

BY TINA VASQUEZ

ScrubaDub Auto Wash: 50th anniversary

The car wash, with 18 New England locations, celebrated by offering 'surprises and delights' to customers.



The Business: In the early 1960s, Marshall Paisner was working for J&H International, selling promotions to supermarkets. The job had him traveling constantly. Most weeks he'd board a plane on Monday and not return to his family until Friday; sometimes, he'd be away for two weeks. Every time he came home he'd have the same sinking feeling: He was missing the opportunity to watch his kids grow up.

Paisner thought about starting his own business, preferably in an industry that would keep him closer to home. While traveling to California, he came into contact with the first modern car washes in the country, which were just beginning to introduce some of the same equipment that is still used today.

"I didn't have car washing in mind, but I just knew I had to do something—and honestly, car washing seemed kind of perfect: There was no inventory and no receivables," says Paisner, now 86, with a laugh. "I remember thinking, 'Boy, what a great business!'"

Today, ScrubaDub Auto Wash spans four states, with 18 locations and two more on the way. Paisner says his company has grown with the industry. "Every trend that emerged, we were on top of," he says.

Paisner retired in the 1990s, leaving management of the company to his sons Bob, now 59, who is CEO, and Danny, now 57, who is president.

When first starting out, Marshall Paisner did not expect that ScrubaDub would become a family business. But when his sons were teenagers and the business was new, he took steps to ensure that family dinner-table conversations would spark their interest in joining the company.

"When you're home after a hard day, you don't talk about how hard things were," Paisner says. "At our dinner table every night, my wife and I talked about how proud we were of what we were doing and how much we wanted to improve the quality of our product. If you talk about being innovative and you make the business sound exciting, kids grow up interested in what you're doing. Our family business was built at our dinner table."

After Paisner's sons joined the business, ScrubaDub developed its own chemicals and soaps and launched a new direct-mail program. Ten years ago, the company built its own "New Cars Wash Free" software and licensed it to other car washes around the country. Consumers who have purchased new cars receive a month of free car washes. This promotion not only is a way of creating lifelong customers, but also enables the company to partner with local dealerships, which offer ScrubaDub's services with each new car they sell.

In 2012, Danny's son Mathew decided to leave behind a finance career on Wall Street to join ScrubaDub as director of business development. Every year since, ScrubaDub's numbers have improved, according to the company. Revenues and bottom-line profits



Three generations of the Paisner family. From left: Danny, Mathew, Marshall and Bob.



Elaine and Marshall Paisner with sons Bob and Danny.



The original ScrubaDub team.

for 2016 were the best in ScrubaDub's history.

Around the time that Marshall Paisner retired, a long-time friend called to tell him that he'd finally given in and sold his family's business.

"He said he got an offer that was too good to refuse, and I was shocked," ScrubaDub's founder says. "I started to think about the offers that I refused, and I wanted to know why I refused and he didn't."

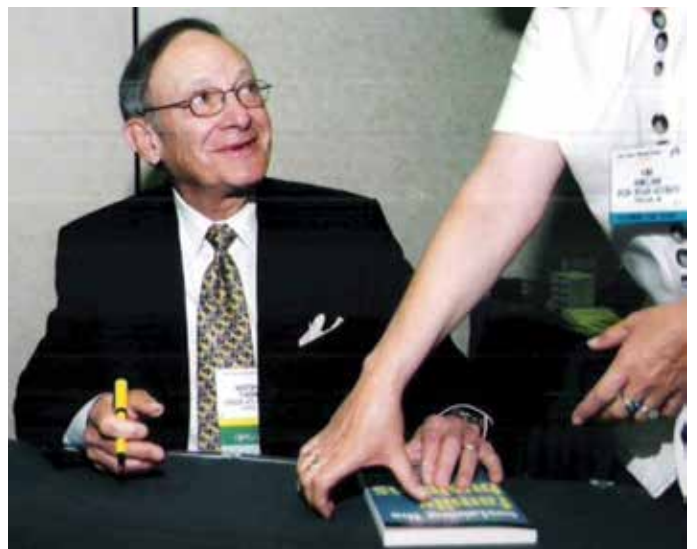
Paisner began calling different family businesses across the country in an effort to discover the key to protecting what he had built. He published his findings in a book, *Sustaining the Family Business: An Insider's Guide to Managing Across Generations*, published in 1999 by Perseus Books.

The Family: Marshall Paisner and his sons have put a lot of well-thought-out policies in place to ensure the business continues and to prevent any feelings of entitlement among members of future generations. For example, not all members of the family may join the company at an executive level—and only those who do are permitted to hold voting stock, which must be sold at retirement.

Companies that pay dividends to family members who aren't actively employed in the business are reducing the capital available for reinvestment, Paisner says. "Reinvesting is the key to success," he notes.

Bob's sons, ages 29, 26 and 18, are still mulling over whether ScrubaDub is for them. Should they choose to join, they will have to abide by the family employment policy. While family members may work for ScrubaDub in high school and college, those who are interested in joining the upper ranks must work outside the business or go to graduate school for at least two years before being able to return.

"We don't want there to be any sense of entitlement, which is why we tell family members to go get an education, go get experience, go find a job," Bob Paisner says. "If the family business still makes sense to you, you can come back."



Above: Marshall signs his book. Below: The office crew.



Danny's son Mathew not only went through this process but also had to interview with several of ScrubaDub's staff and go through a rotational program before assuming his current role.



Signs advertise the 50th anniversary and special promotion.

“I rotated through all of our stores as an assistant manager, for five or six months,” says Mathew, 31. “Danny and Bob created this next-generation document that explains what’s required of third- or fourth-generation family members. Everyone has to rotate through all the stores and spend time with an outside car company. It was only after completing all of these tasks that I could officially join the company.”

The company has an outside board of advisers and a family council that meets once a month. The family council was Mathew’s idea. His goal was to improve communication and create a new way for family members to hold each other accountable. Sitting down for family meetings forces everyone to be intentional about what—and how—they communicate with each other.

The Celebration: It was important to the Paisner family to approach their anniversary not as a celebration of themselves, but as a celebration of the people who made them successful: their employees and customers.

During the month of October, ScrubaDub offered customers a series of “surprises and delights.” For example, each day the 50th customer at each of the company’s locations—a total of 558 people—received a month of free

car washes. Those who didn’t win could purchase a month of unlimited car washes for just \$5.

Danny Paisner explains that ScrubaDub handed out postcards thanking customers for their business, but there was very little signage regarding the month of free car washes. This was intentional. The family wanted to surprise customers with the anniversary promotion.

In addition, every ScrubaDub customer during the month of October received free tire shine products and a free windshield rain repellent, Vision Clear.

Every year, ScrubaDub closes each of its stores during an August afternoon to sponsor a day of fun for employees. The company foots the bills for employees and their loved ones to spend an afternoon engaged in family-friendly activities. For the company’s 50th anniversary, ScrubaDub invited all employees to a local farm to enjoy homemade ice cream, miniature

golf, bumper boats and a barbecue, among other activities. After an awards ceremony, Marshall Paisner gave a speech, thanking the employees for their hard work and for helping his family reach this important milestone.

The Planning: Celebrating ScrubaDub’s 50th anniversary with a fancy party wasn’t his family’s style, Mathew Paisner says.

“A lot of companies have a big party, and there’s nothing wrong with that, but I think it’s really special to share the celebration with ‘the family outside your family,’ which is your customers and employees,” Mathew says. “We didn’t know how it would take shape entirely, but we knew we wanted to thank the people who made our success possible.”

A book that has guided Danny Paisner’s leadership style as company president—*The Customer Comes Second: Put Your People First and Watch ‘Em Kick Butt*, by Hal Rosenbluth and Diane McFerrin Peters—also influenced the planning of the anniversary party.

“Customers do come second; they have to, because employees must come first,” Danny says. “You can’t just write a policy and expect employees to wow your customers unless *you* wow your employees.”

The Response: The Paisner family reports that their campaign to “surprise and delight” customers has resulted in



ScrubuDub employees, 2013.

positive feedback from their clientele. In one Facebook comment, a recipient of the unlimited car washes took the time to tell the family how happy he was about the “generous and very welcome surprise.”

“A man came to my car window as I started to scan my ticket and asked if I would like a free month of car washes. Too good to be true?” the Facebook comment continued. “I’ve bought your coupon books for years and have always counted on ScrubaDub to clean our cars.... Thank you for this generous gift to a loyal customer on your company’s 50th anniversary.” The comment was widely circulated among the Paisner family.

The Future: ScrubaDub has grown slowly but steadily since its inception; both Marshall and Bob say this has been intentional. Every move the company has made has been designed to ensure the family could maintain control of the business without having to bring in outside partners.

ScrubuDub doesn’t lease properties for new locations; it buys the real estate. Bob Paisner says the company could grow faster if the family weren’t putting so much money into land, but this approach ensures there is something of value to pass on to the next generation.

“I’ll be honest, it is really difficult when someone wants to give you a lot of money to buy your company,” Marshall Paisner says. “You have to say to yourself, ‘What am I going to do with all of that money?’ Most people take it. But a family value that says, ‘I don’t need any more money in the bank; I like my lifestyle, I like the way I work; I like being with my family; I like being charitable; I like being involved with the community’—those are more important values.”

ScrubuDub also plans to continue innovating with new approaches to memberships. The company shifted to a membership-based business model two years ago. Similar



Above: Employee volunteer day at Community Servings kitchen. Below: Yogi at work.



to a gym membership, ScrubaDub charges a monthly fee, allowing customers unlimited monthly car washes. The company currently has more than 21,000 members and hopes to expand that number.

The Advice: The Paisners recommend taking a long look at your company culture and its values and attempting to celebrate your important milestone in a way that honors both. Marshall cultivated a family atmosphere, one in which Danny, as a single father, could bring Mathew to the office each day and set up his playpen.

“For us, the culture we created was about more than washing cars; it was also about creating a strong family,” Danny says. “We try to do whatever we can to make it clear we appreciate our employees and make them feel like part of our family. By extension, they do that for our customers. The way we celebrated our anniversary had to be more than a party; it had to be a celebration of all of the people who’ve made all of this possible.” FB