



5 STEPS

TO SAVE 10% IN LABOR



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INTRODUCTION

If 2020 taught us anything, it's that even the most sound business plans can be decimated overnight. As many in the laundry industry head into 2021 with lower volumes, their leaders are challenging their teams to find innovative ways to manage their operations more closely and overcome the unpredictable months ahead.

To better prepare for 2021, we put together our tips and behaviors any laundry can implement to uncover significant savings around their plant.



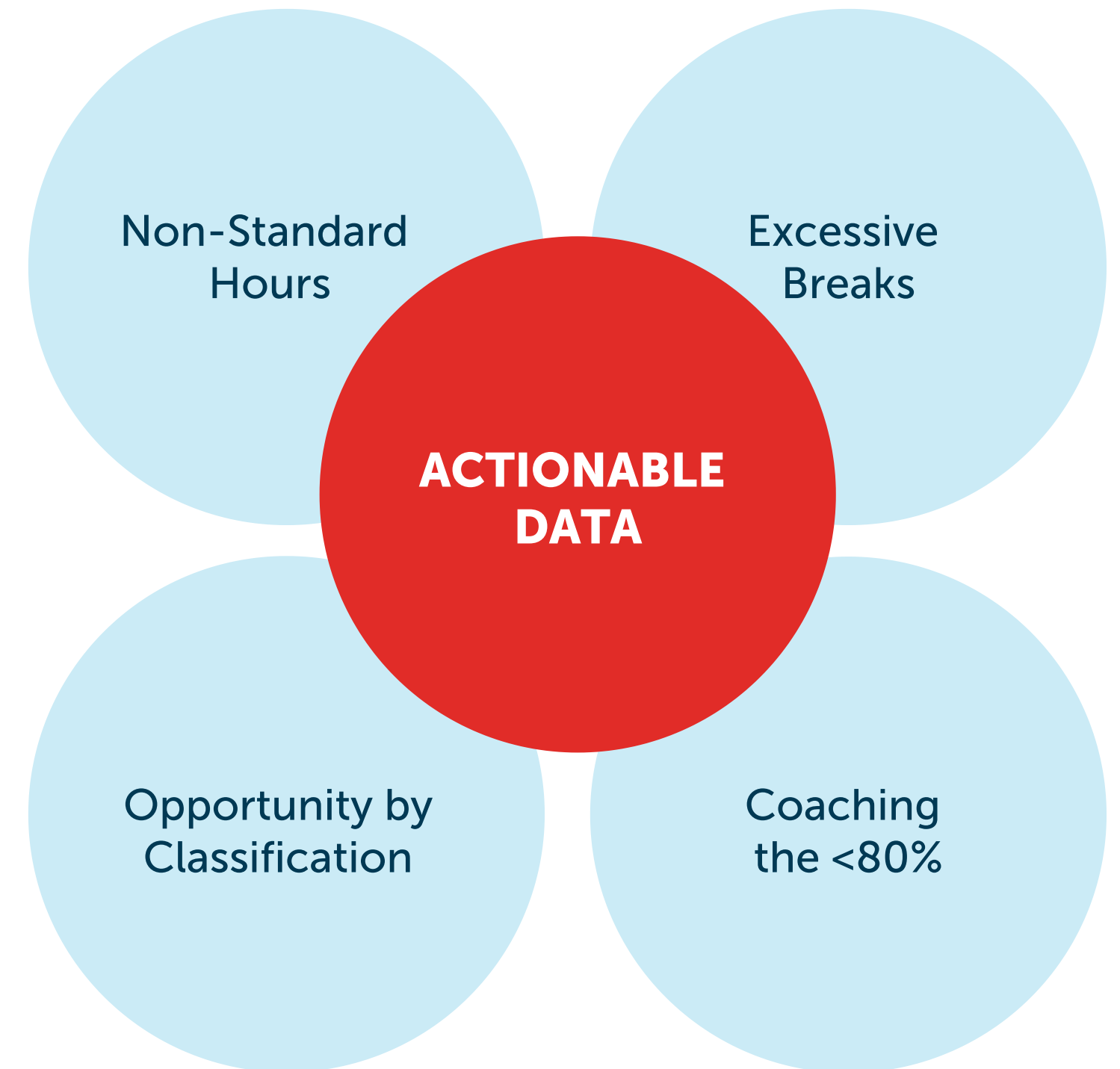
KEY TAKEAWAY

This is a critical time for laundries. The more you are able to understand your operations, the more money you'll save.

ACTIONABLE DATA IS CRITICAL

Everything discussed in this guide is based on the assumption you have access to actionable data - making this the first and most important step toward uncovering saving opportunities around your plant.

When we say "actionable data" we mean [accurate](#) and [timely](#). It's data you use to reliably make business decisions that will ultimately have an impact on the bottom line.



HOW TO KNOW YOUR DATA IS ACCURATE?

Utilizing a productivity system to automate the collection of data around your plant not only saves you and your team time but also reduces the exposure to human error. However, when utilizing these systems the accuracy of the data depends on how well your workforce logs into the system.

At Spindle we've built alerts and dashboards and train your staff on standard operating procedures to easily identify if your team is logging into the system properly.



DIVE INTO HIGH / LOW EFFICIENCIES

Over a rolling 5-minute period, look for efficiencies higher than 125% or lower than 65%. These are yellow flags that help identify team members who may be logged into the wrong classification.

LIMIT NOT ASSIGNED COUNTS

Not Assigned Counts (NA Counts) occur when equipment is receiving counts without a proper login. High NA Counts prevent management from ensuring standards. In Spindle, an alert automatically displays on the plant floor monitor and in SpindleLIVE telling you a machine has over 100 NA Counts and needs your attention.

KEEP NON-STANDARD HOURS <10% OF TOTAL HOURS

Since non-standard hours are not measured against a target, if not monitored appropriately, key areas of opportunity within your facility could be overlooked. Although each facility is different, operations that demonstrate best practices in this area typically report no more than 10% non-standard hours.

COMPARE PRODUCTIVITY SYSTEM HOURS TO PAYROLL HOURS

Identify employees that aren't logging into the productivity system correctly by comparing their payroll hours to your productivity system hours. If there is a variance greater than 3%, they likely need to be retrained on how to properly log into the system.

REDUCE EXCESSIVE NON-PRODUCTIVE HOURS

Now that you have reliable data in your plant, what do you do with it? The quickest and easiest way to start saving money is to ensure your team members are back from non-productive statuses on time.

This means your team should be focused on limiting the number of [excessive breaks](#), [excessive lunches](#), and [excessive meetings](#) around the plant.

Not only will this improve your plant's PPOH by 1 to 3 points, but if your plant has struggled with high overtime costs, this will have the added benefit of cutting down on those expenses.



HOW TO LIMIT EXCESSIVE BREAK TIME?

Look, we're all human. We're not asking that you take away breaks or discipline employees that are a couple of minutes late coming back from lunch. That would actually be harmful to your company culture.

What we are recommending is your team focus on reducing the number of instances an employee takes an extra 5 minutes for each break.

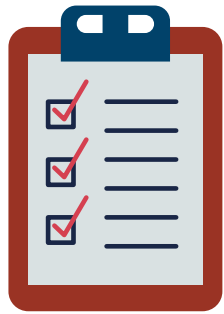
We've found that for operations with ~50 production employees, this step alone can save the plant [thousands of dollars a week](#).



KEY TAKEAWAY

You'll be shocked to find out how much these excessive minutes actually cost you.

BEST PRACTICES TO **LIMIT EXCESSIVE TIME**



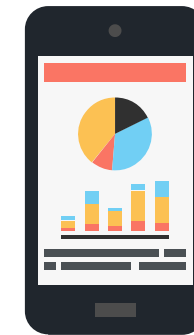
Have a team member responsible for checking employees statuses after each break or lunch



Take action based on monitors around the plant which show employees late to return to work



Review daily breaks on Spindle's Analysis page. Be sure to coach employees that are continuously late getting back to to work



Make limiting excessive time a priority by including it in your corporate KPI's

OPPORTUNITY BY CLASSIFICATION

Like most managers in the laundry industry, you likely have more on your plate than hours in the day. How do you manage to accomplish everything you need to?

Now that we've tackled some quick wins around the plant, let's dive a little deeper and put that data to use.

First, focus on low hanging fruit. We always tell our customers to find and focus on fixing the 2-3 classifications around your plant that are costing you the most money.

KEY TAKEAWAY

You don't need to fix everything at once. Focus on your top areas of improvement before moving on.

UNDERSTAND WHY YOUR TEAM IS NOT MEETING STANDARDS



1

FOCUS ON YOUR TOP 3 CLASSIFICATIONS

You can't fix everything at once, so don't. Focus on the top 3 classification in your plant costing you the most money.

In Spindle, we utilize the analysis page to quickly examine daily and weekly classification opportunity.

2

ARE YOU SETTING YOUR WORKERS UP TO FAIL?

For each of your top 3 classifications, ask yourself:

1. Every time the team isn't feeding, why is that?
2. Do you have standard operating procedures?
3. What is the product mix?
4. How are the equipment speeds set?

3

WHAT ARE YOUR TEAM LEADERS' AND SUPERVISORS' RESPONSIBILITIES?

Management's time is more effective when leading, coaching, and managing the flow. Do you stop and address opportunity issues when you see them?

Team leads should monitor daily percentages in the red and use these moments to coach employees.

4

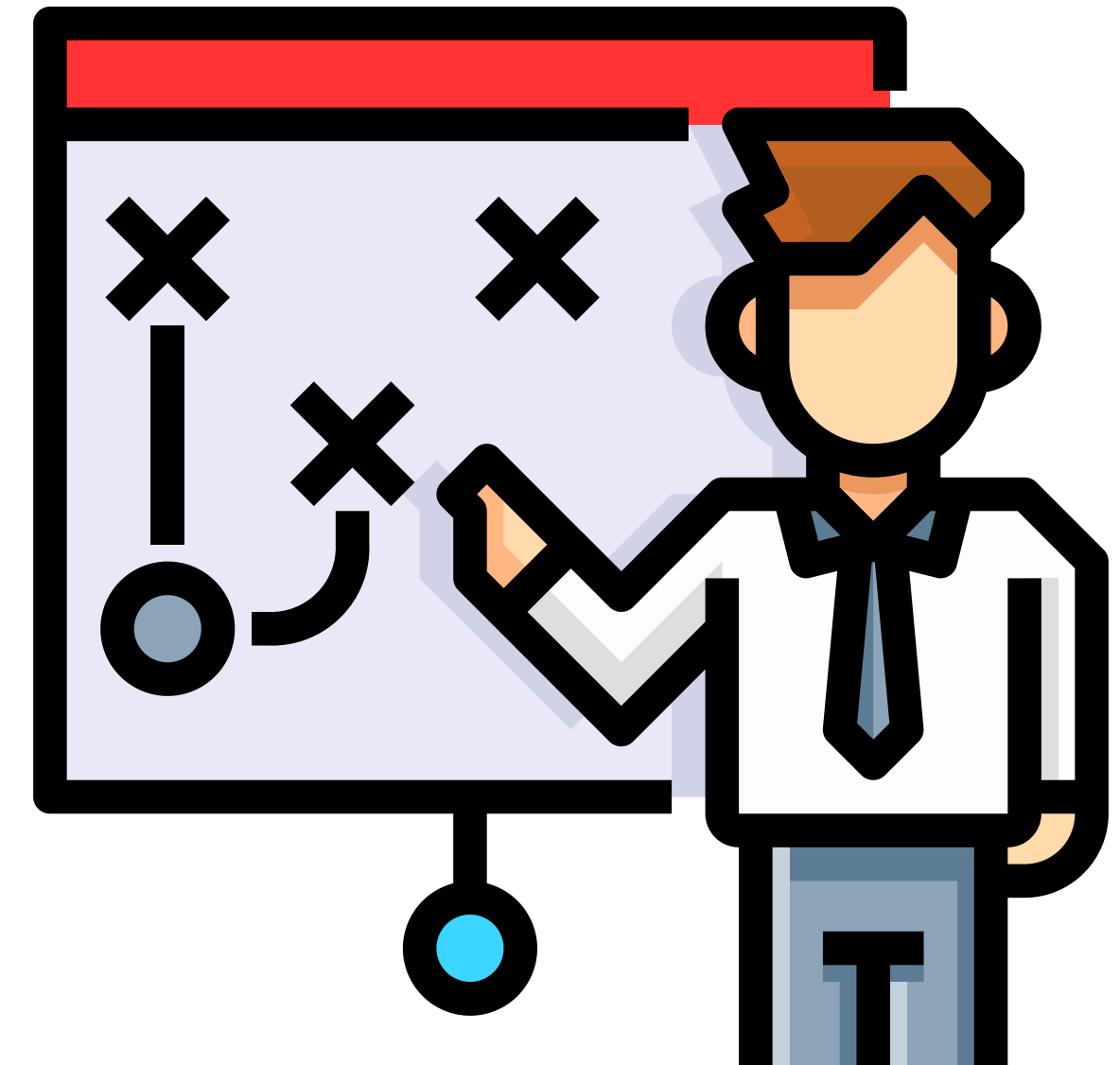
IS YOUR EQUIPMENT WORKING AS DESIGNED?

Make sure your equipment is working properly. Document every time a piece of equipment jams. Are your ironers clean and are the speeds where they should be for each classification (i.e. sheets 110-120 vs napkins 55-60)?

COACH THE EMPLOYEES THAT NEED YOUR HELP THE MOST

We're not in the business of firing people and neither are you. We believe given the right tools and coaching, every team member has the potential to grow and become a solid contributor towards helping any organization move from good to great. In light of the industry's high turnover rate, our goal is to get your operation to the point when employees do decide to leave, you no longer need to replace them.

So, what do you do with employees that are consistently failing to meet standards?



HOW TO COMBAT LOW PRODUCTIVITY

Everything in this document is based on the assumption you have accurate data, but this is such a fundamental piece for success it's worth bringing up.

Before you can begin to evaluate if an employee is performing adequately, you first need to identify a sustainable baseline for performance. Set your standards and company expectations accordingly.

Now that standards are in place and you're able to accurately measure your company's performance, let's dive into how to improve low productivity.

MAKE SURE YOUR TEAM IS NOT SET UP FOR FAILURE

Low performance doesn't necessarily mean poor performer. Are you providing a real-time scorecard for them to review how they are performing against standards? Is the equipment working properly? Is someone responsible for addressing low productivity in the moment, or do they wait until the next day?

FOCUS ON GETTING EMPLOYEES UNDER 80% INTO THE 80'S

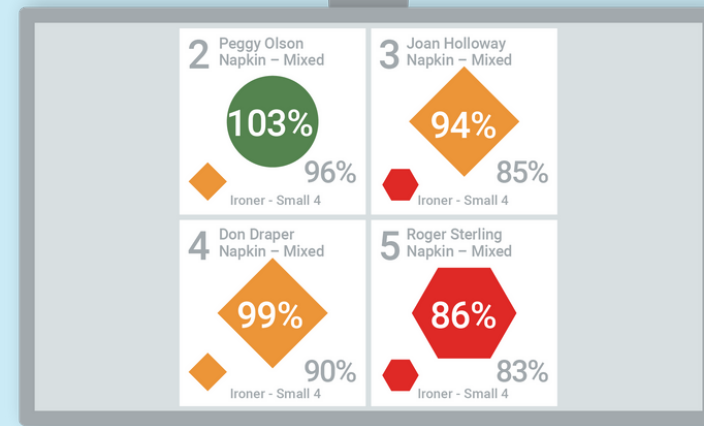
Let's focus on some quick wins. Make it known the company expects employee overall productivity to be above 80%. Spend time with those below this mark and make sure they understand their role and how their success helps contribute toward the team's overall success. Have weekly meetings and go over how they performed this week versus last so they can see their improvement over time!

NOW DO IT AGAIN. THIS TIME FOR EMPLOYEES UNDER 85%.

The best companies keep pushing themselves to be better. Once your team is consistently above 80%, there's no reason to stop there. Challenge the entire team to be above 85% for the month and earn a lunch on the house.

SHARE, CELEBRATE, AND REWARD SUCCESS

When an employee begins to show improvement, be sure to celebrate and share their success. Positive reinforcement is a powerful tool that helps improve employee morale, shifting the environment from disciplinarian to motivational. Additionally, these employees will experience what success feels like which serves to lift other team members up. Together, all of these aspects foster a better, more fulfilling workplace.



WE'VE FOUND THAT
PRODUCTIVITY INCREASES

5 - 10%

BY SIMPLY ADDING A
VISUAL WORKPLACE

REDUCE THE AMOUNT OF NON-STANDARD WORK

In order to reduce labor costs, you must either reduce labor hours or increase volume (without increasing labor hours). While production efficiency is a very important indicator of your team's success, monitoring non-standard hours is equally important.

Let's consider a simple scenario in which your team has consistently increased production efficiency over the past few weeks, but you're still reporting the same amount of labor hours and volume. Your team is more efficient, but how did you save money?

The short answer is that you probably didn't. In this scenario, it's likely that your non-standard hours increased, while your standard hours decreased.

KEY TAKEAWAY

Understand how much time you truly spend doing unmeasurable work. We've found the best in class limit their non-standard hours to be below 10% of their total payroll hours.

SUMMARY OF **THE 5 STEPS**



START WITH
RELIABLE DATA



REDUCE EXCESSIVE
NON-PRODUCTIVE
HOURS



FOCUS ON OPPORTUNITY
BY CLASSIFICATION



COACH THE EMPLOYEES
THAT NEED YOUR HELP
THE MOST



REDUCE THE
AMOUNT OF NON-
STANDARD WORK

ABOUT SPINDLE

We believe every company should have real-time visibility into the heartbeat of their operations and we're building the technology to make it happen.

Spindle is a technology company that builds the infrastructure for industrial operations to measure and improve their productivity. Over 400 laundries around the world – from startups to public companies – use our products to collect data and manage their operations more efficiently.

OUR SUCCESS DEPENDS ON YOUR SUCCESS

When you work with Spindle, you're beginning a partnership with our industry experts whose sole focus every day is helping laundries like yours operate better.

Meet a few of our team members around the world responsible for helping you achieve your business objectives.



CHRISTOPHER

CUSTOMER SUCCESS MANAGER
APAC



KRISTINA

CUSTOMER SUCCESS MANAGER
NORTH AMERICA



ROBERT

CUSTOMER SUCCESS MANAGER
EUROPE

WE'D LOVE TO WORK WITH YOU

Our team is happy to answer
any questions you may have.

LEARN MORE

www.spindlelive.com

CONTACT US

<https://www.spindlelive.com/contact-us>

