SWOTT ANALYSIS PAPER AND TABLE

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As the owner of Galaxy Car Wash, this writer wants Galaxy to become a pioneer in the self serve car wash industry by providing high quality, convenient and cost effective self serve car wash services to the residents of Old Town Richmond and set benchmarks for other peers in the industry with our state of the art, well equipped and advanced car wash facility.” We aim to differentiate ourselves from other service providers by providing unparallel technology, state of the art facilities, and a rejuvenating atmosphere that will make washing the car a fun exercise. We will back up our state of the art facilities with excellent customer service, at an affordable price. Galaxy will provide a wide assortment of colored and scented soaps, polishes, waxes, and foams to enhance the washing experience. In this text, the author will provide a SWOTT analysis of the business while examining several internal and external forces that may affect the business.

In the car wash industry, wash owners may be marketing clean cars but in reality they are selling time. Self serve car washes generate revenue one quarter at a time. For every 2 minutes, a customer spends either applying or removing a product they must pay 25 cents.

Economic trends or forces are something that businesses cannot afford to ignore and this business is no exception in the sense that economic trends will certainly influence the revenue and profitability growth of the business. For example, during today's recessionary and tough times, the business could be affected as less people will spend on car wash and less people will buy new cars. Similarly, price cuts and discounts may have to be offered to induce people to come for a car wash. The company will also need to go on cost cutting initiatives during recessionary periods. Therefore, based on the economic scenario governing the country and the industry, this business will need to take critical decisions pertaining to costs, investments, pricing, and product dilution rates.

Legal and regulatory forces are a major factor to be considered by Galaxy Car Wash. As the company operates a business that can be potentially polluting in nature, the organization need to consider environmental laws that need to be adhered to for running the business, such as proper disposal of water, waste, and chemicals. Further, the company will need to adhere to general business laws such as accounting, taxation, and employment. The company should ensure that it does not violate any regulations and complies with all regulations and rules to avoid fines and penalties. It should make all its financial reporting and accounting practices transparent and ensure that it complies with all state and federal financial reporting regulations and files taxes on time. Further, all existing employment/labor laws should also be complied with and due care should be taken in terms of compensation, recruitment and treatment of employees. Such compliance will ensure that the organization will be able to focus on its core business and will not waste valuable resources in legal proceedings.

Technological factors can really play a critical role in the success of this industry. Technological edge over competitors can result in significant competitive advantage for this business. The company will need to invest in best possible available technology and introduce innovative features at its facility with the help of advanced technology to offer highest quality and unique services to its customers at the car wash facility. Technological advancement such as Ballenger foam applicators, Armor All tire dressers, and Zep’s Body Shield system are a few of the innovations Galaxy will use to surpass the competition (LeBlanc & Scates, 2008, p. 29). Further, technology will be deeply embedded in other areas, be it marketing, operations, or customer services. For example, the company will utilize technologies such as e-marketing or mobile marketing to reach its target customers.

To sustain a good corporate image and develop its reputation as a good corporate citizen, the company will need to implement best practices in environmental protection. As the company will deal with large amounts of waste water containing harmful chemicals as well as other disposal wastes, it will need to implement strict policies regarding proper disposal of waste at its facilities and implement technologies to ensure proper treatment and disposal of water related and other kinds of waste generated at company's car wash facilities. Proper attention in this area will not only ensure compliance with strict environmental regulations, but will also position company as a responsible corporate citizen in the eyes of the consumers, the community, and society.

The organization will need to implement best practices in processes and systems to ensure maximum efficiency, highest quality and best possible customer satisfaction. The company should not only benchmark best practices pursued by other competitors in the industry, but should also observe best practices of successful companies in other industries to develop internal processes and systems that captures maximum possible efficiency. This strategy will support the cost cutting initiatives of the company and will allow it to offer best quality services at affordable rates. Strong internal processes and systems will also assist in fast growth of the company and improve scalability. This will ensure that customers feel satisfied and content with the service quality.

As the company is in a startup phase and significant investments will have to be made in infrastructure, technology, human resources as well as marketing, organizational management will need to make accurate budgets based on sound forecasts to ensure that there is no shortage of funds during the initial period when cash flows out in a fast manner, without strong inflow. In

such a period, resource constraints can hamper the growth rate and thus, resources should be spent in a planned manner.

Goals and objectives should be extremely clear and communicated to all the organizational employees. Short, medium, and longer term goals should be aligned with overall mission, vision, objectives, and values. These goals should be explained and communicated to employees in a clear manner. The clearer the goals, the better it will be for the organizational management to seek support of employees towards the implementation of tactical plans.

By completing the upcoming SWOTT table and analyzing the external forces and trends, the business managers will have a greater understanding of economic, legal, and regulatory threats, as well as innovation within the industry. When analyzing the internal forces and trends management should have a better, understand of strategy, resources, goals and leadership to name a few. The following chart will give more detail.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | CHART I | Strengths | Weaknesses | Opportunities | Threats | Trends |
|  | Legal & Regulatory |  |  |  | Threats from legal authorities due to environmental issues/pollution created due to washing of car |  |
|  | Economic |  |  | Opportunities to capture first mover advantage with a unique business model and savings | Threat of recession in the economy which may force people to spend less on car wash |  |
| **External Forces** | Technological |  |  | Opportunities to capture market share of existing players that still offer low quality services with no innovation or new technology. |  |  |
| Innovative |  |  | Opportunities to tap large target segment that uses self serve car wash and are looking for a new type of service that makes car washing a fun experience. | Threats from new entrants or existing players who will try to copy the services and offer at reduced costs |  |
|  | Social |  |  |  | Threats from existing players | People are willing to switch to service providers that offer more convenience and high quality service |
|  | Environmental |  |  |  | Threats from legal authorities due to environmental issues/pollution created due to washing of car |  |
|  | Strategy | Unique and innovative business concept that aims to provide new experience in car wash | Lack of awareness among customers about this new service |  |  | Increasing preference among consumers to seek more value for money from existing services. |
|  | Processes & Systems | New Zep professional soaps provide better cleaning with less human contact |  |  |  | People are willing to switch to service providers that offer more convenience and high quality service |
| **Internal Forces** | Resources |  | As the company is a startup, lack of resource may prove to be a hindrance. |  |  |  |
| Goals | Well defined goals of making the wash a family friendly place |  |  |  | Increasing preference among consumers to seek more value for money from existing services. |
|  | Technologies | Ability to take advantage of new technology to cut costs and implement efficient processes and systems |  |  |  |  |
|  | Innovations | Ability to innovate will create first mover advantage for the company (Kid friendly) | Relatively new business model with no proven market research data about historical trends, success ratio, etc. |  |  | People are willing to switch to service providers that offer more convenience and high quality service |
|  | Leadership | Ability to capture competitive advantage by implementing best practices of existing players, improved technology, and new features at the premises. |  |  |  | Increasing preference among consumers to seek more value for money from existing services. |

Reference

LeBlanc, J., & Scates, R. (2008, September 22). Technological break troughs in self-serve. *Car Wash News, Fall* (92008), pp. 21-39.