

5 Huge Mistakes To Avoid When Buying or Building Your First Car Wash

#1 Building or buying in the wrong location.

This is a mistake you really can't fix. When I first got started scouting locations for my first car wash, I had a couple of locations in mind that had good traffic counts and I thought that was all I needed. The fact is that you need quite a few other things for a consideration to be considered a good location. The same holds true when you are buying an existing wash. If the wash does not have many of these factors along with a good traffic count it could be a huge mistake.

- Good traffic count (preferably 20,000 average per day or more)
- Densely populated within 3 to 5 miles around the location
- Easy Ingress and Egress
- Speed limit 35 MPH or less
- In a shopping district with national franchises within site, shopping centers nearby
- Visibility from the road
- Near traffic light if possible (best if on corner)
- Growing population
- Many apartments or one car garage homes nearby
- Not considering the impact of competition nearby

#2 Buying the wrong equipment

Your equipment will determine your customer's experience and will also determine your experience. If the equipment you choose does not do a good job or is breaking down all the time it will have a huge impact on your success. Keep in mind when choosing equipment you are not only choosing equipment, you are choosing a distributor to support the equipment as well. Do your due diligence and get references on the equipment distributor as well.

#3 Overpaying for an existing wash

I receive many emails from guys interesting in buying existing car washes. Many times the purchase prices are inflated beyond reason for what the wash produces in revenue. Many aspiring owners think they will increase sales by extraordinary amounts and this can be flawed thinking. While it is not unreasonable to think you can increase sales to some extent, I would not buy a wash that did not cash flow on the assumption that I could make it cash flow especially if the property had no redeeming value beyond being a car wash and did not fulfill many of the location requirements listed above.

#4 Being under capitalized

The cost of building or remodeling a car wash can add up very quickly. Your ability to take on the expenses when you first get started will be important to you overall success. Keep in mind, you will have outlays of cash for marketing, chemicals, utilities, attendants, etc. You will need to budget for these along with any long stretches of weather that could affect your sales. Make sure you include working capital in your original loan request to absorb some of these start-up costs.

#5 Choosing the wrong contractor.

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