

# FabricareCanada

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## MARKETING SUCCESS STORIES







# 30 years of adapting to market needs

Above: Wally, Tim and Brad Maxwell stand in shipping area on hot July day. When leather work is down, specialty items fill the trucks.

**F**ew companies reach a successful 30th anniversary by constantly reinventing themselves. But Suedemaster leather cleaners, under the leadership of the Maxwell family, has done just that.

A word about pre-Maxwell ownership. The company was founded in 1969 by dry cleaning veteran Jim Elliot in response to requests from Dry Cleaners Institute members for a wholesale leather cleaner. The location was in the basement of Scarborough Cleaners, but the leather cleaning prospered and soon moved to larger, above-ground quarters. By 1975 Elliot and his partners, son Murray Elliot and Ted Petinarellis, wanted to sell.

Wally Maxwell, an engineer with an MBA degree, was tired of working for other people and wanted to head his own business. A deal was made and Wally faced the daunting task of showing his employees as well as the firm's customers that he knew what he was doing. As with anyone taking over an existing business, he soon found prima donna employees who did not always want to share their expertise.

The first was the dry cleaner who operated the 500-lb. Washex varsol cleaning machine. This mammoth machine sat in its own room, served by five 100-lb. dryers, three solvent filtration systems and multiple underground tanks. An intimidating sight for new-owner Wally. It was operated by one employee who was reluctant to train and share his operating knowledge with the new plant manager or even owner Wally. Eventually, by persistence and persuasion, a thorough diagram and operating instructions were developed, and this very important area became understandable.

The second most important department was that area where the dyes were mixed to refinish smooth leathers. It was only when the business grew so much, and the experienced colour-mixer



## Cover story by Marcia Todd

could not handle all the work, that Wally was able to assign a second worker to the area. Her job was to do the easier work, and incidentally to watch closely to see how colours were formulated. By this cross-training of employees he was able to unlock the secrets of the prima donnas.

### ROUTES WERE EASIER

When he purchased Suede-master, Wally had five drivers, operating 14 routes. But operating them was easy in comparison. A simple method of

then-revolutionary Suede Life Clean & Green system, which cleaned leathers in water. Continuing the account of solvents, the plant added hydrocarbon (DF-2000) in 1998, then replaced it with Green-Earth in 2002. But this is getting ahead of the story.

### FAMILY A KEY

Wally's wife Kitty was an integral part of the business from the moment he bought it. She worked in the office, helped with customer relations and basically was able to free

## Joining the Prestige Leather Management Group was a major milestone.

preserving the information was in place. The driver recorded his route information on a cassette tape, including driving directions, name of owner and any other necessary facts. Today, with seven drivers and 21 routes, this system is still used and constantly updated.

As the months went by Wally gained the respect of his staff, mainly due to the improvements he implemented from his 20 years of engineering experience. To educate and reassure his customers, he prepared a slide show of the plant and its special cleaning procedures for suede and leather and took it to local dry cleaning meetings. Even though he knew his audience was sometimes amused by his misuse of industry terms, he persevered and eventually gained the respect of the industry.

### FIRST INNOVATION

After five years, Wally Maxwell was ready to implement his first major innovation. He installed the first professional perc cleaning operation for leathers in Canada. Following his example, when sons Tim and Brad took over the business in 1989, they had the knowledge and confidence to adopt the

Wally to handle the plant. The four Maxwell sons were in school, and as soon as Tim was able to drive, Wally bought him a car to bring himself and brother Brad from school to the plant to work. Business was good, the plant was busy, the family was all involved and Wally suddenly realized something, "The difference between working for someone else and working for myself is that I can't get sick."

### MBA AT WORK

As soon as he got a grip on the plant and his customers, Wally began using his business training to analyze the operation. He calculated the cost of producing each piece, as well as the cost of all facets of the operation. Then he analyzed his income and charted volume by week throughout the year. Because leather operations have more seasonal fluctuations than other sections of the fabricare industry, this was vital to balance staff and volume. He trained sons Tim and Brad to continue this analysis, and this training led to the next milestone in the history of the company: being invited to join the Prestige Leather Management Group, led by Sid Tuchman.

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1. A line of wet cleaned wedding dresses drying in the air.
2. Marina Katis touches up pocket trim on athletic jacket.
3. A baptismal outfit is packed into a preservation box before being shrink-wrapped.





Leather vest with multicoloured strips was cleaned without problems in GreenEarth.

### THE COST GROUP

This group was made up of 11 of the largest suede and leather cleaners in the U.S., plus one in Europe. Suedemaster was the first Canadian member. However, membership was not automatic – the owners had to make a presentation and be voted in by all members of the current group.

According to Tim Maxwell, it was the meticulously prepared analysis of production costs and the annual sales that convinced the group to invite Suedemaster to join.

Membership in this group has had a profound impact on the profitability of the company, thanks to the open-to-change attitude of its management. The first major decision inspired by the cost group was to vacate the 7,000-sq.-ft. plant on the east side of Toronto and purchase a 12,000-sq.-ft. facility in the central part of Toronto, right next to Highway 401.

Then came diversification into a number of profitable areas, encouraged by the group and made possible through the additional space. The first, and one of the most successful, was the cleaning of area rugs, which have become plentiful along with the popularity of hardwood flooring. This specialty nicely balances the fluctuations in the volume of suede and leather cleaning. In the summer, when suede and leather volume is at its lowest, the company processes over 200 rugs a week.

Other areas into which Suedemaster diversified include furs, comforters, duvets and furniture. But one of the most successful services didn't start until 1998. This was the cleaning and preservation of wedding gowns and related items through what is known as the Prestige Preservation Program, created and tested by the cost group members.

Depending on fabric, most items are wet cleaned, air dried and pressed before being boxed, if requested, and preserved. The preservation consists of removing the air from the box and replacing it with nitrogen, then sealing and shrink-wrapping the box. The Suedemaster cost for this is modest (as low as \$85 for gown and veil), to which the dry cleaner adds his markup. This new service grew rapidly – from cleaning 20 gowns in 1998 to cleaning over 2,000 gowns in 2004.

Another successful initiative that was promoted by the cost group was that of starting a new route into the U.S. This proved viable and the driver now goes as far as Rochester, NY. Despite the red tape engendered by strict border security since 9/11, the route has been successful. Currently the company has seven trucks on the road daily, covering a 500 km radius around Toronto.

Investigating tensioning equipment was another cost group project. As a result of their study, the group as a whole ordered 22 pieces from Bruske. Four of these were for Suedemaster: one pant unit and three garment units. They are said to give better quality finishing with less labour.

### SUEDEMASTER LEADS ON GREENEARTH

One innovation in which Suedemaster led the cost group was in the purchase of a GreenEarth cleaning machine designed for leather cleaning. This replaced the hydrocarbon machine. During this period Tim Maxwell had become a field representative for GreenEarth, and now has risen to be president of the company, leaving Brad to operate Suedemaster.

Brad Maxwell pays tribute to the variety of cleaning solvents available at Suedemaster. "There's a correct solvent

for every type of cleaning challenge," he explains. "For example, we use perc for dirty pigskins, that's about 30% of our volume. And we use water for bright suedes and garments with food stains, that's another 30%. And we do the remaining 40% in GreenEarth, including shearlings, pigskins and multicolour garments. What GreenEarth can do with a shearling is just miraculous."

### COVERING THE MARKET

When a dry cleaner is approached by a representative from Suedemaster, he is assured that the company will take any care problem off his hands. This includes pillows, invisible mending, duvets, comforters, leather furniture, even car upholstery. "If you can't clean it, we can," is one of the company's selling points.

Are they successful? The only way to judge this is by the size of the customer base (growing) and the number of complaints (shrinking). In fact, the number of claims is now one quarter of one percent of sales. Brad attributes this to his highly trained staff. Out of 15 full-time production employees, two have been with Suedemaster for 25 years or more, three have been there 10 or more years, five for more than five years. The balance from one to four years. All are in a profit-sharing plan based on production and customer satisfaction.

### FAMILY BEHIND THE SCENES

After raising four boys, running a household and managing the Suedemaster office for many years, Kitty Maxwell has retired. Tim's wife Karen and Brad's wife Kristin both worked in the business for several years. The other family members shown on the front cover are not physically involved yet, but are aware of the importance of Suedemaster to the Maxwell family. The other two brothers? One is a forester and the other is an engineer with a Fortune 500 company in the U.S.

Our theme this month is Defining Your Market. Suedemaster has not only defined but continually enlarged its market, and *Fabricare Canada* salutes the company on its 30th anniversary. ■

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