

How to find and court an investor

From Volume 33, Issue 3 - March 2009

Feature

Some tips on how to get the funding you need to establish or expand your detail business.

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The idea of obtaining non-banking money to fund a business is not a novel approach; small and large businesses have done this for years. For would-be and current detail shop operators, it represents a real channel for growth and success.

Know your average revenue

The bottom line is that you have to present a business plan that shows how your detail shop can generate \$40,000 to \$50,000 per month in revenues and \$8,000 to \$10,000 a month in profit.

This means proving that your business is capable or is already performing an average detail service of \$150 for 250-330 cars per month. On a weekly basis, it breaks down to 60-80 cars or 10-15 cars per day.

Create a business plan

Your investors will want to see a realistic and believable business plan that shows where these cars will come from. Include information you currently have on the following customer types in your area:

- Retail customers;
- Auto dealers — new and used;
- Fleets;
- Body shops;
- Government;
- Airplanes;
- Boats;
- Motor homes;
- Over the road tractors; and
- Agricultural equipment.

You can also include information about your intended revenues from the sale of extra services such as:

- Paintless dent repair;
- Paint touch-up;
- Vinyl and leather repair;
- Window tinting;
- Carpet dyeing;
- Body side molding and pin striping; and
- Gold plating.

Your business plan does not need to teach your investor the detail business, instead it should show them the path you intend to take to achieve your financial goals. It should also convince your investor that you:

- Know your business;
- Have thought out the plan; and
- Have selected a location that will allow you to attract the required customers to achieve these numbers.

Showing your investor how you plan to accomplish these volumes and ticket averages is the gateway to securing your funds. Your business plan should include marketing prerogatives, as well as ideas for growth.

You can also hire someone to assist you in developing a fool-proof business plan and then search for potential investors.

Find investors

Finding investors is often much easier than putting together a believable and realistic business plan. To make it simple you can find investors among your relatives, friends, extended circles of friends, people in your church (if you belong to a congregation), and customers.

That's right, many detailers have told me they have a customer who approached them about investing in their business, but they did not know what to do or how to make a presentation.

You can also advertise in the "Business Opportunity" section of your local newspaper. In a small ad, indicate you are seeking investment capital to establish or expand an existing auto service business that is without competition in the area. You might mention the amount of money you are looking for (think big, not small) and even what return you will offer. Or you can keep it general to attract more potential investors and see what they are looking for and if you would even want to associate with them.

This is very general but it gives you an idea of what you can do to find the money you are seeking for your business. Happy hunting!

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