

PWNA

Future of Truck Washing:

<<“Fleet washing will always be a needed service I believe,” says Paul Horsley, PWNA President. “Fleet owners cannot afford truck wash prices. Washing their own units always looks good on paper but it seldom works. It might take them a year or so to come to the conclusion that it’s not working. They have a very hard time finding and keeping people to do the work. The equipment seldom works properly and the people using it are not trained correctly. They never expected the high costs of repairs and of chemicals. These workers are usually underpaid and they do not care about the equipment. They usually have a high turnover during the year, especially during winter months. This is why a mobile fleet service usually does well.”>>

Recently Cleaner Times asked PWNA for insight into the area of mobile fleet washing and the challenges that the industry faces in the coming year. Several PWNA members who count truck washing as part of their business plan were consulted and responded to our request for information.

The information begins at the top as PWNA President Paul Horsley, owner of Scott’s Pressure Wash in Calgary, AB, specializes in mobile washing among other things. Michael Hinderliter, another key figure in PWNA, owns Steamaway in Ft. Worth, TX, and also handles a lot of fleet washing. Scott Stone is the owner of A Mind for Detail in Mesa, AZ, and adds fleet washing to his list of services offered. Tom Bickett owns Combines Cleaning in Princeton, IL. And Don Flory is the owner of Envirowash in Baldwin, KS.

CT thanks these industry professionals for taking the time to help with the article. The interviews are offered below in question and answer format.

How has the increasing in fuel prices affected your business?

Horsley: Fuel prices are definitely affecting our operation; costs have gone up over one hundred percent over the last few years. We have only raised our per unit price ten percent. So, it cuts into the bottom line. We have had increases from our other suppliers also. Most are adding a fuel surcharge of five to ten percent. We have also added a fuel surcharge of five percent to every invoice.

Hinderliter: We have not raised prices in more than five years and in some cases it has been over ten years. Sometimes people think I am crazy when I tell them this but we have been able to do it by growing the business. More location to clean on a route means less travel time and being able to purchase in bigger quantities means lower supply cost. Unfortunately, we are no longer able to take advantage of these saving. Now we are being to micromanage soap, fuel and other supplies.

Bickett: All our vendors and suppliers are tacking on fuel charges and no more free freight. Also anything that is made with petroleum or has petroleum in it, has definitely went up in cost.

Stone: Our fuel costs have gone up about thirty percent in the past year.

Flory: The increase cost of fuel is very frustrating. It has greatly affected our bottom line. We have toyed with various ways to keep up. We have been passing on rate increases each year and always wonder if they are enough.

How has it affected the pricing of other supplies?

Hinderliter: All our soaps have increased in cost as well as many other supplies by twenty to forty percent.

Stone: I have not really noticed a huge increase in supply cost. I am certain I will see it in the near future.

What are you doing to adapt?

Hinderliter: We are trying to run tighter routes with less travel time. And looking for other ways to cut fuel cost such as lighter equipment and high fuel economy.

Stone: One of the things we did was to by a smaller truck for a routine job that did not require a pressure washer. I am contemplating another truck, but am unsure of the associated cost savings. Additionally, I am reducing the mileage that I am driving, trying to use the telephone and other methods to solve as many problems as I can.

Bickett: Tighten up schedules for crews, We limit the use our employees use company vehicles for personal use, running errands or picking up parts. Using a scooter that gets 90 mpg to go do bids and Estimates, instead of SUV. And of course increasing our prices and even charging a fuel charge on every invoice that goes out the door. We have increased some of our prices by 40 % and still are as busy. That being said though we have lost many accounts we've had for many years due to customer having to cut their cost and do it themselves for now. I believe the US dollar will continue to get weaker and weaker because of how everything hinges on fuel cost, as fuel goes up, everything else must go up to meet the same profit % or it will go ??? you guessed it DOWN. It is one Big catch 22.

Flory: We are taking hard looks at new contracts and one-time commercial accounts. We are seeing clients offering four-year contracts, bidder beware.

How is labor affecting your industry?

Horsley: Finding labor is usually tough considering you need them to work weekends(our busiest time, road power is parked). This is when your going to do the most volume. I have

always paid a couple of dollars more than most casual labor(warehouse workers). We have been very successful with offering benefits plus we also have a retention bonus - \$1000 per employee per anniversary year. They look forward to the bonus every year. We ask them what are they going to spend their money on!

Bickett: The Labor in the Midwest has become quite difficult with the increases in min. wage. We were always known for starting our janitorial staff out with \$ 1.00 or so more than min wage but now with the increases, everywhere is having to pay what we were always at. So it becomes challenging.

Flory: We are blessed to have the same work force for a number of years and have not had to get too creative on the hiring front.

Are you doing anything to help attract new hires?

Hinderliter: We have been pretty fortunate, most all our new hires are referrals now. We have a pretty good group. Are you doing anything to help attract new hires?

Stone: Craigslist; the last time I had a listing on Craigslist, I had over thirty applicants. They were all English-speaking, had a drivers license and many of them had experience.

Bickett: We are evaluating again, How we can fit in paying for medical insurance again since I believe that is becoming once again a great need for employees, also we are implementing a large marketing program which I believe has a double benefit to it, obviously exposure to getting customers, but also the more attracting we become to potential employees.....

Do you use any special pay structure?

Hinderliter: We pay a based on commission. Then calculate total hours worked to determine any overtime. The intent is to give our labors the incentive to be productive.

Stone: I pay straight hourly. There are too many jobs, with too many variables to pay any other way. There are times, on especially profitable projects, I will offer a bonus for early completion. I also make sure I take the really "sucky" jobs, and let them know it. It seems to breed loyalty, and I actually enjoy getting out and working from time to time.

Bickett: Just a honest wage for a honest day of work. We allowing our techs to up sell on the job and sharing a % of net profit with them and they are receiving more Tips \$\$\$\$ from so many customers. They love it and the company loves it

Flory: Employees are paid only for the time they work and usually receive overtime.

What about benefit packages?

Hinderliter: We offer a minimal benefits package but because most laborers are so young they are seldom interested in them. I do believe this will change in the near future as I believe the labor market will begin to tighten.

Stone: I have not yet had a need to provide benefits. All of my guys so far have had a spouse that had better benefits than I could ever provide.

Bickett: Right now, Just a lot of perks RE: employee of the month= free gas of car washes, Bonuses, Holidays paid (6) ect. Ect

Flory: We offer paid insurance, simple IRAs, and limited ownership to full-timers.

What are environmental concerns like in your area? Is there any enforcement?

Hinderliter: Enforcement is spotty and inconsistent. There are over thirty-five municipalities in the Dallas/Fort Worth metro area and they all have their own agendas. Fortunately, most all of them follow the same enforcement guidelines – no wash water can leave the property.

Stone: I have not seen any enforcement to speak of. There are two local cities that claim enforcement, but I have only seen it once, about ten years ago.

Bickett: Enforcement? Very little, if any

Does your competition comply?

Hinderliter: Some of our competition complies, but I still find that many, most new to the industry, still do not comply. And they are able to do so because we are washing fleets in the evenings and on weekends when enforcement officials are not on duty. I don't expect this to last, as I am finding more and more education programs and public outreach by municipalities to encourage the compliance and a watchful eye.

Stone: Fleetwash has all the equipment, of course, and it is all REALLY clean. Other than that, I am the only person I have seen that has any kind of reclaim equipment, and we rarely use it, because we have learned how to contain the water on the property of every location we wash.

Bickett: No

Horsley: If you're considering fleet washing you will need to familiarize yourself with local government regulations. Unfortunately, some of your competition might not be aware (or choose not to) comply with regulations. What people don't understand is it doesn't take much to comply. You should find a organization to learn from or a distributor/vendor

selling environmental products so you can comply. Each one of our units has a custom made 300 gallon vacuum system on board. You'll need one.

What do you expect in the near future?

Hinderliter: I expect that as the labor market tightens the demand for truck washing will increase. I also expect that the availability of education and information in the market place will cause a many more new comers to the industry especially if the economy continues into a recession. There is a lot of work out there and a place for many, good honest service providers will always flourish.

Stone: I think with the turn in the economy, that there will be some more new guys. I long ago established a relationship with a lot of accounts that require a set amount of experience, and also full recovery equipment. (of course, it helps that I helped write the contract.) I also think that prices on truck washing are going to have to increase. There are still companies here that are trying to compete with Fleetwash on price. The old pricing of ten years ago. The way I see it, prices are going to have to make a significant increase, just so contractors can remain in business.

Horsley: I believe we will have to pay attention to environmental issues as we move into the future, changing weather conditions such as drought/storms ect will effect us. We might have to change the services we offer and locations we works in. I think the biggest threat is being unorganized as a industry. We need to have one voice!

Stone: I am constantly exploring new services and markets to see if I can expand our sphere of influence, and to satisfy my ADD personality, that requires something different all the time. Plus, I firmly believe that I need to hit my competition where they are not. Once I get established in an area, it is a lot harder for them to come in and take the account, even on price.

Flory: It seems we are at a time in which management is becoming even more critical and a time which may separate the, "Men from the Boys!"