

MACC INDUSTRY SECTOR UPDATE

July 2015



Mid America Cooperative Council

July Features The Laundry Cooperative Sector of our Membership

West Michigan Shared Hospital Laundry (Nicole Grubich, Exec. Director)



West Michigan Shared Hospital Laundry (WMSHL) was established in 1975, by a group of visionaries who recognized the opportunity to save money by forming a cooperative laundry.

Currently, we process 33,000,000 pounds of linen annually and service over 30 healthcare facilities and 350 clinics, making us the largest healthcare laundry in West Michigan. We service facilities from Petoskey, MI down to South Bend, IN and have the ability to provide laundry processing for

not only hospitals, but long term care, clinics and surgical centers. WMSHL is different from any other laundries because of our dedication to customer service and our commitment to quality. Our quality standards are set by our members and we are held to those standards. We live and breathe quality, from our hourly employees all the way up through senior management.

Our customer service team is available 24 hours a day, 7 days a week and in the 40 years of service, we have never missed a delivery. Our relationship with our members is not one of a vendor, like most laundries. Our relationship is a partnership. We provide value-add services such as monthly reports and on-site visits, benchmarking, trash audits and system reviews to assist with cost saving initiatives. We are always looking for innovative ways to help our members realize cost savings. There is really not much we won't attempt to do for our members. In addition to our pooled linen services, we have the ability to process facility specific items such as personal clothing, cubical curtains and lab coats. The list goes on and on.

Five years ago we expanded to become the first healthcare laundry in the United States to go "steamless". This means we not only have realized cost savings from our reduced energy consumption, but we were able to lessen our footprint on the environment. Having a backup generator and emergency linen onsite, our members have the security of uninterrupted service in the event of an emergency.

I was recently asked "why" would someone choose West Michigan Shared Hospital Laundry as their linen provider. My response is that we are committed to the members we serve. As a member of the WMSHL cooperative, they have a voice. Whether it's serving on our Board of Directors or participating in our linen utilization committee, everyone has the opportunity to provide input. When they join WMSHL, they become not only a member, but a partner and part of our family. We are very passionate about what we do. We understand that the end user is **the patients and there is nothing more important to us than patient satisfaction!**

United Hospital Services, LLC (Ed McCauley, President/CEO)



United Hospital Services is entering its 50th year of operations, and has been an integral part of the central Indiana healthcare laundry scene for decades. Back in the early 1960s, hospital administrators felt they were duplicating efforts by building and maintaining on-premise laundries. It

was also thought that they could save money through better efficiencies from combining all laundry services into one large central laundry.

In 1963, United Hospital Services was conceived and it opened its doors in November 1966 as the "World's Largest Central Laundry". In fact, there were only three laundries in the nation at that time using the same central laundry theme; one each in Boston, Baltimore and Los Angeles.

The first contracted customers of UHS were: Indiana University Hospital, Community Hospital, St. Francis Hospital, St. Vincent Hospital, Marion County Hospital and University Heights Hospital. The laundry was designed for 16 million pounds, annually, and was put together with a building donated by Eli Lilly Co. on E. South Street and private loans taken out by the laundry. No capital infusion was necessary by the original hospital customers.

However, UHS was not to be merely a central laundry. According to John Stucky, the first Laundry Manager of UHS, "Laundry services is only the first service to be offered by UHS". Centralized computer service for accounting and patient record keeping were two other services that were linked to UHS for future consideration.

UHS outgrew its South Street location and, in 1994, opened a new state of the art facility on Park East Industrial Park, on the far east side of Indianapolis, where it is located today.

In 2014, UHS merged with NCILS, another central laundry located in Kokomo, Indiana, and today UHS processes over 38 million pounds, annually. UHS has long since lost the title of "World's Largest Central Laundry" but is still the largest laundry in the state of Indiana. **As for the four original central laundries created in the early 1960's, UHS is the only one to survive intact and is a viable business to this day.**

View the video tour of the facility so you can get an idea of just what it is that United Hospital Services is: <http://www.unitedhospitalservices.com/index.php/tourvideo>

Laundry Cooperatives (cont'd.)

Evergreen Cooperative Laundry (Allen Grasa, President)



Launched in 2009, **Evergreen Cooperative Laundry is part of Evergreen Cooperatives**, a group of worker-owned businesses launched by Cleveland's largest foundations and anchor institutions. We are located in Cleveland and are committed to serving the business community for years to come.

Our Mission

Our mission is to provide our clients and the marketplace with laundry service that consistently meets their needs and expectations.

Our Worker-Owners

Our worker-owners are the heart of our company. As an employee-owned firm, everyone at ECL takes pride in their work, ensuring a better service than our competitors.

Our Services

We have invested significant time and money in our people and our facility; our equipment is state-of-the-art, and our professionals' boast a combined 50 years of commercial laundry experience in healthcare linens. Employees continue to undergo in-house training.

Our Clients

As a commercial laundry service provider, we have developed the confidence, ability and track record to service:

- Hospitals
- Nursing Homes
- Hotels
- Restaurants

Our Value

Our clients begin to recognize savings and service benefits within the 30 to 60 days.

- **Costs Savings:** Clients save up to 50% on commercial laundry services.
- **Reliability:** We deliver your laundry on a regular schedule determined by you, including next-day service if needed.
- **Efficiency:** Our process uses less water and heat. We are also LEED gold certified.
- **Carbon Footprint:** Our processes and earth-friendly cleaning products help reduce your carbon footprint

By doing business with Evergreen, our city's largest institutions and employers are able to "buy local," rather than sending their procurement dollars out of state. The cooperatives also strengthen neighborhoods by providing good employment opportunities for residents and by helping individuals build wealth through business ownership. (*excerpts from <http://www.evergreencooperatives.com>*)

Rod's Thoughts



might think.

It is not immediately intuitive that credit unions, rural electrics, milk marketing or ag supply cooperatives would have much in common with laundry cooperatives. **However, they have more in common with our laundry cooperatives than you**

Just like most supply and service cooperatives, laundry cooperatives need to control the quality and cost of their operations. It is an added benefit that modern laundry cooperatives are considerably more **environmentally "green" and efficient in their services and processes.**

Laundry co-ops lead the way with "innovation and energy-efficient processing equipment to ensure members will be part of a viable and cost-efficient healthcare laundry, for the next 20-30 years." (excerpts from West Michigan Shared Hospital Laundry website, <http://www.wmslh.org/>). This is an excellent example of laundry co-ops being world class stewards of their physical assets and environment. Each of our laundry co-op members has a "green policy" that they can measure.

Laundry co-op directors, also, share the challenge of looking beyond their own customer needs to find the unique needs of their member/owners. This is clearly one of the most difficult challenges all co-op directors face, to take off their customer hat while serving their cooperative.

Laundry co-ops face the issue of serving both large and small co-op member/owners, alike. Just like supply and marketing co-ops, it is not uncommon for one or two member/owners to represent half the volume of business for their cooperative. These large members must be reminded that the additional volume adds to their co-ops overall economy of scale, and is served equitably in the market. It takes all co-op members to maximize their cooperative's efficiencies.

Laundry co-op members/owners live in the same community served by their cooperative. They are influenced by the economic benefits that bolster their community. Their co-op is not owned by investors who live far away, only seeking a financial payday. Additionally, laundry pick-up and delivery trucks take advantage of their local routes to minimize their carbon footprint and delivery cost.

Your cooperative, just like our laundry cooperative cousin, has many factors that contribute to its success, such as keeping prices down while serving the needs of member/owners. As health care technology and services grow, health care institutions serving your community have discovered the cooperative advantage. **We all can learn from what we share in common.**

UPCOMING COOPERATIVE EDUCATION OPPORTUNITIES

Director Education - August 18 - Bloomington, IL

Director Education - August 19 - Indianapolis, IN

Co-op Credit Conference - October 8-9 - Indianapolis, IN

CFO Essentials Conference - November 4-5 - Indianapolis, IN

CFO/Controller Conference - November 5-6 - Indianapolis, IN

For more information, visit <http://macc.coop/>