National Auto Auction Association

ON THE BLOCK MAGAZINE JANUARY 2022 / VOLUME 9 — NO. 1



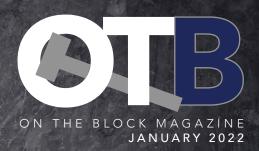
The Gold Standard

- Since 1948 -



www.naaa.com





R. CHARLES NICHOLS
President

GARRISON HUDKINSPresident-Elect

ERIC AUTENRIETH Vice President

JULIE PICARD
Chair of the Board

MIKE BROWNING
Executive Vice President

PAUL LIPS
Treasurer

CHARLOTTE PYLE Secretary

TRICIA HEON
Chief Executive Officer

CONTRIBUTORS NAAA Members Industry Experts

Direct correspondence and submissions to: news@naaa.com National Auto Auction Association 5320 Spectrum Drive, Ste. D Frederick, MD 21703

Contents © 2022 National Auto Auction Association except where noted. Opinions expressed in the On The Block Magazines are those of the authors and sources and do not necessarily represent the opinions of the NAAA or its policies.











FEATURES

- **6** The Gold Standard: This is the 74th year for the National Auto Auction Association, and for 74 years, we have been The Gold Standard of the auto auction industry.
- 12 Total Access: NAAA is excited to announce a new opportunity for our members for what was traditionally known as our annual Spring Business Meeting.
- 23 2021 Year in Review: Manheim President Grace Huang reflects on 2021 and the steadfast resilience of the auto auction industry.

SECTIONS

- **6** COVER STORY
- 8 NAAA REPORT
- **10** ASSOCIATION NEWS
- **15** NAAA HONORS
- **17** NAAA FELLOW
- **18** NAAA INFORMS
- **20** AUCTION ANNIVERSARIES
- **22** MFMBFR NFWS
- **25** ASSOCIATE NEWS
- **26** MEMBER GIVING
- **27** SAFFTY FIRST
- **28** MEMBER VIEWPOINT

FROM THE **PRESIDENT**



Changes are Coming

hope everyone had a safe and happy holiday season and enjoyed much deserved time with family and friends. I would also like to wish a Happy New Year to everyone, and we all have much to look forward to in 2022.

Over the last 18 months, change has been the operative word. As the market has changed rapidly, our member auctions have been quick to adjust and adapt. I'm proud to say that as we start the new year, our industry is alive and well, and the same goes for NAAA.

We have embraced the new formula of both a digital and brick and mortar sales component where both can succeed. While many of our member auctions have found success with digital sales, physical auction sites will also continue to be in demand and thrive. Technology and hard work made the marketplace in 2021, thanks in large part to NAAA auctions.

I would like to thank our NAAA committees, which have remained active continuing the business of the association, and I thank all committee members for their service. Most recently, the NAAA Auction Standards Committee met together in person for a productive 2021 Auction Standards

Summit. I thank each committee member for their dedication and hard work in support of our industry.

As we begin 2022, there are many exciting changes to look forward to as we continue to build on lessons learned and apply them to thinking creatively and being innovative wherever possible to meet the needs of our membership and customers.

For starters, we are most excited to announce a new opportunity we are bringing to our members. What has been traditionally known as the annual Spring Business Meeting now has a new name, Total Access. The meeting will be held this year during the NADA Show in Las Vegas, offering NAAA members a chance to network with NADA Show attendees. With the new name comes exciting new content we are offering, which you will learn about in the pages ahead. For now, please reserve March 10-13, 2022, on your calendars and stay tuned for more information to come!

For another exciting change, NAAA is unveiling new branding. Our association has been The Gold Standard since 1948, as represented by our updated logo. You will learn more in the pages ahead about why NAAA auctions represent the very best of our industry and what it means to do business with our member auctions. There will be plenty of opportunities for your auction to demonstrate your Gold Standard pride.

We are working on several new training offerings, including recruitment and social media. We successfully completed diversity and inclusion training and offered economic outlook webinars last fall, and we are always looking to provide educational opportunities of value for our members.

The NAAA Workforce Initiative officially launched at the end of last year. The initiative has a dual purpose: to help people interested in pursuing careers in the auto auction industry find jobs and to help NAAA members in their recruitment of skilled and talented employees. We will be promoting this heavily and sharing more information with you soon.

We are also thinking of ways to improve our convention to provide the best possible value to you, our members. Stay tuned for more information about our 2022 Convention, which will be held September 7-9, 2022, in

We have just begun the hard work. With all the exciting changes ahead in 2022, take pride in the fact that you are The Gold Standard of our industry, and keep up the great work!

CEO MESSAGE

I'm Listening

hen I started my position as NAAA CEO last summer, I told you that one of my first priorities was to look at our mission statement and evaluate how well we are addressing the issues in our industry and the necessities of our membership for today and tomorrow. As we begin 2022, I am here to tell you that I'm listening to all of you in helping NAAA accomplish that goal.

One recurring theme I have heard from our members is that they would like to hear from NAAA more, and I have listened. We have stepped up our communication in recent months by providing email updates on auction site visits, important legislation, training opportunities, and NAAA news. We have redesigned On the Block magazine to have a modern look, and we have included new content such as an NAAA Government Report section to help keep our members informed. You may have noticed that NAAA is becoming more active on social media in sharing news and updates and connecting with our members. We will be looking to expand on this in the months ahead.

After listening to many of you, I have also learned about challenges in recruiting skilled employees to work at your auctions given the current environment and labor shortage. After hearing your concerns, NAAA has launched its Workforce Initiative to help NAAA members recruit employees to fill positions that are in demand. We will be sharing more resources for this initiative in the coming months.

As we look forward to our Annual Convention this September in Dallas, we are working hard to provide you with the best possible content to enhance your experience based on prior-year convention feedback. Stay tuned, as we will be sharing updates about this soon.

Finally, I am meeting with our Board of Directors this month to help shape the strategic direction of our association, not only for the near term, but for the future as well. We have a lot to accomplish, but please know that it is a two-way conversation, and I am always listening to you.



Tricia Heon

"As we begin 2022, I am here to tell you that I'm listening to all of you in helping NAAA accomplish that goal."



COVER STORY



The Gold Standard - Since 1948 -

t is a new year, and what better way to start 2022 than with a new logo and tagline for our association.

This is the 74th year for the National Auto Auction Association. And for 74 years, we have been The Gold Standard of the auto auction industry. Now, it is time for everyone to know about it.

As an NAAA member, you should take pride in knowing that you represent the very best of our industry. NAAA auctions represent integrity, honesty, and are entrusted by both car buyers and sellers.

To become an NAAA member, an auction must adhere to a strict set of standards and code of ethics. A member needs to have an established place of business offering weekly dealer-only sales. Beyond that, the business must comply with federal, state, and local laws. It principally provides auction services to buyers who are licensed motor vehicle dealers and to sellers in wholesale motor vehicle transactions that are not salvage, rebuilt, or junk.

Our member auctions take pride in providing top-notch customer service and pursue and uphold excellence in all their operations while treating their employees, sellers, buyers, and auctioneers with dignity and respect.

We asked some of our members why they think NAAA auctions represent The Gold Standard, and below is a sampling of what they mentioned.

"Doing business with an NAAA auction comes with our guarantee for performance and financial stability, like seeing the FDIC symbol at a bank. Our auctions are great stewards of their communities, that separates us."

R. Charles Nichols, NAAA President and President, BSC America

"Professionalism."

Craig Amelung, General Manager, Manheim Mid-Atlantic Market Center

"Fairness through consistency."

Luke Pidgeon, General Manager, El Paso Independent Auto Auction

"Standardized arbitration policy and having confidence that you will get what you expect. Nothing hidden."

> Bill McCready, General Manager, Southeastern Auto Auction of Savannah

"By working with an NAAA auction, dealers know there is a certain set of standards they can expect."

> Chad Anderson, General Manager, Greater Rockford Auto Auction

"Auction ACCESS, scholarship program and emergency relief fund, co-opetition, and safety commitment." Paul Lips, NAAA Treasurer, Executive Vice President, Central Region, ADESA

This is a new day at NAAA, and we are unveiling a new logo and marketing campaign to reflect the level of pride you should have in being an NAAA auction.

Stay tuned...we will be sending you marketing materials including our new logo and tagline for you to display at your auctions.

Since 1948, we've been The Gold Standard. Now it's time for everyone to know about it! Thank you for all that you do in service of our great industry.

0 0 0

"Auction expertise spread through membership with seminars and exchange of ideas. Both buyers and sellers benefit from our ethical and equal treatment. Buyers and sellers can deal with people who have a personal interest in their needs and have a 'hands-on' approach to resolving issues."

> Steve Kesler, President, Kesler-Schaefer Auto Auction



Legislative Update

NAAA is the auto auction industry's leading voice in Washington to protect and promote the interests of our members before Congress. This report provides the latest news in Washington that affects NAAA members.

BUILD BACK BETTER (BBB)

On November 19, the House (by a vote of 220-213 with all Republicans and one Democrat voting against) passed the \$1.9 trillion BBB bill, sending it to the Senate, as of press time, with the goal of enactment by the end of 2021. Also as of press time, the Senate is considering several key issues, including the overall cost of the bill, paid leave, and Medicare and climate issues.

The bill contains several key issues of interest for our members:

for an electric vehicle supply equipment rebate program

for electric vehicle charging stations

for state energy plans to promote the electrification of the transportation supply

for transportation electrification grants;

Tax credits for plug-in electric vehicles and for the purchase of used plug-in electric vehicles and for qualified commercial vehicles.

These are the same programs and funding amounts that were in the original BBB bill. The bill does not include provisions on motor vehicle safety, EV purchasing, cash for clunkers, and semiconductor chips. It is financed by various new taxes.

INFRASTRUCTURE **INVESTMENT AND JOBS ACT (BIF)**

On November 15, President Biden signed into law the BIF, the core infrastructure bill totaling \$1.2 trillion. The bill does not include provisions on motor vehicle safety, EV purchasing, cash for clunkers, and semiconductor chips. The bill is funded from program offsets and program fees. It does not include any new taxes.

The bill contains several key issues of interest for our members:

The bipartisan Senate highway bill;

\$2.5 billion for an Electric Vehicle Charging and Fueling grant program to deploy EV fueling infrastructure and \$5 billion for a state formula program for EV charging infrastructure deployment;

\$7.5 billion for the production and procurement of electric vehicle and low carbon school buses and ferries;

A requirement that the Secretary of Energy conduct a study on the cradle to grave environmental impact of electric vehicles; and,

A requirement that the Secretary of Energy study the impact on forced labor in China on the electric vehicle supply chain.



CONSUMER FINANCIAL PROTECTION BUREAU (CFPB)

On November 30, an introductory virtual meeting between NAAA and CFPB was held with Ryan Kelly, CFPB Acting Auto Finance Program Manager, and Nhu-Han Duong, CFPB Policy and Outreach Advisor, Section for Financial Institutions. Following introductions, NAAA background information, pro-consumer NAAA initiatives, general and CFPB-related priorities, relationships with NADA and NIADA, and future communications between NAAA and the CFPB were discussed. An invitation to attend an auction was also extended.

NAAA continues to monitor federal and state legislation to assess its impact on the industry. Should any NAAA members have any concerns about any federal or state legislation, please contact NAAA headquarters 301-696-0400.





t is no secret that it has been a challenging business environment with labor shortages and companies struggling to fill open positions. The auto auction industry has not been immune to the challenges seen across the economy, and the technician shortage has been well documented in recent years.

In response to this ongoing dilemma many organizations face, NAAA is pleased to announce our Workforce Initiative. The NAAA Workforce Initiative has a dual purpose: to help people interested in pursuing careers in the auto auction industry find jobs and to help NAAA members in their recruitment of skilled and talented employees.

NAAA has launched the first phase of the Workforce Initiative website, which consists of a live job board. Future website additions will include relevant industry news and it will contain recruitment resources for members.

Auto auction careers offer solid pay, competitive benefits, and prospects for advancement with higher earning potential. Auto auction employees enjoy variety in their day-to-day work, a team environment, and a good work/life balance.

To get moving down the path to this exciting and fulfilling career or to learn more about the NAAA Workforce Initiative, visit our website at www.naaa.com.



Chad Anderson General Manager Greater Rockford Auto Auction

here is perhaps no better example of how fulfilling an auto auction career can be than NAAA Board of Directors member and Greater Rockford Auto Auction (GRAA) General Manager Chad Anderson.

Anderson began his career in 1997 while he was in high school, detailing cars for Greater Rockford Auto Auction, in Rockford, Illinois. His family had been involved in the automotive industry and he knew he wanted to follow a similar path.

"I always knew I wanted to be around cars," said Anderson. "It is a passion of mine."



Throughout high school, college, and graduate school, Anderson worked around classes, on summer breaks, and ultimately full-time. After his time in the detail department, Anderson worked as a condition reporter in the fleet/lease department, and then the sales department, where he was hired full-time after he graduated from college.

Anderson decided to go back to school to pursue an MBA, and he studied nights and weekends so he could continue working full-time. He moved into a sales manager role, then became general manager of GRAA in 2014.

Reflecting on his career, Anderson said there is nothing quite like the auto auction industry and that it doesn't compare to other jobs that he has had.

"I like the energy, the people, and there is never a dull moment," said Anderson. "There's always something new...a new challenge or experience."

For anyone interested in pursuing an auto auction career, Anderson's advice is to get a start wherever you can, and then take advantage of any opportunities that may come up.

"It is a great business to be in. I hear other people talk about work and jobs, and nothing compares to our industry."

Stay tuned for more NAAA auction member profiles in upcoming issues of On the Block to help illustrate NAAA's Workforce Initiative and various auction career success stories.



NEW LOOK, NEW OPPORTUNITY

AAA is excited to announce a new opportunity for our members for what was traditionally known as our annual Spring Business Meeting. In 2022, our meeting is taking on a new name: TotalAccess. It will offer valuable content and will be held during

the NADA Show in Las Vegas from

March 10-13, 2022.

We at NAAA are committed to providing you with an enhanced experience that will be new, informative, and offer you a chance to network with not only fellow NAAA members but also NADA Show attendees.

Since we last met together in person, NAAA committees have remained active with continuing the business of the association, and we thank all committee members for their continued service and support. NAAA's TotalAccess Meeting Event will hold our regular committee meetings in person once again. In addition, there will be something for everyone

Below is a sampling of some of the offerings:

- NAAA welcome event about exciting happenings with the association and what the future holds.
- A workshop with automotive industry expert Glenn Mercer about the future of the industry, the impact of EVs and the chip shortage, and what you need to know about the market heading into 2022.
- An NAAA Workshop at the NADA Show, "Simply the Best: Why Your Dealership Needs NAAA Auctions to Get to the Next Level."
- → Meet-and-greet opportunity with NFL Hall of Fame running back Emmitt Smith.
- Dealer Appreciation Concert with Kool and the Gang



now, be sure to reserve March 10-13, 2022 on your calendars!

NAAA Names Bennie "Bubba" Smoak and Billy Carver Auctioneers of the Year

ongtime auctioneers Bennie "Bubba" Smoak and Billy Carver received NAAA Auctioneer of the Year awards during an event at Charleston Auto Auction in October.

Named in honor of Bernie Hart, who served as NAAA's executive director for more than 30 years before retiring in 1988, the annual award recognizes the auctioneering industry's most visible people.

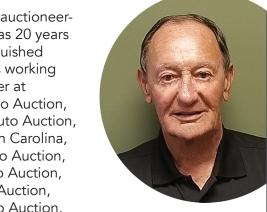


Rennie "Bubba" Smoak

Smoak started auctioneering when he was 20 years old. His distinguished career includes working as an auctioneer at Charleston Auto Auction, Summerville Auto Auction, Manheim North Carolina. Darlington Auto Auction, Statesville Auto Auction, Carolina Auto Auction. Greenville Auto Auction, Mayo Auto Auction, Grand Strand Auto Auction, Mid State Auto Auction, Atlanta

Auto Auction, Airport Auto Auction, Fredricksburg Auto Auction, and Greensboro Auto Auction.

In addition to his dedicated service as an auctioneer, Smoak is active in his community, serving on two boards at his local church and as financial committee lead.



Billy Carver

Carver started his auctioneering career in 1979. He has worked at a number of auctions including Charleston Auto Auction, Rawls Auto Auction, Darlington Auto Auction, and Spartanburg Auto Auction.

Carver placed 12th in the 1995 World Auctioneer Championship in Canada, and he has also shared his knowledge by teaching auctioneering at Midlands

Technical College in South Carolina.

In addition to his exemplary career as an auctioneer, Carver served in the U.S. Army Reserve and is also a Mason and a Shriner.



(L to R): Cam Hitchcock, XLerate CEO; Bennie Smoak, and Laura Taylor, General Manager of Charleston Auto Auction.



(L to R): Bill McCready, General Manager of Southeastern Auto Auction of Savannah; Billy Carver, and Laura Taylor, Charleston Auto Auction General Manager.

NAAA Holds 2021 Auction Standards Summit

AAA was thrilled to host its 2021 Auction Standards Summit in person again in early December at Dulles Airport. The Auction Standards Committee met for a productive, full-day meeting that covered a range of topics. Some areas of discussion included:

- Electric Vehicle (EV) Policy
- Advanced Driver Assistance Systems (ADAS)
- Catalytic Converters
- Standardizing Announcements
- Education Opportunities

The committee consists of representatives from both corporate and independent NAAA member auctions that come together to work on an agreed set of standards for the industry. As a standard setting organization, NAAA, with input from its Auction Standards Committee and industry experts, developed a comprehensive arbitration policy. The Auction Standards Committee meets annually to review this policy to determine if any changes or updates are needed. The committee solicits feedback on any changes to the policy, and any changes must

Plugged into Industry Education

NAAA thanks its Auction Standards Committee members for their hard work and service in support of the auto auction industry.



NAAA **HONORS**



NAAA extends its deepest sympathy to the Merritt family and friends and honors Janice for her many years of exemplary service to the automotive industry.

In Memoriam: Janice J. Merritt

February 17, 1939 - October 19, 2021

anice J. Merritt passed away on October 19, 2021. She was a dedicated National Auto Auction Association employee for many years and became the second woman inducted into the NAAA Hall of Fame in 1989, honoring her for her years of service to the association.

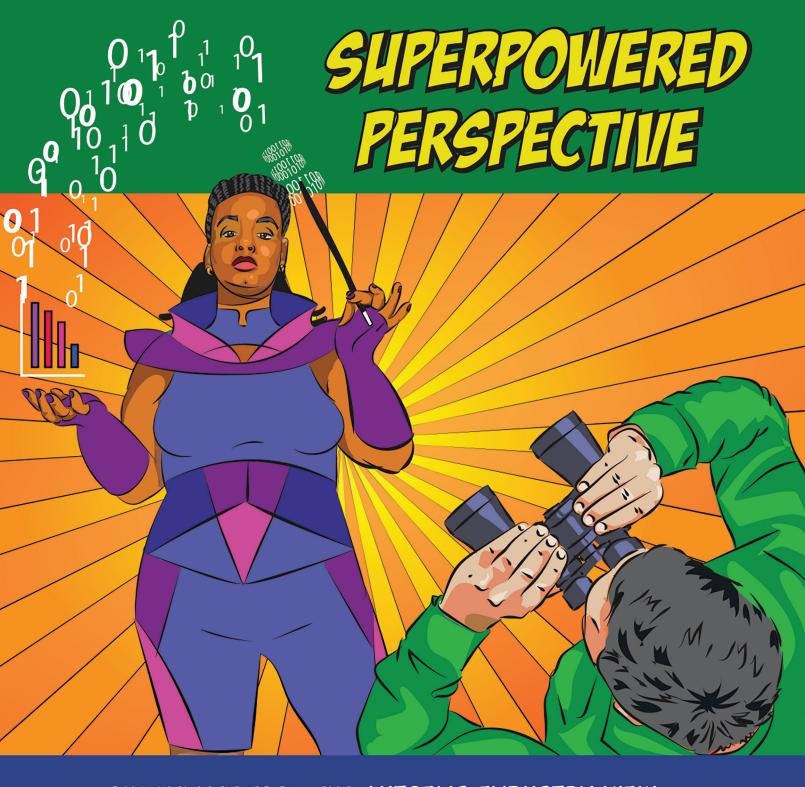
Janice began working as a secretary for Bernie Hart in 1967, first at the National Auctioneers Association and then later the National Auto Auction Association, where Hart served as executive director for more than 30 years.

In 1977, Janice became a business partner and helped create the Nebraska Independent Auto Dealers Association (NEIADA). That same year, Janice opened Mer-Hart Furniture Mart with Bernie Hart. In 1996, Janice bought out Hart's interest in the business. In 2000, after Bernie Hart retired as executive director of NEIADA, Janice moved from NEIADA assistant director to executive director, a position she held until she retired in 2016 after 39 years of service to the association. She was named NEIADA Executive Director Emeritus in 2017, giving her 40 years of service with NEIADA, an honor that she was proud of.

In 2006, Janice received the Executive of the Year award from the Association Executive Council of the National Independent Automobile Dealers Association (NIADA).

Janice is survived by her children, Gary (Kate) Merritt and JoDell (John) McMurray, four grandchildren, Ross (Nikki), Melissa, Asher, and Lilly, three great-grandchildren, Preslee, Peyton, and Piper, along with cousins, nephews, and her cats Jake and Molly. Janice was preceded in death by her parents and brother, Larry Marcotte.





OUR NEWEST TOOL, THE **AUTOIMS INDUSTRY VIEW**, IS JUST A CLICK AWAY. EXTRAORDINARY DATA FOR EXTRAORDINARY TIMES.

FIND OUT MORE HERE.



NAAA ANNOUNCES 2021 WARREN YOUNG FELLOWS

AAA announced six Warren Young Fellows for 2021. Each honoree has a record of exemplary service to the auto auction industry and has been steadfast in their support of NAAA and its mission.

In October, NAAA honored four fellows following their term as president of their respective NAAA chapters. NAAA bestowed the award with a \$2,500 donation in each fellow's name to the NAAA Warren Young, Sr. Scholastic Foundation, Inc. A fellow is a donor at that level, or in whose honor or memory a contribution is made in that amount, to support the scholarship organization.

Since its establishment in 2004, the Scholastic Foundation, named in honor of Warren Young, Sr., a pioneer of the auto auction industry who retired after 35 years of service to his profession and NAAA, has helped students pursue dreams of higher education. The foundation is a selfsustaining nonprofit organization and awards \$52,000 in merit scholarships annually for study at accredited institutions.

Eric Autenrieth is NAAA vice president, owner of Indiana Auto Auction, and general manager of Carolina Auto Auction. He has had a successful 24-year career in the auto auction industry, is a graduate of Auction Academy and is CAR certified. Autenrieth has been a dedicated supporter of NAAA and served as president of the NAAA Midwest Chapter and NAAA Southern Chapter.

Ashley Dietze is the owner of the W. Walker Auction Group, which consists of Corpus Christi Auto Auction and San Antonio Auto Auction. Dietze was named a Women in Remarketing honoree by Auto Remarketing in 2017. She began working full-time in the auction business after graduating from college and has held several positions, including transportation manager and fleet lease manager.

Dietze has served as a member of the board of directors for the ServNet Auction Group and has been active with NAAA through service with its Western Chapter.

Matt Fetter previously served as president of Clark County Auto Auction. As a third-generation auction owner, Fetter oversaw all the auction's operations, and it was named NAAA's Midwest Auto Auction of the Year in 2017. Fetter was a member of the board of directors for ServNet Auction Group and the International Automotive Remarketers Alliance and served as NAAA Midwest Chapter president.

Anthony Rotsart is fleet lease manager for America's Auto Auction-Boston and has been in the auction business. for more than 30 years. He started by helping his father, Jim Lamb, set up for on-site auctions, then began working for the family business, Lynnway Auto Auction. In 2019, Lynnway Auto Auction was acquired by America's Auto Auction. Rotsart served as the 2021 NAAA Eastern Chapter President. He completed Auction Academy and received his Auction License in 2019.



(L to R): Tricia Heon, NAAA CEO; R. Charles Nichols, NAAA President; Julie Picard, NAAA Chair of the Board, and Penny Wanna, NAAA Fellow recipient.

In November, NAAA named Penny Wanna and Tammy Swofford Warren Young Fellows for 2021 during the National Remarketing Conference in Las Vegas.

Penny Wanna is president of Auction Academy, a top-level continuing education program for auto auction industry professionals and vice president of business administration at TPC Management Company. Her responsibilities at the company range from accounting and project management to conference and event planning for its many clients and associated companies, including ServNet Auctions, Auction Academy, and Interstate Automotive Services.



(L to R): Julie Picard, NAAA Chair of the Board, Tammy Swofford, NAAA Fellow recipient, and Tricia Heon, NAAA CEO.

Tammy Swofford is national sales director for America's Auto Auction. She has 25 years of experience as a sales and automotive remarketing executive, and she has worked in the auto auction industry since 2005. She is recognized for her expertise in sales training, managing new account development, and cultivating successful sales and marketing strategies. She has a proven track record in expanding market potential and has handled both in-lane and online sales and managing fleet, lease, and dealer business.

For the past eight years, Swofford has used her musical talents to perform the national anthems for the United States and Canada at the opening ceremonies of the NAAA annual conventions.

NAAA congratulates all Warren Young Fellows for earning the lifetime distinction of being named a Warren Young Fellow and for joining this exclusive group of individuals who further the legacy of Warren Young, a pioneer of the auto auction industry.



ant to know just how much of a problem ransomware presents to businesses around the world? Just this past month, security firm SonicWall reported that it had logged nearly 500 million attempted ransomware attacks in just the first nine months of 2021. The overall total of 495 million to date amounts to a 148 percent surge as compared to the same period last year. SonicWall expects to record 714 million attempted ransomware attacks by the close of 2021, a 134 percent skyrocket over last year's totals.

About the author: Gene Marks owns and operates the Marks Group PC, a highly successful ten-person firm that provides technology and consulting services to small and medium sized businesses. A past columnist for both The New York Times and The Washington Post, Gene now writes regularly adelphia Inquirer, The Guardian, Forbes, and Entrepreneur Magazine. Nationally, Gene appears regularly on MSNBC and Fox News as well as The John Batchelor Show and SiriusXM's Wharton Business Channel, where he talks about the financial, economic and today. Marks has written five books on toward small and medium sized companies.

But ransomware isn't the only security threat facing businesses of all sizes including all in the auto auction industry. Phishing attacks are becoming more prescient...and brazen. Don't believe me? How about the story that came out of the UK just a few weeks ago where an employee of an energy firm there transferred almost \$250K to a hacker after the hacker used the latest voice technology to impersonate the bank's CEO and requested the funding.

These are the two biggest online security issues facing businesses in the auto auction industry this coming year. And sadly, the hackers are becoming smarter and their attacks are becoming more frequent. We read about the more well-known brands, government agencies and tech giants that fall victim. But what we don't read about are the countless small and midsized firms that also get breached, often with more devastating results. Microsoft and the Department of Defense can recover from a data loss or even a ransomware incident. But a 50-person company that makes its money selling used

vehicles and isn't on the cutting edge of security can find itself crippled...or even driven out of business.

So what to do? What steps can you take to protect your business from attack in 2022? Actually, the answers aren't that difficult. There's no quarantee your data will be safe. But you can make it a lot harder for cybercriminals to disrupt your livelihood just by taking these few and relatively simple actions.

FOR STARTERS

hire an IT firm to provide regular training for you and your employees. Why? Because reports have found that not only are the vast majority of data breaches caused by employee error, but most companies provide a woefully small amount of education as to how to identify problems before they happen. A good IT firm can use educational tools like KnowBe4 and other applications to continuously test your employees to make sure they become comfortable identifying the warning signs of a potential phishing or ransomware attack. All

NAAA INFORMS

too often we click too fast on a link, download an attachment that we shouldn't or find ourselves on dubious websites unexpectedly and when this happens breaches occur.

NEXT AND JUST AS IMPORTANT: UPDATE.

Update your Windows devices, update your Apple devices, update your Android devices. And not just you. Make sure your employees update their devices, too. Unfortunately, this may be something that will require monitoring software that's administered by the very same IT firm per above. I know it's a hassle and I know that sometimes these updates create more problems than they solve. But for the most part Microsoft, Google and Apple have made these updates seamless and error-free. And it's very important that you do this. And remember if a device gets compromised, it's only a matter of time before that malware finds its way onto your system.

What's so important about running your most recent operating system? It's not that doing this will guarantee protection against attacks. But it will significantly reduce the probability. That's because, as I write this, there are millions of bots trolling the internet looking for older devices they can compromise. Most bots that run into a device using the most recent operating system are programmed to not waste their time — there's too much low hanging fruit out there. So by running the latest operating system that has the most recent security fixes, potential hackers are motivated to avoid you instead of spending the extra time needed to get around these new obstacles.

THIRD ACTION

Which brings me to my third action: get rid of your network! Most of my clients nowadays have moved their data, files and software to the cloud. Even if they have older applications they still have them hosted

by a managed services provider (I recommend Right Networks to my clients). These firms are expert in hosting applications and information — they have the best security available (although, not infallible) and also make sure your systems are backed up and can be connected by anyone anywhere that has permission. They have more resources to spend on the latest security tools and people. They are in the business of ensuring their clients' systems are operational and accessible, which means they have the ultimate motivation for ensuring this happens.

FOURTH ACTION

Which....brings me to my fourth action! And that's about access to your data. Passwords are a first step but you have to make sure your network administrator — cloud based or not — is forcing password changes every 30-60 days. Better yet you should have a multi-factor authentication system setup to require entering a texted four-digit code because with that even a password isn't enough to enter a system.

Until biometrics really becomes mainstream (and it will in a few short years) my other recommendation is to do what Google does and issue a physical USB key device (you can search for these online) to all of your employees. That way when they need to log into your network they have to use a randomly assigned authentication code generated by that piece of hardware that can't be accessed by anyone except by the person who has possession of that hardware.

I FIFTH ACTION

There's one final thing you need to protect yourself and that's prepare for a disaster when you're not protected. You need cyber insurance. Some property and liability policies include this coverage but other insurance companies provide them stand-alone. Talk to your business insurance agent. Find the policy that makes the most sense for your business (for example, people that sell more online need different kinds of coverage), read some examples and make sure you understand the terms. Good cyber insurance policies will protect you against liabilities in the form of a breach. Good business interruption coverage will protect you from any disruptions caused by a data hack.

Like all issues facing your business there's no silver bullet to solve the security challenges we have. There never will be. But now that the hackers can make some serious money at this game (the ransomware industry is a multi-billion-dollar field) we as business owners need to deploy a multitude of steps with the aim of fully protecting our data but the realization of at least reducing the risk of a data breach significantly.



77 AUCTION ANNIVERSARIES

75 Years

ADESA Boston, Framingham, MA Bel Air Auto Auction, Belcamp, MD Chicagoland Independent Auction, Gary, IN Greater Quad City Auto Auction, Milan, IL Southern Auto Auction East Windsor, CT

40 Years

Fountain, CO Airport Auto Auction, Louisville, TN America's Auto Auction-Harrisburg, Mechanicsburg, PA America's Auto Auction-Jacksonville, Jacksonville, FL Clark County Auto Auction Jeffersonville, IN

ADESA Colorado Springs,

70 Years

ADESA Fargo, West Fargo, ND

65 Years ADESA Pennsylvania, York, PA

Manheim Fredericksburg,

Fredericksburg, VA

Manheim Portland, Portland, OR

35 Years

ADESA Birmingham, Moody, AL ADESA Moncton. Moncton, NB Canada ADESA Winnipeg, Winnipeg, MB Canada Central Pennsylvania Auto Auction, Mill Hall, PA Manheim Nevada, Las Vegas, NV Manheim New Orleans, Slidell, LA Mountain State Auto Auction.

55 Years

America's Auto Auction-Tulsa. Tulsa, OK Expressway Auto Auction, Dansville, NY Manheim Houston, Houston, TX Manheim San Antonio,

San Antonio, TX

30 Years

ADESA Buffalo, Akron, NY America's Auto Auction-North Houston, Conroe, TX DAA Northwest, Spokane, WA

Wolfe's Evansville Auto Auction.

Shinnston, WV

Evansville, IN

50 Years

Albany Auto Auction, Albany, GA Dealers Auto Auction of Jackson. Pearl, MS Manheim Lafayette, Scott, LA

Manheim Orlando, Ocoee, FL

45 Years

ADESA Calgary, Airdrie, AB Canada ADESA Syracuse, Cicero, NY Central Wisconsin Auto Auction, Schofield, WI Manheim Fresno, Fresno, CA Radford Auto Auction, Christiansburg, VA

777 AUCTION ANNIVERSARIES

25 Years | ADESA Minneapolis, Maple Grove, MN ADESA Sacramento, Sacramento, CA America's Auto Auction-Boston, North Billerica, MA CNY Auto Auction, Lafayette, NY Dealers Auto Auction of Alaska, Anchorage, AK Decatur Auto Auction, Decatur, IL MidState Jefferson Auto Auction, Jefferson, WI

20 Years

Dallas, Irving, TX Cain's Murray Auto Auction Almo, KY Dealer's Auto Auction of the Southwest, Phoenix, AZ Deanco Auto Auction, Dothan, AL Louisiana's 1st Choice Auto Auction, Hammond, LA

America's Auto Auction-

15 Years | ADESA Boise, Boise, ID

ADESA Quebec City, Levis, QC Canada America's Auto Auction-Austin/San Antonio, Buda, TX America's Auto Auction-194 Parma, MI Greater Shreveport-Bossier Auto Auction, Shreveport, LA Metro Auto Auction of Phoenix Phoenix, AZ Space Coast Auto Auction Melbourne, FL

10 Years

Abilene, Abilene, TX Alliance Auto Auction of Waco. Elm Mott, TX America's Auto Auction-Lancaster, East Petersburg, PA Auctions in Motion-Santa Ana, Santa Ana, CA Auctions in Motion-Thousand Oaks, Thousand Oaks, CA Badger State Auto Auction North Fond du Lac. WI Manheim Jacksonville Jacksonville, FL Metro Auto Auction Dallas Lewisville, TX Sunflower Auto Auction Topeka, KS

Wisconsin State Auto Auction

Lomira, WI

Alliance Auto Auction of



ADESA Launches New Tool to Drive Greater Wholesale Value

Technology Provides Sellers with Actionable Repair Suggestions and Buyers with Improved Quality Vehicles

DESA business unit of global wholesale used vehicle digital marketplace operator KAR Global reveals a new tool to enhance the reconditioning process and optimize return on investment for sellers. By leveraging millions of data points on vehicles, repairs and sales, the technology arms sellers with actionable repair suggestions that maximize the profit opportunity on the resale of those vehicles in the wholesale channel. The new tool showcases how specifically tailored repairs and enhancements will improve its vehicle grade, helping vehicles become front-line ready, faster.

"With instant access to recommended recon services and the ROI of each, this new tool makes it easier than ever for sellers to make data-driven decisions on the fly," said John Hammer, chief commercial officer of KAR Global and president of ADESA. "We've seen impressive results throughout our pilot

period, even in a hot market, due to our sellers being able to invest in the right repairs to yield the highest possible return. Plus, sellers can see all of their vehicles in one place, along with the status and location of each, from checkin to inspections to shop work all the way to sale."

The reconditioning tool visually displays the cars as recommendations in one centralized digital location, the ADESA Portal, putting the power in the hands of the seller. Sellers can see which services will improve the grade and therefore optimize profit. A maximum cost can be set to determine what can be done to the vehicle within budget while driving greater wholesale value.

"With a few clicks, sellers are able to decide which services to move forward with based on grade improvement, spend and ROI," said Srisu Subrahmanyam, chief operating officer of ADESA. "With bumps in grade improvement, we are driving more eyes to the vehicle, as many customers filter by grade when evaluating inventory to purchase. Our sellers aren't the only ones benefitting; dealers are reaping the benefits of retail-ready, higherquality vehicles, cutting valuable cycle time between when they purchase at auction and when they can deliver to their retail customers."



MEMBER **NEWS**

2021 Year in Review:

An Update from Manheim President Grace Huang

year filled with incredible highs and lows; from the creation of vaccines to stem the spread of COVID-19 to global chip shortages that adversely affected our industry. Through it all, Manheim remained committed to innovating to help drive success for our clients and our company. I'm very proud of the progress we made.

It was a bold start to the New Year with Cox Automotive's acquisition of Fyusion, a company whose 3D vehicle images have played a key part in the success of Manheim Express. This was followed by a nearly \$100 million investment to better align and improve processes and services across our digital and physical network. Our Logistics business closely collaborated with DHL Supply Chain to rethink logistics management. We also continued to prepare for the anticipated influx of EVs at our locations. All of these support Manheim's goal of delivering a more connected client experience.

Our investments in Manheim Express delivered dividends for dealers as they searched for much-needed inventory. This channel experienced triple-digital growth and greater buyer confidence from enhancements like Manheim Express' Concierge Inspection Guarantee, the doubling of our Concierge team to help more dealers list their vehicles, and improved inspection and digital condition reports. In fact, Manheim Express users created over one million 3D vehicle images with Fyusion technology, emphasizing the value of this innovation in remarketing their vehicles.

Over the past year, clients have come to rely on our digital channels to conduct business more than ever. Roughly 80 percent of purchases were made to digital buyers and over 2.5 million cars were sold digitally, so far this year. Nonetheless, Manheim remains committed to a hybrid auction model that offer clients both in-person and digital choices.

After a broad review of our auction processes, we also aligned all of Manheim's shared services within one group. I'm happy to share that the Client Shared Services group is not only bringing deep auction expertise to common client issues, but also delivering greater consistency and time savings. As an example, because our team efficiently handles all commercial client post-sale needs for any location where they sell vehicles, 60 percent of all commercial transactions are now centrally facilitated.

In addition, we completed the rollout of Lot Vision at most Manheim locations, allowing us to track nearly 97 percent of our volume while also helping clients find vehicles faster. We're

also piloting additional Lot Vision capabilities at Manheim Dallas and Manheim Southern California, including offering clients access to diagnostic trouble codes (DTC). This information will provide clients with more vehicle diagnostic data up front, helping them make pre-sale repairs and buying decisions with greater confidence. As clients continue to tell us that more vehicle details are vital to their buying and selling decisions, we're committed to delivering this information.

Our Logistics business, a critical part of our operations, is partnering with DHL Supply Chain to create capabilities not previously possible in the automotive space. This includes the integration of DHL's transportation management system and applications that will deliver greater efficiencies, transparency and enable future growth. I'm confident that the combined knowledge and expertise of both companies will transform and simplify the transportation experience for our dealers, shippers and carriers.

Across our industry, we also saw greater interest in EVs than ever before, and Manheim was prepared. A few years ago, we began investing in an EV infrastructure at our locations. Today, nearly 90 percent of our sites offer charging capability to support and service EV clients. And, with our work around battery health and scoring, we are excited about the role we'll play in a growing electrified marketplace.

So, what's next? While none of us have a crystal ball, we can be certain of one thing: the steadfast resilience of our industry, clients and team members. I am grateful to all.

Wishing you a healthy and safe 2022,

Trace Huang

President, Manheim

Adding One More at Mountain State Auto Auction



ovember ushered in the 34th Anniversary for Mountain State Auto Auction bringing record-breaking attendance of 738 per week and consignment selling over 4500 units. The auction is owned by Joe and Charlotte Pyle and family. The month offered a flurry of activities kicking off the month with our theme of 34 Years and adding one more!

The Adding One More theme includes the Pyles welcoming their first grandchild, a baby girl born October 22, 2021 to Aaron and Tiffany Pyle. Baby Blaire was recognized with "Welcome Baby Blaire" tee shirts for all the dealers. Blaire was due in November but was so excited about the 34th anniversary activities that she decided to arrive in plenty of time to enjoy them.

The Adding One More theme continued with the second week of November Grand Opening of an additional lane, which makes Mountain State Auto Auction a 7-lane sale every Monday. Our Veterans were recognized with our special edition MSAA Supports Our Troops cap and throughout the month dealers also received anniversary hats and tee-shirts.

Week 4 continued with our Happy Hunter Sale, featuring our Annual Happy Hunter Contest with dealers shooting the target with a Daisy Red Rider BB gun for a chance to win one of several hunting rifles.

The month capped off with our big giveaway at the end of the sale, with one lucky dealer winning \$7,000 and, in recognition of the arrival of Baby Blaire, a Pink Morgan Retro Pedal Car. For our online buyers we celebrated "Cyber Monday," giving away an Apple ipad.



A BUSY MONTH FOR AUCTION ACADEMY

uction Academy finished 2021 with a flurry of activity, with two important events set for New York portant events set for November, reported Auction Academy President Penny Wanna. Coming up first was the inaugural meeting of Auction Academy's 7th Class Group in Nashville on November 4th, 5th and 6th. The twoyear curriculum includes both virtual training and quarterly in-person meetings.

Said Wanna, "We are very excited to welcome this new Class Group to the program and absolutely thrilled that this will be the largest class to date, with 30 registered students from auto auctions and industry partners around the country."

During the first Session, Tony Long of IARA reviewed that organization's mission. The students also began coursework in the IARA CAR Certification Program, which is now a regular part of the Academy coursework. The next day the group visited Manheim Nashville, hosted by auction General Manager, Sam Chaple.

Said Pierre Pons, Academy CEO, "Auction Academy's students will learn much from Sam Chaple, who is one of the top auto auction General Managers in the country. Throughout his career he has demonstrated what it means to lead by example and bring out the best in others, in recognition of which he earned the highest honor for a Cox Enterprises employee: the Governor James M. Cox Award. We are so grateful to always open our program with a visit to this spectacular auction facility, and to get industry insights from Sam and his team."

The first session for Class Group 7 also included presentations by Dave Blake of McConkey Auction Group on an overview of the industry, Eric Stevens of Littler Law on Labor and Employment practices, Charlie Vogelheim on Guidebooks 101 and an in-depth study into Digital Sales in OVE University.

Later in November, the Auction Academy graduated Class 6 when the industry met in Las Vegas. Class 6 first met in May of 2019, and graduation

was originally slated for Spring of 2021. Due to COVID restrictions, graduation was rescheduled for the Fall NAAA Convention, but was once again postponed when that convention was cancelled. The Academy's current graduates, alumni, and staff looked forward to Used Car Week in Las Vegas when Class 6 at last received their well-deserved diplomas and recognition.

Said Wanna, "Class 6 has been absolutely the most resilient of any group so far in the program. Moving them to a virtual format for most of 2020 and into 2021 had its challenges, but the class held together and formed bonds that will last throughout their careers."

Pons said, "Throughout the challenges of the past two years and all the transitions that were entailed, all of us at the Academy express our gratitude to the key sponsors and companies that have supported the program: BSC America, NAAA, McConkey Auctions, AutoIMS, Stanley-Autenreith Auctions, Liquid Motors, Cherokee Media, Used Car News, CARS Recon, America's Auto Auction, DealShield, NextGear, OVE, and Auction Edge – along with the many presenters who gave tirelessly of their time and knowledge. It is through their generosity and support, coupled with Penny Wanna's determination and leadership, that this program has thrived."



Badger State Auto Auction Helping Families

During the Holiday





olidays can be a hard time for many. Every year, Badger State Auto Auction collects donations from employees and dealers in November and December to help those in need. This year, through generous donations we received, we were able to adopt 10 families from the Fond du Lac, Wisconsin area School District. Our Staff spent hours of their own time shopping and wrapping presents for these families in need. We hope that through our donations and kindness these families were able to have a Merry Christmas!

Pride of Giving at Morton Auto Auction

t Morton Auto Auction, we take great pride in being able to help local children in any way possible. We are active sponsors of various philanthropic groups such as The Boys and Girls Clubs of Greater Peoria, St. Jude Children's Research Hospital Midwest Affiliate, and the Heller Center for Kids with Cancer.

One of our favorite events is held in the month of December when our staff, local automotive dealerships, and vendors at Morton Auto Auction team up to help collect toys and monetary donations to benefit the Boys and Girls Clubs of Greater Peoria. This campaign has proven to be a huge success and the outreach to our local kids has been amazing. Without the dedication our group has shown through the years, many of these children would have little to nothing to open during the Holiday Season.



(L to R) Morton Auto Auction's General Manager, Shawn Glatz, and Christen Lee delivering toys and aifts to the Boys and Girls Club of Greater Peoria.

Morton Auto Auction supports these local community children's charities:

Boys and Girls Clubs of Greater Peoria nurture young people's self-esteem by instilling in them a sense of belonging, usefulness, influence, and competence. Clubs do this daily by providing young people with one-on-one relationships with caring adult professionals and fun, age-appropriate, well-rounded programming.

St. Jude Children's Research Hospital Midwest Affiliate

works to advance cures and means of prevention for pediatric catastrophic diseases through research and treatment.

The Heller Center for Kids with Cancer helps local kids and families live a life beyond cancer. The

Center supports the entire family, helping patients, parents and siblings face the obstacles and trauma a cancer diagnosis creates.



Morton Auto Auction as a Silver Sponsor of the 2021 St. Jude Peoria Golf Classic.

MEMBER GIVING

Greater Erie Auto Auction Linked By Pink

n October 19th, Greater Erie Auto Auction held a charity auction to raise money for breast cancer awareness month for Linked By Pink, a local charity.

Dealers were bidding with their hearts, and when the hammer dropped on the 2010 Ford Edge, the winning bid of \$10,000 came in from Chris and Erica at White Horse Automotive in Avon, NY. Chris and Erica are going to keep the charitable giving going, as they plan on giving the car to a family in need this Christmas.

"It's a wonderful feeling to be able to give back to our community,"

Ryan Russell, Assistant General Manager at Greater Frie Auto Auction.

"Watching our dealers step up and take the opening bid of \$4,000 and run it up to \$10,000 was just incredible."

Heather Stempka and Norma Zimmer, founders of Linked By Pink (www.linkedbypink.org), were in attendance for the auction and were overjoyed. "We certainly haven't ever raised that much money in that short of a time," Zimmer said. "We want to thank all the dealers that bid on the vehicle."



SAFETY **FIRST**



MEMBER VIEWPOINT

Do the Right Thing

oming from a family of doctors and educators, I wasn't 100% sure what the reaction was going to be when I told my parents I was dropping out of college to work full time at a Mercedes-Benz dealership as a porter, but in the true spirit of family, I was met with more encouragement than disappointment.

Growing up my parents emphasized and fostered two key character traits in me that I try to live up to every day, both in my personal and professional interactions. My parents would always tell me to "do the right thing" and to "be nice to people" in everything I do...and let me tell you, no one washed a Mercedes better and with a bigger smile than I did!

It's been a little over 20 years since I've hung up my shammy, but I do my best every day to incorporate the values my parents instilled in me that allowed me to be a successful porter, and I use those values to be a better husband, a better team member, and a better leader.

Doing the right thing and being nice to people are highly subjective based on our backgrounds, our beliefs, and what we hold of value...so how do I incorporate these concepts into my daily interactions? I try to find common ground. I look for ways to have mutually beneficial outcomes. It isn't about me. It isn't about

By Matthew Knops Auction Edge, Inc. Director of Customer Experience



you. It is about us — all of us — working together toward a common goal of success.

Sometimes doing the right thing doesn't have immediate business impacts...and that is OK. Upholding our values, staying true to our core, interacting honestly with integrity, and focusing on what is right, and not just what we might want right now, is what allows me to focus on my life, my career, and every challenge that comes my way with a clear conscience that I am doing the right thing.

My challenge to you: Help empower your team members and your customers...make them feel heard, and don't be afraid to compliment and say something nice to people.

Kindness and empathy are an absolute necessity in our business and are the best investment you can make in yourself and others.