

BUSINESS PLAN FOR

Car Wash

Date Here

Prepared for:

_____ **Bank**

Prepared by:

_____ **email@youremail.com**

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MISSION STATEMENT

_____ Car Wash will be the cleanest and most technologically advanced 5 bay coin operated wash facility available. It will include 3 self serve bays and two touchless automatic bays. The design and architecture of the buildings will make us unique and more functional than the typical brick or block construction usually seen in the self serve car wash industry. We will always strive to meet our customer's needs and provide them with quality equipment and services. Our car wash will be built to ensure our customers security. The facility will provide superior lighting and using a light color veneer to reflect lighting offering a more secure location for nighttime customers. This is the first of five planned automatic car wash sites.

COMPANY STRUCTURE

_____ Car Wash will set up as a limited liability corporation (LLC) between _____, _____, and _____. All members of the LLC will have an equal share of the corporation and will be formed according to an already agreed upon LLC agreement that is in it's final draft.

THE SERVICES WE PROVIDE

_____ Car Wash is a 3 bay coin/cash operated to customers who want to provide their own labor, and a two bay automatic offering cleaning services to those who prefer a lower cost “drive-thru” alternative. The car wash will be located across from a new McDonald’s and next to Mohan’s on Saltsburg Road in Penn Hills.

Actually, the term “car wash” is not wholly accurate. Our facility can accommodate recreational vehicles, vans, boats, trailers, machinery, household items or anything else portable and washable.

Customers will be drawn to our car wash because it affords them a clean, well-lighted, secure and pleasant facility offering every service available in the industry today, with the capacity to add new systems as they are developed.

_____ Car Wash is unique, in that it offers services not available in other area washes, such as credit card acceptance on both self serve and automatic washes as well as unique, clean styling of building and lot.

A state-of-the-art facility with superior services cannot succeed without quality equipment that will enable us to service our clientele with quality chemicals, a minimum of down-time, and reliable performance. All of the equipment used in the facility is manufactured or serviced by _____, located in _____, _____. _____ has been in the car wash business for over twenty-five years, is a National distributor, and is well known as an industry leader.

_____ supplies a full line of parts, service and chemicals and will offer back-up support during all phases of the building, start-up and operation of _____ Car Wash.

To review the service options and features available at _____ Car Wash, we will divide them into two areas; Self Service and Outside Services.

Self-Services

The self service bays are used by customers who take pride in and enjoy cleaning their own vehicles. Ten basic cleaning options allow them to choose which services they will combine to satisfy their individual needs and best care for their vehicles. The other features offered are designed to facilitate cleaning and reduce the operators' workload. Reducing operator workload is a primary concern, since 58% of our customers believe it is easier to clean their vehicles at a commercial wash. We will offer the following features.

Credit Card System - Networks entire wash together. Allows credit card and fleet usage at every keypad device. Enhances sales per vending by more than 50%. Creates customer loyalty with the convenient use of credit cards at all areas of the wash including wash, vacs, etc..

Tri-color Foam -". Our wash will provide the user with an experience that they moist likely have never had at a self serve wash. The latest in chemical technology allows our customers to spray on a exotic tri color foam that enhances the experience both in appearance and in the fragrance that is offered.

Countdown Display Timer - A large L.E.D. display on the coin box showing the time purchased to operate the system, counts down in minutes and seconds and gives an audio and visual warning when one minute of time is remaining.

Electronic Coin/Token Box - A large stainless steel meter with graphic decals, indicator lights and a rotary switch shows customers which function is activated. Will accept either tokens or quarters.

In Bay Bill Acceptors – Unlike our competition, we will offer our customers the ability to use one dollar bills and five dollar bills in the self serve bays themselves. No need to get change for your bills.

Accumulator - A function of the electronic coin box which allows customers to accumulate time at a discount by inserting more quarters or tokens at the beginning of a cycle.

Pre-Soak - A super-concentrated detergent solution dispensed at medium pressure to all surfaces to break down road film.

Foaming Engine Cleaner A concentrated foaming degreaser dispensed at low pressure to the engine before using high pressure soap.

Foaming Tire Cleaner - A concentrated foaming solution formulated to clean rubber - especially white walls.

Foaming Brush - A soft natural brush dispensing thick, rich colored and scented

foam at low pressure, used to scrub all vehicle surfaces.

High Pressure Soap - A detergent solution dispensed to clean all vehicle surfaces.

High Pressure Rinse - Clear rinse water used to flush all vehicle surfaces of dirt and solutions.

Wax - A colored and scented wax solution applied to the entire vehicle - which is then rinsed off, leaving a protective coating on painted surfaces.

Spot Free Rinse - A reverse osmosis water treatment system dispensing ultra-pure final rinse water at medium pressure, which will dry "spot free" on vehicle surfaces.

Floor Mat Hangers - Stainless Steel wall-mounted hangers to hold floor mats while they are washed with high-pressure services.

Lighting - Two 400 Watt Metal Halide fixtures light the inside of each wash bay.

Signage - Large graphic menu signs are used for all service options, and are color coordinated with the graphic decals on the electronic coin/token boxes. Additional color coordinated signs indicating pricing, additional instructions and location of other services, such as bill changers, will also be employed.

Automatic Touchless

The automatic touchless is an integral part of offering to our customers. This state of the art system will provide our customers with the highest quality wash including pre-soak system, on board rocker panel blasters and under carriage cleaning. This will allow us customers who do not wish to utilize the self serve bays, but also do not want to pay the high price that full serve car washes require. The touchless aspect of this automatic will provide customers with a sense of security that their car is not being damaged by dirty or abrasive brushes that other friction car washes offer.

Outside Services

Outside services are provided to our customers as an important part of our overall service level, our commitment to provide every available option and as a strong support to our overall marketing strategy and profitability. We will offer the following features:

Bill Changer - Dual stainless steel bill changers accept \$1, \$5, \$10 and \$20 bills.

Credit Card Machine – All of our services will be available by credit card. Industry standards show that 1/3 of all revenue is charged to credit card giving us a huge competitive advantage.

Vending - Vending machines will offer customer's pre-packaged Armor-all products and clean towels.

Vacuums – Heavy-duty stainless steel vacuums with lighted domes and color-coordinated hoses provide the highest performance rating in the industry.

Carpet Shampooer - A dry foaming solution used on carpeting and upholstery to remove stains and dirt.

Fragrance Dispenser - A scent gun dispenses the customer's choice of three different scents to freshen the interior.

Sink, Faucet and Wringer - A stainless steel sink cold water faucet with automatic shut-off and crank-style wringer are provided to rinse and wring out customer's drying chamois.

Trash Cans - Trashcans are covered with stainless steel tops to keep trash in and animals out.

Signage - Additional signage is used to inform customers of available services and to display our commitment to customer satisfaction.

THE MARKET AND OUR TARGET CUSTOMER

Industry Overview

Twenty years ago, virtually all self-service car washes were the same - usually bare bones operations with little or no attempt being made to attract new markets and whose customers were 90% males.

Things are different today. The industry has experienced major changes brought on primarily by escalating vehicle costs and lifestyle changes in its customers. Higher costs have forced the industry to develop new services, such as the foaming brush and fragrance machines, to increase gross profits. Today's customer may well be a 16 year-old male, a 65 year-old female, or a 36 year-old mother with children waiting in her mini-van while she washes it.

Of the washes operating today, 46% are less than 8 years old, and 22% between one and three years old. As you can see, the market for car washes has grown drastically during the last three years and this growth rate has not yet peaked. As vehicle prices and maintenance costs continue to escalate, owners are realizing the need to keep their cars longer and increase their amount of upkeep, to stay at least marginally competitive in today's used car market. This is especially true for owners in the lower income brackets with less discretionary income to replace their aging vehicles.

In a recent survey, performed by Volkswagen of America, overall appearance and cleanliness of a vehicle was rated the number one factor in used car value at time of trade in. This makes self-service washing a quick and economical solution to the car owners needs. The car wash industry is entering a rebirth, so to speak, growing out of the necessity to keep pace with our customer's changing needs and desires. _____ Car Wash will be on the **leading edge** of this major growth segment in the industry.

MARKETING

The grand opening of _____ Car Wash will consist of the following:

- mass mailer that will be sent to target market population in a two mile radius
- advertising in two local papers
- flyers delivered to residences within a two mile radius.
- Cross-marketing with McDonald's and nearby restaurants

Additionally, there will be an on-going marketing plan promoting the car wash throughout the year utilizing these methods as well as banners and signs and happy customer referrals!

THE COMPETITION

_____ Car Wash has some competition relatively close to the chosen location. The closest of which is that of a Exxon within a quarter mile of our chosen location. This is an older style friction type wash that is used as an offering while their customer's are getting gas. While it is probable that this will take away from our total market share, we feel confident that after experiencing the quality of our wash and the entire experience of utilizing our wash they will be more prone to using _____ Car Wash. There are also two self serve washes offering 6 bays each within a 1.5 mile distance of our wash. The _____ Wash at the end of _____ Rd would most likely be the more formidable competitor of the two. However, _____ Wash does not offer any technology advantages at his time. No credit cards, tri-color foam, or automatic bays. While they could upgrade to these offerings it would be costly.

Meeting the Competition

_____ Car Wash is more than just a place to wash your car. We are in the vehicle wash and customer service business, and our list of services is geared to the times. We offer the old tried-and-true methods, along with the increasingly popular start-of-the-art services, and we are constantly on the lookout for trends that will lead us to new markets. Furthermore, our prices are competitive and we offer a better value to our customer in time, ease of operation and expense.

_____ Car Wash will offer superior lighting, Spot Free Rinse, Carpet Shampoos and Fragrance Machines as well as a wealth of other services not available at other locations. We will provide a safe, secure environment to wash and clean a vehicle. This will appeal to all age groups of women, as well as men. These additional add-value services along with our location facing the hundreds of cars that pull out of the McDonald's drive thru should allow us to maintain the lion's share of a market that is well populated with the correct demographics for this type of business.

LOCATION

_____ Car Wash will be located on just under one acre next to Universal Shopping Center, across from McDonald's and next to Mohan's on Saltsburg Road in Penn Hills. Additionally, there is a second strip mall next to McDonald's and a Pizza Hut and PNC bank within a few hundred feet of this location.

The property is presently vacant and 42,451 square feet in size.

The property enjoys a population of 7,199 within a 1-mile radius and 23,663 within a 2-mile radius with a medium household income of \$30,609.

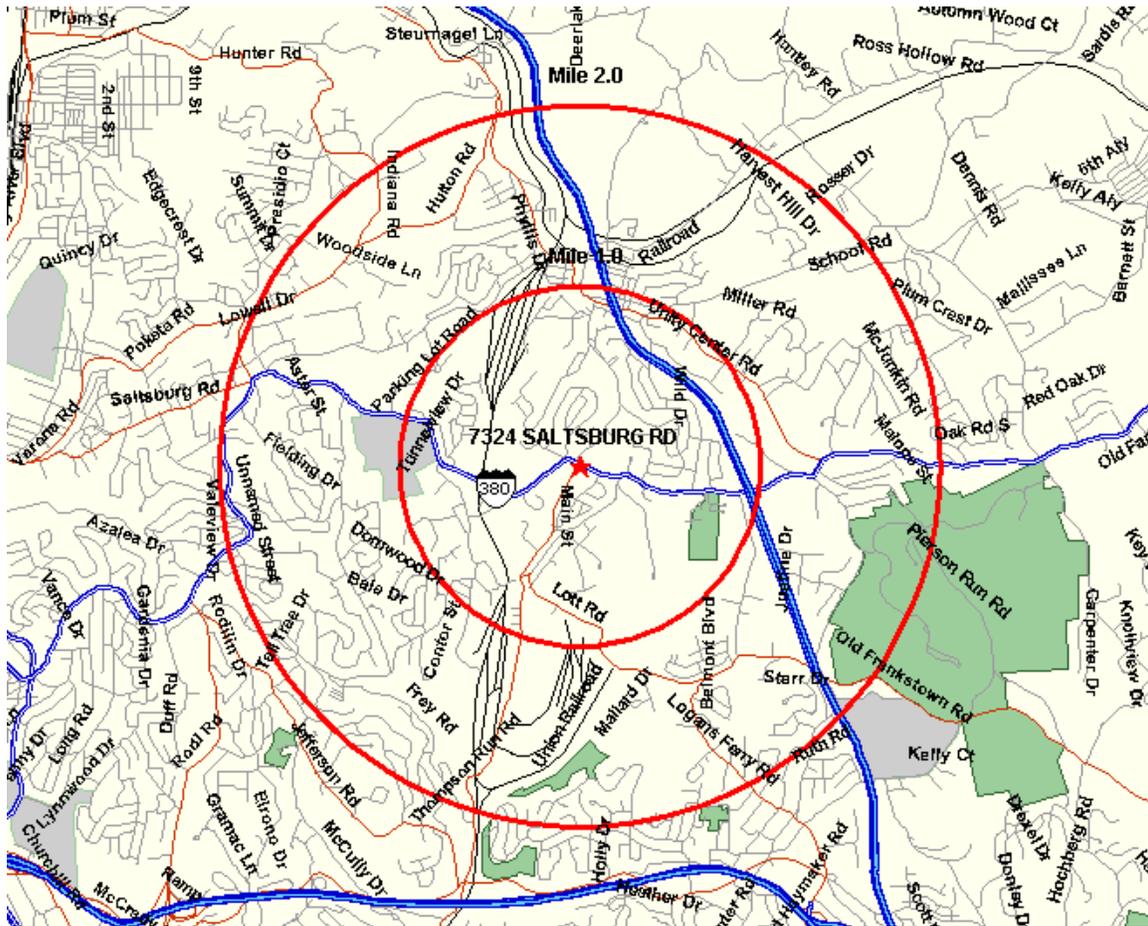
According to PA Dept of Transportation studies, the volume of traffic on Rt 380 (Saltsburg Rd.) in 1999 was 15,000 cars per day. The majority of this traffic is local, going to and from work, shopping, school, etc. The street speed limit is 35MPH and although there is no traffic light or intersection, our customers will be able to safely and conveniently enter or exit from Saltsburg Rd and hopefully through the access road to Universal Shopping Center (we need to get agreement from the shopping center owners).

A large, lighted sign will be positioned on front of our lot directly in front of the McDonald's. In addition to the sign, a backlit colorful canvas dome will be illuminating as the entire roof. This will be visible to attract attention to the site. There are several single-family home neighborhoods to pull from now including Alcoma, Anderson Park, Regency Park, Universal, East View, and Edgemoor. There are also two large apartment complexes within one mile.

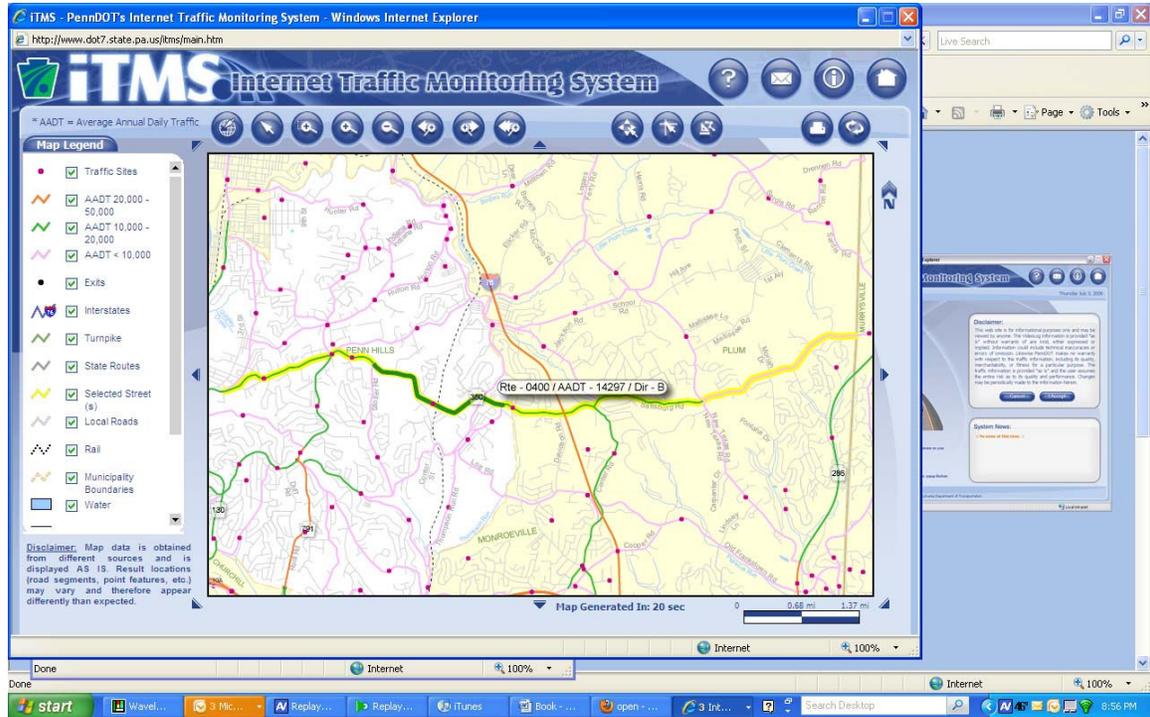
The building will be constructed of split block with an interior of light colored Royal Building System (PVC) material to insure high visibility and cleanliness on the site. The illuminated roof and tower will color-coordinate with the vacuum island awnings to insure an attractive appearance. With a state-of-the-art computer monitoring system, we can be assured of good accounting practices and proper operation of the equipment.

A site analysis survey was filled out to evaluate the quality of the location in regards to a car wash site. The site analysis survey was put together by the National Car Wash Association in order to evaluate potential car wash sites. The survey clearly shows that this site is an outstanding location for such a site.

Location Map



Traffic Map



Local Franchise Map



Demographics Map

FreeDemographics.com [1.0] - Mozilla Firefox

FreeDemographics.com

FreeDemographics.com [1.0] Home Report Map Sign-Up Log In

7250 SALTSBURG RD PENN HILLS, PA 1 Find Comparison Summary Rank
 Example: 1811 S Quebec Way, Denver, CO 80231 Demographic Snapshot Comparison
 Or pick from: Save Export as... Please provide us with any feedback by filling out this form.

Demographic Snapshot Comparison

Study Area: 1 Miles: 7250 SALTSBURG RD PENN HILLS, 3 Miles: 7250 SALTSBURG RD PENN HILLS, 5 Miles: 7250 SALTSBURG RD PENN HILLS

Study Area	1990 Median Household Income	2000 Median Household Income
A: 1 Miles: 7250 SALTSBURG R...	~31,000	~39,000
B: 3 Miles: 7250 SALTSBURG R...	~33,000	~41,000
C: 5 Miles: 7250 SALTSBURG R...	~31,000	~39,000

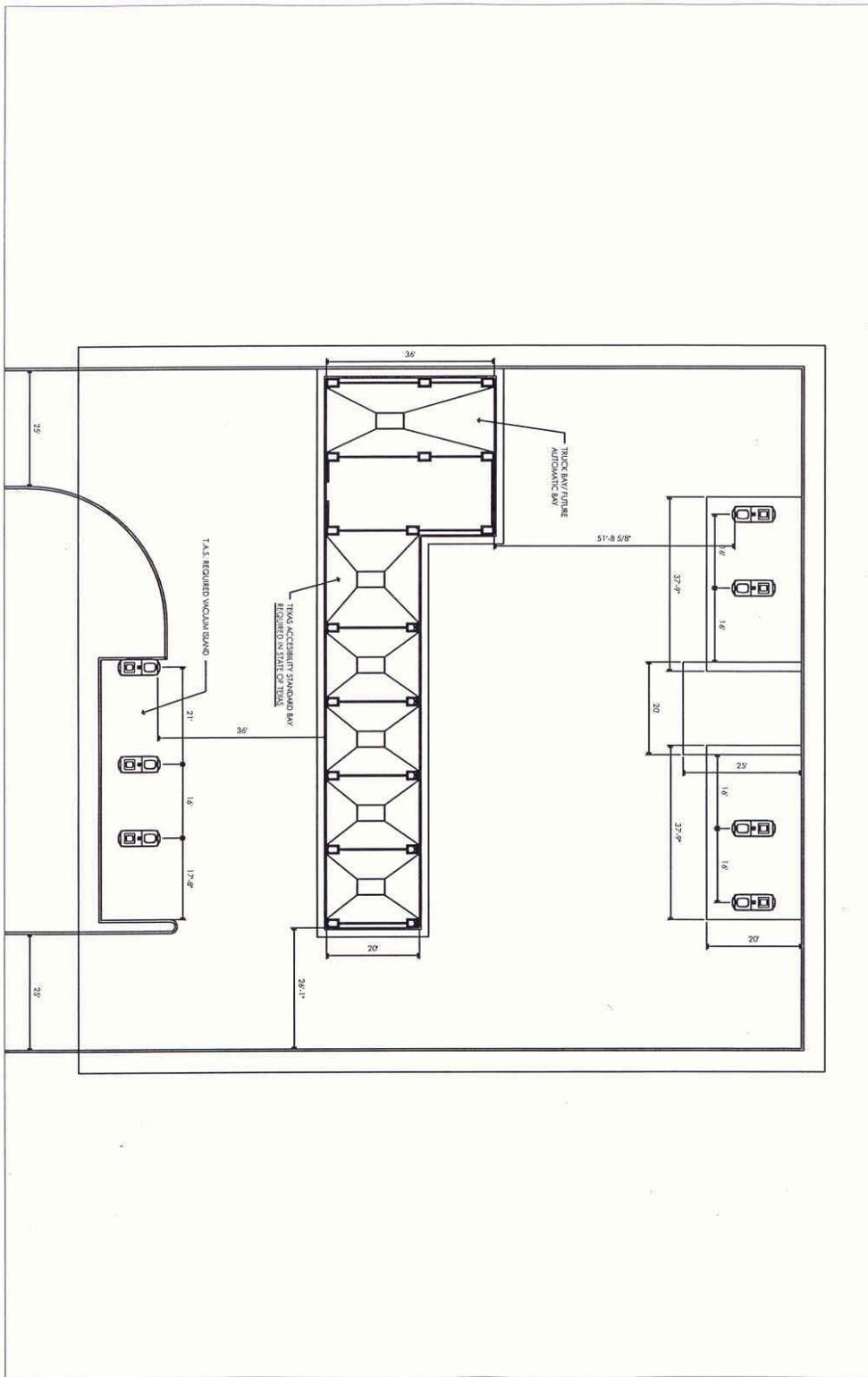
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SITE PLAN

Site Plan



DEMOGRAPHICS REPORT

Demographic Report (Remove and Insert Your Demographic Study Here)

Demographic Report

Information - based on 1990 Census Information * Shrink left/right margins when printing.

Population			Households		# of Persons in Household						
Total	Male	Female	Households	Median Household Income	1	2	3	4	5	6	7+
6345	3207	3138	1945	\$51,996	132	503	446	557	228	60	19

Household Income

<\$5,000	\$5,000-\$9,999	\$10,000-\$14,999	\$15,000-\$19,999	\$20,000-\$24,999	\$25,000-\$29,999	\$30,000-\$34,999	\$35,000-\$39,999	
40	31	33	17	83	129	118	111	
\$40,000-\$44,999	\$45,000-\$49,999	\$50,000-\$54,999	\$55,000-\$59,999	\$60,000-\$74,999	\$75,000-\$99,999	\$100,000-\$124,999	\$125,000-\$149,999	\$150,000
181	151	181	124	406	239	70	13	18

Marital Status

Sex	Never Married	Married, Spouse Present	Separated	Other	Widowed	Divorced
Male	480	1635	18	34	37	83
Female	308	1604	9	31	136	200

Age

0-9	10-15	16-20	21-29	30-39	40-49	50-59	60-69	70-79	>79
1135	721	576	634	1368	1053	510	228	70	50

Travel Time to work(minutes)

0-9	10-19	20-29	30-39	40-59	60-89	>90	Work at Home
185	1199	763	489	335	115	25	55

School Enrollment and Type of School

Pre-Primary		Elem. - High School		College		Not Enrolled
Public	Private	Public	Private	Public	Private	
106	113	1430	33	439	439	4005

Private Vehicle Occupancy

Car, truck or Van (Carpool- # of Persons)							Other Means
Drove Alone	2 Per	3 Per	4 Per	5 Per	6 Per	7+ Per	
2820	195	37	7	0	6	0	101

Educational Attainment

<9th Grade	9th-12th no diploma	High Sch. Graduates	Some College	Associate Degree	Bachelor Degree	Graduate Degree
76	341	1106	1298	405	333	186

Means of Transportation to work

Worked at Home	Private Trans. by Car, Truck or Van		Public Transportation									
	Drove Alone	Carpool	Bus	Trolley	Subway	Railroad	Ferry	Taxi	Motorcycle	Bicycle	Walked	Other
55	2820	245	6	0	0	0	0	0	6	0	17	17

Occupation

Exec Admin. Manager	Specialist	Tech. or Sales	Service	Farming/Fishing	Craft or Repair	Blue Collar
385	407	1182	234	10	575	447

PROPERTY **Info**

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**Income Study at Prospective Location (INSERT YOUR INCOME STUDY
HERE)**

location / site analysis (THIS MUST BE FILLED OUT IN SPREADSHEET FOR YOUR LOCATION AND INSERTED INTO BUSINESS PLAN)
COIN-OP SELF-SERVICE CAR WASH BUSINESS

_____ **Carwash**

Location:

Date:

Location Analysis calculations are based on national averages as provided by the Auto Laundry News Self Serve Survey and is merely intended as a guideline and is of no guarantee of success. Other variables may influence the performance and success of a specific location.

Self Service / Hand Bays

Traffic Count (Choose One)

2,000 cars per day per bay	20
2,500 cars per day per bay	25
3,000 cars per day per bay	30
3,500 cars per day per bay	35
Commuter or tourist traffic	-10
Local Neighborhood traffic	20

Total Traffic Count Points _____

Speed Limit (Choose One)

Under 35 Mph	5
45 Mph	0
50 Mph	-5

Total Speed Limit Points _____

Customer Access (Mark all that apply)

Property on corner lot	5
Traffic light or stop sign within one block	5
Traffic light or stop sign more than one block	-3
One curbcut used for both Entrance and Exit	-3
One entrance and one exit	3
Property on divided street	-3
Traffic has turning lane from both directions	5
Property has two car stack-up room	5

Total Customer Access Points _____

Visibility (Mark all that apply)

Sign visible both directions 500 feet	10
Sign visible both directions 300 feet	8
Bays facing street entrance	10
Bays perpendicular to street	-2
Drive-in and back out bays	-15
Lot uphill or downhill from street	-5

Total Visibility Points _____

Local Business Factors (Mark all that apply)

Neighborhood shopping strip nearby	5
Multiple # of franchise store within clear sight of wash by (2)	
Lot located on large shopping mall	5

Total Local Business Factors Points

Competition (Choose One)

- If modern, up-to-date S/S car wash within 2 mile radius, deduct 1 point per bay
- Number of competing bays within 1 mile, deduct 2 points per bay
- If no competing bays within 2 miles add 10

Total Competition Points

Community Population (Choose One)

- 1,000 per bay in 3-mile radius 5
- 1,500 per bay in 3-mile radius 10
- 2,000 per bay in 3-mile radius 15
- 2,500 per bay in 3-mile radius 20
- 3,000 per bay in 3-mile radius 25
- 3,500 per bay in 3-mile radius 30

Total Community Population Points

Community Growth (Choose One)

- Growth prevalent 5
- Community stable 3
- Community changing-declining area -3

Total Community Growth Points

Community Profile (Mark all that apply)

- Apartments nearby 5
- Small single family housing 3
- Street parking 2
- Pick-ups, boats, vans in area 2
- Middle to lower income area 3
- Upper income area 5
- Dirt roads in area 7
- Potholes and broken pavement 4
- Good roads -3
- Winter salt on streets 5
- Heavy seasonal rainfalls -5
- Frequent snows and rainfalls 5
- Factory fallout or other pollution 5
- No curbs and gutters 2

Total Community Profile Points

TOTAL POINTS

Self Serve Carwash Income Per Month

Total 4 Min. Wash Cycles (Total points X 10.5)	1,481
Price Charged Per 4 Minute Wash Cycle (Enter Amount)	\$1.25
Estimated Single Bay Income Per Month (Total Cycles X Price per Cycle)	\$1,850.63
Estimated Total Vending & Vacuum Income (Bay Income X .25)	\$462.66
	4
Total Gross Self Serve Carwash Income Per Month	\$9,253.13

PROJECTED PROFIT AND LOSS STATEMENT

Projected Profit and Loss Statement (Insert Your Demographic Study Here)

Profit and Loss Statement Notes

The gross income prediction is a conservative figure, based upon existing locations in the Penn Hills area. The industry standard sales are based upon a capture rate between 8% and 14% of the average daily traffic count.

Additionally, the sales forecast numbers do not include any additional sales as a result of marketing efforts. The increase is only due to a rise in sales in relation to the increase of the daily average traffic count. It is projected that _____ Car Wash would enjoy a conservative 2% growth rate in sales due to various marketing efforts.

The projected expenses were based upon the last three years of local car wash operations, and upon national averages in similar geographic areas. Locally, the expenses run about 31% of the gross income (not including debt service).

CONSTRUCTION BUDGET

We are presently interviewing several contractors to actually build the facility. The estimated project costs is as follows:

Land Costs	\$110,000
Construction and Equipment	950,000
Overruns/Working Capital	50,000
Total Project	<u>\$1,010,000</u>

PROPOSED LOAN AND EXIT SCHEDULE

The profits generated by _____ Car Wash as projected in this business plan will allow the owners sufficient funds to retire the private loan in fifteen (15) years. Monthly payments including principal and interest will be made to the bank until such time the note is paid in full.