

Truck Wash Guys attend The 2003 Car Care World EXPO in Las Vegas. We discussed many topics with many companies. The show did shed some light on the truck washing industry advancements. We looked at the latest prototype Bus Wash Machine by Belanger, a major manufacturer of Car Wash Equipment.

http://www.belangerinc.com/products_ind.htm

The bus wash machine was 54 feet long and ran continuously the entire show. The Bus Wash Machine could wash a Bus in 9 minutes. We were impressed with this concept and interested in it's possible uses. Having washed Tour Buses in Louisville Kentucky every day of the week for one company in all kinds of weather. Using the Bus Companies in-house Vader Brush Wash System, manufactured by a now defunct Canadian Company, then later converting the in-house bus wash bay into a complete hand wash bay for our team, we found we could hand wash in about 15-22 minutes depending on the dirtiness of the bus. We also learned previously from a Airport Bus and Shuttle company, 'SFO Airporter' in San Francisco that we could clean their entire fleet of then 66 buses, Leased out Shuttles for Corporations in Silicon Valley and Tour Buses going to Reno in 8-10 hours with a crew of five in one night. Lately we have become more involved ion Bus Washing,

<http://www.BusWashGuys.com> .

This month we were called by Grey Hound to bid on a contract to wash buses 7 days a week, shuttling people from the suburbs to Denver International Airport since the air-shuttle service could not make a profit and the shuttle service company went out of business. Having washed school buses in TX, CA, OH, ID and so many states we are quite interested in the Bus Washing Technology for fixed sites. The equipment runs about \$155,000 not including the building. Reclaim is a minimum cost and the soap costs are less than our current costs by nearly half at \$1.80 per bus wash providing it was only relatively dirty. The current bus washes in Las Vegas using the system rarely use more than \$2.00 worth of soap per bus. We believe this would cut down on our costs although in some markets the cost of a bus wash property would be too great to justify the expenditure. At one time we met with City of Valencia in CA and discussed our washing methods VS those of a bus wash they built, a RYKO unit

<http://www.ryko.com/atlantis.htm>

When we put the numbers to the paper we found that the City had floated a bond to build a bus wash (15 years ago) for \$100,000.00 and a reclaim pit for \$30,000 and structure with concrete flooring for \$35,000. We estimated that our cost to clean the buses was only \$20.00 more per month than the interest on the bond. Ouch. We also learned that the bus wash kept breaking, thus the whole thing did not work. The accountants and supervisor insisted to us, that we did not understand, because if they did not spend over their budget this particular year that next year they could not get a bigger budget. We felt this was a ridiculous concept, because with rational like that, they did not deserve any more money to do anything from anyone. Lately our team has been quite interested in the dynamics of washing shuttle buses;

<http://www.truckwashguy.com/casinos.shtml> .

In 2000 we attended the Parking Association Trade Show in Miami and discussed with that industry our thoughts on the washing of shuttle buses. In San Fernando CA we had contracted with Smart Shuttle to wash 20 shuttles every week at the Park n' Ride as part of the Southern CA plan for the Metro Rail. Small shuttles were more versatile and could easily accommodate wheel chairs and take people all the way to their house, Town home project or apartment complex. This was in 1996 when Metro Rail was really making progress of their rider ship programs by catering to nearly every possible objection someone could have for not taking the train. During this time we also worked with the TMAs-Transportation Management Associations of Los Angeles County, Simi Valley, Santa Barbara and Ventura County CA to try to increase ride sharing through company sponsored car washes. Similarly we found in 1998-1999 a big interest in the Bay Area of CA the need for Airport Parking Companies who had shuttles needing services, including suit case scuff marks, carpet shampooing and complete washing on a weekly basis with local truck washes having no time, long lines and charging over \$35.00 per shuttle. We could wash them for under \$20.00 and do very nicely. We have been studying this industry for years; it is nice to see someone like Belanger take an interest in our passionate quest to wash the world of buses. We suppose if you were to put bus washing in on any search engine we probably come up way before any other company. We are the leaders and we understand the game of bus washing better than most all the players in the market. The companies

competing for top honors in the bus washing equipment business are RYKO, Belanger,

InterClean <http://www.interclean.com/>

Mac Neil Wash Systems <http://www.macneilwash.com/> .

Red Baron http://www.carwash.com/News.asp?mode=4&N_ID=15400

The problem we found when discussing these issues with private bus owners, such a rock and country stars, and wealthy Prevost and Fleetwood owners or even converted buses to private coaches and motor homes was they did not feel comfortable with taking them through a machine wash. Interclean and RYKO both use brushed and are adversarial to antennas and mechanisms. Also of significant issue is the use of HOVs and Hydrofluoric Acid on stainless steel, aluminum and especially decals and rims. Not all operators who buy such systems choose to use such chemicals although many do and a private coach owner may not know in advance which ones do or don't and is often not wishing to take the perceived risk of possible damage if they do use these harsh chemicals. At a recent Motor Coach Association Jamboree in CA and another in Missouri we discovered a disdain for many truck washes, which used these chemicals or brushes to wash vehicles, usually trucks. Among these companies with reputations for this type of washing were Blue Beacon, 18-Wheelers Truck Wash, Red Barons, Truck Tub and several very popular independent truck washing companies. When we talked with managers of all these facilities and having taken our Blitz Mobile Command Center to all those mentioned (over 100 different truck washes in nearly every state over a four year period), we found that all of them would be willing to not use Hydrofluoric Acid if you simply asked them in advance. Also many truck washes using brushes would accommodate a complete hand wash if requested. Only a few Truck Washes in the country only used brush systems and therefore the issues of perception by Motor Coach Association members of over 300,000 strong was misconceived. We felt it necessary to write a true assessment of the industry in 1998 and it was later picked up by ARA-Content the Internet Equivalent of the AP-Associated Press. The article ran in many Motor home industry trade Publications and in about 30 newspapers nationwide. It still pops up now and again.

<http://www.truckwashguy.com/rv.shtml>

Then in 2000 we attended the Bus Conversion Magazine's Annual Show in Laughlin, NV. Bus Conversion Magazine also published our assessment of the best way to wash your motor coach. All in attendance agreed with our summation of the problems associated with washing of Private Buses. This exhibit of Belanger's was quite impressive and they did bring in a 48 foot bus to demonstrate. After talking with the lead engineer for over an hour and the company President about the possible revolutionizing of the Truck Wash Industry with such a unit we discovered they too had thought of the idea. Of course this unit, which washes buses was only about 2/3 the size needed to wash let's say the Blitz Mobile II a 70 foot long truck.

<http://www.carwashguys.com/blitz.html>

They have so far built ten units to wash buses and that is a good market. Can it compete with RYKO's long-standing market leadership position? Remember RYKO has been around for years. Yes, it probably can. RYKO has installed many units for years at school bus yards, Rapid Transit Districts throughout the World's largest populated cities. These units have been only challenged by InterClean, whose recent lucrative military army tank washing machines are all the rage. Thanks for supporting the troops with the finest washing equipment and cleanest Army around. InterClean in our opinion had challenges in the beginning breaking into the market, but today seems to be a most favored unit and rival. The Belanger unit maybe able to gain market share with their dominance in the car washing market and many dealers nationwide to provide support, but from what we saw the machine would only clean perhaps 90% of the dirt since it does not touch everywhere on the truck. Many truck washes have side roller units to wash the trailers while the tractors are washed by hand. This works good enough and does not deter many independent truck drivers with the custom trucks you see at truck shows. And we ought to know something about that;

<http://www.truckwashguy.com/dallascomp.shtml>

<http://www.truckwashguy.com/tradeshows.shtml>

<http://www.truckwashguy.com/testmarket.shtml>

The truck washes which can wash trucks faster have a better advantage than those who maintain long lines and lose business from the long haul driver or

driver on the company clock. If on the time clock the dispatcher needs the freight moved and since they operate on 1-3% margins, there is no time for line waiting. Also the independent who owns or leases a truck maybe paid by the mile, and when he is parked he is losing money, much more than the price of the average truck wash \$54.00 in Western and Midwestern States and \$66.00 Eastern States.

We also envisioned the length of such a unit and the possible cost by Belanger for equipment. Our estimate was \$180,000 for equipment. It could in our estimates do it's complete cycle cleaning 90% of the truck, excluding fuel tanks, frame, smoke stacks, nooks & crannies and door handles. These items most likely will be needed to clean by hand and brush. If the cycle were set at 12-15 minutes to complete with a pause of 4-5 minutes in between cycles to do the finishing work. The truck could be washed by three people in 15 minutes or so. This would be faster than the average Blue Beacon time clock of 22 minutes a truck or the 28 minutes at Little Sister's truck Wash in AZ and CA. Little Sister's truck wash is indeed favored by Independent Truck Drivers and is considered the best. So much so that Blue Beacon copied some of their format and established a side brand called; Classic Charlie's an all Hand Wash, driver's love it too. Blue Beacon owns about 90 truck washes and have locations in most states which are prudent.

<http://www.BlueBeacon.com> .

Blue Beacon has also established some car washes in key markets and the locals line up for them.

A perfect truck wash needs three bays at the current speed of truck washing, with a Belanger System such as a 90ft. unit would need only two bays for ever current three bays, would save labor because the times discussed were for 6 man crews. Blue Beacon's Teams use 6 people at optimum per bay. Little Sister's, 18 Wheelers and Danny's Truck Resorts use 5-7 workers depending on time of day.

http://www.carwashguys.com/072302_4.shtml

<http://www.truckwashguy.com/dannys.shtml>

Two truck wash bays using half the labor and one cashier could really move trucks faster and quicker and make more money, being able to wash more

trucks. The ROI of the 180K in additional equipment should pay for itself quickly if the location is good. If you were to cut price even by only 1/3 you might find that you would experience a surge and a huge chunk of Blue Beacon's market share. What many people do not understand is that Blue Beacon cuts price significantly to large carriers such as Swift, JB Hunt, Covenant, Schneider, etc. to the tune of \$35.00 or less, as opposed to the normal marquee prices out side or inside their lobbies. They also send out coupons to these carriers and many other incentives. So cutting by 1/3 the marquee price is not going to do it. Instead cutting by 1/3 the actual is the only way to entice major walk-away alliances between major carriers and Blue Beacon. Yet do not hold your breath, because a price war in truck washing will not work with industrious and aggressive competitors like Blue Beacon. We saw one example of this in San Antonio, TX where a friend of WashGuys set up a huge facility and installed a copy of an InterClean unit. It was not made by InterClean rather it was a copy of their system and methodology. Mr. Nami the owner of the facility met with us back in March 21, 2001, when we were passing through San Antonio. We stopped at the Kwik-N-Clean Truck Wash & Detail Center, which was under construction. We had a long visit about the washing industry and your The WashGuy Company. Mr. Nami was quite excited to start his new venture. The system he installed was made by The Ross & White Company. Ross & White Company starting installing their wash system on February 5, 2001, but could NEVER get their wash system to work after installation. Start-up went on from April through July 2001, and that's when they walked off the job NEVER to return! Total Clean, LLC, dba, Kwik-N-Clean Truck & Detail Center is in litigation with Ross & White Company. Mr. Nami wished he had purchased the real deal, InterClean unit stating to us:

“In fact I have seen the InterClean wash system working great at the MADCO Truck Wash just outside Detroit, Michigan. I should have installed the InterClean wash system in the first place.”

The Ross & White unit, which did not work properly turned into a huge problem for all concerned. Even so at \$19.00 there were no takers for an all machine washing system since it was not working no one could try it out to pass on the word. The lawsuits abounded and the facility is inoperative. A huge piece of property relinquished to dormant status. The Truck Wash, an absolutely ideal location and beautiful layout sits on a piece of property with

four truck washes within 3 miles. And 4 truck stops pumping on average of 240,000 gallons of fuel a day right on the I-10. Nami is suing Ross & White Company reportedly (Carwashing and Professional Detailing News)

<http://www.carwash.com>

for another \$8 million. He had also reportedly sued for 5 million Natco, which was also involved in that deal. We were saddened that such a wonderful piece of property and well designed layout was not producing a single dollar after all the cost that went into that project. It is also possible that InterClean maybe installing their genuine unit in that very San Antonio property, perhaps a system which would be similar to ones installed in Monee, IL and Fort Pierce, FL, after the last of the existing law suits clear, but lawsuits take time and meanwhile no trucks are being washed. This horror story seems to indicate the equipment issues in the Truck Wash Industry and such hard lessons are even more of a reason to go with a leader with experience.

InterClean Equipment, Inc. was started by Olli Lamminen and his wife in the 1990's:

olli@mail.interclean.com

3939 Bestech Drive
Ypsilanti, MI 48197
tel: 734-975-2967
fax: 734-975-1646
mobile: 734-604-1243

www.interclean.com

InterClean by 2003 had logged 400 units and Olli could pretty much name everyone. An engineer for InterClean had left the company and went to work for Belanger and then Belanger later came out with their own unit, however it is much different in design and a departure from any typical Truck Wash Industry configuration.

Many times the parts of systems look similar and are later modified not to infringe on patents. Many of the US manufacturers have shipped units all over the world. InterClean in 2003 had sent four to Spain from the order of the 55 systems they signed in under a month. These systems will cover France, Spain, Portugal, Holland, Belgium and Germany. Their commercial

truck wash systems are what they call medium capacity wash systems, which are pretty much limited to 35-40 trucks per hour in the capacity. InterClean in 2001 indicated that they were probably the smallest factor in the Truck Washing Equipment sector. Up until 2003 were building only 60-80 truck and bus wash systems a year, with turnover just under \$7 million. Where as compared to \$100 million Ryko in wash systems or \$50 million dollar Belanger in carwashes.

You can observe InterClean Truck Wash systems in walk through video on their website and you will enjoy the Army Tank Washing Units.

<http://www.InterClean.com>

Most of these units such as Belanger, Ryko and InterClean are generally used by municipalities, large companies and government agencies, although there is a trend now to put them in for stand alone truck wash businesses along Highways and Interstates. Now then as this trend moves forward what will be the price point in the industry? At \$12.00 there would be few takers for local trucking companies as the going rate for truck washing on-site by companies like Fleetwash,

<http://www.Fleetwash.com>

and several independents and even our company for that matter charge only \$10.00 or less per unit. \$20.00 for a complete semi, and with mobile you do not have to drive it anywhere. The whole row gets washed while you sleep. Penske, Ryder, Ruan and other strong leasing company players are seeing day cab tractors in Dallas, Houston, San Antonio, El Paso, PHX, Jacksonville, Atlanta, OKC, Memphis, Nashville, Louisville, LA, Las Vegas, etc being washed for \$6-9 and trailers up to 54 feet for \$9-12 each. I have to advise anyone in the truck washing industry or wanting to enter it, that there is still a gap between the market reality, customer perception and price points between mobile and fixed fully automated truck washes. However due to the growing environmental issues with non-point source discharges there will be fewer mobile fleet truck washing companies out there which leaves more room on the table for market exploitation for private companies with fixed site facilities for small, medium or larger fleets. We see Belanger's move as somewhat revolutionary. We see work to be done with the quality of wash, but without a market driven advisor to their efforts, nothing will change, a few units might be sold, but the main

players will be the mobile leaders and Blue Beacon on the wash side. There will be market niches for new comers. Maybe Little Sister's with some backing and an IPO, but chances are there will be no new advances in this realm in the near future without a visionary, IPO and a dominating market campaign. A play for Red Baron Truck Washes and 18-wheelers could give the right seasoned management team a chance to dance with the Beacon of Blue, but odds are that, that beacon will shine bright for many more moons. Will we see a foreign competitor come to the US and buy up car wash and truck wash chains? Perhaps with the right strategy and the RIGHT equipment it is doable. With that said never underestimate the competition when it has nothing to lose. A price war in the truck washing industry will be maintained for quite sometime before the leaders fall from this sky.

Comments or Questions on the Truck Wash Industry you may email:

Lance Winslow
Founder - Consultant
The Truck Wash Guys
Lance@carwashguys.com

Additional Sources: By Lance Winslow:

Informational Bulletin Boards By Lance Winslow:

<http://www.TruckWashGuy.com/truckbbs>

<http://www.truckwashguy.com/whatsnew.shtml>

<http://www.CarWashGuys.com/carwashbbs>

<http://www.DetailGuys.com/detailbbs>

http://www.WashGuy.com/cwg_toc.htm

http://www.parthe.net/oilchangeguys_toc.htm

Mobile Washing Environmental Issues:

<http://carwashguys.com/carwashbbs/index.php?s=c7aac8bfd69079cc1fb434c26e22e6af&showtopic=42>

Rail Car Cleaning:

<http://www.truckwashguy.com/railcars.shtml>

Truck Detailing:

<http://www.truckwashguy.com/testmarket.shtml>

Car Washing Trends:

http://www.carwashguys.com/073102_2.shtml

Car Wash Labor Issues:

http://www.carwashguys.com/080902_3.shtml

Trucking and Transportation Industry Trends:

<http://worldthinktank.net/wttbbs/index.php?s=3eeca7d91fdc43c0b77bae0c6dfcfef4&c=14>

Economic Issues Effecting Industry:

<http://worldthinktank.net/wttbbs/index.php?s=3eeca7d91fdc43c0b77bae0c6dfcfef4&c=103>

Business Branding Issues:

<http://worldthinktank.net/wttbbs/index.php?s=3eeca7d91fdc43c0b77bae0c6dfcfef4&showforum=215>

Management Theory:

<http://worldthinktank.net/wttbbs/index.php?s=3eeca7d91fdc43c0b77bae0c6dfcfef4&showforum=211>