

Simplifying Auction Charges



The role of AutoIMS in remarketing is to save time and money while enabling compliance for consignors and auctions. Yet, after all these years, not all parties make the most of the available tools and connections. One area rich with opportunity is auction charges.

We routinely encounter clients and auctions who are concerned about the negative financial impact of:

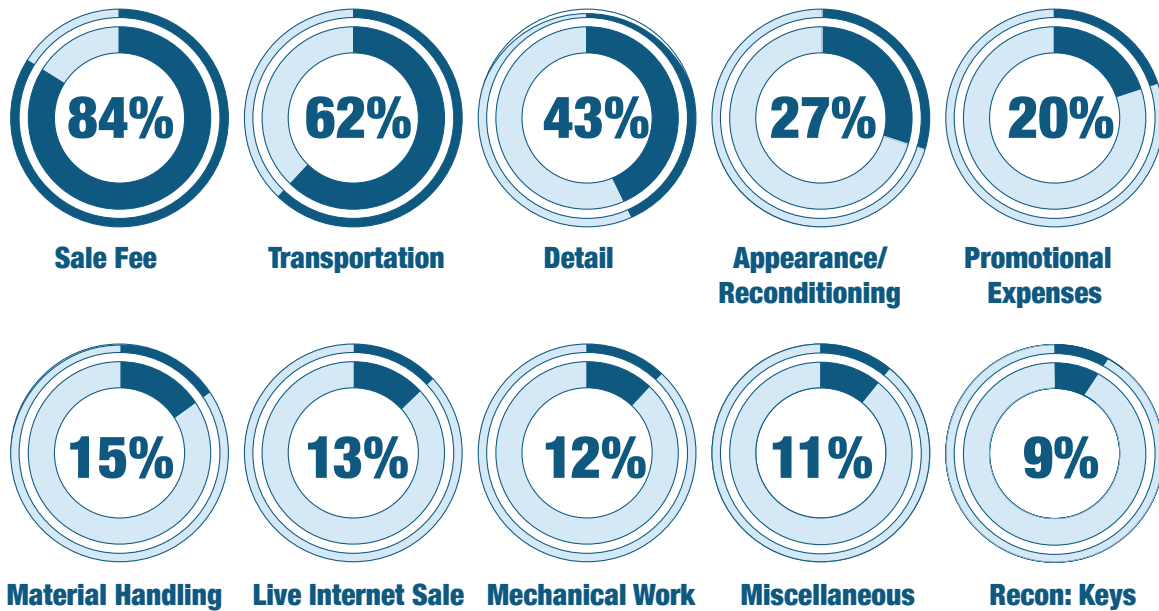
- Redundant, administrative tasks and frequent errors
- Lack of visibility and understanding of auction financials

Best-in-class AutoIMS tools and practices make it easy for consignors and auctions to blend the art and science of remarketing by keeping the data and dollars in sync, reviewing auction fees on an apples-to-apples basis, and meeting each other's financial expectations with greater ease.

Simple Changes, Big Impact

AutoIMS studied a 30-day period of auction sales in early 2017, during which clients sold more than 347,000 vehicles. Most vehicle remarketers are responsible for minimizing losses for their organizations, and with an average total charge amount of \$385 per vehicle, the most successful clients have found ways to keep auction fee management simple and easily reportable. Auctions benefit by spending less time on reconciliations, and more time on higher-value activities, to serve clients.

10 Most Common Auction Charges



**% of vehicles with these charges*

While the platform allows for 87 different auction charge types, most clients strive to limit the number in use to simplify the accounting process. Of the 87 charge types,

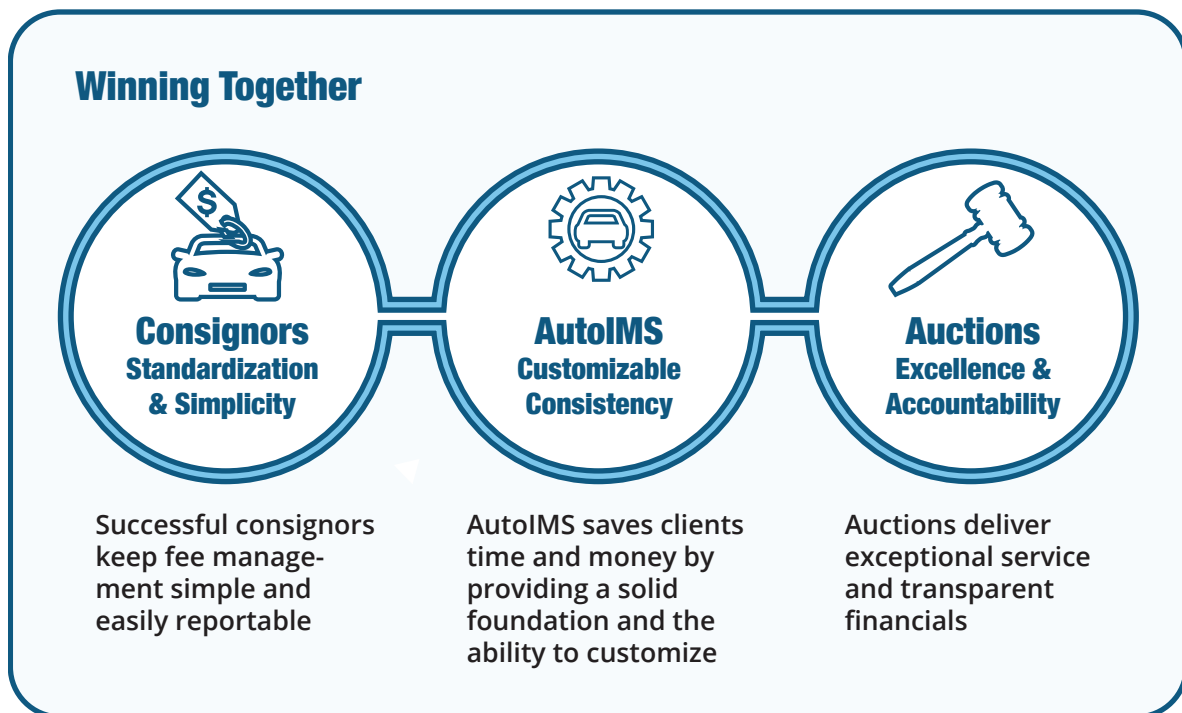
only ten were used more than 10% of the time and only five were used more than 20% of the time. AutoIMS was designed to add transparency and efficiency while offering

the flexibility to serve many different industry segments, yet auction charges might be an area with too much flexibility. Luckily, savvy consignors and auctions have worked with the AutoIMS Client Experience Team to establish guidelines and customizations to enhance their ability to manage charges and other financial reconciliation steps.

Digging deeper into the details of fee management offers insight into the operations of many of the most successful remarketing organizations. In addition to

allowing as few unique fees as possible, consignors agree that setting limits for the charge types that align with their respective auction contracts, create a strong, yet transparent foundation.

What's more, creating custom logic that allows the system to issue automatic approvals, exception reporting and workflows for sale reconciliation ultimately adds efficiency to the operations of the remarketing team, vendor management, compliance, and the auction staff.



Flexibility Still Reigns

Creating standardization for auction charges continues to be top of mind for commercial consignors. Charges were a primary topic of opportunity at the 2014 Project Client Insight advisory meeting hosted by AutoIMS in conjunction with that year's IARA summer roundtable. Yet, gaining agreement and truly "locking down" a finite template for the types of charges auctions can use for all consignors is not realistic. New categories of products and services and ongoing changes to consignor accounting processes require flexibility.

Leveraging the foundational approach outlined on the next page, rather than a specific, rigid template of charge types will save consignors time and money and allow the team to focus on more important things. Narrowing the number of charge types, agreeing to use more popular charge types, and establishing systematic limitations for those charges enables exception-based fee management, and clear lines of accountability. Flexibility is still available as consignors can create custom work-flows, require suppliers to adhere to established guidelines, and act with consistency across the portfolio. Auctions will still have the ability to add descriptions for each fee and run reports to reconcile sales before transmitting to the consignor.

Dollars and Sense — LiveReports to the Rescue

"In all honesty, we just didn't realize how much AutoIMS could help us with this issue. We have great relationships with our auctions and have no doubt they work as hard as we do to make sure the data on every vehicle is right – but the best we could do to reconcile sales and make sure the financials were accurate, was reviewing each car and each sale individually. When I took over this portfolio, the AutoIMS team helped me uncover nearly \$40,000 of needed corrections from the 1st half of the year.

"The mistakes were honest, but driven by an increase in volume and a lack of good tools for managing exceptions. We found exceptions to our negotiated rates, and several items we were paying for that simply didn't make sense on our portfolio. There were numerous mistakes where the auctions were hurting themselves, too, and all were glad to get some new visibility. The AutoIMS reports were intimidating at first, but at no additional cost to us, their team helped us get the information we needed.

"Once we realized the opportunity at hand, we decided to set ourselves up for future success. We limited the number of charge types we allow the auctions to use and set limits on each one. We communicated with our auctions who were relieved to have more specific guidelines. AutoIMS helped auction personnel pull their own reports to get ahead of issues. AutoIMS Solutions then created some customizations to flag exceptions, issue selective, automated approvals, and track important actions for future audits."

—AutoIMS Innovator



GROUND BREAKING

- Pick fewer charge types
- Communicate preferences to auctions
- Find true cost

TRAIL BLAZING

- Create custom exception reports
- Enable more robust reporting
- Minimize the use of Excel and other manual processes

INNOVATING

- Customize AutoIMS
- Add calculations and exception notifications
- Design workflows including approval escalation

FOUNDATION FOR SUCCESS

The most successful partnerships require clearly defined expectations and transparency built in to every step—not just on paper—but in the footprint of the foundational systems.

Finding True Cost

We've all been asked or wondered... What's the true cost? We live in an age of analysis. Our business operations need to be transparent, prepared for audit, and in compliance. Taking steps to improve the quality and usefulness of the auction charges data in AutoIMS provides ongoing visibility into operations and numbers that can be trusted, saving time and money for client and auction.



Start with Standards

Delivering comprehensive, standard and custom reporting, LiveReports captures every detail from consignment to sale, adding transparency to the entire remarketing process. Finding the accurate answer and managing fees has never been easier.

Offering a wealth of standard reports (out of the box) and experience creating custom tools for many of the remarketing industry's heaviest hitters, AutoIMS is available to help you get the most out of the tools you have today, and brain-storm new ideas. This

"We are fortunate to have AutoIMS which lets us get on the same page – literally – as our commercial clients, especially when it comes to the financial details of every vehicle they sell."

—AutoIMS Member Auction

conversation often begins in a LiveReports training session, which is free to all users. LiveReports offers an easy view into remarketing operations. Even consignors that export data from LiveReports into their systems have found shortcuts and other tricks to save time and money in their daily reporting and reconciliation tasks.

Manage the Exceptions

Once clients build a solid foundation, then often comes the desire to drill deeper and develop workflows to streamline the process around managing the financials of an auction sale. In recent years, AutoIMS built multiple, custom, sale evaluation modules for clients looking to enhance their process and the AutoIMS interface to their organization.

Offering summaries of each auction by sale date, vehicle classification, and other filters, these tools allow users to spot problems at multiple levels. From there, users can drill down quickly to the vehicle level to find solutions. Adding custom approval processes allows auction reps and managers to work together to spot and manage auction charge exceptions in a matter of a couple clicks. Having these processes in AutoIMS gives clients more transparency and simplifies future reporting.

DO I WANT BETTER CONTROL OVER AUCTION CHARGES?

NO

YES

-  I'm not too concerned about the bottom line
-  I'm sure the numbers are always good
-  Auction expenses are a drop in the bucket

Okay, Okay

I'm ready to take ROI to the next level

You are a...

Ground Breaker

Identify Charge Types
Designate "acceptable" Charge Types and communicate those to auctions

+

LiveReports Training
Train with AutoIMS to understand Charge Types, ask for Partnership Training with key auctions

Trail Blazer

Canned Reports
Have AutoIMS provision special, standard reports to your auctions to increase their efficiency and anticipate issues

+

Automated Fields
Create custom summary fields that automatically total the acceptable and prohibited charges

+

Set Limits
Set thresholds/maximums for the amount that an auction can charge for any one charge type

Innovator

Manage Exceptions
Work with AutoIMS to create custom exception management reporting for charges

+

Sales Work Flow
Create a custom work flow that allows field staff or managers to evaluate and approve a sales summary of every auction sale

Winning with AutoIMS

AutoIMS delivers an integrated, customizable, ever-evolving platform that enables remarketing teams to be more efficient, and focus on higher-value activities. Auction charge management is just one of the hot-button areas where we have helped our member auctions and commercial sellers improve their process. To ensure your team is using the full power of AutoIMS, contact us today.

Our **Client Support** team offers training and troubleshooting for consignors, auctions, and 3rd party providers onsite or via WebEx, helping you get the most out of the tools you have today. clientsupport@autoims.com

Our **Solutions** team works with clients who are ready for more advanced AutoIMS modules or customizations. solutions@autoims.com

Call us at 888-683-2272 to reach both teams.

“As a remarketing leader, invest an hour to get a full overview of AutoIMS. Then arrange for more detailed training for your team. The small commitment in time to more fully understand the depth and breadth of what AutoIMS offers will pay dividends.”

—AutoIMS Innovator