

Auction Safety: A Primer for Dealers

You Can't Rewind Accidents and Injuries at the Auction, But You Can Help Prevent Them Going Forward By Taking the Proper Precautions

By Michael Rohdy

In 1982, the rewind button on our new VCR was kind of cool to a 9-year-old.

For those who remember, you could record regularly programmed television and play it back on the VCR via a VHS tape (or Beta, if you chose that technology). I remember recording episodes of CHiPs and purposely rewinding the bad car accidents on the screen so I could see (through the tracking lines) the cars “unflip.”

I would take the videos all the way back to where the bad guys made the poor decisions that caused the pileup.

How many of us rewind accidents in our head, wishing we could go back to the moment before the accident occurred?

If we could click a button and make runaway vehicles roaring through an auction lane stop and reverse course, allowing us to discover what went wrong and correct it before anyone was injured or killed, we would do it in a heartbeat.

Unfortunately, it doesn't work like that.

Investigations don't undo property damage or bodily injury, but they do peel back layers of sequences that shed light on what contributed to an accident. Often an investigation uncovers a host of activities that led to a distracted driver and begins to explain where and how otherwise safe driving went wrong.

As the auction industry strives to create a safer workplace, it is important to remember that while the auction bears great responsibility in ensuring safety and invests in improved equipment, infrastructure and training for employees, dealers must also do their part to ensure their own safety – and that of those around them.

So let's take a look at safety in the lanes, diving into the elements in play that make it imperative for dealers to partner with auctions and embrace safety.

Sale day at an auto auction is a flurry of activity – one that, if you are a dealer, makes you proud you picked the auto business over other careers because you know you are in the driver's seat toward making a profit.

While others spend countless hours in an office, doing what was at one time commonly referred to as “pushing paper” (though they're now more likely to be staring at a computer screen until their eyes are weary) dealers are in the auction lanes taking the bull by the horns.

Of course, while making money in the car business, like a lot of business models, once centered on intuition and grit, the reality of using data and analytics to drive profit in today's used vehicle market is not only prevalent, it's crucial.

Managing data on the supply side – current inventory on the lot, floorplan metrics, available inventory in the marketplace and market trends – is one side of the equation. Predicting and reacting to the quirks and trends on the demand side of how to reach consumers and produce sales in an ever-changing retail marketplace is the other side, and it can be overwhelming.

The auction is the crossroads, where the old-school of “kick the tires” and “touch the metal” meets the technology of sophisticated condition reports, online buying, vehicle history reports and a host of other advancements that keep auctions not only relevant but critical in today's used car marketplace.

Auctions are a special place, in which dealers can not only access and harness data but act on it in real time.

But even with all the changes in the auto remarketing business and the focus on harnessing technology to drive profits, we simply can't ignore that safety is an element that must be addressed not only by auctions, but by their lifeblood: the dealers.

The ingredients that make the auction an exciting place to do business, coupled with the technology that captures each dealer's attention, can also be a recipe for disaster at the auction if not addressed properly.

In 2015, the National Auto Auction Association rolled out a new mascot – Safe T. Sam – developed and shared by KAR Auction Services. The goal of Safe T. Sam is to train auction employees in an industry-specific program to achieve zero accidents.

Serious and fatal accidents that in the old days were considered “the cost of doing business” are no longer acceptable. During her tenure as NAAA president in 2015, Ellie Johnson made safety her platform, and representatives from auctions ranging from the Independent Auction Group to Manheim to ServNet and KAR Auction Services agreed the days of treating safety as a goal rather than a value were over.

In an effort to further develop a culture of safety, KAR created Coach Caution, which was adopted immediately by NAAA to train auctioneers on acceptable dealer and driver behavior in the lanes and educate them on how best to voice warnings from the auction block to keep the lanes running smoothly and without incident.

In March, NAAA adopted several suggested safety guidelines during its annual meeting at the CAR Conference. The goal of the guidelines is to further promote the need for Safe T. Sam training as well as identifying best practices that should be adopted throughout the industry.

Among those directives are some that directly impact dealers, aimed at reducing driver distraction and promoting safety in the lanes. The guidelines require, among other things, that hoods, doors and trunks remain closed as vehicles approach and enter the lanes.

We are all creatures of habit, and initially there was angst among dealers as the changes unfolded. Keep in mind the new measures were not taken lightly by the auction

industry, given the custom in many regions of ringmen popping the hood on the auction block for dealers to take a closer look. But at some point tradition must take a back seat to operating a safe workplace.

The task of moving so many cars through the auction lanes is monumental when you look at the volume of vehicles at any given auction on a given sale day. Drivers are relied on to drive through the lanes safely, and it is imperative to allow them to do their jobs without the distraction of hovering pedestrians.

Diagnostic devices such as scanners are now prohibited, as they have been revealed in several lane accident investigations to be among the primary factors in distracting drivers.

Staffing sale day drivers is a challenge and dealers as well as the auctions are beginning to realize elevating the ability of drivers to operate vehicles safely through the auction lanes is just better business.

As changes are implemented, compliance among dealers is extremely helpful in creating a smooth transition. No one at the auction level is interested in upsetting the customers and everyone in auction management wants to foster a safe environment for their employees and the dealers.

Less time and energy spent dealing with injuries to both employees and dealers creates an opportunity to devote more resources to a successful auction and sales percentage, which is healthy for all sides.

Dealers not only need to get on board with safety measures in the auction lane, they also should pay particular personal attention at the entrances and exits of the auction house.

Buyers often congregate around the lane entrances as cars approach the auction lane. It is not uncommon to see dealers lose sight of the danger of the area as they access technology and check various apps on their phones while pondering their buying decisions.

Inattention often leads to feet being run over and elbows being struck, and there is little the driver can do to avoid the accident. Remember hoods, windows and trunks should be left alone in that area to reduce the likelihood of distracting a driver, contributing to a runaway vehicle.

Exits are potentially hazardous areas as drivers leave the lanes and pedestrians are hidden from view. Drivers need to be mindful to keep a slow speed as they exit, but dealers should be sure to keep their guard up in that area.

KAR Auction Services is straightforward in its approach to educating dealers about their role making sure the auction is a safe environment. Six items are displayed to dealers at certain intervals in order to obtain a dealer badge.

- Pay attention to your surroundings.
- Never distract or interfere with a driver or vehicle.
- Never walk in front of a vehicle.
- Obey all posted speed limit signs and warnings.

- Test drive vehicles.
- Follow all rules and procedures.

Those are fundamental directives that really are common sense. Given the nature of part-time employees driving unfamiliar cars, it is necessary to understand the vehicles in that scenario should be treated with caution, just as vehicles we encounter on public highways, roads and parking lots.

Dealers are an integral part of the auction process, and partnering with auctions to improve safety is a win for all sides.

By working together with the auction industry, dealers can help continue the transformation of auto auctions into a model of safety and efficiency and ensure the survival of a central hub of the auto remarketing universe.

Dealers rely on auction outlets to give them a chance to compete profitably in the used car marketplace, and investing in improving their own habits on the auction lot and in the auction arena allows auctions to continue to serve them.

Everyone in the used car business wants to go to work and make a profit every day – and, more important, go home to their friends and family each night.

Looking ahead, there is always additional room for improvement with regard to safety. But it feels much better to look ahead for ways to improve than to experience the frustration of trying to rewind a costly accident that can never be undone.



Michael Rohdy is a certified insurance counselor and area president of Arthur J. Gallagher – Auto Auction Services. He has more than 23 years of experience as an insurance agent serving the auto auction industry, helping his clients reduce their total cost of risk, optimize their risk management program and increase their profitability. He can be reached at michael_rohdy@ajg.com.