



# **Car Wash Investment Planning Guide**



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tools



Ryko offers access to a variety of tools that you may find helpful as you work through the investment process these tools include:

**Self Service Car Wash Site Evaluation** - Use this electronic tool to help determine the viability of a self service car wash operation at a potential location.

**Automatic Car Wash Site Evaluation** - Use this electronic tool to help determine the viability of an automatic car wash operation at a potential location.

**In-Depth Car Wash Pro Forma** - This electronic tool gives a comprehensive overview of potential revenue from a number of differing car wash operations. Potential revenue and expenditures for new sites, existing sites and more are calculated using a choice of methods. Includes potential revenue calculations for automatic and self service car wash operations, vacuums, vendors and more.

**Car Wash Pro Forma** - A quick and easy way to obtain an overview of potential revenue from a new car wash operation. Use this quick and easy tool to calculate potential profits from your automatic and self-service car wash site using a variety of calculation methods.

**For your copy of these tools or for more information regarding investing in a car wash, please contact your Ryko representative or distributor. Your Ryko representative is backed by over three decades of experience in the car wash industry and is there to help throughout the investment process. From the initial idea through the completion of the car wash facility, your Ryko representative is dedicated to your success**

**Visit our web site – [www.ryko.com](http://www.ryko.com) – to find the Ryko representative nearest you or call us at 515-986-3700.**

**Car Wash Reload Calculator** - If you are considering reloading your old car wash with a new automatic car wash, try the Car Wash Reload Calculator. This electronic tool will help you visualize how much your business may improve by investing in new equipment.





Whether you are building a new car wash facility or purchasing an existing site, there are a number of people you should consult with who can help you get your project started on the right foot...starting with your Ryko Manufacturing Company representative or distributor. Ryko Manufacturing Company is dedicated to your success.

The International Car Wash Association estimates that the U.S. car wash industry grosses in excess of \$35 billion a year.



This amount of money alone makes the car wash business an attractive investment vehicle and when you add in the potential for growth in the market, the fast learning curve, the high profit margin and the opportunity to work for yourself, the car wash business would seem to be a sure bet as a revenue producing vehicle. However, running a car wash operation, like all business ventures, is not as simple as it appears.

## summary



Your Ryko Manufacturing Company representative or distributor should be the first person you call when you have questions about starting a car wash project. Your Ryko representative or distributor can help put you in contact with qualified experts who can help with financing, designing and building your new facility. You can consult with your Ryko Manufacturing Company representative or distributor at any stage of your project, from the initial idea all the way through to the completion of the car wash facility and beyond.

Your Ryko representative or distributor will also be there for you after the facility opens. He can help you with maintenance, marketing and equipment questions and issues that arise at any time after your site has opened for business.

Ryko Manufacturing Company is dedicated to your success. This publication is just a brief synopsis of some, but not all, of the important factors to consider when investing in the car wash industry. Many other factors have not been covered in this booklet that will play a part in your decision. For more information, you should contact your Ryko Manufacturing Company representative who will help guide you through the complete process.

## why invest



There are many factors to consider before investing the time and money needed to own and operate a car wash. Factors such as location, equipment, building costs and competition must be researched and studied to insure that your business venture will give you the return on your investment that you need in order to be profitable in the car wash industry.

If you think operating a car wash site is as simple as arriving on location once a week and picking up the money, you may be in for a rude awakening.

Businesses that specialize in serving the motoring public, as a car wash does, are often prone to long hours of operation in all kinds of weather. You will have to be available 24/7 to respond to your customer and equipment needs. The car wash business requires commitment and dedication just as any other investment does. If you are prepared to make this type of commitment toward a car wash investment, you will find it to be a rewarding and profitable business.





**Ryko Manufacturing Company** product lines include a full line of friction and touch free car, truck, bus, and van washes. Included in the product line are conveyor-based, drive through, and self service equipment alternatives.

Quality continues to be the foundation of Ryko's value proposition for its customers. Long-term equipment reliability is and always has been engineered into Ryko's car wash systems - in fact, many of the earliest installations are still in use today.

Ryko quality begins with its employees. The company's labor force has an average length of service approaching 15 years and this experience is a major competitive advantage. Employees take personal ownership and pride in the company's reputation for quality, reliability, and product excellence.

Develop a marketing plan that includes the following:  
New promotions every 60 days that will reward the customer with an incentive. For example, free car wash, free air freshener, free coffee or soda, free interior cleaning towel. Having special days for different customers such as ladies day, senior citizens day, or graduation day can prove to be very effective in generating new and return business. Have a fundraiser for a specific community cause. For instance, raise money for the local high school football team uniforms or for any charity like Habitat for Humanity.

Expecting something new every 60 days will train your customers to watch what you do and that you will reward them for being customers. This will improve the frequency of visits they give to your sites. Tracking your customers and how often they visit is good information to keep. Use this

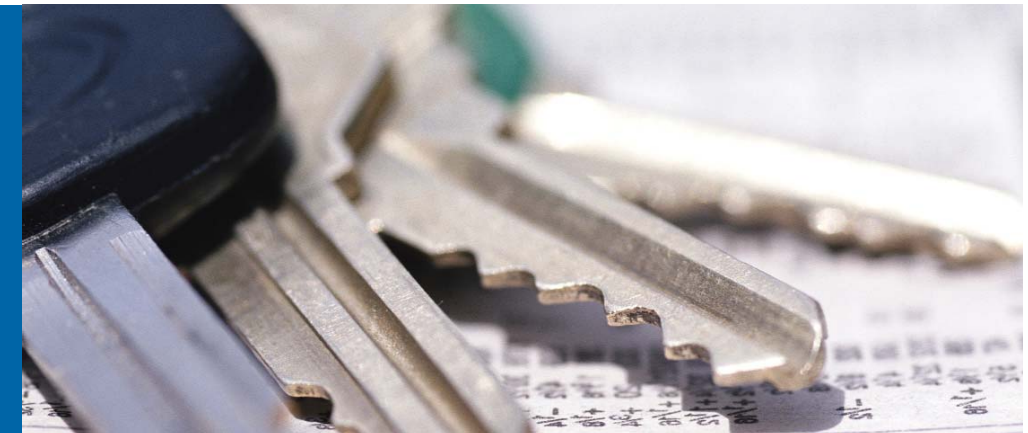


## Ryko Manufacturing Company



Ryko Manufacturing Company has become the innovator and leader in the highly competitive car wash industry. In fact, thousands of Ryko systems wash over one million cars each day. Product development and research are emphasized to maintain the company's position of industry leadership.

Ryko's Design and Engineering staffs are the largest in the car wash industry and the Ryko's processes and facilities are fully ISO 9000 certified - confirmation of Ryko's exacting standards of manufacturing excellence. Recently, the Company has implemented Lean Manufacturing concepts across the company.



information to send them thank you notes, birthday cards and other specials that you are running. If they haven't visited in a while, invite them back with a free wash.

Constantly promoting your wash will deliver your customers to your site and they will respond with each campaign you market.





One final step that is often overlooked but is a very important part of a complete car wash package is marketing. Once you have committed yourself to investing in land, building and equipment, you must commit yourself to promoting your site.

Many marketing programs are open to you as a new business owner. You can choose between a direct mail campaign, newspaper and media ads or more elaborate promotions. Signage on the site

## marketing



which promotes your specials, upgrades and offerings are also very good ideas to include in your marketing plan.

In addition to its extensive domestic sales and service network, Ryko manufactures, markets and provides product support and service internationally. The International Division has sales and service offices in England, Holland, and France and has a manufacturing plant in Italy.



The company's 300,000 square foot headquarters is situated on 28 acres in Grimes, Iowa and is well suited to accommodate expansion. Most importantly, Central Iowa offers a stable supply of well-educated skilled labor essential to maintaining Ryko's quality standards.

Ryko's dedication to the customer's success after the sale is the foundation for continued growth. Ryko will leverage their industry knowledge, technology, and "after sale" service commitment to add additional value by offering more products and services to the car wash customer base.



The car wash industry is healthy, dynamic and evolving. This will play to Ryko's strengths and enable Ryko to be an even better solution for car wash customers by offering the broadest line of technology and service.





There are three distinct categories of car washes to consider

**In-Bay Automatics**

This type of car wash offers the consumer the ability to get their vehicle washed without having to leave the comfort of their vehicle. Once the consumer pays and pulls their vehicle into the wash bay the machine automatically washes the vehicle by using a combination of brushes and/or, high power water spray and chemicals. Automatic wash bays typically generate much greater revenue than self serve washes. Wash sites can also utilize combinations of self-serve and automatics to appeal to every type of consumer.



When selecting the type of equipment that best suits your needs there are a number of factors to take into consideration when making this very important decision.

Some of the important factors that must be taken into consideration include:

- Price
- Quality of the wash being provided
- Wash menu options available with the equipment to be ordered.
- Cost per wash (chemicals, water, labor, utilities, etc.)
- Estimated wash volume
- Ancillary equipment that needs to be ordered
- Longevity of equipment design
- Bay length compatibility with new equipment
- Financing options available for the purchase of the equipment

car wash types



**Self Service**

Self-serve facilities are facilities that provide wash equipment to consumers who prefer to wash their vehicles themselves. The facilities typically have bays with high-pressure wash wands. A selector is used by the consumer to allow for various types of wash products to be dispensed and used on the vehicle being washed. This equipment is typically coin operated however several vendors such as Ryko also offer code generated or credit means of system activation for self service bays. Self-serve car washes draw a wide range of customers from all age groups and income levels and attract men and women alike.

- Competing locations
- Installation time
- Compatibility with other manufacturers ancillary products (i.e. activation systems and dryers).



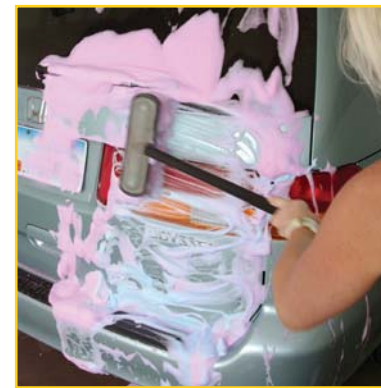


Equipment selection is a critical part of the decision making process when developing a car wash location. Demographics, traffic count, types of vehicles in your area, and competitive car washes are all factors that will play an important role in deciding on the type of car wash that best suits your needs. Price and equipment longevity is important as well, especially when determining the best overall return on invest for your site.

**Conveyor or Tunnel**

Conveyors use brushes, high-power water spray along with chemicals to clean vehicles. These facilities are also often referred to as conveyors due to the fact that once the consumer enters their vehicle into the wash a conveyor system moves the vehicle through the wash.

There are two main types of conveyors. Some conveyors provide the consumer with an exterior only wash. These tunnels may wash up to 100 cars per hour and are ideal for high-volume locations where a fast wash is of the essence (drivers normally remain in their vehicles). Full-service tunnels not only clean the vehicle exterior but also provide interior vehicle services such a vacuuming etc. This type of facility can wash 50-60 cars per hour.



equipment selection





The areas you will need to become an expert at to run a car wash efficiently are: **Customer Service, Personnel Management, Marketing, Minor Repairs, Maintenance and Inventory Control.**

You are in the customer service business that happens to wash cars. How you care for your customers will determine your success. If you look after them with concern for the quality and their experience at your location, then you will be successful. If you run the business remotely and rely on others to reflect the image you want, you must do complete training of your staff to ensure that your customer service message is implemented every day. From the time the customer enters your location to the time they leave, you want them to have a positive experience.



Financing of the car wash project can impact this ability to generate revenue in a number of ways. Many investors in the car wash business do not wish or are unable to fund their own development and build out costs for a car wash. Therefore, these investors will look to one or more of a combination of financing options. The basic options for financing a car wash investment are bank loans, including SBA loans, equipment leasing or profit sharing arrangements. Each method of financing has its own advantages and disadvantages and must be carefully studied to determine which is right for each investor.

Ryko has developed various financial tools to assist investors in trying to put numbers behind the many variables that could impact a potential car wash site. These tools can help an investor discover if a business will generate the income needed to cover costs and to be successful.

Ryko's electronic Car Wash Pro Forma and Car Wash ROI tools are two such tools that will give an investor an indicator as to

## operating a car wash



A clean lot, friendly staff, working equipment, good signage, easy flow of customer traffic and last but definitely not least a clean dry car will impress the customer.

Personnel management is a very critical part of your wash operation. You will need to manage your labor costs, as they can be the most expensive category that you will have. For tunnel or conveyor washes, you will need to determine how many people it will take to run your operation. Many factors will play a part in this based on the business model you use for the conveyor.



If it is a full service location, you may need a staff of 25-35. If you operate an exterior only wash, the staffing may be as few as 6-12 people. If you run express wash type, 3-8 people may be sufficient depending on the amount of service you offer the customer.

For in bay automatics, your labor requirement is greatly reduced. You will need 1-3 part time people to manage the operation and make sure that the wash is functioning correctly and that the site is clear of trash.

whether a car wash is a good fit for his/her investment plans. These and other financial tools provided by Ryko are based on findings gathered through over three decades of car wash industry research and experience. The results an investor receives from these tools are based on real-world findings as opposed to "industry standards" and give a good indication of the direction a potential investment may go.





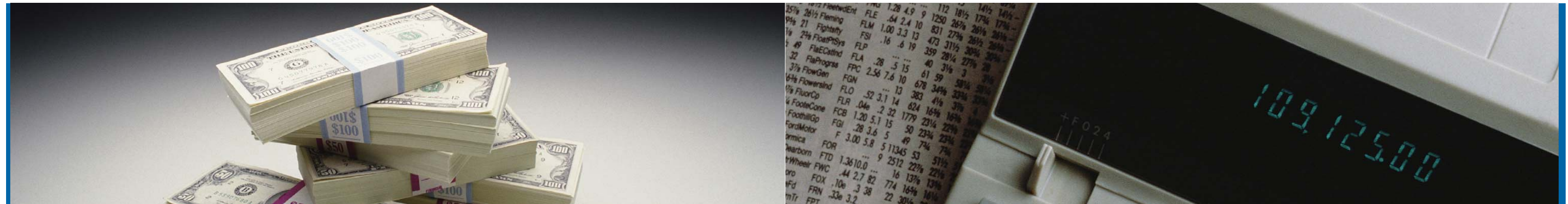
The critical part of defining a car wash as a success is the profit generating ability of that car wash site. There are dozens of variables that will go into determining whether a car wash is successful, everything from pricing to site appearance can impact the car wash's ability to generate and sustain profitable revenue streams..

For self-service car washes, you will need to have 1-3 people on staff and most can be part time people. Consider having a full time person on the weekends. This will provide great customer service that will keep your customers happy and spending more time and money at your site. The rest of the week, you will need someone to clean up the bays and the property twice a day.

Making sure that the equipment is functioning correctly and you are properly stocked with vending items will help the locations sales too. Besides the labor function, you will need to be very aware of how to operate your equipment, do small repairs and keep a mindful eye on the quality of wash that you are giving the customer. If you review your location everyday from the perspective of the customers view point, then you will have a great deal of success.

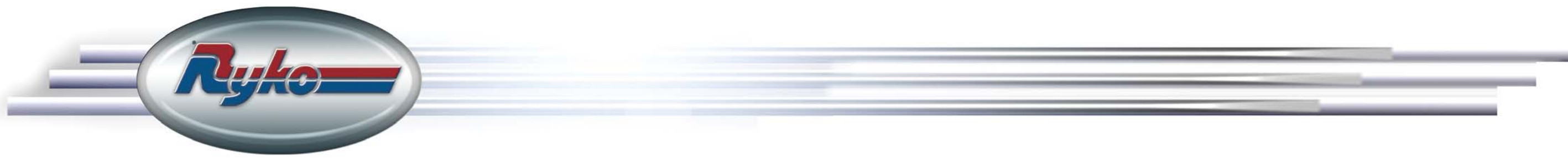
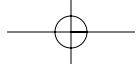
To keep your expenses of operation in check you will need to keep the car wash equipment operating at all times so that your customers can have a positive experience each time they visit.

## financials



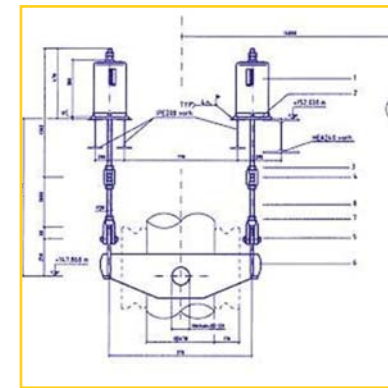
There will be times when something happens and you must shut down. In most cases, it can be a minor item that you or your staff should be trained to handle. The ability to maintain your equipment will make a big difference in how you are perceived by your customers and potential customers.



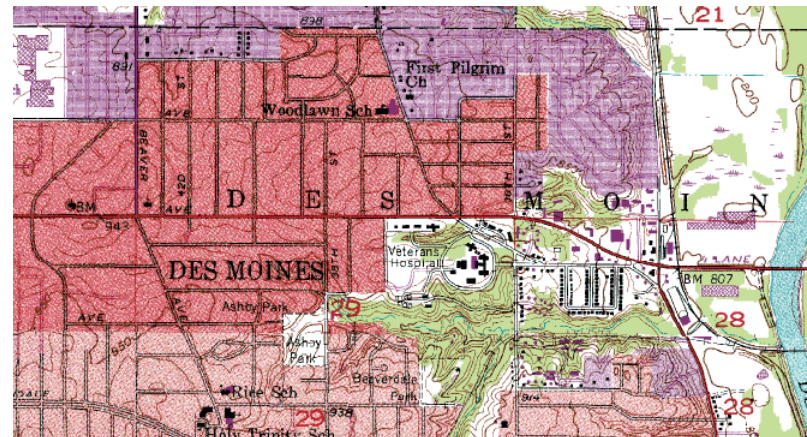


As in most businesses, location is the key factor for the viable success of the car wash operation. Many factors add up to determine if a location is viable for a car wash operation. These include many considerations including speed limits, surrounding businesses and the distance to the nearest competitor.

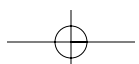
Ryko Manufacturing Company works with you to provide all the architectural and engineering drawings you require for your site including mechanical, electrical blueprints, plumbing blueprints, site elevation and equipment layouts. For more information on the drawing services available to you please contact your Ryko representative.



## site evaluation & selection



A potential car wash site should be of ample size to accommodate the car wash, vehicle staging areas, vehicle travel, vacuum islands and any other car care service desired. The site should also be able to provide your facility with maximum visibility, easy access to the equipment and customer safety. Easy ingress and egress are essential.





Using a drawing service is an excellent way to begin planning your facility. Ryko can help with site plans, equipment room layouts and can also direct you toward the architectural professionals you will need to complete your project. Ryko can also provide you with generic drawings, blueprints and plans of numerous car wash facilities that you can use as examples when planning your site.



When selecting a site for a car wash, try to visualize the location as a prospective customer would. If cars lining up at a traffic light block the entrance to the wash, a customer may turn away. High speed limits on the streets fronting the location may discourage some drivers from even attempting to come in.

While many other factors are important, none is more critical than choosing the correct location to support your car wash operation. The different methods of retailing various products have changed dramatically over the years but two of the most important elements, visibility and accessibility, remain the same. Assistance in site selection can be essential for a successful business. Ryko has helped virtually thousands of customers with site selection. In the process, valuable insight and knowledge has been gathered in this critical phase of successful car wash planning.

## site plan drawings



When doing a site evaluation, many criteria are factored into the equation. These include:

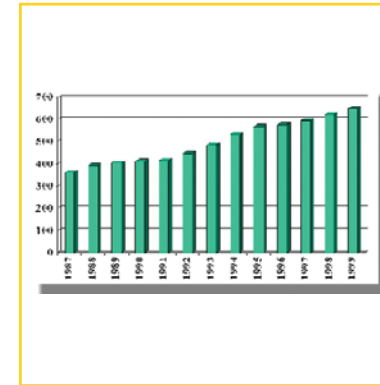
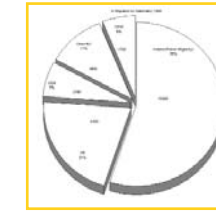
- Traffic Counts
- Speed limits
- Accessibility
- Neighborhood
- Visibility
- Customer Base

Most site evaluations deal with the physical aspects of the prospective location: Speed limits, the location of stop lights and turn lanes curb cuts that allow customers easy ingress and egress in and out of the site, lot size and surrounding structures. When used in conjunction with a demographic study, all of these factors can be evaluated in order to give a prospective car wash operator a realistic view of the viability of the proposed car wash location.





A demographic study is an important tool in the analysis of a potential car wash location. A demographic study can include important information that directly impacts the business site, it will give you a great deal of information including population, income per household, traffic counts and also will give estimates as to future trends for the area.



A demographic study can be used to help determine if a proposed location can support a car wash by providing information regarding the area surrounding the site and the people who reside there.

A demographic study will also help determine your trade area and the concentration of potential customers and competition within that trade area. A study of your proposed trade area will help you determine the number of potential customers versus the number of competitive washes within a trade radius. These studies will help you determine if there are enough customers in the trade area to make your operation a success.

## demographic study





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