

Building a

Classic



Hand-wash car spa becoming a desert oasis

Classic Car Spa is on a mission to change the way Arizonans think about their carwashes. With seven locations in operation and three more scheduled to open in 2009, the hand-wash operator has taken a holistic approach to its operation.

“We try to show our customers that the values of a carwash and detailing are an investment in the value of their vehicle,” says Rick Stertz, founder and development partner of Classic Car Spa, whose growing chain of high-end car-care facilities is in the Phoenix area and Tucson, Ariz.

Stertz founded the parent firm, Team Classic, in 2004, along with Tim Stocker, operations partner, and Jim Barrons, management partner. Although the three are equal partners in the organization, Stertz handles architectural design, real estate acquisition, land development, construction and systems; while Stocker is responsible for operations and Barrons focuses on financial management and access to equity partners.

The group’s diverse backgrounds complement each other and help drive the company’s forward-looking, customer-centric business model.

The group began by acquiring two, 100 percent hand-wash facilities in Tucson, one about 7 years old and the other about 18 months old. The company has continued to grow behind other acquisitions, including Valley Auto Spa, in Goodyear, Ariz.. That addition also brought Bill Neff, Classic’s systems manager, into the company. Neff had been Valley Auto Spa’s general manger. The purchase of these existing facilities was augmented by the acquisition of sites slated for new construction projects.

Focus Groups

Before moving ahead with expanding the operation, the company held focus groups to determine what typical customers liked and did not like about their carwash experiences, says Stertz.

“We learned that men like the outsides of their cars to be clean, while women like the insides of their cars to be clean,” he says, “but one of the things we heard loud and clear was that vacuuming on the front end, like most full-service carwashes, can make women very uncomfortable.”

Problems can occur, he says, when a woman pulls into a carwash and the first thing someone does is reach in with a vacuum hose, particularly if she is wearing a skirt or trying to get her small children out of the vehicle, along with her briefcase and other items.

The company’s research prompted the partners to perform a complete throughput analysis that ultimately convinced them to change the structure of the spa’s services.

“Our solution is to have only customer service agents greet customers at the entry, then hand wash the car in the tunnel, and vacuum as the very last thing,” explains Stertz. “My mother used to say, ‘You’re not going to vacuum the carpet until you wipe off the counters,’ and this is the same thinking.”

One net result from moving vacuuming to the end, he says, is that it allows time for more effective detailing of other areas of the interior, such as dashboards, which leads to greater customer satisfaction.

Another component to Classic Car Spa’s business model will be the use of double-tunnel configurations at two of the facilities now under construction. The company’s newest locations will include two hand-wash tunnels that not only increase throughput but also provide a backup so washing can continue if an equipment malfunction occurs, notes Stertz.

“We get a lot of high-end cars,” he says. “I don’t want to have a Mercedes S Class and a couple of BMWs in line and have to tell them it will take an extra hour.”

The locations also are designed to accommodate larger vehicles. “We have the only track in the country that can run a dually through for the same price as a regular pickup truck,” says Stertz. “Anywhere else, they have to be totally hand washed. We can do a complete wash in 25 to 35 minutes instead of an hour-and-a-half.”

Classic Car Spa uses 100 percent lamb’s wool mitts during washing, and its series of arches and equipment is designed to deliver a controlled selection of different products and pressures to wheels, sides and tops, in order to minimize the possibility of scratches or damage to vehicles.

"BMW's and some other makes have extremely soft paint and have to be treated gently," notes Stertz. "Otherwise you won't see it right away, but after 20 washes, the finish quality will be gone."

This same approach is being used in retrofits to all but one of Classic Car Spa's existing facilities.

Equipment Innovations

The Classic Car Spa wash experience is supported by several equipment innovations, including its conveyor system that transports the vehicles through the tunnel.

While most conveyors use roller conveyors that require a coordinator to load the vehicles, Classic Car Spa opted to use Rexnord's 6900 Series Mat-Top Chain, which provides a wide-moving surface that eliminates the need



Rick Stertz

to steer the driver-side tire onto the conveyor. It also provides workers with a slide-resistant, floor-like surface to walk on that is free from pinch points or potential trip hazards like guide rails and rollers.

Built-in pushers carry vehicles onto the conveyor, through the carwash and then off the conveyor while in neutral or park. With all wheels on top of the conveyor, braking and steering problems are eliminated, says Stertz. The chain is vehicle friendly as well, since it has no guide rails that can damage tires and rims.

The conveyor design makes it easy to load vehicles of any width or tire size. Thus, large vans, SUVs and dually pickups can be loaded easily. Conversely, other vehicle types that would be problematic for some conveyors can be accommodated by the MatTop.

"Because the pushers are only two inches high, it can handle cars with low-profile tires and minimal ground clearance," notes Stertz. "Standard conveyors need three inches or more. We've washed exotic cars that include a 300 mph dragster and a Lamborghini."

The conveyor also is free of the rolling and jerking common to some roller conveyors, and its simple design helps reduce operating costs, Stertz says, because minimal maintenance is required after installation. The conveyor drive and tail shafts are the only moving parts, he says.

"One of the advantages is that workers can move right along with the car," he explains, "so it is easier on them and also more efficient than if they would be trying to catch up with the car as it goes through the tunnel."

The conveyor frame was built by AVW Equipment, which also manufactured all of Classic Car Spa's tunnel arches.

Another innovation is the use of centrifugal fans instead of the typical squirrel cage blowers in the drying area. "The average carwash dryer puts out 100 to 105 decibels of sound. The ones we use are an axial design that works more like a jet engine," Stertz explains. "If I crank them up all the way, they might put out 86 decibels, which is a huge difference in sound measurement."

The design uses multiple nozzles that incorporate a series of baffles to direct and control the air, which lowers the sound level and also dries more effectively, he says.

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Built to Stay Green

Water availability is always a concern in Arizona, although Maricopa County, where the company's Phoenix-area carwashes are located, does not require water reclamation. Nevertheless, Classic Car Spa has taken proactive steps to minimize its water use. The firm is incorporating underground storage tanks at each facility that hold approximately 90,000 cubic feet of water.

The company worked with Salt Lake City-based Hydro Engineering to develop a sophisticated, three-stage reclaim system. Water from the initial demucking area, wash area and the rinse-and-wax area goes into different collection mechanisms. These drain into three separator tanks where the heavies settle out before the remaining water goes through a carbon-filtering system and then into one of three holding tanks, Stertz explains.

Each holding tank contains a different biogas digester developed by Hydro Engineering to digest a specific material, such as oil, soap or wax.

The system promotes water conservation and should ultimately help with operating expenses. For example, Classic Car Spa's soon-to-open Scottsdale Ridge location will require purchasing and flushing 10 million gallons of water from the city annually. "With the reclamation system, we still will be using 10 million gallons," Stertz says, "but we will only be buying 2 million gallons annually and flushing about half of that."

Another water innovation is a high-capacity reverse-osmosis (RO) system, with two units that will each handle 4,500 gallons per day. The system will be used for the final spot-free rinse to ensure that vehicles are free of water spotting from calcified residue. The system will reduce the level of minerals in the water from 200 parts per million (ppm) down to 3 ppm, according to Stertz.

The Details

Every wash at Classic Car Spa includes attention to detailing, inside the vehicle and out. In addition, customers are encouraged to have their vehicles detailed more thoroughly at least once a year to protect their investment.

"We call it rejuvenation, and it brings the car back as close as possible to showroom condition," Stertz says. "We use Clay Bar detailing clay to remove contaminants and restore the surface finish of the vehicle. Nothing we do is new or unusual, but it's the way we package the process."

It's also a way to help customers preserve the value of their vehicles, as well as enhance their pride of ownership. "The Kelley Blue Book shows specifically what the interior, upholstery and finish mean to the value," notes Stertz. "If you have worn seats, soiled carpets or scratches on the exterior, it has a dramatic effect."

Classic Car Spa's wash tunnels are open 10 hours each day, while the fueling locations

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include 24-hour convenience stores. The newest facilities, and those planned for opening in 2009, are full-service operations that include a bevy of add-on profit centers, including a Classic Express Lube, Classic Market convenience store, and fuel provided by either Chevron or Shell, depending on the location. The three-bay express lubes include drive-over service pits.

"We use Mobil oil and synthetic lubricant at all our locations because we think it is the best on the market," Stertz says.

The design of the facilities and the company's business model are designed to fill a full range of customer needs while also expanding a site's profit potential. Stertz points out that the Classic brand is carried throughout the various aspects of the business, including branded sunshades and bottled water. "We're trying to create an identity in the marketplace," he says.

The Classic image extends to the firm's convenience stores which are an integral part of the facilities. With large windows overlooking the tunnel, customers can watch their cars being washed while enjoying a cup of coffee or latte, or catching up on some shopping. Chairs and tables also are available for relaxation.

"We have Internet access at three of our stores now and will have it at all of them next year," says Stertz. "We have the tables and chairs so customers can open their laptops or brief cases and be more effective with their time."

Customers also can enjoy plasma television screens and lounge seating, and music is featured in every room, including the restrooms.

While profitability comes from building return business through customer satisfaction, Classic Car Spa also believes in loss management, since it takes added sales revenue to replace each dollar of profit lost to leakage. To that end, each facility has a 32-camera CCTV system that provides both loss prevention and risk management.

If a customer claims a loss or damage to his vehicle, Stertz says it is easy to review an incident on screen and determine whether the problem occurred while the vehicle was at the carwash. This helps keep any disputes factual and eliminates judgment calls from the equation.

Stertz believes the Classic Car Spa model is built for success in Arizona, and the company is off to an excellent start.

"We've already had an 8,000 car month at the Gilbert location," he says, proudly. "We try to deliver the best level of service that we can and still be fiscally responsible to make a decent return for our partners. We believe that by keeping our customers happy with their experience here, they will come back more often." MCC

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