



Morgan Services/ Cleveland— Sealing the Deal with Service, Quality & Trust

An F&B, healthcare and hospitality specialist, Morgan Services thrives on building strong ties with customers

By Jack Morgan

Jason DuVall, general manager for Morgan Services, Cleveland, says his team's success stems from its emphasis on building relationships with customers and moving quickly and effectively to meet their needs. This is especially true for the area's booming banquet business, which in some cases is benefitting from private parties and family celebrations that residents put off during the COVID-19 pandemic.

The Cleveland metro area has 1.76 million people. Customers in this northern Ohio city tend to reach out on a neighborhood basis with questions or requests for their linen supplier. "We all have our own little zones," says DuVall, noting that he's a "Westsider," while his Plant Manager Nick Palermo lives in Summit County, south of Cleveland. Other managers live around the metro area. "We tend to go out and see customers in those zones." DuVall says, adding that established

customers typically care more about service than cost. “I think the longtime customers really value the service,” he says, adding that staff are always prepared for questions/comments. “When they are picking up the phone to call us, Kristina (Kaydo), our service coordinator, is the lead team member who answers the phone and deals with our customers; she’s absolutely fantastic. There are some customers who have a closer relationship with me, so they’ll call me directly. They appreciate the personalized service.”

This service ethic is a tradition at Morgan, a fifth-generation family business founded in 1887. That’s when John Alden Spoor, along with three partners, purchased the American Steam Laundry in St. Louis. (see pg. 34). The name “Morgan” (no relation to this correspondent) was added in the mid-1920s. But in the years leading up to that change, the company built a network of laundries in railroad hub cities such as Buffalo to process flatwork for railroad sleeping cars. As passenger trains declined after World War II, Morgan Services pivoted to servicing retail outlets such as barber shops and restaurants. That model endures today, although Richard

Senior (CEO from 1974 to 2016) spearheaded a drive to diversify into outpatient healthcare as well. Clinics, doctor’s offices and surgery centers were well suited to the route-service model that Morgan Services had pursued for its food and beverage (F&B) customers in the post-war era.

When we visited Morgan Services/Cleveland this summer, DuVall told us that Senior’s son, Alden, took over as CEO in 2016, but Richard still serves as chairman. At 84, he retains an active interest in the company that he led for nearly four decades, DuVall says, “I usually talk to him once a month when we publish our results. So he’s still involved.” DuVall added that Richard speaks to the other general managers (GMs) at Morgan Services’ eight service areas across the continental U.S. “He’s still got his finger on the pulse of the business,” DuVall says, adding that “He’s as sharp as ever.”

DuVall, an 11-year veteran of the Cleveland GM job, also speaks regularly with his predecessor, Larry Cooper, who spent nearly 50 years working for Morgan Services before retiring in 2013. After dedicating so many years to the Cleveland plant,

he likes to visit. “This industry gets in your blood,” says DuVall, who brought a decade and a half of leadership experience at Ford Motor Co. and Target Corp to Morgan Services/Cleveland. He hasn’t looked back since.

One project that began during Cooper’s tenure was inserting bar codes in all of the scrubs, chef coats and other garments processed in the facility. The current iteration of this process involves inserting radio frequency identification (RFID) chips into table linen. This technology has given Morgan Services/Cleveland a boost in efficiency and customer service by helping to ensure accurate orders and accountability for lost items, says DuVall. We saw those systems and others in action during a walk-through of the facility at 2013 Columbus Road in the Tremont neighborhood of Cleveland.

In the Plant

Palermo led part of our tour. He began by noting that Morgan Services has operated on this site since 1901. In the 123 years since then, the building has undergone numerous additions and improvements. It’s almost like two buildings in one.

Below: Exterior views of the Morgan Services/Cleveland plant, including the loading dock with a semi-trailer displaying graphics that highlight the company’s hospitality linen offerings. On the opening page: a view of the plant’s finishing and flatwork-storage areas.





Above: (from top) A view of the plant's chemical-injection equipment, a tunnel finisher and wastewater-treatment system.

The Columbus Road side has a turn-of-the-century brick façade with windows surrounded by glass bricks. It's about a five-minute walk from the Columbus Road entrance over to Abbey Avenue. Then you turn left and head for West 20th Street, where you reach the "new" side of the building. It has a modern façade with aluminum siding on top and concrete blocks below. Route trucks are parked in an adjacent lot. The stylized "Morgan" logo in white type is identical on both sides of the building.

Inside, our tour began in the soil area. Goods arrive presorted from the routes by customer. Employees (referred to as "members" in the Morgan culture) do additional sorting by item and color on one of the 10 automated sort stations. They feed various styles of napery, aprons, bar mops and medical flatwork into a vacuum-sort system that whisks them to slings that line up on an overhead rail system for the next stage of processing. All slings are weighed, and textiles that are embedded with RFID tags pass by scanning equipment from **Positek RFID**. The 70,000-square-foot (6,503-square-meter) plant processes roughly 10 million lbs. (4.5 million kg.) annually. A production staff of 80 people—including numerous longtime members—work a single shift, five days a week. Members sort other textiles in a manual sorting line, placing them into carts that are fitted with slings. Or they place them on a belt for movement to slings and then to the rail system. Moving to the wash aisle, we see a **Pellerin Milnor Corp.** tunnel washer that was installed in 2019. This PulseFlow® tunnel has 12, 150 lb. (68 kg.) compartments. Scrubs, napery, and some other lightly soiled items are processed in the tunnel. "Cakes" of clean, pressed goods next move via conveyor to one of three 150 lb. dryers.

Other goods, including mats, bar mops, aprons and various heavily

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Plant

soiled items go to an area that's equipped with conventional washers. Here, we see seven 900 lb. (408 kg.) **Ellis Corp.** washer/extractors and one 450 lb. (204 kg.) **Ellis** washer. Palermo says the company had anticipated swapping out one of the older Ellis washers. The installation was completed in late July. Both washing areas use **Ecolab** chemistry. The plant also has two 150 lb. **Milnor** pony washers for stain rewash and small lots, along with two **Ellis** Whisper dryers with an automated conveyor and two conventional Norman dryers.

Stepping into the boiler room, we see **Ecolab's** chemical-injection equipment. Here, wastewater

undergoes heat recovery and filtration in a **Norchem** Ultrapure treatment system. The plant's average water use is roughly .5 gallons per lb. in the **Milnor** PulseFlow tunnel and roughly 1 gallon per lb. overall. The plant has a large gas fed water tube boiler and a smaller fire tube back-up system to provide steam for the plant's washing and finishing needs. In addition, the plant is an HLAC accredited laundry as well as certified to **TRSA's** Clean Green standard for environmental quality.

Next, we move to the finishing department. We watch as members place pants and shirts on hangers from **M&B Hangers**. The garments move next to a **Colmac** tunnel

finisher and from there to a CA Sortation system installed in 2022 from **Positek**. This equipment organizes the workwear for distribution to any of the plant's 14 routes across the Cleveland and Pittsburgh metro areas, plus surrounding communities. The system also sorts garments by customer and individual wearer. At packout, an alarm will sound if any bundle of garments is short by one or more pieces or has a wrong item(s). This helps ensure that the plant has few if any shortages, Palermo says.

As part of the HLAC accreditation, the plant has negative air flow from clean to soil to prevent the spread of microorganisms to clean goods.

Below: (clockwise, from top/left) A view of the conventional wash aisle; a Morgan Services "member" takes a cartload of clean goods that dropped from a shuttle; the back end of three ironer lines; a line of small-piece folders in the finishing area.



Here we see a variety of a machinery. But the heart of the finishing department is the plant's eight ironer lines. We see two American Laundry Machinery "Hypros" (rebuilt by **Tingue**); there is one Troy ironer; four are American Laundry Machinery "Super Sylons" (rebuilt by **Tingue**) and one ironer is from **Chicago Dryer Co.** In addition, we see two **Foltex** folders for scrubs, five **JENSEN** feeders; one **G.A. Braun Inc.** feeder and one **JENSEN** blanket folder. There is a Challenge Stack-N-Store system for flatwork (soon to be replaced by modern equipment from **Leonard Automatics Inc.**, Palermo says). Additional machinery includes five **Braun** small-piece folders. **American Dawn Inc. (ADI)**, **United Textiles** and several other suppliers provide flatwork textiles.

Finished goods are loaded in bulk on carts and moved via a freight elevator down to the ground floor. There, staff will load carts labeled with lists that show each customer's order. The shippers inspect the goods and fill the carts as directed by the sheets. Route service representatives (RSRs) then move the carts onto their trucks for delivery.

Throughout the plant, we see white and black banners hung from the ceiling. They urge members to maximize quality and reject any items that fall short of the company's quality and cleanliness standards. "IF YOU'RE NOT PROUD OF IT, DON'T SERVE IT!" The next line reads: "IF IN DOUBT, THROW IT OUT!"

'Build Relationships'

In addition to the banners noted above, we saw several efforts by Morgan Services/Cleveland to communicate with members. These included a "Member of the Month" announcement placed on video screens around the plant. These screens let everyone know who the company is recognizing. They're used to convey other member-related information as well.

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Another sign in the plant features an electronic scoreboard. It shows the number of days that the laundry has gone without a lost-time accident. When we visited, that figure stood at 295 days. "I think we've gone longer than that," DuVall says. Palermo confirms, adding that, "We went over 365 (days) a couple of years ago." The plant's robust record on incident prevention is...pardon the pun...no accident.

Typically, the plant experiences an incident once or twice a year, usually minor cuts or other routine mishaps, Palermo says. The company promotes safety awareness and encourages members at all levels to report any concerns they have to management. The plant has a departmental network of safety committees that facilitate dialogue. "Every department has a monthly safety meeting," Palermo says, adding that each committee submits meeting minutes summarizing the topics discussed and any recommended actions for the management team, including DuVall and Palermo. They, in turn, share

this information with the corporate leadership in Chicago.

A common challenge, particularly for RSRs, is back injuries from improper lifting. Morgan Services provides regular training to refresh members' awareness of proper lifting techniques and other steps they can take to avoid injuries. "Once a year they go through the safety videos through HR (Human Resources)," Palermo says. Members watch various DVDs on computer that deal with topics such as "slips, trips and falls" and how to handle "blood-borne pathogens." A video on ergonomics helps educate members on how to lift objects without straining their muscles and joints. DuVall says there's always opportunities for improvement, but he's pleased with the plant's safety record and the prevention efforts that the leadership team oversees.

While it's difficult to prove that proactive support for members in terms of safety or recognition helps with recruitment/retention, DuVall says Morgan Services/Cleveland is now in a "good spot" as far as meeting



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Morgan Services—Managing Change for More than a Century

Morgan Services was founded on Jan. 10, 1887, when John Alden Spoor and three partners bought the American Steam Laundry in St. Louis. The original documents are on file at the company's corporate office in Chicago. At the time, Spoor also was overseeing the Wagner Palace Car Co., a railroad sleeping car business. The following year, Kendrick E. (K.E.) Morgan, Spoor's cousin-in-law, joined the company, replacing one of its directors. He later took over the business and built a series of laundries to process flatwork from train sleeping cars in hub cities, such as Boston (1890) and Buffalo, NY. (1891). In 1902, K.E. moved to Chicago and established a laundry there. He died in an auto accident in 1918, and his son A.K. took over the company.

The Great Depression hurt sales, but Morgan Services recovered in the 1940s. Next, they confronted the decline of passenger rail travel after World War II. By then, Morgan Services was led by A.K.'s son John Alden (J.A.) Morgan, who led a move to diversify the business into retail outlets, such as barber shops and restaurants. In 1970, J.A. stepped down as chair of Morgan Services. J.A. continued to serve on the company's board of directors until he passed away in 2004 at the age of 94.

Richard J.L. Senior, an Oxford/Yale graduate and consultant with McKinsey & Co., succeeded J.A. in 1974. He focused on serving "target customers," that were the best fit for the company both operationally and financially. He also oversaw an array of technical innovations and an expansion into renting reusable textiles to healthcare providers. Senior was active in **TRSA** and the Uniform & Textile Service Association (UTSA). He served as the elected chair of both groups, prior to their "blending" into a single organization in 2008.

During Senior's nearly 40-year tenure, Morgan Services continued to grow by providing customers with high-quality textile goods and delivering outstanding customer service. In 2016, Senior's son Alden, succeeded him. Alden continues to lead the business today. He has implemented additional technological innovations, including radio frequency identification (RFID) systems in garments and tablecloths. He's also continued diversifying into healthcare, including hospital work.

its staffing needs. There were layoffs during the COVID-19 pandemic, which cut demand from restaurant and hotel customers. But that's now in the past, and many members have returned to the plant. "As the business started to come back, we would call those same team members back to work," he says. The total employment today, including office, sales and route positions, plus a depot in Youngstown, OH, is roughly 125 people.

That number could expand if business continues to grow. Two areas where Morgan Services/Cleveland is seeing progress include hotels and the country club/catering business. On the hotel side, DuVall says opportunities for laundry outsourcing have grown because many new hotels aren't including in-house laundries in their building plans. "A lot of hotels are being built without laundries because they're trying to maximize their square footage to generate revenue, and they want to focus on a great guest experience," DuVall says. "And some people think it's better to outsource that operation." About a decade ago, the Cleveland plant tried processing customer-owned hotel goods, but that proved impractical due to limited "pars," i.e., the number of room changes available from hotels. To save money, hotels were buying 2-2.5 pars on average. That meant Morgan Services/Cleveland was constantly washing and returning linens to clients, which negatively impacted the work-life balance the company strives to deliver to its members. The textiles quickly wore out, due to recurrent washing. "It's a vicious circle," DuVall says. Instead, the plant management urged hotels to go with a rental program.

Hotels make up a small part of the plant's overall throughput. But those that have adopted rental programs are happy with the service, DuVall says. "Typically, we buy six or seven pars when installing a hotel account because we've seen the

value of having our team be able to work a five-day work week, and have holidays off without having to make them up on a Saturday." He adds that Morgan Services is saving on hospitality linen because it lasts longer due to fewer washings. The higher par numbers also solve the problem of linen shortages, he says. "Instead of the hotel being hand to mouth with their bed linen, they're just going to a closet that's always full," DuVall says. "So they're not waiting. Typically, unless it's peak season or there are on-site storage challenges, they've got two- or three days' worth of product at full occupancy. They're not waiting for us to get there. They're just going to their closets. Which we continue to replenish."

Another growth area for Morgan Services/Cleveland is the country club and banquet business. Keeping a large variety of stock-keeping units (SKUs) in a range of colors and styles helps ensure that when clients call in special orders, they can get what they need. "Our 'call-in business,' that's something that we've really gotten good at," he says. "It could be a country club where they have a regular par of white napkins, white banquetts, white tops. But if they have a wedding, and they all of a sudden need peach napkins and lavender tops, we have them." Some companies have tried to limit SKUs to a few trendy colors to avoid the expense of maintaining large linen inventories. Morgan Services/Cleveland has taken a different tack. They've found that what's good for customers is good for their business as well. "We're definitely seeing the call-in business continue to be something that's very robust," DuVall says.


In some cases, inflation has caused customers to take a more "transactional" approach to working with their linen supplier, DuVall says. But as we noted at the outset, he sees building customer relationships as a key factor in the plant's growth.

"I do feel that some segments of the market, their cost pressures are trumping their sensibilities on relationships," he says. "They're more interested in 'What are you going to give me and how cheap can you give it to me for?' It doesn't mean that we change how we deal with them because we're still going to come out and try to build relationships." Bottom line? From what we saw in Cleveland, DuVall and

his team are building strong ties with customers. Then they achieve growth by sealing the deal with service, quality and trust. **TS**

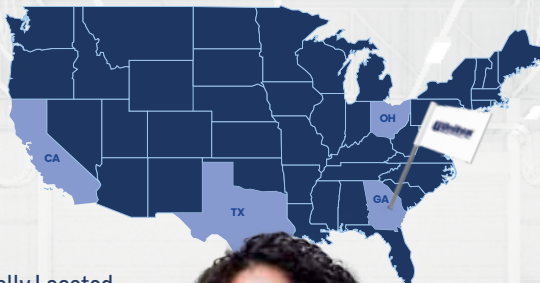


JACK MORGAN is the senior editor of Textile Services. Contact him at 877.770.9274 or jmorgan@trsa.org.




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