

14% of the remarketing companies have lost a car for a full week.

Facts and figures on car remarketing in the Netherlands



Research and advice: the biggest bottlenecks in the remarketing process

Get a better grip on transport, reconditioning and inspection and your margins can increase



'Internal process' is an important brake on remarketing growth

43% of remarketing entrepreneurs suffer from their own processes



"If it takes you 2 months to get a car for sale, you're killing your business."

Turnover rates are still far too low for most remarketing companies, says Hans Kraaijeveld of Autofactor.



Here we give you the most striking results of the research, plus the vision of Autofactor founder Hans Kraaijeveld. We end with some concrete advice for faster remarketing with higher margins.

For this study, 28 remarketing entrepreneurs completed a questionnaire.



Finding inventory is still the biggest bottleneck, but the internal process is a close second

When asked about the biggest limiting factor for their growth, remarketing entrepreneurs indicate that they have the most difficulty finding suitable cars for sale. You will undoubtedly recognize that. But the internal process is a close second.

43% of remarketing entrepreneurs indicate that the internal process is the biggest hurdle in making the trade run smoothly.

It is striking that the tight labor market plays a much smaller role. It seems that the car wholesaler is mainly looking for better processes and not necessarily for more FTEs. The dealers who completed our survey find their cars mainly (43%) in the B2B circuit. Leasing companies (21%) and auctions (14%) are also important sources of used cars.

Hans' vision:

"I believe that the internal process should actually boost trade. A good automated remarketing company can be a real profit machine and gives the merchant more time to find good stock. If you want to move forward with your business, you need to be able to focus on your business.

An internal process that cannot grow with you not only puts pressure on your growth and your margins, but also drains the energy from you and your people. How can you put power behind the trade if you are constantly at odds with your IT systems and are busy solving errors?"

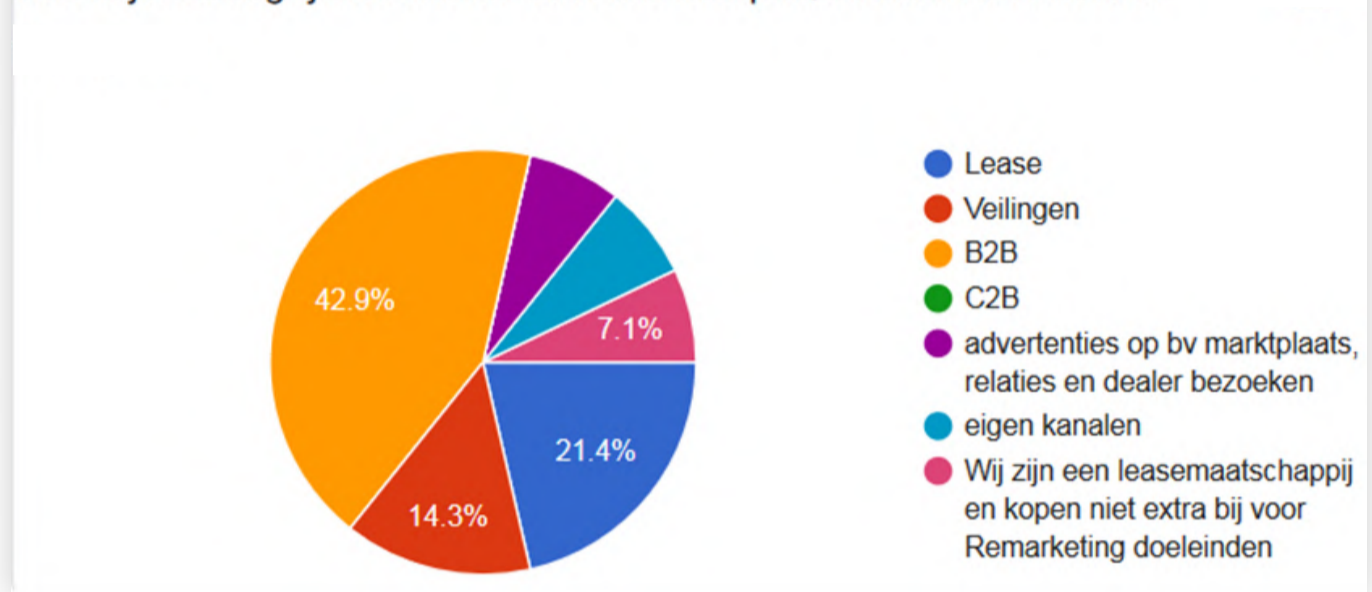


14% have lost a car for a full week

You may recognize it: you have purchased and inspected cars. Some were sold immediately. Some are on your property (and of course for sale online). Some are still with a damage or reconditioning company. But you never know 100% where which car is, because you don't have one overview with all current information. Scraping together the statuses of all your cars from apps, emails and spreadsheets takes time. Time you often don't have.

The result: 4 of the 28 car wholesalers we surveyed have lost a car for a full week. Only 1 of the respondents indicated that outsourcing work was the cause of the 'losing' of cars. In all other cases, it appears to be internal errors or a lack of overview.

Wat is je belangrijkste kanaal voor het inkopen/sourcen van auto's?

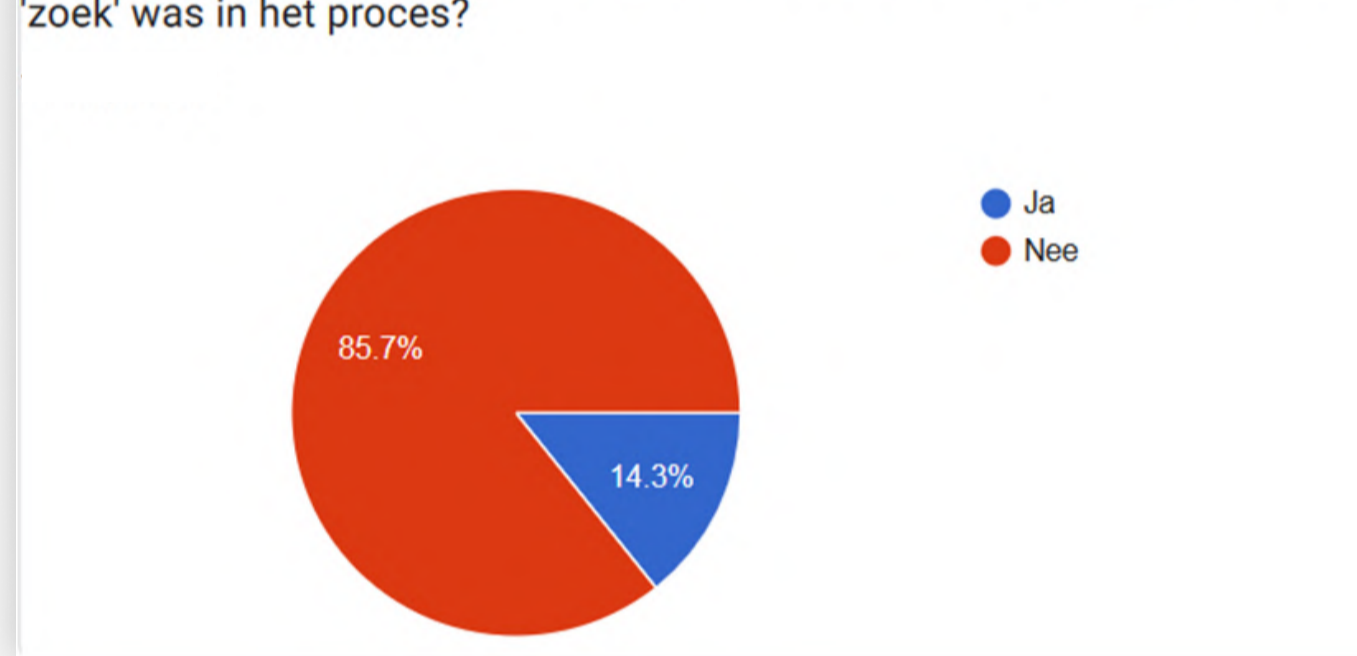


Hans' vision:

"You can't sell a car you can't find. But it does cost you money. Moreover, searching for the status of such a car leads to frustration and loss of time. It will take you or one of your employees a few hours. That is not acceptable. As a car company, you always want to know where every car is and where it is going."



Heb je het wel eens meegemaakt dat een auto langer dan 1 week fysiek 'zoek' was in het proces?



The number of stock days varies enormously

In this study we were very curious about the number of stock days of cars in remarketing companies. However, the picture is not unequivocal, probably due to the relatively small sample. To the question 'how many days do you have the cars in stock on average (from payment of purchase invoice to receipt of payment of sales invoice)?', we received answers that varied from 5 to more than 300 days.

An extremely diffuse picture, from which we cannot draw firm conclusions. And therefore a subject that we will dive deeper into in the near future, because the total time of a car being in stock can determine the success of remarketing.

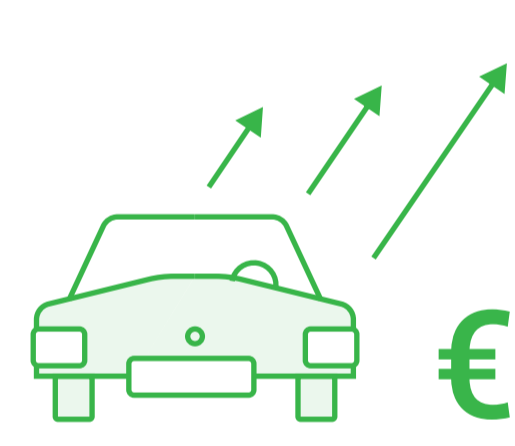
Hans' vision:

"Stock days are an important factor in the profitability and growth of a car company. The calculation is simple: the faster a car is gone, the sooner you can put the invested money into a new car. Good processes and automation allow every euro of your working capital to pass through your company 20x a year - or even more often. Imagine what that does to your profitability!"



It takes a long time for a car to be ready for sale

There is also a lot of variation in the number of process days (the time between the purchase of a car and the moment it is ready for sale). But the vast majority (71%) of the companies have the car ready for sale within 14 days on average. 8 companies report that they can arrange this in 5 days or less. For others it takes longer, up to 2 months. And although all kinds of things can of course determine the number of process days (quality of the purchased cars, availability of staff at the cleaner and damage company and transport, for example), we can say that on average it takes quite a long time before a purchased car is put on sale again.

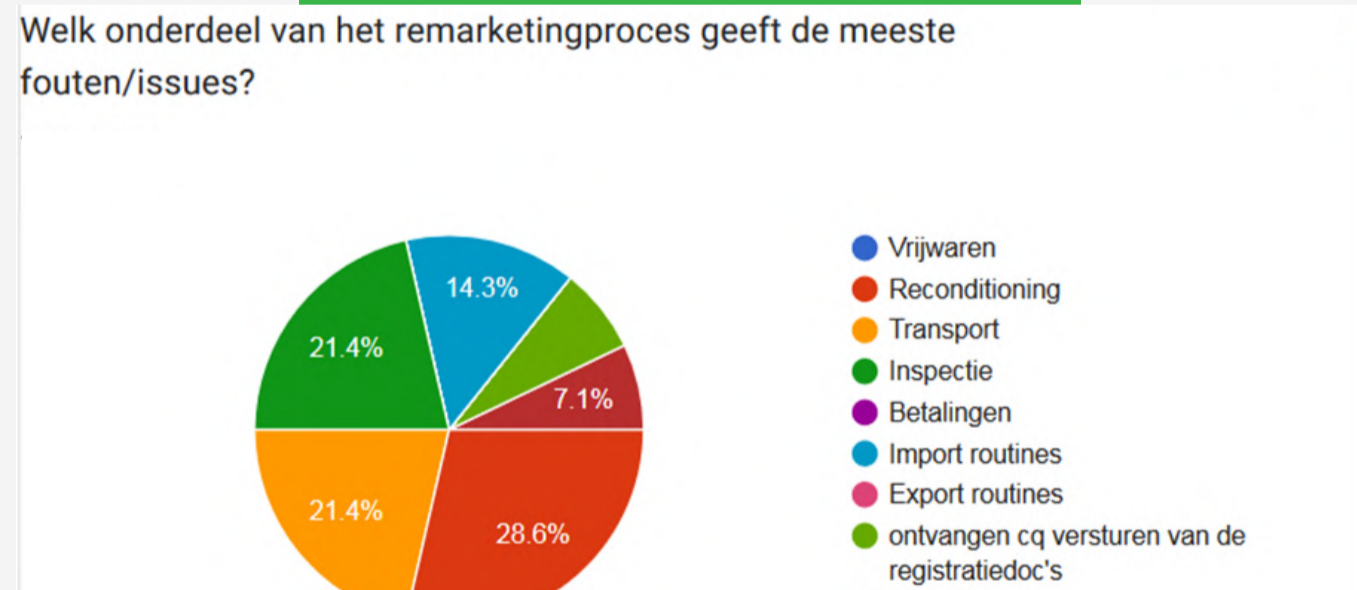


Hans' vision:

"Time is money. The sooner you have your cars on the market, the sooner you will earn back your investment. The number of process days is one of the things you have the most influence on as an entrepreneur, so this is the place to improve your business. Do you need 2 weeks to get a car for sale? That's really too much. 2 months? Then you are just killing your company. Clear standard processes, a minimum of repetitive manual work, as little communication as possible via email and app and ensure that everyone has the information they need: this way you save process days and thus increase your profitability."



Welk onderdeel van het remarketingproces geeft de meeste fouten/issues?



Reconditioning, inspection and transport give the most errors

Half of the errors in the remarketing process occur during reconditioning (29%) and transportation (21%). If we add inspection (also 21%) to this, we see that these three processes are responsible for almost three-quarters of the errors.

Hans' vision:

"Many errors occur when people have to do work that can be done better by a computer. During an inspection, the main thing is that the inspector knows which cars are involved and where they are. It is then important that the findings are immediately entered digitally and that no one has to retype a paper form. In reconditioning and transport, communication is usually the problem.

These are things that you outsource as a car company. If you make sure there is one place where everyone, your transport and reconditioning partners, can see where a car is and what needs to be done with it, you need less communication and fewer errors."



Conclusions and advice

The most important conclusions and advice from this report at a glance:

1

The internal process is an important brake on the growth of remarketing companies. By properly arranging and automating this, you will have time to focus on your business.

2

Reconditioning and transport cause the most issues, but if things really go wrong and a car is lost, the fault is often internal.

3

Both the number of process days and the number of stock days vary enormously from company to company. Many companies take a long time to prepare a car for sale and then actually sell it. Here, too, better processes can help speed things up.

Want to know how much turnover you are missing due to a too low turnover rate?

Let's calculate that together.

- ▲ Autofactor helps you to drastically reduce your lead times and increase the turnover rate of your working capital. You buy cars to resell them for a profit. And the sooner you do that, the sooner you can use your working capital for new cars.
- ▲ The turnover rate of your working capital is the factor that determines how profitable your company is and how fast you can grow. That is why we developed the Autofactor Inventory Turnover Model: a calculation model that, based on your figures, shows how many euros you miss out on every year because you own cars for too long.
- ▲ To give you an idea: at the last 2 customers where we applied this model, the amounts were six digits.

Make an appointment and we will look for the lost profit in your company:

Calculate your extra profit

