

[COMMENTARY: Manheim + NAAA, history in the making, marked by innovation](#)

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By Nick Peluso

Manheim, RMS Automotive

It is hard to believe I am heading out to Palm Springs early next week to attend the National Auto Auction Association (NAAA) convention for the 28th consecutive year! I still recall the first conference I attended; it was an experience like no other; the magnitude and the melting pot of people from all over the country and from all walks of life that make up the vast vehicle remarketing community gather together to attend this annual industry event. Over the years I have been fortunate enough to get to know and form relationships with the general managers from many of the auction locations along with other remarketing professionals.

The role the wholesale auto auction industry has in driving the U.S. auto market is significant; In 2016 alone, 9.8 million plus vehicles worth \$100 billion were sold in the U.S according to the National Auto Auction Association (NAAA). The reported 9.8 million units sold represented a 4.6- percent growth over 2015. The number of vehicles entering their auctions was also up, growing 2.3 percent to 17.7 million. The association has been surveying its members for 20 years.

National Auto Auction Association (NAAA)

The NAAA got its start in 1948, just three years after Manheim began its' journey when a few concerned individuals recognized the need for the emerging auto auction industry to establish clear and concise trading policies. C.B. Drake, owner of the Drake Auto Auction in Decatur, Illinois, took the initiative and invited a group of twenty-five auto auction owners from six Midwestern states to hammer out guidelines and concepts that could help them avoid frauds in the auto auction market. They called this new group the National Auto Auction Protection Association. In 1954, the word "protection" was dropped from the Association's title to reflect a broader range of goals in the industry. Since then, the NAAA has grown in both influence and membership. Since its' inception, the NAAA has been involved with several initiatives advancing the wholesale auto auction industry like lobbying for the Truth in Mileage Act of 1986 to protect dealers and consumers against odometer rollbacks.

The history of Manheim, a story marked by innovation

Manheim's journey began in 1945 when **Benjamin Z. Mellinger [2]**, a Ford dealer in New Holland, Pennsylvania, and Arthur F. Walters, a Firestone tire dealer in Manheim, met to discuss the idea of auctioning cars after watching a farm equipment auction. They along with Jacob "Jack" H. Ruhl, Paul H. Stern, and Robert Schreiber formed a partnership, each contributing

\$5000, and then, purchased a decrepit building along with its seven acres just south of Manheim to form the Manheim Auto Auction, Inc. Their first sale ran three cars and sold only one to the general public. By 1947, the new building with four lanes to auction vehicles opened and soon the partners realized the general public was purchasing their vehicles at the auction instead of their dealership franchises. This action prompted the partners to make Manheim Auto Auction a dealer-only enterprise, making Manheim the largest auto exchange in 1959.

By 1966, Manheim Auto Auction established itself as the world's volume leader, selling off 45 vehicles per hour or 700 cars/trucks on a given Friday night at the 16-laned auction. Adding closed-circuit television, the dealers and wholesalers watched the auction from the new cafeteria in its expanded building. In 1965, Manheim Auto Auction purchased the National Auto Dealers Exchange in Bordentown, New Jersey, and then in 1967, it purchased the Fredericksburg Auto Exchange in Fredericksburg, Virginia. Cox Enterprises acquired Manheim in 1968 and moved its headquarters to Atlanta, GA.

Jacob H. "Jake" Ruhl, the founder of Manheim, served as NAAA President in 1963 and was inducted into the NAAA Hall of Fame in 1974.

Since its' humble start as a three car, single-lane auto auction in 1945, Manheim has grown to become the world's largest and most trusted wholesale used-car marketplace in the industry. Whether inlane, online, through a mobile device or on a dealer's lot, Manheim connects buyers to the broadest range of inventory and sellers to the largest number of buyers.

As the industry leader, Manheim is:

- The most visited wholesale marketplace in the world!
- With 900K+ visits a month, OVE is the No. 1 digital wholesale marketplace in the world, driving faster turns and higher sales prices.
- Through the power of Cox Automotive, we leverage proprietary data to produce the industry standard pricing guide, MMR, guiding our dealer community to make quick buying decisions.
- Have more data than any competitor with consolidated wholesale and retail data to provide actionable insights with visibility into 3 million plus used-vehicle transactions per year!
- One tool to optimize and manage the entire vehicle lifecycle.
- Accurate Condition Reports help dealers make the right decisions in lane and online.

Responding to Market Demand is the Real Source of Innovation

To offer dealers more ways to meet their buying and selling needs on their terms, Manheim launched a new OVE "Dealer Direct Event" sales channel. With this offering, dealers can host digital event sales using inventory on their lots, without transporting it to a physical auction location.

Manheim's offsite solutions, which include Digital Assurance, Dealer Direct Event Sales and Mobile Auctions, have grown 50 percent in volume year over year. That significant growth reflects rising demand for—and usage of — these useful tools by dealers. This year, these solutions will drive over 100,000 transactions, with over 20,000 dealers participating!

The fundamental driver of our success at Cox Automotive has, and will always be, our people.

In **2016 [3]** alone, more than 5,400 Cox Automotive team members participated in volunteer projects. Employees, together with their family and friends, donated in excess of 60,000 volunteer hours benefiting more than 700 community organizations.

Through partnerships with leading organizations such as American Rivers, Ocean Conservancy, the Trust for Public Land, 100 Black Men of America, the National Urban League, the League of United Latin American Citizens, American Red Cross, the Asian & Pacific Islander American Scholarship Fund, Atlanta Ronald McDonald House and Human Rights Campaign, Cox seeks to create lasting change for a sustainable future.

To support the team members impacted by unforeseen circumstances, the **Cox Employee Relief Fund (CERF) [4]** was created to aid employees across the company impacted by natural disasters. CERF has assisted more than 2,500 people affected by hurricanes, tornadoes, wildfires and other devastating events.