



WIRELESS DEPLOYMENT

2005 COMPUTERWORLD HONORS CASE STUDY

FINANCE, INSURANCE & REAL ESTATE

INSURANCE AUTO AUCTIONS DEPLOYED A GROUND-BREAKING NEW WIRELESS DATA/AUDIO NETWORK WHICH ENABLE AUTO BUYERS TO PRE-BID AHEAD OF LIVE AUCTIONS, ATTEND AUCTIONS IN PERSON, BID IN ADVANCE, AND/OR ATTEND AND PARTICIPATE IN LIVE AUCTIONS VIA THE INTERNET. [20055205]

A Search for New Stories



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SUMMARY

Deployed wireless data/audio network and applications for support of live and real time internet-based auto auctions nationwide. The combined system and business process enables our buyers to pre-bid ahead of live auctions, attend our auctions in person, bid in advance, and/or attend and participate in live auctions via the Internet.

APPLICATION

Insurance Auto Auctions is a leading provider of customer-valued automobile salvage and claims services to insurance companies and other vehicle suppliers. IAA uses a network of 75 company-owned salvage centers and cooperative agreements with independent salvage pools to provide services throughout the U.S. market. To thousands of suppliers and buyers, IAA is known for innovative methods of streamlining the total loss vehicle process and in finding ways to improve net salvage returns to its customers.

In 2004 IAA completed the rollout of ASAP (Automated Salvage Auction Processing), the firm's new Operating and Financial System. ASAP provided the technology foundation that allowed IAA to immediately launch a number of new initiatives, including the deployment of an integrated wireless technology solution supporting IAA's auctions.

This solution combines proprietary and commercial technologies that enables IAA to offer buyers the option of participating in auto auctions in-person, in-advance of the live auction via the Internet, and in real-time via the Internet as a virtual participant in the live auction. This added flexibility allows buyers to participate in auctions that they cannot physically attend and to bid on vehicles anywhere in the IAA network.

Branded "I-bid Live sm", the product combines wireless data and streaming audio technologies with ASAP and hosted ASP-based auction services to produce a completely integrated platform for IAA branch operations, buyers, and customers.

Buyers are now able, at their discretion, to bid electronically from any Internet-enabled computer during live physical auctions. Participants are able to view digital images of the vehicles as they are being auctioned, text data on the vehicle, and listen to real-time audio of the auctioneer as the live auction proceeds. Buyers can bid on the vehicles in real-time, competing not only against the in-person bidder but other Internet bidders worldwide.

To support these buyer-side capabilities IAA implemented wireless data and audio networks in all of its auction facilities. Auctioneers and auction clerks now interact with in-person buyers, I-Bid LIVE and ASAP from mobile auction trucks. The wireless network enables employees to access the application from the outdoor location of the physical auction. It also transmits the audio signal from the auctioneer's microphone as well as data to IAA's datacenter-based application and the I-bid ASP via an IP/VPN wide area network.

BENEFITS

Many of IAA's buyers have overwhelmingly embraced I-bid LIVE and are eager to participate in the auctions even when they cannot attend. More than 90 percent of IAA's buyers now use IAA's Internet products to shop for vehicles at IAA.

I-Bid LIVE has also helped IAA's customers in that their vehicles are now reaching a wider and more dispersed buyer base, which in turn, provides the opportunity for increased returns and throughput.

Finally, with I-Bid LIVE combined with ASAP, IAA branch auction operations have been streamlined to a single point for all bidding processes, from all bidding sources. This has resulted in operational simplification, error reduction, and the ability to handle increased volume with the same physical footprint.

IMPORTANCE

Information Technology contributions to this effort are best represented as a judicious, timely, and effective integration of commercial best-of-breed hardware and software products and services with proprietary custom software.

By not "re-inventing the wheel" IT was able to focus on developing only what was unavailable in the marketplace and therefore specific to IAA's business processes.

In selecting a proven ASP provider of auction management services, IAA IT was able to decrease time-to-market for I-Bid LIVE and concentrate on insuring that the product was fully-integrated with ASAP.

The deployment of the wireless network in all of IAA's facilities was the technology enabler for I-bid LIVE. By integrating the wifi network with the local and the wide network, IT was able to provide full access to all IAA applications regardless of location within the IAA facility.

Finally, IT also brought extensive project management skills to the project and was a contributor to several non-technical activities (training, work process development) that the business needed to undertake in order to bring the product to market.

ORIGINALITY

The project had its origins in IAA needing a response to a competitive threat. IAA did not want a "me too" solution and therefore opted to deploy a product that built on the firm's reputation as being extremely focused on providing options for both buyers and customers.

The most exceptional aspect of the project is the totality of the integration with other IAA operational systems and the speed at which the solution was deployed to the market (less than six months).

SUCCESS

I-bid LIVE is an unqualified success.

Quotes from Buyers:

"It's a great thing being able to bid from the comfort of my air-conditioned office"

"It really broadens our buying ability. We have a larger area that we're dealing with and that translates into a much larger inventory to choose from."

"I even had four IAA I-bid LIVE auctions running at the same time the other day. It's great to be in more than one place at one time."

As of 12/04 we are implemented in over 50% of our branch locations and will be completely rolled out by early February 2005.

All technical and functional aspects of the project are operational and IAA is now embarking on the next version of I-bid LIVE which will provide additional features based on buyer feedback and salvage provider feedback such as:

- participating in multiple I-bid auctions from a single computer
- online approval of sales by salvage providers
- streaming video of auctions

DIFFICULTY

Technical Obstacles

Understanding the nuances of integrating audio with data over a wireless network and keeping the quality

acceptable. Needed to account for the entire audio platform from auctioneer microphone, to mixer, to digital connections.

Designing the solution to work at 56K dialup speeds, which is the low end of what our buyers use for connectivity...probably will not be an issue as high speed connections start to dominate the market over the next 2-3 years.

Insuring the wifi coverage in the auction facilities was industrial strength, having sufficient bandwidth and signal strength regardless of location, in all climates, all of the time.

Deployment Obstacles

Rapid acceptance of product caused an acceleration in the deployment plan which, in turn, created staffing and project prioritization issues within IT. These were overcome with utilizing external resources for the duration of the project.