

MILLER'S METHOD— GROWING THROUGH RELATIONSHIPS

Ohio launderer relies on 'people-to-people' contacts to win new business, enhance staff morale

By Jack Morgan

When you walk up to the reception desk at Miller's Textile Services, chances are you'll be greeted (as we were) with a beaming smile from Jackie Hager. She and her husband Roger bought this company in 1968 from the Miller family, which founded it in 1946 in Wapakone-ta, OH.

While Jackie and Roger are well past "traditional" retirement age, both continue to put in regular hours at the plant, which is now led by their son, Bob Hager. Miller's Textile Services emphasizes relationship-building as a way to grow its business—both internally with staff and externally in terms of its outreach to customers and suppliers. Unlike many of

its industry peers, Miller's, a one-plant operation in "Wapak" eschews growth through acquisition. Instead, they emphasize wowing customers one at a time through quality, reliability and service.

"We get bigger as our team develops relationships with our current customers," says Bob, who joined the family business in 1981 and became president in 1999. "They invite us to their friends and they take us other places. I actually have had some industry people ask me, 'How have you grown to the size that you are, without acquisitions?' I think it's with our philosophy and with our service. It's with our relationships. Not so much business to business, but people to people. I think we do a good job with that."

PARTNERING WITH CLIENTS

Miller's is a mixed plant with a focus on food and beverage (F&B) and outpatient healthcare accounts (60%), plus industrial uniform work (40%). Like most commercial laundries, their customers operate on

three- or five-year contracts. However, the company recently made a high-stakes agreement to serve a new customer without a contract. It's a tryout based on the management team's belief that Miller's is a good fit for them. "We're actually doing one now without a contract because we think they're people like us," Bob says. "We've put some benchmarks out there, some timelines, where basically, it's a trial. We're on 'demo' to them. Let's prove ourselves. If we do well with that...it's a significant investment. But we feel comfortable with who we are and who they are. So we're doing that."

Some operators might view this as a risky move, but by any measure, Miller's has enjoyed steady growth with its approach to partnering with customers. Under the founders, Robert and Henrietta Miller, the company originally laundered the personal clothing of area residents. After the Hagers bought the business, they completed a shift to commercial work. They built a new plant on the current site in 1997 and then expanded it in 2004 to today's 70,000-square-foot structure.

Currently, Miller's runs 31 routes and processes more than 500,000 lbs. per week. The staff totals 200 people. Miller's serves more than 4,000 customers across Ohio, Indiana, Southern Michigan and Northern Kentucky.

While Miller's relies on the trust it's developed with customers, Bob and his team understand that part of their commitment to clients is to ensure that every item they rent is hygienically clean, i.e., free of microorganisms that can cause illnesses. With that goal in mind, the company recently concluded a three-way certification with TRSA's Hygienically Clean program. This summer, Miller's became one of only two companies that have certified their operations in three categories: Hygienically Clean Food Safety (for food-processing plants), Hygienically Clean Healthcare and Hygienically Clean Food Service. Hager says the certifications, which require third-party plant inspections, regular testing of textiles and documented best practices, underscore the company's commitment to cleanliness. "I think what Hygienically Clean has done for us is help us focus on the people and the process," he says. "To get it right and to be confident that it's right when it goes into the customer hands." Customers have reacted positively to this move, he adds. "It's been good. It's been positive. I think they're pleased with our approach to professionalism and our desire to present hygienically clean products to give them another degree of security. It shows that we're doing it right."

Healthcare customers in particular value certification because they want to make sure that they make every effort possible to prevent hospital-based infections, Bob says. Operations Manager Andrew Thornbury adds that certification also is popular with food-processing customers, which is a growing segment of Miller's business. "We've had a meat packing company and a food-processing company saying that it was instrumental in assuring them," Thornbury says. "It really was important to be able to give them that assurance."



ABOVE: (clockwise from top) A direct-contact water heater in the plant's mechanical room. Garments move on a conveyor in the finishing area where they undergo two sorts that will place them in a group of goods with the correct day, route and wearer for delivery. An automated conveyor system moves textile goods from the washer/extractors (at right) into the dryers, at left.

Miller's Textile Services Equipment Summary

- Two washrooms, one semi-automated and one automated
- 21 Open/pocket washers from G.A. Braun
- 11 gas dryers, from 75 to 550 lb. capacities, from G.A. Braun
- Automated chemical delivery system: Ecolab
- Five ironer lines, including multiple, semi-automated feeding and automated folders, from JENSEN
- 1 tunnel finisher for garments: Leonard Automatics
- 2 mat rolling machines: PDPI, Inwatec
- 3 semi-automated bulk-linen bagging machines, Ergocon
- Overhead rail system: E-Tech



ABOVE: (clockwise from top/right) Employees place these tags on hangers using the correct hole to identify any of six common repairs that are required; a textile storage area in the plant; garments on hangers are processed in a tunnel finisher (at left); the towel at left is fitted with a sewn-in radio frequency identification tag. Miller's Textiles is in the process of placing RF tags in all its flatwork items.

We saw examples of garments laundered for that food-processing customer, a candy manufacturer, during our walk-through of Miller's facility.

IN THE PLANT

Thornbury led our tour of the facility. He's a relative newcomer to Miller's, having joined the company earlier this year. Like other mixed operations, Miller's staff achieve greater efficiency by keeping the garment and flatwork operations separate. It's almost like two plants in one. We've noted above the 60-40 mix of flatwork to garments. Among these, healthcare is steady at the moment. The company services outpatient clinics, doctors' offices and surgery centers, says Bob, as well as some small rural hospitals.

Thornbury adds that the company's overall customer base is expanding. "We're in a period of good growth," he says. "We're hoping to keep up the trend." Company Controller/Treasurer Dale Poppe credits this growth to the close ties Miller's forges with its customers. "As our current customers grow, we grow."

In today's highly competitive markets, improving efficiency to control costs and better manage inventory is one way to keep customer relationships healthy. One of the steps Miller's has taken to do that is by inserting radio frequency identification (RFID) chips in each of the roughly 60,000 garments it processes each week. We watched as incoming soiled goods pass through a portal system from Positek that counts a cartload of items in a few seconds with a high degree of accuracy. Thornbury says that the company completed the process of adding RFID chips to its garments about two years ago. Bob notes that plans are now in the works to chip the company's flatwork inventory as well, in order to better track its textiles. "That's where we're going right now. Talking about new equipment...we are currently integrating a tunnel scanner that we recently purchased. So we're expecting that to be a positive in the near future."

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ABOVE: (clockwise, from top/left) An employee prepares to move a cart loaded with textile items fitted with radio frequency identification chips through a portal scanner. This system automatically counts and tracks the items; a view of the plant's chemical injection system; here's a line of washer/extractors and conveyors.

Another possible upgrade is the addition of a tunnel washer for flatwork items. The plant currently operates nine large washer/extractors from G.A. Braun Inc. as the main workhorses for laundering flatwork rental inventory. "I think we would consider it," Bob says of the idea of getting a tunnel washer that could enhance throughput, while saving water and energy. "We'll work primarily with our current vendors to figure out what the best option would be."

The wash process at Miller's begins with soiled goods arriving in carts at the soil-receiving dock. A Norman cart dumper drops them onto a conveyor that leads to an E-Tech sort aisle where staff separate items and place them in bins that drop into slings below. When the slings reach a set weight, they're dispatched automatically to a holding area until one of the washer/extractors (the plant has 21 in

all, ranging from 50-450 lbs. capacity) is available.

After washing, goods move on a Braun conveyor to the dryers. The plant has 11 dryers in all, ranging from 75-550 lb. capacities. The smaller machines are used for small lots, delicate items or stain-re-wash loads.

Like most mixed plants, mats comprise a significant portion of this company's business. On our walk-through we saw two mat rollers, a PDPI machine and a new mat roller from Inwatec. The latter machine is imported from Denmark and marketed in the U.S. by J.P. Equipment. Thornbury says he's pleased with the throughput and ergonomic design of the Inwatec mat roller. Mat manufacturer Mountville Mills Inc. is the company's main supplier of mats.

To keep routes supplied on an ongoing basis, the plant always has a 2-3-day inventory of mats available. With two shifts working on both machines, they're processing roughly 2,000 mats per day. All mats are embedded with RF chips and are tracked via a high-frequency chip reader. Converting this inventory to UHF chips is an option for the future, Thornbury says.

Moving to the garment-sortation area, we see a group of employees inspecting and hanging shirts and pants on hangers that move up on a system from Hanging Specialties. Most garments then move by an E-Tech overhead rail system to a Leonard Automatics tunnel finisher to remove wrinkles. A majority of the garments are supplied by VF Imagewear.

After goods come out of the tunnel finisher, a scanner reads the RFID chips and instructs employees which moving hook

to place each specific garment on as a conveyor passes in front of them. The system goes through two sorts before garments are placed in order based on the correct day, route and wearer. Each garment also has a barcode label that's used as a backup if its chip is damaged or lost. A computer voice speaks to employees as the color-coded hooks pass by at a steady pace, "Red 8," "Red 4," "Black 2" and so on. The voice says "Complete" when a daily route allotment is full. The system will sound an alarm if an employee places a garment on the wrong hook.

Thornbury says the RFID system for garments has improved efficiency and the accuracy of deliveries. "We're able to track every garment through the process with RFID technology," he says. Production Manager Bo Schellenberg adds that, "It's really very helpful. It keeps the process efficient; it keeps our costs down as much as possible." Employees inspect garments for missing buttons, tears and other defects, and then repair garments before delivery. Damaged items are placed in a yellow barrel for immediate action, or in a red barrel for immediate replacement. All plant staff wear hairnets to reduce the risk of cross-contamination.

We saw a similar focus on efficiency, quality and throughput in the flatwork-finishing area. On our way there, we met Roger Hager in the packout area. He was busy moving carts, but stopped to speak to us. Roger noted that he's worked at the plant "almost 70 years." He started as a pants presser in 1947, and worked his way up to plant manager, before he and two partners bought the business from Robert and Henrietta Miller in 1968. Roger's wife Jackie joined the business in 1967 and—as noted above—she still puts in regular hours as well.

The flatwork side of the plant features five ironer lines, with ironers, feeders and folding and stacking equipment from JENSEN. These systems include automated and semi-automated folders. After processing, finished goods move on a conveyor to the packout area. The plant also has three laborsaving towel-bagging machines from Ergocon. They're used

Keeping People Safe—Miller's Proactive Prevention Focus

Keeping employees safe is a top priority for Miller's Textile Service, says Human Resources Director Vickie Roby. Making that vision a reality requires a full commitment from everyone on the company's 200-member staff, including all managers and hourly people.

Miller's method for keeping employees safe includes a Safety Committee comprised of staff members from each department. They meet every other month to discuss any potential hazards that could lead to accidents. Operations Manager Andrew Thornbury added that the safety focus extends beyond the laundry in Wapakoneta, OH. "It's not just the plant, it's routes," he says. "The entire company gets involved. It plays into everybody. Regardless of who gets hurt, it's going to affect everybody."

Rather than waiting for an incident to occur, the meetings feature a proactive focus on issues that could lead to potential hazards. "We focus on everything," Thornbury says. "The goal is not only to review when an incident happens, it's how do we prevent it from happening again! How do we keep small things from becoming a safety hazard?"

Roby cited a recent suggestion that led the company to replace a long narrow mat on the soil-sorting deck as an example of Miller's focus on prevention. An hourly employee who works in that area said that the mat was showing signs of wear and could pose a trip hazard. "We just purchased a new mat for our soil-room area, our conveyor belt area," Roby says. Thornbury says the 55-foot-long mat has anti-fatigue cushioning and a yellow stripe on the edge to make employees aware of its coverage area. It's also skid and stain resistant. "After being brought up to the safety committee, we had it ordered that day or the next day and it was installed maybe two days after that," he says. "It was all within the week."

Given Miller's Textiles' collaborative approach on safety, Roby says it's not surprising that the company's workers' compensation modification (MOD) rate is a healthy .61. The figure is based on the number of recordable incidents that the Occupational Safety and Health Administration (OSHA) has on file for a company. Any score below a one is considered better than average for a given industry, such as linen supply or uniform rental laundries.

"We take safety very seriously," Roby says. "Every employee knows that they can submit safety concerns to any member of the Safety Committee for prompt action," she added.

In addition to the Safety Committee, Miller's participates in a regional monthly Safety Council. The company also takes advantage of programs offered by the Ohio Bureau of Workers' Compensation. These include: Transitional Work Program; Drug Free Safety Program and an Industry Specific Safety Program. She added that the company has received safety grants to provide lift gates for vehicles and to upgrade various systems in the plant.

mainly for bar mops, grill pads, shop towels and other small items. Photo eyes on the machines count each towel to keep track of inventory.

Mentors—Teamwork Boosts Retention

One proactive step that Miller's Textile Services has taken to reduce turnover at its headquarters plant in Wapakoneta, OH, is to assign veteran employees to act as "mentors" to new hires. The goal, says Human Resource Director Vickie Roby, is help new staff transition to their jobs at Miller's as smoothly as possible.

"We do have mentors that are assigned to new employees," Roby says. "Mentors have an agenda that they are to follow with the new employee, which not only includes the normal orientation items, but also inviting the new person to sit with them at breaks/lunches and communicating with them throughout the day."

The program kicked off in August 2013 and was developed by staff through the company's Miller's Improvement Team (MIT), a group of employees who work on various issues associated with promoting employee satisfaction (see pg. 28 [at right] for details). To help build even more support for mentoring, on Oct. 1, Miller's Textiles added a cash incentive for mentors. If the employees they counsel stay with the company, the mentor receives extra pay after three months. "We believe so strongly in the mentor program, that we have recently implemented a mentor-retention incentive plan," Roby says. "The employee who mentors can receive up to \$150 for the retention of each employee that they mentor during the quarter."

Roby says several new employees have told her they appreciated the program because it helped them get acquainted with the new workspace and people faster than they otherwise would have done. "We have had several new employees state that they really like the mentoring program as it makes them feel welcome on their first day," she says. "It is nice to have someone to sit with and talk to when you are new to a company."

Roby credits the mentoring program—along with other team-building efforts—with helping reduce the number of employees who leave the company. "Since we implemented the mentor program, we have seen our turnover decrease an average of 5%," she says. "I believe that the decrease in turnover is not just due to the mentor program, but to our collaborative efforts to partner with our employees to make Miller's the best independent single-plant textile rental company in the U.S."

Moving to the mechanical room, we see more equipment designed to maximize efficiency and save resources. Garry Braun, the maintenance coordinator, notes that the plant has two well-tuned boilers, a 150 HP and a 125 HP boiler. The latter of the two is used a backup boiler. There's also a heat reclaimer and a stack economizer from Kemco systems Inc. In addition to saving water and energy, Miller's is big on recycling surplus materials, especially hangers and cardboard. The recycling program is revenue-neutral, i.e., a company comes to haul items away, but it doesn't pay Miller's for the goods. Still, as Thornbury notes, it's important for Miller's to operate as a good corporate citizen in Wapak, a town of roughly 10,000 people that's also the birthplace of astronaut Neil Armstrong.

EMPOWERING STAFF


Like most commercial laundries—particularly in areas of low unemployment—maximizing staff recruitment/retention is critical to Miller's Textile Services. Bob said the labor shortage in surrounding Auglaize County has reached a "crisis" level. As of April, the unemployment rate here was 3.3%—most economists consider anything 4% or below as full employment. Miller's has responded to the need to reduce employee turnover by enhancing communications in an effort to build staff unity. Employees are encouraged to contribute ideas, not only to help foster growth, but to enhance their quality of life at work, Bob says. For example, Miller's formed an employee advisory group, dubbed the "Miller's Improvement Team" (MIT) to consider a range of employee issues. Human Resources Director Vickie Roby described a couple of MIT initiatives. One led to the implementation of a "flextime" program. Under this plan, employees can take off up to two hours per month to deal with any issues they'd like, such as school meetings or doctor's appointments. There is no penalty and no questions asked, so long as they make up the time in the same week that they were out. Roby says the system is helpful

in a range of cases. “It’s really been a positive thing,” she says. “In the past if someone woke up and they were a half hour late, they’d just call off for the day. Now they know they can come in and make that time up, and it doesn’t hurt them in any way. So we do that with all of our production and hourly employees. They can use that flextime.”

Bob says this program—along with the mentoring initiative described below—was devised almost entirely by staff. The MIT system has worked out well because the committee thinks issues through before approaching management with an idea. “I think the best thing about it is, the committees from my point of view, they generally do all the work. ...” Bob says. “And worst case, by the time it gets out of committee, there may be 1-3 options and that’s when it’ll eventually get to the management team for our input on it. But they’ve really researched it and brought the most viable choices to bear, like the flextime thing.”

While no company has come up with a catchall solution to recruitment/retention challenges, Miller’s approach strikes us as effective because it empowers employees to make their work environment as pleasant as possible—with management backing. Encouraging employees to engage in a thought process on issues that affect them directly is—in a sense—comparable to the company’s efforts to collaborate with customers. Of course, in both cases the issues and people are very different. However, in each scenario, partnering is critical for all of the various parties to achieve success.

The Miller’s method for dealing with these issues reflects its person-to-person approach—whether it’s outreach to clients, prospects, suppliers or its own staff. As Bob puts it, “We grow through relationships.” **TS**

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ABOVE: (from top) An overview of the plant’s finishing area; a group photo of the Miller’s Textile Services staff, including (l/r) Operations Manager Andrew Thornbury (far left, white shirt), President Bob Hager (center, white shirt) and family co-owner Jackie Hager (orange blouse and tan skirt); one of the company’s trucks is parked next to a loading dock. Two other trucks are visible in the background.