

Towels cleaning in the health club: a financial and environmental headache – and opportunity (Part 2)

By João on October 28, 2013 at 8:00 am

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By: [EvelynGiggles](#)

In last week's post ([here](#)), I presented the challenge of my health club, Primefit: how to reduce the financial and environmental costs of cleaning the towels provided to members in each visit, while keeping members' perception of a high value service.

As I read the sign announced the policy change ("Towels rental: Medium: €0,30; Large: €0,40"), I thought "Hum, this can be dangerous from a value perception perspective". However, I noticed that each arriving member was personally being told that he/she would get a free towel. This gift clearly

diminished the risk of complaints about quality reduction.

From that moment onwards, the member could choose to:

- Bring a towel from home. It was unlikely that the member would wash it every time, so detergents and energy consumption would likely be reduced
- Hire a towel for €0.30 or €0.40 – an almost symbolic amount (at least to those who, like myself, do not have the ambition to exercise every day...).

What's the management accounting behind this?

The small amount for the towel rent is enough to cover the (variable) costs of cleaning the towels, but it's not a source of major profit – it basically intends to moderate the service usage. It turned out that only a few members preferred to rent the towels. From an ecological perspective, detergent and energy consumption was drastically reduced at the health club – and, under the reasonable assumption that members were not washing the towel every time, this reduction was not over compensated for an increased consumption of detergent at home.

The stock of towels for rent was almost negligible and, given the low usage, the renewal rate was also low. Overall, the capital tied up in towels stock was also negligible – and, from an ecological perspective, so were required resources to produce it, ranging from cotton to dyes.

Environmental insights + management accounting insights = a winning combination!