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MOTORWORLD

KEEPING AUTOMOTIVE LEADERS BEHIND THE WHEEL AND AHEAD OF THE MARKET



TAKING CARE OF BUSINESS

At Atlantic Auto Group, the customer comes first with a winning business model.

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THE FRED BEANS FAMILY OF DEALERSHIPS

Maintaining a family oriented culture has allowed the Fred Beans Family of Dealerships to grow to encompass all aspects of the automotive world. **Page 44**

AUCTION BROADCASTING COMPANY LLC

Auction Broadcasting Company LLC has thrived as it adapts to changes in the auto auction industry. **Page 86**

BEFORE

AFTER

WITH NEW CARS LASTING LONGER, AUTO DETAILING BUSINESS SURGES

BY MARK J. BOLLMAN

SERVICE PROVIDERS

The Pasha Group P.84 / Auction Broadcast Co. P.86

WITH THE AVERAGE

With the average age of cars on the road currently standing at a record high, the automotive repair and maintenance industry is reaping the benefits now more than ever.

According to a 2013 study, the average age of passenger cars on U.S. roads now stands at a record high of 11.4 years, which is up 1.1 years from 2007. The recession impacted businesses across industries in a variety of ways. Although there have always been professional automotive detailers, the struggling economy drove an increasing number of repair shops and auto dealerships to turn to outsourcing to gain a competitive edge and become true one-stop service and repair entities, supporting the growing number of consumers driving used cars. As a result, the auto dealership and aftermarket sector is now in its prime, continuing its gradual upswing at an estimated increase of 1.2 percent annually over the next four years, accelerating the segment to become a \$54.7 billion industry by 2017.

For auto dealership owners to be successful long-term, offering services like interior dyeing, restoration and repair is a must; unfortunately, while auto detailing is among the most valuable maintenance steps for vehicle upkeep, it is also one of the hardest trades to master. The quality of work and professionalism displayed by the detailing team can weigh heavily on the clientele's return rate, so it's important for business owners to be aware of the many challenges they'll face starting an in-house detailing department, such as the high cost of hiring and managing staff, maintaining the quality of work provided by employees and sustaining a safe environment. Once these issues are resolved, it takes well-trained, fully equipped technicians to take detailing services to the next level. Due to the complex nature of detailing, for some it may take years of experience to master the craft. Because of this, outsourcing interior detailing services can be extremely beneficial for businesses that don't have the time, money, manpower or resources to manage an internal department, thereby allowing employees to focus their energies on core business operations.

By diversifying offerings through outsourcing, business owners are able to attain lower operating costs, enhance

productivity and increase revenue while customers are subsequently provided with high-quality results, as well as added value and convenience.

OUTSOURCING'S IMPACT

To combat some standard operational issues such as filling scheduling gaps, maintaining revenue sources and sustaining customer loyalty, many auto dealerships choose to outsource detailing while keeping the service.

This can be advantageous because it allows more flexibility with staffing - it's easier to downsize or expand with a vendor than with full-time employees. Hiring outside experts to handle a niche part of the business is also extremely cost-effective, because it provides business owners the chance to focus on the areas they have already mastered, improving efficiency and building a larger client base.

When it comes to outsourcing, the main options are partnering with a local business, investing in an add-on franchise concept or developing an internal division. For those who choose to collaborate with a local small business, the decision-maker needs to first and foremost get an idea of whether the personnel are reputable and qualified for the job. There should be a thorough analysis, including checking their insurance requirements, requesting several in-person demonstrations and reading through online reviews.

Those who choose the franchise route should do their due diligence, as well, researching the concept, franchise structure and business model to make sure it aligns with their own. Launching an internal sector requires extensive research to ensure added services meet industry standards, as well as sufficient capital towards adequate training facilities, superior products and equipment, and quality, talented technicians to trust with the business. ■

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