𝔞𝔩 AmeriPride®

With strategic innovation, AmeriPride dresses for success

For a century, AmeriPride has cultivated the values of integrity and reliability — but in the crowded and competitive uniform and linens rental market, that's not enough. So the company partnered with HPE, implemented a flexible hybrid IT platform, and freed its staff to focus on customer touches and e-commerce innovation.

TREND   AT A GLANCE   BUSINESS CHALLENGE   IT CHALLENGE   SOLUTION   RESULT

> "When you're a 125-year-old company, you're constantly innovating. That's why you've been around so long."
>
> Steven John, CIO, AmeriPride Services

For the more than 100-year old textile rental and laundering industry, it's time for something new

In an industry as crowded and competitive as this one, companies like AmeriPride must innovate in ways that catch customers' attention.

Restaurants need linens and chef coats. Hotels need towels and bedding. Hospitals need scrubs, auto service stations need uniforms, and manufacturers need specialized garments to protect employees as they do their jobs.

Purchasing and cleaning linens and uniforms is expensive and time-consuming, however, so many businesses turn to textile rental and laundering service providers. Around 2500 of these service providers operate within the United States[1]

The vast majority of these providers are very small, regional businesses. AmeriPride falls within the industry's second highest tier. From its home base in the Midwest, it serves businesses throughout North America. It competes against industry heavyweights, which have the advantage of deep pockets and economy of scale, as well as small- and mid-sized regional firms and start-ups that can quietly pick off customers one at a time.

AmeriPride must drive internal efficiencies to ensure it can be both price-competitive and profitable.

It must excel at customer service. AmeriPride differentiates itself by promising high-quality services, dependability and integrity. Effective customer service generates positive word-of-mouth and customer loyalty. This helps AmeriPride fend off competitors that try to penetrate the markets it serves.

AmeriPride is also focused on identifying growth opportunities, from expanding footprints in existing accounts to entering entirely new markets.

2,500
Companies compete in U.S. uniform and linen rental market

4
Large public textile rental firms control 42% of the U.S. market by revenue[2]

1 Source: http://www.firstresearch.com/Industry-Research/Linen-and-Uniform-Supply-Services.html
2 Source: TRSA, global textile services trade association, https://www.trsa.org/page/companies-local-regional-national

AmeriPride is one of the largest uniform rental and linen supply companies in North America.

AmeriPride was founded over a century ago by two brothers, George and Frank Steiner, who delivered towels for a local laundry from a green and white handcart they pushed through the streets of Lincoln, Nebraska.

Today, the company remains a family-owned enterprise headquartered in Minnetonka, Minnesota. It operates more than 115 production facilities and service centers throughout the United States and Canada, providing linen, uniform, floor mat, restroom and cleaning products to nearly 150,000 customers every week across four industries: automotive, industrial, hospitality and healthcare.

> "AmeriPride helps our customers take care of their customers."
>
> Steven John, CIO, AmeriPride Services

5,800
Employees

115
Production facilities and service centers across the United States and Canada

Dispersed, complex operations impede the best of intentions

Reliability and integrity are a powerful foundation, but AmeriPride must also innovate to truly succeed

AmeriPride's locations are dispersed across the entire North American continent, from California to Alberta to Newfoundland to Mississippi—and its distribution workflows are bi-directional and complex. It delivers linens and uniforms, retrieves them when they're soiled, cleans them, and returns them to the customer's inventory. And there's no room for error. Restaurants can't operate without clean linens, as one example. AmeriPride cannot fail to deliver the items a customer has ordered.

The company prides itself on its culture, which emphasizes the value of working hard to meet customer expectations. But as AmeriPride grew, the company realized it was hitting its limits on improving customer service. Its drivers have the most face-to-face contact with customers, but lacked the tools to quickly solve customer problems.

AmeriPride also recognized it must innovate to grow. But it needed a path to innovation that wouldn't hinder the established elements of its business: the inventory management, delivery fleet management, and customer service processes that ensure it maintains its revenue and profits.

"What becomes important is differentiation. How do we differentiate? How do we achieve the closeness, the intimacy that we need with our customers?"

Steven John, CIO, AmeriPride Services

150K
Customers served per week

16TB
Of data

Patchworked IT

An infrastructure that barely held together.

AmeriPride's business challenges were compounded by a siloed legacy IT infrastructure: workloads were spread across 50 branch facilities, making it cumbersome to share data and difficult — if not impossible — for AmeriPride executives to get a global view into the business.

At one time, the hardware was also out-of-date and increasingly unreliable. The company's servers were going down almost daily, and were often offline for up to 2 hours at a time.

The central data center was running out of space, and its cooling systems were inadequate.

There was no centralized helpdesk function: when people needed answers to a technical question, they relied on personal contacts they'd established with individuals in the IT organization.

And finally, even after it centralized its infrastructure, AmeriPride's data processing was far too slow: one report that was supposed to be run weekly took 36 hours and was frequently 2-3 days late.

> **"We had to write SQL statements to extract data, bring it together and then make sense of it. It was a multi-week effort just to pull the data and get into condition to analyze it."**
>
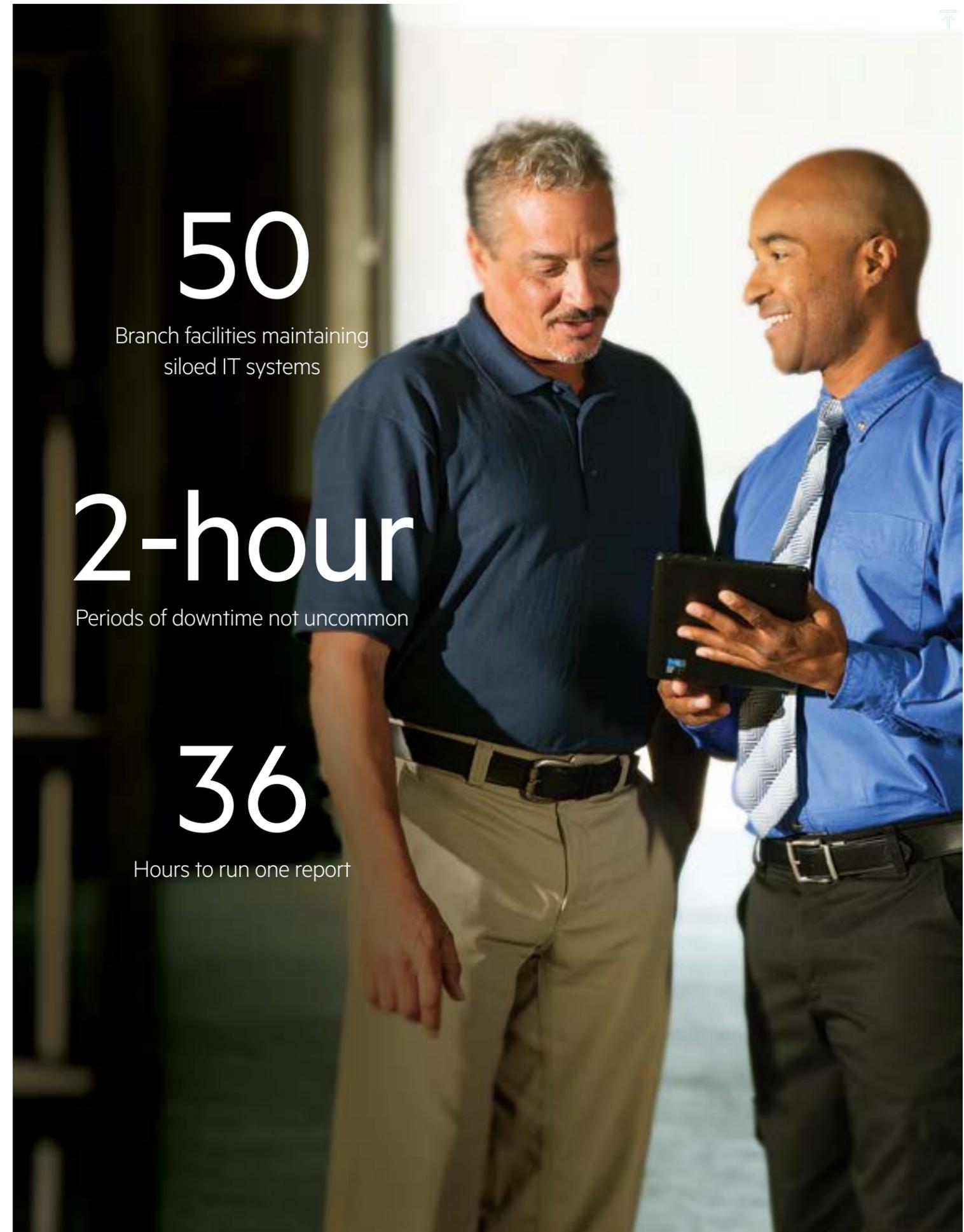> Rob Marlotte, Director of Pricing and E-commerce, AmeriPride Services

50
Branch facilities maintaining siloed IT systems

2-hour
Periods of downtime not uncommon

36
Hours to run one report

Flexible hardware paired with flexible funding

AmeriPride deployed on-premise servers for its mission-critical ERP system — and a leasing model to deliver budget predictability and keep its IT up to date.

AmeriPride built an on-premise ERP platform with HPE Blade System server blades and HPE 3PAR Storage. It leverages the public cloud for non-core applications such as its Human Resource software.

The company funds its hardware with an HPE Financial Services lease. This moved its IT infrastructure costs from a capital to an operating expense for budget predictability. Another benefit: at the end of each leasing period, HPE replaces AmeriPride's hardware with current generation servers, so the performance and manageability of AmeriPride's hardware keeps improving while its run rate remains roughly the same. AmeriPride currently runs HPE ProLiant Gen8 and Gen9 servers.

The company uses HPE OneView to monitor the infrastructure's interdependencies and status. This reduces the risk that AmeriPride's IT infrastructure will be degraded during operations like patching, that may have a wide-spread impact on the hardware ecosystem.

Most recently, AmeriPride implemented a big data solution that uses HPE Vertica and Tableau software. This new solution give the company's executives and analysts the ability to perform high-speed queries on 3 years' worth of invoice line items.

SOLUTION RECIPE

Right mix combines on-premise hardware, flexible leasing, management solutions and big data power

HPE Hardware
HPE ProLiant BL460c Gen9 Server Blade

HPE 3PAR StoreServ Storage

HPE StoreOnce

HPE Software
HPE OneView

HPE Vertica

HPE Services
HPE Financial Services

HPE Proactive Care Services

HPE Educational Services

HPE Partners
Works Computing for systems integration services

Transformation Solutions
Rapid Provisioning

Enterprise Hybrid Cloud

Infrastructure Virtualization & Consolidation

> "We've been able to sustain or even lower our annual cost year over year, and yet we get an improvement in performance and capacity each time a new hardware generation is released."
>
> Jeff Baken, Director of Infrastructure, AmeriPride Services

Clean, pressed and ready to take on the world

Reps have more time to spend with customers. E-commerce boosts sales and loyalty opportunities. And big data opens the door to inspiring possibilities, from product innovation to Industrial IoT.

After implementing its new hardware infrastructure, AmeriPride began leveraging it to drive business value.

An e-commerce portal enables customers to place and view orders, and to submit inquiries which are forwarded automatically to the field.

AmeriPride further boosted customer satisfaction by equipping its drivers with tablets and developing a "complete customer care" platform called C3 Mobile. AmeriPride employees use it to access customer information in the field, helping them quickly answer customer questions and resolve issues.

Before, AmeriPride reps spent 25% of their time pulling and assimilating customer data. That's now down to 1% of their time. Along with the company's e-store platform, this has fueled a change in the company's sales culture. Reps can devote more time to customer touches, and the company has resources to invest in building more relevant products and services, like specialized, logoed uniforms, that boost sales and improve customer loyalty.

AmeriPride uses RFID tagging to track its inventory. It's also starting to leverage Industrial IoT to manage its plant equipment, such as its washers, and enable driver route optimization. Over time, it will use data it pulls from its machines to perform predictive analytics and give engineers and operations staff better insight into what's happening in its plants.

0.5%
Lift in customer retention rate due to improved customer service covered cost of e-commerce platform in first 12 months

96%
Reduction in time reps spend analyzing customers (25% of their time to 1% of their time) freeing them to invest more time in customer touches

50%
Reduction in energy consumption by compressing hardware footprint and reducing energy and cooling needs, freeing capital to invest in innovation

"As a result of our work in this area, we're expecting to improve our customer retention rate, and that will significantly impact our bottom line by potentially millions of dollars."

Leo Smith, Vice President, Customer Operations, AmeriPride Services

VIDEO
Ameripride improves competitiveness with strategic innovation and HPE solutions

Watch video →

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