



## Ritchie Bros. Reaped \$100K in Savings With Streamlined Order Process

### COMPANY



Ritchie Bros. Auctioneers is a global asset management and disposition company, offering end-to-end solutions for buying and selling used heavy equipment and trucks. Each year they help thousands around the world appraise, sell, inspect, buy, refurbish, ship, finance and more.

"We have one set of customers that want to sell and refresh their equipment," said Joanne Wong, manager of procurement for fleet and valued-added services at Ritchie Bros. "Our second set are the people that want to come buy equipment. We press our suppliers very hard because we have to satisfy both sets of customers."

*"It's important to give the 'white-glove treatment' to our drivers because they are the meat of what we do to bring in inventory," said Joanne.*

Most of their fleet supports the sales department. Ritchie Bros. relies heavily on them to maintain a level of inventory for their buyers. As a result, the vehicle takes the form of an incentive to aid in the sales person's productivity.

"It's important to give the 'white-glove treatment' to our drivers because they are the meat of what we do to bring in inventory," said Joanne. "This is their office. This is where they spend their time. And we want to make sure they have the tools to do their job."

### FLEET PROFILE

Fleet Size **500**

Industry **Business Services**

Vehicle Type **Truck & SUV**

## Ritchie Bros. Reaped \$100K in Savings

### OPPORTUNITY

#### STREAMLINE ORDERING PROCESS, WHILE KEEPING PREMIUMS

Conscious of the image they project to clients and wanting to keep them satisfied, Ritchie Bros. gave drivers carte blanche within a cost ceiling to order any truck or SUV. The custom-ordering process for each of these vehicles took many labor hours as there were no templates or selectors from which to choose.

“I had a person full-time configuring every vehicle, one at a time,” said Joanne. “For each vehicle, the driver

would spend about four or five hours going back and forth, saying ‘Can I have this?’ and it took approximately eight hours to configure and process each vehicle.”

Ritchie Bros.’ 500-fleet vehicle would cycle in 100+ new vehicles each year, resulting in many overtime hours. Without sacrificing the quality of the vehicle, the team couldn’t sustain the current process.

Wheels offered a solution.

*For each vehicle, the driver would spend about four or five hours going back and forth, saying ‘Can I have this?’ and it took approximately eight hours to configure and process each vehicle.*

## Ritchie Bros. Reaped \$100K in Savings

### STRATEGY

#### NARROWED VEHICLE SELECTOR, INSTITUTED ONLINE ORDERING

While vehicle selectors are best practice for many fleets, Ritchie Bros. previously chose not to establish one because it didn't provide the high-touch ordering experience they wished to grant drivers. However, since the lack of selector was eroding the productivity of both drivers and the fleet office, it was time to implement one. This would greatly lessen ordering time because there are a reduced number of options from which to choose. Additionally, the Wheels' selector allows drivers to navigate the online system DriverView™ and choose the vehicle and features that suit their tastes best.

Wheels proposed this solution through explanatory web conferences with Ritchie Bros. executives. Once approved, the team worked to ensure the level of service remained intact. They analyzed the most popular vehicle options along with desirable high-end features, such as premium stereos, navigation, leather seats and spray-on bed liners. The result was multiple levels, based on the job title of first-rate vehicles like big three full-size pickups, Grand Cherokees, and even higher-line selections for top employees.

"We narrowed it down to five selections,

#### Selection Modeler™

Ritchie Bros. analyzed the most popular vehicle options along with desirable high-end features, such as:

- premium stereos
- navigation
- leather seats
- spray-on bed liners

The result was multiple levels, based on job title, of first-rate vehicles like big three full-size pickups, Grand Cherokees, and even higher-line selections for top employees.

## Ritchie Bros. Reaped \$100K in Savings

### STRATEGY

#### NARROWED VEHICLE SELECTOR, INSTITUTED ONLINE ORDERING

and then our drivers could pick the vehicle, the color, and we were done,” said Joanne. “So, we went from eight hours, down to five minutes of ordering.”

For drivers wanting features that are not available on the selectors, those are still available through the driver-paid options, all without a personal use charge.

The selector reduced the type of vehicles offered. Thus gaining economies of scale they took back to the manufacturers for better incentive negotiation.

Additional strategic adjustments narrowed down ordering into seasonal windows, allowing Ritchie Bros. to qualify for higher manufacturer-loyalty incentives and average disposal credits by selling vehicles when they command the highest resale price. Wheels provided consultation on optimal replacement guidelines followed by a replacement analysis, so they were replacing vehicles at the most opportune time.

*“We narrowed it down to five selections, and then our drivers could pick the vehicle, the color, and we were done,” said Joanne. “So, we went from eight hours, down to five minutes of ordering.”*

## Ritchie Bros. Reaped \$100K in Savings

### RESULTS+

#### REINVESTED SAVINGS ON NEW FLEET INITIATIVES

Ritchie Bros. already realizes savings just from the hours its drivers and fleet agent no longer spent on the order process itself. Through smarter management, the special driver treatment remained untouched—only its price was diminished.

“We saved about 700 labor hours, between our admin staff and our driver time,” said Joanne. “There are lots of other areas we have saved aside from the hours. We put ourselves in a better negotiation position in managing our manufacturers' incentives. We have rebate checks coming back from our manufacturers because we're hitting our tiers now.”

With the time savings, Ritchie Bros. now has time to pursue other initiatives.

“We put together a safety committee from different people in all of our organization,” said Joanne. “Telematics has come up. Last year we

implemented Motor Vehicle Record Check services, as well as the point system. So, there's going to be a lot of attention on training that's going to be provided.”

**700  
LESS**

**LABOR HOURS**

**OVER  
\$100K**

**IN PAYROLL SAVINGS**

*“There are lots of other areas we have saved aside from the hours. We put ourselves in a better negotiation position in managing our manufacturers' incentives. We have rebate checks coming back from our manufacturers because we're hitting our tiers now.”*