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Competitive zeal helps unify diverse corporate image

Boxer's legacy marks regional operation's zeal

By Ken Koepper

The Kansas City company known through much of its recent history as AAA Uniform had always been a fighter. Ace Heilman and his wife Clara founded the operation in 1932 and built it during the Depression. That battle was tough enough, but Ace was a Golden Gloves boxer, too. His desire to succeed in the ring was consistent with his passion to create jobs.

Today, the Heilman family has more than 75 years in the laundry business under their belts, and what's now known as Ace ImageWear is a regional operation, having leaped in 1980 to Texas. The company has benefited from strong economic conditions there when Kansas City hasn't grown very well and vice versa. Such diversification reflects the perspective that Heilman adopted in the Depression: It's difficult to succeed, but if you protect yourself and do what's necessary to build the strength to overcome obstacles, you win.

That's why it made so much sense to the second and third generations of family management to rename the company after him. They wanted a single identity for the

entire operation: the Texas business, Shepherd's Uniform and Linen Supply, had retained that name since the acquisition.

They'd talked about a unified name before and hadn't reached consensus. But at the onset of 2007, the time seemed right to try again. It promised to be a major diplomatic effort, recalls Ed Heilman, VP and KC GM. "We may be a family business, but not everyone thinks alike. In fact, it can be a little more difficult to get everyone on the same page."

As they considered a unified identity, they recognized why separate ones had been so easy to maintain. "The two plants (KC and Beaumont, Texas) had operated autonomously for a long time," Ed explains.

Ed's father Paul, one of three brothers and a brother-in-law in the second generation of family management, met Smythe Shepherd through the Southwestern Linen Supply Association. (The other AAA family members were David and Roy Heilman and Carl Skiff.) The company had been in the business since the 1890s and Shepherd, with no heir apparent to run the operation, was looking for an exit strategy.

"When my dad and his brothers looked closely at the Gulf Coast, they recognized that with the oil industry there, the petrochemical business, strategically, it would be a good market for us," Ed recounts. Shepherd's was more of a linen operation than AAA, although the latter had acquired Professional Linen Supply of Kansas City, Kan. in 1970. By 1992, however, AAA had divested that business, and was on the move in Texas, expanding to Houston. Soon after, they extended their reach to Dallas as well. This accelerated synergies between the home base and its southerly compatriot.

The closer we came to each other geographically, the more customers we had in common," Ed explains. They could refer more business to each other. "So we would visit a prospect in Dallas, hand them a Shepherd's business card and say, 'I'm from AAA.' We were sending a really confusing message and it became more imperative to have a common identity."

But that didn't happen overnight. It took planning for the 75th anniversary—the initial consideration of how to promote the milestone—to encourage Ed to raise the issue. “I didn't even want to have the conversation again, it had caused so much angst previously and we could never come to an agreement.” But this time, they took a different tack: hiring a consultant to offer suggestions.

InQuest Marketing, Leawood, Kan., examined the situation, drawing on the firm's background in strategic planning and data analytics. The firm is billed as a team of marketing professionals that seeks first to understand clients' goals, customers, and competition, and then drives measurable marketing solutions that get results.

Ed says, “The name change wasn't worth talking about unless we agreed among ourselves that we would hire a professional, someone who would research our industry and our companies and tell us whether it made sense to change the name, and if we did, what it should be.” AAA, Shepherd's, or something different were all possibilities.

Driving the decision were four Heilmans: Ed and Bill, both in KC; David in Beaumont; and Jim in Houston. It took three meetings with InQuest to emerge with the plan to rebuild the corporate image around Ace. The first enabled the firm to interview the company execs; the second, both parties discussed research findings; and the third presented InQuest's recommendations.

Guidance had previously existed in the results of a CSC Network (Oregon, Wis.) study that indicated market preference for working with locally owned independent rental laundry companies as opposed to national chains. Whatever rebranding or messages AAA created needed to position the company to take advantage of this. “A lot of customers didn't know we were family-owned,” Ed says.

All roads led back to Ace and the company's early years. Putting his name front and center would give the company a great story to tell about its culture. Boxing analogies could abound, observes InQuest's Jody Hanson. “He fought for what was right, vigorously creating jobs,” she explains, “and keeping with that heritage is what the company does today.” This includes “doing things above the belt” (ethical) and

“answering the bell” (responsive). A bit more dramatically: Ace employees “fight” to ensure their customers have winning corporate images.

Hanson recounts stirring emotions in the current generation of family management when discussing the company’s genesis. Ace would be a logical choice: it would celebrate the company’s heritage and honor its founder. Plus, she notes, “we didn’t pick a name out of left field.”

Then came the second part of the name: something that would position the company at the forefront of the market and reflect the philosophy that Ace’s job is to make businesses look good, whether it’s through clean uniforms, mats, aprons, or any product or service. Rental laundries are in business today because they build images, Hanson observes, not just because they provide fresh goods.

For this reason, Ed toyed with endorsing a switch to Ace “ImageCare,” but with uniforms as the most identifiable product that the company provides, “ImageWear” won out. He was a bit apprehensive about “Ace.” It seemed a little cliché, having been used in lots of different types of businesses. “Heilmans” might have provided the family identity needed just as well. “But the story of our founder was so powerful. To have such a great opportunity to tell that story was too good an option to turn down. It far outweighed the negatives associated with his first name.”

Plus, InQuest pointed out that no negatives are associated with the word, whether it conjures up an image of a winning playing card, the best pitcher on a baseball team, a pilot at the top of his career, a great tennis shot, etc.

Ed also liked highlighting parallels between boxing and the company’s culture. Ace is an independent in a battle for customers dominated by national chains. Many small companies have left the market. “Ask any independent who’s remained,” he challenges. “If you’re still around today, you’d better be doing a lot of things right.

“Back in the ’70s and ’80s, it was pretty easy to make money. Today, you’ve got to have all your ducks in a row.” Competition has made the company better, he says, “raising the

bar for us and our customers, and we're OK with that. We're prepared for that, we don't mind it, we enjoy a good fight."

Every company has a different personality, the sum of the staff's personal qualities. In sales, larger operators are more apt to hire "gunslingers," Ed says. In contrast, Ace wants people who "develop relationships with customers and support them long-term." This means not seeing any sale as "a one-and-done deal" and moving on to the next prospect, never supporting the previous sale.

"In our case, the salesperson is always going to be there, with the account's key contact's cell phone number and knowing that person on a first-name basis." That was another good reason to rebuild the identity around "Ace:" it's a first name, and the company wants to build first- name relationships with all customers.

"That's something the biggest companies can't do. They're too growth-oriented. Their human resources move to other locations in the chain way too much to be able to develop those types of relationships. For us to survive in this competitive business, we have to have those relationships."

This isn't so easy even for an independent to accomplish in areas with mobile workforces like Texas' Gulf Coast. Turnover of route salespeople, for example, is lower in KC. Across all businesses around the Gulf, it's more difficult to keep people, especially in the wake of Hurricane Katrina. But with billions earmarked for investment in the region's petrochemical industry over the next 10 years, the outlook is positive. Ed thinks the Texas business will grow larger than the KC base for the first time ever this year. The markets are larger (more than 12 million people) and Ace has well-established service centers in Houston and Dallas. The latter location is almost too far from the Beaumont base; if it continues to grow nicely, the company may install laundry equipment there.

Reinforcing Ace's commitment to customers: its use of information technology that improves service. Garments have been barcoded for about a decade. Ed remembers talking with Gallagher Uniform, the Battle Creek, Mich. operation, whose management

advised him that barcoding “would drive the rest of our processes. Not that it runs your company, but it has an impact on every system you operate.”

Tracking garment inventory with bar codes gives Ace “great information on all garments in service, from current location to history to assignments.” It reveals how the company makes money, which makes staff more efficient and effective. Radio frequency (RF) ID chips for mainstream garments were considered, but ruled out, because the company had no plans to use automated clean garment sorting technology. Installing such a system would be the best justification for stepping up to RFID, they concluded; as long as they planned to stick with manual sorting, bar codes would be good enough.

They kept that stance until Softrol Systems (Acworth, Ga.) came along with technology that could scan bar codes “on the fly” and provide the precision needed to make such sorting work with this form of ID. The supplier’s SoftSort system was “the first I’d seen that made sense to me, that I could recognize a payback associated with it.” He’d asked other launderers who had spent around \$1 million for autosorting about the return from those investments and “they’d start kind of mumbling” or talking about lengthy time periods to recover their investment.

But Softrol encouraged the Heilmans to visit Wildman Uniform (Warsaw, Ind., see IL, March) and that trip proved convincing. It took about a year to make the buy decision and design, manufacture, and install the system. Fitting it into the KC plant’s tight spots was a challenge, Ed says.

To date, the technology has been fully operative for about a year and a half. “It has a great read rate. Certainly it’s not perfect,” he describes, pointing out that some garments have to be reinserted by hand into the work flow. “But they’ve built a very nice system and we’re happy with it.” The technology might be added to the Beaumont plant, too, although current capital priorities there involve wastewater pretreatment and “some other strategic growth issues.”

RF chips are likely to become more prominent in the operation for mat inventory tracking, he adds, and the company is considering additional technology for customer

relationship management.

Last year, Ace took a major step up in database management by pioneering Alliant Systems' (Irving, Texas) new 2.0 software. Previously, the company had its own route accounting, a proprietary system on the UNIX platform. "It served us well. But as we grew, it was harder to administer, with our four locations."

Plus, with this approach, when they had to upgrade, "we reinvented the wheel every time." They realized this wasn't particularly cost-effective and recognized the risk of having a single staff system administrator as their sole maintenance resource. If he couldn't work for some reason, "we didn't have any real support."

Going with Alliant was a dramatic step forward. It enabled the company to get the best available technology "virtually overnight, while having somebody else (a supplier) do the heavy lifting." Immediately, route salespeople were able to carry handheld computers. And the company is starting to provide customers with online access to their data, such as invoices and work orders, and enabling them to place orders. Larger accounts are very interested in these capabilities, Ed says.

Compared with the old proprietary software, retrieving information from the Alliant system is instantaneous, a plus for customer service. "Our old system wasn't really broken. We could give customers a lot of good information." But 2.0 made this data more readily available and user-friendly to acquire, thanks to the Windows operating system. Route salespeople still take paper copies of invoices to use as delivery tickets. But the handhelds capture customers' signatures. If they want a hard-copy record of their delivery transactions, 2.0 e-mails or faxes it by the next day. Thus, customers can still get paper copies. But for Ace, processing route transactions has become essentially paperless, as re-keying data has been eliminated and filing and order-taking are much easier.

The timing of the conversion to Alliant with the anniversary and rebranding was just a coincidence but became part of the story. "We want people to know we're a mom and pop, a family-owned independent, but we don't want to necessarily look like one," Ed

says. Thus, the company's new promotional materials reflect an operation that's invested in technology and just as proficient as any competitor.

By the time 2.0 was deployed, the rebranding was in full swing. At the end of 2006, the Heilmans had settled on the new name and started work on the associated logo. "We went through lots of versions. It was worth every minute that it took."

Of paramount importance: how the logo would look on a step van. "So we were designing the truck as we were designing the logo," Hanson recalls. Also around this time, the company's new slogan, "Anything else is just uniform," emerged. "We were learning about how the industry is moving from being just a provider of clean uniforms to a service provider emphasizing the importance of corporate image," she adds. The slogan contends that Ace has embraced this concept more so than its competitors.

Choosing a logo and colors was contentious. Management wanted colors distinct from the competition's as well as a proprietary design. "We had many conversations about color," Hanson says. "Maybe blue and green might have made sense, for water and the environment. Every color has so many connotations!" The key was to select something vibrant that would look good on a truck.

They selected fire engine red and gold with black. The logo also has a wave-like swoosh through the word "Ace," symbolizing water. "It has a bold, masculine look," Ed describes. "The bottom line is that we serve a male-dominated portion of the workforce and we need that."

By spring 2007, the new images had been selected. That sparked the creation of new collateral materials and changes to the company's Web site, letterhead, business cards, and digital sales presentation. They aimed to have everything in place and unveil the new name in September.

"We had to push it back to October," Ed says, in part due to InQuest's work, but more so to accommodate everyone's schedule for a major kick-off celebration that would take place in KC in which Texas staff would participate. More than 120 employees took part

in that weekend event, held at the city's Westin Crown Center hotel.

The program featured a boxing ring-like stage set and a guest speaker: cruiserweight Rob Calloway, from St. Joseph, Mo., who holds three world titles in his weight class. He talked about his family and career, what he's learned about the boxing trade, and what it's meant to him. His presentation featured many analogies between his uphill climb in boxing and an underdog succeeding in business.

Company milestones were celebrated, too, including special awards for 25-year employees and recognition of second-generation family members. Then, InQuest's Dave Wilson talked about the rebranding effort and announced the name change. To conclude the event, he dimmed the stage lights and played the theme music from "2001: A Space Odyssey." A curtain rolled back and attendees saw a brightly lit truck featuring the new logo.

"The excitement in the room was truly palpable," Hanson smiles. "Cameras were flashing all over." The audience included Ace's route salespeople and service and sales managers from Texas, who seemed genuinely jazzed by what was happening. "We thought it was really important to have them all there. These are your front-line people. They have to buy into what you do."

The next day, they received some formal training. "It was really important for everybody to understand what had been done," Hanson continues. So Ace's story was told again so that everyone would understand "the qualities of Ace Heilman and how they could apply these to what they do." The night before had excited them; that day, they thought about the true meaning of the company's culture, a pivotal step in ensuring the promise of the brand continues to be delivered.

Thus, for longstanding clients, the name change is noticeable and practical, but its meaning has long been recognized. Ed points out, "We did this to impact our current customers, but more to set a position for ourselves in the marketplace for prospects." Thus, when it was suggested that a name change might be risky because abandoning the old one might mean sacrificing a good reputation, the Heilmans weren't worried.

“Yes, we’re concerned about it, we talked about it, but really, we reach our customers so often that it’s not a factor. Every week we park our truck in their lots and make a delivery. Every week, our driver walks in to their building wearing an Ace ImageWear logo.” Existing accounts would learn quickly.

The real verdict, he says, will be rendered in about a year. Thanks to InQuest’s analytics, that’s when they’ll know if their effort paid off. The goal: that Ace gives the company better name recognition than AAA or Shepherd’s ever did. After all the work the Heilmans put into rebranding, they would likely view reaching that high point as a handsome return on investment.