

State of the Alliance: IARA 2009 GOALS

The International Automotive Remarketers Alliance (IARA) discusses its new and recent developments for 2009.

By Matt Marks

As we begin 2009, the International Automotive Remarketers Alliance, (IARA) is in a strong position to continue its contributions to the remarketing industry.

Profiling Consignor Members

The Alliance recently conducted a survey of its consignor members to present a profile of “the av-

CURRICULUM FOR CERTIFIED AUTOMOTIVE REMARKETER (CAR) PROGRAM		
UNIT	COURSE	TOPICS
Remarketing Channel	Driver/Employee	Available vehicle remarketing channels, including driver/lessee, employee/associate, direct-to-dealer, online and physical auctions, and other specialty sales and/or markets.
	Dealer	Placing vehicles for sale on consignment at a dealership and wholesaling used vehicles to dealers.
	Online Auction	Online auction channel from consignment to sale completion, including auction type selection and methodology as well as unique challenges.
	Physical Auction	Functions and processes at a physical auction, from vehicle assignment to sale completion and vehicle delivery.
Pre-Sale Activities	Verification Transportation Grounding CR/Inspection	Identification, documentation, acquisition, and transportation processes involved in the pre-sale activity.
	Reconditioning	Managing a reconditioning program for used vehicles, focusing on vehicles sold by finance, leasing, and fleet management companies.
	Lease Maturity	Various skills required to effectively manage a lease end-of-term program, based on portfolios and clients, and predicated on program goals.
	Marketing	Tasks necessary to be considered by an auction or upstream sales provider and a remarketer to effectively sell vehicles. Demonstrates importance of developing an integrated marketing plan.
	Services-History Reports/ Finance and Warranty	Employing vehicle history reports (VHRs) throughout the remarketing cycle and the impact on vehicle value. Finance and warranty aspects of remarketing are also covered.
	Repossession	Unique elements surrounding repossession processes, specifically activities and functions necessary whenever vehicle repossession takes place. Determining and staying up-to-date on state-specific repossession laws.
Actual-Sale Activities	Dealer/Auction Selection	Decision factors and the process involved when a remarketer selects a vehicle auction.
	Branding and Certification	Proving to buyers that a product is a cut above the rest. Vehicle Certification (VC) is one of the most sure-fire ways to create a consistent, reliable, and superior brand.
	Pricing and Guidebooks	Processes utilized by the primary guidebooks to determine vehicle values and market performance. Also covers setting floor prices.
Post-Sale Activities	Arbitration	Arbitration activities as part of the remarketing process. The seller can always establish or design his/her own criteria for arbitration with the selling venue.
	Title Process	Definition of a title and when, where, why, and how a title is used (not meant to be all-inclusive). Every state has its own set of titling rules and regulations.
	Benchmarking	Strengthening remarketing skills, emphasizing specific functions applicable to pre- and post-sale activities.
	Factors Influencing Resale Values	Effectively assess positive and negative impacts of factors that influence vehicle values: marketplace conditions, model/engine size, trim level and options, color, mileage, damage, and condition.
	Arbitrage	How various factors influence resale values. Potential effects of arbitrage in the remarketing process.

erage IARA consignor member.” The survey’s significant statistics include:

- The total combined number of vehicles remarketed last year from IARA consignors was 1.225 million.
- The average total dollar value per consignor of total vehicles sold last year amounted to \$756 million.
- Average number of years the member company has been remarketing vehicles equals 28.5 years.
- IARA consignor representative years of experience averages 18.
- Average annual dollar increase in portfolio performance directly attributed to items gained from IARA participation ranged from \$50,000 to more than \$5 million for one large portfolio member. The return value in IARA membership has benefited many members more than several times over with increases in efficiencies. One member stated a single day’s improvement in the days-to-sale metric is worth \$500,000 annually for the portfolio. They have shaved several days off the velocity in the past few years with ideas gained by IARA participation.

Presenting a New Opportunity

The Alliance membership is now focusing on the opportunity to increase the accuracy of frame damage calls by presenting a seminar and workshop on frame damage at the 2009 winter IARA meeting.

The recent consignor survey revealed the average percentage of frame damage calls for all members was 7.7 percent last year. The range for member consignors was from less than 1 percent to 25 percent. It is more important than ever to ensure that all calls are made correctly. A small improvement in accuracy results in a very large dollar improvement in portfolio values. It only takes one single frame-damaged unit to be called correctly to pay for an IARA membership.

The seminar will focus on improving the process and the expertise of those involved. Membership feedback will guide us as to how the IARA addresses this issue.

CAR Program Continues to Soar

IARA has reached a milestone in 2009 with the completion of the Certified Automotive Remarketer (CAR) program.

This program consists of 20 courses arranged into five units:

The main subject areas are:

- Remarketing channels.
- Pre-sale activities.
- Actual sale activities.
- Post-sale activities.
- Legal/ethics/terminology.

In total, material developed by industry experts numbers about 400 pages. The actual certification process occurs through the testing of participants on the course material. Twenty-two participants are currently enrolled in the program. Those who have completed testing prior to CAR 2009 will be recognized during the conference. As others are certified, they will be recognized at subsequent conferences. This industry first is the beginning of long-overdue recognition for the industry and for those who are the everyday frontline experts.

Reaching Out to Others

We would like to hear from everyone, anytime — member or not — in identifying the pressing industry issues. Some possible future IARA action items mentioned in the consignor survey are:

- Standardization of condition reports.
- A single arbitration policy.
- Transportation.
- Simplifying dealer online buying.
- Standardization of processes.
- Central Internet portal.

What would you like to see added? Please contact me at: matthew@iaraonline.org.

The strength and dedication of IARA volunteer members continues to be the most important asset of the Alliance. These members have achieved an amazing amount of industry-enhancing ideas and improvements in the past few years. The momentum is strong and will continue because in this industry, the desire to be a part of it and stay a part of it remains its strongest bond.

About the Author

Matt Marks is executive director of the International Automotive Remarketers Alliance (IARA). For more information on the IARA, visit www.iaraonline.org



PAST IARA PRESIDENT NAMED TO NAAA HALL OF FAME



HOUSTON

Steve Houston, vice president, remarketing, for Wachovia Dealer Services since 2001 and past president of the International Auto-

motive Remarketers Alliance (IARA), was inducted into the National Auto Auction Association (NAAA) Hall of Fame during its 60th Annual Convention, Equipment & Service Exposition in Washington, D.C. last October. Houston currently serves as IARA board chairman.

The NAAA award recognizes a person with “long-term service to the wholesale motor vehicle auction industry and NAAA, who has improved the industry as a whole, worked with other NAAA members to improve the industry as a whole, and consistently followed the high standards of the NAAA Code of Ethics,” according to the organization.

After more than 25 years working in retail car dealerships, Houston “left the retail side of the business in 1999 to pursue the best part of the industry: used cars, the auctions, and remarketing,” said Jim DesRochers, NAAA past president, in presenting the award. He noted Houston has also served the industry well, working on several NAAA committees, helping found the IARA, and serving as its president.

Houston was named to the NAAA Hall of Fame for his “integrity and devotion to the auction industry,” said DesRochers.