

Finish Line

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MCA is a membership organization that promotes the interests of Midwest Carwash Operators through interaction, education and information. The Finish Line is a quarterly newsletter published by the MCA. Opinions expressed by guest writers do not necessarily reflect views of the MCA. Acceptance of advertising does not imply endorsement or approval of the product or service advertised. All articles submitted will be considered for publication and accepted at the approval of the editor and MCA Board. The MCA reserves the right to edit submissions for accuracy, clarity and length.

Please send address changes, membership inquiries, and advertising requests to the address listed above.

FROM THE PRESIDENT

By Paul Coffman
Breton Auto Wash



How Much Are Your Customers Really Worth?

When was the last time you considered the life-time monetary value of just one of your regular customers? Have you ever thought about how much one of your best customers is really worth? Do you know? Unfortunately, most of us have never thought about this and we just don't know. Here is an easy way to get a good idea of the lifetime value of one of your customers.

Let's say Mary Smith, a regular customer, spends \$20 every time she comes into your wash and she comes in twice a month, at \$40 dollars per month. If Mary does this twelve months of the year, this comes out to \$480 per year. Mary is the kind of customer that you could easily keep for ten years. So, ten years times \$480 per year equals \$4,800.

Mary Smith is a \$4,800 customer!

This way of thinking makes it mandatory that even though Mary has a few quirks in her personality, and she is only buying a \$20 car wash every other week, she is still an extremely valuable customer. When we look at our customers in terms of lifetime relationships, it can make us, our employees, and our managers aware of the fact that they are extremely important to the long term success of our car wash business. As in any good relationship, we are going to have our misunderstandings and misconceptions that need to be clarified and resolved.

Communicating the value of the life time value of our customers to our managers and employees is critical. By taking the time and investing in the education and training of your team on the importance of getting and keeping lifetime customers, you will continue to build your car wash business and ensure an excellent return in profits.

I just wanted to pass on an idea that has helped me. I hope that you find it helps you at your wash.

Paul Coffman, MCA President

Determining the Lifetime Value of Your Car Wash Customer

1. Name of one of your typical customers: _____
2. On average how much does s/he spend each time they visit? \$ _____
3. How often do they make a purchase over the course of the year? _____
4. How many years do you expect to retain this customer? _____
5. Formula for determining how much your customer is worth:

$$\frac{\text{Average amount spent with each purchase} \times \text{Number of visits per year}}{\text{Total customer spends per year}}$$

Now take your total from above:

$$\frac{\text{Total customer spends per year} \times \text{Number of years as a customer}}{\text{Total amount spent by the lifetime customer}}$$

MCA Members in the News



MCA Member - Kwik Car Wash, Lansing, MI wins Top of the Town!

The Kwik Car Wash in Lansing, MI was awarded the 2013 Top of the Town Award for Best Car Wash/Detailing.

The Top of the Town Awards are given out annually by City Pulse/WLNS. Awards are given for a number of entertainment and service categories and winners are selected based on popular vote.

Michigan Car Wash Association

C & C Underwriters along with Mackinaw Administrators, LLC have worked together in order to provide a comprehensive insurance package for members of **The Midwest Carwash Association**

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RYKO SOLUTIONS MAKES SIGNIFICANT FACTORY IMPROVEMENTS

TO MATCH ESCALATING CUSTOMER DEMAND



GRIMES, IA – Ryko Solutions, Inc., North America's largest manufacturer of car wash equipment, has made more than \$3 million in factory improvements to their parts fabrication department to meet unprecedented growth. After enjoying 22% revenue growth in 2012, Ryko has continued the upswing with first quarter sales up 17% and car wash machine orders up 21% year-to-date through April. These figures do not include sales from MacNeil Car Wash Systems which was acquired by Ryko in April.

"Our priority in adopting new technology is to rapidly scale our production facilities to accommodate the increased demand we are seeing for our Ryko products as well as the related parts required for Ryko roll-over and MacNeil conveyor systems," stated Steven A. L'Heureux, Chief Executive Officer, Ryko Solutions, Inc. "A key benefit of our investment has been the opportunity to support MacNeil's production facility in Barrie, Canada by manufacturing parts for their line of conveyor products thus improving product quality and providing faster delivery of spare parts to our MacNeil distributors and customers."

"By stocking MacNeil parts in Ryko's 250,000 square foot factory in Iowa, customers will experience significantly improved uptime and enhanced profitability because of faster parts delivery," L'Heureux added. "We are very excited about the future of the car wash industry and are committed to investing to ensure the Ryko/MacNeil brands continue to deliver on their promise of 'solutions engineered for customer profitability.'"

Ryko Solutions, Inc. is the largest provider of car wash systems in North America, offering an integrated, end-to-end clean vehicle solution consisting of equipment, cleaning products, a national technical services organization and consumer marketing programs. The company's primary focus is creating superior profitability in car wash operations for gas/convenience stores, independent car wash owners, commercial developers and auto dealers. Headquartered in Grimes, Iowa, the company is celebrating its 40th anniversary in operation.

Do you know of an MCA member who deserves recognition? Contact Hillary Walilko at 800.610.4512 or walilko.h@gcsionline.com with the details and we will feature it in a future edition of *MCA Members in the News*.



**Introducing the ProTouch ICON –
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Renovate Your Tunnel, Reinvent Your Business

Great Renovations Yield Sustained ROI

By Marcus McLaughlin

Tunnel operators who want to improve dollar averages and wash volumes can often achieve a near-term sales increase with better signage, a re-evaluation of wash package pricing and content, and sales training (if service advisors are part of the business). To sustain that increase, it's usually necessary to deliver tangible improvements in the tunnel itself – with conspicuous, 'self-promoting' equipment updates.

Arches Carry Chemical ... And Your Tunnel's Image

These updates need not be costly. A visually appealing new arch package can add new life to a tunnel, while individual arches can be used to draw attention to high-margin special services. Today, operators can choose affordable, colorful powder-coated arches with vibrant LED accent lighting that are sure to get noticed. Arch and accent light colors can help support the site's brand, and/or emphasize upsell items.

Wheels and Tires: The 'Real Deal' For Higher Profits

The operator can also add equipment that supports upselling, like an automatic tire shiner – or replace older units with newer, better-performing models. Modern 'individual roller' tire shiners consistently deliver rim-to-tread shine – while using as little as one ounce of chemical per vehicle. In the average tunnel, these new shiners can pay for themselves in just three or four months through chemical savings alone.

Because wheels and tires are important to customers, improved wheel cleaning equipment can also pay significant dividends. Friction-based wheel washers should use a bi-level brush to clean tires and intricate spoke designs equally well. For those who prefer

touchless wheel cleaning, alone or in combination with a friction-based wheel cleaner, touchless units will ideally 'blast' rims clean with large volumes of medium or high-pressure water, giving customers outstanding results and an impressive wheel cleaning 'show.'

The Best Wraps Lead By Following ... The Car

It makes sense that wraps that provide more contact time will deliver a superior clean. That's why today's highest performance wraps follow each car, providing unparalleled cleaning for vehicle fronts, sides and backs – regardless of line speed. Because customers appreciate this increased individual attention, this upgrade can give your wash a distinct advantage versus competitors who use traditional wraps.

To Keep Customers Coming Back, First Keep 'Em Moving

Of course, upgrades to your tunnel's look and cleaning abilities need to be supported by a reliable conveyor. If your current conveyor causes frequent downtime, then a new conveyor may be your top priority. While many over-unders are based on decades-old technology, newer models are 100% grease-free, and feature 'quick pin release' designs that allow tool-free access, so routine maintenance can be done at a workbench, not in the pit – and offer your choice of hydraulic or electric drive technologies.

Efficient Dryers Dry Efficiently – With A Targeted Approach

Today's best general purpose dryers are designed for multiple mounting configurations, and produce powerful columns of air to effectively dry vehicles, while blasting water out of 'nooks and crannies' like sideview mirrors, door openings and character lines. Because these designs



are 'general purpose,' they should offer a high degree of flexibility. Nozzles should rotate easily, while housings slip on and off for faster routine adjustments. This not only ensures the operator can easily 'dial in' the dryers for optimum results in each wash bay, it helps guarantee greater uptime for the wash, which drives volume, throughput and profitability.

At the same time, dedicated horizontal surface dryers provide focused drying of horizontal surfaces. Using a long narrow outlet designed for a top-mount installation, these dryers create a 'wall of air' that strips water off of hoods, windshields and roofs. This knife-like air stream



'cuts through' ambient air currents to keep the water moving in a continuous front-to-back flow – dramatically improving overall drying efficiency, and delivering drier cars while using less energy.

As well, vehicle side dryers offer high-volume, high velocity drying to flexibly target the sides of vehicles. With their strong vertical orientation and large surface area, vehicle sides benefit from a specific drying solution. Designed for side mounting, these dryers have specially designed manifolds that ensure an even distribution of airflow to a long row of vertically stacked outlets. Each outlet delivers a concentrated 'kick' of air that combines with its neighbors to effectively sweep water off and away from the vehicle.

Want More Business? Create An Inviting Wash

One of the best things about renovating a tunnel is that they're highly modular – giving operators a lot of choices, from replacing key components to a true reload. Operators who choose an all-new equipment package can completely upgrade the customer experience with an open, airy wash environment. Options include bright powder-coated equipment with colorful accents and eye-catching elliptical beams – an inviting look that 'raises the bar' for the operator's competitors. Like today's best conveyors, this equipment is available in hydraulic or electric drive to meet the owner's chosen operational format.

When A Reload Makes Sense, It Doesn't Make Sense Not To Reload!

Time and again, experience has shown us two things about tunnel renovations, whether it involves upgrading key components or the entire equipment package. One – there is always room for business improvement, and two – the best investment in car washing may well be to update an existing site with an established customer base. Simply put, when you improve a site that customers see as 'their' car wash, they notice, appreciate the investment, and wash more often – and most likely, bring friends with them.



Marcus McLaughlin is a Marketing Manager at Belanger, Inc., and was formerly marketing director for one of Michigan's largest car wash chains.

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Hiring Practices Impact Safety Performance

By Joe Clifford, MBA

As we approach warmer weather, hiring workers for the busier season becomes a priority. Establishing and maintaining a safe work environment begins with selecting and placing the “right” individuals in the “right” positions. Careful hiring is critical to the quality and safety of your establishment. In fact, proper pre-employment screening can help prevent problems later on, including potential workers’ compensation claims. Here are some tips to help you develop sound hiring practices:

Conduct a Task Analysis

A task or job analysis should be conducted to identify each of the tasks and under what working conditions those tasks are performed. This process allows you to identify the skills, knowledge and training essential to performing the functions of the job. In addition, you are able to anticipate and address the unique safety hazards associated with the position. Information obtained in the task analysis should be documented in a formal job description.

**Keep in mind that state and federal law places certain restrictions of the types of work, working conditions and hours that can be required of minor employees age 14 – 17. Your task analysis should take into account whether minors can legally be employed in positions for which you are recruiting.*

Design Effective Job Applications

A well-designed job application functions as an excellent prescreening device for employers. Generally, the application should help you obtain the following: basic personal data, education or training, special skills, work history, references, authorization to check references, employment-at-will and/or other waivers, EEO statement, applicant signature and an authorization to verify all information provided. A completed application can also provide subtle information that should not be overlooked. For example, gaps in employment history and absent or inconsistent employment dates should act as “red-flags,” prompting you to question your applicant’s suitability for the position. Have your application form reviewed by an attorney to assure that it’s in compliance with EEO and other legal requirements.

Check Previous Employment and Other Records

One of the best ways to avoid hiring a problematic employee is to investigate the applicant’s background. Applicants who misrepresent education, training or experience could become a safety hazard and a liability for your organization. Moreover, an employee who becomes violent could subject you to negligent hiring claims.

In general, always investigate your applicants’ educational credentials, employment history and personal references. Conducting criminal background investigations on applicants can provide another line of defense against hiring employees that may have violent or otherwise criminal histories. This type of investigation is encouraged in positions where employees: have access to money or valuables, enter customer residences or have access to personal property, carry a weapon, drive a company vehicle, have access to drugs or explosives, have access to master keys, etc. Credit history, driving record and professional license status should be checked when relevant to the job. *Again, it is best to consult with an attorney regarding the legal requirements of conducting these types of investigations.*

Consider the Benefits of Drug Testing

Pre-employment drug testing is yet another tool to use in hiring safer, more productive employees. Establishing a drug-free workplace program not only deters drug users from applying to your company, it also sends a message to customers that you are serious about quality and safety. Drug testing applicants could protect you from negligent hiring claims arising from violence or safety related incidents. Further, studies show that drug users make more than twice as many workers’ compensation claims as nonusers.

Stress the Importance of Safety during the Interview

The interview gives you a valuable opportunity to emphasize the company’s philosophy on safety. Discuss the potential hazards of the position and try to gain the applicant’s commitment to maintaining a safe work environment. Once you’ve hired the “right” employee, your next objective is to provide him or her with the training necessary to perform in a safe and efficient manner. One key element in any effective loss control program is employee indoctrination and training. Incorporating the following tips into your new hire orientation program will get your employees off on a safe foot:

Introduction

Take your new employee on a tour of the company’s work areas. Familiarize him/her with the company’s various departments and facilities.

Explain

Discuss the details of the company’s safety policy and requirements. The Michigan Department of Licensing and Regulatory Affairs recommends the following as a basic checklist. Items specific to your company and its processes should be added to make the list complete.

- Employee Right-to-Know
- Safe Lifting & Moving of Materials
- Personal Protective Equipment Issued and Usage
- Blood borne Infectious Diseases
- Lockout/Tagout & Electrical Safety
- What to do in the Event of an Emergency
- What to do for a Non-injury Accident or Near Miss
- Fire Safety & Housekeeping
- How to Report Unsafe Conditions or Acts
- Specific Safety Rules

Demonstrate & Test

Explain the job to the new employee step by step. Discuss hazards and provide detailed demonstrations of important safety practices. When the employee indicates an understanding of the procedure, have him/her demonstrate while you watch. Correct any improper or unsafe acts and explain why. Always check for understanding.

Double-Check

Test the progress of the new employee several times during their first few weeks of employment. Observe and evaluate the employee's work methods. Correct any deviation from the safe work procedures described during the earlier job demonstration procedure.

Employee Acknowledgement Statement

Finally, have the employee sign a statement acknowledging that they've received training. A sample statement is as follows:

I, as an employee of (company name), acknowledge that I have been instructed on safety and health issues that pertain to my work environment. I am aware that the safety and health program exists for my workplace and I am also aware of my rights and responsibilities under the Michigan Occupational Safety and Health Act (MIOSHA).

I also understand that if I should have any questions relating to any provision of the Safety and Health Program, I am required to contact my supervisor for further clarification and not to proceed until it is determined that I have been provided the appropriate level of training ensuring my safety and competency.

The simple steps mentioned here can go a long-way toward ensuring a safe and efficient workforce in the years ahead. For assistance in your hiring process and more information on the Michigan Cleaning Fund, go to the fund's website www.MICLEANINGFUND.ORG or contact Regency Group at 1-800-686-6640.

Joe Clifford is employed by Regency Group, Administrators of the MI Cleaning Fund.



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Four Factors that Can Win You Car Wash Customers for Life

By Tom Borg, MA

Of the many aspects that customers want to know about those who serve them, research shows that four specific items are at the top of the list. Here is what numerous studies have identified. Your car wash customers want to know the answers to the following questions.

1. Do you like me?
2. Do you care about me?
3. Can I trust you?
4. Do you know what you are talking about?

The first aspect customers want to know is if they are sincerely liked by the person serving them. Your customers will know this from how your car wash employee interacts with them. Does your employee or manager use their name, does he really take the time to listen, and does he have sincere empathy in his voice and body language?

One of the mandates that is given to many employees today is, "get this done ASAP." This kind of work environment mind-set does nothing to ensure that employees or managers really work on taking the time to build rapport with the customers they serve. Don't let this happen in your business.

Another important aspect for your customers is whether the employee really cares about them. The customer can sense this from the questions they are asked, the tone of voice used, helpfulness, and all the little things your employee says or does that shows they really do care.

The late Cavett Robert once said, "People don't care how much you know until they know how much you care." Rest assured, within just a few moments, customers know how much your organization does or does not care about them. The question for you to answer is: do you know how much your employees really care for the customers they are trying to serve?

The third question your customer wants to know the answer to is: can they trust their car wash representative? Indications of trust can be seen in how confident the employee is, and does she follow through as promised. One example of how trust can be gained or lost by an owner, manager or employee in the car wash business is by how promptly a customer's concern is addressed. For example, if they feel the rims on their car did not come out as cleanly as possible, and your employee promises to make it right, it needs to be taken care of according to their expectations, or their trust of your operation will suffer.

Finally, customers want to know is whether the employee who serves them is knowledgeable and competent. One way these qualities are demonstrated is by how familiar your employee is with the wash packages available and applicable for the particular vehicle the customer is bringing in. Will it do what the customer expects it to do? Another indication that reveals employee competency is to be reassured by the employee serving them that they have washed other vehicles in the same condition. If they have, it builds confidence in the customer's buying experience.

In summary, to build lifetime customer satisfaction with the customers you serve, make sure your operation is able to provide the right kind of customer service training that teaches the proper customer service skills. These skills should empower all of your managers and staff to treat your customers in such a way that consistently answers the four most common questions they wanted answered by the person serving them.



Tom Borg is president of Tom Consulting LLC in Canton, Mich. He works with small and mid-size businesses. He shows them how to think without the box to find, attract, sell and keep enough of the right kind of customers and clients to maintain a profitable organization. Contact him at: 734-404-5909 or visit his website at: www.TomBorgConsulting.com.

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The MCA would like to offer you the opportunity to serve your association and you industry as a member of the MCA Board of Directors. Each year MCA polls its members seeking individuals who are willing to dedicate their time and energy to advance the agenda of the association, provide expertise toward developing our future goals, policies and services, and act as an ambassador to grow the MCA membership and represent our organization.

We invite you to submit your name as a candidate for one of our open Board seats. To be eligible for Board service, MCA Board Members must be paid members in good standing of the MCA for both 2012 and 2013. You must be directly involved in operating or owning a wash or providing services or products specific to the car wash industry. Officers are elected by the Board from amongst its members.

If you have any questions or would like an application please contact Paul Coffman at 616.940.3752.



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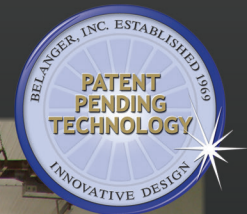
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