

ON THE BLOCK

THE OFFICIAL MAGAZINE OF NAAA



A SAFETY CHALK TALK FOR AUCTIONEERS

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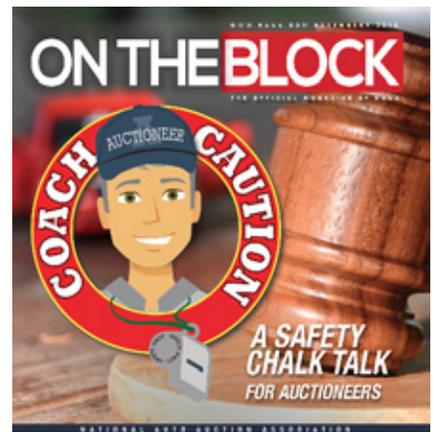
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CHAMPIONS ALL EYE OPENING. JAW DROPPING. HEARTWARMING.

That's how I'd describe my experience reviewing the many applications for our new "Auto Auction of the Year Award for Excellence in Community Service." It's simply astounding to learn about all that our member auctions and their employees do for charitable causes and their communities. I knew our members had a tradition of philanthropy, but I had no idea of the breadth and depth of your volunteer efforts until now!

Whether it's raising literally millions of dollars, collecting tens of thousands of pounds of food, spending hundreds of volunteer hours, or even donating a kidney to a dealer client, whatever charitable act, big or small, our members have made a commitment to community service. And for that I am extremely grateful to you all.

I'm passionate about participation because when I was general manager of Manheim



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New Orleans during Hurricane Katrina, I witnessed firsthand in the storm's aftermath the dramatic difference individuals can make by getting involved and giving back.

That's why as NAAA president, I made it my goal to encourage our members to get involved and take action that will have a positive impact on our association, our industry and our communities. So I'd like to thank you for embracing that vision as demonstrated by the tremendous response we've seen to NAAA's activities and initiatives.

Due to your hard work, this year we held a successful Safety Summit in Dallas that established best practices for use of NAAA's safety program across the remarketing community; trained more than 3,500 full- and part-time auction employees in workplace safety; updated the Arbitration Policy; released Spanish and French translations of our National Certification Standard to ensure consistent certification for used-vehicle quality throughout our North American membership; served a sixth exciting year as co-sponsor of the CAR Conference; raised more than \$60,000 for our advocacy efforts with the third annual PAC Cup; and created the Auto Auction of the Year Award to recognize the charitable acts auctions already perform and encourage even greater volunteer involvement.

It has been a true honor to serve as president of this association with so many dedicated, caring and giving people.

My congratulations to the four chapter finalists — ADESA Winnipeg, West Michigan Auto Auction, Louisiana's 1st Choice Auto Auction and Kansas City Independent Auto Auction — in the Auction of the Year contest. I can't reveal the winner here, but I can say I was deeply touched by the auction's efforts and can report they've set a high standard for others in the future.

While it will be a great privilege to present the award at our national conference this month, it is with immense pride that I want to acknowledge all of our members as true champions. Remember, your benevolent work inspires and motivates your fellow NAAA members, industry colleagues, and others in your community to strive for excellence in public service. ■

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USING ARBITRATION CLAIMS TO IMPROVE QUALITY: WHAT IS YOUR DELTA V?



I recently attended a vehicle collision conference where I was on a team of people that had different skill sets needed to convey what happened during the crash testing we performed. The team members are from various law enforcements agencies across the nation, some are biomedical experts who analyzed the effects to the occupants, and a few are from universities where physics and accident reconstruction is being taught. All of them, however, used common terms associated with the

crash dynamic. The most common is “Delta V.” It is so common I actually started keeping track on a dry-erase board in our war room to help keep things light.

The term “Delta V” is the velocity vector difference before and after a crash. In other fields, the term is used to describe a measure of impulse that is needed to make maneuvers. Simply put, it is a “change” in velocity. An example is the kinking of metal versus just bending it. A strong enough Delta V will

permanently deform the substrate.

While I learned from my teammates and strengthened my cross-functional leadership skills, we stumbled upon a key concept relative to change. We had a tight deadline to not only map the various crash scenes but to also make the necessary calculations to determine all the points needed to convey to the conference attendees at the end of the week just how much Delta V was needed to register an event on the vehicle’s data recorder. While we were successful in reaching our goal, I made notes during the journey.

Focused Approach to Purpose, Priority and Productivity!

What that means is that each person supported added value by using their process. They approached each crash in a repeatable manner. They were all very efficient with what they were doing. By tapping into their systems, it enabled us to reach our goal. We kept it simple. Instead of focusing on the end goal, we committed to the process. We made incremental improvements for the better as we stepped up the Delta V from crash to crash.

One Bite at a Time!

Start with easy things to improve and build that momentum. We call it “overcoming the drag coefficient.” What is in your way? How or who can help you get past it? Break down the critical elements that will get you to the goal strategically. Understand your priority. What is the one thing (like the book “The One Thing” suggests) that you can do that will make everything else easier or even unnecessary?

Use Root Cause Analysis!

What went right? What went wrong? It is literally that simple. A little trick is to ask “why” five times to help expose the source of the issue.

Use Feedback Loops!

If you attended the NAAA Auction Standards classes you might remember how I stress the use of feedback loops during quality-control discussions. We used them during the analysis. It helped all of us get better and our support crew that did the actual crashing. Sustaining or improving your processes involves feedback from within and externally.

Use arbitration claims to your benefit to improve quality. You can’t change the past based on the key metrics recorded with arbitration data, but you can certainly change the future. In terms of your system before and after the arbitration events, what is your Delta V? ■



BY MATT ARIAS
DIRECTOR OF ARBITRATION, MANHEIM

TO THE NEXT LEVEL — SAFETY AS A PRACTICAL DAILY STANDARD

To experience a swell of enthusiasm related to a specific project, so intense that a “new normal” is born as a result, is the ultimate, albeit elusive, goal when a major project is hatched by an owner or leader(s) of an organization. The NAAA Safe T. Sam training program has erupted with such a groundswell of momentum that those of us who participated in the original safety initiative, as part of former NAAA President Ellie Johnson’s platform to improve safety industrywide, are asking ourselves if NAAA members are ready to take the Safe T. Sam program beyond a figurative Tibetan plateau, and on to the equivalent of a K-2 or Mt. Everest summit.

A shift toward safety as a true value rather than just a checklist priority appears to be within the reach of the auto auction industry. Prioritizing safety is a great first step in that it is a practical way to coerce employees to act in certain, in this case safer, ways. However, bringing about a shift in mindset so monumental that there is no turning back will take the collective energy of everyone in the auction industry, from corporate executives, owners and GMs, to each and every employee involved in the auction process.

The commitment to safety at the NAAA

executive level is evidenced by the resources provided, and thanks to KAR, in the form of the Safe T. Sam training program. I’m sure you will notice Safe T. Sam did not just stop in for coffee at the Orlando convention, never to be seen again. He has been active in the NAAA, attending the Safety Summit last spring and at every turn, literally, at the NAAA Convention in Las Vegas. Auctions, such as 166 Auto Auction, which invested a full day to produce a fun and informative Safety Rodeo, paved the way not only for their employees to be trained and safety certified, but to buy into a long-term culture of operating a safe auction for themselves and their customers every single day. The NAAA Safety Committee continues to be proactive in identifying resources and delivering opportunities for training for member auctions and plans to continue the push toward a safer industry culture.

The ability to “take it to the next level” will be dependent on the collective drive of all NAAA members consistently delivering the message, from GMs and owners, in a way that lets everyone know from employees to dealers, institutional consignors, transporters and other vendors that the only way to do business at an NAAA auction is the safe way. When the



safety becomes not just a check in a box, but a culture that permeates every element of the auction industry, we will know we have, indeed, taken safety in the industry to the next level. ■

BY MICHAEL J. ROHDY
AREA PRESIDENT-ARTHUR J. GALLAGHER
AUTO AUCTION SERVICES




Congratulations!

ADESA Winnipeg



2016 Chapter Auto Auction of the Year
EXCELLENCE IN COMMUNITY SERVICE



SAFETY: KNOW, SHARE, DO

Safety is one of those topics that, frankly, cannot be discussed enough. This month we are taking time to revisit the importance of safety in the workplace for each of our member auctions. Following on the heels of the NAAA Safety Summit held in Dallas, Texas in spring 2016, our launching of KAR Auction Services, Inc.'s ("KAR") various Safe T. Sam™ products and our publication of various articles throughout the past year regarding safety in the workplace, we want to reinforce the necessity for all of our 330-plus members to actually use these safety resources and implement programs within their own organizations.

Let's look at safety through three lenses for the auction member management teams: KNOW, SHARE and DO. As noted above, the NAAA has always considered safety and care of its people its number one priority, and accordingly, has invested significant resources of time and money to ensure that NAAA employees and NAAA auction members have information available to them (the KNOW), that management teams routinely disseminate the information and provide training (the SHARE) and that all employees implement that knowledge in the course of their daily duties and responsibilities (the DO).

KNOW

Safety is principally about risk management, with the goal of creating, implementing and enforcing practices, policies and procedures designed to minimize or eliminate the potential for harm to member employees (full time and part time), invitees and property. To that end, the NAAA has placed particular focus on disseminating as much information about and linking members to many resources concerning safety programs and mitigation measures to make a difference in their workplace.

If members have not already done so, we encourage you to view the many resources available on the NAAA webpage (www.naaa.com). Some of those resources include:

On the main page:

- View the "You Can Make a Difference" video clip.
- Access the "Safety Certification & Lane Safety Certificate" link for the Safe T. Sam™ program materials.

Under the Resources tab and the Education & Training section:

- Review the "Auto Auction Driver Safety Rules and Guidelines" pamphlet from Robinson-Adams Insurance.
- Review the "Disaster Recovery – An Emergency Preparedness Guide for Auto Auctions" from Robinson-Adams Insurance

Under the Resources tab and the Association Publications section:

- View various On the Block articles

addressing safety matters.

Also, coming soon to the NAAA webpage, NAAA will launch:

- The "Auction Arena Safety Training for Auctioneers" safety course for auctioneers.
- Other new Safe T. Sam™ programming NAAA will continue to update and supplement its online resources for 24/7 accessibility, so check back often for the latest information. If you identify that there are gaps in offered training that would be particularly useful for the membership, we invite you to engage the NAAA to share those ideas and resources.

SHARE

First, share with your employees and co-workers. If you are in management or any type of leadership position, the NAAA team encourages you to establish as a part of your Standing Operating Procedures (SOP) a structured plan for educating auction employees. This may be as simple as assigning your organization safety officer to draft a chapter or appendix for your SOP or as comprehensive as hiring a consultant to come in to conduct advanced hands-on training, but at minimum, NAAA recommends the following:

- Create a specific duty position that includes safety planning, compliance and enforcement.
- Develop checklists, training schedules, training materials and protocols for training employees during their on-boarding or



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West Michigan Auto Auction



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orientation phase and then through routine continuing safety education for the entirety of every employee's employment.

- Conduct monthly brown bag luncheons, at which training sessions are held for both emerging and routine substantive safety topics. Engage employees in discussions about organizational and individual employee lessons learned from recent events that involved best safety practices or unsafe acts. Include hands-on training with personal protective equipment (PPE) and run actual emergency drills.
- Incorporate short-duration safety reminders at the beginning or end of all sale day activities or other activities in which the auction identifies some level of increased risk, such as reminders about necessary PPE, and supplies or conduct associated with hot or cold temperatures, inclement weather conditions (fog, rain, snow, lightning), changes in routine operations or any other notable concern.
- Develop an online or other easily accessible repository of safety information.
- Develop a program that facilitates the reporting to auction management of safety violations or knowledge of unsafe conditions or acts by employees and auction visitors.
- Establish a sustainable record maintenance system to internally track the status of training for every employee.

Second, share safety information with all

individuals on the auction grounds. This might include (possibly in multiple languages) the posting of signs, clear floor and wall markings, repeat audio and visual announcements, and distribution of pamphlets and handouts. The goal is to ensure that invitees and licensees are educated, as best as possible, with information that is consistent with the training received by employees.

Third, share your lessons learned with fellow auctions and the NAAA. Each auction will develop its own particularly sound safety programs that should be shared as best practices and each auction will also endure some form of loss, damage or harm through the years, from which the auction will glean some particularly valuable lessons learned. Safety is an area in which we should all collectively strive to succeed and be willing to share for the greater good.

DO

Finally, implement those lessons learned and use the tools that your organization has assembled. It is of minimal value if an auction's management shares its knowledge with employees, but the team then fails to incorporate those lessons and tools into its daily work activities, whether on sale day or otherwise.

Importantly, for management and supervisors, leadership only happens through leader presence and inspection. Nothing underscores the importance of safety like leaders teaching material, participating in training, demonstrating safe practices and walking the floor throughout

the year to hold employees accountable and to ensure compliance with established protocols. Safety violations must immediately be addressed through some combination of on-the-spot correction, counseling, retraining, investigations, reporting to compliance officials and/or termination of employment. Safe practices should be recognized, praised and rewarded to reinforce the value that auctions and leadership place on such conduct.

CONCLUSION

In conclusion, the NAAA encourages all auction members to reinforce that every auction employee must consider himself or herself a safety officer. The goal is to create muscle memory for every employee in our industry, regardless of duties or title, to learn, share and implement safe practices. Through keen focus on safety we certainly cannot guarantee an accident-free environment, but collectively we can help to protect all individuals on the auction premises and limit the auction house owner or auction house possessor's liability should the unthinkable happen. Finally, for legal advice specific to your jurisdiction and your circumstances, you should consult with your own counsel about the particularities of the law of your state. ■



Congratulations!

Louisiana's 1st Choice Auto Auction



2016 Chapter Auto Auction of the Year

EXCELLENCE IN COMMUNITY SERVICE



DIFFICULT AUTOMOTIVE MARKET AHEAD WITH RISK OF INCREASED CREDIT LOSSES AT AUCTIONS

In my 19 years with Auction Insurance Agency (AIA), I've learned what industry veterans have long known – the auto market is cyclical, and neither strong nor difficult markets last forever. On the heels of a recent period where auto dealers have enjoyed high demand and healthy margins, it appears that we are likely shifting into a more difficult automotive market.

The automotive industry is experiencing several changes this year. There is a significant increase in the supply of used vehicles (with off-lease volumes up 20 percent this year per Manheim's Market Report), an accelerated reduction in used vehicle values, record lease volumes and rising new vehicle incentives. In addition, dealers have increased access to credit, which can enable dealers to quickly grow their business, but also can have a detrimental impact on dealers who are not capable of managing the increased access to capital. Easier access to credit can become an even greater risk factor if consumer demand and per vehicle margins begin to slip.

AIA expects business to remain strong for both auto auctions and auto dealers for



the foreseeable future. However, we have already seen an increase in the number of dealer payment issues so far in 2016 and expect dealer credit losses to continue to increase over the next 12 months. The value that wholesale auto auctions bring to consignors and buyers becomes even greater in cycles such as this, as the importance of a transparent and trusted marketplace becomes magnified. Therefore, we suggest that auctions keep in mind the following best practices:

1. Review the credit limits that you have in place for your buying dealers, as well as the processes you use to enforce those limits.
2. Be aware of dealers buying out of pattern, particularly dealers who buy a larger number of vehicles (or

significantly more expensive vehicles) than usual.

3. Place reasonable buying limits on new dealer customers until they establish a track record with your auction.

4. Be alert to payment issues and know when to escalate the matter. Do not hesitate to contact AIA if you have a particularly large payment problem with a dealer or if a customer fails to resolve a problem in a reasonable amount of time. We have a team of people who are ready to help you with these issues – if in doubt, call us!

By working with our industry partners to create awareness of changing market conditions and highlight smart business practices to react to those changes, I'm confident that we will continue to help our customers remain successful regardless of the market cycles we may encounter. ■



BY BEN PUCKETT
PRESIDENT OF AUCTION INSURANCE AGENCY



Congratulations!

Kansas City Independent Auto Auction



2016 Chapter Auto Auction of the Year

EXCELLENCE IN COMMUNITY SERVICE



ELIMINATE GUESSWORK TO REVITALIZE YOUR REMARKETING STRATEGY



Fueled by tight profit margins dealers are, now more than ever, pressured to find better, faster, and more affordable ways to source inventory. The good news? The days of “gut-driven guesswork” can, and should, be put to rest. Today, evaluation tools identify, in precise detail, the specific vehicles that are in demand market-by-market and online channels source the best inventory from a wide net of resources and allow the buy/sell process to run 24/7. Those who utilize this new intelligence and access strategically drive more speed, confidence and efficiency into the wholesale operation. And the timing couldn’t be better: Used car sales remain strong; millions of off-lease vehicles are coming in, so there’s good inventory out there for a smart buyer to grab.

Four Steps to Streamline Your Supply Chain

1. Know exactly what to buy and why. With the help of technology and tools, you are able to know how a specific vehicle’s color, equipment, mileage, ownership history and trim level will play against competing cars, as well as the profit potential of each make and model based on your geographic area. This

location-based and car-specific precision will fine tune your auction-shopping lists.

2. Expand your buying radius. Digital channels, such as simulcast, online auction sites and mobile apps, provide access to inventory beyond geographic limits allowing dealers to acquire the exact vehicles that align with their specific selection strategy and inventory needs wherever they may be.

3. Buy at the right price. Available technology and tools allow buyers to calculate each unit’s profit potential (accounting for the costs of acquisition, transportation, reconditioning, a pack, etc.) and set their maximum offer limit on every vehicle sourced before the first bid. This intelligence eliminates the guesswork that once guided wholesale bidding. As with any budget, it takes discipline to stick to these parameters in the lanes when the competition heats up. But the bidding precision, and accompanying discipline, are critical to ensure you make your margins.

4. Give your acquisition system turbo power. By rethinking current processes and taking advantage of technology and solutions, dealers create

more streamlined, efficient and profitable operations.

With technology, dealers and used car managers can prepare for auctions in minutes, not hours. Simulcast, online auction sites and mobile apps allow full access to bid, buy and sell 24/7, anytime and anywhere. The time saved by acquiring inventory online can contribute to dealers’ speed to market, and as a result, faster turnover. Now that is turbo power.

This increased velocity can ultimately lead to improved dealership profitability. Why wait? The secret is getting out.

In fact, Manheim’s online transactions in 2016 are up 22 percent year-over-year, with 18 million total visits and over 400,000 units sold through digital channels. Of these, 97,000 were sold on its online auction site, OVE.com. Dealers who are not tapping into the efficiencies gained from digital acquisition channels are already falling behind the curve. ■

BY DEREK HANSEN

MANHEIM VICE PRESIDENT DIGITAL & INVENTORY SOLUTIONS



Introducing the newly enhanced NIADA Vendor Guide



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COVER STORY

A SAFETY CHALK TALK FOR AUCTIONEERS

NAAA'S COACH CAUTION HELPS AUCTIONEERS UNDERSTAND THE AUCTION SAFETY PLAYBOOK IN A NEW, ONLINE CERTIFICATION PROGRAM.

When it comes to reducing the risk of accidents and injuries at auto auctions, it's important that every member of the team is on the same page of the safety playbook — including the auctioneer. That's where Coach Caution can help.

A colleague of Safe T. Sam, the whistle-wearing cartoon character conducts an animated chalk talk on safety fundamentals in the auction arena in the new Coach Caution Safety Certification program aimed at providing auctioneers a better understanding of the safety risks and rules.

Similar to the NAAA's Auction Safety Certification and Lane Safety Training courses for full- and part-time staff, this free, online session available at NAAA's website, consists of a 15-minute instructional video that prepares auctioneers to play a proactive safety leadership role when presiding over auction activities.

"With their ability to command attention and their position up on the block, auctioneers have the tools to assist the auction in accident prevention by ensuring the safety rules are followed on sales day," says Rich Levene, NAAA Safety Committee member. "They're in control of what is a chaotic, and potentially hazardous, environment."

Levene, who was recently named general manager of ADESA Austin, previously oversaw safety programs as vice

president of enterprise optimization at parent company KAR Auction Services.

"Drawing on his more than 20 years of experience in the vehicle remarketing industry, Rich has been instrumental in developing risk reduction programs for KAR and in launching safety initiatives for NAAA as a member of our Safety Committee," notes NAAA Chief Executive Officer Frank Hackett. "We greatly appreciate his efforts and KAR's partnership in promoting a safer workplace."

To make auctions a safer place to work and do business, safe practices must become "everyday behavior for everyone," Levene explains, "making it a value of the company's culture rather than just a priority." He adds that the incident rate at KAR's ADESA auctions have dropped a dramatic 52.1 percent since it established a comprehensive safety program in 2012.

"We need everyone involved in an auction to buy into the safety program and that includes the auctioneer," says Levene. "The Coach Caution training video makes auctioneers aware of the challenges facing one of the most important players on sales day when it comes to accident prevention — the drivers. The goal is to give them a mutual understanding of the safety rules drivers must follow as part of the auction's safe practices."

Levene says that precautions like always putting the vehicle in park with

the parking brake on when stopped, leaving 20 feet between vehicles or using designated pedestrian pathways may seem arbitrary, but they are there for a reason — to reduce risk and hazards.

"When everybody's hustling on a hectic sales day it's easy to overlook safety, but Coach Caution explains to the auctioneer why these rules are in place and should be obeyed," Levene says. "That way, as the person directing the action in the arena, the auctioneer can be on the lookout for anyone ignoring the procedures and can give proper instructions in accordance with the safety guidelines," Levene observes.

NAAA President Mike Browning calls the Coach Caution program "a pioneering effort" in expanding its safety campaign to involve auctioneers in its ongoing mission to make auto auctions a safer place to work and do business. He notes that to date, more than 3,500 individuals have been certified by the association's safety training program for auction staff.

"Auctioneers are an integral part of our business," Browning states. "Because we look to them as coaches who keep the auction team playing smoothly on sales day, I encourage all auctioneers to get certified with Coach Caution and join us in promoting greater safety awareness and accident prevention." ■

AUCTION ARENA

Safety Training for Auctioneers



www.naaa.com

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sign up!

Auctioneer Training

The National Auto Auction Association (NAAA) appreciates the services provided by each of the independent auctioneers to our member auto auctions.

NAAA and its member auto auctions have always recognized the valuable contributions that auctioneers make to enhance the experience of the buyers and sellers as well as the many other businesses and industries the auctioneers serve. NAAA recognizes that auctioneers utilize their expertise not only at auto auctions but in various other capacities and circumstances for other businesses.

To enhance the services for our member's customers, NAAA is seeking to promote an increased consciousness of safety in the auto auction lanes and on the auto auction premises. NAAA, therefore, is featuring a video starring "Coach Caution." The 15-minute video contains valuable information that auctioneers may find constructive to identify and avoid potential risks in the provision of their services.

It is the sole intent of the NAAA, by way of offering this safety video, to provide useful information to each independently contracted auctioneer, to ensure the safety of the auto auction experience for everyone involved.

NAAA recognizes that each of the contracted service providers, who provide services to NAAA member auto auctions, possess special training and expertise and, therefore, each service provider should exercise his or her judgment as to whether he or she would like to view the video and/or apply any of the information provided therein to its respective business practices.

Auctioneer Training Session
BEGIN

AUCTION SAFETY
GOAL

CONGRATULATIONS TO THE NAAA CHAPTER AUTO AUCTION OF THE YEAR AWARD WINNERS

One of the highlights of this year's National Auto Auction Week was the announcement of the four regional winners of the NAAA Auto Auction of the Year Award, which honors excellence in community service. Winners were selected from among numerous nominees from across the country.

The regional winners are:

- **Eastern Chapter:**
ADESA Winnipeg
- **Midwest Chapter:**
West Michigan AutoAuction
- **Southern Chapter:**
Louisiana 1st Choice Auto Auction
- **Western Chapter:**
Kansas City Independent Auto Auction

On behalf of all our members, NAAA would like to again congratulate these auctions, and all the nominees and, really, all of our member auctions, whose staffs give so much every day to help others.

Each winner receives \$5,000, to be donated to the charity or service organizations of its choice. The auction

chosen as the National Auto Auction of the Year will receive an additional \$20,000, be featured in an NAAA On The Block magazine cover story and appear on the cover of the NAAA 2017 Member Directory.

Here are a few of many community activities of the winning Chapter member auctions:

- ADESA Winnipeg raised nearly \$3 million in in the past year for a dozen worthy causes.
- A female staffer who befriended a dealer customer at West Michigan Auto Auction donated a kidney to the man.
- Over the past 14 years, Louisiana's 1st Choice Auto Auction has donated more than \$400,000 for community service activities.
- Kansas City Independent Auto Auction has raised \$441,000 for three community service organizations in the past four years.

These activities, of course, grab the headlines. However, there are many more examples of our member auctions helping others — donating items to schools



and hospitals, creating Thanksgiving and Christmas baskets for members of the community, hosting blood drives, and so much more!

NAAA Chief Executive Officer Frank Hackett has had the good fortune to personally visit many of these auctions across the country, and he clearly articulates our feelings.

"I have seen firsthand what the people at these auctions do for others," Frank said. "I am very pleased that this new award will draw attention to their charitable efforts, and I am humbled to play a small role in seeing that an additional \$25,000 will go to helping these organizations." ■

LOUISIANA FLOODING IMPACTS THREE NAAA MEMBERS NATIONAL OFFICE SENDS GIFT CARDS TO THOSE AFFECTED



Louisiana's 1st Choice Auto Auction
(13 gift cards)

NAAA received the following responses:

On behalf of Coney Chancellor, The ABC Baton Rouge Team and all of the employees of Auction Broadcasting Company, please accept our sincere gratitude for the wonderful gift of the \$500 gift cards from the National Auto Auction Association. Our employees and the people of Louisiana have suffered a staggering loss but with guidance from God and the help of our friends we will recover, and Louisiana Strong will prevail. I want you to know that the association's gift really will make a difference in our people's lives, and we will not forget your kindness and generosity, again thank you!
--Butch Royall, Managing Partner

We received the gift cards you sent. Thank you so much! We have begun distributing them to our employees who were flooded. They are very grateful!! We appreciate your generosity and support of our staff at this difficult time.
--Georgianne Poteet, Manager Special Projects, Louisiana's 1st Choice Auto Auction. ■

During the month of August, three NAAA member auctions were hard hit by flooding. Oak View Auto Auction sustained the most damage, and employees from three Louisiana auto auctions received damage to their homes. Wal-Mart gift cards (\$500) were sent from NAAA headquarters to the auction's general

managers, who distributed them to their employees.

The total amount distributed was \$15,500 and it went to:

- Oak View Auto Auction
(6 gift cards)
- ABC Baton Rouge Auto Auction
(12 gift cards)

LEAP INTO SERVICE PROGRAM CONTINUES AT KAR AUCTION SERVICES

On Leap Day 2016—February 29—KAR Auction Services launched its Leap Into Service community program. Full-time employees across the entire KAR group of companies can take eight hours of paid time off to volunteer with the charity of their choice before the end of 2016.

Here are a few examples of how employees from some of the KAR companies in North America are using their time to make an impact in their local communities.



This summer, the northern Alberta community of Fort McMurray was evacuated as the largest wildfire in Alberta's history swept through the area. It destroyed approximately 2,400 homes and buildings and caused the evacuation of more than 88,000 residents. The wildfires burned for more than a month, consuming more than 1.4 million acres. Thousands of people lost their homes, vehicles and jobs.

Through a company-wide fundraiser, ADESA Canada and its network of customers contributed to relief efforts of the Canadian Red Cross. And through the KAR Leap Into Service program, Hazel Stotz, accounts coordinator for ADESA Calgary, played a hands-on role in the relief efforts, sorting supplies at the Alberta Wildfire Distribution Centre. She volunteered with 39 others to sort, count and box pallets of donations sent from all over—everything from food, diapers and clothes to pet supplies and lawn chairs.

In the time she was there, Stotz reported that she and another volunteer counted over 15,000 bottles of hand sanitizer, 1,800 toothbrushes and more than 8,200 bottles of body wash and bars of soap.

Karen Mitchell, dealer relations representative at ADESA Nashville, spent her Leap Into Service day volunteering at a community event that provides school-age children with new shoes and other necessities for the school year.

The community-based event, which has been going on for 20 years, handed out around 900 pairs of shoes this year to children in Wilson County, Tennessee.



Karen Mitchell at Leap Into Service Day Shoe Event.

Karen said, “We had a great turnout and many families received new shoes, socks and underwear for the new school year. It was such a great time!”

Team members at ADESA San Diego decided to spend their Leap Into Service day at the beach—not lounging, sunning or tossing a Frisbee, but picking up trash. They set this



event up through a program called “I (heart) a Clean San Diego,” and they reported to the program on how much trash was actually collected, which was nine bags full—one per person.

The group even had a surprise appearance from CJ Lopez, ADESA director of major accounts, who joined his former team to



support a charity dear to his heart.

Melissa Howell, marketing specialist for ADESA, used her Leap Into Service day to clean up her city of zombies.



ADESA San Diego Beach Cleanup.

Howell lives near Senoia, Georgia, where the hit AMC TV show “The Walking Dead” is filmed. Thousands of people from all over the world come to Senoia every month to see scenes from their favorite show, and occasionally meet a few of their favorite actors at the coffee shop. But having all these visitors takes its toll on the town.



Flowered Walkway of Walking Dead Senoia Cleanup.

This spring, the city hosted “Clean-Up Senoia.” Howell was co-chair of the volunteer committee that cleaned up Main Street and the parks.

Fans of the show might find these scenes familiar.

A group at ADESA East Tennessee spent their day repurposing flower arrangements into gifts. Kris Chester, Ann Woods, Lauren Grubb and Kim Ward volunteered with an organization called Healing with Flowers.



(L to R): Kris Chester, Ann Woods, Lauren Grubb and Kim Ward from ADESA East Tennessee.

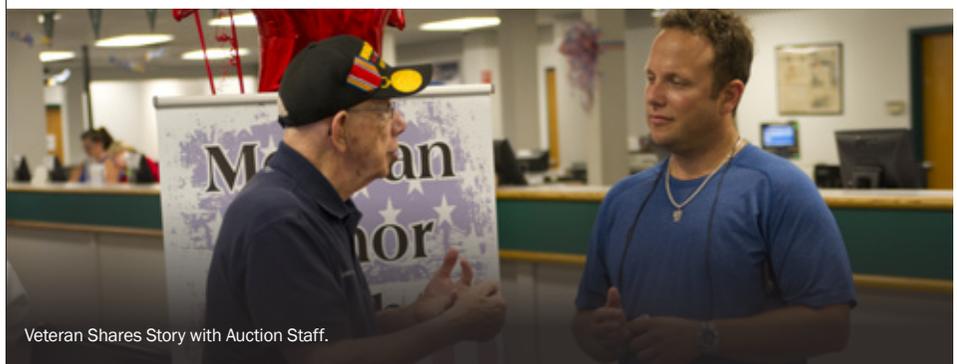
The organization’s mission is to create smiles by recycling flowers from weddings, funerals and other events into bouquets, which are then delivered to patients at local hospitals, nursing homes and hospice facilities. ■

HONORING VETERANS ONE FLIGHT AT A TIME

A group of Milwaukee-area veterans will soon take a memorable trip to our nation's capital thanks to Manheim Milwaukee's initiative to support Stars and Stripes Honor Flight, an organization that flies WWII, Korean War and terminally ill veterans to Washington, D.C. to visit their memorials. The highly motivated Manheim Milwaukee team, along with its dealer and commercial clients, raised \$16,000 – exceeding their initial goal of \$8,000 – and enough to send 32 veterans on the Honor Flight.

“This was a very special fundraising initiative for us because we have a number of veterans that work at the auction,” said Manheim General Manager John Olejniczak. “Our team members and clients really came together, exceeding our goal by 100 percent, to make this one-of-a-kind opportunity possible for our veterans.”

Fundraising opportunities came in many forms - from donation circles on the wall, change collection in the cafeteria, and direct money contributions. Manheim Milwaukee team members contributed more than 105 donations equaling \$3,600. Full-time employee contributions were matched up to \$250 through the Cox Automotive match program. Eight Dealer Groups and two Commercial Groups made donations based on cars sold in their lanes – with a special thanks to New Look Auto and Millennium Motors, which made a \$2,000 contribution and Toyota/Lexus Financial Services, which donated \$3,000.



Veteran Shares Story with Auction Staff.

As an extra touch, Manheim Milwaukee hosted and displayed a Stars and Stripes photo wall for three weeks depicting a previous Honor Flight experience on this memorable trip. Veterans who had taken the flight were also at the location to tell their stories, share their experiences and spread the word about the Honor Flight.

Stars and Stripes Honor Flight, Inc., is a Wisconsin-based nonprofit organization that started in 2008, and has flown over 4,500 veterans to Washington, D.C. They actively promote educational aspects of this mission in local schools and throughout the community. ■



The Fleet Lease team at ADESA Northwest. Amanda Plumlee, Mark Melton, Jodi Rowland, Wendy Hilliard, and De Foster.

ADESA NORTHWEST WINS 2015 U.S. BANK SPECIALTY AUCTION OF THE YEAR AWARD

ADESA Northwest has been named the U.S. Bank 2015 Auction of the Year, Marine/RV Segment.

The auction has received this honor every year since U.S. Bank began awarding it in 2010 as a way to recognize its top specialty auctions. Criteria to determine the winning auction include conversion rates, NADA retentions, and operational benchmarks such as days to transport and days to condition report.

ADESA Northwest was previously known as Brasher's Northwest Auto Auction. ADESA acquired the eight auctions owned by the Brasher family in April of this year.

Mark Melton, general manager of ADESA Northwest, and Jodi Rowland, fleet lease

manager, accepted the award on behalf of the ADESA Northwest staff. The trophy was presented by U.S. Bank representatives Jason Herman, senior vice president, director of asset remarketing and Mike Ryan, assistant vice president, auction sales and performance manager.

“I would like to thank Jason Herman and the U.S. Bank team for their continued partnership and support, which have enabled us to achieve this award six years in a row,” said Melton. “Jodi Rowland and the fleet lease team, our reconditioning team, the sales department and other teams at the auction have played instrumental roles in reaching and exceeding these benchmarks.” ■

ADESA LITTLE ROCK CELEBRATES AMERICA AND VETERANS

ADESA Little Rock hosted a “Celebrate America” sale this past summer and raised nearly \$9,000 to benefit the Wounded Warrior Project.

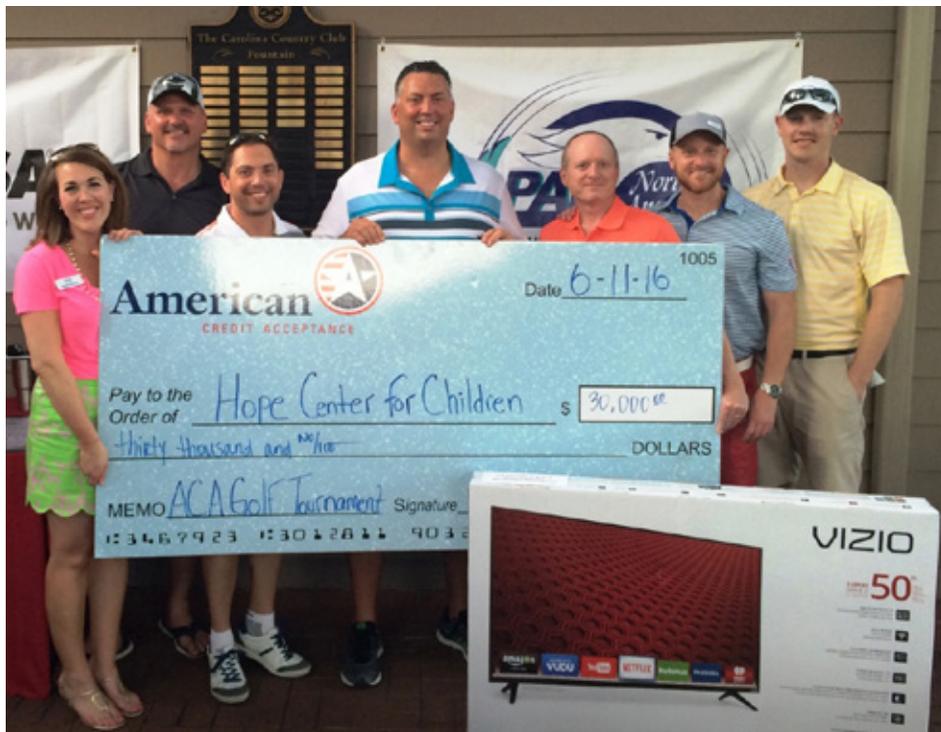
“Our military troops are near and dear to us,” said Angela Sims, general manager of ADESA Little Rock.

“We appreciate the sacrifices that they’ve made for our country.”

Employees wore camo T-shirts designed for the day, and consignors made a donation for each unit sold. The sale had great support from dealers who gave a portion of every car sold or purchased. ■



ADESA AND PAR SERVE CHILDREN WITH GOLF SPONSORSHIP



Left: As sponsors, ADESA and PAR join the Chief Operations Officer of American Credit Acceptance in presenting the \$30,000 donation check.

Below: Leadership from PAR North America represent the company at the American Credit Acceptance charity golf tournament.

Bottom: Team ADESA golfers enjoy a little shade.



Again this year, ADESA and PAR North America teamed up to serve as Champion Level sponsors of the fifth annual American Credit Acceptance charity golf tournament. This afternoon of golf brought in \$30,000 in donations for a worthy cause, the Hope Center for Children.

The Hope Center provides safe, around-the-clock care for young children who are the victims of neglect or abuse in the Spartanburg, South Carolina, area.

The tournament, held at the Carolina Country Club in Spartanburg, is a chance for ADESA and PAR to join forces with business partner American Credit Acceptance in supporting this cause.

ADESA and PAR North America are both part of the KAR Auction Services group of companies. ■



GM FINANCIAL CANADA'S SUCCESSFUL 2016 SUMMER LANES ELITE SALES END WITH A CAR GIVEAWAY TO DEALER

General Motors Financial Company Canada, Inc., recently marked the end of its 2016 Summer Lanes elite sales by giving away a 2013 Chevrolet Cruze to AUTORAMA, from North York, Ontario, which was randomly selected as the grand prize winner in late July. Purchasing dealers received one entry for the grand prize car giveaway for each vehicle purchased at an elite sale at Manheim Montréal, Manheim Toronto and ADESA Halifax this summer.

"AUTORAMA has a program called 'Care to Share' where we donate cars to families in need who don't have the means to buy one," said Nasser Rad, general manager AUTORAMA. "As the winner of the 2013 Chevrolet Cruze, we plan to sell this car and use the money we receive to buy several cars. We're able to continue our 'Care to Share' program because this one car from GM Financial will turn into four cars that will make four families very happy."

Elite sales give auto dealers exclusive access to hundreds of the best pre-owned GM vehicles

at a series of one-day sales across Canada. This year's elite sale theme, GM Financial's 2016 Summer Lanes, was a nod to the Summer Olympics in Rio de Janeiro that featured a variety of unique promotional features, including the Chevrolet Cruze giveaway. This year was the first year that GM Financial expanded its elite sales into the Canadian market.

"We're excited that what started as a promotion to generate attention for our three elite sales has turned into a great opportunity where we're giving back to the community," said John Paonessa, vice president GM Financial Remarketing Solutions. "Congratulations to our 2016 elite sale car giveaway winner: AUTORAMA!"

General Motors Financial Company, Inc. is the captive finance company and a wholly owned subsidiary of General Motors Company and is headquartered in Fort Worth, Texas. For more information please visit www.gmfinancial.ca. ■

HELPING MAX HEAL AT MID-SOUTH AUTO AUCTION

Mid-South Auto Auction in Pearl, Miss., surpassed its GoFundMe goal of raising \$5,000 for Max Bishop, the infant son of Justin Bishop, sales manager at Herrin Gear Toyota in Jackson, Miss.

Max was born with a congenital heart defect and will require at least three open-heart surgeries in the next few years.

"We asked fellow dealers and regional auto auctions to contribute to help alleviate the financial burden on the young family and many stepped up to the plate," said John Rea, auction owner. "We also offered a pizza party for the largest donor, and Gray Daniels Ford in Brandon, Miss., earned that honor with a donation of \$925."

If you would like to make a donation you can visit <https://www.gofundme.com/2768tuffp>. All funds will go to the Bishop family.

Everyone at Rea Brothers Mid-South Auto Auction and all dealers in the lanes offer their prayers of healing for little Max! ■

MANHEIM ARENA SUPPORTS THE BOYS IN BLUE

As a part of its ongoing commitment to support the community, Manheim Arena recently held a donation-based fundraiser to benefit the families of fallen and injured Bolingbrook Police officers. The campaign ran weekly on sale days throughout the month of July. Longtime security partners Manheim and the Bolingbrook Police Department work together day in and day out to ensure the safety of the 265 team members and dealer clients.

"The partnership that we have developed with the Bolingbrook PD is very important to our team members and our clients," said Manheim Arena Illinois General Manager Mike Meyers. "With some 2,200 vehicles running through the auction lanes here this week, the police presence provides a level of safety that we not only appreciate, but have come to rely on. We appreciate their hard work and dedication to our community."

Manheim Arena presented a check for \$1,000 for the police benevolent fund to the Bolingbrook Police Department on September 9 and will continue ongoing efforts to support the local police department. ■



MANHEIM PULLS PLANES FOR A CAUSE

The 8th Annual Plane Pull benefiting Special Olympics Illinois took place September 10 at O’Hare International, and the Manheim Chicago team flexed its muscles for the ultimate tug-of-war competition. Motivated by friendly competition with the local police department, 20 employees rolled up their sleeves to compete in a race to pull a United Airlines 737 airplane, weighing nearly 90 tons, twelve feet to the finish line.

“We were challenged to participate in the Plane Pull by our friends at the Matteson Police Department and our team came together in a true test of strength for an amazing cause,” said Mike Cesta, general manager of Manheim Chicago. “Supporting the Special Olympics, and actually meeting the families with children participating in the games, made for a truly special day.”

The Manheim group pulled the plane twelve feet in eleven seconds, edging out the local Matteson Police Department by one second. The winning team, Team Aldi, pulled the 18,000-pound plane across the finish line in just seven seconds.

To participate, teams are required to raise a minimum of \$1,000. All proceeds collected through the event benefit the training of and competition for athletes currently participating with Special Olympics Illinois.

Special Olympics Illinois is a not-for-profit organization offering year-round training and competition in 19 sports for more than 22,000 athletes with intellectual disabilities and more than 20,000 Young Athletes ages 2-7 with and without intellectual disabilities. ■



KAR COMPANIES JOINTLY FUND GIADA SCHOLARSHIP

Four KAR Auction Services companies—ADESA, AFC, IAA and Preferred Warranties Inc.—sponsored a student scholarship through the Georgia Independent Automobile Dealers Association (GIADA) scholarship program. College-bound children and grandchildren of employees of GIADA member dealerships were eligible to apply.

The KAR-sponsored scholarship for \$4,000 was awarded to Ahmad Al-Husseini, the son of Abdel Al-Husseini, who owns Comfort Cars in Villa Rica, Georgia. Ahmad was chosen for this honor based on his academic achievement, community activities and demonstrated leadership in high school. At Douglas County High School, he was an honor roll student, president of two school service organizations, member of the TEDxDouglasville team and a club soccer player. Ahmed is interested in international health and politics and plans to attend Georgetown University starting this fall. ■

LISA SCOTT HONORED BY IARA



(L to R): Steve Macaluso, CarProof, Copart Canada; Lisa Scott, ADESA Canada, and John Paonessa, GM Financial, Canada

The International Automotive Remarketing Alliance (IARA) expanded into Canada in 2012, thanks to the efforts of Lisa Scott, then senior vice president of ADESA Canada, and Steve Macaluso, director of Carproof.

At the time, the organization was already a well-regarded partner of the used-vehicle industry in the United States, providing communications and training for members. And while the relationships among Canadian industry partners were strong, they were not aligned enough to collaborate on industry regulations or to monitor issues that affect their businesses directly and the industry as a whole.

Bringing the IARA to Canada gave all industry partners and service providers a forum to engage on a regular basis and collaborate on changes needed, according to Lisa Scott, now chief client officer of ADESA Canada.

In four years, the association has grown to 36 members strong and, for the first time, Canada hosted the IARA Roundtable in August. At that meeting, IARA recognized Lisa's great dedication to serving the industry with an award.

"It has truly been a pleasure to be a part of something that has had such an impact on our partners and the automotive industry," Scott said of the honor. ■



MID-SOUTH AUTO AUCTION CELEBRATES 'WELCOME HOME' ANNIVERSARY SALE



Mid-South Auto Auction in Pearl, Miss., celebrated its Welcome Home Anniversary Sale Sept. 20, 2016, commemorating its 44th year in business and its first year back at the auction location where it was founded by the Rea family.

Jimmy Rea started the auction in 1972, and his brother Kenny joined the business in 1974. Today, John Rea, Jimmy's son, a former NAAA President (2007-2008) runs the auction.

The Welcome Home Anniversary Sale boasted more than 600 units run through the lanes and \$10,000 in cash giveaways and prizes, including hunting gear and barbecue grills. A special luncheon was provided for attendees as well.

"It sure felt good to be back home and continue the traditions our family begun more than four decades ago," John Rea said.

American Auto Auction Group/XLerate purchased the auction from the Rea family in 2010, and John Rea stayed on for a time as a manager. He went to work as general manager of ADESA Birmingham in 2012. He said the family purchased the current facility back from XLerate on Jan. 29, 2016. The facility was immediately rebranded with the new moniker.

The auction facility in Pearl has been completely remodeled since the 2010 purchase as a result of massive hailstorm and EF3 tornado in April 2014 that caused severe damage to the facility and widespread damage in a three-county region of the state. As a result of the damage, the auction had to operate out of a tent during the rebuilding phase.

Mid-South Auction became Rea Brothers' Mid-South Auction in 1994. John Rea, joined the partnership six years later, and in 2005, with their business continuing to expand, the family opened a state-of-the-art facility built on 48 acres in Pearl. ■

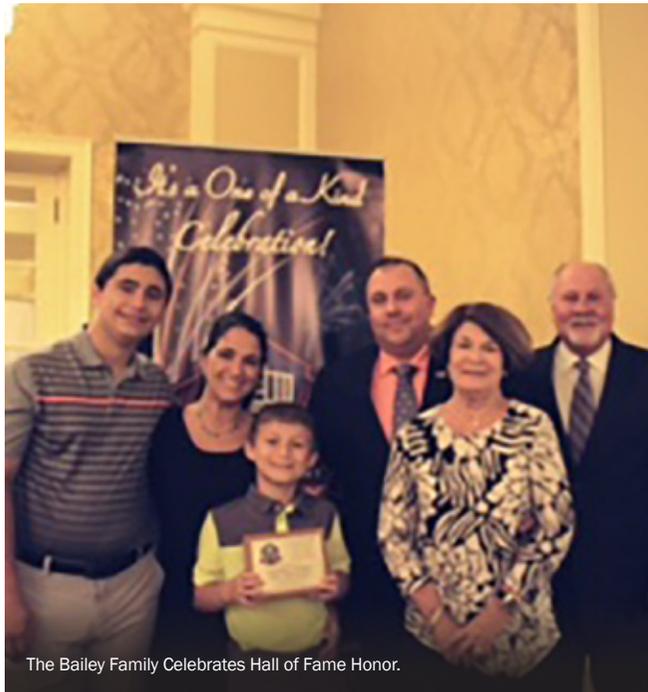
KAR AUCTION SERVICES RECOGNIZED FOR TECHNOLOGY INNOVATION WITH CIO 100 AWARD

KAR Auction Services received the CIO 100 Award for driving business value through IT innovation. Gary Watkins, CIO of IT Shared Services for KAR, accepted the award at a gala awards dinner and ceremony at the CIO 100 Symposium.

The CIO 100 Award honors 100 organizations that are driving business results through IT innovation. KAR was recognized for its focus on developing and implementing technology initiatives that enable the company to unite its different entities and their systems,

strengthen and improve operations across the enterprise, track millions of units across multiple geographic regions, and provide transparency and customer service to clients. The award program is in its 29th year.

"KAR has worked tirelessly to build and support a multifaceted team of top tech talent," said Watkins. "We are honored to receive this prestigious technology award that further signifies the tremendous progress our team has made in creating business value through technology innovation." ■



The Bailey Family Celebrates Hall of Fame Honor.

NFL PRO FOOTBALL HALL OF FAME HONORS CHAD BAILEY

The Pro Football Hall of Fame Enshrinement Festival General Chairman Alumni Association held its annual dinner on September 14. The event was emceed by Barbara Hammontree Bennett, current association president and 2009 General Chairman. Members offer assistance to the Enshrinement Festival in the areas of sponsor recognition, promoting community awareness and support in planning and producing the annual festivities.

An Award of Merit was presented by Dan Fuline, 2010 General Chairman, to Chad Bailey, President of Akron Auto Auction, a third generation business that employs more than 240 people and offers a public and dealer sale every Tuesday

with more than 1,100 vehicles each week. For many years, Chad Bailey has supported the Enshrinement Festival by providing vehicles for transporting equipment, by sponsoring the 12th Man Float in The Canton Repository Grand Parade, and by personally encouraging other area entities to support the Enshrinement Festival through in-kind services. In accepting the award, Bailey noted the support of his family in contributing to any measure of success he has achieved. Present with him to enjoy the evening were wife Tracie, sons Caden and Cole, and parents Bob and Jo. ■

LFCAA NAMED ONE OF THE COUNTRY'S BEST AUCTIONS AND NAAA SOUTHERN AUCTION OF THE YEAR

Louisiana's 1st Choice Auto Auction (LFCAA) of Hammond, Louisiana has received two important industry awards, proving that one of the best auctions to work for is also one of the most generous in supporting its community.

LFCAA was recently named the recipient of the inaugural 2016 Southern Chapter Auction of the Year Award from the National Auto Auction Association and was designated one of Auto Remarketing's Best Auto Auctions to Work For. LFCAA was the only auction in the industry to be chosen for both awards.

"Receiving both the NAAA Award and the Auto Remarketing Award means a great deal to us," says Georgianne Poteet, manager of special projects at LFCAA. "We have worked hard to make our auction a great place to do business, to create a dynamic and nurturing environment for our both our customers and employees. At the same time, we have also recognized our responsibility to contribute to the community around us. It is thrilling to be recognized for our efforts, and acknowledge that our success is a combined effort that involves wonderful customers, supportive employees and a devoted team."

The NAAA Auction of the Year Award honors excellence in community service. LFCAA is one of four auctions – one selected from each of NAAA's membership regions – to win the award. Each regional chapter award winner receives \$5,000,

which will be donated to the charity or charities of its choice.

NAAA President Mike Browning said. "We want to congratulate Louisiana's 1st Choice Auto Auction and thank those involved at the auction who consistently give unselfishly of their time, effort, and money to so many wonderful community service organizations."

Each year LFCAA holds fundraisers, and donates to and supports many worthy organizations. These include Options, Little Angels Foundation, Mary Bird Perkins Cancer Center, the LASPCA, Tangi Humane Society and St. Jude Children's Research Hospital, among others. The auction hosts a yearly charity golf tournament in November and holds frequent sale-day bake sales in support of these organizations. Employees purchase dog food for animal charities, participate in the yearly Rotary Club charity Shamrock run, collect soda can pop tops to donate to St. Jude Children's Research Hospital, and donate Christmas gift baskets to Samaritan's Purse. LFCAA estimates more than \$400,000 has been raised for these and many other charities and service organizations in the region over the 14 years that the auction has been in operation.

The auction's most recent community-outreach efforts include a Go Fund Me Campaign for its employees who have been affected by the devastating floods plaguing Louisiana. With a target of \$25,000, the auction has already raised more than \$15,000 to help their team members get

back on their feet.

LFCAA's support for its community may be one of the reasons that the auction was also named one of the Best Auctions to Work For, the result of a workplace study conducted by Auto Remarketing, teaming with Best Companies Group. 2016 was the inaugural year for this study, and LFCAA was one of 25 auctions in the country to receive the designation.

"Congratulations to everyone earning Best Auto Auctions to Work For. It's a great accomplishment and something you should take pride in," said Auto Remarketing publisher Bill Zadeits. "This is a great list of leading auto auctions and we hope we can build on it for years to come."

Independently owned and operated, Louisiana's 1st Choice Auto Auction is located in Hammond, Louisiana. Led by managing partner John Poteet, the team of auction professionals serve the entire Gulf Coast Region and beyond. Dealers gather every Tuesday at 9:00 am in the lane and online to bid on a consignment of over 700 vehicles, including vehicles from ARI, Consumer Portfolio Services, Credit Acceptance/VRS, Emkay, Hancock Bank, National Auto Acceptance, First Investors Financial Services and a wide variety of dealer trades. Auction inventory is included on Edge Pipeline, where customers may view detailed condition reports and market report information, and participate in online sales. Louisiana's 1st Choice Auto Auction is a member of the NAAA and represented by TPC Management. ■

DAA ROCKIES MAKES AUTO REMARKETING'S LIST OF 25 BEST AUTO AUCTIONS TO WORK FOR

The surveys went out and the responses were gathered for Auto Remarketing's inaugural list of the 25 Best Auto Auctions to Work For. And, Dealers Auto Auction of the Rockies (DAA Rockies) made the cut! The news of this achievement came as DAA Rockies was gearing up to celebrate 21 years of business in the automotive industry.

This award, along with having been named NIADA's Best Auction in 2013, continues to show how DAA Rockies owners, managers, and employees strive to be more than just an auction but a place where people enjoy spending time, working and doing business.

"What an honor to be named one of the Best Auctions to Work For in its inaugural year. Each employee understands the



Spirited DAA Rockies Staff Geared up Celebrating.

importance of their job and how it affects not only our auction but our customer's business. Everyone boasts that they have the best customer service. It is how you prove it day in and day out that really matters," said DAA Rockies Executive Vice President Michele Noblitt.

Dealers Auto Auction of the Rockies will celebrate their 21st Anniversary on Wednesday, October 5th with their Annual BBQ. DAA Rockies' auction bays will be turned into a party with a live band, food, and prizes. The celebrations will continue with their Anniversary Sale on Thursday, October 6 with more fun.

"Our Anniversary Sales are an event that allows us to express our appreciation to our customers for being part of this wonderful industry and community," said Alex Zyla, marketing manager. "Dealers Auto Auction of the Rockies would not be here if it wasn't for the people we serve and our current and past employees."

The auction is currently adding their sixth lane. "We are moving steadily forward with a hopeful grand opening on our 21st Anniversary Sale. We thank all of customers who have enabled us to expand our auction," said Dealer Sales Director Brandon Fox. ■

SKILLSUSA MAKES AN IMPACT WITH STUDENTS, WITH HELP FROM IAA AND ADESA

Representatives from Insurance Auto Auctions (IAA) and ADESA gave their time and talent at the SkillsUSA National Leadership and Skills Conference, preparing students for future job interviews with practice sessions and resume reviews.

The 2016 SkillsUSA Championships, held in Louisville, Kentucky, was the largest in the organization's history. Over 6,100 highly motivated SkillsUSA champions—state gold medalists—competed in one of 100 leadership and hands-on occupational skills competitions.

SkillsUSA is working to close America's skills gap. The organization established workplace, leadership and technical skills for 372,354 members in the 2015-2016 academic year. During that same time period, 5.6 million job openings were left unfilled nationwide. SkillsUSA serves more than 370,000 students, teachers and alumni each year. ■

HTL WELCOMES CHIP KEYS TO THE STAFF

High Tech Locksmiths (HTL) introduced the company's newest staff member, Chip Keys, at a recent National Independent Automotive Dealers Association gathering. Many attendees wanted to meet the HTL muscular mascot, even while he wielded his signature transponder equipped key blade.

During his upbringing, Chip found he had a way with keys. He served as an apprentice under Jay Wiener, president of HTL, and honed his natural talent.

Jay calls Chip the "ambassador of goodwill" for HTL, who teaches others the "way of the key."



AUCTION VCOMMERCE'S ONLINE AUCTION SIMULATOR PUTS CLERKS THROUGH THEIR PACES

As Kelly Bianchi traveled around the country to AWG Remarketing's 120 auto auction clients in her role as director of marketing and training for the simulcast and technology company, she had a revelation — while many auctions had put their business online, they hadn't created an online business, especially when it came to conducting live sales events on the Internet.

She recalls how the auctions' online staff — often managed by someone from sales or IT but not familiar with both — were either so focused on following the auctioneer, struggling to keep up accurately with the proceedings or fumbling with using all the tools on the block administrative computer screen that they ignored the dealers.

“To the online audience, the clerk is also the ring man and auctioneer all in one,” Bianchi explains. “Their goal is to deliver a virtual experience that excites bid activity and replicates the high-energy of the traditional auction.”

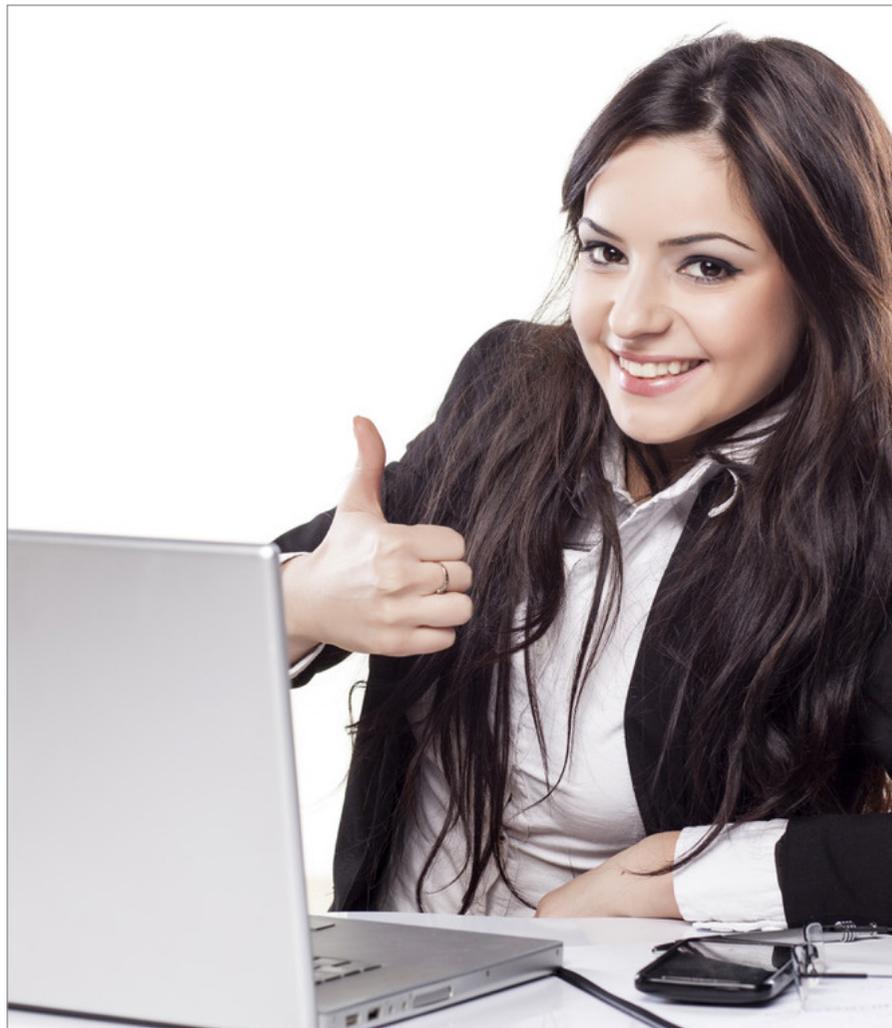
She adds that the inability to generate the atmosphere of the live auction and develop relationships with the online buyers “was leaving money on the table.”

But now, as president and owner of AuctionVcommerce, Bianchi helps auctions pocket that cash by preparing clerks for live events before they get up on the virtual auction block using the first interactive clerk training system that was developed by her company.

Leaving her job of five years with AWG, Bianchi combined her technical background with her previous experience as the marketing and operations director for Upstate Auto Auction in Rochester, NY, to start a business with the goal of improving online vehicle remarketing. Launched in June 2015, AuctionVcommerce provides online vehicle auctions with infrastructure support, marketing, customer service, staff training and best-of-breed products to optimize the user experience and increase Internet sales.

(And AuctionVcommerce has recently partnered with Integrated Auction Solutions, which acquired Bianchi's former employer, AWG. The partnership will allow Bianchi's business to embed some of its features directly into online technology with the aim of going beyond providing products to delivering full business solutions.)

The Online Clerk Certification Training is just one of Bianchi's company's latest services. The video game-like course consists of four levels: Salvage, Dealer Consignment, Fleet Lease and the bonus round, Factory. Working on an administrative screen emulating a live bidding environment with unpredictable outcomes, participants must score at least 90 percent accuracy and 30 points for engaging



the buyer to advance. Each stage increases in complexity and difficulty, but can be repeated as needed to achieve a passing score.

Once trainees accomplish all the objectives of the first three rounds, they receive a certificate officially acknowledging their completion of all the course requirements. The fee is \$350 per person, but there are various pricing structures, as well as a discount for NAAA members.

“This course is about promoting proficiency and professionalism in the staff that dispels the old perception of clerks as almost unskilled labor,” Bianchi remarks. “After all, auctioneers are required to be trained and have the proper credentials to perform on the block. Shouldn't the same expectations be required for online clerks?”

Bianchi says the goal is to give clerks the tools to stabilize the bidding environment, create greater consistency from lane to lane, develop sales opportunities by deploying

auctioneers' tactics in the virtual world and reduce costly block errors for a better online customer experience.

“We've enlisted some of the best auctioneers in the country to put clerks through their paces in a real-world experience — no more trial by fire,” she notes. “It teaches them valuable strategies to stay in sync with the auctioneer while engaging the online audience in a way that instills confidence and insures participation.”

Engagement is crucial to conducting successful social e-commerce, according to Bianchi. “At auctions we want participants, not observers, and the same goes for online. Our training offers methods to create the same sense of urgency and excitement to entice bidding and build online relationships. To have a winning digital strategy you have to, as we say, think outside the block.” ■

USED VEHICLE PRICES: TRENDS AND OUTLOOK

BY NADA USED CAR GUIDE

Following a multi-year run at historic highs, used vehicle prices moved lower over the course of the year due largely to supply levels that are finally rising back to pre-recession form. Driven largely by off-lease supply, late-model auction sales volume (vehicles up to three years old) reached 1.89 million units over the first eight months of the year. The figure represents a 15.2 percent increase from last year and is 26 percent below 2003's pre-recession high.

Pressure from the new vehicle market has also played a part in the softening of used vehicle prices. Power Information Network (PIN) data from J.D. Power shows that new vehicle incentives averaged \$3,436 per unit through August, up 9 percent from last year's sub-\$3,200 average. In addition, incentives as a percent of MSRP also moved higher, reaching 12.2 percent for cars and 8.3 percent for trucks. Last year the figures were 11.2 percent and 7.9 percent, respectively.

Collectively, the supply and incentive trends have taken a toll on used prices. NADA Used Car Guide's seasonally adjusted used vehicle price index of vehicles up to eight years in age fell by 3.6 percent over the first eight months of the year. The decline marks the first substantive drop in the index since 2008.

In depreciation terms, used vehicle prices fell by an average of 13 percent through August, up 3 percentage points from last year's 10 percent rate. For context, annual depreciation averaged just over 16 percent in the decade leading up to the last recession. Prices for every segment — save large utility — were down through August, with car losses mostly exceeding those of trucks in absolute terms.

Subcompact cars prices fell the most over the period, dropping by an average of 21 percent. Compact car depreciation reached 17 percent, while mid-size and large car depreciation each dropped by 15 percent. By comparison, truck and utility losses were much milder. Large pickup and large utility prices were down 7 percent through August, while mid-size pickup prices were off by just 6 percent. Depreciation across luxury segments was relatively similar, ranging from 13 percent (luxury large utility) to 16 percent (luxury large car).

AUCTION VOLUME TRENDS

Mid-size and compact cars continue to dominate late-model volume, with auction share much higher than new sales share (35 percent vs. 25 percent, respectively).



The imbalance in used supply and demand is a primary driver behind the segment's soft prices.

A by-product of new vehicle sales trends, compact and midsize utility and large pickup volume has grown substantially and share is catching up to cars as a result. Share for the three truck segments stood at 31 percent through August, up 5 percentage points from last year's 26 percent figure. That established, the trio's share of auction sales volume continues to trail their 41 percent portion of new sales recorded over the eight-month period.

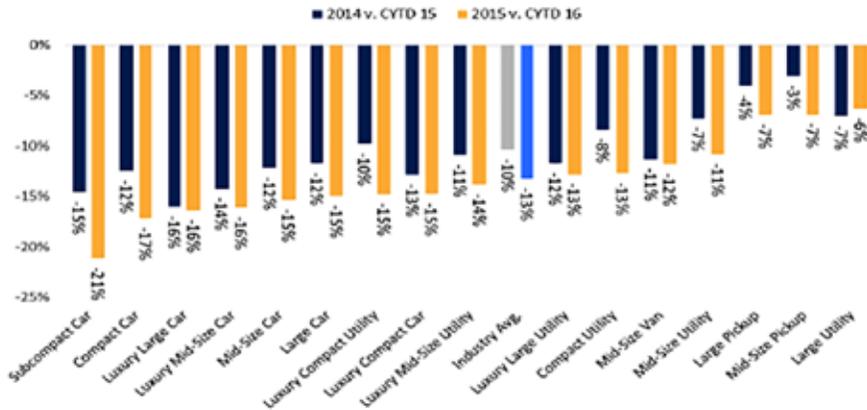
2016 FULL-YEAR FORECAST & 2017 OUTLOOK

NADA Used Car Guide expects that 2016 will close with prices down 4 percent on an index-basis from 2015's level. Annual depreciation is expected to reach a hefty 26 percent for subcompact cars — tops in the industry — while losses for other mainstream car segments should range between 19 percent and 21 percent. Mainstream truck depreciation will be led by the compact utility segment's roughly 16 percent

decline. Mid-size pickup, large pickup and large utility losses will average a slim 9 percent. Mid-size van and utility prices are expected to be down approximately 15 percent versus 2015. Luxury car losses are scheduled to reach an average of 19 percent, while luxury truck prices should be down 14 percent.

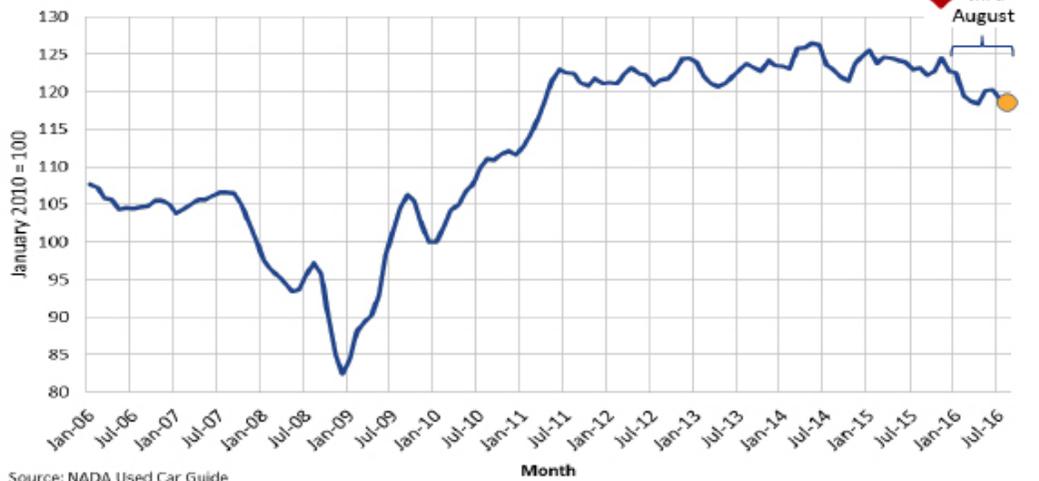
Looking ahead to 2017, an ongoing increase in late-model supply and an outlook for increased incentive spending should translate into lower used vehicle prices once again. The supply of vehicles up to five years in age is expected to reach more than 14 million units in 2017, up 5 percent from 2016's estimated 13.4 million. Off-lease volume should rise 9 percent to 3.4 million, while retail purchase volume is estimated to hit 7.8 million (+5 percent). Even though volume will place added downward pressure on prices, consumers will benefit from an improved selection of near-new units, while dealers will have more opportunity to benefit from used vehicle operations. ■

CYTD Change in Wholesale Used Vehicle Prices Through August. Vehicles up to eight years in age.



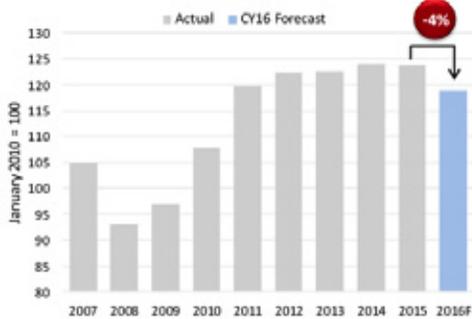
Source: NADA Used Car Guide

NADA Used Car Guide Used Vehicle Price Index Vehicles up to eight years in age. Seasonally adjusted.



Source: NADA Used Car Guide

NADA Used Car Guide Wholesale Used Vehicle Price Index, SA



Total Auction Volume, CYTD Vehicles up to 3 years in age, through August, thousands

