Buying and selling surplus government construction equipment

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Overview

• The Problem
  – You have equipment you don’t use or need

• Methods of disposal
  – Trade-in
  – Newspaper Ad – private sale
  – Sealed bid or private auction
  – Physical Auction
  – Internet auction

• What to look for in an internet auctioneer
Trade-in

• Only is a viable option if you are purchasing replacement equipment

• Always get an appraisal
  – Get offers from people who will actually buy the equipment!
  – Be aware that the price you are offered on trade may not be the real value
  – Hard work to make sure you get true market value
Newspaper Ad

- Antiquated
Newspaper Ad

• Slow response
• Limited local audience
• Expensive
  – Especially for a small number of items
• Price achieved is open for debate after fact.
  – Did you get true market value for your equipment or asset?
Sealed Bid, Private Auction

• Expensive to advertise
• Difficult to reach a large audience
  – Even if advertised in the newspaper
  – Even if advertised on your website
• Typically receive few bids
  – fewer bidders/bids = lower price
• Impossible to tell how many people saw the ads
• Able to retain control of the auction process.
Physical Auction On Site

• Requires space to adequately allow for inspection of items
• Large time and effort commitment to prepare for the auction
• Requires buyers to travel to you
• Expensive to hire an auctioneer to sell only your items
Physical Auction Off Site

- Well promoted
- Equipment must be moved to the auctioneers location
- Infrequent auctions
- Expense of the physical auction yard adds to the cost of disposal
- Lack of information about bidders
  - Did you achieve market price?
Internet Auction

- Can be the best possible solution
- No Transportation Cost
- Faster time to market
- Global reach
- Lower selling cost
- Offers both reserved auctions and unreserved
Internet Auction

• No transportation cost
  – Equipment stays in your yard
  – You maintain control over the make ready of equipment
  – No surprise cleaning, painting or repair bills after the auction is over
Internet Auction

• Faster time to market
  – Internet auction companies offer more frequent auction schedules because ALL the auctions are in your area.
  – No waiting 3-4 months for a well advertised auction to be in your area
Internet Auction

- Global Reach – 43,325 Attendees, from 146 Countries
A More Efficient Marketplace

Higher Selling Prices
- Worldwide buyer participation drives higher prices
- 75% of buyers are end-users

Lower Costs to Sellers
- 6% to 11% lower selling costs
- No transportation to auction site
- Seller in control of make-ready costs

Faster Time to Market/Cash
- Global auctions every week
- Frequency drives improved inventory management and cash cycle

Guaranteed Inspections
- IronClad Assurance builds buyer trust to bid with confidence

Flexible Solutions
- Tailored auction formats to seller’s business requirements

- Featured Auctions
- Daily Auctions
- One-Owner Auctions
- Private Auctions
Selecting an Internet Auctioneer

• How many Registered Users
  – If they don’t know – move on
• How much equipment have they sold
• Do they inspect the equipment or asset
• Do they guarantee inspections to their buyer
• How do they market their auctions
• Commission rate
• Buyers premiums
• Fees
Selecting an Internet Auctioneer

Do they inspect the equipment or asset?

![Image of an Internet auction website showing details of a 2003 Case 721D Wheel Loader for sale. The page includes a listing with specifications, images, and an inspection report. The report notes issues such as the sheet metal being dented and damaged, missing bolts, and other wear and tear. The website also highlights the importance of inspecting the equipment to make an informed purchase.]
Inspection report

• IronPlanet inspection reports are considered the industry standard by both buyers and sellers

• Complete equipment condition report
  • Impartial, thorough condition report based on physical inspection
  • Inspector’s point-by-point comments
  • Detailed photos with zoom capability
  • Prospective bidders can view detailed side-by-side comparison of multiple items

• Customers consistently say our guaranteed inspection reports are the #1 reason they buy through IronPlanet

• 75% of buyers are repeat
Selecting an Internet Auctioneer

• Does your auction company guarantee the condition of the machine to the buyer?

• Builds bidder confidence and drives higher auction prices
Selecting an Internet Auctioneer

• Can they provide detailed information about the viewers and bidders on your item?

• This can be important information if you are asked about the results of the sale.
Selecting an Internet Auctioneer
Selecting an Internet Auctioneer

- **Marketing**
  - Internet auctions should still be promoted through print campaigns and other media
  - Ask if they use the data they collect to market directly to prospective bidders
  - A good auction company will not use a static process of posting your equipment and waiting till auction day to see who shows up
Selecting an Internet Auctioneer

• Commission Rate
  – Rate isn’t everything
  – Many of the “more expensive” auctioneers are well worth the money due to higher prices
  – Ask if they have published auction results for similar items to yours
  – Ask about Buyer Fees/premiums
    • Some auction companies charge up to 18% buyers premiums
Selecting an Internet Auctioneer

• Commission Rate
  – If you are being quoted a rate below 8% or so be especially cautious.
  – A well run, well promoted auction, that will actually bring top dollar for your assets costs about 6% to run
  – If they are charging large buyers premiums you will pay for it in the form of a lower price for your assets!
Q & A

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