

LEAN, MEAN, GREEN



Carlton Football Club director and renowned entrepreneur Paul Littmann is cleaning up with his new business venture, green drycleaning franchise Daisy H2O. He spoke to Claire Buckis about making a difference to both the environment and people's wellbeing.

HERE'S a question for you – how do you make a dirty business go green?

For all the talk about climate change, water shortages and inconvenient truths, it's easy to get, well, a little mystified by what the real environmental issues are and what business can potentially do about it.

Paul Littmann has structured an entire franchise out of his desire to clean up a polluting industry. He left a lucrative background in advertising to begin Daisy H2O, Australia's first environmentally sound dry cleaning franchise. "The business is

so far away from what I was involved in before it's outrageous," he says. "But we're trying to do something that makes some sense – something that makes a difference. We're very concerned for the environment. I'm very concerned what my children and grandchildren are going to have as a legacy," he says.

Littmann, the director of the Carlton Football Club and founder of renowned Melbourne advertising agency The Ideas Factory, chose this particular industry because he felt there was the most potential to have a positive effect. "Drying cleaning is one of the dirtiest industries. The chemicals they use are unnecessary and so is the environmental impact," he says.

Turning dry cleaning into a clean business wasn't simple, given the chemical processes used. But first and foremost, the business had to be carbon neutral. "Carbon neutrality means you don't create carbon emissions into the environment, or you negate the emissions you do create," says Littmann. Carbon dioxide produced by cars, power plants and other industrial processes can be offset or neutralised in a number of ways. "We modified our vans so they're all diesel, which is better for the environment. We recycle our water. We eliminated most of the plastic where we can. We offset the fact that staff drive to work. Then what we can't reduce, we offset by buying carbon credits. So if you create carbon emissions by using electricity, you pay for a credit where a company, for example, grows trees. The trees soak up the carbon dioxide that you give off." Some of the senior staff even ride motorbikes to work instead of using their cars to reduce the environmental impact.

Littmann also believes a chemical used in traditional dry cleaning called perchloroethylene (PERC) is toxic and can

be harmful to health. There is some mixed evidence it may be a factor in cancer, and it has been banned in California. Daisy H2O doesn't use this chemical at all, instead using a wet-cleaning process. Clothes are cleaned using biodegradable detergents, which means the business has no downstream pollution – no runoff that contaminates the environment. The company created their cleaning process by adapting an idea from Germany. "We modified an existing process to make it cleaner and make it environmentally far more responsible," he says.

But so far Daisy's main drawback hasn't been its green image. "We only get a marginal business from those who are interested in the environment," says Littmann. "Customers like the lack of smell [which arises out of avoiding PERC], and the softer feel of the garment. Daisy is very successful with those who live nearby and customers love it, but dry cleaning is still about location. If you've got a dense population, you can handle a Daisy store in the area."

Littmann believes the Australian lifestyle makes us more complacent about the environment than Europeans. "We have big houses, a lot of driving, we like our big TVs that use a lot of energy. We're not buying hybrid cars because of climate change, we're downsizing our cars because of the price petrol," he says. But he adds that, given time, Daisy's environmental credentials are increasing customer loyalty as awareness of climate change takes hold. "We have quite a bit of loyalty in our industry, and it's not the most loyal industry in the world."

Littmann was one of the first marketing graduates from Monash University in the 70s, and established The Ideas Factory, which won several awards. "We were the cool kids on the block for a while," he says.

Littmann sold the agency in the mid-80s, and started another advertising agency which he sold in 2001, when he took a break to go travelling. He started thinking about the environment, and when he wanted a new venture to invest in, he decided it had to be environmentally sound.

So far Daisy H2O is expanding slowly, with two outlets up and running in Melbourne. Littmann says the company would like six outlets established by next year. "Victoria could probably handle about 16 outlets," he says. The stores cost \$150,000 to set up, which includes a detailed training program. "We have extensive training, which is essential in dry cleaning. It's very important in a franchise to have the training, and we're working on that now." Littmann says each Daisy H2O store can be run by one or two people, ideal for husband and wife teams. Each store has its own machinery which comes with the start-up costs, and allows a faster turn-around time for the clothes, as well as reducing the carbon emissions that would be used in transporting garments to different sites.

So far Littmann says the established stores have experienced 40 to 50 per cent growth each year. "There is no other national brand for dry cleaning in Australia."

Littmann hopes more and more businesses will look into becoming environmentally-friendly and carbon neutral, because he believes otherwise the impact of climate change will be profound. "Who knows what it will be like for our children and grandchildren? If we don't do something maybe they'll have electricity and water bills as big as their mortgages," he says.

"We just don't know. So our intention is to become an environmentally-sound organisation throughout Australia." [wcm](#)

