

Remarketing's ever-evolving requirement

The remarketing sector is rapidly evolving to deliver on the potential of an increasingly digitally enabled sector, says Manheim managing director Peter Bell. Now 12 months into his role leading the auction and vehicle services business, we catch up to learn more about Manheim's future direction

Q What were your immediate priorities when you were appointed managing director in March 2018?

A My first priority was to get a really clear understanding of the business – what was good, but, more importantly, what warranted attention. So I spent a lot of time with customers and in every aspect of the Manheim business, talking to teams and getting operational exposure. That time has paid dividends in how we have gone on to shape our operational transformation and strategic priorities, all of which focus on putting our customer at the heart of everything we do.

At the same time, I kicked off a project with my senior leadership team to formulate our five-year vision. We went on to share this with the market in a white paper last summer. Our vision recognises that the needs of both vendors and buyers are rapidly changing and that it's our job to stay ahead of the game to give them future-fit remarketing solutions.

Q How would you describe the current strength of the auction market?

A It has been an interesting first quarter, with a lot going on. Our lanes and online channels have been very busy thanks to a thriving used car market, strong buyer interest and good conversion rates. Competition among dealers for retail-ready vehicles has been high, which has been keeping our technical services and vehicle preparation teams hard at it as vendors opt to ensure their stock is well placed to command the best returns.

Having a good level of stock in the lanes is vital and over the course of the quarter we were delighted to report a number of customer contract renewals and wins from vendors including Group 1 Automotive, Hendy Group, Endeavour Automotive, Vindis Group and Sytner's car supermarket division.

We have also retained our position as the number one auction services provider to the light commercial vehicle market. This is an important time for the van sector as it adapts to the clean air agenda and an increased

demand for compliant stock, and we are ideally positioned to help vendors and buyers to achieve their aims.

Q Looking ahead, what are the opportunities to develop Manheim's proposition?

A I don't think there's ever been a more challenging or exciting time in this sector and being part of Cox Automotive, the biggest automotive services company in the world, puts us in the strongest place to pursue every opportunity. Our ambition is to deliver an increasingly joined up and valuable service for our customers. While digital sits at the heart of this, our physical proposition, particularly vehicle-handling solutions, will continue to play a vital role.

Q What is the strategic thinking behind Manheim's vehicle-handling business?

A We have three businesses that fall within our vehicle-handling solutions proposition, each specialising on the disciplines of inspection, technical and

logistical services. When you consider that our overall job is to maximise the value of every vehicle we touch for the benefit of both vendors and buyers, then these physical services are essential to us achieving that promise.

Our strategic ambition is to further integrate each stage of a vehicle's journey from one owner to the next, add the data and insight that enables vendors to select the best channel to sell for that vehicle in that moment, and facilitate the sale. We will win by striking the right balance between efficiency, speed and quality, by adding value to the process, and by integrating the new digital world with the physical services needed to deliver on its full potential.

Q Manheim is best known for physical auctions – how do you reconcile this with your growing online remarketing solutions?

A It's easy to conclude that a business whose heritage is based in the physical side of our trade may be looking to an increasingly digital future with a degree of trepidation. But we are not – far from it, in fact. We have a tremendous opportunity to further evolve our blended physical and digital sales streams to complement the changing behaviour of our customers.

Our five-year vision predicted that 80% of wholesale vehicle sales will be transacted online by 2023, but we are clear that this will not spell the end of physical sites. These are important today and will continue to be so in the future. There will always be some stock that is best suited to trading in the lanes, and event sales will retain a purpose and attraction. But regardless of that, every vehicle will still need touching in one way or another and that requires a physical infrastructure. A key part of our challenge is to help our customers reduce the number of individual vehicle touchpoints and movements to create the physical efficiencies an increasingly digital ecosystem demands.

It's important to remember digital isn't new to Manheim. We already offer online sales via Manheim Online, and Simulcast enables

buyers to 'attend' a physical auction and bid remotely. Within the Cox Automotive portfolio, our Dealer-Auction.com service has given vendors and buyers the opportunity to trade online for a number of years. The next opportunity comes from the all-new Dealer Auction platform that will result from the joint venture between Cox Automotive and Auto Trader. This is a genuine game-changer for our sector.

Q How will Manheim fit into the Dealer Auction collaboration between Cox Automotive and Auto Trader?

A Dealer Auction is an exciting proposition as it complements all our existing services and prepares us for the demands of the future. Manheim will be one of the sources Dealer Auction customers will be able to buy from and we will also be able to fulfil the physical requirements of each transaction.

Dealer Auction will aggregate the stock available through Manheim's physical and online auctions, the current Dealer-Auction.com service and Auto Trader's Smart Buying platform, giving vendors access to the biggest audience in the UK and buyers the greatest choice of stock. The new platform will be focused on giving the customer the tools they need to find the right stock, via the right channel, for the right price.

Q Finally, can you shed light on any new services you plan to introduce this year?

A We have a number of really interesting developments in progress. These include tools that help vendors achieve greater returns and give buyers greater confidence by better establishing the provenance of a vehicle.

We are also preparing to launch a number of new valuation and part-exchange services that will allow customers to unlock their own e-commerce ambitions. Plus we will continue to invest in our physical infrastructure and services. Ultimately, it's about ensuring Manheim retains relevance and purpose for all our customers. There's a lot to do, but I'm confident we have the credentials, plan, talent and backing to get there.

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
executive officer, Cox Automotive UK)

Founded: In the 1920s – it was origi-
nally 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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