

Sacramento Business Journal - November 1, 1999
<http://sacramento.bizjournals.com/sacramento/stories/1999/11/01/story1.html>

SACRAMENTO Business Journal

EXCLUSIVE REPORTS

From the October 29, 1999 print edition

Autovia fills up its tank

Company launches on Internet, backed by \$32 million

[Mark Anderson](#)

Staff Writer

Rod [Georgiu](#) is about to hit the information highway with his latest company, which will help auto mechanics order parts over the Internet.

Before [Autovia](#) rolls out its Internet software, the company plans to fill the tank with \$20 million in fresh investor capital in November.

"We want to be able to put the pedal to the floor when we start," says Georgiu, Autovia's president and chief executive officer.

The company has been testing its software with four auto parts distributors and 10 garages in Sacramento for nearly two months.

It plans to market the software first in Sacramento, the East Bay, Baltimore, Chicago, Los Angeles and Minneapolis.

The Sacramento-based company went into business last October with \$7.5 million in venture capital. It has raised about \$12.5 million so far. The new round -- which should bring the total to \$32.5 million -- is to come from Autovia's existing investors.

The company is backed by several venture funds, including [Internet Capital Group Inc.](#), Hearst Corp. and Sacramento-based Hallador Venture Partners.

Georgiu also has used his own funds, raised through the sale of two previously successful companies for a total of \$61 million.

Ready to roll: The next round of capital will help speed up the roll-out of the software and the system, Georgiu says.

Autovia has added 35 employees in the past month, giving it a total of 75, to spearhead the expansion of the company into new markets.

The company's primary product is Autovia 2.0, a software package that links auto and truck garages to their existing suppliers via the Internet.

The software allows mechanics to scan the inventory of distributors for the part they need, to see if it is available, and to get the price.

Many distributors currently offer their garage clients dedicated terminals to access the distributor's own parts. But mechanics still have to call to see if the part is available. With Autovia, a garage can check all of its

existing distributors from just one computer, and can order online.

"Instead of 10 to 15 minutes per order for the garage, it's two or three minutes," Georgiu says.

On the distributors' side, "it takes no time," he adds. "It is automatically into their computer."

The system is installed at no charge to the garage. The parts distributors pay a fee for every part sold.

"It is completely free to the buyer. For the distributor, the fee is offset by the labor savings," he says. The fee hasn't been set yet, but it will likely be about 2.5 percent of the cost of the item.

Beta test positive: "It's a pretty handy tool. Instead of five different computers to different suppliers, it's all on one computer," says Howard Shannon, parts manager for Car Care Center, a garage at Juniper Lane and Fulton Avenue in Sacramento. "It's pretty fast. It keeps you off the phone. I like it."

Shannon says the system is as easy to use as any of the other computers and directories he has now, and it allows him to shop for the best price. He's using it about 45 percent of the time when ordering parts, which translates to between 30 and 50 orders a week.

He'd use it more if he could get original equipment parts, but the system so far doesn't feature the parts made by automakers themselves.

Sam Cracraft, owner of Sacramento TBA, a parts distributor with two locations, thinks Autovia is onto something.

"They started beta testing on me, and there have been a few bugs and glitches," Cracraft says. "A lot of that is that my in-house computer system is idiosyncratic, and they have done an admirable job of working with it.

"Conceptually, it is very solid," he adds. "A major portion of my business will be done this way as more people use e-commerce."

The cost of Autovia is about 4 percent to 5 percent lower than he currently spends on equipment to market and distribute parts, Cracraft says. "It will save me money on the order of two times what I'm spending now, and there are countless hours saved every day. It saves time and money. That's the whole beauty of this process."

An IPO ahead: Autovia hasn't started generating revenue yet, so Georgiu says it is difficult to project revenue for the company. He expects that the company will have strong numbers leading up to an initial public offering within a couple of years.

"Since we're so new to this, it's hard to say, but we believe that this is a substantial business," he says.

The nation's automotive aftermarket is about a \$100 billion annual industry.

Once Autovia has a foothold in the United States, Georgiu plans to take the company to Europe and South America.

The system will be rolled out one city at a time in the early months, because there are some installation and communications hurdles to jump. As more cities get wired and Autovia gets more familiar with setting up the system, the company could grow quickly.

After the initial roll-out, in the first quarter of next year Autovia will try to jump nationwide with some national service chains. Georgiu says he has letters of intent from the chains, but declined to name them.

Georgiu has no plans to add a retail component to Autovia.

"There are a lot of companies selling car parts to consumers. We don't like that business," Georgiu says. "The do-it-yourselfer buys two parts a year when their car breaks down. The average garage buys parts 20 times a day."

And there isn't likely to be a lot of competition in Autovia's niche, says Chris Branscum, a general partner with Hallador, one of Autovia's backers.

"There are numerous barriers of entry into this market," Branscum says. "The engineering and technical obstacles that they have overcome is non-trivial."

Autovia is 15 percent owned by Internet Capital Group Inc., which went public two months ago at \$12 a share and is now trading for \$115 a share. Internet Capital, based in Wayne, Pa, helps, manages or operates a network of 40 business-to-business Internet commerce companies.

Sticking to the core: Though his software platform could be used for applications other than car parts, Georgiu's only concentrating on the business he knows well.

A native of Romania, Georgiu walked and talked his way out from behind the Iron Curtain in 1971 during the height of the Cold War. He made it to the United States in 1972, where he started working as a testing engineer for an auto parts maker.

In 1974 Georgiu started AllTest, a manufacturer of auto diagnostic computers. He sold AllTest in 1986 for \$5 million.

Using that money, he next started Alldata Corp. in Elk Grove. Alldata created and sold up-to-date technical briefs and auto repair manuals across the country. It was a nationwide concern when Georgiu sold it early last year for \$56 million.

Because of his past, a number of firms and chains already have contacted him interested in the new technology, which has helped with marketing the software.

"We haven't started yet," he says, "and people already know about us."

© 1999 American City Business Journals Inc.



[Add RSS Headlines](#)

Now Hiring - Edward Jones
Become an Edward Jones Investment Representative.

Run your business.
 Determine your compensation.
 Create your future.
 Apply today.



» [View all jobs from this company](#)

Today's Featured Jobs powered by [bizjournalsHire](#)

- [Insurance Representative - Genworth Financial](#)
- [Manager, Commercial Services - Sacramento Municipal Utility District \(SMUD\)](#)
- [Financial Representatives - Edward Jones](#)
- [Superintendent Field Services Division - Sacramento Municipal Utility District \(SMUD\)](#)
- [Senior Network Management and Admin. Specialist - Sacramento Municipal Utility District](#)

→ [Search Jobs](#)

→ [Quick Job Post](#)

→ [Recruiters](#): Get a free account!

→ [Online Colleges](#)

All contents of this site © American City Business Journals Inc. All rights reserved.