

Rolling Up Sales

in Northern Europe's Dust Control Market



Hr Björkmans is leveraging innovation, quality and hard work to expand its mat rental business



By George Ferencz

(At left) Flags of Denmark, Sweden and the United States fly over Hr. Björkman's new dust-control plant, welcoming visitors. Above, Majid Raoufpanah lays down a mat at a Malmo Burger King.

There's a plaque on the wall outside of Carl-Johan Björkman's office etched with the names of businesses his dust control company has served since its opening in 1993. The plaque and the new Hr Björkmans Entremattor AB plant in which it hangs is symbolic of how successful the company has become, as well as a reminder to Björkman of what it took to build that success.

The story of Hr Björkman exemplifies the entrepreneurial spirit shared by many TRSA operators. It is about how dedication, commitment to customer service and quality all can add up to a profitable product. It is the quintessential American dream tale, even though this one takes place in Malmo, Sweden.

"I had worked at an industrial laundry for many years, but in 1993 I decided to open up my own mat rental company," says Björkman. "I started out of my small apartment in Malmo. I had one truck delivering to 50 customers on Wednesdays, and I would bring the mats to a local industrial laundry to be washed."

From that initial group of 50, Björkman has built a base of more than 2,000 customers today, increasing sales to more than \$2 million a year. "We've doubled our sales in the last five years," Björkman reports proudly.

Björkman should be proud of his company's accomplishments. Not only has he built a business from the ground up, he has done so in such a way that it is an example to other entrepreneurs as well as established textile service companies.

A strategy for success

Though a small business, there is professionalism and dedication to processes at Hr Björkman that would match that of any large enterprise. For example, Björkman firmly believes in establishing a corporate vision and objectives to build upon.

"Our vision is to be the market leader in service and quality," says Björkman.

There are four pillars to accomplishing this vision, Björkman tells *Textile Rental*.



Standing outside the new plant are Carl-Johan Björkman (center) with (from left) Crister Olsson, Hans Ronnow of Rugtved; Mikael Eliasson and Ole Rugtved.



A plaque honors customers who have stayed with Hr. Björkman's since its founding in 1993.



The sales office at the new Björkman's plant



(from left) Rugtved's Sales & Marketing Director Hans Ronnow, TRSA Vice President George Ferencz and mat-rolling system inventor Ole Rugtved

- Deliver mats in the area with a profit
- Engage employees in the company
- Deliver the best quality of mats in the area
- Be environmentally friendly

By living up to the first principle, Björkman has avoided one of the traps in which many entrepreneurs—and indeed many established businesses as well—find themselves: sacrificing profitability for growth. “Our goal is to assure profitability, that is why we are in business,” says Björkman. “When we add on a new customer, we need to be sure that we take into account all of the costs and assure that we get the right price for the kind of mats we’ll service.”

This isn't to say that the company is not competitive on price; in fact, it is very competitive—as its market growth helps illustrate. How Björkman walks this tightrope is evident in taking a tour of his new \$1.3 million plant. The laundry, an approximately 16,000 square-foot facility that is three times as large as the company's previous plant, is packed with innovation.

Mat rolling machine keys productivity gains

At the physical and emblematic center of the operation is a new mat-rolling machine that has vastly increased Hr Björkman's productivity. The machine, manufactured by a Danish firm called Rugtved (www.rugtved.com), can roll more than 450 standard-sized mats per hour or 380 large mats (5-6 meters long) per hour; it also has the intelligence to sort the mats by various criteria.

“Our mat rolling system will play a key role in our company's future growth,” Björkman says.

The mat-rolling process begins once the mats are transferred out of the dryer via a conveyor system into a room dedicated to rolling and storage. Mats drop from the conveyor system onto a continuously spinning platform that works to separate the mats and create an ergonomically friendly means for employees to grab and feed the mat roller. The ergonomic design of the mat-rolling machine doesn't end there. The height of the feeding conveyor can be adjusted to prevent repetitive-stress injuries.

Another advantage of the Rugtved mat-rolling machine is that

Plant



Rugtved lift containers for sorting mats by classification



Hans Ronnow looks at the automatic transport system of the Rugtved MRX 450 mat-rolling machine.



Brad Dorel loads a 5-meter mat using the height-adjustable conveyor.



Two tables on the backside of the lift containers used for the sorting of mats

mats can be fed face up. "This is an important innovation," notes the mat roller's developer Ole Rugtved, a laundry equipment distributor and inventor of conveyor systems for the past 35 years. "This way, the operator can check for imperfections on the mat surface." To aid in this quality assurance process, there is a large mirror mounted at the apex of the mat roller's conveyor system.

Quality control is just one advantage of the mat roller; another is its sortation abilities thanks to RFID technology. Each of Hr Björkman's mats now is fitted with an RFID chip. These chips are programmed with information about the mat, and in the case of logo mats the customers that are renting that mat. Built into the rolling machine is an RFID reader, which is used to gather information about the mat, which it will then utilize to determine where to sort the mat. For example, if the machine reads the item as a logo mat, it is passed by conveyor until it reaches a drop point designated for logo mats. Once the logo mat hits that spot, the system drops the logo mat into a collection bin. The machine operator also has the ability to send the mat to re-wash, repair or another sorting bin by

tapping on a touch-screen monitor.

By watching Hr Björkman's mat rolling system in action, one can begin to see the future of mat rental processing. With the combination of smart mat rolling machines, RFID technology and robotics, mats will one day be able to be automatically washed, dried, rolled, shuttled by conveyor to a storage area and placed into storage bins according to customer or route by way of advanced material handling systems.

While the technology is just now burgeoning, Hr Björkman enjoys many benefits from the system today. "Because of the machine's ability to read RFID, the system becomes the point at which data is collected, which allows for detailed reporting about the plant's productivity and product mix," says Hans Ronnow, who is in charge of marketing and sales for Rugtved.

Energy, water savings in the washroom

With the construction of a new plant, Björkman used the opportunity to increase the efficiency of his operations, thereby helping him

Plant



Carl-Johan Björkman shows off the automated controls of his new washing system.



The washer/extractors have the capacity to wash 400 lbs. of mats. Mats are then dumped onto a conveyor system.



Mats make their way to the 300 lb. dryer.



Controls for the washing system



Rainwater is captured through these gutters and fed below ground into one of three 5,000 gallon tanks.

to continue to ensure his company's profitability. But it was not as if the company was inefficient to begin with. In fact, Björkman's previous plant, which was in operation from 1997 until the fall of 2005, used just 2,013 m³ (or about 532,000 gallons) of water thanks to water recycling and reuse systems. If that seems unbelievable, Björkman keeps the old plant's meter to doubters.

So how does a textile services company that already gets 95% water reuse become even more efficient? For that answer Björkman looked to the sky.

"When we built the new plant we put in a rainwater collection system," he says. "Now, we'll almost use no public water."

The rainwater-collection and water-reuse system works in the following way. Rainwater is collected through traps along the entire perimeter of the plant's roof. The collected water flows to one of three 20 m³ (approximately 5,000 gallon) underground storage tanks. Wastewater from the washers also flows down to these storage tanks, but not until they have passed through a 10 m³ underground storage tank and a sand filter.

"We will collect more rain water than we now need to wash our mats," Björkman says.

This is so, in part, because of the efficiencies Björkman has realized from the installation of new washing equipment. With partners Kannegiesser providing the laundering equipment (two 400 lb. washers and a 300 lb. dryer) and Ecolab offering improved wash formulations, Björkman is able to wash using just 9 liters of water per kilogram (or about 1 gallon per lb.). Chemical usage also is down in the new plant by between 33% and 50%, says the company's production manager, Mikael Eliasson.

The new system also provides greater savings on natural gas. Through the new innovations in the plant, mats can be laundered at just 50°C using water that enters the system at 38°C.

Fuel efficiency on the route

Hr Björkman's energy economy doesn't end in the plant, it extends onto the route as well and the company's fleet of alternative-fuel vehicles. ☞

Plant



Cristen Olsson fills his Volvo with biofuel.



A look under the hood at the natural gas-powered engine of an Hr. Björkmans delivery truck



Björkmans proudly displays the ISO 14001 and 9001 certifications on their trucks.



Carl-Johan Björkman stands by his fleet of alternative fuel vehicles.

The most innovative is Hr Björkman's sales manager Crister Olsson's bio-fueled Volvo. Like any textile services salesperson, Olsson is always on the road visiting current customers and signing up new ones. As most operators know, that's an expensive cost of doing business these days.

However, "We are saving 25%-30% as compared with using petrol or diesel fuel," says Olsson. Olsson has become such an outspoken advocate for the car that he is now appearing in marketing materials promoting the methane-powered vehicle.

Hr Björkman is also a poster child for another fuel-saving program: eco-driving. "Eco-driving is learning to drive the car so that you use as little fuel as possible," says Olsson. "For example, you are taught to brake by slowing the engine. When you clutch don't jump gears, like going two-to-four, go one-to-two-to-three-to-four."

All of Hr Björkman drivers must go through the eco-driving program. The payoff of eco-driving has been a 20%-25% further reduction in fuel costs.

A commitment to the environment

The company's trucks run on natural gas, and though there is no substantial cost savings as compared with using gasoline or diesel, there is a reduction in emissions. That's important to Björkman.

"Sweden is a very environmentally conscious country, and we have made a commitment to be as environmentally friendly as possible," he says.

This is not just talk. Björkman has backed up his pledge by enrolling the company into several environmental certification programs, including the International Organization of Standardization (ISO). "In 1999, we became the first company in Sweden to get (ISO 14001) certification," says Björkman. The ISO 14001 program is designed to consistently improve the environmental management of a company.

"The rainwater system we installed with the new plant was part of our ISO 14001 process," Björkman says. "We need to continually make progress in order to maintain our certification."

Hr Björkman is also part of another environmental program—



An Hr. Björkmans truck at a Malmo shopping center



Routeman Majid Raoufpanah replaces mats twice a month in winter; monthly in summer.



To ensure safety, mats are tapped down at customer locations.



Rolled mats are loaded and ready for delivery.



Raoufpanah takes up a mat a local grocery.

SVANEN. "That is a Swedish government body that works with companies on environmental conservation," he says. Through SVANEN, the company must continue to find new ways to reduce the amount of water used to wash a mat.

In addition to these environmental programs, the company also has received ISO 9001 certification. This certification checks Hr Björkman's quality-control standards. Achieving and maintaining ISO certification is not easy, especially for a small business. But Björkman is committed. "We believe in these programs and processes because it makes our company better," says Björkman. In Björkman's office, he has a chart that lays out the company's vision, which dictates success points, strategy and finally underlying goals that provide the foundation for how his business is run. "Achieving each of these is critical," Björkman says.

It is difficult to challenge the company's methodical approach, given its strong rate of growth and success in recent years. It's a philosophy that doesn't just exist at the upper level of the company's management and production operations; it's pervasive right down

to the route driver. Hr Björkman's drivers are well schooled in the company's policies and strategies for growth. On the route, drivers note new opportunities for sales, take care to ensure that the product they are leaving with the customer is of high quality, and enforce company policies on lost and damaged mats.

"You have to pay attention to what happens on the route," says Björkman. "That is where your sales are made or where they could be lost."

Growth through partnerships and a bridge to the future

With a new plant with the capacity to double or triple current output, certified processes and a dedicated and motivated workforce, Hr Björkman stands poised to make an even bigger impact on Northern Europe's dust control market in the years to come.

"We believe that we are reaching just 10% of the market," says Björkman. Logo mats have particularly helped to drive sales and now account for 40% of the company's customer base. ☞

Plant



Hr. Björkmans services a toll plaza by a bridge linking Sweden and Denmark.



(from left) Hr. Björkmans's production team of Brad Dorel, Lars Berg and Mikael Eliasson



The kitchen in the new Hr. Björkmans plant



A Swedish tradition—a sauna at work



The locker room at Hr. Björkmans

Most of Hr Björkmans's sales come from the day-to-day work of visiting potential customers in their delivery area by Olsson, Björkman and their team of drivers and salesmen (two currently; a third to be added soon). However, some national accounts are being generated through a group called MATT, or *Mattuthyrarna* in Swedish, which means (roughly translated) "mat rentals." MATT is a partnership of 10 private laundries throughout Sweden. When a national dust control account becomes available, MATT enables these independent companies to work together to get the account. MATT provides a framework for the companies to market their services together, but contracts and pricing are still managed at each local laundry.

"It is what we as private laundries have to do to compete with the larger companies," says Björkman. In MATT, Hr Björkman serves a radius 1 hour to its north and west and 1 hour to its east.

To the south, however, is where Hr Björkman's strongest growth opportunities may lie. Hr Björkman's home in the city of Malmo is a mere 2-3 miles from one of Northern Europe's largest cities,

Copenhagen, Denmark. Historically, however, the only ways one could get between the two cities was by plane, boat or walking across the frozen strait separating the two cities. But, after nearly 100 years of discussing linking Sweden and Denmark, a bridge was built: the one-mile long Oresund Bridge, which opened in July 1, 2000.

In Carl-Johan Björkman's office, there's a picture of the bridge opening. In it, amidst a line of traffic, you can clearly make out an Hr Björkman delivery truck waiting to cross. Inside was Björkman, fueled by the entrepreneurial spirit, ready to take the company down another road. **TR**



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