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Lighthouse's car wash structures are see-through and brightly lit.

## Owners cleaning up with car wash design

See-through structure lands dozens of buyers

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 Special to IBJ

Most entrepreneurs think of being featured in a trade magazine as a badge of honor. In that case, Mike Kinslow and Norm Siegel can consider themselves highly decorated.

The two Indianapolis businessmen found trade publications knocking on their door after they designed and patented a car wash structure and system.

Kinslow and Siegel are co-owners of Lighthouse Carwash Systems Inc., which touts its all-glass car wash structure as a safe and fun way to wash cars.

Their original system works on a treadle, in which a car rests as the washing conveyor works around it, but subsequent models have been designed as self-serve bays and conveyor tunnel systems.

Since opening their first Lighthouse Carwash in spring 1998, the creators have been featured in a half-dozen trade magazines and have been asked to speak at various trade conventions.

While they won't release exact figures, they will say that "business has been very, very profitable," Siegel said. Sales exceeded \$2.5 million last year and they expect to double that this year.

Kinslow estimates the company will reach \$10 million in sales next year, and then \$20 million to \$40 million in 2003.

He anticipates selling between 150 to 200 car wash structures in 2002, he said, "then average somewhere between 200 to 400 buildings a year over the next eight to 10 years."

"We've had a very good year. What makes this so special is that we started from nothing, and it has virtually revolutionized the car-wash business," Siegel said.

Standard Lighthouse Carwash models start out around \$250,000, not including property.

The creators introduced their first model in October 1997 and offered it along with a revenue-share system in which they provided a car wash at an existing gas station and/or convenience store, then split the profits with the existing business owner.

Their first partnership was with Jon Lassus of Lassus Brothers Oil Co. in Fort Wayne, where the first Lighthouse Carwash opened in April 1998. Lassus reported big profits, making an average of \$5.50 per wash. Customers paid \$4, \$5, \$6 and \$10 for washes at his station, but they cost him about 50 cents each. The car wash also was durable, standing up to subzero temperatures, 18-inch snows and golf-ball-sized hail in its first year.

Siegel said Lighthouse Carwashes are typically two to three times more profitable than comparable, non-glass car washes. "Customers are just drawn to it. The experience is so far superior going through a glass building than in one that's ordinary block or brick," he said.

After the prototype proved successful, Lighthouse Carwashes went on the market in the spring of 1999. The owners sold 50 units in the first 18 months, and they anticipate selling 80 to 100 more this year.

The Indianapolis natives are no strangers to the auto-cleaning business. They met in the 1970s, when Kinslow was selling car wash equipment and Siegel was just entering the business.

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## CAR WASH

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Siegel operates Norm's Car Wash on West 38th Street and Siegel sells equipment through Automatic Wash Co. Inc.

They also run their joint business, a Lighthouse Carwash operation, at 3624 S. Keystone Ave., just west of Interstate 65. Like many self-serve car washes, the system is connected to a convenience store, in this case Citgo Kwik Mart.

"The car wash has made money from Day One. We washed close to 50,000 cars last year," Siegel said.

He admits business is much swifter there than at his Norm's Carwash location, the last remaining in a chain he launched in the 1970s.

"Kids love [the Lighthouse Carwash] because there are lights that flash on and off, all the soaps have a cherry scent. At night, the thing lights up like a rocket," he said.

The bright lights and transparent structures are why the owners tout Lighthouse Carwashes as a safe way to wash cars, particularly at night.

"You can come there at 2 or 3 a.m. and you'll see people washing their cars," Siegel said.

Business owners seem to like the notion and have purchased Lighthouse Carwashes in 11 states. They're now operational in North Carolina, South Carolina, Georgia, Massachusetts, Ohio, Missouri, Indiana and Mississippi. More are expected to open soon in Maryland, California and Illinois.

Buyers usually learn about the patented glass car wash through trade magazines, conventions and at [www.lighthousecarwash.com](http://www.lighthousecarwash.com).

Lighthouse Carwash Systems now has a contract with all Village Pantry stores in Indiana. Village Pantry, owned by Marsh Supermarkets Inc., has car washes in Martinsville, Lafayette, Muncie, Wabash, McCordsville, Connersville and Cambridge City. Kinslow said the chain will likely build six or seven more car washes this year.

Tom Arrington, Village Pantry's director of fuel operations, cited safety and security as the main factors in purchasing Lighthouse Carwashes.

"The general public absolutely feels safer sitting in a building that they can just look all around and see," he said. "It's definitely a marketing tool. You're out there pumping gas and you look over and can see everything going on. You see it working. It's a sales pitch in itself."

Although the transparent structures are eye-catching, Bill Dahm, president of Mike's Express Carwash, said he doesn't see Lighthouse Carwash Systems as direct competition for Mike's, which offers a drive-through, conveyor-style car wash as well as self-serve bays.

He encourages consumers to visit both businesses and compare the results. "What customers are interested in is how clean, how dry and how shiny their automobiles are when they come out," said Dahm, who oversees 20 Mike's Carwash locations in Fort Wayne, Indianapolis and

Cincinnati. He said business has not declined at any Mike's location since the Lighthouse Carwash on Keystone Avenue opened.

"I've always enjoyed competing. Competition just makes you work a little harder," Dahm said.

The Lighthouse founders say they designed their unique structures around a particular brand of equipment—that of a North Carolina manufacturer called Autec. Each Lighthouse Carwash is equipped with Autec equipment.

When they first started a joint business, he and Siegel began by taking over existing buildings and then adding in Autec equipment, but they soon wanted to expand. That's when they thought of marketing the all-glass car wash concept.

Kinslow located a manufacturer who fabricated car wash models and asked him to develop a similar model in all glass. He and Siegel tinkered with the design and created custom options such as gables and low-rise walls in brick and block. Buyers can also choose from more than 80 colors for the structure's powder-coated aluminum wall sections and polycarbonate roof panels.

While copycats often flock to a profitable idea, the Lighthouse partners say their patent should stand up to any who attempt to copy it anywhere in the country.

"We've had a couple of cases where patent was tried and we've been successful in holding it up. If anybody looks at a car wash and thinks it's ours, we can challenge it," Kinslow said. \*