

Adding dealer value beyond the auction hall

BCA has grown considerably from its beginnings as a motor auction group, and now touches many motor retailers at a variety of points in their supply chain.

"Predominantly, people will know us as a physical auction business. That's now a sales channel for us, and a very important one, but it's one of the many services both physically and digitally that we offer to the franchised and independent dealer," said Craig Purvey, chief commercial officer.

"What we are trying to do is create efficiencies and add value to our customers through the supply chain."

BCA's remarketing division consists of 24 auction centres in the UK, and the provision of sales in-hall and on digital platforms, such as BCA Live Online. Purvey said the group has more buyers and sells more volume than any UK rivals, which he puts down to offering the greatest choice. In the financial year to April 2017, BCA remarketed 956,000 units in the UK.

It is the preferred vendor for many large AM100 dealer groups and top FN50 leasing companies, but also works with lots of smaller independents. Clients including TrustFord, Harwoods Group and Snows Group recently renewed their contracts with BCA, while Cambria Automobiles has signed a deal to put about 7,500 units a year through BCA's sales.

The UK has had more than 2.5 million annual car registrations since 2015, and the used car market is likely to see volumes increase as cars return at two, three or four years, depending on replacement cycles.

BCA sees a vital part of its role in providing data and helping customers make better decisions. From the reams of sales data it holds, it can give dealers advice on stock trends, such as what is selling strongly and which trim levels and options are especially valued.

The group has invested in how it provides digital assets – images are now taken in high definition, and in a qualified and

standard image set, including inspection details, for display via BCA Auction View.

BCA has introduced an appraisal app, Appraisal and Autograde, for all its branches. On noting the cosmetic condition of a vehicle, plus extra aspects such as whether it is missing a service history or spare key, BCA can issue an interactive report grading it from 1 (retail-ready) to 5 (significant structural panel repairs required).

All this ensures the buyer has consistency, and the vendor is creating confidence and able to get the best price for their vehicle, said Purvey.

"Buyers need clear and concise data well in advance of the availability and grading of the vehicles on offer," he added.

Under its BCA Assured brand, BCA puts hundreds of thousands of vehicles each year through a 30-point mechanical check, which is carried out by the AA. The appraisal service covers cars that are less than eight years old and under 120,000 miles, along with LCVs. Purvey said this means at least 75% of the almost one million vehicles remarketed through BCA's auctions have a strong level of surety for the buyer.

"Whether you're a buyer or a seller, we are aiming to give the most comprehensive and consistent information about that vehicle, be it through its mechanical checks, its inspection detail or its digital assets."

BCA is also focused on speeding up the dealer's sales process. BCA Dealer Pro, a cloud-based tool, allows its dealer customers to use a tablet to professionally appraise a vehicle on their sites, while the customer is present. This captures any damage and BCA provides a grade for the vehicle and a market price that will help the dealer if they

are taking the vehicle as a part-exchange. Another benefit is that vehicles destined for sale gain valuable digital marketing exposure more quickly.

Purvey said a dealer can also use the tool to monitor the ability of individual team members to appraise correctly. Within dealer groups, Dealer Pro can also be set to alert group buyers if a part-exchange falls within stocking age and mileage parameters, so the business can retail the car.

"In helping them with accurate data and technology to make better decisions at the front end, we're helping them sell more vehicles," said Purvey.

With smaller franchised sites and independent dealers, Dealer Pro can be linked to additional funding lines from BCA Partner Finance. This is designed to support their cash flow while disposing of trade-ins and to enable them to boost their used car return on investment by increasing their stock levels.

"It enables them to fund the asset, including any refurbishment and logistics costs, and we've seen that people now pay more money for cars and buy a different profile of car, because we've made it so easy for them to do so."

"It allows dealers to get on with the profitable business of sourcing and retailing

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used vehicles. Dealers value the simplicity of the service."

As a value-added service, the team behind BCA Partner Finance, which has expertise in used cars and finance, also provides support for dealers on used car stock turn, managing ageing inventory and utilisation of the funding line at certain pinch points during the year.

"It's a virtuous circle. If we're creating more liquidity for our buyers, they are able to buy more, which creates more competition for our vendors to sell more cars, convert

better and hopefully for more money," said Purvey.

BCA opened its vast Perry Barr site late last year, containing technology that Purvey described as state-of-the-art. BCA's expansion continued this year, with the opening of an additional remarketing facility at BCA Manchester that increases the site to nearly 40 acres. The new facility has multiple lanes, a digital suite and a self-contained preparation, inspection, video appraisal and imaging complex.

Auction halls are not the only physical investments for the group. The group has more than 700 acres of land, in addition to its auction halls, to provide facilities for vehicle storage, refurbishment, imaging and pre-delivery inspection (PDI) work. It has 20 de-fleet centres across the UK, 835 vehicle transporters, and it operates out of four UK ports, supporting carmakers with their new car distribution.

Such facilities allow carmakers and large dealer groups to do more of their core work, said Purvey. For example, because BCA has the land capacity to take on outsourced PDIs, it enables dealers to reserve more workshop capacity for retail repairs and servicing.

It's about providing additional products and services to help dealers be more efficient, said Purvey.



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