

# The Charlotte Observer

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Price varies by...

She found a problem and made a million dollar business out of it



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Leslie Vander Baan, 28, started an auto consignment business three years ago. Automotive Consignment on Independence Boulevard has an average inventory of 120 vehicles.

## Has she got a deal for you

### Woman quit job to start Automotive Consignment

Leslie Vander Baan turned selling her 1997 Jeep Cherokee into a million dollar business and she isn't even 30 yet.

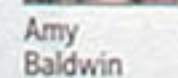
Four years ago, Vander Baan, who'd been around cars her entire life, found selling her vehicle a headache. She had to find time to meet with potential buyers after working long days at an auto auction. She had to sneak related phone calls during busy work hours. But she did all that because she knew she'd get more in a private sale than a dealer trade-in.

"It took several weeks. I remember the agony of my time ... sitting on a curb while (the would-be buyer) drove it to a mechanic and they worried about my title and I worried about how they were going to pay me," said Vander Baan, 28.

There must be a better way to sell a used car, she thought.

Maybe a consignment shop. She pictured a car lot where sellers could drop off their wheels and pay her to find a buyer.

Vander Baan quit her job to research her consignment idea and draft a business plan for a sprawling city that's unusually attached to cars at a time when more people are outsourcing personal chores.



Amy Baldwin

SEE CONSIGNMENT 60

A LOOK AT AUTO LISTING AND SALES IN 2005

13.5 million

For-sale-by-owner listings; sales totaled \$56 billion

14 million

Dealer listings for used cars; sales totaled \$118 billion

16 million

Dealer listings for new cars; sales totaled \$193 billion

Source: AutoTrader.com quoting data from CNW Marketing Research



### Consignment from 1D

Six months later, she opened Automotive Consignment on Independence Boulevard's auto row with \$500,000 in start-up funds from her financial partner, Don Harris, who's also her dad. She started with five cars that she bought herself so she'd have some inventory. Now there's about 120 cars on the lot at any given time and last year the business posted \$1.2 million in sales, she said.

Consignment in general is nothing new. But the goods for sale typically are clothing or furniture, not cars.

"I have never heard of it," said Louise Barr, a spokeswoman for AutoTrader.com when asked about auto consignment.

Vander Baan's thinking: "People can sell (cars) on their own. People can clean their own house. People get others to do it for them because their time is worth more."

From drop off to pay off, Vander Baan's sellers typically fork over about \$500.

She says 60 percent to 70 percent of her inventory moves within 30 days and that, even after her fees, sellers will net \$1,500-\$2,000 more than they would with a dealer trade-in.

But a block and a half away, at Keffler Hyundai, Michael Simpson is skeptical that buyers are getting good deals at Automotive Consignment.

"My first impression was the people who put their cars there owe too much and can't trade them in. They are probably asking a premium price, so they can pay their loan," said Simpson, general sales manager at Keffler Hyundai.

Vander Baan said she won't take just any car. The seller can't overprice it and it must be in sound mechanical condition.

Saying she keeps a keen eye out for copycats, Vander Baan asserts that her business is unique to Charlotte. ("Out of the Red" couldn't turn up any others like it.)

A few consignment busi-

## She wants to sell your used car

### CHARLOTTE - A CAR CITY?

Everybody seems to love cars, but the Charlotte metro area has an even stronger affinity than the U.S. as a whole, with 83 cars per 100 workers versus 80 nationwide, Census Bureau data show.



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Leslie Vander Baan's Automotive Consignment company takes care of the entire sales process for people who want to sell their own vehicle but don't want all the hassle.

### HOW AUTOMOTIVE CONSIGNMENT WORKS:

A seller drops his car off and for \$195, he can leave it there for 45 days. Add \$50 if there are test drives. If the car sells, the seller pays the dealership \$225, bringing total fees to \$470.

For her part, Vander Baan markets the cars, listing them on Web sites such as AutoTrader.com, and helps the seller determine price. She handles the sale, helping the buyer secure financing and transferring the title, so the buyer and seller never have to meet. She also noted she provides high-profile visibility that a seller doesn't get putting a sale sign in his car and parking it in front of his house.

Sellers do their own negotiating, fielding calls from buyers. But for an added fee, the few who don't want to even do that can pay a negotiating fee that ranges from \$300 up to a maximum of 3 percent of the sale value.

nesses are starting to pop up around the country but not in great number, nothing that can be easily tracked, said Stephen Nolan, spokesman for Cars.com, which is owned by five leading media companies, including Observer parent McClatchy Co.

Vander Baan credits her father with her entrepreneurial spirit. He used to tell her that if she could identify a problem

and fix it there'd always be a need for her service.

Growing up in Pensacola, Fla., her father and grandfather owned used car lots. Later, her father worked for Adesa, a national car auction company.

In college in Michigan, she worked at a dealership back home to help pay for her education. She was working at Adesa in Charlotte before she started

the consignment lot.

She remembers how she used to sell lemonade and candy at her father's car auctions. Now he's working for her. When Harris retired from Adesa two years ago, he joined his daughter, who calls him Don at work.

"She did such a compelling business plan for this market that I wanted to be involved," Harris said.

The daughter-father duo plan to open one more location in the Charlotte area within two years and two more locations within five years. For a business that requires a lot of capital, it's aggressive but she's confident because she did like her dad said - found a problem and fixed it.

"I designed the service how I would have wanted it," Vander Baan said.

Amy Baldwin writes about young entrepreneurs and personal finance for 20- and 30-somethings in "Out of the Red." Have a column idea? Let her hear it at abaldwin@charlotteobserver.com or 704-358-5179.

### TWO DIFFERENT TAKES ON SELLING YOUR CAR YOURSELF

#### Do it Yourself

Steven Beyer has sold three cars himself - a 2002 PT Cruiser, a 1997 Honda Accord and a 1988 Mercury Cougar. He thinks that's the best way to get the price he wants. "For me, it was pretty easy, pretty painless. It wasn't a major hassle," said Beyer, who works in information technology for Wachovia Corp. His most recent sale was the PT Cruiser, which he sold last year. "The book value was \$13,500. I got \$12,500 for it and I owed \$11,000 to the bank. I kept \$1,500 in my pocket. You can't beat that," Beyer said.

When asked what he thought of the consignment route he said, "That is cutting into my pocket money."

#### Have Someone Else do it for You

Since December, Vince Budd has sold two SUVs via Automotive Consignment. One was a 1997 Infiniti QX4 and the other a 2001 Chevrolet Blazer. With the Infiniti, Budd had a dealer trade-in offer of \$5,000. It sold at Automotive Consignment for nearly \$4,000 more. After fees, Budd said he sold it for \$8,250. "I would say in that case we definitely made out like bandits," said Budd, vice president of a branding company in Charlotte called Addison Whitney.

With the Blazer he said he sold it for about \$5,500 - about \$1,500 more than he would have gotten from a regular dealer.

— AMY BALDWIN