

Expect the Unexpected:

Anticipating the “Worst Case Scenario”
Can Ensure Success

By Bob Corfield

Taking on any large project is daunting. While the planning stages may be exciting as you anticipate the outcome, the headaches that come from unexpected obstacles due to poor planning will quickly squash any enthusiasm. In fact, you can easily see your entire project derailed before it gets off the ground if you fail to anticipate all the possibilities.

Picture this: You just received a call from management that funds may be available for the new equipment you have been requesting. Now you’ve been asked to assemble a detailed project budget for final authorization to purchase. Your budget proposal and (possibly) the effective return on investment need to be completely and clearly stated.

Since those on the management committee making the final decision may not actually understand what or why you are making this request, it is essential that your report includes much more than a factory machine brochure and specification sheet with vendor proposal. You need to tell your story and back up your request with facts and figures that define the benefits of this project. You also need to consider all aspects of the machine installation so you can avoid falling short in your budget request. Unfortunately, underestimating the budget is common and often results in projects being cancelled or scaled back. Or, if the project is funded but the budgeting is not thorough or inclusive of all possible scenarios, the project can fail.

Consider this example: a few years ago I was called into a project during the purchasing review phase to advise a laundry that was having a major problem after receiving the bids on machinery and installation from vendors. During budgeting the prior year they had contacted a consultant and several vendors to get some advice on a realistic budgeting cost for two new large 800lb plus washers and two new 450lb dryers. Their old washers were often breaking down and the manufacturer was no longer in business. The budgeting advice they received covered the equipment and modest installation costs only and did not take into account the impact of the installation on his plant infrastructure or the associated code compliance work they might be required to make. This was a considerable oversight.

The electrical power requirements of the new equipment were greater than the existing equipment and it was suggested that all that was needed was a new electrical breaker in the existing panel. While that appeared to be a small issue, the breaker panel was nearly full and the new power requirement would create maximum load. The real problem came from the



fact that the breaker panel was 26 years old and the breakers were no longer available. Further, even with a new subpanel, the electrical wiring running to the washers and dryers would need to be replaced and local disconnects added to each machine to meet current code.

The air, water and steam connections on the old washers were undersized by 30% for the new equipment. Upon closer inspection, the steam connection was severely corroded as well and needed to be replaced. The best decision here would be to run new lines from the source with the correct size. This was not planned for in budgeting.

Purchasing and installing new equipment without the correct process mechanical connections can mean slower production times due to slow fill rates and slow heat up times. Having to address this issue after installation can be a difficult matter to present to management after the fact. Consider purchasing a high performance car without the proper tires, which then prevents you from achieving the speed and handling the car was designed for, and you get the point.

The new washers fit horizontally and vertically in the allowed space but the depth impacted the barrier wall, separating clean from soil. As this was a small hospital laundry, eliminating the barrier wall was not an option. The construction costs that were estimated for this were off by 75% because the new washers could not use the existing wall openings, meaning the wall had to be moved out 18”. The construction was double the work requiring extensive demolition and re-construction. As this was a “retrofit while running” scenario, temporary guarding was also required which added to the final construction costs.

Finally, the dryers that were selected did not fit the space allowed nor did they match the existing lint collector. Newer, high efficiency dryers use considerably higher airflows, and it is best to order the matching lint collector with the new dryer as a set. Additionally, the new dryers required higher gas pressure lines than were currently available in the laundry. A new gas line from the boiler room was required to get the correct pressure to the new dryer.

The problems amounted to a shortfall of over \$65,000 for the project. The code compliance issues could not be avoided. The project was also scheduled to be completed without interruption to daily production, which adds considerably to the costs for the trades (electrical, plumbing, rigging etc...). These contingencies were not planned for the prior year because the actual equipment selected was not what was originally considered during the budgeting phase. This is a common problem and is why budgeting needs to consider all possible scenarios.

When management was consulted on the identified issues, they indicated that there were no additional funds available for the "missed" installation related items. By the way, "missed" was management's terminology. The solution and the final report to management and the procurement team were to proceed with the project and the equipment selected -- BUT without purchasing one of the two 450lb dryers. This made best use of the available dollars to provide the best installation possible. The eliminated dryer was put into the following year's budget.

While the project was completed and was eventually installed successfully, the last minute scrambling related to the installation caused considerable embarrassment for the

laundry manager who had prepared the budget. While seeking the advice of vendors and a consultant was the right course of action, this consultant had never visited the site and was not experienced with machinery retrofit installation and the potential challenges. The vendors, however, were limited to only the solutions that they could provide.

The lesson: When budgeting for a capitol project, it is always a good idea to consider the most extreme case of the equipment you might be required to accept or end up purchasing. It is always easier to ask for more than you might need during budgeting, and not need to use it, than the other way around. Only by anticipating all that could go wrong can you ensure that it all goes right.

Bob Corfield is the President and founder of the Laundry Design Group, LLC and a veteran of the laundry and textile services industry serving in sales, consulting and project management roles for over 28 years. He has held senior management roles with the ELX Group (Washex, Senking), GA Braun, Jensen America, and Kannegiesser. Bob has extensive experience in planning, evaluating, designing and installing laundry and textile systems within every aspect of the industry including resort hospitality, healthcare, textile rental and industrial processing. He has completed projects in the US, Canada, Mexico and the Caribbean. He has visited and evaluated laundry operations in over 20 countries and he brings a broad understanding



of what is possible and what is practical in textile processing.

Bob is a frequent contributor to trade and industry publications and has been a presenter and instructor for several trade associations and industry training programs.

