

Textile Maintenance Education

Dedicated to Continuing Education for the Textile Maintenance Industry

TEXTILE INVENTORY AND REPLACEMENT DEVELOPMENT

Were it not a necessity to have textiles, many institutions would not have to go to the expense of having a textile maintenance (laundering) operation. But, since clean, crisp textiles can say so much about a facility, there is a need to use textiles to make a statement.

Textiles on a bed or in the bathroom are often the first thing that is seen when walking into an institutional room setting. The appearance of those textiles, the quantity provided, the cleanliness and smell of those textile items all have a lasting impression on a guest. It is for this reason that so much managerial time is spent in deciding just the right sizes, types, colors and patterns.

When it comes to purchasing textiles, there is much more to understanding the subtleties of textiles purchases than looking at the cheapest first cost. Purchasing the least expensive textiles frequently winds up being the costliest decision and many institutions make this decision. The science and industry of textile manufacturing is quite complex; so much so that purchasers who say that a "...sheet is just a sheet" are operating in a vacuum. Furthermore the actual laundering process can be quite detrimental to the textiles if not properly managed.

When looking for textiles, the astute purchaser should be familiar with:

1. The image that is to be portrayed when an individual is viewing or coming into contact with that textiles
2. The "hand" or feel of the textiles
3. The sizes of the textiles items
4. The cotton and polyester content of that textiles
5. The visual perception that will be created when looking at the textiles
6. The weight of the textiles item in ounces per square yard
7. Whether the textiles is to be all first quality, second quality or "run of the loom"
8. The origin of the cotton. (All cottons are not the same. Cottons from very arid areas tend to be courser than cotton grown in moist regions.)
9. The country of manufacturing origin (Third world countries are still using archaic mill technology.)
10. The manufacturers stated manufacturing tolerance and variables.
11. The manufacturers stated warranty as to the number of cycles the item can be laundered

After exercising the necessary "due diligence" in ferreting out the textile quality needed, consideration must be given to the amount of textiles that should be purchased. This too is another area requiring some explanation. Many managers and sales personnel work on the "Par" theory. The typical par theory defines a "Par" as ". . . the amount of textiles needed to dress the entire facility and all of the bathrooms." If a client wanted to work with this definition then two par would be two times that amount, three par, three times that amount and so on. Using this theory almost invariably leaves the facility short of textiles. The most accurate definition of a "Par" is"; ". . . the amount of textiles consumed by a facility at 100% occupancy

during a 24 hour period." Additionally, it must be understood that the same par does not work for every textile item. Three pars may be perfectly acceptable for an item such as a bathmat while a three par of washcloths would not get most facilities through a week of operations. Historical trends for every type of textiles should dictate the "par" requirements of a textiles item.

Many managers actually believe that costs can be controlled by limiting the amount of inventory (pars) that are available. Over the past few years as new textiles have emerged from the R & D lab and found their way into facilities and institutions world-wide, the costs associated with these new textiles have sky rocketed. Today, textile replacement is the second highest cost on the P & L statement behind labor and employee benefits. By resisting the need to replace these items on a regular basis, an undue burden has been placed on the laundry. This requires that the laundry work, in many cases, overtime to insure that textiles are at the user unit where it is needed. The cost of that overtime and the increased labor cost through inefficiency frequently will cost more than the replacement textiles. If one wishes to control costs in a laundry textiles operation, good managerial practices should be employed. One of those managerial practices is not the limitation of textiles in circulation.

The most efficient laundry and textiles operation is one that is preparing and processing textiles for tomorrow's use, not today's use.

As a result of the forgoing, an understanding of the three different textiles inventory types needed for most facilities to function smoothly might be helpful. These are...

- The Initial Textile Inventory Needs
- The Circulating Textile Inventory Needs
- The Annual Textile Replacement Inventory Needs

An appropriate explanation of these inventory needs follows.

THE INITIAL TEXTILE INVENTORY NEEDS

Many facilities that open their doors for the first time have little if any knowledge as to their start-up textiles needs. This is frequently left to the creative imagination of the local textile representative who has been calling on the facility during construction. While the majority of textile representatives are extremely knowledgeable and reputable there are many more who are at the doorsteps only for the sales commissions. They will ask you what you want to buy, how much you think you need, tell you about the cheapest items they have, take the order and run.

Too often, three or four weeks after start-up someone starts to ask about washcloths, hand towels, pillow slips and the like only to find there are none in the textile room or in the laundry area. Why? Because too little was ordered initially and no one thought to place a follow-up order after start-up.

There is a great deal of confusion about *Textile Pars* in general and *Opening Pars* in particular. A *Textile Par* is described as ". . . the average amount of textiles used in 24 hours averaged over a seven day week". Any other definition is simply unrealistic. Therefore the initial inventory needs must be the maximum amount of textile used over seven days of operation divided by seven to get the average daily textiles usage. This number is then multiplied by at least 4 to obtain the initial textiles purchase amount. As an example:

| <u>DAY OF WEEK</u> | <u>SHEETS USED PER DAY</u> |
|------------------------|--------------------------------|
| Monday | 800 |
| Tuesday | 725 |
| Wednesday | 630 |
| Thursday | 655 |
| Friday | 844 |
| Saturday | 900 |
| Sunday | 350 |
| Daily Average | 701 |
| (x) 4 Par | 4 |
| Total Sheets Required | 2,802 |
| Divided by 12 = Dzs. | 234 Dz. |

A tremendous amount of research within all types of facilities proves they use many more textiles than they think possible. From a quality perspective most executives will require that textiles be changed more frequently than is absolutely necessary. As a result more textile usage drives up the 24-hour needs of the facility and the original calculations prove to be inadequate.

It is always a safe practice to increase your opening inventory by at least 25% to avoid problems three to four weeks out.

THE CIRCULATING TEXTILE INVENTORY NEEDS

The circulating textile inventory needs of a facility are directly related to the volume of textiles used during a 24-hour period. It is often better to keep track of textiles usage on a weekly basis to establish the circulating inventory levels. Weekly numbers will take care of any highs and lows that might occur during the seven-day period.

Therefore an example would be helpful:

A particular facility uses 7,000 twin sheets per week. Divided by 7 days equals 1,000 sheets per day; assume the circulating inventory to be 4 par.

This means . . .

- One (1) on the bed or room
- One (1) soiled
- One (1) In laundering process
- One (1) in reserve

Many facilities will work with three par of textiles, which does not provide for any textile reserves at all. This is when textiles shortages start to occur.

If the laundry or textile service only works/delivers five days per week it becomes painfully evident that the three or four par inventories are inadequate. It is therefore necessary to allow for an additional "par" of textiles for each day the laundry is not processing. If the laundry is only working five days per week it is mandatory that the fourth and fifth day's inventory be in circulation.

THE ANNUAL TEXTILE REPLACEMENT INVENTORY NEEDS

Textile replacement procedures are the most misunderstood concepts in the textile usage continuum. There are operating and purchasing executives who establish budgets for textile replacement vowing not to spend one penny more than that budgeted. Eight months into the

fiscal year textiles starts to become short and that same manager swears he is not going to spend an extra penny purchasing textiles. What happens? The overtime increases in the in-house laundry or extra service charges are assessed if using an outside service because of extra deliveries and pickups.

The fact of the matter is realistic budgeting and knowledge of how to budget for replacement textiles would have never allowed these conditions to surface. Textile replacement should be done on a daily basis just as it decreases on a daily basis. Furthermore, realistic budgeting techniques should be used to purchase the correct quantity of textiles. This begins with proper record-keeping which will provide the laundry and textile professional the necessary information needed to budget for replacement textiles.

There are three parts to this process.

1. Keep track of the number of pieces of each textile type used annually. The record keeping process used by the facility should provide this information.
2. Keep track of the number of new pieces placed into service annually by type.
3. From these two pieces of information determine the *Gross Replacement Ratio*.

As an example:

1. A facility sends to its user units 100,000 sheets annually.
2. Due to loss, stain and tear shrinkage the facility must infuse 2,000 new sheets into service annually.
3. The Gross Replacement Factor is therefore developed as follows:

$$\frac{2,000 \text{ new sheets into service}}{100,000 \text{ total sheets used}} = 2\% \text{ **Gross Replacement Factor (GRF)**}$$

With a 2% Gross replacement factor it is an easy step to determine the number of services that are being seen from one piece of textiles, as follows:

$$\frac{1 \text{ Sheet}}{2\% \text{ GRF}} = 50 \text{ services from each sheet.}$$

Therefore, if proper records are kept and a gross replacement factor developed for a particular facility, budgeting textile replacement quantities and therefore costs become very predictable. There are those who will continue to bemoan the fact that this is a long laborious process. THIS IS MANAGEMENT of an important asset that heretofore has been unmanageable.

CONCLUSIONS

Each facility that uses textiles will develop its own personality and textile usage habits. When replacement costs and units start to exceed those of the previous year, it is an indicator that something is amiss.

With textile replacement costs approaching the cost of labor, it may not be long before this cost annually exceeds that of labor and it truly becomes an issue for laundry/textile management to resolve.

When visiting a textile using facility, it is eye-opening to "manage by walking around". What one sees and observes during these walking tours can truly be revealing. Go to various units or areas within a facility. Inspect the soiled textile collection area. Usually it is placed along side of

the trash collection area. Look through the trash bags and see if any textiles can be found. If so, the same practice may be found in other areas of the facility.

Look in textile storage rooms; See if textiles are stacked neat and orderly; If not chances are good that textiles falls onto the floor, are walked on by employees and then determined to be unusable. All too often, this textile item gets thrown into the trash hamper.

And finally go into the food preparation areas of the facilities. See if towels, hand-towels or washcloths are used to clean up spills, grease and fats. If so, perfectly good textiles items are thrown in the trash, again leading to the incorrect usage of those textiles.

One of the most revealing practices that a manager can do is frequently go through the trash/garbage receptacle at the facility. Pull some trash from the receptacle and catalog the items and the replacement costs. Careless and wanton disregard for the way textiles are used is a management issue that can only be conquered through strong management action.

If managers truly show concern about these kinds of activities then the high cost of textile replacement can be reduced. If, on the other hand managers show a disregard for the value of replacement textiles so too will the employees and the patrons who use those textiles.

Frequently, we hear that textile inventory shrinkage is due to our patron's petty larceny habits. "The guests/patients/family members are taking textile items home in suitcases." This may be the case in some facilities but an overwhelming body of evidence from around the world indicates that the majority of textiles shrinkage is happening at the hands of our internal employees through deliberate pilferage or wanton disregard for the value of that textiles. This shrinkage can be reduced through **Management Knowledge and Intervention**.