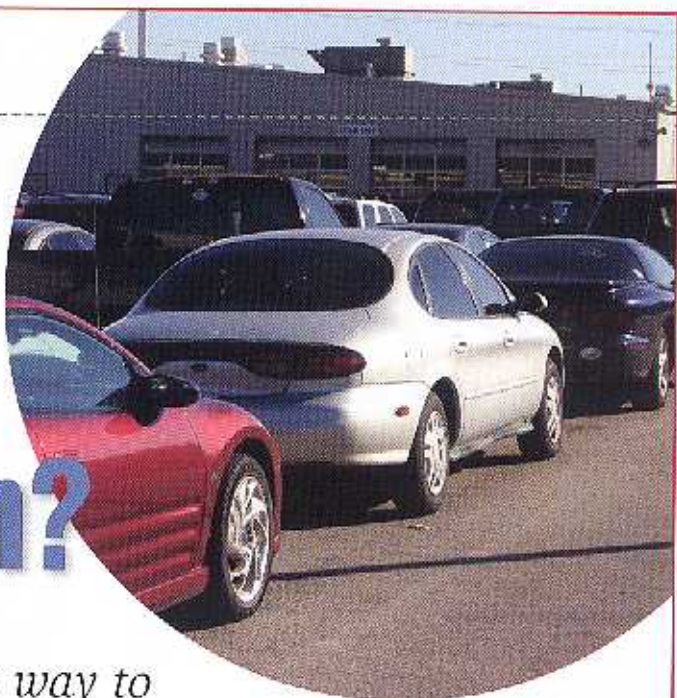


Looking For A Better Used Vehicle Return?



Dealers are viewing recondition as a way to ensure a higher return on a vehicle.



By David Munnikhuisen

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In the "old days," auction reconditioning shops were used mostly by large national consignors willing to spend a little more to increase the value of their vehicles. Most dealers, on the other hand, kept cars on their lots until the last possible second in hopes that they would sell and they would not have to take them to auction, leaving no time for significant reconditioning work.

We are now seeing a fundamental shift in the dealer mindset. Dealers are viewing reconditioning as a way to ensure a higher return on a vehicle. Auctions, and the services they offer, are seen as part of a dealer's inventory optimization strategy, not merely as a last resort for disposing of unwanted vehicles.

Auctions can provide total reconditioning and repair work in a sophisticated one-stop shop. Recon services vary from detailing to paintless dent removal, from inspection to mechanical or body work. Manheim's new detailing program, known as Clean Team, allows dealers to pick customized detailing services from a menu that can accommodate everything from a basic wash and vacuum to services that are geared toward highline vehicles.

One-stop Shopping

If you have a car that needs detailing, an oil change and dent removal, chances are you would have to take it to three separate service providers, which could take up to a week. By using auction reconditioning services, you eliminate multiple trips and are able to get everything you need in one place at a lower cost and in a matter of a day or two. Reconditioning shops at auctions are specifically designed to efficiently handle high volumes. Despite the fact that independent dealers may have relatively few vehicles to take to auction, they reap the same benefits as consignors who bring in fleets.

Aside from the convenience, dealers who have become patrons of auction

reconditioning services are making room on their lots for new vehicles in a timelier manner and seeing an approximate \$2 return for every \$1 they put into reconditioning a vehicle.

Over the past 18 months, several auctions have seen an increasing number of both Independent and Franchised dealers come to them requesting recon services that are high-quality, cost-efficient and convenient. Many Manheim auctions addressed this need by marketing their recon services to both buying and selling dealers, many of whom were not aware of the extent or depth of services already available at auctions.

Dealers who are not aware of the reconditioning services in their area or who want to see firsthand how it all works should visit their local auction and learn what options are available. If the vehicle has not already sold, what are one or two more days on the lot when recon is a sure-fire way to increase return and help maximize inventory turn?

More and more dealers are discovering this simple truth: If you have a car at your dealership that is not selling, you're better off taking it to auction and reconditioning it to achieve a better return than keeping it and hoping it will sell retail. 