



Alliance Inspection Management's (AIM) mission includes improving a fragmented vehicle inspection industry. Pictured from left to right are: Michael Cheng, technology solutions; Bob Clucas, operations; Jim Yates, president and CEO; Eric Widmer, sales and operations; and Tom Gardner, sales and operations.

COMPANY TAKES **AIM** AT CHANGING INSPECTION INDUSTRY

Newly formed Alliance Inspection Management (AIM) is driving change in the vehicle inspection industry. Its mission includes increasing quality, inspector training, and IT solutions.

Finding a trustworthy bridge between vehicle buyer and seller continues to challenge many in the fleet industry. As the inspection industry continues to move toward online, nontraditional transactions, many manufacturers, financial institutions, leasing companies, and daily rental companies seek

an independent, third-party alternative.

Typically, these inspections are used to determine vehicle values, customer liability for excess wear and use at the end of lease term, and fleet vehicle repurchase eligibility, as well as to assign responsibility for vehicle damage (primarily transportation damage).

By Cheryl Knight

In response to this increasing demand, Jim Yates, director of remarketing for Nissan North America, Inc. from 1998 to 2005, formed Alliance Inspection Management (AIM) in November 2005. The company, based in Long Beach, Calif. — with offices in Sedona, Ariz., and Detroit — is a national, independent third-party evaluator of new and used (off-lease/fleet) vehicles.

“AIM was conceived out of the continued frustration in dealing with off-lease inspections issues, including the lack of a real, national, independent, third-party alternative,” said Yates, the company’s president and CEO. “Our mission is to be a viable option to regional inspection companies, contract (non-employee) inspectors, and auction-based inspection companies.”

AIM Acquires AutoComm to Augment Marketplace Position

After the formation of AIM, the company immediately acquired AutoComm, a new-vehicle inspections provider established 18 years ago. AutoComm offers a range of services to major auto manufacturers and transportation carriers, including data collection, data warehousing, data transmissions, claims handling, damage appraisals, and comprehensive reporting for damage prevention analysis.

According to Yates, the purchase will significantly strengthen AIM’s market presence, giving it a national footprint with more than 240 employees at 60 U.S. locations, as well as 10 offices in Canada. AutoComm performed more than 7 million vehicle inspections in 2004.

“AIM will now be able to integrate new technologies with personal service in an industry not known for either,” Yates said. “We will be able to provide that much-needed, credible bridge between the sometimes-conflicting needs of buyers and sellers.”



AIM Sets Out to Drive Change in Inspection Industry

The company’s primary mission, according to Yates, includes converting a fragmented and troubled industry. He says that the current inspection industry lacks an understanding of the remarketers’ needs, quality condition reports, detailed inspector training, appropriate customer service, and adequate IT solutions to handle real-time scheduling and data collection and reporting.

“The industry has also seen a continued high off-lease volume and a consumer and dealer shift to online sales and purchases,” he added. The company is currently expanding into the off-lease and fleet vehicle inspection business, including the Internet-based inspection business.

AIM will target three sub-areas of the used-vehicle inspection market: off-lease (pre-term) vehicle inspections, auction-related inspections, and fleet vehicle inspections. In the near future, the company plans to expand into remarketing operations, transportation management, and marshalling yard activities.

Yates Says Future of Inspection Industry Looks Promising

The vehicle inspection industry is driven by a need to value approximately 17 million new and 25 million used vehicles per year, with an asset value exceeding \$750 billion, Yates estimates. As the majority of these vehicles are still covered by the new-vehicle warranty, this inspection activity focuses on the car’s physical condition.

The inspection industry’s growth during the past five years, according to

Yates, has been driven by customer acceptance of leasing as an alternative to purchase (estimated at more than 4 million units per year) and the subsequent increase in vehicle lease returns; manufacturer-enhanced leasing programs to support volume; consumer legislation passed in several large leasing states that dictates lease end-of-term customer rights and billing procedures; and Internet sales of used cars and the need for independent condition appraisals prior to sale/purchase.

Moving forward, Yates predicts the inspection industry’s growth over the next five years will be driven by:

- Continued consumer acceptance of leasing.
- Continued growth of Internet-based sales of used cars to dealers and consumers.
- Pending national consumer legislation (Uniform Consumer Leases Act).
- Continued movement toward third-party inspections.
- Used-vehicle certification and extended warranties.
- Customer repurchase loyalty initiatives.

Yates also foresees that with the growth of used-vehicle sales on the Internet, the seller increasingly will be held responsible for any misrepresentation of vehicle condition.

“A true representation of vehicle condition and full disclosure of prior repairs is essential and required by law,” he said. “This is a very large opportunity for third-party inspection services that can provide consistent, electronic condition reports in a timely manner and efficiently manage an extensive mobile workforce.”

Vehicle inspection is a core activity to remarketing business, and according to Yates, AIM is currently working as a credible, independent, third-party alternative to help the industry maximize this potential. **VR**