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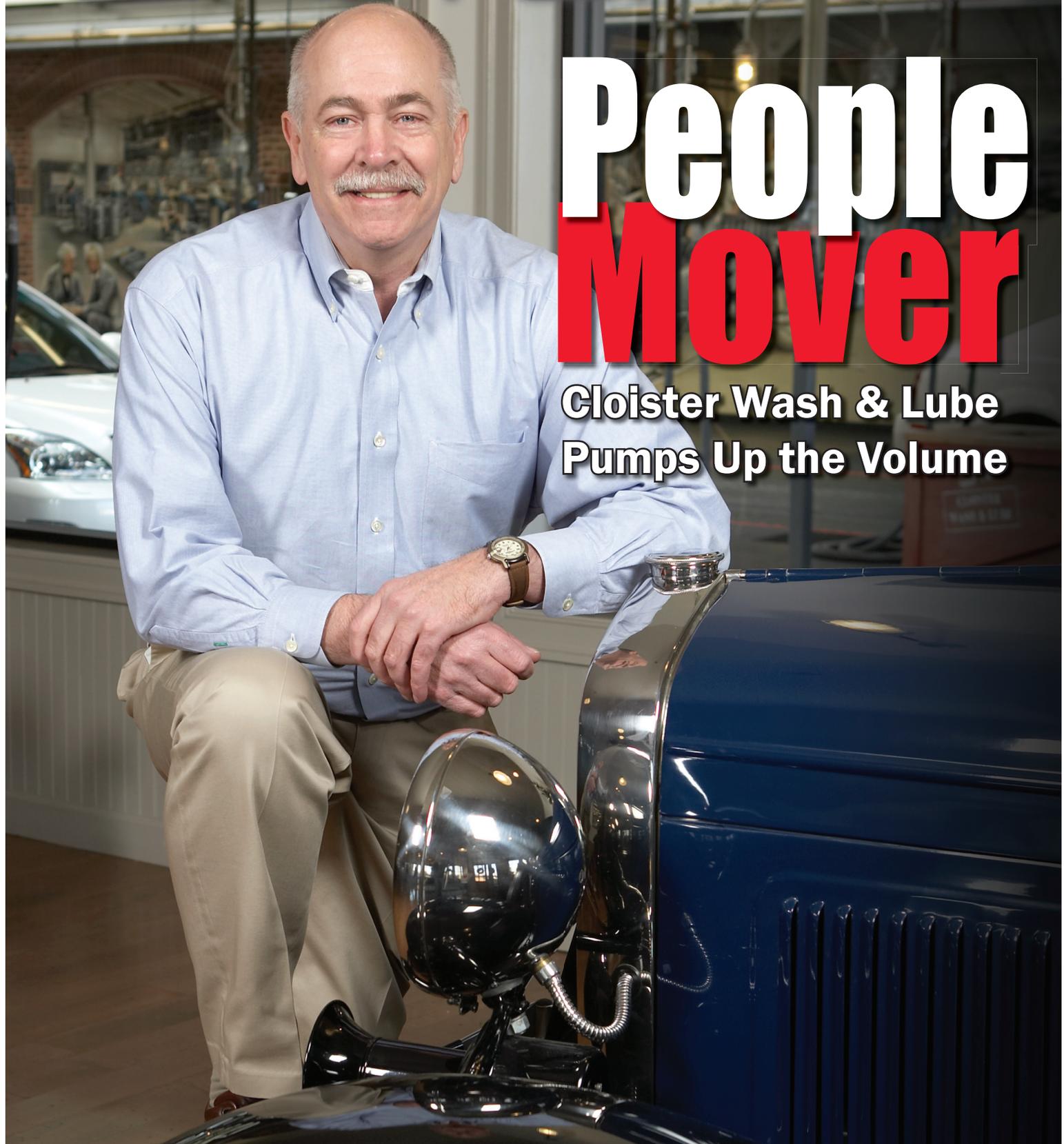
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Cloister Wash & Lube
Pumps Up the Volume



People Mover

Cloister Wash & Lube Excels Through Innovation and Imagination

By Tony Jones

Cloister Wash & Lube is simultaneously one of the most successful and unusual carwash businesses in the nation. Its success stems from an admirable formula of innovation, creativity and passion that few operations can emulate. In part, that's because, for owner Mike Mountz, Cloister is much more than a business; it is an opportunity to shape people's lives and capture customers' imaginations.

If that sounds a little Disneyesque, it should. Mountz has clearly been inspired by some of the characteristics and ideals that endear Disney to its theme park visitors. But he also is driven by efficiency, and the combination of his playful imagination with his creative ingenuity is what makes Cloister tick.

Consider that Cloister Wash & Lube is comprised of four Pennsylvania locations, and no two are really all that much alike. There are similarities and common services, certainly, but Mountz has hardly used a carbon-copy approach. Instead, each new location has advanced the ideas incorporated into its predecessors, using them as a springboard to something fresh.

For example, when Mountz purchased his first carwash in Ephrata, Pa., in 1984, it was a traditional, exterior carwash that could not work as a full-service location. Determined to increase volume, price and expand services, he devised a precursor to flex-serve that many fellow operators thought would fail.

As customers exited the wash tunnel, they could bring their cars into a designated area for window cleaning and vacuuming. With an \$80,000 investment riding on the concept, Mountz tried for two weeks to give the added full-service package away for free as a promotion. Only 4 percent of Cloister's customers opted for the service in the first week, and just 6 percent took the free offer in the second week.

Needing a 30 percent take to break even, Mountz decided to charge for the service beginning in its third week. Cloister's business hasn't been the same since. "The moment I started charging for it, [customer participation] went up to 28 percent," he recalls. "The moral of the story is that when something is free, there is no value placed to it. As soon as we started charging for it, there was a value and people wanted to purchase it."

Today, the number of customers who opt for the full-service package at the Ephrata location runs





An aerial view of the 7.92-acre Sinking Spring location.

between 50 percent and 65 percent, Mountz says, and car volume at the location has increased from 37,000 in 1984 to more than 82,300 last year. That's not bad considering Ephrata is a small town and that the price for a basic exterior wash has grown through the years from \$3 to \$12.

"We took it from a very small facility and just kept adding grease to the wheel," he notes.

The early Ephrata experience helped Mountz learn some valuable lessons in fulfilling a challenging business model that called for high volume and high prices. Despite a fragile economy, Cloister continues to flourish behind packages that range from \$12 for a basic exterior wash to \$27 for its top full-service option. Nearly every segment at each location posted double-digit growth last year, he says.

Between its four locations, Cloister serviced nearly 750,000 vehicles last year, including 683,000 washes. The company also completed 66,919 lube services at three locations. The average traditional full-service ticket is about \$18.50, Mountz says, while the average flex-serve customer pays \$16.25.

Innovation

Because of its pricing structure, Cloister's high volume is dependent on production efficiencies as well as providing memorable customer experiences. Without drawing in customers for more than just its services, Cloister wouldn't have such high volume demands to meet. Fortunately, Mountz's innovation has helped optimize both parameters.

Although Cloister's second location, in York, Pa., was built as a traditional carwash and continues to operate that way today, Mountz scrutinized the time it took for attendants to move customer vehicles and determined it took as much time to move a car as it did to clean it. Mountz didn't like that customers were essentially paying Cloister to move their cars, so he used his background in manufacturing to devise a "people mover" system of conveyor belts that would transform his next carwash into a cutting-edge facility.

In 1999, Cloister's Lancaster, Pa., location introduced Mountz's moving belt interior cleaning process. The system is essentially an assembly line using conveyors to move vehicles and attendants through each cleaning station, from final wipe down to windows to vacuums. Based entirely on timing, a two-belt system moves vehicles 134 feet through the interior cleaning process. Express wax services are handled on a slower, separate conveyor.

Cars are first pulled onto a 30-foot-long loading belt that uses sensors to detect the vehicles. If a car is not ahead of it on the production belt, the loading belt will automatically move the car onto the production belt to begin the interior cleaning process. The next car is held by the loading belt until the previous vehicle has reached 44 feet. Once there is a 44-foot gap, the loading belt automatically sends the next car onto the production belt.

"With the moving belt, you're constantly setting the rhythm," explains Mountz, noting that without the belts employees have a tendency to move at their own pace. "If you and I are vacuuming the first car — riding along the belt — when we get out of the car and walk back, the next car is just getting to where we are supposed to start again."

The 44-foot gap represents production at half speed and can accommodate 40 cars per hour. During peak times, such as on weekends, the loading belt can be increased to full speed, loading cars every 24 feet. The production belt and cleaning pace do not change speeds; the only increase is in the frequency of cars dispensed, Mountz notes.

To cover the extra vehicles, Cloister adds two more attendants per station. Thus, a two-person team vacuums just the front of each vehicle, while the other two vacuum only the rear.

"Cars are getting the same amount of vacuuming time, but now we're putting out 80 cars an hour instead of 40," he says.

The Lancaster belt system was such a success that Cloister installed it at its newest facility in Sinking Spring, Pa., near Reading. That location rests on a whopping 7.29 acres and expands on all of Mountz's 24 years of experience. Its primary departure from the other Cloister locations is that each segment of services is housed in a separate building.

It's almost as if he has created Carwashland. There is a greeter house, 220-foot wash tunnel, self-serve area with four wash bays, three dedicated motorcycle self-serve bays, 16 self-serve vacuums, three self-serve pet bays, the three-bay interior cleaning station, a four-bay lube shop and its signature customer-waiting pavilion called Customerland.

Like Cloister's other facilities, Mountz relies on A.V.W. Equipment for



The belt conveyor system at Sinking Spring.

the tunnel, DRB Systems for POS and software technology, and Kleen-Rite Corp. to handle a myriad of equipment needs.

The facility also is home to new Cloister innovations that Mountz believes could catch on around the industry. A new downdraft drying system in the wash tunnel, for example, is another stroke of ingenuity.

Questioning why the industry pays so much attention to controlling the water used inside its tunnels but not the air, Mountz devised a system that uniformly applies air during the drying phase.

"If you go into the drying room of a carwash, you can watch the little beads of water on a windshield go up and down and left and right because they don't know which way to go," he explains. "The air is hitting from all different angles. My theory was to control air like you do water.

"We made a basement in our drying room so that when the air gets blown down and hits the car, it wraps around the car and goes underground, right underneath the center of the car," he continues. "Then it gets sucked up and sent around the car again. By doing that, you're controlling and wrapping the car with air instead of bouncing it all around.

"All of the water is going in one direction instead of being pushed all over the place."

The results have been excellent, Mountz says, including big savings on utility expenses, in terms of gas, and using less horsepower.

Water Save

Another key innovation may have repercussions for other Pennsylvania carwashes. Mountz was about to break ground at the Sinking Spring location when the Pennsylvania Department of Environmental Protection (DEP) informed him that he was going to have to install underground weepage beds to gather all of the storm water on the property and direct it into pipes underneath the parking lot.

Faced with having to spend an unexpected \$600,000, Mountz wasn't sure what direction his wash was headed.

"I woke up the next morning with the thought that if I'm putting the water underground, I want to use it," Mountz recalls. "If it's raining and I have to capture this water and put it in the ground, it's a whole lot better for me to use it than to use fresh water."

Mountz designed an alternative system that was accepted by the DEP and now has four 12-foot by 44-foot used beer tanks buried under his lot. The epoxy-lined tanks each hold 40,000 gallons and collect rainwater that falls on the property.

Although the storm water is not being used for primary washing, Mountz says the carwash uses the collected water for washing the undercarriage of vehicles, as well as wheels. In addition, the water is used during the flushing of toilets and urinals and throughout the facility's extensive irrigation system. It also is used in all of the location's hose bibs for maintenance washing.



Inside Sinking Spring's spacious and inviting Customerland waiting area

instead of using fresh water. It has been hugely successful."

One of the most popular features of the Sinking Spring location is the motorcycle self-serve area. Not only are the three self-serve bays dedicated exclusively to motorcycles, Cloister has installed lifts that raise the bikes about two feet off the ground. The bays also offer air blowers, spot-free rinse and Harley-Davidson chemicals.

Motorcycle owners are particularly appreciative that they do not have to get on their hands and knees to clean. "We have never built anything that has had more screaming reviews than the motorcycle lift," Mountz says.

Charm

The Sinking Spring location also incorporates Cloister's dedication to visual impact and attention to detail. Cloister takes great care to blend in its buildings architecturally with their surroundings and to present inviting décor. Mountz likes the grounds to be immaculate, and one of Cloister's hallmarks is the use of floral design in its landscaping.

Another Cloister trait is comfort, and Mountz says there are 150 rocking chairs between the four locations. The chairs are available for customers to relax in while they wait, but also provide visual appeal and contribute to the operation's overall image and branding identity.

Interiors are decorated with pride and take on thematic looks during holidays. The Sinking Spring location offers beautiful, old-fashioned wall murals and signage created by staffer Wayne Fetro. The company is so serious about its exterior and interior presentation that it has a dedicated image coordinator on staff.

With anywhere from 450-500 employees depending on the season, Cloister puts a premium on customer service. Customer perks include complimentary coffee, soda and even bubble gum. The intangibles of its atmosphere have helped Cloister's popularity with its customers, and Mountz believes the overall presentation of the locations help bring the value proposition and expectation levels in line with Cloister's prices.

Much like Disney's customers have an image of Disney World that is different than other amusement parks, Mountz wants customers to think of Cloister as more than a carwash. He wants them to remember the experience. "I find it amazing that you can run an amusement park, and people talk about other things besides the rides," he says. "I want our customers to be talking to somebody about us and say, 'Oh yeah, and by the way, they wash your car.'"

Feeling Good

More than anything, Mountz wants customers to feel good about getting their cars washed at a Cloister location, and if the experience is memorable, then so much the better. This philosophy goes hand in hand with the company's charitable work. Cloister's Helping Hands program helps organizations with fundraising carwashes. Participating organizations can offer any combination of Cloister's four carwash packages and oil service and keep 50 percent of the proceeds.

Since the program's inception in 1994, Cloister has helped more than 2,100 organizations raise more than \$2 million. It's best known side project, though, is Grace for Vets, a program that offers free carwash service to military veterans on Veteran's Day. The program has garnered a lot of local attention for Cloister and other participating carwashes, but Mountz's vision is to take the program national and have it become identified with the entire carwash industry.

"It's my goal to wash a million cars across the country for the vets," notes Mountz, who would also like to see the program expand outside of the carwash industry. "As far as I'm concerned, vets should be able to walk around and not pay for food or to wash their car on Veteran's Day."

The Cloister program has created community good will and annually prompts many customers and vets to send letters of thanks and photographs, Mountz says.

"Number one, it makes you feel good. Number two, I sincerely believe that if you help people out, they will want to help you out," he asserts. "Even if they come back only once, it is no longer free; it was 50 percent off.

"I've never given anything away that hasn't come back 10 fold."