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START UP

ZIPS DRY CLEANERS
NORFOLK



HARRY GERWIEN PHOTOS

Maurice and Tracy Jennings said the hardest part of their business venture was getting financing.

From a zap to a ZIPS

AFTER LOSING JOBS WITH DHL, COUPLE JOINED DRY-CLEANING FRANCHISE



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Firm believers of the saying, "When one door closes, another one opens," Maurice and Tracy Jennings didn't hesitate to jump into a new business venture when they lost their jobs as independent contractors for DHL Express in 2009.

"We were with DHL for three years," Maurice said. "We offered pickup and delivery services on a domestic level."

In 2008, DHL U.S. Express cut about 9,500 jobs by discontinuing its domestic-only air and ground services and focusing on its international business.

"It was really tough," Maurice said. "It really came out of nowhere. We were aware that several stations were closing and they were downsizing. Absolutely no one saw the total disappearance of domestic shipments."

After getting over the initial shock, the couple began researching their next business opportunity.

"We read an article in The Washington Post about ZIPS Dry Cleaners," Tracy said. "We found that there wasn't a lot of waste associated with the business. When you're looking at business opportunities,

you want to minimize your waste and what you're spending versus what you're throwing away. I read about their operations and support and spoke with other franchise owners about ZIPS."

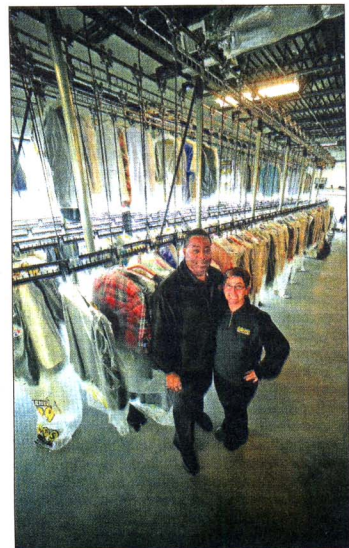
Their Norfolk store opened in December 2010.

ZIPS was founded in 1996 as eight dry cleaners in the Baltimore-Washington area, which joined together as a chain in 2002. Now there are 26 stores.

"Another interesting thing about the business is that prepayment is required," Maurice said. "At typical dry cleaners, you see most clothing stored on the conveyor. Your money is sitting there waiting for you until the customer returns and pays for the dry cleaning. Sometimes people forget."

The difference between ZIPS and another dry cleaning service is in price only; ZIPS charges \$1.99 to dry-clean any garment. They use the same cleaning materials as other dry cleaners.

"We don't have drop stores," Tracy said. "It's where the dry cleaners take the clothes out for cleaning and you can get them back in a few days. When you come



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God has blessed us with a new priority and we're proud to be doing it."

MAURICE JENNINGS,
co-owner

In the owners' words

Maurice and Tracy Jennings talked to Inside Business about their Norfolk ZIPS Dry Cleaners, which is part of a national dry-cleaning franchise chain that began in the Baltimore-Washington area. With more than 25 locations on the East Coast, the store offers a fixed price of \$1.99 for any garment to be dry-cleaned and \$1.19 for any skirt to be laundered.

Hardest part about launching the business:

(Maurice) I would say the hardest part was getting the financing. It was disheartening being told one thing and then having something else happen. Our business plan wasn't being placed in front of the SBA and it was being rejected on a local level. It wasn't being run up the poles to the proper individuals. It got to a point where we would submit a business plan and add a disclaimer about not running our credit if they weren't even going to consider it. No need to have multiple inquirers on our credit if they weren't interested.

One lesson you learned that you wished you'd known before you started: (Maurice)

That salespeople are just salespeople. Once the sale is done, there is no real followup. We've been having an issue with some equipment. I've been e-mailing the sales rep back and forth. When it's a problem with equipment, you really can't solve the issue through e-mails. It's like buying a brand-new car, something goes wrong and you're e-mailing the dealership on how to address the issue. It doesn't work that way. I had no idea dealing with this would be such a huge problem.

Biggest risk you took: (Tracy) People assume that since we are not charging like other dry cleaners that we aren't giving them the same service. It's a stigma attached to a discount dry cleaners. They don't think we will adequately clean their clothes.

Biggest obstacle you overcame: (Maurice) I would say it was the abrupt closure of DHL. But you have to pick yourself up and dust yourself off. God has blessed us with a new priority and we're proud to be doing it.

Employees: 13 employees

Legal Structure: LLC

How is the current economic situation affecting your business?: (Tracy) I think we are a boost to the economy. People want to save money.

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to ZIPS, you will get your clothes the same day. We offer same-day service, in by 9 and out by 5 at no extra charge."

Going with a franchise was a tug-of-war issue for Maurice and Tracy. After deciding to go that route, they discovered that getting financed was not as easy.

"Even though we had great credit and money in the bank, no one wanted to do a startup business," Tracy said. "They would not get it past the person reviewing the business plan to put it before the Small Business Administration. They said the risk for a startup was too high.

"We applied with nine banks and only three banks would entertain the idea of a franchise," she said. "We wanted to go with a franchise because of the support and process-

es that were in place that would help us be successful."

Training for the business took nine weeks.

"We actually worked at a store," Maurice said. "You learned every step in the store, like how to press, dry clean, wash, cashier and bag. They came down here and gave us two weeks of on-site support. They come back periodically to give evaluations to make sure you're running right."

Giving back to the local community by providing jobs and helping out charitable causes is a top priority.

"It's important to support the local community by hiring individuals who are unemployed," Maurice said. "Plus it offers those working for you the opportunity to grow with the business as it relates to future expansions in the roles of managers or supervisors." ■