

AutoIMS News

FALL 2012

Sales Data Reveals Key Differences Between Credit Unions and Large Consignors

We recently completed a study of remarketing benchmark data for a selection of the nation's largest, institutional consignors and compared it to the same analysis for a group of credit union clients.

Upon review of nearly one million vehicles for the most recent 12 months of auction sales, the company used data and reporting available solely in AutoIMS to highlight differences and similarities between the two consignor groups, including evidence that both groups might have something to learn from the other.

Auction Process Benchmarks

The average remarketing cycle from each group shows that large consignors sell vehicles 6.3 days faster than the credit union group, averaging 30.5 days from time of auction assignment to the sale of the vehicle. Perhaps one key driver of the difference is the process of sending and receiving titles.



On average, credit unions see 22.3 days elapse between the time the vehicle arrives at auction and when the title arrives at auction. Large consignors send the title faster, seeing just 10.6 days for this metric.

Additional process benchmarks showed evidence that the large consignor group has the resources to take better advantage of technology, completing steps like the actual auction assignment through system-to-system connections rather than manual entry. Credit unions, however, outperformed the large consignor group as it relates to transportation; the credit union vehicles get delivered to auction 1.2 days faster, possibly as a result of a more local focus.

Another process benchmark shows that large consignors almost never sell a vehicle prior to the Legal Sale Date (a date indicated by the consignor, usually to ensure a repossessed vehicle isn't sold before it is legal to do so), and sell vehicles more quickly after the Legal Sale Date passes.

Financial Benchmarks

The financial picture is very different between the two consignor groups as well. The average credit union car sold for \$2,200 less in the lanes than the large consignor group inventory. Not surprising, considering credit union inventory averaged over 20,000 additional miles on the odometer.

Despite selling rougher vehicles - their average damage estimate per vehicle was \$658 higher - the credit union group spent less on each vehicle. On average, the credit unions' auction charges were 20% less than the large consignor group.

Pricing vehicles more closely to market values gave large, institutional sellers a potential advantage over credit unions who were more likely to enter floor prices higher than the actual sale price. Average sale price as a % of floor was 98.5% for the credit unions, vs. 100.7% for the other group.

Conclusions

The benchmark data is as much an indicator of the differences in approach and strategy between credit unions and large consignors as it is a recipe for improvement for either group. Still, it is always a good idea to evaluate and compare processes in the context for the demand on those processes, the sourcing of those processes, and whether or not the process results in a metric by which a company should measure success.

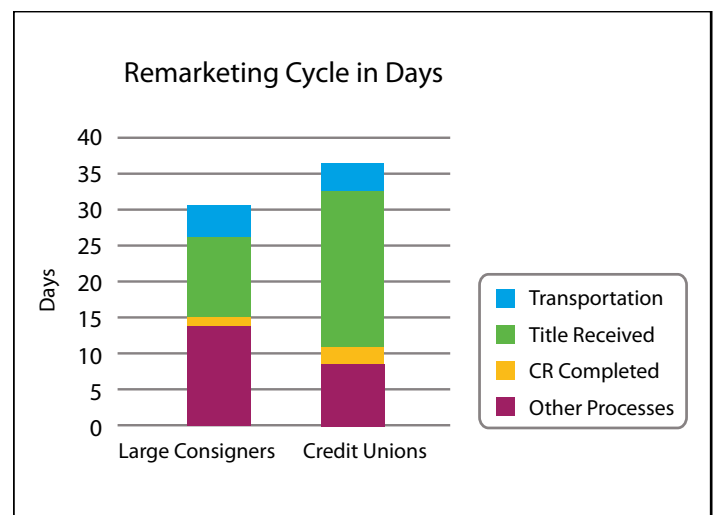
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Sharon Robbins

Sharon Robbins, President of Custom Remarketing Services, offers customized remarketing services tailored to fit fleet owner's needs and their budgets. "In the current economy many companies looking to streamline operations chose to outsource rather than dedicating staff to fleet retirement," says Sharon. "With Custom Remarketing Services, clients only pay for the services they need, when they need them. This allows our clients to remain focused on what they do best...their core business."



With only 6 months in her current role, Sharon brings 14+ years of auction experience into the remarketing arena. Having used the auction side of AutoIMS for many years, Sharon now assigns units, monitors auction processes, clears units for sale, sets floor prices, and accesses accounting and reporting for her clients. Auction communications are handled through AutoIMS electronically recording each interaction.

"Technology has a HUGE impact on my business. All of my communication between clients and auctions is done electronically," says Sharon, "and AutoIMS is a major component to making our operation run efficiently." Custom Remarketing Solutions offers everything from administrative to full service remarketing and business analytics.

On the personal side, Sharon admits to being an "over-the-top" baseball mom, who loves camping. People might be surprised to find out she is a licensed CPA, but not surprised that she uses those accounting skills all the time in remarketing.

Don't Call it a Comeback

New musicians covering old songs, favorite athletes coming out of retirement, Toy Story 3, McDonald's relentlessly reintroducing the McRib – American consumers love a comeback, and in no other industry is that more apparent than automotive. In recent years we've seen the revival and reinvention of some age old favorites.

This list could begin and end with Volkswagen's Beetle. Known as the "The People's Car," the Bug indeed served many people well, as over 21 million were made from 1938 to 2003. The New Beetle actually began production in 1998, so like many bugs, this one never truly went away even though it felt like a comeback.

Many domestic makes have followed suit. The Ford Fiesta, a vehicle not traditionally known as a big anything in the US, was reintroduced to Americans as "a pretty big deal" in 2011. In fact, this is the 6th generation of Ford's practical-turned-sporty coupe. The last one offered in the US was generation 1, which ended production in 1980.

Other favorite comebacks? The Dodge Charger, with two comebacks since its original debut in 1966. The Ford Thunderbird, America's "personal luxury vehicle," which has seen 4.4 million units sold over 11 model generations. And of course, the Mini, a contemporary of the VW Beetle, and a 1960's British icon which is currently thriving in North America under the BMW umbrella. Now, any bets on whether Ford takes another shot at the Pinto?



AutoIMS Moves Forward with Hub Technology



Juggling vehicle bids and sales between multiple online and physical auction platforms is not an easy task. AutoIMS now

addresses these challenges directly by offering commercial consignors and auctions an integrated system to manage inventory through online and in-lane selling venues. The new Hub extends the proven inventory management tools of AutoIMS to the world of online sales.

Using a new connection to OVE, the first of several partners for the Hub, AutoIMS can now be used to post units online directly. The AutoIMS Hub also provides visibility to existing online inventory posted by other methods, even prior to physical auction arrival.

Consignors can now access key details about inventory on OVE, communicate online floor pricing, and run consolidated reports – inclusive of online bid and sale activity – directly through AutoIMS. Auction users have the same added conveniences, and will be able to use existing, electronic condition report data to seamlessly post inventory online.

The Hub launch is well-timed as remarketing volumes are expected to rebound and commercial consignors of all types continue to increase their use of online selling venues.

AutoIMS Customer Service is rolling out the Hub in phases to all consignor and auction members. Want to get started more quickly? Call us at (888) 683-2272 or email: customer.service@autoims.com.

A Milestone @ AASC



Looking back, it's hard to believe that AASC marks 15 years in business this December.

15 years ago, a group of visionaries from the auction industry met to come up with a solution to help remedy the high cost of technology required to transmit vehicle data back and forth between the vast assortment of commercial account systems. It seemed each one had a unique set of requirements even though the data elements were similar. Leaders including Darryll Ceccoli, Larry Brasher, Tony Morby, Jim Hallet, Ray Nichols, Stan Hoynitski, Gary Smith, Dave Wescott, Buzz Cotton, and a host of others pooled resources to see if the new media of the day would actually facilitate change - that media was the Internet.

The idea was to create one Internet platform that everyone could connect to so as to save rewriting each system. By bringing the latest technology to the largest group of users, it could level the playing field for all participating auctions and raise the level of technology for the entire industry at a fraction of the cost of everyone going it alone.

Today, AASC member consignors transmit a majority of their assignments to over 475 auctions in North America through AutoIMS.com. One record is created which can be updated by both sides as vehicles move through the remarketing cycle. Speed and accuracy has improved, saving the industry tens of millions annually in technology costs and lowering depreciation by bringing cars to market faster.

AutoIMS was designed by commercial consignors using the data elements from the various auction operating systems as a foundation for continuous improvement. AutoIMS constantly rolls out new features that are available through the web so all parties may benefit immediately.

AASC has assembled a world class group of developers and customer service personnel who work in tandem turning client feedback into new functionality. All production and disaster recovery hardware and development is performed in-house to ensure compliance with the data security requirements of corporate America. AASC handles data transmissions between virtually every type of operating system related to remarketing.

To keep up with technology, AASC continues to roll out mobile applications as users transition from PCs to tablets and smart phones. Web Services provide data quickly to dozens of third party vendors who are essential to the remarketing process. Many commercial accounts use AutoIMS as their system of record, and utilize our development services on a contract basis to build tools that are unique to their way of doing business.



AASC's suite of applications include: AutoIMS-Vehicle Inventory Management; RecoveryIMS- Repossession Management System; LiveCRwriter-Condition Report Writing Applications; LivePricing- Guidebook and Floor Pricing Tools; LiveReports-Analytics and Reporting without IT's Help; and our latest effort towards The HUB- an Internet data platform to manage sales at both physical and online auctions.

Thanks to all who have supported AASC over the years and we look forward to 15 more years of growth and support of the remarketing industry.

—Don Meadows
AASC President/CEO

How AutoIMS Pays for Itself

- Usable inventory data on day ONE
- Low start up and maintenance costs
- Everyone uses it: 490+ auctions and 2000+ consignors
- Better communication = reduced days to sell
- Flexibility - your best practices enabled
- Smarter assignments and pricing
- Three words: Electronic Condition Report
- Title management & tracking
- Built-in guide book pricing
- Accountability and visibility
- Lower IT costs now and over time

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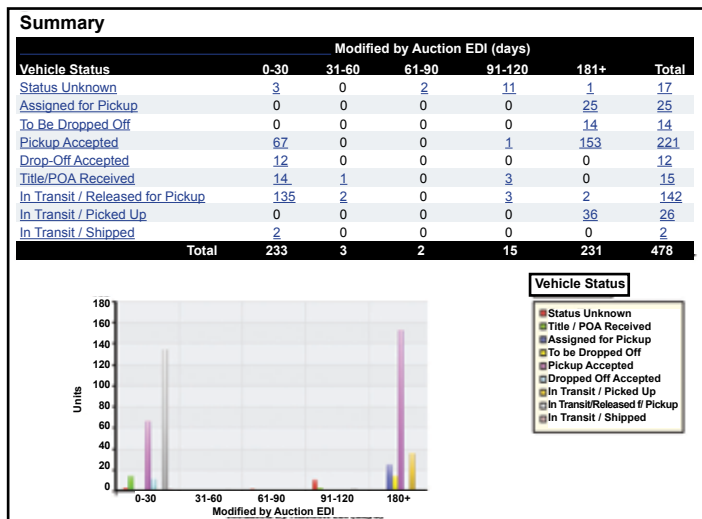


LiveAnalytics

Are you struggling to have more control over your remarketing process, but tired of merging multiple spreadsheets to do basic analysis? Do you wonder how to drive better accountability over floor prices? Have you ever missed reporting on an aging vehicle because it had no recent updates? A new tool from AutoIMS called LiveAnalytics can help.

LiveAnalytics is a part of the LiveReports tool, and is used specifically to create inventory summaries for managers. Whether by status, client or auction, inventory age/activity, or financial metric, LiveAnalytics gives you new options to view and manage inventory. The tool is flexible, so users can create reports that are tailored to their own business needs; and better yet, it is included in your membership. Here are a few ideas on how to use LiveAnalytics.

The industry typically sees price declines due to moderate seasonal demand in summer months. To help manage these scenarios, use LiveAnalytics to check floor price anomalies by comparing accepted floors to auction guide book prices, or vehicle grades to accepted floor price ranges. These reports produce clear, graphical summaries enabling users to quickly see if floor prices line up with auction guide book values and vehicle grades. Click the numbers that don't line up to drill into exception data. It's that easy!



How else can LiveAnalytics help? Find vehicles that haven't arrived at the auction or haven't received a recent update. Use LiveAnalytics to create a report to find inventory that is either en route to the auction or is at the auction, but hasn't been modified in AutoIMS for a while. Identify your exceptions on the diagonal and use AutoIMS to send a note to the auction and immediately ask for an update.

LiveAnalytics is one more tool that does it for you. Customer Service is awaiting your call today to help you get started.