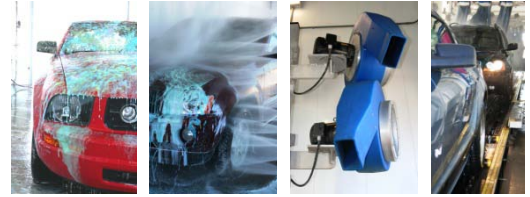


# New Way to Operate

## Top 3 Trends in 2010

by Jim Belanger



The car wash industry is evolving right in front of us. Looking back at events that took place within the car wash world in 2009, it is becoming increasingly clear that there are three trends that will be shaping 2010 and beyond. Together, these three trends point to a New Way to Operate in which operational efficiency and operational effectiveness will be more valued by operators than ever before and the traditional notion of looking to In-bay and tunnel equipment for answers will be supplanted by cost containment strategies and products, strategic relationships for growth and profitability, and remote, contextual metrics that help owners and managers make better, real time business decisions. Here are the three trends that are creating the *New Way to Operate* and what they mean to you:

**1 The operational complexity of running high volume car washes and multi-store chains is the driving force behind Operators' demand for real time, remote performance data to help them run their business more effectively.** Just a decade ago, a multi-store car wash company was an anomaly. Today, an owner of two or more car washes seems to be the norm. Supplier organizations will need to reassess how well they are responding to the needs of this aggressive new customer in the marketplace. This ranges from new thinking about integrated product solutions and customized service arrangements to the fundamentally important need for real time operational data. Our industry is data deficient. Owners and general managers are searching for data, particularly for remote access to real time information that frees them from the necessity to site ride on a daily basis to verify that their facilities are delivering on their service promise. On line video has helped tremendously but lacks the ability to deliver process information that effects quality and cost containment. New product and service solutions are emerging that offer car wash executives the tools they need to monitor and act on real-time information. They are web based products that provide chain wide summary and site by site drill down and comparative reports, and alarm out of parameter conditions to appropriate personnel for immediate corrective action. Early adopters will enjoy competitive advantage over those organizations that lag behind in implementing remote car wash management technologies that deliver operational effectiveness data.

**2 Product Solutions that save power, water and chemicals will become the new stars of sustained profitability.** Backroom equipment will play a more important role in re-defining traditional notions of "what's important" in the car wash. Primarily due to the commoditization of car wash equipment for the in-bay and tunnel segments, the new place to look for competitive advantage and sustainable profitability will be the back room. Any major brand in the bay or tunnel can wash a car just fine and requires similar levels of attention and repair to keep it running well. Only marginal efficiency gains are still available from wash equipment. However, all car washers know that the big checks they write every month aren't made payable to equipment suppliers, but rather to their power utility, water and sewer utility and their chemical supplier. Small backroom OEMs/Integrators have often been an afterthought for distributor sales channels which primarily focused on large OEM wash equipment lines. Unheralded OEMs of backroom products simply plodded forward making a huge difference in daily profits for their customers. Heading into 2010, though, this reality appears to be reversing. The industry is chock-full of examples of how innovative small OEMs and Integrators around the country have been delivering solutions to operators that generate huge operational savings. As such, they are taking center stage away from car wash equipment manufacturers as the operators look to run more efficiently in the face of stiffer competition. A new breed of manufacturer/integrator is bursting onto the car wash scene with a singular focus on optimizing back room equipment systems to lower consumption of power, water and chemicals. The intelligent integration of backroom systems designed to control ongoing operating costs will unseat the wash equipment as the primary driving force in capital budgets and brand decisions. Engineered backrooms will become the most important aspect of equipment selection while wash equipment will become interchangeable.

**3 Being Multi-Line Integrators will become the new operational reality of talented Distributors throughout North America.** This last trend is perhaps the most important. Last year will be remembered as the year that an overall paradigm shift in the world of car wash distributors took place. Seemingly overnight, professional car wash distributors systematically withdrew their support from one or two major lines of equipment and picked up multiple competing lines in order to offer end users customized product and service solutions that perfectly matched their needs and wants. This paradigm shift reorders the supply channel appropriately placing the end user at the top of the food chain rather than at the bottom. In the past, single line distributors would offer "one size to fit all", occasionally outfitting an operator with a

product or service solution that was less than optimal. In these difficult economic times, distributors cannot afford to walk past customers looking for a competitive brand. Similarly, operators spending money are in the drivers' seat and are demanding the exact terms under which they will do business. Distributors have now demanded that manufacturers properly recognize them as the "Customer" rather than a Rep. They will not "represent" manufacturers but rather will advocate for their end user customer to the manufacturing community. The partnership will no longer be between manufacturer and distributor but instead the end users and the distributor. Manufacturers will be left alone to compete on the merits of their products and will no longer be able to wrongly leverage the value of the distributor. Distributors will take on a new, more challenging role as integrators of ever more complex product and service solutions to meet the needs of more sophisticated, demanding end users. Those distributors who have dared to break free of the old paradigm will be the first to reap the rewards once economic growth returns. They will galvanize economic activity at the grassroots level and become an indispensable part of their customer's growth and success. Distributors are developing cutting edge services surrounding cutting edge products from multiple manufacturers that allow their clients to run smarter, more efficiently and more profitably. The operators that forge relationships with professional distributors will find more sustainable profitability than those that chose to go it alone. Distributors are on the ascendency and are finally taking their rightful place as the indispensable link, consultant, supplier-service man, the "grease" that makes our industry run.

Jim Belanger is the co-founder of Car Wash Management Integrators (CMI). CMI is at the forefront of integrating advanced technologies and solutions into car wash applications that reduce power consumption, enhance operational effectiveness, process control and quality, and lower the variable cost of chemistry, water and gas. CMI brings the world's best automation technology to car wash. [www.carwashcmi.com](http://www.carwashcmi.com) – toll free 866.868.5312