

ON THE BLOCK

THE OFFICIAL MAGAZINE OF NAAA



NAAA

Brings Virtual Auto Auction To Capitol Hill | Page 10

NATIONAL AUTO AUCTION ASSOCIATION

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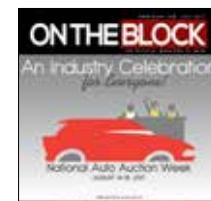
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THANKS, MICHAEL ROHDY, FOR HELPING US PUT SAFETY FIRST!

Disaster can strike in what seems to be an infinite number of ways, so we're fortunate within the auto auction industry to have a valuable risk management resource in Michael Rohdy and his dedicated Auto Auction Services team of Mike Roy, Wendy Cochrane and Connie Stone at Arthur J. Gallagher, the fourth largest insurance broker of U.S. business. The Birmingham, Ala.-based group not only helps us respond in the wake of crises, but also assists in advanced emergency planning to keep

vehicles moving through the auction lanes.

Embarking on his 23rd year of providing insurance services to the auction industry, Michael has seen a host of unlikely claims scenarios, ranging from torrential floods on sale day and tornadoes that destroy auction buildings, to costly auto accidents both on the road and in the auction lanes. He advises that a healthy risk management program improves the bottom line for auctions by utilizing available resources to mitigate the exposure and by providing a blueprint for recovery in the



NAAA PRESIDENT
JERRY HINTON

aftermath of a claim.

Michael has a history of developing risk management tools for our industry. Working for Auction Insurance Agency in 2007, he led the NAAA Safety Committee's effort to produce the Cycle of Safety DVD that was the first industry-specific lane-driver training tool. Later that year, he drafted (and recently updated) a Lane Disaster Recovery Plan that provides detailed guidelines for proper preparation and response in the event of a severe lane accident.

At the 2013 NAAA convention in Indianapolis, he and Mike Roy led a Disaster Recovery session and produced a sample Business Continuity Plan for auctions that is available for download on the NAAA website. In 2014, then NAAA President Ellie Johnson asked the Arthur J. Gallagher team to work with the Safety Committee to study what could be done to enhance and improve safety in the industry. That year, Michael also became a regular contributor to our new On the Block magazine with his informative and helpful Safety First column.

Knowing a commitment to safety would require industry-wide involvement, Michael's team hosted a Safety Committee meeting in February 2015 with representatives from KAR Auction Services, Manheim and a number of independent auctions. The newly formed committee voiced similar concerns on issues of lane safety and training needs, culminating in KAR's offer to share its Safe T. Sam training program with the industry in partnership with NAAA. Michael credits not only KAR for sharing its program, but Manheim and the independents for their willingness to embrace a new industry icon, Safe T. Sam. He believes that safety is not a competitive item on the agenda, but a cornerstone on which to improve the industry.

Michael speaks highly of NAAA's safety initiative: "The momentum toward valuing safety and risk management by NAAA members is the highest I've seen in my involvement with the auction industry over the past two decades. A safe auction is one in which employees and dealers want to invest their time and the auction sees that return on the bottom line for all the right reasons. I'm excited to be a part of this commitment to a safer auto auction industry."

NAAA shares Michael's excitement and appreciates his efforts in helping us put safety first! ■

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NAAA SAFETY COMMITTEE RECOMMENDS ESTABLISHING A SAFETY STANDARD

MOVE UNDERSCORES ASSOCIATION'S COMMITMENT TO SAFETY FOR EMPLOYEES AND CUSTOMERS



BY THOMAS E. LYNCH, III AND JEREMY S. SCHOLTES
NAAA GENERAL COUNSEL, MILES & STOCKBRIDGE P.C.

>> Every member is proud of the NAAA seal, which stands for integrity and sound business practices in the auto auction industry

Over the past several years, the National Auto Auction Association has done much to promote safety at our member auctions. In fact, safety has been perhaps the highest priority of the Association. Ellie Johnson, during her eventful term as NAAA president, made safety her priority platform issue. You may all recall that in the May 2015 edition of *On the Block, Safe T. Sam* was introduced to all association members and we, as counsel for the Association, provided extensive guidance on auction house safety and avoidance of liability. That edition of *On the Block* also emphasized that the Safety Committee had identified key steps to improve safety, particularly on auction day at our member auctions, including (1) reducing distracted driving in the lane; (2) educating dealers about better protecting themselves in the auction lane; and (3) improving existing training materials and producing additional resources that NAAA members can use to educate their drivers.

In furtherance of this effort, NAAA has introduced online training videos and encouraged all of our member auctions and their employees to take steps to educate themselves on best practices to avoid injuries in the lane or on the auction premises. Those auction videos have been a tremendous success and have been viewed by thousands of member employees. Any member of the Association can access the instructional video series online at no cost. In addition, NAAA has recently introduced

Coach Caution, who appears in a 15 minute online video that auctioneers may find useful for identifying risks that may exist in conducting auctions and guidance as to means to mitigate such risks.

Despite all of this effort and NAAA making safety consciousness its highest priority, there have been instances where injury or death have occurred at member auctions on auction day. Such events create tremendous sorrow not only for those injured and their families, but for everyone associated with the auction. NAAA, for its members, has sought to comfort the families of those affected by offering emotional support and financial assistance. The objective of the NAAA and all of its members is to learn from such incidents and to take steps to prevent any recurrence.

Thus, recognizing the need for all of our member auctions and their employees and our loyal dealer customers to be ever vigilant about safety, particularly on auction day, the Safety Committee has recommended to the Executive Committee and the Board of the NAAA that NAAA consider passing a resolution establishing a safety standard that all member auctions will be expected to observe and follow. We expect that such a resolution will be presented for consideration by the Board in an upcoming meeting at or prior to our annual conference. Any member is invited to provide thoughts or recommendations about such a standard to us as counsel or to the Association office. We reasonably expect that the standard will include a requirement that every NAAA member certify that safety training is provided for every new full-time or part-time employee as part of the onboarding process at our member auctions. In addition, certification may be required to verify

that key employees have completed the online training provided by NAAA and have encouraged all of their auctioneers to review the online video for auctioneers that NAAA has made available.

We also expect to present certain “rules of the road” to be observed by ringmen and drivers on auction day that would include, but not be limited to, such things as:

- Requiring that doors and windows of vehicles to be auctioned remain closed as vehicles approach the lane;
- Ensuring no technology devices are installed or used in the vehicle while the vehicle is being brought to and through the lanes;
- Prohibiting cell phones, music devices or other potential sources of distraction in the vehicle;
- Prohibiting “spillable” refreshments in the vehicle;
- Requiring headlights be turned on as the vehicle approaches and passes through the lane; and
- Prohibiting other passengers from occupying the vehicle.

Every member is proud of the NAAA seal, which stands for integrity and sound business practices in the auto auction industry. We all want the NAAA seal also to stand for an organization and members having the highest level of commitment to safety for our employees, customers and visitors. Every auction should aspire to achieve an injury-free workplace. Our entire membership will benefit if each one of us, every day, reinforces to ourselves, our employees and our loyal customers that safety must be the highest priority. ■

ESTABLISHING CLEAR-CUT MEASURES FOR REPORTING INSURANCE CLAIMS NOW WILL KEEP YOU OFF THE SIDE OF THE ROAD LATER

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



I've learned a lot of lessons applicable to my insurance career from the operation and maintenance of cars I've owned. My first car, a 1974 MG Midget convertible, was slightly bigger than a NAAA pedal car, with a manual four-speed transmission, powdery orange exterior (Crayola red-orange if rubbing compound and wax had been recently applied) and black vinyl top. Given that the MG was fun, but not overly reliable, I established a few back-up measures to keep me off the side of the road when trouble surfaced. I kept a three-liter plastic Dr. Pepper bottle filled with water behind the only two seats in case I ventured out of the city limits and the car overheated. The soda bottle doubled as a gas container whenever my older sister borrowed it and brought it back without enough fuel for me to get to the gas station, which happened more than once.

To make sure you are not left on the side of the road without the use of your insurance policy, it's important to establish clear-cut reporting measures to deal with claims scenarios that might surface in the future.

This will ensure you have the benefit of applicable insurance policies when you need them.

All policies have claims reporting provisions that require policyholders to report claims in a timely manner. Workers compensation claims, for instance, should always be reported directly and immediately to the carrier, according to its First Report of Injury procedure. "Claims made" policies, such as a crime, employment practices liability or professional liability, will have a stringent claims reporting provisions that dictate coverage will be nullified when the respective policy or claims reporting period has expired. Auto and general liability claims involving third parties, particularly if bodily injury is involved, should also be reported to your insurance carrier without delay.

In regard to pedestrian accidents on the auction lot, questions often arise around whether the claimant is a good customer and just wants to get "checked out" at the doctor with the expectation that only one or two

bills will follow. Rather than attempting to handle the claim "in-house," the auction should report the claim to its insurance carrier promptly. Problems arise when what appears to be one visit to the emergency room turns into a series of visits for what may or may not be related to the alleged incident. A lawsuit served on the auction just before the statute of limitations expires in the respective state is not uncommon. If the claim was not reported at the time of the accident, then the carrier might deny coverage on the basis that its ability to adjust the claim was jeopardized by the auction's late reporting. Building a defense for a claim several years down the road is tough to do without proper documentation and fuzzy memories.

Whatever claims scenario presents itself, I would suggest being mindful to report it in accordance with the respective policy, so you aren't caught on the side of the road without use of your insurance policy. ■

NAAA AND ADESA CONCLUDE SECOND SUCCESSFUL SAFETY BRIEFING

PROGRAM FOCUSED ON SAFETY ESSENTIALS, BEST PRACTICES AND EMERGENCY RESPONSE PLANS



Safety experts and industry leaders met with 25 attendees in July for a productive day of learning, listening and exchanging ideas to promote a safer workplace during the second safety briefing hosted by the National Auto Auction Association

and ADESA, the wholesale vehicle auction unit of KAR Auction Services.

Held at ADESA Boston's auction exclusively for NAAA members, the event, entitled "Safety Program Essentials and Best Practices," featured demonstrations by KAR officials of their auction safety protocols, a tour of the facility to see the physical design elements KAR has implemented to improve safety and a report on the history and results of KAR's safety efforts.

The program also included presentations on preparing an effective emergency response plan, proactive safety training and NAAA safety certification for all employees, a study of accident videos and an overview of the Occupational Safety and

Health Administration's 10-hour course to improve industrial workplace safety.

In addition, attendees participated in a discussion about new lane safety standards and a session on the key elements of developing a safety program specifically for the auto auction industry.

"The safety of our employees and our customers has always been a top priority at KAR—and my own personal mission," says Jim Hallett, chairman and CEO of KAR. "After recent events, several independent auctions reached out to us looking for additional best practices on auction safety. We're proud to team with NAAA in uniting our industry and working together to develop innovative, collaborative new approaches to safety."

Since 2015 KAR has partnered with NAAA to share its pioneering safety training program and its mascot, Safe T. Sam, at no cost to NAAA members with the goal of increasing safety awareness, reducing risks and preventing accidents throughout the auto auction industry. The costumed character made an appearance at the summit.

"We're working to make every auction, in every location, every day, as safe as possible

for everyone," notes NAAA Chief Executive Officer Frank Hackett. "It's very encouraging to see the level of interest and engagement around this event for the second year and the willingness of our membership to rally around to address this important issue." ■

DISTRACTED DRIVING AUCTION SAFETY STANDARD PROPOSED

To reduce the risk of accidents from distracted driving at auctions, the National Auto Auction Association is in the process of drafting a new safety standard. Currently undergoing a review by NAAA's legal counsel, this proactive measure would be mandatory and enforceable for all auction members.

After the details have been finalized, the distracted driving standard will come before the NAAA Board of Directors for approval during the annual convention in November. If adopted it would tentatively go into effect on Jan. 1, 2018. ■

RENEW



Safe T. Sam

Just a reminder that anyone at your auction who has been safety certified through one of NAAA's online training programs needs to renew their certification annually. To do so, go to NAAA's website, log into the appropriate course and retake the tests. When successfully completed, a new certificate will be issued with your renewal date.

When you get the program done we hope you can enjoy some fun in the sun.

Thanks.



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RESOLVING DISPUTES DESPITE OUR HUMAN BIASES



BY MATT ARIAS
DIRECTOR OF ARBITRATION, MANHEIM

Whether you like it or not, you are biased. We as humans are inherently biased. We have emotions and these are difficult to turn off or at least turn down when trying to resolve a dispute between parties.

All is not lost. Ways exist to better understand and mitigate biased decision making. In the last National Auto Auction Association Auction Standards class, we discussed this topic at length.

We tend to throw the word “fair” around often. A “fair and ethical” marketplace is what we all strive to support. The idea of “fairness” gets challenged, however, when one side feels the issue, decisions about the issue or the process wasn’t fair to them. This approach tends to favor the “fixed pie, you win-I lose” or vice versa approach. Not the best way to sustain or improve the client/supplier relationship!

We should always strive for a mutual gain. A mutual gain that is based on objective

criteria (e.g., the NAAA Arbitration Policy) and meets interests as equitably as possible for all parties.

Getting to resolution is complex at times. Many factors are involved, including the already mentioned issue of bias. Healthy reality testing is beneficial to turning down the bias. Understanding stakeholders’ perspectives even if you disagree with their conclusions is also important.

In their book “Decision Traps,” Russo and Shoemaker reveal the 10 common mistakes, many of which are related to cognitive bias:

1. Plunging in
 - Beginning to gather information and reach conclusions too early
2. Frame blindness
 - Creating a mental framework for your decision
3. Lack of frame control
 - Failing to define the problem in more than one way
4. Overconfidence in your judgment
 - Failing to gather key factual information
5. Shortsighted shortcuts
 - Relying inappropriately on “rules of thumb”
6. Shooting from the hip
 - Failing to follow a systematic procedure when making the final decision
7. Group failure
 - Failing to manage the group decision-making process
8. Fooling yourself about feedback
 - Failing to interpret the evidence from past outcomes correctly
9. Not keeping track
 - Failing to keep systematic records to track the results of your decisions
10. Failure to audit your decision process
 - Failing to create an organized approach to understand your own decision making. ■

MARKETWISE

SHOULD YOUR DEALERSHIP HIRE INTERNS?



BY STEVE DUDASH,
VICE PRESIDENT, DEALER SERVICES, ADESA

With U.S. auto sales experiencing record highs, car dealerships are noticing an unsettling side effect—an influx of jobs to fill and a shortage of skilled applicants. One possible solution? An internship program.

While you may approach the thought with some skepticism, dealerships that successfully commit to investing in interns receive a multitude of benefits that can drastically improve several key business areas. If you’re debating whether to hire interns at your car dealership, here are a few reasons to convince you.

A way to discover new talent

When designing your dealership’s internship program, you can certainly opt for positions like greeter and car washer, but it’s also important to invest in more skilled positions like mechanic, accountant, marketing specialist and IT support.

Offering paid internships with a specific focus not only helps attract more talented candidates, but it can also prove to be an effective recruiting tool. There’s also an

opportunity to find stand-out workers who drive significant business results. Much like rent-to-own home options, an internship program allows people to get a feel for what they’re doing in hopes that they’ll like it enough to stay on full time.

A way to keep tabs on the latest technology

If your dealership’s internship program is geared toward a younger community, then you should absolutely use those interns as a resource to keep your business up to date on the latest technological innovations.

Nobody has a better pulse on what drives millennial buyers than millennial buyers, so having them on your team, and listening to their advice, can prove beneficial. Evolving consumer preferences—such as mobile usage and digital marketing—have already begun to invade the automotive industry.

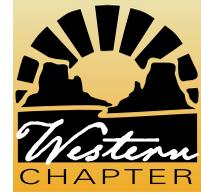
It’s the responsibility of dealers to evolve with those trends and create an improved customer experience. If they don’t, consumers will find another dealership that caters to those needs.

A way to get more involved in your local community

Promoting your internship program at local high schools, technical schools and colleges is a great way to drum up a positive perception of your dealership. Providing jobs for young people to learn and grow not only helps your HR department, but it also keeps your dealership top of mind with the audience that is exposed to the program. That kind of mindshare can result in a side effect of increased sales over time.

Not only can you attract the millennial crowd with your dealership’s internship program, but all consumers like to see businesses investing in their local community—whether it’s through philanthropy or people. If your program is successful enough, it may even get picked up by the press. ■

NAAA CHAPTERS CHOOSE CHARITIES FOR NEW BENEFIT AUCTION



The National Auto Auction Association's (NAAA) four regional chapters have selected their recipients of the new Chapter Charity Auction fundraiser to be held at the association's 2017 annual convention in November.

The chapters and the organizations chosen to receive the proceeds from the inaugural event are:

- Eastern — House in the Woods, a therapeutic, recreational, and educational retreat in Maine where those who served in the U.S. military and their families can come to heal.
- Southern — Victory Junction, a North Carolina camp that provides a medically safe experience for children with serious health conditions.
- Midwest — Lynnway Accident Fund,

a campaign to assist the victims of the recent tragedy and their families.

• Western — the American Cancer Society, which conducts research, provides support, supplies information, promotes prevention and advocates for policies to fight cancer.

The chapters conceived the fundraiser as one more way auctions could engage in philanthropic activities and agreed to a set of conditions for the contest.

Each chapter can spend \$10,000 from their accounts on a maximum of two items for its auction, but may solicit donations to increase that expenditure. Keep your eyes out

for announcements in the near future advertising the spectacular treasures to go on the block that evening.

An auctioneer and ringmen of each chapter's choosing will conduct the auctions, which will provide an exciting opportunity to see some of the best in the business battle for the highest bid.

The inaugural Chapter Charity Auction will take place as part of the President's Gala evening during NAAA's annual convention, Nov. 15-17, at the La Quinta Resort and Club, a Waldorf Astoria resort near Palm Springs, California. ■

PRESIDENTS PREP FOR NEW TERM

NAAA HOSTS ASSOCIATION AND CHAPTER LEADERS FOR TEAM BUILDING AND PLANNING SESSION



(L to R): NAAA Chief Executive Officer Frank Hackett, NAAA Vice President Chad Bailey, and NAAA President-Elect Warren Clauss

It was hail to the chiefs around the National Auto Auction Association headquarters as NAAA President-elect Warren Clauss, Vice President Chad Bailey and the incoming presidents of the four chapters came together in August for some team building and a planning session for the upcoming year.

They also received an overview of the association's operations and a briefing by the staff to assist them in preparing for their terms in office.

Clauss and Bailey spent a day at the NAAA offices in executive sessions with NAAA Chief Executive Officer Frank Hackett establishing initiatives, making committee assignments and finalizing plans for the fall convention. Then they were joined by the chapter presidents for a one-day conference to discuss the objectives and disseminate duties for the year.

"The meeting offers our new leadership an opportunity to get to know each other better as well as familiarize them with our staff and

the inner workings of the association itself," Hackett explains. "Our goal is to encourage greater communication and foster support, especially among the chapter presidents, to forge a strong leadership team."

In addition to providing them with a clear understanding of NAAA's mission, initiatives, resources and industry issues, each member of NAAA's staff gave presentations on their roles and how they can be of assistance to the leadership.

NAAA began hosting a presidents' planning session in 2014.

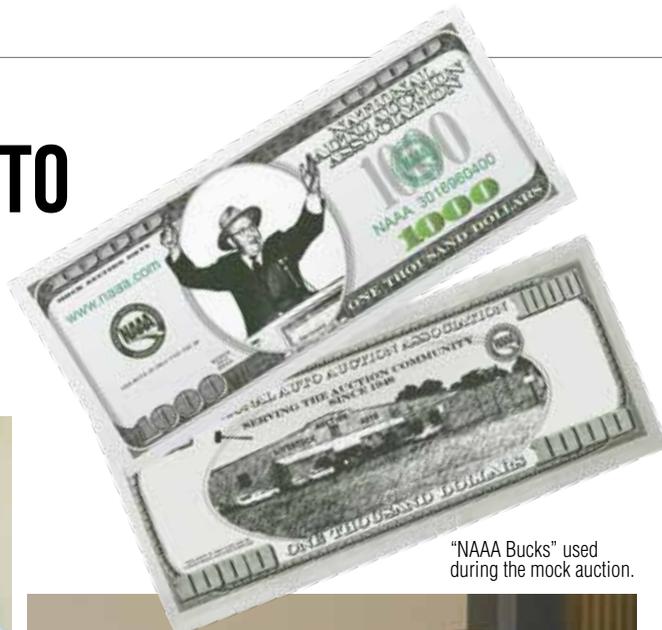
"I think it's been beneficial for them to meet face-to-face, have a chance to ask questions and share in some of the association's organizational decisions," observes Hackett. "It's teamwork that makes us successful in what we do for our members and with a leadership that changes annually, this is a helpful exercise in building each year's new executive team." ■

NAAA BRINGS VIRTUAL AUTO AUCTION TO CAPITOL HILL

PROGRAM GIVES SENATE AUTOMOTIVE CAUCUS STAFF AN UNDERSTANDING OF AUCTION OPERATIONS



Capitol Hill staff proudly display their mock auction bid winnings made during the 2017 NAAA auto caucus auction.



"NAAA Bucks" used during the mock auction.



Auctioneer John Nicholls (The 2015 NAAA Auctioneer of the Year Award recipient) helps bring the wholesale auction sale day to Capitol Hill.

The marble walls of the U.S. Senate's Russell Office Building echoed with the rapid chants of a veteran auctioneer and the frenzied shouts from the crowd of bidders anxious to buy the 2015 BMW X3 Diesel First Look that was on the block. The winner paid for the colorful quarter-scale cardboard cutout of the luxury car with a crisp stack of "NAAA Bucks."

Bidding on the eight prop autos, which included a variety of vehicles from a 2014 KIA Optima to a 1931 Ford Model A in a mock auction, was the interactive part of the National Auto Auction Association's presentation to staffers and legislative aides of the Senate Automotive Caucus. The June 16th event filled the Russell building's conference room.

NAAA worked with Sen. Rob Portman (R-OH), the auto caucus chairman, to bring the sights, sounds and excitement of an auto auction to Capitol Hill in an effort to educate those involved in policymaking about the wholesale auto auction business and the vital role auctions play in the auto industry as well as the nation's economy.

Prior to the lively sales day simulation, NAAA presented a new 30-minute video it produced depicting the entire auction process, from vehicles arriving via transport truck, inspection, check-in, repair, painting and reconditioning, photo booth and sale staging, to sales day bidding, and check out. The film

also emphasized the credentialing of wholesale dealers.

"We call it 'Wholesale Auto Auctions 101' because we want to give our lawmakers and their key aides a solid understanding of how auctions operate and how integral they are to the industry," says NAAA Operations Manager and Legislative Director Tricia Heon. "Promoting and protecting the interests of our members and the industry requires proactively educating as well as advocating."

She adds that NAAA was grateful to Sen. Portman for arranging the meeting with representatives of his auto caucus, which provides a bipartisan forum where senators can exchange ideas and influence policy on issues that affect the auto industry.

Attending the session were staff from the offices of caucus members Sen. Sherrod Brown (D-OH), Sen. Joe Donnelly (D-IN), Sen. Al Franken (D-MN), Sen. Patty Murray (D-WA), Sen. James Risch (R-ID) and Sen. Luther Strange (R-AL).

In addition, U.S. Rep. Pat Tiberi (R-OH), chairman of the congressional Joint Economic Committee, sent representatives.

NAAA hosted a reception following the event where the attendees had an opportunity for more in-depth discussions with NAAA members. Those

included ADESA's Paul Lips, Heather Greenawald, Elizabeth Murphy and Warren Clauss (NAAA President-elect); Cox Automotive's Craig Amelung and Karyn Wrye; and Independent Auction Group Co-chair Charlotte Pyle.

Lips and Amelung gave the presentation while Pyle volunteered to act as ringman for the day's auctioneer, John Nicholls, who is president of the Nicholls Auction Marketing Group and was named NAAA's "Auctioneer of the Year" in 2015.

"I was impressed with the active participation, genuine interest and enthusiasm shown by those who attended as well as by the support of the auto caucus members," remarks Pyle. "It's rewarding to educate our lawmakers in Washington about our business."

Along with Heon, Sante Esposito, president of the lobbying firm Key Advocates, Inc., and NAAA Chief Executive Officer Frank Hackett accompanied the delegation. "We received a lot of positive feedback about our program and about returning to do another in the future," notes Hackett. "We look forward to creating more interactive programs that gain the attention of those in Congress and help them understand our industry better so they can make more informed decisions when it comes to legislation that can impact our members' livelihood." ■

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ADESA NAMES NEW GENERAL MANAGERS AT THREE AUCTION LOCATIONS



Rance Rudy

ADESA has announced management changes at three of its U.S. auction locations. The company promoted leaders in Arizona, Tennessee and Florida.

Rance Rudy has been named general manager of ADESA Phoenix.

“Rance brings to his new role extensive experience in auction operations and management, along with strong sales and customer service skills,” said Jay Hinchman, ADESA vice president, West region. “These unique qualifications will allow Rance to make an immediate, positive impact on the auction experience at ADESA Phoenix and greatly benefit our valued customers.”

Rudy has over 20 years of experience in the auto auction industry, including more than 14 years with ADESA. He had served as assistant general manager at ADESA Phoenix since 2015. Previously, he was fleet/lease manager at ADESA Golden Gate. Rudy also has prior experience as fleet/lease manager and assistant general manager at ADESA Dallas and as executive sales director, national accounts, for ADESA. He holds a bachelor’s degree from Texas Tech University.



Jay Smith

Jay Smith will serve as general manager of ADESA Knoxville.

“Jay’s management style was key to his selection,” said Geoff Parker, ADESA vice president, Midwest region. “He is a natural leader who is well liked and respected by employees and customers alike. His significant background in dealer consignment and strong relationships with fleet accounts will also be an asset to our customer base at ADESA Knoxville.”

Smith joined ADESA in 2005 and has nearly two decades of industry experience overall. He has served in a variety of roles at ADESA Cincinnati/Dayton, including management positions in sales, marketing, fleet/lease, accounts and dealer sales and services. He oversaw daily operations at ADESA Queen City, a satellite location, as auction manager. Smith was promoted to assistant general manager at ADESA Cincinnati/Dayton a year ago. He holds a bachelor’s degree from Ohio Christian University.



Lisette Minton

At ADESA Sarasota, Lisette Minton has accepted the position of general manager.

“Lisette has developed exceptional operational and customer service skills from the broad range of

management roles she has held within the industry and across our company,” said Mike Caggiano, executive vice president, Eastern region, for ADESA. “She is a perfect fit to lead the team at ADESA Sarasota and help our customers achieve their business results. I look forward to working with her.”

Minton has more than 25 years of experience in the auto auction industry. She began as a dealer registration clerk at Bayside Auto Auction and by 1999 had been promoted to fleet manager at ADESA Tampa. She spent nine years at ADESA Atlanta as commercial accounts manager before transferring to ADESA Sarasota in 2013. Minton had recently been named assistant general manager at ADESA Atlanta.

ADESA, a business unit of KAR Auction Services, is a leading provider of vehicle auction and remarketing services. ■

ADESA REALIGNS DEALER SERVICES TO ENHANCE CUSTOMER EXPERIENCE

KATHY HOPKINS PROMOTED TO NEW DIRECTOR OF DEALER SALES POSITION



Kathy Hopkins

ADESA announced that it has expanded the company’s dealer sales and services reach into additional regions across the United States. This realignment will further enhance the customer experience both online and in-lane through a dedicated group of professionals delivering more personalized business solutions for a diverse customer base.

“We want to ensure that our dealer sales and services teams are providing customer service that’s optimized to meet each dealer’s unique business needs,” said Steve Dudash, vice president of dealer sales and services for ADESA. “This move will enable our teams to design a customized, multi-pronged approach that matches our products and capabilities to each client’s specific situation in a way that benefits that client.”

Additionally, Kathy Hopkins has been promoted to lead the team of regional dealer sales managers in the newly created position of director of dealer sales. In her new role, Hopkins will ensure that auction sales personnel provide market expertise and meet customer needs with collaborative, creative solutions tailored to the client. She will report directly to Dudash.

“Kathy’s proven track record of supporting dealer customers at the auction level makes her a natural fit to oversee the regional dealer sales managers,” said Dudash. “Her knowledge and experience will enable a consistent, exceptional service

experience for our customers at all our auction locations and for our growing base of online clients.”

Hopkins had been a regional dealer sales manager overseeing the East region since 2015. Previously, she was assistant general manager/dealer sales manager at ADESA Indianapolis for nearly a decade. Hopkins also served as fleet lease manager and commercial account manager at that auction location after starting her career there in 1998 as account coordinator.

Hopkins was named to Auto Remarketing magazine’s 40 Under 40 list in 2016. She was a member of the 2015 class of the National Auto Auction Association’s Dynamic Leadership Institute and is a licensed auctioneer. Hopkins holds a bachelor’s degree from Indiana University–Purdue University Indianapolis.

ADESA, a business unit of KAR Auction Services, is a leading provider of vehicle auction and remarketing services. ■

ALL VALLEY DEALERS AUTO AUCTION SET TO OPEN FOURTH LANE AT LA COUNTY'S ONLY WHOLESALE AUCTION



Vahe "Victor" Soghomonian, center, runs All Valley Dealers Auto Auction with his two sons, Justin, left, and Brandon. The auction will celebrate its 31st anniversary this year and will soon add a fourth lane.

All Valley Dealers Auto Auction (AVDA), located near Los Angeles, will soon add a fourth lane to the growing enterprise and also expand its ancillary businesses.

Vahe "Victor" Soghomonian, founder and owner of the 31-year-old auction, said the 12-acre, currently three-lane auction, is the only auction in Los Angeles County, and he's been very happy to grow the business along with his two sons, Justin and Brandon.

"I love working with my sons," he said. "At first, we were all a little concerned, there might be problems, but it has worked very well for us. Justin handles the logistics and dealers, and Brandon runs the internet and accounting."

Born in Baghdad, Iraq, Soghomonian is an Armenian Christian who came to the United States as a boy. Interestingly, he was sponsored to come to the United States by Pulitzer Prize-winning author and playwright William Soroyan.

Soghomonian had a passion for mechanics and thought he wanted to work on cars or start a service business. He married his high school sweetheart, Priscilla, in 1980 and they soon had their first son, Justin. He worked two jobs while attending mechanical college, and was later hired by McDonnell Douglas, where he worked until deciding mechanical repair wasn't the career he wanted.

Instead, the young Soghomonian, who gained an understanding of the auction industry from working in automotive repair, put up the first and last month's rent on a trailer and started a weekly sealed

bid auction. As his auction business grew, he moved to that full time.

Today, AVDA hosts its main sale on Fridays and runs around 550-700 vehicles. Vehicles that can't make the Friday sale and second-chance vehicles (around 300 units) run on the next Tuesday afternoon.

Soghomonian has understood the business model well. His auction not only provides all wholesale auction services, but also transportation, reconditioning and some floor planning, and it has a repossession business as well.

"This business offers a lot of freedom," Soghomonian said. "Early on, I saw that as a mechanic, I can only repair so many vehicles a day. Even if I hired people, I'd be limited in how much we could do. With the auction business, you can move from a 500-car-a-week auction, to 1,000-vehicle-a-week sale, and go beyond. You are only limited by the amount of effort and work you are willing to put in."

The auction and ancillary business have 60 full-time employees, and an additional 50-60 part-timers on the Friday auction day.

"On Fridays we have close to 400 dealers in the lanes and 40-60 more buying online," he said. "We're seeing online sales coming in at 12-15 percent of our business, and that's getting stronger."

The auction's inventory comes mostly from new car dealership trade-ins, and the rest comes from independent dealerships, wholesalers and some regional finance companies.

"When we open that fourth lane, it will be dedicated to new-car store trades and we're

considering front-line-ready, off-rental, and fully guaranteed vehicles only," he said. "We want to create some more excitement for our customers."

Soghomonian acknowledged there are challenges for independent auctions. But he said he likes to think they come from the inside, not from the outside.

"When it comes to competing against the big chains, we are the underdog," Soghomonian said. "Everyone roots for the underdog. We have to work twice as hard to obtain and keep what we can. We don't have the manufacturers, program vehicles and big banks, but what we do have is the ability to give our customers personalized, professional and responsive customer service."

He said dealers need a "boutique service-oriented" auction with which to do business.

"We get calls from dealers who want to know how deep a scratch is on the right quarter panel, and while they're on the phone, we go out, find out, and tell them in minutes," he said.

Condition reports are very important to AVDA, and Soghomonian said he spends a lot of time to ensure that the reports are accurate, and above all, consistent.

"You can go to some place and have three different people do a condition report on the same vehicle and get three very different results," he said. "That's bad for business and the reputation of your auction."

In the past three years, AVDA has doubled the size of its business offices, and the entire team is excited about the coming fourth lane.

"We've expanded our lot footprint and took over the business next door, and we've added parking across the street," he said. "We're growing, and our customers have taken notice."

AVDA is very active in charitable giving. Several years ago Soghomonian became an "ambassador" to the Children's Hospital of Los Angeles.

"We raised more than \$300,000 in our last Walk-A-Thon, and our office generated about \$9,000 of that," he said. "We put in part of our proceeds to the hospital, and have raised more than \$40,000 for the hospital and neighboring community programs."

Soghomonian gets a little sentimental when he thinks about what has transpired over his lifetime here in the United States, his sons, and his business and employees.

"I was given a lifetime opportunity to come to this great nation," he said. "I'm honored to be able to give back. It's beyond anything that I thought was possible, or that I would ever be in this position to do what we do."

"I look at this way: Number one, I'm a Christian and I put God first, then comes family, then country, and then business." ■

AUCTION GENERAL MANAGER WORKS BOTH SIDES OF THE BLOCK; USES LESSONS FROM RETAILING IN WHOLESALING



Bruce Beam

Bruce Beam could use the line from the movie “The Godfather Part III” when Michael Corleone says, “Just when I thought I was out, they pull me back in.”

It’s not a slight to the auto auction industry, but Beam, 58, is once again general manager of Dealers Auto Auction of Oklahoma City, after having worked at the auction from 1992–2012 and leaving to work for Express Credit Auto, the largest buy–here–pay–here operation in Oklahoma.

Beam returned to the auction in April 2017, having experienced the retail side of the business, a move that he says left him wiser and better able to serve his dealer clients.

He is the father of three—Kevin, 27, and two children from his current marriage to Nicki Smith Beam, Carson, 11, and Caylee, 8. He got his start in the auction business about 10 years after he graduated from Kansas State University. While working for an Oklahoma City, Okla., furniture store as its credit and collections manager, he responded to an ad for an office manager at Dealers Auto Auction of Oklahoma City. Gary Smith, the auction’s owner, hired him in 1992.

“I started out doing a little bit of everything,” Beam said. “I supervised the entire front office staff including telemarketing, fleet–lease, factory sales department, title clerks, receptionist, customer service—basically everyone except accounting personnel. I really learned a lot about the internal workings during this time.”

Beam became assistant general manager in 1994, and became general manager in 1998.

“When I first got to the auction in 1992, we were moving about 45,000 cars yearly

through the lanes,” Beam said. “Then, by 2004–2005 we had moved up to a 97,000–unit year, with Ford, Ford Credit, General Motors, GMAC, and many, many commercial and dealer consignment customers.”

Consolidation and technology “peeled back” those kinds of numbers and the auction adjusted.

“We obviously had to do some restructuring and adjust to the changing technology and landscape,” Beam said. “So we worked at improving what we did and how we did it. It was a good ride, but there were struggles.”

After Beam left the auction in 2012 and began doing some consulting work, he was approached by Rich Barnard, president of Express Credit Auto, the largest buy–here–pay–here dealership in Oklahoma, with five locations.

“When I started there were four locations and we opened the fifth in 2015,” Beam said. “I attended several live auctions and purchased vehicles every week, but I also purchased vehicles online every week from over 50 different Manheim, ADESA and Independent Auctions online auction

experience during the arbitration process.”

With that many vehicles, Express Credit Auto had to remarket its repossessions and trade–ins, and Beam took over the responsibility of being the auction rep at auctions in Tulsa, Oklahoma.

“The one thing I learned about selling cars at auction is that you have to represent them in the lanes,” Beam said. “You just have to be there. Buyers want to see a face and get to know that person. They also like to ask questions about the vehicles.”

Beam said he learned that what sets an auction apart from its competitors in the marketplace boils down to customer service.

“Unless fees are off the charts, dealers will go where they are treated well, customer service is readily apparent, and someone is always there to take care of problem,” he said. “If you want to have a successful auction, you need to be responsive to the customer’s problems.”

Beam said there are auctions that stick to the “letter of the law” as spelled out in policies like the National Auto Auction Association’s Arbitration Policy, and then there’s “doing what is right.”



Dealers Auto Auction of Oklahoma City currently runs six lanes and consigns more than 900 vehicles each week. The auction is located on 125 acres.

sites including Auction Edge/Pipeline, OVE, Dealerblock and the respective simulcast sites.

“I have seen more condition reports than I care to remember. I also learned the strengths and weaknesses of each.”

Buying at auction, rather than serving as the facilitator of sales between consignor and buyer, gave Beam a new perspective on the industry. “Before I got there, Express Credit Auto never arbitrated a vehicle,” Beam said. “I was buying 2,000 units myself during the course of year, and the business bought 5,000, so there were times when a purchase needed arbitration. We may have done 10 to 20 a year, but it opened my eyes to what a dealer has to

“If it’s the eighth day and there’s a seven–day post–sale policy, you may have to bend a bit,” Beam said. “That being said, you can’t allow customers to repeatedly bend the rules, but you shouldn’t hide behind the rules either.”

A good friend at another independent Oklahoma auction told Beam, “Our goal is to try to do something every day for someone that we don’t have to do.”

While at Express Credit Auto, Beam also worked as special projects manager and oversaw the renovation of an eight–story office building in Oklahoma City where the company turned one of the floors into



its headquarters.

“It was a major renovation and challenging with so many different contractors and so many details,” Beam said. “We were very pleased with the result.”

DAA of Oklahoma City’s owner, Gary Smith, is Beam’s father-in-law, and Beam’s wife, Nicki, still works at the auction as controller.

“It’s a family business, and I decided to come back,” Beam said. “It was a family decision.”

Beam said the lessons and wisdom he got from working on the other side of the auction block have already played a role in how he’s running the sale.

“We’ve made some changes at the auction, changes in attitude and in our culture,” he said. “We want to be known as the auction that does the right thing. If we have to buy a car back, we will. If we have to make repairs, we will. We will be fair, and just do what’s right.”

Currently, the auction has seven lanes and uses six. Four other lanes (the auction previously ran 11) are used as a condition report area. The auction consigns 900-plus vehicles a week, and has a conversion rate that stays right about 55 percent. The auction sits on 125 acres, all concrete, and has 135,000 square feet of reconditioning facilities, and a 50,000-square-foot arena and office building.

“Competition in the marketplace is strong,” he said. “There’s a lot of consolidation in the industry, and technology is improving and changing at light speed. We have to offer more and more services. We’re looking at turning one of our recon centers into a retail facility. We want to be able maximize the value of what we have.”

Beam said that while the corporately owned auctions are formidable competitors, in the Oklahoma market, independents are his major competitors. However, there are ways to compete with the big boys.

“You have to be on your toes,” he said. “You must adapt quickly, and adapt strategically. That’s an advantage independent auctions have. We have the ability to make decisions and implement them immediately. But you have to be smart. Find out what your competition cannot provide, and exploit that weakness.”

At 58, Beam said he expects this to be his last move, and plans to finish his career at DAA of Oklahoma City.

“I love the auction industry,” Beam said. “It’s been an honor to be a general manager at an NAAA auction. The association does a lot to support and benefit our industry, and we’re always looking to help and support the NAAA in any way we can.” ■

COX AUTOMOTIVE AND HOLMAN ENTERPRISES ANNOUNCE JOINT VENTURE WITH FLEXDRIVE



Flexdrive is a vehicle subscription and services platform that enables dealerships to offer vehicle subscriptions as an option alongside buying and leasing.

Cox Automotive recently announced a new joint venture with Holman Enterprises, a global leader in automotive sector services. Both automotive companies are now shared owners of Flexdrive, a new mobility company that enables consumers to subscribe to a vehicle, rather than buying or leasing it. Flexdrive is an innovative new business model that was created within Cox Automotive in 2014 and evolved into a joint venture with Holman Enterprises in early April.

“Both Holman Enterprises and Cox Automotive share an appreciation for what it means to move forward and create what consumers want today instead of fitting yesterday’s solutions into today’s demand,” said David Liniado, vice president of consumer mobility at Cox Automotive. “Through this partnership, we are combining the best of both companies to give consumers a new way to satisfy their mobility needs while enabling dealers to get into the mobility market.”



Cox Automotive announced a new joint venture with Holman Enterprises to offer Flexdrive.



Flexdrive General Manager and Co-Founder Jose Puente seals the deal with Jeremy Paolone, vice president of technology operations at Holman Strategic Ventures.

Flexdrive is a vehicle subscription and services platform that enables dealerships to offer vehicle subscriptions as an option alongside buying and leasing. Through Flexdrive, consumers can subscribe to a car via a mobile app within minutes, and drive away without worrying about insurance, maintenance or any of the other activities typically involved in purchasing or leasing a vehicle. They can swap vehicles at any time, giving them the flexibility they need without the commitment of a long-term contract.

“The modern marketplace is asking for mobility solutions, not just transportation, and we are enthusiastic about working together with Cox Automotive to meet the modern consumer’s needs,” said Brian Bates, president and CEO of Holman Consumer Services. “At Holman, we have always been committed to providing customers with extraordinary service, and giving our customers the opportunity to ‘flex’ in addition to purchasing or leasing is another way we are achieving that goal.” ■

DAVID ANDREWS INDUCTED AS NIADA'S 2017-2018 PRESIDENT

LONGTIME DEALER AND AUCTION OWNER WILL PUT HIS DECADES OF EXPERIENCE TO WORK FOR AUTOMOTIVE DEALERS



David Andrews

David Andrews, chief executive officer and owner of City Enterprises, LLC, was inducted as the National Independent Automobile Dealers Association's (NIADA) 2017-2018 president in June.

Andrews has been in the automotive retail business since the early 1970s. In 1986, he launched City Auto Sales, which now operates four retail locations. In 2001, Andrews purchased his first auto auction.

Today, Andrews leads City Enterprises LLC, the management company and parent entity of City Auto, City Auto Finance, City Leasing, Dealers Auto Auction Group, and Pace Financial. The company operates in the Southeast and employs over 700 people in its various divisions. Ever an entrepreneur, Andrews is focused on continual growth and is planning on expanding the company's footprint in the Southeast and beyond.

In 2016, City Auto's four retail auto locations sold 6,846 units and the wholesale locations sold 2,470 units.

Giving back to the community is equally as important to Andrews as are his business successes. He requires each of his general managers to select a charity to support, which includes a goal for their employees to reach. As a result, his companies have been able to make substantial contributions to many charities over the years.

Through partnerships with local nonprofit and civic organizations, Andrews, his managers and his employees make significant contributions to organizations that build stronger, healthier communities. City Enterprises LLC and its affiliates invest in making an enduring positive impact on the causes they care about and the people they serve.

Andrews, who has been very active with the National Auto Auction Association, has previously served on the NIADA executive committee as a regional vice president, senior vice president and president-elect, and is a past president of the Tennessee Independent Auto Dealers Association (TIADA).

At the NAAA Convention in Boston in 2014, NIADA awarded its 2014 Auto Auction of the Year honors to Dealers Auto Auction of Huntsville, Ala. The award highlights an NAAA member showing the highest level of customer service and resources for NIADA dealers, while also supporting its state association and its dealer members.

Working for all independent automobile dealers as president of the NIADA, will be a first priority for the longtime dealer and auto auction owner.

As president of the dealers association, Andrews plans to meet with state Independent Automobile Dealers Association (IADA) executive directors "at their place of business" during the course of his year-long tenure. This past summer, Andrews attended the IADA conventions in Alabama, Georgia, Texas and the Carolinas. Such hands-on efforts have been a hallmark of the entrepreneur's long career in the automotive business.

"We have the opportunity to grow our membership," said Andrews in early July. "We hope to grow the membership from the current level of 17,000 members."

Andrews said he is in the process of working with NIADA CEO Steve Jordan and other association leadership in developing a top 10 list of goals for the association during the coming year.

"When we have our goals finalized," Andrews said, "we will share these with the industry, but we'll definitely discuss membership, continued efforts to lobby against burdensome laws and regulations, and the long-term needs of the association."

A longtime member of the NAAA, Andrews has been in the auto auction business for 17 years. In that time, just on the wholesale side, he has grown his business to five locations in Tennessee and Alabama. The company remains focused on growth, within and beyond its current geographic footprint.

With off-lease units rising dramatically in recent months and more units coming off lease over the next several years, Andrews predicts it will mean excellent profit potential for both used automotive dealers and the wholesale auction industry.

"This is a great time for new and used automotive dealers," Andrews said. "Capital is available and inexpensive. While margins

are tight on the new vehicle side of the business, there is greater potential for larger margins on the used vehicle side at both franchise and independent dealers."

"There are opportunities for dealers on the retail side," he said. "Today's consumers know what a vehicle is worth, and they can learn the vehicle's history, features, ratings and reviews with a few taps on their mobile device. People are willing to drive or fly further to buy the vehicle they want at the right price."

Andrews has great praise for entrepreneurs who've succeeded at changing the way consumers interact with automotive dealers. "I admire what CarMax has done," Andrews said. "People want a stress-free process that is transparent, efficient and fair."

He said all independent dealers must do a better job when it comes to customer satisfaction. Offering certified pre-owned vehicles is crucial to success now and will be even more so in the future.

"I've always said our number one objective is to keep a good customer rather than having to try to find a new customer to replace one we have lost," Andrews said. "That's true for the dealer and their customer, or for the auction and its dealer customers. You have to win with customer service."

Success at his Dealers Auto Auctions sales is a direct result of quality customer service. Auctions must be able to look to the future and adjust to changing market conditions and changes in technology. Simulcast sales are at nearly every auction everywhere in the country. Today, even at small sales, online buyers account for 10 to 20 percent of the total number of buyers.

"When dealers buy at wholesale auto auctions it's different than when retailers compete for consumers, say for dry goods or groceries," Andrews said.

Andrews said, "Wal-Mart and Target buy in huge quantities and increase their margins by buying in bulk. Auto dealers compete in an open marketplace and are able to buy those vehicles at the same price as the larger dealerships."

He believes that increased cooperation among the various associations—the National Automobile Dealers Association, NIADA, NAAA, and the International Automotive Remarketers Alliance—has been and will continue to be valuable for all aspects of the automotive retail industry.

"I know that together we can accomplish more in terms of lobbying for fair regulations and better relations among dealers, auctions and consignors," Andrews said. ■

LAKE CHARLES AUTO AUCTION ADDS THIRD LANE, BREAKS GROUND ON NEW OFFICE FACILITIES



Lake Charles Auto Auction had its largest sale ever July 12 as staff and customers celebrated the grand opening of the auction's new third lane.



Cars line up to run through Lake Charles Auto Auction's new third lane. The auction broke ground on a new office facility in July.

Lake Charles Auto Auction in Lake Charles, La., has remodeled its two-lane auction and opened a third lane in July. It will add a fourth lane in the near future. Father and son owners, Mike and Matt Pedersen, broke ground on a new 6,000-square-foot office facility in July as well.

The auction held its largest sale ever during its Third Lane Grand Opening Event July 12. The sale featured 539 vehicles and sold 307 for a 57 percent sales rate.

"We had 232 attendees and another 36 attended online," Pedersen said. "Those who joined us were treated a barbecue lunch with all the trimmings thanks to the Tarver Family of Lake Charles Toyota. They brought their pull-behind pit grill, family members and several employees who brought and prepared

food and drinks for everyone."

Mike Pedersen purchased the auction, which is a relatively short drive from Beaumont, Texas, and Lafayette, La., in 1991. His son, Matt Pedersen, joined his father in 1997, and in 2008 became part owner.

"Two years ago, we tore down the existing two lanes, replaced them," Matt Pedersen said. "We've now added a third and will add a fourth lane very soon. We broke ground on the new 6,000-square-foot office building just recently, and it will be operational in early 2018."

The auction sits on 9.5 acres, mostly all hard-surfaced land, and now runs more than 350 cars each Wednesday. The weekly sale brings 160 to 170 dealers from around the region and another 30 or so on the auction's

Edge Pipeline live online simulcast. There are about 25-30 full- and part-time employees.

Matt Pedersen said the sale is about 75 percent dealer consignment, but does include an Enterprise Rent-A-Car sale as well as repossessions from several credit unions in the area.

"My goal is to get to 400 to 500 vehicles running each week, and we've spent a lot of time and effort, and hired the right people to make this goal a reality," Matt said.

Competing against the major auction chains and larger independents has been a challenge, but one the Pedersens welcome.

"We don't have a lot of the fees for every little thing that some of the other auctions do, and dealers and consignors like doing business directly with the owners and decision makers," Matt Pedersen said.

He said the average vehicle moving through his lanes now is \$6,700, up significantly from just 24 months ago.

"We rejoined the National Auto Auction Association three years ago after a brief lapse, and are very glad we did," Matt said. "We look to take an active role with the association."

Each year in October, the auction hosts an Anniversary Sale, with special prizes, giveaways and a 500-plus run of vehicles through the lanes. ■

SPACE COAST AUTO AUCTION DOUBLES SIZE OF FOOTPRINT

Space Coast Auto Auction in Melbourne, Fla., doubled its footprint this summer as the four-lane auction increased in size from four to more than nine acres.

President and Auctioneer Joe "Hot Rod" Pritchett said the family-owned auction, which his father Joe Pritchett, Sr., purchased in 1998, has grown significantly in recent years and the expansion was necessary.

"We rely heavily on franchise dealership trades and our average car sold is now \$4,800," Pritchett said. "It's really a sweet spot for the buy-here-pay-here dealer, and with sales picking up again in that segment, it's been very good for us."

Located just minutes from

Florida's east coast Intracoastal Waterway and the Atlantic Ocean and just off I-95, the auction runs about 350 units each Tuesday with a 50 percent sales rate. About 120-130 dealers visit the sale each week, and an additional 15-20 now attend the sale online via EDGE Pipeline.

"Those 15 to 20 additional sets of eyes on the cars really make a difference," he said.

"We implemented Edge Pipeline about six months ago, and we've put all the pieces together, and we're working at growing that market as well. We've sold cars that have gone to Mississippi and California."

Competing with the larger auctions, of which there are many in Florida, has and continues to be a challenge, Pritchett said, but when dealers come to the sale they

enjoy "the big guy feeling with little guy service."

"We have state-of-the-art high definition cameras for our online bidding, and provide all the services dealers can get at the larger sales such as NAAA-graded condition reports and clean car services, as well as employing NAAA Guidelines for Arbitration, Lights and Conditions."

Space Coast also ramps up excitement with special buyer incentives, and monthly "dealer appreciation" events with free food and beverages. Incentives may include free transportation or post-sale inspections.

"I know the dealers enjoy the hands on, face-to-face with the owners and managers at our sale," said Pritchett, who serves as an auctioneer at his sale as well as other sales in the region. "I've worked a lot of auctions and sale days and I've seen what has worked, and what doesn't work."

The footprint expansion is just the beginning of the growth Pritchett envisions in the next two years. He plans to expand to 6-8 "piggy-backed" lanes in the near future as well.

"We also are planning new offices and an expansion of our recon center as well," he said.

Pritchett's wife, Amanda (Mandy) works as a clerk and "basically does whatever needs to be done." The auction has six full time employees, but on sale day there may be as many as 35 people working the event. Pritchett's father is now retired and lives in Texas.

Space Coast Auto Auction has been a member of the NAAA for two years. Pritchett said he recently joined the NCM Auction Twenty Group, and is learning a lot from the sharing of best practices and new ideas.

"We're looking ahead to continuing our forward momentum," he said. ■

MANHEIM ORLANDO FLIPS THE SWITCH TO LED LIGHTING, SAVING 961 TONS OF CARBON

Manheim Orlando will save 951 tons of carbon per year as a result of installing indoor and outdoor LED lighting at its facility—the equivalent of more than two million miles driven by the average passenger vehicle. The installation, which replaces 7,452 bulbs and 1,311 fixtures, will require less maintenance and will save \$133,000 in annual energy costs.

Manheim Orlando and its 350 team members also recycle an average of 262 tons of waste each year.

“Upgrading to LED has greatly improved the quality of our lighting in and around each of our 19 buildings, not only saving energy but increasing safety for our team members and clients,” said Butch Herdegen, general manager of Manheim Orlando.



Upgrading to LED has improved the lighting quality at Manheim Orlando.



Manheim Orlando will save in annual energy costs with the installation of indoor and outdoor LED lighting.

Funded by Cox Conserves, this LED project supports Cox Automotive’s sustainability goal to be carbon neutral by 2044. To achieve this goal, Cox proactively identifies opportunities to leverage alternative energy, conserve energy and modify fleet operations across its 127 traditional and mobile auction sites nationwide. ■



Manheim Orlando replaced 7,452 bulbs and 1,311 fixtures in this transition.

CAPITAL CITY CLINCHES CHAMPION CROWNS

Capital City Auto Auction (CCAA) in St. Albans, W.Va., has earned both annual awards given out by BB&T for remarketing this year. Capital City earned both the BB&T Auction of the Year and The Iron Man awards. Each award is presented based on a variety of strategic results, such as sales percentage, recovery

percentage and Black Book price comparison. More than 20 auctions across the United States were eligible for the award. First opened in 1996 by Joe and Charlotte Pyle as a greenfield site, CCAA now runs more than 1,400 units weekly. The auction is conveniently located at the crossroads of three major interstates and the intersection of four strong market areas. ■



From left are: Neil Boardman, BB&T remarketing manager; Paul Penniger, BB&T auction representative; Michael Criner, CCAA national commercial accounts manager; Ty Laughlin, CCAA general manager; Will Sargent, BB&T special assets remarketing manager; and CCAA owner Charlotte Pyle.

“SUMMER SLAM” WAS A HIT AT MANHEIM BALTIMORE-WASHINGTON

Manheim Baltimore-Washington’s clients had an inventory home run at the third annual “Summer Slam” sale. More than 3,400 units were available at the baseball-themed event.

“Along with offering great inventory and value, we have a good time with our clients and show how much we appreciate them at sales like the annual Summer Slam,” said General Manager John Eriksen. “Our clients really get engaged, which makes our sellers happy.”

From hot dogs and Cracker Jack® caramel popcorn to an ice cream cart, each lane offered a fun baseball-themed item dealers could enjoy while they browsed and bought inventory. The first 200 dealers “scored” a free gift—and one lucky person won tickets to Baltimore Orioles games. Participants also had a chance to win a signed bat featuring Orioles legend and Hall of Famer Brooks Robinson. ■



Manheim Baltimore-Washington team members gathered baseball-themed items for the annual sales event.



The team prepared for an inventory event offering more than 3,400 units.

NEXTGEAR CAPITAL PARTNERS WITH READY LOGISTICS TO OFFER A NEW TRANSPORTATION FINANCING SOLUTION

NextGear Capital has partnered with Ready Logistics to provide a new solution for transportation financing that company executives say makes it easier for dealers to buy, pay and ship vehicles in a single seamless transaction. The financial service is available nationwide to NextGear Capital clients who buy vehicles anywhere that Ready Logistics operates.

“Our goal is to make clients more profitable by increasing the speed and ease of buying and selling vehicles, and bringing transportation financing to independent dealers is a prime example of how we’re doing just that,” says Randy Dohse, NextGear Capital’s senior vice president of operations. “This first-of-its-kind transportation financing solution helps free up cash flow and simplify business operations.”

He adds that the streamlined process allows clients to benefit from a deferred payment option that keeps transportation costs on hold until the vehicle is sold.

“Dealers can see transport costs associated with a vehicle and take advantage of quick in-lane or online checkout,” Dohse explains.



NextGear Capital is partnering with Ready Logistics to deliver a unique transportation financing solution.

“They only pay NextGear Capital for their financed vehicle and transportation purchase, simplifying the payment process. Also, they can use their mobile device or go online at Manheim.com and OVE to order transportation from Ready Logistics and receive automated alerts about post-sale activities and vehicle transportation.”

As a client, Reliance Motors owner Asif Aziz attests, “Not only does this process make our accounting easier, it saves me a considerable amount of working capital and creates the possibility to reinvest those dollars elsewhere in the business!” ■

RMS AUTOMOTIVE, MAZDA MOTORS UK CELEBRATE 10-YEAR PARTNERSHIP

There is tremendous power in long-term collaboration. RMS Automotive and Mazda Motors UK this year celebrated a decade-long partnership. In that time, RMS Automotive has helped Mazda sell more than 14,500 vehicles and reach more than 75 percent of the Mazda Dealer Network through its web-based vehicle portfolio management solution.

“RMS Automotive is a reflection of Mazda remarketing; in fact the two are synonymous,” said Tamara Brown, used car and remarketing manager, Mazda Motors UK Ltd. “We’re proud to have reached this important

milestone with them and are looking forward to growing and continuing our relationship.”

The two companies first collaborated in 2007 at a time when Mazda heavily relied on spreadsheets to monitor and administer inventory. Hindered by this time-consuming process and limited access to its network of dealerships, Mazda tapped RMS Automotive to transform the management of its used vehicle inventory by implementing an online wholesale remarketing platform that would allow them to gain control and visibility over their entire vehicle portfolio for better,



RMS Automotive and Mazda Motors UK celebrates a decade-long partnership this year.

more informed decision making.

To commemorate the milestone, Mazda held an online auction hosted by Manheim UK in mid-April, during which RMS Automotive donated £50 (approx. \$65) per vehicle sold for a total of £2,750

(approx. \$3,600). The donation will be split across three charities—Grief Encounter, Max Appeal and Emilia’s Little Heart Foundation. ■

ADESA AND KAR COMPANIES RAISE \$28,000 FOR NIADA FOUNDATION

ADESA, AFC and IAA, members of the KAR Auction Services group of companies, hosted a charity auction at the 2017 National Independent Automobile Dealers Association (NIADA) Convention and Expo in Las Vegas. A large crowd gathered to bid on a red 2016 Nissan Frontier SV crew cab pickup. Jeff Baker, president of Car City Supercenter in Grand Rapids, Michigan, walked away with the truck on a winning bid of \$28,000. The crowd contributed even more, and the total donation for the NIADA Foundation was \$28,675.

This was the fifth straight year ADESA partnered with other businesses within the KAR group of companies to give back to the industry. The truck will be delivered to Baker and comes with an 84-month full coverage warranty, all courtesy of the KAR group of companies.

Including this year's donation, the ADESA/AFC/IAA-sponsored auctions at the NIADA Convention have raised a total of \$125,875 for the NIADA Foundation. The Foundation supports the auto remarketing



L to R: Timothy Lozano, director of dealer sales, IAA; Doug Hadden, executive director, dealer consulting services, ADESA; Steve Jordan, CEO, NIADA; Joe Keadle, CEO, AFC; Jeff Baker, winner, Car City Super Center, Grand Rapids, Michigan; Tom Kontos, chief economist, KAR

industry by awarding scholarships to deserving college-bound students and by providing training and educational opportunities to car dealers and the public.

Some of the Foundation's past activities included significant donations to charities like Heart of a Warrior Foundation, as well as disaster relief efforts and endowments for university scholarships. ■

ADESA PITTSBURGH SUPPORTS WOUNDED WARRIOR PROJECT



ADESA Pittsburgh Wounded Warrior Project.

ADESA Pittsburgh raised \$19,400 for the Wounded Warrior Project during a special sale day recently. The site auctioned off cars that were donated by dealers, and T-shirts were given to employees and customers who made a minimum \$15 donation.

"The day turned out to be a huge success," said Carly Bishop, district human resources generalist at ADESA Pittsburgh. "Not only did we raise money and awareness for the Wounded Warrior Project, but everyone had FUN!"

The Wounded Warrior Project — a cause supported at many ADESA auctions — connects, serves and empowers servicemen and women by providing programs that address their needs and fill gaps in government care. ■

GOLF OUTING AND SPECIAL SALE AT ADESA NASHVILLE RAISED \$10,000 FOR CHARITY



Jeff Cale, office manager at ADESA Nashville, presents a check from the auction to representatives of St. Jude Children's Research Hospital

A dealer golf outing at ADESA Nashville raised more than \$7,000 for St. Jude Children's Research Hospital. The next day, at the auction's special sale, a \$5 donation from every car sold brought in nearly \$3,000. Altogether, the two-day event netted more than \$10,000 for the children's hospital.

"St. Jude's does a wonderful job for children and families, and we're always happy to give back to our community and support a charity that's local to Tennessee," said Harold Chapman, general manager

of ADESA Nashville. "I want to thank our customers for their incredible generosity and enthusiasm for this cause. I also want to thank the crew at ADESA Nashville for all their hard work in putting together the golf outing and special sale."

Jeff Cale, office manager at ADESA Nashville, later presented the check for \$10,191 to representatives of the hospital. The mission of St. Jude Children's Research Hospital is to advance cures and means of prevention for pediatric catastrophic diseases through research and treatment. ■

ADESA RICHMOND PARTICIPATES IN MIRACLE WEEKEND FOR BC CHILDREN'S HOSPITAL



General Manager John MacDonald and Sales Manager Marc Bergevin, along with Bergevin's daughters, present a check from ADESA Richmond to BC Children's Hospital Foundation.

ADESA Richmond Public Auction made its annual contribution to BC Children's Hospital Foundation during Miracle Weekend, a two-day celebration that is televised to showcase support from corporate and community groups from across British Columbia.

ADESA Vancouver/Richmond General Manager John MacDonald and Sales Manager Marc Bergevin presented the check on the auction's behalf. The auction's donation, which was just under \$16,000, was the result of year-round efforts, selling donated vehicles and offsite fundraising auctions. ■

ADESA BOSTON RAISES \$17,300 FOR CHARITY



The 17th annual Classic Car Show and Motorcycle Run at ADESA Boston raised \$17,300 through a live auction, show entry fees and sponsorships. All proceeds went to JDRF, a leading advocacy group for people with type 1 diabetes. Since 2001, this annual event has raised more than \$600,000 for numerous children's charities.

"I sincerely thank our dealers, customers, employees and families for their outstanding support of our fundraising efforts year after year," said Jack Neshe, general manager of ADESA Boston. "Charitable giving is important to us, and we are deeply committed to doing our part to help our neighbors and strengthen our community."

More than 50 classic cars and motorcycles were entered in the show. A 30-mile, police-escorted motorcycle run took 40 riders through scenic Massachusetts's towns. The event included live music, raffles, food catered by Fulcini's Market and a live auction. ■

CELEBRATING 30 YEARS OF COMMUNITY SERVICE AT ADESA WINNIPEG



Gregg Maidment, general manager of ADESA Winnipeg and senior vice president of Canadian operations at ADESA, speaks at the 30th anniversary sale at ADESA Winnipeg.



The 30th anniversary celebration at ADESA Winnipeg brought together family, friends, retirees and many dealer partners.

The start of the auction goes back to 1987, when Mike Lawrence, founder of Canadian Auction Group (later acquired by ADESA), asked Gregg Maidment (now general manager of ADESA Winnipeg and senior vice president of Canadian operations at ADESA) to come to Winnipeg for a couple of weeks to help with the new auction startup.

Maidment remembers Lawrence told him, "Kid, dress warm."

That couple of weeks has turned into 30 years. The business at ADESA Winnipeg has grown and changed immensely over three decades, from a staff of nine to now 300 employees, serving everyone from local

customers and clients to a truly international buyer base.

During the special announcements on the morning of the anniversary sale, Sales Representative Deb McClellan was presented an award for her 30 years of service.

McClellan was the one who introduced ADESA to Variety, the Children's Charity, in her first year with the auction. ADESA Winnipeg has been working with that organization on fundraising initiatives and partnerships (like the ADESA Golden Gavel Golf Classic tournament, Bids for Kids and the first Gold Heart Gala sponsored by ADESA) ever since. This year, ADESA presented Variety with a

check for \$532,000, making it the most successful year to date in terms of funds raised.

The anniversary celebration also included a gourmet breakfast, live music and a painting of the event by a local artist.

"We are grateful to have had the opportunity to grow with our dealer partners over the past 30 years while also serving the community in which we live and operate," said Maidment. "We look forward to the next 30 years of partnership."

ADESA, a business unit of KAR Auction Services, is a leading provider of vehicle auction and remarketing services. ADESA Winnipeg is one of the company's 75 auction locations across North America. ■

LYNNWAY ACCIDENT FUND MEETS ITS STRETCH GOAL OF \$125,000

Organizers of the fundraiser to benefit Lynnway Auto Auction accident victims and families have decided to wrap up the campaign on a successful note after achieving their stretch goal of \$125,000.

Following the tragedy at the Billerica, MA, auction in May, the National Auto Auction Association partnered with the Massachusetts Independent Automobile Dealers Association (MIADA) with the aim of raising \$100,000. When it appeared that

donations would soon exceed that original target, a second one was set.

“Thanks to the overwhelming response and generosity of the remarketing community, we topped our stretch goal within weeks,” says MIADA Executive Director Melissa Otis, who created a Go Fund Me page to collect contributions. “We appreciate the outpouring of support that has allowed us to conclude our campaign so swiftly.”

In addition to promoting MIADA’s Go Fund Me campaign, NAAA donated \$27,500 to the fund, while gifts from the four chapters included \$10,000 contributed by the Eastern Chapter and \$5,000 each from the Southern, Midwest and Western chapters.

All proceeds benefited the victims and families of the accident, which occurred when an SUV suddenly accelerated during the auction, causing five fatalities and leaving seven others injured. ■

MANHEIM LOCATIONS SUPPORT LEADERSHIP DEVELOPMENT AND DIVERSITY



Fourteen Manheim locations in the Southeast Region hosted Girl Talk Week to support leadership development and diversity in business. Manheim Atlanta team members are pictured here.

Supporting leadership development and diversity in business, 14 Manheim locations in the Southeast Region hosted Girl Talk Week (www.mygirltalk.org) during the week of May 15-19 to raise funds to host Girl Talk’s first camp in Florida. Girl Talk is an organization that inspires girls to develop the confidence to lead. Together, Manheim’s teams raised more than \$78,000—far exceeding the initial \$35,000 fundraising goal.

To support the effort, each Manheim team partnered with dealers to collect donations; host sale day events like bake sales, silent auctions and car washes; and help raise awareness with onsite signage and décor.

“More than 20 of our clients agreed to donate a portion of their sell fee or a lump sum to support our efforts, and we generated even more engagement with fun activities like a bake sale and raffle,”

said Mark Ford, regional vice president of the Southeast.

The participating Southeast Region locations included: Manheim Atlanta, Manheim Georgia, Manheim Metro Atlanta, Manheim Orlando, Manheim Central Florida, Manheim Daytona, Manheim Jacksonville, Manheim Pensacola, Manheim Lakeland, Manheim Tampa, Manheim St. Pete, Manheim Ft. Myers, Manheim Ft. Lauderdale and Manheim Palm Beach. ■

MANHEIM DELIVERS RECORD-BREAKING RESULTS FOR KYLE PETTY CHARITY RIDE

Manheim team members nationwide rallied to support the 23rd anniversary Kyle Petty Charity Ride Across America May 13-19, 2017. For the fifth consecutive year, the brand was a presenting sponsor, raising a record-breaking \$110,000 to support the Ride's primary benefactor, Victory Junction, a camp dedicated to providing life-changing experiences to children with chronic or life-threatening illnesses.

Manheim Portland, Manheim Minneapolis and Manheim Northstar Minnesota delivered on-the-

ground support for two of the seven overnight pit stop locations and hosted a variety of fundraising activities that engaged Manheim team members and fans alike.

Manheim's rich legacy of supporting the Ride continued with the combined efforts of teams that hosted a variety of events like bake sales, pancake breakfasts, garage sales and raffles. In the Central Region, teams raised more than \$70,000, while National West Region teams raised \$40,000 in raffle tickets for the chance to win a Harley Davidson. ■



Proceeds from the Ride benefit Victory Junction, a camp for kids with chronic or life-threatening illnesses.



Manheim team members supported the 23rd annual Kyle Petty Charity Ride Across America.



Former NASCAR driver and NBC Sports racing analyst, Kyle Petty, began the Ride in 1994 with three friends.



Manheim raised a record-breaking \$110K for the Charity Ride.



Several Manheim locations delivered on-the-ground support for two overnight pit stops.