

## **Extra services are they for you?**

**By Fred Grauer, Executive Vice President  
Ryko Manufacturing Company**

In the carwash business we are always searching for extra income opportunities. Finding items that work and contribute with minimal oversight is difficult. Add to this the security challenge of internal and or external shrinkage and often times you wind up scratching your head saying "why bother"!

Over the years there are a couple of unsung heroes that have proven themselves worthy additions. If you were to look strictly at revenue per square foot and total investment one of the best investments ever is coin operated vacuums. These vacuums come in various strengths and flavors. Pricing varies according to options, style and horsepower. Today you can install vacuums that have fragrance dispensers and carpet shampooers and come with various motor and horsepower combinations. For a less sophisticated system the normal retail price is \$1.50 for four minutes.

Normally coin operated vacuums are installed in islands that allow two vehicles to be on either side of the island that has two vacuums and trash containers and lights. The vend price for these vacuums vary based upon options. In looking around the industry it would appear that the typical coin operated vacuum at a self serve does around \$50 (+-) per week. Project that out, on let's say a \$2000 vacuum and you wind up paying for the entire unit in less than a year. Pretty good return for a relatively small investment and use of minimal space. Most people that I have spoken to tell me that you can never have enough vacuums and that additional units don't detract from the originals. So contact your local car wash supplier and ask him to take a look at your site, do a layout and make a proposal. I know you won't be disappointed.

Lately there have been some very cool coin operated vendors that allow you to sell various sized and priced items in a very compact space. In many cases these are rear loaded machines, meaning that they are typically mounted on a wall opening to a secure space, so the security of inventorying as well as collecting money is very good. In addition to these items there have been significant break through in monitoring coin operated vendors. It is possible to tie the electro-mechanical coin mechanism into PC based software so that you have total control over sales of services.

If you are strictly a storage facility the simple addition of vendors or vacuums should be a no brainer. If you decide this looks interesting and you do add these you are really getting close to adding the ultimate extra service, a car wash. In previous articles I have written a great deal about the car wash opportunity and may of you have corresponded with me to get more information. Over the last six or so months I have spent a lot of time on the road and have seen many storage facilities with washes. All seem to be doing

well so there is no doubt the addition of a wash may be just the ticket to up the monthly revenue and profit picture.

As we all know the goal of all these business opportunities, we look at, is to make a profit. The more I visit with business owners and study real estate values it becomes more evident that the pressure is on to maximize returns. With land and construction costs escalating we must always keep in mind the mantra of "highest and best use". Simply put we always have to look at everything we do as producing enough revenue to support the total investment and value of the site. Hence the greater site appreciation we have the more we need to be tweaking the net revenue either by improving our core business or by adding extra services.

Recently I visited a number of top car washes in the country. The number and variety of extra services they are employing was impressive. All the owners I have spoken with are searching and experimenting with different options. If there was one common thread besides improving the net it was that there exists an "out of the box" initiative that basically says "I am not going to accept what worked in the past" in other words owners have come to realize that their customers are site specific. As an example I visited one full service car wash in a town of 40,000 people. The community's main business is agriculture and high technology. The owner realized that the customer base was over 65% women and that there was a very great opportunity to cater to this base with items that are attractive, personnel and un-car like. In addition after further interviewing her customers she realized there was a real opportunity to market local sports memorabilia. The result walls attractively lined with art, shelves with candles, and the waiting/sales area tastefully decorated to make people welcome and comfortable. Bottom line this car wash produces well over two dollars per car in extra income and this is before the recent addition of signed sports memorabilia.

So the direction and type of added revenue opportunities is varied. It all comes down to your understanding of your customer as well as having a grasp on what you are prepared to commit to in time and money.

As the gurus all say there is no such thing as a really poor plan but there are countless examples of poor execution. Get in your car, look at other successful retailers, ask lots of questions, interview many suppliers, make a decision and go! I know you will have lots of fun dreaming up ideas, planning and executing. Good luck let us know some of the "extra services" you have done, either good or bad. We would love to do a follow up story, thanks.