

WINTER 2009

manufacturing

BEST PRACTICES FOR INDUSTRY LEADERS

TODAY

manufacturing-today.com

A > **DOMINANT FORCE**

TETRA says its new manufacturing facility – to open in mid-2009 – will help meet demand for calcium chloride. *page 86*

MOTIVATED EMPLOYEES

Workplace 'dissatisfiers': how to identify and how to avoid 'em. *page 16*

EXTENSIVE REACH

An innovative culture helps keep Endress + Hauser U.S. in continuous improvement mode. *page 70*



Group purchasing and smarter supply chains – exclusively at manufacturing-today.com

JIM COLEMAN CO.

www.jcolemanco.com / 2008 proj. revenue: \$36 million / HQ: Houston / Employees: 225 / Products: Car wash equipment and instant ice machines / Russell Coleman, president: "Our machine is a patented design that prevents [duplication]."



DUE TO THE SHRINKING CAR WASH MARKET, JIM COLEMAN VENTURED INTO MANUFACTURING INSTANT ICE MACHINES.

REVOLUTIONARY ICE

JIM COLEMAN CO.'S INSTANT ICE MACHINES PRODUCE ICE WITHOUT THE COST OF TRANSPORTATION. BY GENEVIEVE DIESING

For more than four decades, Houston-based Jim Coleman Co. has manufactured a line of car wash equipment in its more than 150,000-square-foot facility. Its Houston headquarters also houses engineering, advertising, marketing, parts, shipping and signage departments.

About two years ago, in response to diminishing nationwide demand for car wash equipment, the company realized it had the capabilities to serve a relatively untapped market – instant, bulk ice – and so it patented a unique machine that has revolutionized the ice-production and sales process. With

machines located outside convenience stores throughout the country, Jim Coleman Co.'s supplemental product line is beginning to take center stage. The company has installed 30 machines in the United States and two in South Africa.

In a recent interview with *Manufacturing Today*, President Russell Coleman explained why he thinks instant ice machines are the wave of the future.

Manufacturing Today: When did you start developing the ice production side of your company?

Russell Coleman: We started the de-

velopment process, or the designing of the unit, in January 2007, and we spent 11 months designing, prototyping and testing the unit. Presently, 7 percent (of sales are from these machines), but (they are) growing.

We installed the first unit on Oct. 1, 2007, and we started production in January 2008.

MT: Why did you branch out of the car wash market?

RC: Since January 2006, we have been noticing a trend of the U.S. car wash market shrinking. To try to offset that, we chose to do two things: One was to explore international sales. With the weak dollar, our international sales have increased significantly.

We also chose to look for a product line outside of the car wash market that we could use our current manufacturing capabilities to build. »



JIM COLEMAN CO.'S PRODUCTS ARE CONVENIENTLY LOCATED OUTSIDE CONVENIENCE STORES.

» **MT:** Why did you choose ice machines?

RC: The present business model is antiquated and outdated for selling ice. Ice is manufactured in a large plant and is stored for weeks or months after it's made. It's then transported to local neighborhood convenience stores in freezer chests to be sold.

The cost of making ice is small – it's about 10 cents for a 10-pound bag, but manufacturers sell it for about \$1 because of all the transportation costs. Ice will continue to increase in price as a result of the high price of petroleum products.

We thought, if you could manufacture ice on-the-spot and sell it right there – you cut out all the transportation costs so your profit is much higher. We also pass the savings onto the consumer, so the price tag becomes very attractive to the consumer.

MT: How much do consumers save with your method?

RC: Reddy Ice is the largest ice-making competitor, and they sell 10-pound bags to convenient stores for \$1. The convenience store sells that for \$2. We can sell ours for \$1.

We sell the machines to investors that pay rent to convenience stores or sell them to the owner of the store. The machine holds 2,000 pounds of ice and can produce 4,000 pounds per day.

The convenience store operators tell us they don't make any money on ice because so much is lost or stolen. A lot of consumers can steal ice because oftentimes it is located right outside of convenience stores. One of the drawbacks of selling of ice inside convenience stores is that it's bulky and heavy to carry through the store.

Our machines are located in our parking lots so people can pull up a truck and can transport it right to their cars. Plus, with our machines being open 24/7, it's very convenient.

Our annual sales vary from location to location, but they amount to

\$40,000 to 60,000 in ice sales per year.

MT: What sets your machines apart from the competition?

RC: Our machine is a patented design that prevents a lot of other companies from entering the marketplace and from being able to copy our machines. Secondly, our machine is National Automatic Merchandising Association (NAMA) approved. (NAMA) is an association in Chicago in charge of inspecting and testing machines to see if they comply with sanitation requirements for the Food and Drug Administration. **mt**

COLEMAN CAR WASH LINE

Although ice machines are an increasing part of the company's sales, Jim Coleman Co. is still known for its innovative car wash products.

They include:

- Fusion X – A friction rollover automatic car wash system;
- eFusion – A system designed to clean a vehicle using the company's SparkleSoft foam brushes;
- Water Wizard 2.0 – Touch-free automatic car wash equipment;
- Swipe @ the Bay – An all-in-one device that keeps track of cash and credit, "without having ugly add-on boxes," the company says;
- SATB – A credit card processing system for bays and vacuums;
- Self-service equipment - The Super Saver and Power Pack are two pumping equipment options offered for self-serve car washes;
- Money Manager – This system gives customers a financial account of their car washes, serving as a maintenance checklist by alerting the owner to when a changer is down or if it is low on coins;
- Entry Wizard 2.0 entrance controller – This will accept credit cards, bills, coins and code entry, and
- Swipe-N-Clean – "The Swipe-N-Clean™ car wash credit card system gives [a] customer the opportunity to use the wash bays, vacuums, Entry Wizards and purchase a variety of vending items with one swipe of their card," the company says.