

# Chapter 1

## Start Your Engines

**W**hen it comes to an industry with wide-open opportunities for enterprising small-business owners, auto detailing ranks right up there with the best of them.

And small wonder. Americans' passion for cars, coupled with busy, fast-paced lifestyles that leave them with little time to take care of those vehicles properly, has created an environment rife with potential for today's aspiring detailer. Just consider this: A recent survey by the International Carwash Association indicated that 84 percent of American car owners love or like their cars, but only 15 percent of those take excellent care of the object of their affection. Does that mean the other 69 percent could be your customers? You bet!

### **What Is Auto Detailing?**

A basic and fundamentally broad definition of auto detailing might be: to clean, polish, and enhance the overall appearance of an automobile by taking special care of the car's individual details. Of course, this does not take into account the level, or quality, of service necessary to separate detailing from simply cleaning. This has spawned a great debate between long-time devoted detailers and the more recent "quickie" detailing offered at car washes and other locales. Essentially, the term "detailing" has become heavily marketed to a public that is not familiar with the difference between a good interior and exterior cleaning and a meticulous detailing job. However, as detailing emerges and more businesses (like yours) open up, the public will begin to see the different levels possible and make their own assessment of what they consider to be a real (quality) detailing job.

You can also define detailing in conjunction with the portion of the car being detailed. For example, exterior detailing can include claying, polishing, and waxing, while interior detailing involves the cleaning of the interior of a vehicle using vacuums, liquid cleaners, and brushes. Engine detailing involves cleaning the engine bay area of dirt and grease by using degreasers and all-purpose cleaners.

It's also worth mentioning that detailing can be defined differently by those who are seeking such service. For example, to someone whose vehicle will be in upcoming car shows, detailing means "show ready," while someone looking to sell a car might define detailing as a process that increases the value of the vehicle with a well-maintained finish.

## The Big Picture

Despite the detailing industry's enormous earning potential and small-business opportunities, there is surprisingly little information available about it in terms of statistics and trends. The industry doesn't have its own professional association (the closest thing is the International Carwash Association, which has a detailing component). What little statistical information is available on the numbers of detailers, wages, and other pertinent information is several years old. Even the federal government doesn't pay much attention to the profession (except for the IRS, that is). Detailers aren't singled out in the Bureau of Labor Statistics' *Occupational Outlook Handbook* (published by the U.S. Department of Labor); rather, they're included in the "Equipment Cleaners, Helpers, and Laborers" category (which no

doubt includes those who clean everything from industrial manufacturing machinery to dry-cleaning equipment). Likewise, the Bureau of the Census has a similar "Cleaners of Vehicles and Equipment" category, which presumably includes car wash employees. But the Census Bureau offers no other information about these employees the way it does for other professionals.

"There's not a lot of official recognition for this profession and no statistics," confirms auto reconditioning

### Bright Idea

*A lot of people don't know the difference between detailing (restoring) and customizing (adding nifty extras like fancy wheels). Be sure to explain exactly what you do in your promotional materials and Yellow Pages ad.*



expert Prentice St. Clair, owner of Detail in Progress in San Diego. "That's probably because it's such an easy business to get into that three-quarters of the businesses are 'under the radar.'"

## Historical Perspective

Although detailing came into its own as an industry fairly recently, the profession actually dates back to the days of the horse-drawn carriage, which were lovingly hand polished and spit-shined. But it really gathered steam with the advent of vehicles that had the horses under rather than in front. One of the pioneers in what would become the detailing product industry was furniture polish maker Frank Meguiar Jr., who, in 1901, mixed bottles of wood polish one at a time using an eggbeater. He soon realized that his product also could be used on those early automobiles, which were made of wood and coated with the same finishes used on furniture, and a new industry was born.

Until the 1940s, owners of elite motorcars were the most frequent consumers of detailing services. Then, after World War II, car dealership owners realized that

reconditioning previously owned cars would increase their value and thereby increase the dealers' profit margins. As a result, many dealerships added full-service detailing departments, which soon were prepping new cars for delivery. But the recessions of 1980 and 1982 forced many dealers to reduce or lay off their detailing staff, which opened the door to new opportunities for independent detailers.

Not coincidentally, the consumer detailing market started to heat up around the same time. As cars became more expensive, consumers started keeping their vehicles for longer periods of time. In 1969, for example, when the average price of a new car was \$3,708, consumers kept their cars an average of just over three years. By 2001, there were 216 million vehicles in use (40 percent of which were trucks), and the average price of a new car had increased to \$14,449. Likewise, the length of time consumers kept their cars increased to an average of nine years. Increasing at an unparalleled rate, the average sticker price for a new car or light truck more than doubled, jumping to \$30,481 by December 2003, according to an analysis by auto price tracker Edmunds.com. As of late 2007, the average new car sticker price had dipped slightly to roughly \$28,000. According to Edmunds.com, there are also now more than 40 million used cars purchased each year (for an average of roughly \$14,000) and an estimated 17 million new cars purchased annually. Today, people are keeping cars nearly 10 years, making it more important than ever to maintain them, and making detailing more prevalent.

Another factor also influenced Americans' predilection to keep their cars longer: The federal government erased the tax deduction for auto loan and credit card interest in the '80s. Suddenly, a new car loan was an even greater liability than before, and people started looking at their trusty old cars with infinitely more fondness. All this thriftiness represents a great opportunity for a new detailer. Many owners of older vehicles want to keep their rides in top condition, particularly those vehicles that have weathered a couple of presidential administrations. But keep in mind that people who wash their cars at home in the driveway are not likely to be your customers. The International Carwash Association *Study of Consumer Car Washing Attitudes and Habits* indicated that nearly 86 percent of home washers who responded to the survey had not had their car detailed in the previous year. So your challenge will be to find the consumers who take pride in their vehicles but don't have the time or inclination to keep them looking showroom-ready.

### **Stat Fact**

**According to the latest statistics, as researched by RL "Bud" Abraham, founder and president of Detail Plus Car Appearance Systems, there are 14,000 independent detailer businesses listed in the Yellow Pages, up from 4,000 in 1980.**



### Notes From The Dean

You'll probably notice quotes and comments from R.L. "Bud" Abraham throughout the book; Bud has spent nearly 40 years in the business and is still going strong as the founder and president of Detail Plus Car Appearance Systems. Over the past four decades, he had been in the auto detailing industry as an operator, distributor, manufacturer and consultant. Bud has personally designed and built car-care centers, including detailing and car wash businesses all over the world, and has owned and personally operated detail centers and automatic car wash facilities. A regular speaker at industry events, he is known as the "Dean of Detailing" by many of the top pros in the field.

According to Bud, the business has grown significantly since the late 1970s when detailing meant "restorative" detailing. "There was a lot more do-it-yourself work done 30 years ago. People bought Simonize and wax products and took care of cleaning their cars themselves. Today, with both husbands and wives working, car care is something that people prefer to pay for," says Abraham. "Not many people do this for themselves any longer."

While the size of the industry has increased and there is greater potential for earnings, in some ways the industry hasn't changed very much, acknowledges Abraham. "You still have a lot of guys using shop vacs, portable steam cleaners, and chemicals in the plastic bottles. There's a lot of new technology, but many detailers like to stick to how they've been doing things for years," he says, adding

that for some businesses that can work out fine, while others have benefited from new technology.

Abraham also points out that the detailing industry does not have a "standard in the industry" in the way that Jiffy Lube or Starbucks have set the standard and raised the bar in their industries. "The industry has never had a major company take the

lead. It's still very much a cottage industry," adds Abraham, which is a plus for newcomers in the business who don't have to aspire to some level that is potentially out of their reach. However, it makes it difficult for consumers to know what a high-quality detailing facility should look like or have a means of comparison as they would if they walked into a coffeehouse, which they could compare to Starbucks.

For those who are ready to embrace the latest in technology, Abraham's Detail Plus Car Appearance Systems offers the latest in technology for speeding up the process and making the job that much easier. For example, rather than manually handling numerous bottles of chemicals and mixing each one with water, Detail

#### Fun Fact

**The first automatic car wash in the United States opened in Detroit in 1946.**



Plus sells a chemical-dispensing system that is similar to those used by car washes whereby similar chemicals are automatically diluted and automatically dispensed by pumps. “We run lines for carpet shampoo, glass cleaner, all purpose cleaner and so on, so that the guy working on the car can simply grab the line, spray it on, and he’s done. It’s much quicker,” explains Abraham, who despite the highs and lows of the detailing industry still loves the business.

### **Earnings Potential**

Although there aren’t many hard and fast statistics about the scope and size of the detailing industry, it’s easy to do the math to figure out what your potential earnings could be. Let’s say you charge \$185 for a full interior/exterior detailing. Detail five cars a week, and you’d earn \$925 before taxes and expenses. At that pace, your gross revenue would be \$48,100 per year. Promote extra services like paintless dent repair, vinyl and leather repair and paint touch-up, and you can easily get the price of a detailing up to \$400 or more. Detail just one extra car a week at \$400, and you’d add nearly \$21,000 to your gross revenue. That’s \$69,100 gross for a total of just six cars a week, 52 weeks a year.

Some detailers make even more. One California mobile detailer we know of, who has eight employees, has had annual sales as high as \$250,000. On the other hand, *Professional Carwashing & Detailing* magazine says the hourly pay for a detailer ranges from \$15 to \$75, and National Detail Systems, which sells auto detailing and reconditioning systems, estimates an independent detailer can earn \$30 to \$60 an hour, or \$1,000 to \$1,500 a week, by detailing two cars a day. The amount you can earn is probably somewhere in the middle, but make no mistake: The sky’s the limit for a new detailing professional.

### **The Opportunities**

There are three types of detailing operations: mobile, express and site-based. Mobile businesses are the quickest and easiest type to launch, since all you have to do is buy some professional equipment and chemicals, as well as a van or trailer to haul that around in, and take to the road. This is also the most cost-effective way to enter the business, as there’s no overhead other than the cost of your professional products and your vehicle, and no mortgage or lease payment. Instead, you work in parking lots, at office complexes, at customers’ homes, and possibly in your own garage.

Express detailers often work in car washes or at auto dealerships. This is a “while you wait” type of business—vehicle owners turn over their keys and wheels so you can do your magic, then get back a sparkling clean vehicle in a set period of time—say, 15 minutes. Although both car washes and auto dealerships sometimes have their own detailing staff, there are many opportunities to work as a subcontractor at these businesses. And the arrangement is usually pure profit—the owner is usu-

ally so thrilled to have someone on site that there's no fee for the use of the space and utilities. This is particularly true of dealerships, where perfect appearance is paramount when it comes to high-priced new and used cars.

Industry experts say that the average price of an express detailing at a car wash is roughly \$40, including the car wash. Since the labor rate for the detailing is, at the most, 25 percent and supplies are just a few dollars, profits can be very tidy indeed, considering how little time is necessary to do the work.

"I think this is the direction the detailing industry is heading," says Dave Echnoz of 14/69 Carwash Supercenter in Fort Wayne, Indiana. "Twenty minutes, no appointment—it's great for someone who can't be without a car or doesn't want to rent a vehicle."

Fixed-location detailers work out of a building dedicated to detailing. Their overhead is certainly higher than that of a mobile or express detailer, but they have a distinct advantage over the mobile folks: a roof over their heads, so inclement weather that would shut down a mobile detailer is never a problem. With that roof comes a mortgage or lease payment, property taxes, overhead, and myriad other costs. But the trade-off is that site-based detailers can make a lot of money—as much as six figures or more, depending on the size of the operation. Additionally, long-time detailers point to the quality of the more labor-intensive detailing vs. the "quickie" detailing and stress the added value.

If you're lucky, you might be able to find a detailing shop or service station up for sale that already has all the tools and toys you need, like service bays and professional equipment. If not, you'll have to remodel, but the trade-off is that the finished shop will be exactly the way you want it. Incidentally, some site-based detailers offer express services for customers who are in a hurry. The most common express services are waxing and carpet cleaning.

There's one other type of detailing operation that bears mentioning. Detailing franchises offer another quick way to get into business with a minimum of effort (and cash) upfront. These turnkey operations provide you with an established name, which gives you an instant reputation; resources to help you do business, including advertising and marketing tools and assistance; and sometimes even equipment like mobile trailers. The franchise fees for these operations vary, but they can run tens of thousands of dollars—which can be about as much as establishing your own site-based detail shop would be. For the purposes of this book, we will assume that you're starting your own business from scratch, but just in case you're interested in franchises, you'll find some listed in the Appendix.

### **The Challenge**

Now your mission, should you choose to accept it, is to find the people who have some disposable income they're willing to part with and take pride in their vehicles, as well as automotive professionals who prefer to subcontract the work rather

than having detailers on staff. Among the potential prospects are:

▲ Average Joe (and Josie) consumers who are in love with their cars (the International Carwash Association says 64 percent of car owners talk to their cars and 27 percent give them pet names, so you know they're out there)

▲ Sports car owners (to whom appearance is everything—including under the hood)

▲ People who lease cars (since a professional detailing can reduce the chance of incurring ghastly end-of-lease wear-and-tear charges)

▲ Show car/classic car owners/car buffs who show off their vehicles for love . . . and money

▲ New and used vehicle dealerships (the pace can be grueling and the work doesn't always pay top dollar, but there's usually a lot of work for a new detailer)

▲ People who are selling their own cars in the local classifieds (currently a huge untapped market)

▲ RV dealerships and their customers (still another gold mine of possibilities)

▲ Automotive centers like auto malls

▲ Car washes (usually as an express detailing operation)

▲ Auto repair shops (including collision shops)

▲ Limousine companies

▲ Hotels with concierge service that might want to offer detailing as a premium service to guests

▲ Gas stations/garages that offer complete automotive services

Other prospects include boat and airplane owners (gotta look "fly" as they cast off or taxi away from the terminal) and railroad companies (don't worry—Meguiar's has you covered with the appropriate train polish). Many detailers start with cars, then segue into other types of vehicle detailing as a way to keep busy when the weather is poor. This type of detailing work is also a wide open market for entrepreneurs.

So are you ready to clean up in this promising industry? Great. Then turn the page so we can get your new business cranked up.

### Stat Fact

*In the more image-conscious areas of the country, such as South Florida or Southern California, where a nice looking car "makes a statement" about who you are, it's not uncommon for detailers to charge upwards of \$250 for a full-detail service.*

