

# Hammering home the value of auctions

**Auction halls play a vital role in feeding the vehicle supply chain, but there's more to remarketing than lanes and hammers, says Manheim MD Peter Bell**

**Q As a comparative newcomer to both Manheim and the remarketing sector, what are your initial observations?**

**A** I'm no stranger to the sector, having spent six years with VW Financial Services and Jaguar Land Rover, but it's fair to say I have still been on a voyage of discovery over the past three months. Having walked the floor and listened to a true cross-section of our stakeholders, it's clear that vehicle remarketing is changing, and the need to be forward-thinking, innovative and adaptive to industry change is more apparent than ever. Manheim is superbly placed to drive this change – we have 100 years of experience to call on, the backing of the world's largest automotive service organisation, the geographic footprint needed to perform at scale, the most comprehensive service offer and the loyalty of almost 300 vendors and more than 10,000 active buyers. More importantly, we have the vision, talent and ambition to drive the change needed to stay relevant and valuable.

**Q In your view, what are the drivers behind these changes?**

**A** Both vendors and buyers face intense challenges, both in terms of the market and assessing and adapting to the new ways of working available to them. Market influences include declining new car sales, cautious consumer spend, more competition in some segments and changes in buyer behaviour. With margin under pressure, the need to buy well, price right and move fast has never been greater. Then there is the rise of digital. This sector has arguably been slow to adopt new technologies, but the pace of change is ferocious – the existing wholesale model is accelerating towards a time when it risks being no longer fit for purpose.

**Q How is Manheim evolving to adapt to changing buyer behaviours and requirements?**

**A** At the heart of our strategy is an intense investment in digital processes, products and services. Our

prediction is that 80% of remarketed vehicles will be sold online within five years. This requires a fundamental rethink – not just in terms of buying channels, but in how digital can drive efficiencies throughout the remarketing process, from inspection and descriptions to vehicle movements, funding and marketing – all with the ambition of reducing cost, improving trust and increasing pace. Perhaps the most profound development we expect to see in the near future are tools that give both parties improved insights on individual vehicles. Today, capturing onboard or telematics data is labour-intensive and fraught with complexity, but it's key to improving trust.

Shared APIs will transform the way this valuable vehicle data can be shared. However, we recognise the importance of our physical presence too. Perhaps the most visible expression of this is the renovation of our Bruntingthorpe site to create the UK's first dual-lane auction floor. This permits 'double-blocking' and has driven a 60% increase in stock throughput during large sales.

**Q As demand for used car stock rises, so will competition to snap up the best stock. How is Manheim working to satisfy dealer demand?**

**A** Having a reliable pipeline of quality vehicles entering the market is essential. We work tirelessly to maintain a partnership with hundreds of vendors who choose to move their vehicles through our halls and digital platforms. They do so because they value our product and service but more importantly, our ethos. The right quality stock is only one part of the jigsaw – we also have to provide the tools and services that help drive margin up and days to sell down. We've invested heavily in online auction channels to give flexible access to stock nationwide, plus we've developed a portfolio of solutions, from inspection services and vehicle solutions to logistics and managed services.

**Q With so much talk of digital services, what's the future for the physical auction?**

**A** There's plenty of life yet in the auction floor model. Today, 60% of vehicles are sold through physical auctions and while we estimate that figure will reduce to 20% by 2023, that still represents a significant volume. Mainstream volumes will move online, but at the premium end we will see brand experience 'event auctions', while at the lower end, there will still be a requirement to see the metal up close. And we must not forget this is still a people business. The buyer community is a social one many enjoy the collective competition of the physical auction and the opportunity to network and connect with peers and colleagues.

**COMPANY PROFILE**


**Key products and services:**  
Manheim Inspection Services;  
Manheim Vehicle Solutions; Manheim Auction Services (Digital and Physical);  
Manheim Managed Services;  
Manheim Logistics (including Movex)

**Key staff:**  
Peter Bell (managing director, Manheim); Martin Forbes (chief operating officer, Cox Automotive UK)

**Founded:**  
In the 1920s – it was originally called Central Motor Auctions

**Based:**  
Headquartered in Leeds, Manheim has 16 auction centres and five specialist vehicle defleet and preparation centres throughout the UK.

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**MANHEIM**



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PETER BELL, MANHEIM