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Healthcare Linen & Uniform Specialists

COG Linen versus the Rental Model
Challenges with COG linen versus the Rental Model:

• Hospitals are responsible for maintaining a linen inventory which entails a multitude of functions that are not core competencies of most hospitals.

• Personnel have to be responsible for managing linen inventory; both circulating inventory and new inventory.

• Linen purchasing has to be done at least once per month. (multiple P.O's)

• Linen has to be received and warehoused monthly. (track back orders)

• When new linen is injected personnel have to bring linen out of a warehouse, have the linen unpackaged, send to laundry for initial wash before placing linen on patient beds, and make sure laundry has sent new linen back.

• Hospital will create several vendors in which to cut checks each month, rather than one check to the linen rental company.

Typically a rental linen company can buy linen better than most hospitals.  We consistently see an average of around 15 to 25 percent lower replacement cost.

• This is extremely important because when a hospital sets a budget number for linen purchases each month the budget number is usually all they will spend.

• So when you combine your linen replacement number with your laundry processing number there is usually a pretty large discrepancy between that number and a linen rental price that includes linen replacement. There are months that more linen will need to be purchased but the hospital will only spend their budget, which in most cases will create a linen shortage for a couple of linen items. A rental linen contract typically requires the linen company to fill an order to 100% regardless of the laundry's budget, thus no critical linen shortages.

• Because a hospital is purchasing their own linen they are not immune to price increases in the marketplace. Remember most hospital textiles have a large percentage of cotton; cotton is a commodity and prices are subject to large price swings. For instance in 2010 when we experienced on cotton 34% price increases across the board which we did not pass onto our customers, other than the normal annual price increase.

• Because the COG laundry doesn't own the linen they have no vested interest in keeping linen in good condition. Therefore most COG laundries are usually guilty of over bleaching and basically excessively washing and damaging the linen. Chemicals are inexpensive.

• How does a hospital get its laundry back when their linen gets stuck in one of the COG's tunnel washers or dryers or sling system due to periodic maintenance failures, they don't. With a rental linen company the order is filled from inventory already processed.

• When the hospital is short of linen or a particular product it usually results in some added cost for the hospital. For example, the hospital is busy and they already installed all the sheets for the month and they won't buy anymore, so they request that the COG laundry make special deliveries for sheets which usually results in some added delivery/processing fee and your sheets are getting washed an additional four or five times that will wear them out sooner. Thus your linen replacement goes up exponentially.

• If proper linen management controls are not put in place with the use of a COG laundry, it can create a very adversarial relationship. THE NUMBER ONE COMPLAINT FROM HOSPITALS IS USUALLY THE LAUNDARY IS NOT BRINGING BACK ALL MY LINEN. This type of situation puts the laundry in a defensive position in which it has to prove time in time again that they are in fact not stealing their linen, or using their linen for other hospitals, etc.

• Usually the linen quality is better from a rental company than that of COG hospital for three reasons; the hospital demands good linen because they are paying for it, thus forcing Rental Company to inspect and reject linen at a more frequent pace; Hospitals that own their linen will always try and get one or two more washing out of a product; when the price of linens goes up the hospital will usually start to buy cheaper products to stay within budget. For example the hospital was buying a T180 sheet, price go up 25% now the hospital starts to buy T130 sheets, a much cheaper piece of goods. A rental company is usually bound by specifications in the contract.

• COG usually will batch wash hospitals linen which could result in linen having a green or pink tint to it, depending on the colors the hospital uses for linen. For instance if a hospital uses a lot of green OR work, that green OR gets washed with white sheets and then you get a light green sheet.

• Exchange Carts Programs cannot work under COG; laundry must have control over entire linen inventory.

All of the above represent major challenges with COG versus Rental.

For further explanation or questions, please call HandCraft owner, Jeff Nichols at 804.357.0156

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