

# Finish Line

QUARTERLY PUBLICATION OF THE MIDWEST CARWASH ASSOCIATION

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# MIDWEST CARWASH ASSOCIATION

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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.

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# FROM THE PRESIDENT



## INTRODUCTIONS FIRST

It is with great pleasure, excitement and enthusiasm that I introduce myself to our MCA members as your new association President. After eight years guiding the MCA through many up and downs,

Paul Coffman has decided to take a step back from his role as President. I thank our Board of Directors for their support and decision to nominate me to take his chair at the table. For those, including myself, who value Paul and his expertise in the industry; we can be thankful that his influence will still remain as he joins the board as Past President and continues to maintain a prominent role moving ahead.

Before I relay my excitement, let me introduce myself. My 12 years within the industry have been well spent learning from many influential individuals. I started as a high school wash attendant for Thunder Bay Services in Grand Rapids, Michigan in 2005, and my current role as President of Operations for Ride the Tide Car Washes & Thunder Mountain Holdings stands to keep me busy for many years to come. A graduate of Central Michigan University in 2009, I enjoy spending my fall Saturdays in Ann Arbor cheering on the Michigan Wolverines alongside my wife Kaleigh and our daughter Kloeigh.

Now, my hopes for the association moving forward. In order to know where you're going, you must know where you've been. During my time on the board, I have seen membership rise and fall. I have seen interest come and go. We collectively have enjoyed some new ideas and projects while struggling to find what is right for our association moving forward. My hopes are simple, to leave the MCA better than I found it. I promise to do the very best to serve

each member efficiently and productively to create an association that can adapt to changing industry trends and better serve our needs as operators and distributors. The MCA will use its solid foundation to move into the new era of Midwest Car Washing while incorporating new and fresh ideas. I hope everyone is as excited as I am to get moving.

Please feel free to contact myself or the other board members with ideas, comments and concerns. Sometimes the necessary changes or improvements are more noticeable from the outside looking in. We want your voices to be heard and your opinions to matter as we shape the MCA moving forward.

Please enjoy the busy wash season, I hope to see everyone during our 2018 events schedule!

~Joe

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# Michigan Cleaning Fund

## 2018 Renewal Announcement

Exceptional Record Return!

Distributes Over \$23 Million Back to Members Since 1981

**C**ongratulations Michigan Cleaning Fund Members! The Michigan Cleaning Fund is pleased to announce a profit distribution of \$2,243,033 to be returned to Fund members! This represents an average return equal to 50% of a member's annual premium. As a member-owned program, all premium collected that's not used for claims and administrative expenses is returned back to members. Since its inception in 1981, the total profits returned are over \$23,900,000.

The Michigan Cleaning Fund, a member owned self-insured workers' compensation program, has several distinct advantages over most standard insurance carriers. The MI Cleaning Fund's excellent performance has insulated its members from the turbulence of the traditional insurance marketplace. From substantial profit returns to aggressive claims handling, the Fund is the most cost-effective workers' compensation option for its members year after year. Most importantly, Fund members receive stable yet competitive upfront pricing. This competitive pricing, along with the Fund's selective approach to underwriting new members, is designed to save members money on the total cost of workers' compensation over the long term.

By focusing on accident prevention and proper claims management, Fund members continue to keep their costs down as low as possible. The Fund offers its members numerous safety resources and loss control programs that are specific to the cleaning industry. Some of the Fund's educational training focuses on creating a safety culture in the workplace, by working with owners/supervisors on proper claims handling, accident investigation, return-to-work programs and making every employee accountable for safety on the job. The Fund works with loss control specialists who provide sound guidance and cost-saving solutions on safety and loss prevention for its members.

In addition to safety, workers' compensation claims are treated with great diligence in the way they are handled. The Fund is very loss sensitive and sees every claim dollar being spent as their money. The Fund controls these costs by fighting fraudulent claims and by requiring

claim settlements to be authorized by a board of trustees, comprised of Fund members.

Participants of the Fund must be a member of the Michigan Institute of Laundering & Dry Cleaning or Midwest Carwash Association. The majority of payroll must fall into one of the following classifications: dry cleaning, industrial laundry and uniform, coin-operated laundry, car wash, carpet cleaning, and commercial janitorial.

Congratulations on another exceptional year! If you're not currently a member, you're missing out on the many benefits the Michigan Cleaning Fund has to offer. Please contact RPS Regency for more information or [micleaningfund.org](http://micleaningfund.org).

**\$23.9 Million since 1981**



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Todd Klismet  
Independent Carwash Owner  
Waupaca, WI

I have a spotless reputation.

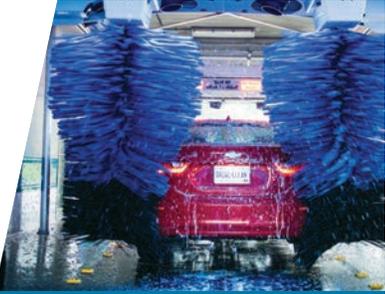
Running a car wash isn't easy. I've got picky customers, competitors trying to undercut me—and don't get me started on the weather. So yeah, sometimes I can get a little stressed. It comes with the territory.

But one thing I know for sure: my customers keep coming back to my PDQ-equipped car wash because it's the best in town. All *they* care about is getting the cleanest car possible, and my wash delivers, week after week. And that puts a smile on their faces and mine.

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# WATER REUSE, ODOR CONTROL, AND COMPLIANCE FOR TODAY'S WASHES

By John Schauff, Director of Government Services & Training for Spartan Chemical Company, Inc.

**R**ecycling, cleaning, and reusing water in today's commercial car wash facilities solves the problem of operating under water restriction laws and makes financial sense for both commercial and fleet car and truck wash facilities. Today, legislation mandates lower water use, and some state laws require new car washes to reuse fifty percent of their water (carwash.com). Some local codes compel water reuse as well.



**Pluses:** Recycling systems can be expected to reduce fresh water usage between 40 and 90 percent. For that reason, a well-functioning water reclaim system offers multiple benefits to the car wash owner by creating long-term sustainability, establishing the business as an environmentally friendly entity in the community and lowering waste disposal bills.

**Minuses:** As organic soils build up in the wastewater, spoiling and decomposition create odors that can be very unpleasant to customers. This is especially true in the summer months when warm weather contributes to the decomposition, which in turn heightens the intensity of such odors.

**Compliance:** Many states also have regulations about water treatment and the downstream impact of wastewaters. As an example, car washes in Fairfax County, Virginia must comply with the wastewater discharge and plumbing requirements preventing untreated vehicle wash water from entering the sewer system. This also requires car wash facilities to install a county-approved water recycling system.

**Solutions:** Recycling that creates odors and wastewater compliance laws all add complexity and higher costs to running car washes. There are answers: biological products can help make the water recycling system more efficient by naturally removing organic soils, which in turn reduces the odors in a water recycling system. Specifically, routine application of a biological product reduces Biochemical Oxygen Demand (BOD) and Total Suspended Solids (TSS). By doing so, it can reduce the volume of sludge and costs associated with disposal. The digesters in these products speed up the process of organic soils and difficult compounds including phenols and cellulose, thereby saving time. They improve system stability, lowering maintenance needs, saving both time and money.



Use of biological products can also save business owners thousands of dollars by avoiding citations for sending inadequately treated water into the waste stream. Reusing water means reducing the overall quantity of water for which vehicle-wash owner/operators are billed.

# SAVE THE DATE!



# 2018 EXPO

**June 18 - 20, 2018**

**FIREKEEPERS CASINO•HOTEL  
BATTLE CREEK**

More details soon at  
[www.MidwestCarwash.com](http://www.MidwestCarwash.com)



# 2017 Bill Boal Memorial Golf Outing

We enjoyed seeing you at our outing in September at beautiful Hawk Hollow!





# A big thanks to our Sponsors!



# INDUSTRY TRENDS AND INFORMATION

By Becky Dismukes, DRB Systems

**W**hat is the biggest industry trend? Put very simply it's Speed, Simplicity and Convenience.

The Midwest is seeing a move from the old standard exterior wash to a new express exterior model utilizing self-pay stations, RFID (Radio Frequency Identification) tags and monthly plans. Self-pay stations can be used as a sales tool and help you market your wash. Acting as an onsite salesperson, a self-payment terminal will never take a day off! Plus, with more and more consumers becoming tech savvy, many prefer interacting with a computer rather than a human. Your self-pay terminal should be programmed to print receipts with promotions (such as a discounted wash on Tuesdays), which can help you build repeat business. Your pay station can advertise upselling extra services like hot wax or tire shine. Operators are also finding that they can sell gift cards from a self-pay terminal. That's practically one-stop shopping at gift-giving time. You can get your car washed and also buy a gift in a matter of minutes at a self-pay terminal. Let your customers redeem discounts via barcoded coupons from their cell phones. Just check out the line at Starbucks and take note of how many of their customers pay with a cell phone.

Using RFID in tandem with monthly plans can make for a quick, convenient and seamless customer experience, since customers can enter and exit the wash without ever having to roll down a window. Monthly Pass programs provide a more predictable revenue for the operator. For instance, you own a wash in St. Louis, MO. The Farmer's Almanac is predicting snow chances for all of December. Well, that's exciting, but what if the Almanac is wrong? A monthly pass program will help you maintain a steady revenue stream even when the snow is not flying. All one needs to do is look at the tremendous success of programs like Netflix and Spotify to see that unlimited plans have become standard operating procedure in consumers' lives.

The car wash market nationwide is experiencing tremendous growth, and industry experts expect growth to continue through 2021. We also feel that the Midwest is particularly primed for growth. The economy is stable, and land is still available. We see interest in new builds increasing. Older sites, who in the past have been reluctant to convert are beginning to make inroads into modernizing their washes. Owners of older washes

are opting to completely rehab their sites – sometimes converting to a full express, and sometimes keeping a full serve lane and adding an express lane. Besides adding new, modern equipment they realize that cosmetic changes need to be made too. From keeping the site neat and clean of debris, to having signage throughout to just adding a new coat of paint to the site, operators realize that customers want to come to a wash that is inviting. If the wash looks clean, it stands to reason that their car should also come out clean.

New investors, both private companies and individuals, attracted by low employee wages and quick return on investment, are starting to enter more heavily into the car wash market than in previous years. We may soon start to see an upswing in "flipping car washes" like we see in "flipping houses." A new investor, or a veteran car washer may swoop in and buy an older wash in decline, spruce it up cosmetically, add pay stations, RFID technology and monthly pass plans, and in a matter of months either resell it, or find that he is getting such a great return he will continue to operate that wash as his own business. Either scenario will have to start with modernizing the wash and bringing it into the 21st century.

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MIDWEST CARWASH ASSOCIATION

**2018 Associate Membership Form**

Company Name \_\_\_\_\_  Renewal  New Member

Other Business Name (if applicable) \_\_\_\_\_

Business Type (check all that apply)

- |   |  |
|---|--|
| <input type="checkbox"/> Conveyor             | <input type="checkbox"/> Detail Shop           |
| <input type="checkbox"/> In-Bay Automatic     | <input type="checkbox"/> Self-Serve            |
| <input type="checkbox"/> Oil-Lube             | <input type="checkbox"/> Credit Card Processor |
| <input type="checkbox"/> Chemical Distributor | <input type="checkbox"/> Insurance Provider    |
| <input type="checkbox"/> Carwash Mfr.         | <input type="checkbox"/> Soap Mfr.             |
| <input type="checkbox"/> Equipment Mfr.       | <input type="checkbox"/> POS                   |
| <input type="checkbox"/> Other _____          |  |

Address \_\_\_\_\_

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Phone \_\_\_\_\_ Fax \_\_\_\_\_

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Operator Member Annual Dues \$150

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**QUESTIONS?**

Contact Hillary Walilko  
at walilko.h@gcsionline.com  
or call 1.800.610.4512

# MCA Member News

## Two Industry Leaders Choose Ascentium Capital

### DRB Systems Selects Ascentium Capital for Strategic Customer Financing Program

A trusted leader and innovator in the car wash industry, DRB Systems, has joined with a top private equipment finance company, Ascentium Capital LLC, to develop a customized financing program aimed at helping car wash operators grow their businesses. The program is open to new or existing customers of DRB Systems or Unitec, who have been in business at least two years and are considering new equipment or upgrades from a few thousand dollars up to \$250,000. Popular products like DRB's Growth Suite are easy add-ons to a customer's existing SiteWatch® POS system under this financing arrangement. Payment structures are competitive combined with a streamlined process including a one-page application with most credit decisions within two to four hours.

The DRB Systems Growth Suite™ (XPT® Xpress Pay Terminal®, FastPass® RFID system and Unlimited Monthly Plans) builds stable, reoccurring revenue by providing the equipment and software needed to implement and market successful unlimited wash programs. DRB Systems customers who have added the Growth Suite have seen extremely positive results. A recent example of optimized Growth Suite success is from a major Northeast car wash that realized a 186% increase in monthly plan sales in just under two months.

"Our financing program with Ascentium allows customers from both of our leading brands to easily purchase products with no money down while budgeting manageable monthly payments," states Joe Shoemaker, VP of Marketing for DRB Systems and Unitec. He continues, "For our customers who have thought about expanding or upgrading their on-site experience through better automation, faster and easier customer processing or increased monthly plan sales, this financing option is a wonderful way to get the industry-leading products needed for the job without leveraging the business."

"We're excited to work with DRB Systems and offer our award-winning finance platform," comments Len Baccaro, Senior Vice President of Sales at Ascentium Capital. "The specialized car wash team at Ascentium is focused on providing solutions that enhance the profitability for our clients. It's rewarding to see our organizations come together and develop a comprehensive finance program dedicated to the success of DRB Systems and their customers.

### PECO Carwash Systems Chooses Ascentium Capital for Client Financing

PECO Car Wash Systems, a leading manufacturer of professional car washing systems, announced this fall that Ascentium Capital LLC was chosen as their preferred lender to help clients acquire carwash systems, equipment and parts.

PECO has a global distributor network with hundreds of car wash professionals that provide local support. The Company offers a complete line of carwash systems that uses stainless steel for the structural components for its durability, longevity and easy maintenance.

"We're excited about our business relationship with Ascentium Capital," said Jennifer St. John, sales manager at PECO. "Choosing Ascentium was easy due to their value proposition. They are focused on helping our clients acquire their PECO solution as quick and easy as possible while enhancing an operator's cash flow and competitiveness. This partnership will complement our leadership as the most helpful brand in car washing."

Ascentium Capital is ranked as the nation's largest private-independent finance company and has an award-winning finance platform. "We're proud to work with a leading carwash system provider," comments Len Baccaro, senior vice president of sales at Ascentium Capital. PECO assists owners and operators through every step in building a great carwash and setting them up for success. We'll leverage our financing expertise and flexible payment structures to drive this mission."

# Car Wash Industry Operatives Form N1 Buying Group

Several car wash industry leaders have launched N1 Buying Group, the first cooperative of its kind in the car wash industry. N1 was created to provide value and improve profitability by leveraging the collective purchasing power of its members. Additionally, the N1 Buying Group establishes a platform of growth for suppliers, while facilitating a best practices forum for large operators and independent distributors in the car wash industry.

Founding members include Autobell Car Wash, Waterway Carwash, and Benny's Car Wash in the operator division, as well as independent distributor Howco Inc.

"We have an extremely fractionalized industry with significant changes taking place, and there is no voice for independent distribution," explained Chuck Howard, CEO of Autobell. "So members and suppliers are joining forces to form N1 Buying Group to coalesce and increase our buying power and improve our respective profitability."

N1 Buying Group is a membership organization governed by a board of directors and managed by the consulting firm Buying Group Services. The group will hold an annual meeting to provide networking and educational opportunities and further the organization's goal of improving products and supply chain processes.

Financial benefits of membership include supplier rebates and the options of centralized negotiations on major product categories, improved payment terms, and central billing for improved invoicing and payment processing.

"For a supplier to have access to a forum wherein buyers operate with a common purpose is a tremendous opportunity for growth," stated John Gannon, General Manager of Howco Inc. "The benefits to the supplier are clear: security of payment, market intelligence, invitation to an expanded marketplace, and the reduction of sales, marketing and travel expenses."



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