

Bear Market

Car-wash uptime keeps Brown Bear at the top of the food chain in drizzly Seattle

By Bill Donahue

Whereas some car-wash operators count their hours of annual downtime using calculators and Excel spreadsheets, Seattle-based Car Wash Enterprises Inc. needs only a few fingers. The company maintains a track record of near 100% uptime at its more than 40 Brown Bear and Bubble Machine car washes.

“We have eight maintenance techs and two electricians doing preventive maintenance and upgrades,” says vice president and general counsel Lance Odermat. “It’s extremely rare that we’ll farm out maintenance; we’re 99.9% self-sufficient. In 2005, you could count the hours of downtime we had on one hand, and that’s across our entire network.”

In-house maintenance became a fixture at Brown Bear not long after company president Vic Odermat (Lance’s father) opened his first automatic wash in 1962. Using a third party to maintain a growing network of automatic and self-service facilities—using wash equipment from Sonny’s, Karcher, AVW and Hanna—just became cost-prohibitive.

“We get rain 165 days a year, and when anything goes wrong it seems like it’s on a nice day,” says Vic. “If you have to rely on an outside vendor, and if you



STATUESQUE: Lance (left) and Vic Odermat are adding bronze, life-size, lifelike bear statues to locations to reinforce the Brown Bear brand.

have a car wash down, the chances of you getting service that day or the next day would be slim and none.”

After the first day of “bad weather” in Seattle, wash volume at Brown Bear sites quickly builds to a crescendo. A site may perform 10 washes one day, then 500 the next. Being at the mercy of the weather means each site needs to be prepared to capitalize on the feasts amid the days of famine. That translates into plenty of predawn starts for Brown Bear maintenance staffers.

“Our maintenance people, depend-

ing on the season, will start as early as 2 in the morning to make sure we’re always ready to run at 8 a.m.,” Vic says. “It’s a big investment having eight maintenance trucks; each one must have \$20,000 worth of parts and pieces of equipment, but that’s just a guess. We spend an awful lot of money, but we need qualified maintenance personnel that know our system and know what to expect.”

Since “reacquiring” their washes from ConocoPhillips in 2003 after leasing them to what was then Tosco in 1995, the Odermats have been on a mission to restore Brown Bear to a level of prominence and grow their customer base. While near 100% uptime has been the driving force, the Odermats continue to advance the chain’s image.

Already, they have spent more than

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VIC ODERMAT *Car Wash Enterprises Inc.*

Photos by Ron Wurzer

Taking the Stage

Vic Odermat is the Walt Disney of the car-wash business. Odermat, president of Car Wash Enterprises Inc., wants employees at his chain's 40 car washes and 23 convenience stores to think of themselves as actors on a stage. He demands they always be "in character" with white shirts, ties and superior customer service—no exceptions.

"The car wash is the stage and the customers are our audience," says Odermat, a former Marine. "So as long as our employees are on stage, anybody driving by can look and see how our actors are performing. Hopefully, by having this good image of not only having great landscaping and well-kept facilities but having employees that present a businesslike appearance, we will create the desire for people to come and do business with us."

Brown Bear maintains its strict uniform code to keep in line with its high standards for the "customer service experience," according to vice president and general counsel Lance Odermat. The company spends "thousands of dollars" every month mystery-shopping its sites and employees, with criteria ranging from uniform compliance and site cleanliness to customer greetings and farewells. The rewards for passing grades: "substantial" bonuses for employees and managers.

Twice-monthly meetings further embody the company's commitment to keeping a smile on the customer's face.

"We hold a managers' meeting every other Wednesday," says Lance.



UP TO CODE: Brown Bear staffers must follow a strict uniform policy, including a white shirt and tie.

"We bring all the managers into the main office, and we spend 80% of the one- to two-hour meeting talking about customer service. The industry has suffered from a major image problem over the years; people don't expect a high standard of service from a gas station. That's our opportunity."

The company reinforces to managers and employees the need to build a lifelong relationship with each customer. If things go according to plan, anytime customers think of fueling up or washing their cars, they will think of Brown Bear. Given the company's expected growth in the greater Seattle area, it could be tough for customers to think of someone other than Brown Bear.

"We're growing in both areas—gas stations and car washes," says Lance. "We [acquired] another gas site in March and will build a wash on it, then [added] another in the middle of April, with at least one other car-wash acquisition by the end of 2006. You could say we have steady growth plans."

\$1 million on site signage, developed a complementary Hungry Bear Market store concept and invested in elaborate landscaping. That landscape may include families of bronze, life-size bears—a mother bear and two or three cubs. "At twilight you'd swear they were real," says Lance.



GIVING 100%: Near 100% uptime at Brown Bear's 40 wash facilities has helped attract and retain customers.

Car Wash 'In-Stocks'

Uptime is to the car wash what in-stocks are to the convenience store.

On a 24-hour, 30-day "clock," just 1% of downtime—calculated at 7 hours and 20 minutes—costs an operator \$80 in profit, according to Bob DeWitt, vice president of business development for Mark VII Equipment LLC, Arvada, Colo. But the losses can't be measured in car-wash profitability alone. The more downtime a wash has, the more likely longtime customers will be tempted to look elsewhere.

"Approximately 70% of car-wash business is ongoing annuity business, and when the wash is down the customer who's also buying gas and going in the store will go somewhere else," says DeWitt. "And if they have a better experience there, you have a chance to

lose that entire business forever."

Unfortunately, with so much activity at the average c-store site, retailers often learn about a car wash being down only when a customer complains. The potential number of customers that might not have complained in such a situation—meaning they drove off unsatisfied—should give retailers cause for concern.

Such issues can be solved through remote-monitoring technologies, which can cost as little as \$2,000, that alert operators of problems by phone, e-mail, text messaging or other means, according to Craig Campbell, Mark VII's marketing vice president.

"[Remote monitoring] has proven to be a valuable tool in the war on downtime," he says. "It's generally an upcharge, so [operators] have to sit

down and go through a cost-benefit analysis and ask themselves: How many hours of downtime would it take to recoup? A lot of times the payback is

less than a year. Similar to maintenance, it's one of those penny-wise and pound-foolish arguments."

Unlike Brown Bear, most conven-

ience retailers with car washes simply can't afford their own maintenance crews. Operators need to reach a certain size before an internal maintenance staff pays off, according to Mark Thorsby, executive director of the Chicago-based International Car-wash Association, whose members include 2,000 car-wash operators, representing as many as 30,000 retail car-wash locations.

"You've got to have a critical mass of washes before [in-house maintenance] makes financial sense," says Thorsby. "In a conveyerized environment, you're the service guy. If you get two, you're still the service guy. If you get more than three, you may need to bring on a few people to perform routine maintenance, not just to troubleshoot."

Even so, operators can perform some basic maintenance tasks to extend the life of their washes.

"It almost goes without saying, but operators need to follow the [manufacturer's] directions," Thorsby says. "If the directions say a filter needs to be changed every 30 days, change the filter every 30 days—not every 31 days. The equipment out there today is very reliable, but it needs the operator's help to perform at a high level."

And for Brown Bear, that "high level" means a full-time in-house team ready to be dispatched for the slightest of problems.

"Everybody in the car-wash industry faces the greatest competition from the person who washes his car at home," says Brown Bear's Lance. "If we convince them that we can wash their car better, faster and safer than they could do it at home, we'd better be able to back it up by having our facilities up and running." ■