

## Key Features

- GPS Vehicle Location
  - No Infrastructure Required
  - Accurate to 10 Feet
  - No Costly RFID Tags
  - No Lot Mapping Required
  - Rapid Deployment (Days)
- Unprecedented Labor Tracking and Accountability
  - Productivity Reports
  - Performance Metrics
  - Banned Driver Module
- Cost Savings
  - Reduced Driver Headcount
  - Reduced Lot Damage
  - Reduced Theft
- Enhanced Customer Experience
  - Vehicle Location Kiosk
  - IVR System
  - Lot Grid Mapping
  - SMS / Email Vehicle Alerts
- Deploy AuctionTrac in as Little as Two Weeks

# AuctionTrac

## An Idea Whose Time Had Come

Created on the heels of an innocent conversation between two friends, AuctionTrac is changing the way Manheim's Dallas Auto Auction looks at labor and at monitoring the exact location of more than 15,000 vehicles on the property.



In October of 2006, two of the four co-founders of AuctionTrac were standing outside the bay of an auction facility in Dallas, Texas. For one of the men, it was his first visit to the "organized chaos" of sale day. For the other, it was business as usual. Michael Newman is no stranger to the auction business. His company, VIP Pro Services, is the sole labor provider at four of the largest auction facilities in North Texas. Rather than create a company that provides labor to

all manner of industry, Newman and his brother Brandon decided to focus entirely on the auction business. Through this focused approach, VIP has been able to provide an unparalleled level of service and innovation to a sector of the business historically treated as an afterthought.

Newman's friend, Greg Martin, had no auction experience at all. However, Mr. Martin did have a wealth of experience in an area that VIP was missing, the area of software and system development. On that day in October, Newman made a simple comment about needing to be able to track how many times each individual driver moved a vehicle through the auction process. The ensuing conversation continued well into the night and for several days thereafter. In hindsight, it was a conversation begun much earlier than that between Newman and Barry Roop of Dallas Auto Auction.

In the pages that follow, we will be discussing the creation of AuctionTrac, the goals for the system, the performance of the system to date, and we will touch briefly on a few of the new features available in AuctionTrac.

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## The AuctionTrac Vision

After their October conversation, Newman and Martin went back to their respective companies and informed the troops that a new project was about to get underway. Newman and Roop had discussed automating labor tracking at various times in the past, but had never taken the next steps in creating the system and tools that would accomplish the task. Martin and his business partner, Steven Benavides, had recently wrapped up a series of long development projects and were looking for the next big project to sink their teeth into. "In all honesty," remarked

Benavides, "the birth of AuctionTrac was made possible by the rare combination of a great idea, a series of working relationships based on absolute trust, and the perfect combination of advantageous timing and availability of resources."

From the beginning, AuctionTrac has been about harnessing technology in an effort to better track and manage a highly fluid workforce. By its' very nature, the makeup of the workforce at an auction facility on sale day is a dynamic and ever-changing puzzle to be



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solved. The workers are generally not direct employees of the auction and are usually provided by one or more labor providers. Historically, auctions and labor providers know how many workers enter the property and exit the property but have no reliable way of managing the activities of those workers during the time they are on the property. As a result, more workers are brought in than are truly needed. This practice of overstaffing assures that the sale will run as smoothly as possible even though everyone involved knows from the outset that a certain number of drivers will “disappear” or not pull their own weight in the sale process. In addition, auction management must be vigilant in their efforts to assure that the labor providers themselves aren’t “cooking the books” in terms of driver counts.

The goal of AuctionTrac, at its’ core, has been to address as many of these concerns as

possible. Each of the drivers assigned the task of moving vehicles on sale day (and recon operations) is provided with an ID Badge. On this ID Badge, among other things, is a barcode representing the Badge Number. In addition, each vehicle has a window sticker with a barcode. Each time a car moves through the auction bay, or each time the driver gets in a car to move it for recon purposes, the badge and the vehicle are scanned. This, in effect, “ties” the driver to the vehicle. This happens throughout the day as drivers move vehicle after vehicle. At various times throughout the day, depending on the system configuration, the saved scans are uploaded into a central database.

The idea behind scanning the drivers and the vehicles is to introduce accountability into this process. If the drivers, and their management, are more accountable, the results will be better in terms of labor efficiency, safety, lot damage, and accurate bookkeeping.



This unplanned capability provides a tremendous boost to the value proposition of AuctionTrac.

## GPS Tracking

Unplanned originally, but taking on a life of its’ own, is the vehicle location aspect of AuctionTrac. As the development team researched the various hardware platform solutions available for performing the required barcode scanning tasks, it soon became apparent that GPS functionality would also be available. That is, the chosen devices are equipped with GPS chips and the exact Latitude Longitude coordinates are available at scan time to be included as part of the scan record. This unplanned capability provides a tremendous boost to the value proposition of AuctionTrac. Not only is the system able to provide all of the desired labor tracking tasks, it is also able to provide the last known exact position of the vehicles.

Vehicle locating is not an innovative idea. Using barcodes to accomplish the task, however, is. Although not “real time”, this method of determining the exact location of a vehicle has a compelling advantage over deploying satellite based or RFID based “real time” solutions. Put simply, those two methods are currently beyond

the scope of true feasibility in terms of cost. Putting a satellite based GPS device on each and every vehicle on the lot comes with an enormous price tag. RFID technology, while more affordable, remains prohibitively expensive. In addition, RFID requires a tremendous investment in infrastructure and deployment of equipment on the lot. And, RFID can only provide very general information as to the whereabouts of a particular vehicle. Further, neither of these technologies provides the functionality originally envisioned for the AuctionTrac system: labor tracking.

Within a few days of the conversation between Newman and Martin, a meeting with Roop was scheduled and an initial agreement was reached for providing tracking services to the auction. Within 4 months, the system was up and running and the results have been more satisfying than either party expected.



## AuctionTrac Performance Metrics

### Non-Sale Day

AuctionTrac has more than paid for itself since being implemented at Dallas Auto Auction. In terms of non-sale day labor alone, the cost savings have offset over half of the cost of the AuctionTrac services. After the initial six months of operations, the estimated annual savings to DAA came to just over \$225,000 in labor costs. The obvious question that comes to mind is "How can this be?" It's not as though DAA wasn't running an efficient operation. In fact, quite the opposite, DAA is looked upon as one of the better performing locations in the Manheim portfolio. In their efforts for continual improvement, however, DAA saw AuctionTrac as a way to perform even better.

AuctionTrac allows a lower labor cost by introducing accountability into the mix. Simply knowing that performance is being measured is quite possibly the primary reason for the improvement. People already knew how to drive cars and the auction management has years of experience in knowing which vehicles need to be moved and when. So, AuctionTrac doesn't necessarily change the process as much as it simply raises the awareness of the workforce to do a good job for the entire shift.

Another improvement AuctionTrac introduces into the non-sale day equation is the ability to move vehicles less often. Because AuctionTrac provides pinpoint vehicle location information, fewer vehicle moves for the sole purpose of "staging" are required. When fewer vehicle movement tasks are required, fewer labor dollars are spent. An added

benefit to this is that when fewer vehicle movements take place, fewer accidents occur and fewer lot damage dollars are spent.

### Sale Day

At an auto auction, Sale Day is the day when everything is magnified by at least a factor of ten in terms of hustle and bustle. In essence, it's "Show Time". Similarly, it is the day when AuctionTrac is most visible. Each driver/vehicle combination moving through the process is scanned and uploaded into the system. The effect of this is quite impressive. Again, the simple presence of tracking and accountability is the rising tide that lifts all boats in terms of the workforce driving the vehicles. Far fewer drivers disappear into the hard to find places and more focus on the task of driving the vehicles through the arena.

At Dallas Auto Auction, the AuctionTrac staff and DAA management purposefully decided to take a slower approach to implementing driver count reductions on sale day. As mentioned earlier, sale day is the time when the lights of critique and evaluation are shining brightest and incremental change is the much preferred method of introducing new concepts and ideas. But, with six months of experience and data to draw on, DAA was ready to begin realizing more of the sale day benefits of AuctionTrac. With the accountability introduced by the system, DAA and VIP Pro Services estimated that a typical Wednesday sale could be run with 80 fewer drivers than normal. Depending on the contract with the labor provider, this reduction in driver count can save over \$5,000 per week. AuctionTrac was already going a long way



At DAA, projected first year non-sale day labor savings of more than \$225,000.

towards paying for itself just from savings on non-sale days. Now, it was becoming evident that this tool could provide tremendous benefit to the organization and pay for itself at the same time.

And, the savings in labor costs are only the most measurable benefit. In the first 3 weeks using the lower driver counts, lot damage and accidents went to zero. Not one traffic accident took place. Obviously, accidents will continue to occur from time to time. But, with fewer moving vehicles at any one time, the likelihood of accidents is reduced across the board and should result in fewer lot damage losses than before.



## Current Feature Set

AuctionTrac is already a leader in the industry in terms of functionality and feature set when it comes to labor and vehicle tracking. New reports and functions are added on an almost daily basis to a framework that was built with speed of development and situational flexibility in mind. A comprehensive browser based front end application is at the core of the day to day user experience with AuctionTrac. But it doesn't stop there. Users are immediately

able to take advantage of the AuctionTrac IVR system, SMS/Email Vehicle Alerts, Excel and PDF reports, Inventory Check In / Check Out modules, Kiosk applications, and XML based web services.

A tremendous focus and effort to provide a feature rich system has been a key to the AuctionTrac System's ability to provide benefit and value beyond initial projections.



## Moving Forward

The future of AuctionTrac is bright indeed. While it is true that the system has a robust set of features and capabilities today, it is also more clear than ever that it is just beginning to scratch the surface in terms of possibilities. The good news for clients is that AuctionTrac was built with the future in mind. Today, scanning barcodes is the only solution that makes sense in terms of dollars and cents. Tomorrow, that will almost certainly not be the case. Whether it's GPS devices, RFID, or some new technology; the AuctionTrac system is ready no matter what the data source.

Range ID	Name	Thu 11/3	Fri 11/2	Sat 11/3	Sun 11/4	Mon 11/5	Tue 11/6	Wed 11/7	Days	Total	Avg
AT-8-DAA-71230428	Amstrong, Jones	-	-	8	-	-	-	-	8	0.31	8 24.00
AT-8-DAA-71230712	Kerks, Sherman W	-	15	-	-	6	-	3	1.08	24 22.15	
AT-8-DAA-71230318	Barber, Russell E	-	-	-	-	13	-	-	1.51	13 28.00	
AT-8-DAA-712307027	Barone, Robert L	-	-	-	-	13	-	-	6.58	13 26.00	
AT-8-DAA-71230428	Bateman, Bobby	1	-	-	-	1	-	2	6.13	4 32.00	
AT-8-DAA-71230378	Bennett, Larry W	-	-	-	-	8	-	5	6.63	13 15.00	
AT-8-DAA-71230368	Boodi, Kendra A	-	17	23	-	-	17	-	1.63	54 29.40	
AT-8-DAA-880VMMN	Rowman, Erik	-	14	24	-	-	13	-	1.83	51 27.82	
AT-8-DAA-71230326	Bright, Harry J	-	-	-	-	-	-	4	6.25	4 16.00	
AT-8-114238	Brown, Willie J	-	-	-	9	-	24	27	2.25	60 26.67	
AT-8-DAA-71230705	Carron Jr., Smart R	-	-	-	-	-	-	-	6.33	8 24.00	
AT-8-113526	Cunnington, Reggie	-	-	-	-	-	-	4	6.17	4 24.00	
AT-8-CDABSPORT	Developer, Charles	-	-	-	-	9	-	4	6.67	13 19.50	
AT-8-DAA-71230392	Heidi, Lige	-	-	-	-	9	-	1	6.38	6 18.00	
AT-8-8GARDNER	Gardner, R Q	23	29	-	-	-	-	5	1.58	47 29.68	
AT-8-DAA-71230316	George, John	-	-	-	-	1	-	-	6.04	1 24.00	
AT-8-HR232526203	Greenback, Hamal	-	-	-	13	10	-	-	6.75	23 25.72	
AT-8-SHALLDRAY	Hallings, William	14	-	-	-	9	-	-	6.25	14 28.00	
AT-8-DAA-71230359	Hood, Linda F	-	-	-	-	12	-	-	6.42	12 28.00	
AT-8-DAA-712303801	Horton, Billy R	-	-	-	-	-	13	-	6.33	13 33.00	
AT-8-DAA-712307014	Jackson Jr., Charles R	-	2	-	-	-	-	-	6.04	2 48.00	
AT-8-DAA-71230368	Jenkins, James	19	20	-	-	-	-	4	1.33	43 32.25	
AT-8-DAA-71230175	Johnson, Betty J	7	5	-	-	3	15	-	1.00	31 31.00	
AT-8-DAA-71230498	Johnson, Lorne R	-	-	-	-	-	7	6	6.75	15 25.72	
AT-8-RJ048294	Johnson, Roy	-	-	-	-	7	-	-	6.25	7 28.00	
AT-8-SJN483281	Johnson, Sylvia	-	2	-	-	-	-	-	6.04	2 48.00	
AT-8-DAA-71230548	Kay, Tony G	6	4	-	-	4	23	-	1.17	35 26.00	
AT-8-DAA-71230301	LeFevre, Carl	-	-	-	-	6	-	-	6.75	7 24.00	

AuctionTrac's XML Web Services are an area with tremendous potential. In a nutshell, the Web Services expose much of the critical data back to the auctions and their constituents in a "machine ready" format. With just a few lines of code in an existing application, up to the minute data such as Last Scan Date and Grid Position can be displayed right alongside other information. Existing tools within the auction such as custom applications and spreadsheet solutions can be augmented with current AuctionTrac data, greatly reducing repetitive data entry and re-inventing of the wheel.

For more information on how your organization can start take advantage of AuctionTrac, please give us a call at your earliest convenience or visit us on the web at [www.auctiontrac.com](http://www.auctiontrac.com).