



ON TRACK

A
Newsletter
FOR THE
Auto Auction Industry

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Tech: More Than a Buzzword

If you pay attention to the business section of your favorite newspaper – actually, let’s be realistic, favorite website – you’ve probably already noticed one of the latest corporate trends. It seems that just about every organization out there is declaring itself a “tech company,” leveraging the buzz of that “T” word for all it’s worth. It makes sense on some levels. Technology is an incredibly powerful tool with the potential to fundamentally change the way many companies do business. But at the same time, simply declaring yourself a tech company doesn’t make it true. At IAA, we don’t define ourselves as a technology company. Rather, we’re a company that makes smart use of technology to benefit our clients. From understanding technological trends to actually implementing the latest digital products, we take a comprehensive view on the subject, and you’ll see that in action in the latest issue of OnTrack.

We begin with a look at how 3D printing is changing the automotive industry. For the unaware, 3D printing is a method of fabricating physical objects from 3D models, typically by stacking many layers of a thin material such as plastic or certain metals. While 3D printing has long been used in prototyping, it’s now making its way into mainstream manufacturing, and we’re starting to see it in the automotive industry. But with this exciting new technology comes a host of questions. Will 3D parts be more prone to failure? How will they affect repairability and total loss rates? Will there be a market for 3D printed parts at auction? Rather than wonder, we dove into the research to find some answers.

Next we examine some homegrown technology in the form of the redesign of our online buyer registration process on IAAI.com. The online registration portal is our primary recruitment channel, and given its importance, we knew we had to address the redesign with care. The OnTrack team sat down with Alex Lopez, Director of Buyer Marketing, to discuss the redesign project in depth. Before assuming his current role, Alex was an IT product manager here at IAA, and played a key role in the redesign. He’s uniquely qualified to discuss the project from each end of the spectrum.

Embracing technology is about much more than a few buzzy phrases. It’s about doing your research, planning for every potential outcome and putting in the hard work necessary for success. Because when you understand how to make technology work on your terms, good things happen.

Regards,




JOHN
KETT

Chief Executive Officer and President

GREETINGS

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ONTRACK

360° in 3D

3D printing in the automotive industry

Imagine scrolling through a colorful catalogue of vehicle makes and models, and picking one out to customize – or even mixing and matching the features you like best. Then, your final masterpiece: a unique-to-you rendition of the ever-classic Batmobile. Normally, you would look at the price tag and quickly close your tab, but here's what could make it attainable: 3D printing.

Okay, let's come back down to Earth a bit. It'll be awhile before consumers have the option of 3D printing the car of their dreams, but it's not as far off as you might think. 3D printing has already been used for years to create prototypes, so it's not a far stretch to 3D print fully functional cars – in fact, a number of automotive companies have already started.

What's new

Local Motors, a company based in Phoenix, AZ, recently showed off what they say is [the world's first 3D printed car](#), printed from carbon fiber-reinforced plastic. [These cars contain around 50 parts](#), opposed to the thousands in modern cars, and have tremendous potential for eco-friendliness. Less parts, and less time spent making them, leads to a much shorter production time (around 40 hours, says Local Motors) that cuts pollution and material waste. Specialized equipment is no longer needed – all parts of a car can be created with an industrial 3D printer. This enables companies to develop “microfactories” with a much smaller ecological footprint than those of traditional manufacturing facilities.

3D printed parts have already begun to intrigue many major corporations, especially as research continues to make headway into reliable 3D metal printing. That's right – the ability to print parts out of common car materials like stainless steel and

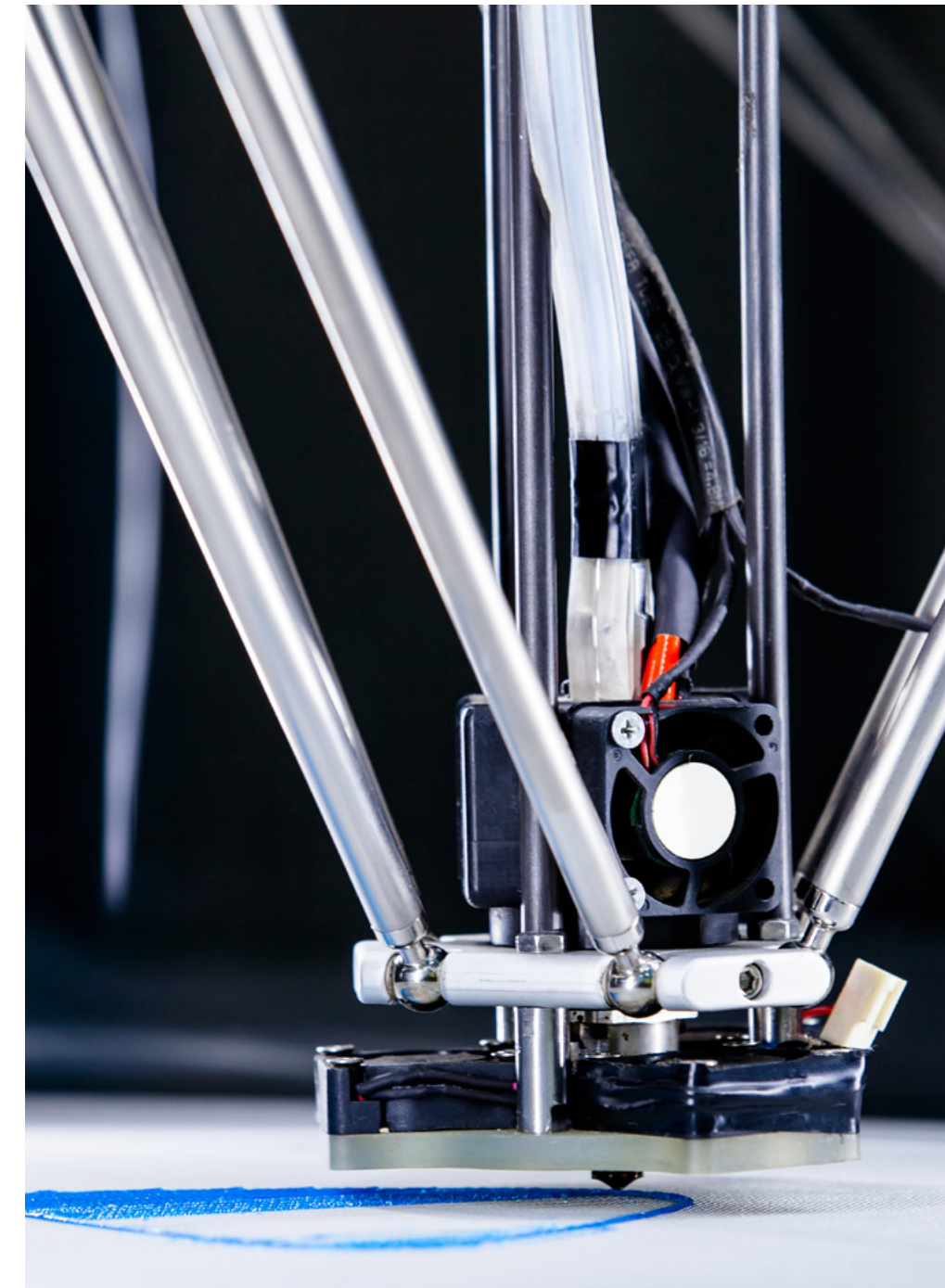
aluminum is coming, thanks to a powder-bed printing technique that essentially melts metal dust in layers to conform to a design. Alcoa Inc., the third largest producer of aluminum, announced a [\\$60 million investment](#) into their research and development center in Pennsylvania, to further explore 3D metal printing on an industrial scale. And at the beginning of the year, Dutch company Additive Industries revealed MetalFAB1, the first 3D metal manufacturing machine. They quickly [gained two impressive customers](#): Airbus, a European aerospace giant, and GKN Powder Metallurgy, a leading manufacturer of precision automotive components.

The groundwork has been laid. What will this mean for the insurance and auction industries?

What's next?

Automotive 3D printing – and the 3D printing industry as a whole – is still in its infancy, and the next major step would be to undergo usage trials. A standard for materials hasn't been set, so the impact of pursuing carbon fiber-reinforced vehicles still remains to be seen. If the industry turns largely toward progressions in metal printing, valuation for steel and aluminum may remain close to current demand – a good sign for the auction industry.

Nevertheless, if industrial 3D printing takes off, it's likely to affect much more than automobiles and auctions, and could even change manufacturing and production as we know it. But let's not get ahead of ourselves. For now, we're just hoping for personalized Batmobiles.



Many automotive companies have started to experiment with 3D printing, especially as research makes headway into industrial 3D printing technology.

Great Expectations

Creating technology on the customer's terms

In a world where buying a car, qualifying for a mortgage and finding your future spouse are only a few swipes of a smartphone screen away, staying current with users' online expectations is paramount. We've invested untold hours into ensuring IAA's online auction platform is the best in the business, but the fact of the matter is, our customers are interacting with IAA through a variety of online channels beyond our auctions: our social media profiles, email updates, digital newsletters and more. But perhaps our most important online touchpoint is also one of the easiest to overlook. Every year, our online buyer registration portal brings thousands of new and prospective buying customers to our auctions, creating a diverse and competitive ecosystem for vehicle sellers.

When it came time to redesign this channel, we knew it was no small feat. Now that the project is behind us, we wanted to sit down with an insider and pick their brain as to how the project came about. In this instance, we turned to Alex Lopez, Director of Buyer Marketing. What makes Alex so uniquely qualified for this conversation? With experience as a product manager and as a certified usability expert, he was able to work with the design and development teams to ensure that the new registration process is user-friendly, optimal and totally digital. Now, in his current role, he gets to see the fruits of that labor first hand.

OnTrack: What prompted the redesign of IAA's online registration process?

Alex Lopez: Our objective with the redesign was all about optimization. We had a rock-solid foundation, but we knew there were opportunities to improve. It was just a matter of identifying what was most important. In the end, we started with one basic question: How do we make our online registration process easier and faster than its current state?

OT: What did the redesign entail?

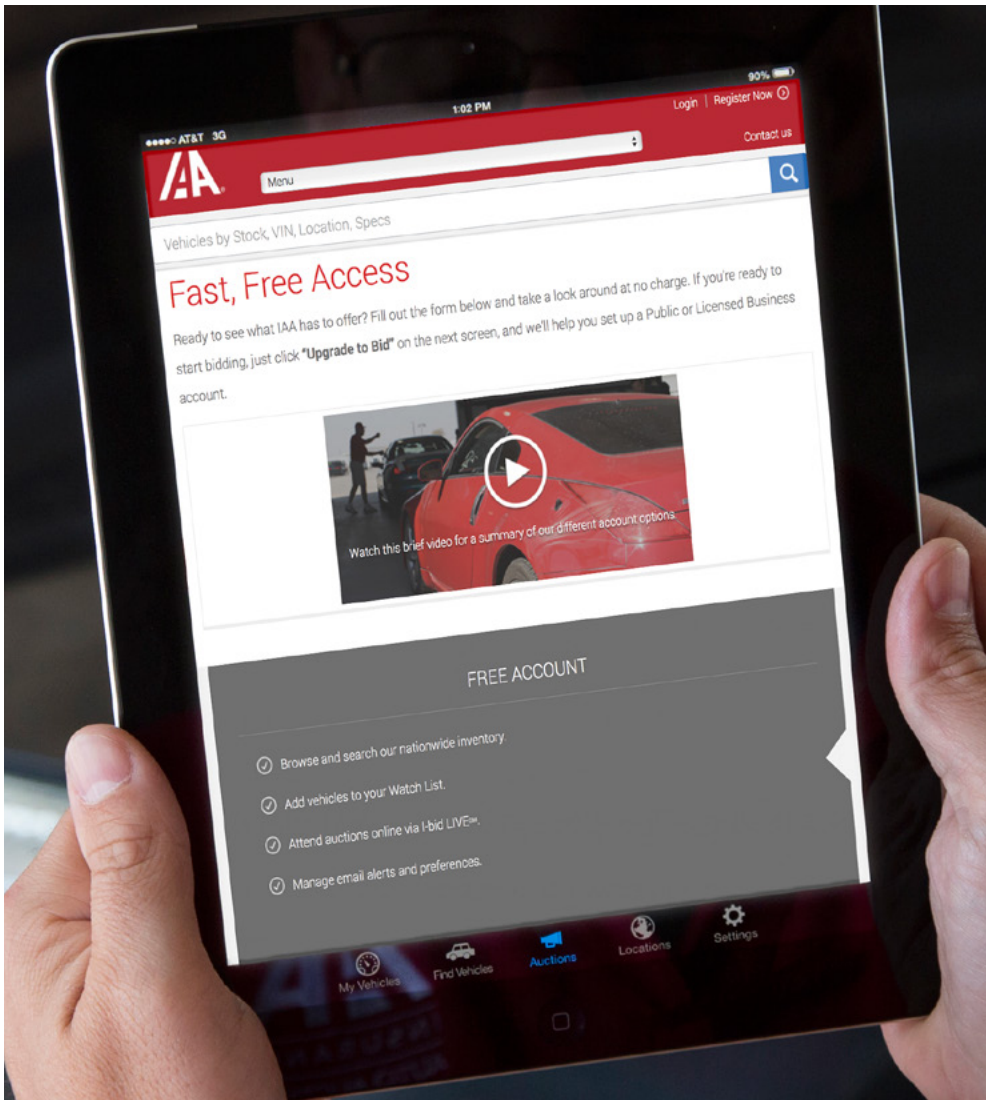
AL: Any project like this requires an in-depth understanding of user expectations, so we knew we were in store for some pretty serious research before any development work could begin. It may sound counterintuitive, but we actually stepped away from the automotive world for inspiration. We analyzed the registration processes of sites like Spotify, Facebook and Amazon to see how some of the world's largest organizations were implementing best practices into their own workflows. These sorts of day-to-day services are really what shape users' online expectations, and their influence trickles down into more unique categories like the automotive auction world. From there, it was a matter of implementing our changes. What we were left with was a registration process that was shorter, easier to navigate and less labor intensive.

OT: What are the results so far?

AL: The qualitative feedback has been great, but as a product manager I always look at the numbers first. Fortunately, those have also been impressive. The redesign was actually implemented in 2015, but we waited until earlier this year for our first official review to ensure we'd collected enough data to glean meaningful insights. Over that period, online registrations nearly doubled year-over-year, which means more buyers for the vehicles we sell at auction. In my opinion, we knocked it out of the park.

I think all of us at IAA would agree with Alex's sentiment. But as successful as the registration redesign has been, it's far from the only buyer-focused undertaking we've embarked upon over the past few months. In 2015, we surpassed 170 branches, offering greater access to auction inventory than anyone in the industry. We also continue to leverage the KAR Auction Services family of companies to provide a comprehensive auction ecosystem.

We always strive to make IAA the destination of choice for buyers worldwide. The registration process is often the first step of any professional relationship, and providing a high level of opportunity from the very beginning is our way of ensuring it gets started on the right foot.



Every year, our online buyer registration portal brings thousands of new and prospective buying customers to our auctions, so the stakes were high for its redesign.

What's New at IAA

From industry associations to nonprofit outreach, the 2,700+ talented individuals that make up the IAA team are always finding meaningful ways to get involved.



CIECA Star

With so many participants – claimants, insurance carriers, repair shops, auction houses and more – the sharing of digital information throughout the collision repair and insurance claims processes can be a chaotic and error-prone

experience if not properly executed. To combat these potential roadblocks, the Collision Industry Electronic Commerce Association (CIECA) was created to develop electronic communication standards to drive efficiencies within the collision industry. CIECA's Board of Trustees consists of some of the collision industry's best and brightest, and we're proud to say one of our own will get in on the action this year. Steve Betley, IAA's Director of Client Services and Support, has been named Secretary of CIECA's Board, along with colleagues from insurance companies and information providers. Steve's appointment is just one more example of how IAA takes an active role within our industry, helping to shape technology and information architecture in a meaningful way for the benefit of all parties involved.



In the Heart of Western New York

We were proud to welcome IAA Rochester, located in Genesee County, to our network of more than 170 North American auction facilities during an April 19 ribbon-cutting ceremony, which brought representatives

of IAA's senior leadership team together with local Genesee County officials for the celebration. "The new location will increase the company's attendance in upstate New York by offering buyers and sellers the chance to obtain more inventory with greater convenience," said John Kett, CEO and President of IAA. The facility sits on 10 acres, with an equal amount of space available for future expansion. [Visit IAA Rochester's branch page](#) for contact information and a schedule of all upcoming auctions.

UPDATES

Send comments about
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Aspiring to Greatness

At IAA, we're proud to partner with nonprofit organizations across the country, lending our support to a host of worthy causes. The relationship we've forged with the Massachusetts General Hospital's Aspire Program over the past

few years is a perfect example of this as we have had more than 8 young adults on the autism spectrum garner real-life work experience at our IAA Manchester and IAA Boston branches. Aspire has helped thousands of people over the years, and we support the program in two key ways. First and foremost, we work with individuals from the Aspire's [Adult Internship Program](#), helping to provide hands-on experience to some very talented people at IAA branches in the Northeast. We're also proud to sponsor the Aspire Gala, which celebrates the achievements of the men and women the Aspire Program was created to assist. That support continued with this year's event, held on March 31 in Boston, MA. [Click here](#) to learn more about the Aspire Program's important mission.