



'KEEP CALM AND LAUNDRY ON'—

ST CROIX LINEN GROWS PAST COVID

Discipline & teamwork is generating traction for this Twin Cities hospitality launderer

By Jack Morgan

As an executive management candidate in 2013, Kelley Dixon had a choice. Join the family business or take a high-flying corporate job. She'd qualified for and completed training in London with a select group of candidates from around the world who'd assembled in the British capital to compete for a handful of managerial posts with a major entertainment company.

Dixon's father, Dave Nemeč, compared his daughter's experience to a real-life version of *The Apprentice*. "I used to watch this show called 'The Apprentice,'" he says. "Everybody's heard of it. She got to live it." Out of 800 applicants, Dixon was one of 16 finalists. Ultimately, she was hired. Dixon worked for about 18 months at several entertainment venues operated by this

company. Her duties included opening a major site in Florida. "It was fun, and they trained us," she says. "Every six months, they would move me to a different entertainment venue. I got to help open LEGOLAND® Florida, which was really fun."

When we ask what changed her mind about this plum position, Dixon says it seemed that her job was focused more on pleasing superiors than growing a business. "I was in Las Vegas, actually, and I just wasn't enjoying it," she says. "I didn't enjoy the corporate politics of it. I really enjoyed the entrepreneurial side of things, where you just get things done and you're building on yourself, and you add a great team. That's what I wanted to do." So, Dixon left her job to help Nemeč manage a chain of 17 St Croix dry cleaners and a laundromat in the "Twin Cities" of Minneapolis/St. Paul. "I came back and actually worked for dry cleaning for a little bit," Dixon says. "He had just purchased 10 locations, and needed some help marketing and merging the 10 locations for St Croix Cleaners. I did that for a couple of years."

Dixon then took a break from the family-owned dry-cleaning business based in Stillwater, MN, about a half hour east of the Twin Cities. She spent two years working in information technology, before returning full-time in 2017 with the opening of St Croix Linen, a laundry focused mainly on hospitality. "I just wanted to get more experience outside of the family business," Dixon says. "Then, I came back and was like, 'OK, I'm ready. Let's go.'"

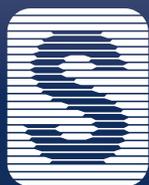
KEY CHALLENGES

Now serving as general manager/owner of St Croix Linen, Dixon learned the industry from the ground up, receiving occasional backing from Nemeč and her mother, Polly, who runs a third family business, Treasured Garment Restoration in Stillwater. This company specializes in refurbishing wedding gowns, theatrical costumes and similar clothing for individuals and organizations. Polly helped guide Dixon through the paperwork related to real-estate deals and legal documents. "She's not a lawyer, but she's very good with words," Dave says. "She negotiates all the leases, helped us with getting this building set up," he



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IN THE DAYS BEFORE COVID, PLACING A SIGN IN FRONT OF THEIR BUILDING IN A LEAFY AREA OF ST. PAUL WOULD DRAW DOZENS OF APPLICANTS, SHE SAYS. THAT'S NO LONGER THE CASE.

adds, referring to the 30,000-square-foot (2,787-square-meter) plant that has housed St Croix Linen since 2019, when it relocated from a smaller facility nearby.

While each of the three family members helps out with these enterprises, Dixon, Dave and Polly each oversee their respective businesses of hospitality linen, dry cleaning and garment restoration. "It's interesting," Dixon says. "We've got the whole spectrum. The garment restoration features specialists who may spend eight hours or more refurbishing a single garment. The dry-cleaning staff might spend five minutes or so spotting a piece of clothing, whereas hospitality linen is far more oriented to bulk processing. "We've got thousands of pounds of linen over here," she says with a laugh, "Just get it through the

process asap, and put it through a quick rewash formula if we need to!"

Dixon says that while her linen business is still a bit below pre-COVID-19 levels, demand for hotel laundry services in the Twin Cities is recovering nicely. While Dixon closed the plant for two weeks at a low point during the lockdown and furloughed several employees, today St Croix Linen is back to a seven day-a-week operating schedule. The goal is to surpass the plant's pre-pandemic throughput of 190,000 lbs. (86,182 kg.) per week. A recovery in business travel this fall could make that happen. "Pounds continue to increase slowly per week, but we're still not back to pre-COVID levels," Dixon says. "Minneapolis is pretty dependent on business travel, and until that comes back, we're not out of the woods yet."

Since August, the hospitality numbers have edged closer to normal.

Like other hospitality launderers, St Croix Linen has felt the economic pain of its hotel customers along with their supply-chain and recruitment/retention challenges. "Each hotel is having slightly different issues, from staffing to having enough linen to turn rooms," Dixon says. "We've been contacted by several resort facilities outside of our normal delivery radius (roughly 50 miles) for help with their laundry as well—everyone is feeling the staff shortage right now!"

In the days before COVID, placing a sign in front of their building in a leafy area of St. Paul would draw dozens of applicants, she says. That's no longer the case. "When we first moved to this facility, we put a 'Now Hiring' sign out front, and there was a line out the door to get applications," she says. When *Textile Services* visited St Croix Linen earlier this year, a large sign prominently displayed in front of the building had generated zero responses. "We haven't had one person walk in to fill

BELOW: (l/r) A St Croix Linen employee wears a company slogan on his shirt that has raised spirits during the pandemic. A cart for clean goods awaits loading in the packout area. On the opening page, an overview of the finishing and packout departments.



out an application,” Dixon says. “It’s incredible.”

Other recruiting methods, including employee referrals and working with nonprofit agencies that aid refugees have produced better results, she says. “We’ve been really fortunate to get a lot of referrals from our employees, and that’s primarily how we’re getting employees right now.” Dixon read in an industry publication that agencies that place refugees in jobs might want to partner with St Croix Linen. That strategy has proved successful. “I have a great relationship with a state-run company that brings refugees in,” Dixon says. “They want these refugees to get started and to work jobs right away. With laundry, you don’t have to speak English to work on an ironer.”

EMPHASIS ON QUALITY

But wherever St Croix Linen’s staff come from, they’re trained to focus on providing quality linen service to the laundry’s hotel customers. Nemec and Dixon explain that St Croix entered the market amid recurrent price wars that ultimately bankrupted one of two area competitors. St Croix sells value, and its hotel customers appreciate the quality and reliability that the company provides, Dixon says. This includes certification to TRSA’s Hygienically Clean Hospitality standard, which has grown in popularity as hotel operators have enhanced their focus on infection control during the pandemic.

To achieve their vision of a high-quality, hygienic laundry operation, both Nemec and Dixon rely on a management system developed by Gino Wickman, the author of the book, *Traction* (see related story, pg. 20). This business philosophy focuses on the need for teamwork, order and accountability to enable businesses to thrive. Wickman writes that, “In the end, the most successful business leaders are the ones with traction. They execute well, they know how to bring focus, accountability and discipline to their organization.” Mike Paton, a speaker at TRSA’s

Annual Conference, co-wrote a book on *Traction* with Wickman. He’ll discuss this philosophy during a keynote address at the conference this Oct. 19-21 in Carlsbad, CA.

The *Traction* framework is particularly helpful for companies like St Croix Linen, that started small. Dixon and Nemec, who launched his dry-cleaning business in 2000, saw an opening in the

Twin Cities to provide an alternative for hotels seeking a quality linen service. They began with a 4,500-square-foot (418-square-meter) building that Nemec had used as a dry-cleaning plant. “I was under a long-term lease with it,” Nemec says, noting that it was only doing a small amount of retail dry-cleaning business in the front. “Kelley and I saw that as the opportunity in this space, that we’d get this one



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ABOVE: (from top) Employees feed sheets into a spreader/feeder in front of an ironer; another piece of ironing equipment; a view of the plant's tunnel washer.

ironer, a couple of washers and dryers and hang the shingle out.” It really was that basic at the start, but the market welcomed St Croix Linen. Three hotels signed up almost immediately, and St Croix hired 14 ex-employees of the laundry that had closed. An opportunity to service a major airline then came up and St Croix won a contract to process airline blankets, headphones and other reusables. Within two years, they’d outgrown their original location and relocated to the current plant about a mile away at 120 Plato Blvd. W. in St. Paul.

Dixon and Nemeč loved their new building, which is located near major highways leading to downtown St. Paul and Minneapolis. One drawback, however, is local restrictions on water reuse, thus limiting the company’s ability to conserve water. In addition, the plant’s proximity to the Mississippi River imposed limits on wastewater processing. “This building is built on a structural floor because we’re near the Mississippi River,” Dixon says. “It is only about a half mile away, so we’re not able to dig trenches into the floor. We’ve got everything that comes out from the washers going into troughs. Then from there, it has to be pumped to pipes in the ceiling and then out of the facility.”

Dixon hopes one day local officials will reconsider their rigid enforcement of water-reuse rules, which could benefit the environment by conserving water. “Growing up as a millennial, it’s very important to me to be ecofriendly,” Dixon says. “There’s all kinds of ways that we could be more ecofriendly,” she adds, noting an interest in solar power and alt-fuel vehicles. In the meantime, St Croix Linen complies with local regulations. The company has invested in modern equipment that helps maximize savings wherever possible. We got a look at what they’re doing during a walkthrough of the plant.

IN THE PLANT

The first thing that struck us about this plant is how clean and well-lit it is,

with white-washed walls and nearly-all modern equipment. The second thing was the blue T-shirts that most employees wore. On the back is a World War II-era slogan modified for the pandemic with a textile services twist. The slogan on the shirts read “Keep Calm; Laundry On. The shirts have a TRSA Hygienically Clean logo placed strategically between the two phrases. If you’re concerned about recruitment/retention, having a clean and inviting plant environment, coupled an upbeat message that’s worn (literally) on the backs of St Croix’s 45 employees (the staff had shrunk to 38 during COVID) might help.

Dixon led our walk-through, which began in the soil area. The plant’s three trucks bring in cartloads of soiled items daily. Employees roll the carts into the sorting area from a rear loading dock. Since these are COG goods, individual hotels are processed one at a time. Employees place the carts by a JENSEN cart dumper. The system lifts the cart up and dumps the textiles onto a conveyor belt. Next, the goods move up a short ramp to the sorting deck. On the day we visited, employees—grinning as we shot photos—tossed textiles directly into nearby carts for sheets, pillowcases, towels, etc. Each cart was fitted with a sling for movement to the wash aisle. When the carts are full, another staffer moves them to a hoist where they are weighed and lifted onto a FUTURAIL overhead rail system from JENSEN. Rows of slings were stored in a ceiling area to await processing in a nearby tunnel washer. Safety netting was set below the slings to protect staff members walking on the floor below.

Dixon notes that shortly after the company relocated to its current plant, they bought the first ALPHA tunnel washer from JENSEN that was installed in the U.S. This equipment is made in China, using JENSEN specifications and sold at a competitive price. Dixon says they’re pleased with the tunnel’s performance. It has 16, 135 lb. (61 kg.) compartments. The tunnel processes goods at .08 gallons (3 liters) per lb., which

helps to compensate for the water-reuse restrictions noted above. Ecolab Inc. provides wash chemistry for St Croix Linen. After processing in the tunnel, goods move via a conveyor to any of four 300 lb. (136 kg.) JENSEN dryers. As “cakes” of clean wet goods emerge from the press at the end of the tunnel, each dryer processes two cakes at once for maximum efficiency.

For small lots and stain rewash goods, the plant has five washer/extractors. Four are 135 lb. (61 kg.) machines and one is a 60 lb. (27 kg.) washer. A few feet away, the wash floor also has five pony dryers.

Affirming its commitment to the Twin Cities hospitality laundry market, St Croix Linen has recently purchased a second ironer line, and an ALPHA by JENSEN small-piece folder. The second ironer line has a JENSEN two-roll

thermal oil ironer with a draper and folder on the back. This line will specialize in small pieces.

The original ironer line also features JENSEN equipment. It can process small or large pieces. This line includes a three-roll thermal ironer, a large-piece spreader/feeder and a folder/stacker. There’s also an ALPHA by JENSEN towel folder that can fold three different-sized items.

The ironers automatically track staff productivity. We saw names and numbers written on a whiteboard in the plant documenting the performance of several employees. While equipped with modern machines, the plant still does manual folding of some items such as bathmats. Finished, folded goods are placed in carts and marked with a color-coded piece of cloth to ensure that they’re grouped with items from the



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Incident Prevention—A Two-Step Approach Fosters More Staff Input

Safety in the plant and on the route is as important to St Croix Linen leadership as production, customer service or anything else that this St. Paul, MN, hospitality operator does, according to General Manager/owner Kelley Dixon.

And the best source of information on safety hazards often comes through suggestions from hourly production employees. To encourage them to report potential hazards, St Croix Linen offers two forums where safety issues are discussed. The first is a monthly meeting of the company's Safety Committee, which includes two hourly employees who volunteer to review safety issues with management.

A second opportunity comes during five-minute daily "safety huddles," in which Dixon or other managers brief the staff on the day's production agenda, including opportunities to address any potential hazards for staff. The feeling is that staff may prefer one forum over the other. "That's the reason why we invite a couple of hourly staff to the safety meetings too because sometimes they don't feel comfortable speaking up in the five minute meeting," Dixon says. "But then in the safety meeting when there's fewer people, it's a little less overwhelming to bring something up."

Another challenge for St Croix's safety program is the multi-ethnic makeup of its staff, who speak as many as five languages. To clear this hurdle, Dixon keeps the themes for the five-minute huddles short and succinct, using terms that are easy to translate. One example is lock-out-tagout procedures. If that's the theme of a safety meeting, managers will arrange for translation (sometimes using Google translate) to ensure that everyone knows what they're talking about. "What we're trying to do is talk about a safety topic," Dixon says. "For example, the weekly safety topic is slips, trips, and falls. Because we have so many languages that are spoken down there, Monday might be 'What's a slip?' How do we prevent it? That's it because they can translate it to a bunch of languages. Dixon adds that the company's goal is to "break it down to the base level, so that everybody understands."

The more you encourage staff to share concerns that they may have about safety, the better the results, Dixon says, noting the importance of mitigating hazards, before an incident takes place.

same hotel customer before moving to packout. In addition to modern equipment, St Croix Linen runs a safety program focused on preventing incidents (see related story, at left).

DIVERSIFIED GROWTH PLAN

Like many laundry operators in sectors such as hotels that were hard hit by the pandemic, St Croix Linen has sought to diversify its customer base to continue operations when hotels in the Twin Cities were largely shut down. Servicing restaurants—even though these too were impacted by the pandemic—has helped the company recover. "There's a lot of opportunities," Dixon says, adding that food and beverage (F&B) textiles are processed separately in the plant from hotels. Temporary work from hospital laundries during the pandemic also helped sustain St Croix Linen. "We helped out a couple different healthcare laundries throughout COVID," Dixon says. "They got overwhelmed and called to ask us to help out. And you know what? They probably saved us. That's how we survived COVID. It's a testament to the great laundries in this industry really working together and supporting each other."

While St Croix Linen has no formal agreements with other laundries to help out in case of a fire or other emergency, they have tapped outside help on an ad hoc basis. Shortly after the company opened, an ironer motor failed. A couple of area laundries agreed to let St Croix use their flatwork finishing equipment in order to get customer work out during the two days that it took to fix the ironer. Networking with area launderers to give or get assistance when needed, helped solve this problem. "We've just worked at setting up really great relationships with many of the laundries in the area," she says. "We've helped out two or three different laundries."

Now as hotels in the Twin Cities revive, the fact that they haven't spent much on linens during the pandemic

slowdown, is complicating life for St Croix Linen. Beyond labor shortages, a major challenge facing St Croix is the hotels' reduced "par levels" or sets of linen per room. "They need to buy more linen," Dixon says. "We are turning linen as fast as we can, but if you can buy more 'par' as a hotel, it's going to make your linen last longer. So, we really hope that hotels can fit that into their budgets." Another challenge they're seeing is that hotels are buying linen, but it's on backorder. "It's a challenge right now to service all our customers successfully with such low pars, but we're trying our best to make it work, she says. We want to be a partner."

A related opportunity for St Croix is to encourage more hotels to close their on-premise laundries and outsource their linen services. Dixon is working on various prospects, but outsourcing agreements take time.



ABOVE: Standing outside the plant are (l/r) Dave Nemec, owner; Mike Larson, chief maintenance engineer; Alex Sewell, service manager; Kelley Dixon, general manager/owner; Travis Sorenson, production manager; Jake Horstman, sales manager; and Lori Wieber, office manager.

Bottom line? St Croix Linen strikes us as well-positioned to gain traction as a hospitality/F&B operator in a market with vast potential. With its modern plant, can-do spirit and strategic focus, St Croix looks ready to join the ranks of other successful hospitality startups, such as Commercial Laundry Corp. in

Baltimore. In the meantime, laundry operators worldwide would do well to accept St Croix Linen's advice to "keep calm and laundry on." **TS**

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