

Car Wash

# Distributors & Operators

MEMBER INFORMATION BOOKLET



*Rebates*

*Industry Leading  
Suppliers*

*Exclusive Networking  
Events*

[www.N1buyinggroup.com](http://www.N1buyinggroup.com)

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*We're Better Together*

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*"We are excited that Howco has been invited to be a member of the N1 Buying Group."*

**- John Gannon, Howco**



# The Car Wash Industry's First Buying Group

The N1 Buying Group has been created to add value to its members, **Distributors and Multi-Site Operators with 5 or more locations**, and Suppliers in the car wash industry. The N1 Buying Group leverages the collective purchasing power of its members to improve profitability for members and creates a platform of growth for suppliers.

The driving force in launching the N1 Buying Group was HOWCO Inc. and Autobell Car Wash. Both companies are well-respected leaders in the car wash industry and are also two of the founding members of N1 Buying Group.

The need for N1 Buying Group was identified by the founders and came from the fact that businesses in the car wash industry do not have an organization that can leverage the purchasing power of a group of operators/distributors. There is also a need to create a forum focused on improving products and supply chain processes. The N1 Buying Group's goal is to address these two primary concerns.

The N1 Buying Group is the first of its kind in the car wash industry. There are no other buying groups in the car wash industry that focus on operators and distributors.

## OUR MISSION

To bring purchasing efficiencies and networking opportunities to our members and suppliers while operating ethically and responsibly in all that we do.

## WHY JOIN N1?

Buying Groups are a proven model to help independent businesses remain independent. N1 Buying Group is made up of independent car wash operators and distributors who want to remain independent and be profitable. In today's complex world we can't do it all. We are better together. The better question would be, if you are a distributor or operator -

"Why wouldn't you join N1?"

*Rebates*

*Industry Leading Suppliers*

*Exclusive Networking Events*

# N1 Buying Group

# How it Works

N1 Buying Group is set up as a central billing purchasing cooperative for its Members. This is a “best practice” model used by most successful buying groups. N1 Buying Group has and will negotiate supply agreements with some of the industry’s top suppliers and/or manufacturers. These supply agreements specify that the N1 Buying Group will earn rebates based on the total volume of purchases made by the members in exchange for recommending to the members that they support the supplier with their purchases. Members still negotiate their own prices with these vendors and manufacturers. Rebates earned by the Group are in addition to any discounts the member negotiates on its own. The profit of the buying group (rebates minus operating expenses) are then paid out to the members proportionally as to how they were earned. If a member’s purchases represented 5% of the income earned, they would receive 5% of the rebates paid out.

Members are asked to participate in the affairs of the Buying Group from time to time. Members help qualify and select preferred suppliers through a committee process. Members are elected to the Board of Directors to help determine strategy and set direction for the future. Members are asked to attend annual meetings so they can participate in the various networking opportunities. Members tell us they always get more out of being actively involved than they put in.

# Members

## Distributor Member Criteria

N1 Distributor Members are car wash distributors that purchase multiple product categories direct from their suppliers and sell to the car wash operators.

## Operator Member Criteria

N1 Operator Members are multi-location car wash operators that own and operate 5 or more wash locations and are able to purchase direct from their suppliers.

## FINANCIAL BENEFITS

### Rebates

Supplier rebates are the primary financial incentive for members. Rebates are negotiated on behalf of all members based on the collective purchasing power of the group. Pricing continues to be negotiated by each member.

### Centralized negotiations on major product categories

Suppliers are selected by the members, for the members. Product committees will vet suppliers' programs and select key supplier(s) to support key product categories. Members will be encouraged to participate on the product committees to help pick the right suppliers for the group.

### Confidential Rebates

Rebate programs have been established with all N1 suppliers for our members to earn rebates on their purchases through the Group. Rebates are distributed periodically and are completely confidential to the member and to the supplier.

### Improved Payment Terms

With negotiated programs and guaranteed payments to suppliers, members may receive improved payment terms through the Group.

### Only purchase through the group when it makes sense for your business

Members are encouraged, but are not required to switch all their purchases through to the Group's participating suppliers. At times, members may be receiving better prices in certain product categories or there may be regional distribution issues that require a member to purchase through a local supplier. At the end of the day, you must do what makes sense for your business!

### Central Billing for Improved Invoicing and Payment Processing

N1 Buying Group uses Central Billing technology to streamline the invoicing and payment processing. Central Billing consolidates the invoicing process for the members. Consolidation of invoicing creates efficiencies for both Distributor Members and Multi-Location Operator (MLO) Members, which tends to increase sales for suppliers. Suppliers are guaranteed payment based on the terms they determine, resulting in a much more streamlined payment process for participating suppliers.

## NETWORKING BENEFITS

### Exclusive Networking & Events

Annual General Meeting - Members meeting to discuss industry trends, educational forum, group development, and networking with members and suppliers.

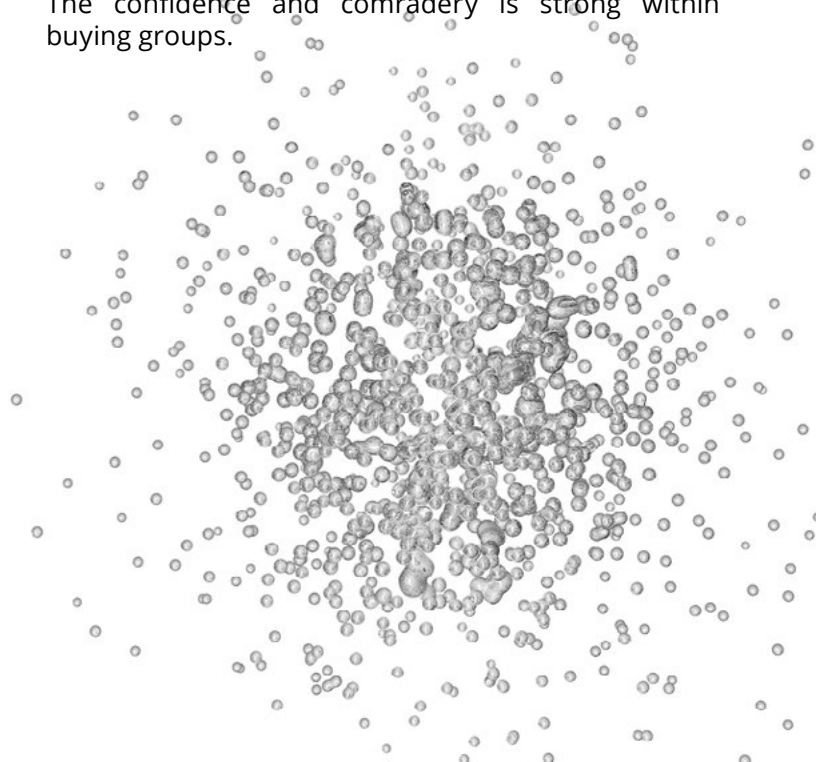
### Access to a Forum of Top-Level Member & Supplier Executives

Many members within buying groups develop close relationships with their fellow members to a level where some become close friends.

On top of building relationships with your fellow members, you are granted access to the top-level executives at all members and suppliers within the Group. N1 strongly encourages its members to build relationships with one another and become more active within the Group.

### Best Practices Sharing

There is a saying amongst buying groups, and it is that "Members may join for the financial benefits, but they stay for the networking benefits." The sharing of best practices is yet another benefit to members where they can discuss individual best practices in a friendly matter. Even if you are direct competitors. The confidence and comradery is strong within buying groups.



## MORE BENEFITS

### Member Governed

Since the N1 Buying Group is for members it should be governed by members. The N1 Buying Group Board of Directors is composed of appointed members that will determine the direction of the group.

### Access to Industry Top-Tier Suppliers

Some of the industry's biggest names and brands are suppliers with N1 Buying Group with confidential rebate programs already in place for member purchases. Top suppliers in Tunnel Equipment, In-Bay Equipment, Roll-Over Equipment, Self-Service Equipment, Primary Chemicals, and more.

### Car Wash Start-up Expertise

For those members growing their businesses, N1 Buying Group has access to a collection of experts for best practices in developing or opening a new car wash facility.

### Improved Access and Understanding of Purchases

Each member will have access to reports on purchases they have made through the group to track involvement and determine ways to maximize future rebates by adjusting their purchasing habits.

# What the N1 Buying Group...

## is...

**is...** a group that facilitates the coming together of like-minded car wash distributors, operators and suppliers.

**is...** a Member-owned buying group of Distributors and Operator members.

**is...** an opportunity for regional distributors to compete on a national platform.

**is...** a collective group that can influence the terms to the suppliers.

**is...** a group for distributors to leverage their collective purchases through the group.

**is...** a group for suppliers to participate in a growth platform that reduces their sales and marketing costs for that growth.

## is not...

**is not...** a buy and sell company for car washes.

**is not...** a company that buys car wash products directly from suppliers or distributes products.

**is not...** a marketing or financing/credit company for car washes.

**is not...** a price negotiating organization.



# FAQ

## FREQUENTLY ASKED QUESTIONS

### **Will I be required to change all purchases from my current Suppliers to all N1 Suppliers?**

One of the major benefits of any buying group is the selection of the Preferred Supplier that provides the best overall value proposition for each product category. In many cases, the Preferred Supplier will be the Supplier you currently deal with for that product category. You will simply enjoy better net costs and off-invoice advantages than you previously did before joining the buying group.

In other cases, the Preferred Supplier will not be the Supplier that you currently purchase that product category from, and you will be expected to switch Suppliers. In most cases, the Preferred Supplier's program will assist you in that transition by providing training, specials on new equipment and buy-back programs of your old inventory. Experience has shown that the buying group whose Members loyally support their Preferred Suppliers will be rewarded handsomely. Suppliers soon learn that they can quickly gain or lose sales volume depending on whether they are selected as a Preferred Supplier. The short-term pain of switching suppliers will be offset by significantly better overall value.

There may be a few exceptions to the "Buy only from Preferred Suppliers" rule, but these should be minimized. For example, if your brother-in-law is the Sales Representative for a Non-Preferred Supplier, you may still feel the requirement to purchase from him. There may also be some regional distribution issues that require you to purchase from a local Supplier rather than from a Preferred Supplier.

At the end of the day you have to do what is right for your business...it must come first!

### **Will I know the negotiated deal details?**

All "non-confidential" details of the deal negotiated with the Preferred Supplier will be available exclusively for the members only. These details will include standard payment terms, freight allowance policy, claims procedure, and all the Supplier's Contact Information. You will not have documented access to details of the "confidentially" negotiated rebates, allowances or exclusive deals for buying group members. Only the Negotiating Committee will know the full terms of the negotiated deal. Strict enforcement of Preferred Supplier confidentiality enables Suppliers to offer better overall pricing only to N1 members without the risk of competitors or other of the supplier's non-buying group customers knowing and saying "me too!"

### **Will I have any input as to how the Preferred Suppliers are chosen?**

For each major product category, a small number of your fellow Members will be chosen to participate on the negotiating team. The Preferred Suppliers are then chosen based on a wide set of criteria which includes factors from pricing, rebates, terms, return policies, service levels and the product brand acceptance.

## **How are the rebates passed on to me?**

You will receive rebates on your purchases. Rebate checks are delivered with approval from the Board of Directors. As N1 grows and the members continue to increase their purchasing focus with the N1 Preferred Suppliers, the rebate checks will continue to grow year after year.

## **Why is there such a focus on rebates, wouldn't it be better to get all the discounts up front at the time of invoicing?**

Rebates are a powerful tool for both the Preferred Supplier and the member. Suppliers like rebates for two main reasons;

- Rebates protect the "street price" of their products
- Suppliers can structure the rebates such that they only pay for performance

The member benefits because they are able to protect the margins made on the sale of the products from their sales force that often wants to discount to the maximum allowed based on the invoice price. At the end of the year, the rebate check comes in and goes right to the bottom line!

## **How much will it cost me to join?**

Each member is required to pay a \$1,500 Sign-Up Fee and a \$3,500 Annual Fee. This Annual Fee, really, is paid back to the members through exclusive events held by N1 for its members.





*“For a supplier to have an open invitation to a forum where buyers operate with a common purpose is a tremendous opportunity for growth. The benefits to the supplier are clear...security of payment, market intelligence, invitation to an expanded marketplace, and the reduction of sales, marketing, and travel expenses.”*

**- John Gannon, Howco Inc.**

*“In a fragmented industry like car wash, collective purchasing power makes sense. It is an opportunity for operators and distributors to have access to better products and innovative ideas and it’s an opportunity for suppliers to add value to their product lines.”*

**- Chuck Howard, Autobell Carwash**

# Member

## STAY INDEPENDENT WITH N1

As a business owner or manager in the car wash industry, you have the opportunity to share in the benefits of a buying group of like-minded car wash distributors, operators, and suppliers. If you would like to get involved or would just like more information, please call or email us directly.

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