menu (Step 3 above) and fills in her order details including location, number of loads she would like washed and dried, the settings for washing and drying, and the soap and products used.

Next, Nicole reaches the washer profiles and sees the individual laundry washers and washing companies are rated based on consumer reviews that are provided on the platform. Nicole then reads through many customer reviews and ratings before selecting a laundry washer. When she finally selects Bob as her washer (Step 4), she feels confident that the washer she chose seems trustworthy enough to handle her laundry.

Establishing Efficiency

Nicole completes her order by providing the rest of her information (Step 5), detergent and product selections (Step 6) and does not select the option for additional insurance (Step 7). Later on, Nicole notices there is an option to select a privacy bag for her personal items (underwear, bathing suits, etc) that is never removed from the bag, just washed inside of the specialized bag. Nicole chooses this option (Step 8) as she would like her items separated into regular and private items because she is still a little unsure about using the service (please see Exhibit 6: SimpleLaundry App Screen Shots All up to see a screen.
shot of each shot mentioned above). However, the option to be able to separate a load of laundry into personal and regular items gives Nicole a piece of mind that she does not have to worry about a creepy person touching her laundry.

When Nicole completes the order, Bob comes to pick up her and her husband’s 5 loads of laundry. Nicole feels a bit embarrassed putting off doing her laundry for so long, but she could not find a free moment to do it. Bob then comes to her door, picks up the laundry and updates the tracking system so Nicole can know what stage her laundry is in at any moment during the 24 hours SimpleLaundry had her clothing.

Nicole is free to spend her extra three and a half hours enjoying a nice winery with her husband while Bob is taking care of the laundry. This winery excursion is two years past due. Nicole realizes how much the extra three and a half hours adds to her life and her happiness. Nicole is contemplating becoming a monthly subscriber to SimpleLaundry because her and her husband are enjoying their weekend so much more, so she signs up for the SimpleLaundry Loyalty Program (see Exhibit for details)

**Customer Service Upgrade**

Nicole realizes she may have sent a pima cotton shirt in with her regular items load, and if washed will shrink almost by half, making the shirt no longer wearable. Nicole eagerly alerts Bob through the online platform and describes the issue. Since Bob is primarily focused on servicing her laundry needs at that time, Bob is able to give Nicole first hand customer service and will able to “sort out” the shirt before it is lost in the regular load in the washer.

Nicole received a text alert stating when her laundry is done and in transit. Another alert was sent to her when the laundry arrives at the door. Nicole and her husband are then all set with clean clothing for the week.
Consumer Journey Map

Nicole’s first-time user experience exemplified how a new user within the young professional, non-native Cleveland target market would create an order on the SimpleLaundry app. Also discussed were the major themes that emerged through the design research stemming from various sources, bringing to life how it shaped and co-designed the SimpleLaundry Platform. A journey map of encompassing Nicole’s journey, the consumer, but also Bob’s journey, the laundry washer’s process can be seen below.

Thoughts on Laundry Washer’s Journey and Laundromats

For the scope of this project, the group made the decision to maintain a focus on the customer experience and providing a platform targeted at servicing B2C consumers utilizing a pickup and delivery laundry service. Major themes from the customer perspective were predominantly used to create this platform, however insights from businesses (as discussed in the Design Research section), were used to give an all-encompassing platform. As discussed prior, one of the major challenges on the company side is finding a reliable labor force. Thus, creating this platform as a form of an “Uber laundry” system, where people looking for a side job can come in and apply to create a profile through the SimpleLaundry platform and once a background check and other credentials are passed can start servicing laundry customers. The washers will be able to
maintain their SimpleLaundry profile and grow their customer base at the same time.

All the supplies for washing the clothing will be provided in a kit form, in a franchise format. This includes all detergents, bags including privacy and general laundry bags, tags and promotional items will be sourced through SimpleLaundry and is not the responsibility of the independent washer.

The platform is also designed to partner with Laundromats and dry cleaners (see Figure 2 and Exhibit 6 to see the Washer app screen examples), as a secondary option providing (1) better customer service, (2) and the opportunity to convert Laundromat and dry cleaning customers into SimpleLaundry pickup and delivery laundry customers and (3) capitalize on unused capacity at Laundromats after business hours by partnering the laundry washers with Laundromats to wash orders on the premises while customers are not in the store.

The user experience of utilizing the app as a washer (business person) can be depicted through the washer persona Bob. Bob first would use the app to not only find customers, but to find available washers and driers from Laundromats already on the network. This not only helps Bob become more efficient, Laundromats will see more business and have more incentive to stay in the network.

However, if a consumer would rather chose to find an open Laundromat that is partnered with the SimpleLaundry platform instead of using a washer like Bob, the customer could see if a machine is available or can request a time to block off a machine so he or she will be able to have a consistent schedule by knowing what time they are able to have machine access (thus hitting on the efficiency and customer service theme once more).
In sum, the main objective of this option is to cross sell the laundry service and introduce non-native and native Clevelanders to the idea through services that are currently familiar to them. This method will establish trust and provide them with a better understanding of the service, perhaps convincing them that it is not as scary as it seems.

**Thoughts on Implementation**

To implement the application as a soft launch, the group is suggesting to use the Cleveland market, specifically in downtown luxury apartments with a large percentage of non-native Clevelanders (for reasons stated above) and in affluent suburbs surrounding downtown to test industry trends and insights from existing local businesses. The test would need to run for about a year or so to be able to really test the results of the targeted strategy and where areas of improvement may lie.

There would need to be consistent tracking of the customer experience and conversion into monthly subscribers and loyalty members. Additionally, it will be also important to track the rate at which native Clevelanders try the service as they witness others taking advantage of the platform.

Once the concept has greater merit and proven successful, the next step would be to identify how to branch out into similar cities and to analyze the environment in that city to see if it is implementable. Unfortunately other laundry pickup and delivery services exist outside of Cleveland, however these services have mainly stuck to large cities including New York City, Los Angeles and Chicago with different population demographics.

Further, another step would be to take the design research and knowledge gained from this exercise and come at the industry from another angle. Focusing on B2B laundry services, the platform may provide an innovative competitive solution to what is already in existence, however the barriers to entry in this space including contract agreements and other conditions would need to be explored in greater detail before exploring this option.

**Business Case: Costs**

The costs to create this platform would include the initial application development, the labor to maintain the app, labor to seek relationships with local Laundromats, apartment buildings and suburban communities, education
and advertising efforts and resources to generate a solid laundry washer base. Further funds for background checks of the washers and and general office expenses would be needed. Lastly, funds for the laundry products as part of the franchise kit will need to be provided by the washers.

The platform can be developed by a local IT developer who would be invited to earn shares of the company in the form of payment, a common practice in the industry (between 5-25% of the company depending on if they agree to only create the initial platform or agree to do upkeep as well). Relationship building would cost about the average earnings in the U.S. per hour of $24, at a rate of 40 hours full time to get started.

There would also be a hardware cost to the Laundromats to be able to be added to the SimpleLaundry network. To generate this cost estimate, market data from China was used since smart appliances are not very common in the US. There are 90 kinds of wifi-connected washers on JD.com (NASDAQ: JD), one of the largest e-commerce websites in China. The average price of the top 10 sellers is around $250, and the major functions of the app are to control and monitor the washing process, report the water and electricity usage and detect the mechanical problems of the washer (please see Exhibit 9 for more information). According to a Chinese news (Source: Chinadaily), the cost of the WiFi module for appliances in China is around $2 and there are specialized suppliers are producing WiFi module for local appliances manufactures.

SimpleLaundry’s hardware needs fewer functions than a standard smart washer in China: the cost should be able to be controlled at the same level. An advertising budget of $10,000 to get started promoting in communities through print ads and social media is expected for the initial launch and first 6 months following. Local businesses had hired PR companies to help in this effort, however the team believes it would be beneficial to test the waters before sinking a large amount of money into loosely targeted communications efforts.

**Business Case: Benefits**

The return on investment for successful implementation of the SimpleLaundry business model includes the following:

**Becoming the first major market share leader in the Cleveland On-Demand Laundry Service Industry**

To date, no local business has attested to being the market leader in the laundry pickup and delivery service industry in Cleveland. Larger cities such as Chicago, New York, D.C. and Los Angeles have multiple successful laundry franchises including Washio and WashClub. However Cleveland has unique challenges these
larger cities can overlook, making barriers to entry slightly more challenging for the same business model. One of these challenges Cleveland faces is a smaller urban population in combination with a conservative native population. However with the resurgence in downtown Cleveland and the expanding population of outsiders coming in, there is an influx of potential customers that a Cleveland business could capitalize on. Additionally, tourism in Cleveland is also growing, therefore also presenting another business opportunity for this service and expansion into other similar cities.

**Expanding to other Similar Cities**

Similar “rust belt resurgence” cities including Pittsburgh, Columbus and Buffalo would appear to have similar challenges to the Cleveland market, given the similar history and population mix in the area. Thus, if SimpleLaundry is proven successful in the Cleveland market, expansion into these cities would appear to be reasonably easy if the best practices can be transferred and the city support is on board.

**Expanding into the B2B Arena**

As previously stated, there are a lot of advantages of taking a look at the design challenges within the Cleveland B2B laundry service industry. If SimpleLaundry is successful in the B2C sector and is combined with a thorough understanding of customer-business relationships, there could be a great potential in expanding into the B2B sector as well. Through this process, applying a B2B and B2C model utilizing the SimpleLaundry platform and a modified version to meet the business customer’s objectives, expansion into Pittsburgh and Buffalo would seem to be a future goal as well.

**Risks**

Although a lot of careful market, consumer and competitive research was conducted to establish an all-encompassing, win-win solution, launching the SimpleLaundry platform or equivalent could run into a few obstacles including:

First, although the conducted design research appeared to be mostly positive with indications to a profitable market, there is not a guaranteed or predictable customer base within the B2C model. Customers are not required to sign up for a monthly subscription and although the urban population in Cleveland is going through a resurgence, there is still not even close to the population as there is in large cities. Thus, without contracts or a required monthly subscription, consistent sales in the Cleveland market have a high amount of risk.
Second, labor is also not guaranteed in the Cleveland market. Although there are many people looking for additional sources of income, a person choosing to pick up a side job versus seeking full time employment would be hard to predict. Further, the behavior of workers working in jobs that are not full time obviously do not consider the job their primary priority or time commitment. Thus, there is a risk washers will not be available at all times a service is required. Further, although a washer may be available he or she may not be of great quality. Thus, the trick is to get a consistent, quality level labor force who is able to handle this new service.

Lastly, there is a potential that multiple competitors will try to hit the ground running and try to quickly win the majority market share in this space. This would be a huge risk as the starting customer base is more of a niche segment, therefore if a ton of competitors come in at once there may not be enough of a market to split even between two competitors, let alone multiple.

**Final Thoughts**

Although laundry services are not a new concept, none of the current offerings do much (if anything) to bolster the customer's trust in the service. Through our unique offering, we would best serve the customers' needs while focusing specifically on their fears. In focusing on the customer first, we are offering what we believe is a differentiated product that would likely succeed in the marketplace.

While none of the members in the group feel a desire to pursue this project beyond the hypothetical, we encourage local businesses to prototype our suggestions into their model. As the only laundry solution that already believes they service customers beyond the competition's levels, this could not only increase their influence on customer's perceptions that they are better than the competition, but also deter other competitors from entering the market.
Appendix

Exhibit 1: Industry Overview

Issue Statement

A Business Opportunity in Laundry Service

We have identified a business opportunity in the contemporary urban environment, particularly in apartment buildings but perhaps extended to individual homes. We would like your team to explore this opportunity by designing a service system and the business model that will be needed to bring it to fulfillment.

Many cities have found that individuals and families are moving back into the urban center, living in apartment buildings that are close to work, entertainment, and all of the activities that make cities vibrant environments. Typically, apartment buildings or apartment complexes have laundry facilities. These may be located in the basement or in another part of the building. While these can be safe and convenient, there are also drawbacks that some individuals or families find dissatisfying.

Of course, the needs vary among the different segments of users, and there appear to be three main segments that should concern us in developing a new system.

1. Young professionals. They are tech savvy, work under time pressure, and need quality cleaning.

2. Families, often with young children. These families may also have time pressures, and they certainly have difficult schedules that may distract from time that is available for family life. Both parents may be working.

3. Elders, alone or in couples. They sometimes are less tech savvy, uncertain about changes from routines with which they are familiar, and concerned about quality.

We could illustrate this with examples from users in Cleveland, but it is interesting to recognize that the issues and concerns are often more universal. To make this point, we have three personas created from observations in the city of Suzhou, in China. (The personas are attached.) You may use these personas as a starting place to be enhanced and expanded through your own user research.

Use these personas and others that you may develop, along with your knowledge of global trends in areas rich as social life, technological developments—particularly digital communication—economic shifts, and environmental concerns, to develop a service concept and a service system that may meet the
need that we have identified. Along with the concept and system, develop a business model that could sustain the system.

Exhibit 2: Industry Overview

Sources:
- IBISWorld Industry Report 81231: Laundromats in the US: September 2015, Britanny Carter
- IBISWorld Industry Report 81232: Dry Cleaners in the US: April 2015, Ibrahim Yucel

Summary from IBIS World Reports:

U.S. Laundromats
U.S. laundromat demand is declining due to competition from washers and dryers at home and pick-up and delivery services. More people are purchasing homes that were renting prior, therefore there is a high probability people are moving away from the urban environment where most of the laundromat activity takes place, into a suburban or rural place where they are more likely to purchase a washer or dryer. Similarly, the cost of purchasing an appliance such as a washer or dryer has decreased in recent years, also impacting laundromat demand and profitability. Further, as the employment rate and disposable incomes are increasing, and the amount of time available/leisure time is decreasing, many people seek time-saving options, such as the pickup and delivery service.

Additionally, the laundromat industry is highly fragmented, with no major player besides CSC ServiceWorks. The industry has very low profit margins, and can be seen as a commodity service provider. Many businesses often try to compete by offering additional services—such as the pickup and delivery service, or by providing attractions to bring customers in such as food and beverages, free wifi and entertainment such as comedy nights/open mic night. The pickup and delivery portion of the industry is the only portion projected to grow within the next 5 years.

U.S. Dry Cleaners
This industry is also projected to decline in the next 5 years. Federal regulations as well as the trend for fast-casual clothing have really put a damper on this industry. One study was conducted stating that 75% of women respondents actually prefer clothes of lesser quality material if it means they will not have to get the items dry-cleaned. Many people are not willing to pay the cost for dry-cleaning, or are not purchasing the kind of items that require dry-cleaning, and can wash using their washer/dryer/local laundromat at a lower price. This industry targets people with incomes $60,000 or higher, who would be more likely to require dry-cleaning. New technology is a key success factor in this industry as people are becoming more time sensitive and highly value efficiency.
Due to the decline in the rental residential laundromat sector, many companies are opting to go after commercial institutions—predominantly hospitals, restaurants, churches and manufacturing companies with a lot of linens. The commercial portion of the industry is more profitable as companies are locked into contracts and there is a high efficiency rate with modern machinery that is able to wash and fold garments sometimes up to 8,000 per hour. Competition among commercial pickup and delivery services is less severe, however higher capital costs are required. This industry is also highly fragmented, with only a couple of large players. The largest, the Huntington Company, has an estimated market share of 2.0%. This company is headquartered out of Michigan, and also acquired a company in Ohio.

**Important read on the Huntington Company from IBIS:**

During the past five years, Huntington has grown from a small, regional player into the industry’s largest operator by acquiring smaller competitors. In particular, the company acquired 1-800-DryClean in 2012, followed by its acquisition of Pressed 4 Time the following year. In 2013, the company also launched “bizziebox,” which is a locker-based dry cleaning service where consumers can drop off their dirty laundry in secured lockers, send a service request via their smartphones and pick up clean and folded laundry in under one week. More recently, Huntington acquired Martin Franchises Inc., which more than doubled the company’s dry cleaning establishments. Founded in 1949 and currently headquartered in Ohio, Martinizing Dry Cleaning has been the largest dry cleaning franchise in the United States since National Dry Cleaners Inc.’s bankruptcy in 2008. The company currently boasts over 422 franchised locations throughout North and South America and the Caribbean islands, with an estimated 190 locations in the United States. As part of its service offering, Martinizing provides quick, on-premise garment laundering and dry cleaning, 24/7 drop-off services and complementary home pickup and delivery. The company is also on track to eliminate perc and other potentially harmful solvents at its facilities in the near future. All of its facilities built after 2003 use GreenEarth Cleaning’s patented liquid silicone solvent and cleaning process. Martinizing’s adoption of the GreenEarth cleaning process has attracted more environmentally conscious customers in recent years. Nonetheless, overall decline in demand for industry services has forced Martinizing to curtail its domestic operations, leading to the franchisor’s sale to Huntington in late 2014. Through these acquisitions, The Huntington Company now manages over 750 dry cleaning establishments worldwide, roughly half of which are located in the United States. Other industry-relevant subsidiaries include Dry Cleaning Station and Certified Restoration Drycleaning Network Major Companies There are no Major Players in this industry:

**Industrial Laundry & Linen Supply**

This industry is growing significantly, however it has a low profit margin. Government regulations of the type of cleaning, high operating costs and capital costs are higher when dealing with commercial, contract clients→ especially
those in health care. Cross-contamination is an issue. Cities with high access to healthcare or manufacturing markets are seen to have a higher competitive advantage to access these customer needs.

General Summary
Looking at the three IBIS reports and local competition, it seems there is an array of different Laundromat options in Cleveland and within Ohio, most of which do not have that inspiring reviews (all predominantly rely on the urban residential market). Additionally, with the trend towards cheaper fabrics used on professional clothing, this enables a higher chance of the service to be used as these items do not need dry-cleaning, making it easier for the college student worker to service their customers. Technology, especially a sustainable website model and smartphone access will be key to target this target market. The Huntington box idea (something similar) might be a good one to add to this business model.

Background in China
- In China, nearly 95% of home have washing machines but without dryer and would like to hang the laundry out to dry.
- Hand washing is still more common than machine washing.
- High profit margin: the price of dry clean in China – $5 to $10 per cloth. The price of normal laundry -- $4 to $7 per load.
- Laundry industry in China is increasing at the rate of 20% every year.
- The three major laundry appliances products categories are washing machine, dryers and electric smoothing Irons. It can be technologically segmented into automatic and semi-automatic/manual.
- In past few years, due to increasing disposable income and improved standard of living there has been robust demand for laundry appliances in the China market. Technological advancement has empowered producers to add innovative features to the products in order to boost the performance and set themselves apart from competitors.

Young Professionals
They are the most frequent customers to use laundry. Single and busy with their work, have no time to do laundry by themselves. On average, they use laundry 5 to 6 times every month. The better the economic and living conditions, the more frequently laundry. They focus more on quality of laundry since they have more business casual and professional cloth

Families with Young Children
In traditional Chinese family, parents are concerned primarily with indoor and family health. So they much more like to prefer hand washing and sometimes use washing machine at home. They do multiple small loads and underwear for hygiene reasons. Because there are not a lot of items, no need to use the machine. Some items are not very dirty, hand washing is enough. Also since they do hand wash nearly every two day, the time duration is not very long: about 15min
On average, every week, they will use washing machine at their home once. This amount will increase in winter when coat and thick cloth are increasing. Also for some special cloth which cannot be washed by hand or by washing machine, they would like to give it to laundry shop to do dry clean.

Elderly retirees
In China, Seldom elderly people would like to accept this technology. They have enough time and want to save money. They would like use hand washing and think it is the most efficient and clean way. But some elder who have better living conditions and living with their children may be used to new technology and use laundry sometimes.

Exhibit 3: Interview and Survey Results with Lower-Income Apartments, Target Market Interviews

Young Professional Interview: Montlak Apartment Building  
11/27/2015  
Age: 26-35, Case Medical Student

Comments: Currently use laundry facilities and believes they are fine the way they are... she ha a lack of time to do laundry so these are the most convenient and not as high of a cost- $1.40 dryer one load as much as you can fit- $1.70 one load washer as much as you can fit. Would use a service once in awhile if things are crazy at school and work.

Price willing to pay: $17 per load depending on how big the load is, delivered in 3 hours would seem fair

Overall: Pleased with current service because it is convenient and cost effective
   ● Empty Nester
   ● Young Families
   ● Young Professionals

Exhibit 4: Interview with Luxury Apartments

1. The Bingham: (216) 579-4000  
Called: 2/29/16 at 11:30am  
Talked to: woman at front desk who takes care of current dry cleaning needs for residents

Offer dry cleaning where people are happy to use it if they drop it off and pick it up a couple days or a week later  
Extra units on 6th floor for washing and drying... there is a washing machine in each unit. A lot of business people... people that work at the Cleveland Clinic might actually like this service if they knew about it and it was offered through the building... these people are often gone multiple days at work and don't have time to deal with laundry. Haven’t heard of people actually wanting these
services... a lot of people do like this service. Might be interested in a monthly subscription model; Bingham doesn't offer it because people aren't really demanding it

2. Downtown at the Nine:
http://www.metropolitancleveland.com/
Phone: 216-239-1200 | Info@metropolitancleveland.com
Called 2/29/16: left a message- no one answered

3. The Vue
http://www.vuebeachwood.com/?gclid=COKv6baVnecsCFQIKaQodqplCHA
(855) 971-1087 (Beachwood)
Called 2/29/16:
Talked to woman at front desk that handles all of the resident services
Most of the people living at this facility are not actually from Cleveland and are more open to the idea.
Dry cleaning- residents can take Deosummers
Reasonable price→ same price as going to dry cleaner 10% discount
The dry-cleaning company doesn't offer this as a service currently... they come and pick up the dry-cleaning, offer free pickup and delivery all within one day... the Vue does not get involved in this process
Any company does not offer it yet... people would definitely use it that live in the apartment currently.
$5-10 for one load would be reasonable... customers would need to see the benefit of not having to do it themselves and take the time to do it
So it is not so much a privacy issue- have a lot of people from other countries coming in that don't see it as an issue at all.

4. The Hamptons (Beachwood)
The Hamptons Luxury Apartments
27040 Cedar Road
Beachwood, OH 44122
Phone: (216) 831-2240
Fax: (216) 831-7088
thehamptons@livemillennium.com

Don't offer washing and drying services... have a drycleaner at the location that people use. They offer washing and drying machines on the floor itself and people are pretty set in their ways. Residents may be open to trying it once, but will most likely still be set on how they do things.
This apartment building houses a lot of people from Cleveland as well as international families... not sure this is necessarily true with people who have moved here from out of town.
Exhibit 5: Main Points from On Demand Services Research

INTERESTING READ: 15 New Sharing Economy Start Ups to Watch in 2015

Washio
For $1.60/lb, you could simply skip on the hassle of doing a laundry load this week if you’re busy, because Washio’s got you covered. This company is also a 24-hour service, and says that they’ll get your wash back to you within a day. Probably my favorite part about this company is that they’ll hand you a cookie (yes, bakery item) every time they come to pick up your laundry. Ideas like these is why I’m a fan of these types of companies -because that’s just pure genius.

TaskRabbit
“LIVE SMARTER: Help around the home is just a few minutes away”
TaskRabbit is a personal outsourcing community that allows people to get tasks done through others within their area. This service allows users to name the service and the price they are willing to pay, where the job is then listed to a list of pre-approved contractors, then bidding to compete for the job. Tasks are now able to be submitted through a smart phone. Workforce is composed of students, unemployed workers, retirees and stay at home moms, ranging in age of 21 and older. TaskRabbit usually charges 20% of a job for the company. To work for TaskRabbit, you must apply online, pass a quiz based on the TaskRabbit manual, submit a video, pass a background check.

Question: Why are people willing to outsource small jobs (which could include laundry) to local people, but a laundry service in Cleveland is not applicable?

Graze
A service started in the UK that delivers snacks to homes every week, two weeks or per month. Graze services homes in the UK and US, providing snacks with no artificial ingredients or high fructose corn syrup.
https://www.graze.com/us/

Question: Why are people willing to depend on receiving snacks through the mail, and are willing to try it without really knowing the company?

Rent the Runway
Service started by two female Harvard Business Graduates that offers over 50,000 dresses and 10,000 accessories to rent from over 200 designers including: Badgley Mischka, Vera Wang, Alexis Bittar, Carolina Herrera and Calvin Klein. One of the founders wanted to find a solution to a problem her sister was facing, purchasing a designer dress costing thousands of dollars, and only wearing it one because photos were posted on social media wearing the same dress prior. The founders were familiar with the concept of the “sharing economy” model practiced by Netflix and Spotify, and believed in their idea so much, they decided to launch without a business plan. This service enabled women who could not otherwise afford designer dresses to have access to them
for a fraction of the price. The service works by allowing customers to rent dressed for a 4-8 day period at 10% of the retail price, carrying sizes 0 to 22, with each order of one dress allowing for an additional “back-up” dress for a cost of $32.50. This service also includes a $5 insurance fee, in case something happens to the dress, with the retail price also including dry cleaning and maintenance for the garments. This service also rents accessories, lingerie, tights, shapewear and cosmetics. Rent the Runway also has a brick and mortar locations in NYC and Las Vegas, allowing customers to meet with stylists. Rent the Runway now has a monthly subscription model at $99 per month for three items at a time.

Exhibit 6: SimpleLaundry App Screen Shots All Up

Step 1  Step 2  Step 3  Step 4  Step 4  
Step 5  Step 6  Step 7  Step 8  Order Complete!

Login  Tracker  Available Laundromats  Laundromat Selection
Exhibit 7: SimpleLaundry App Poster

2. CORE IDEA

- An app platform that serves as a marketplace for both laundry venues to do pick-up and drop-off and individuals who are looking for new laundry venues.

3. SIGNIFICANCE

- To Laundry Customers:
  - convenience and accessibility
  - ability to track and manage their laundry
  - ability to earn rewards and discounts

- To Laundry Venues:
  - increased customer base
  - ability to target specific customer segments
  - ability to offer a unique service

- To People Looking for a Side-Job:
  - opportunity to earn a steady income
  - ability to enjoy the flexibility of being your own boss

4. USER JOURNEY MAP

5. HOW IT WORKS
### Exhibit 8: Demographic Information

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<th>Community</th>
<th>Total</th>
<th>White</th>
<th>Hispanic</th>
<th>Black</th>
<th>Asian</th>
<th>Change in College Grads, 2000-2013</th>
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<td>1,314</td>
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http://www.huffingtonpost.com/2015/06/24/millennials-downtown-cleveland_n_7655508.html

### Exhibit 9: Washing Machine Technology

**Figure 2: How the SimpleLaundry washing machines work**

SimpleLaundry enables a person needing to do laundry to choose between an available Laundromat for self-washing or a laundry washer profile for a pick-up and delivery laundry service.

- The washers and dryers are installed with a WiFi device in the coin slot, which is able to detect the equipment’s status, pause service for reservation and start the machine if users have paid online.
- The laundry washer is able to upload his or her online profile and customers can select this person for the pick up and delivery service based on their profile score and previous customer recommendations, providing a more transparent and worry-free experience.
Figure 3: Chinese Smart Washers

Figure 4: SimpleLaundry Washing Machine App Technology

进程提醒
一手掌控
洗衣进度智能提醒，避免迷茫困扰。

智能便签
记录水电账单
显示单次和月度用水电量，做到花费心中有数。

售后跟踪
一键报修
售后地点、维修时间等随时查看，避免总是追问客服。
Exhibit 10: Detailed Research Timeline

Please see attached PDF
11/16/15  
Project Assignments  
Team Roles  

11/19/15 First team meeting  
Discussion of who will meet with CollegeHamper  
Research to pursue determined  

11/20/15 Meeting with CollegeHamper  
Discussion of college B2C laundry on demand service model  
Conclusion: Won't work besides on a college campus  
Research: Phase 1: Industry  
Evergreen laundry & financials (B2B)  
Research into CollegeHamper (B2C)  
Research on the industry and the industry specific in Ohio/ Cleveland  
Research different possible target markets  
Research other laundry services in different areas (major U.S. cities, China)  

11/23/15 Research: Phase 2 User Research  
Montlack Realty  
Paper surveys  
In-person surveys  
Interview with laundry contracted service company  
Questions to potential users  
How much are they willing to pay?  
Turn around time?  
How often would they use the service?  
How much laundry do they currently do?  
How much do they currently pay?  
Alternatives to provided laundry services in building?  
Current options on service?  
Demographics of Apartment buildings (Shaker Square)  
International families  
Students: graduate, medical, etc.  
Lower-income families  
Key discovery points  
What kind of technology will they be using?  
Best method of contact  
Drop off and pick up methods  
Delivery methods  
For how much are they willing to pay, for what speed?  
Three-tiered pricing?  
Same day service (4 hours)- premium  
Two day service  
“Standard service”  
What do you currently do for laundry?  
Demographics: Age, sex, etc.  
Questions to Montlack apartment building/ laundry service contract company  
Ask management about the contracted laundry services  
Current issues  
What services they offer  

Need a lot of capital for B2B model  
Current Evergreen structure/ format is seen as more of a “feel good project”  
PR stunt  
Low-profit business model  
Need to get to a point where they don’t need to invest in capital or machines  
Research: Phase 3: Discussion of CollegeHamper B2C model  
Don’t pay much of anything (machines, water, labor)  
Original decision was to create an innovation to break into B2B instead of B2C  
Comparison of Chinese laundry services  
Comparison of industry information  

11/27/15 Review of Research results  
Paper surveys  
Interviews  

11/30/15 Design Brief overview  
Industry Current  
Industry where it is going  
Management perspective: appendix on Montlack  
Consumer/ Resident perspectives  
Perceptual maps  
Laundromat pictures
12/2/15 Design Brief turned in with original problem statement

1/11/15 Review Design Brief
Adjust problem statement

1/13/15 Working towards final problem statement
Schedule for the rest of the semester
Research: Phase 3: Decided to focus on B2C solution based on class feedback
Problem statement WIP

1/20/15 Problem statement feedback
Discuss with Michael current problem statement/ ideas
Research: Phase 4: Other On Demand Service/ Tech
Assignment to look into
TaskRabbit
Interview Landlords
Interview customers from potential target
Interview Managers of buildings
Interview equipment manufacturers

1/25/16 Problem Statement
Research: Phase 2: Persona development (user research)
Interview with Jessica’s Mom: Empty Nester
Problems with service
Trust
Reliability
There is no problem with washing own clothes
Considered native Clevelander
Interview: Jessica’s friend: young family
Cleveland native
Problems with service
Trust
Reliability
There is no problem with washing own clothes
Does not want random person washing her children’s clothes
Waste of money

1/27/15 Creation of personas
1. Henry: Young Professionals GO: PRIMARY MARKET
2. Sarah: College Student GO: SECONDARY MARKET
3. The Allens: Empty Nesters NO
4. Rockstar Rose: Retirees NO
Problem statement feedback

2/3/16 Updated problem statement: Dick signed off
Theme development from research : Consumer
Resilience to change
Restoring trust
Establishing efficiency
Adapting to an on demand service economy
Lack of Customer Service
Phase 2 Research: User
Theme development from research : Business
Cleveland cultural constraints
Customer unreliability
Unability to lock in contracts
Labor constraints
Overhead constraints
Phase 5: Research into privacy/ trust and major themes
Research Phase 4: Rent the Runway
people are willing to rent others clothing/ lingerie, isn’t this the same issue?
Research companies: Spin Cycle
Research: landlords
Research: start-ups and on demand services/ shared economy
TaskRabbit
Graze
Laundry Care Cleveland
Handy

2/8, 2/10 BREAK: DRONES

2/15/16 Four orders of design/ concepting ideas
Research: Phase 5: Major Themes
Privacy: washable bag
2/17/16 Rough sketch in Design studio of idea
   Incorporating major themes
   Dick’s feedback

2/21/16 Assignment to group for solutions
   Persona development: still young professionals
   Advertising of service discussion
   Product details discussion
   Payment options
   Monthly subscription
   App
   Private bags
   Unlocking capacity by partnering with laundromats when closed
   Tracking
   Loyalty programs
   Customer service
   kit idea to increase loyalty
   labor recruitment?

2/22/16 Michael feedback of prototype sketch
   How much would it cost to develop our entire idea?
   Off the shelf parts versus development costs?
   How much are potential consumers willing to pay?
   How much are laundromats willing to pay?
   How will we make money?
   Insurance?
   Who is in charge of the insurance and at what point?
   Who is responsible in what part of the process?
   If the picking up and doing the laundry adds value, why aren’t people doing it?
   How do we capitalize off of what already exists in Cleveland? (limited costs, timing)
   Why don’t laundromats already have a pick-up and delivery service?
   Call laundromats/ other services
   2. Insurance model
   3. Costs of laundry services→ where can we unlock this, shared costs model
   4. Paying people for doing laundry for an hour when they work for 30 minutes and are waiting for 15
   5. Costs of tracking system, cost of other parts→ pickup and delivery services in general
   6. What are the higher cost apartment buildings providing in terms of laundry services
   7. Who has time to be the employees to wash clothes
   College students→ trust washing clothes
   Retired→ don’t use technology much
   Stay at home moms→ would have to stay at their homes? Don’t have that much time...

2/29/16 Further deep-dive into Cleveland market
   Research Phase 6: Narrowed business: apartment buildings/ businesses
   The Bingham
   Downtown at the Nine
   The Vue
   The Hamptons
   WashClub Cleveland
   Key takeaways from luxury apartment buildings:
   People aren't demanding the service because contracted laundromat compay doesn't offer it as a solution
   Most of the apartments with young professionals/ affluent who are not native Clevelanders believe service would be used
   Potential: 1-2 per week
   Price: $5-$10 per load
   Turnaround: 24 hours

3/14/16 Interview with laundry machine manufacturer
   Interview set up with WashClub Cleveland
   Persona redevelopment & narrowing
   Discussion of final deliverables

3/16/16 Researching major themes: fear
   Identifying pieces missing for final deliverables
   Prototype development: plan to discuss and show with WashClub Cleveland
   Creation of Uber based workforce model

3/19/15 Interview with Ed Locker from WashClub Cleveland
   WashClub is a startup franchise originated in Brrooklyn
   Operates in B2B and B2C
   Transforms dry cleaning customers into laundry customers
   Seen target market mostly non Cleveland natives
   Looking into contracts with apartment buildings (luxury, downtown)
Need to determine labor ability
Need to work out pricing
Discontinued PR firm
Likes Uber laundry idea
Likes platform idea
Agrees with narrowed persona
Ability to provide quality customer service has given competitive advantage

3/21/16 WashClub Cleveland overview
   Deliverables deadline
   **Updated persona based on WashClub and apartment building management feedback**
   Market size of professionals in Cleveland with this background?

3/23/16 Prototyping at Weatherhead in classroom
   Dick and Michael feedback: good direction
   Outline of poster
   Outline of persona

3/28/16 Logo development
   Final deliverable discussion

3/30/16 Final deliverable discussion
   Video discussion

4/4/16 Final deliverable/ discussion overview
   Poster verbage discussion
   Review of poster
   Decided on logo
   Decided on app name

4/6/16 Decided on tagline
   Discussion of video development
   Discussed process of final deliverables

4/10/16 Video at Jessica's house

4/11/16 Overview of video
   Review poster design
   Review app
   Review Flashstarts Pitch
   Drill down business model further

4/13/16 Flashstarts pitch session
   **Feedback from Flashstarts**
   What is the business model?
   Only present one side of the story
   Do not get into so much detail
   Make slides prettier
   How do we make money?

4/14/16 Poster session with EMBA's
   Poster feedback from students
   Poster feedback from Dick and Michael

4/18/16 Review feedback from Flashstarts
   Review feedback from Poster Session
   Update on deliverables
   Presentation discussion