

# GROW YOUR BUSINESS AND MAINTAIN A COMPETITIVE EDGE: THE CHANGING NATURE OF THE AUCTION INDUSTRY

## ► EXECUTIVE SUMMARY

The business of buying and selling inventory is challenging. Asset owners are constantly struggling to manage different methods of disposition across inventory holdings: multiple providers, confusing fee structures, restrictive selling platforms, constraints unique to certain assets and time intensive practices to name a few. Help potential consignors manage this struggle and create real opportunity for your auction business. Now is your chance to transition into an advisor to these asset owners. Provide solutions that make their lives easier, and ultimately see your business grow.

## The Lifecycle of an Asset

Emerging

Established



**Scenario:** You meet with a potential consignor who has assets to sell.

- Some assets are at the beginning of the lifecycle, having just landed on the lot, and could benefit from specialized advertising to drive buyers
- Others are ready to be sold via private sales (trade-in or direct sale to a new buyer)
- And the other assets — well those are the items you're there for. They are ready for auction.

But as you stand in the consignor's office, all you can think about is laying claim to that additional inventory not yet ready for auction, but might be at a later date. As an auctioneer, your hands are tied...or are they?

### A Shifting Mindset

For years, asset owners have struggled to manage disposition across the asset lifecycle. At the same time, auction companies have faced their own difficulties in attracting consignments. Often asset owners aren't quite ready to move to the final stages of the disposition cycle, leaving auction companies on the sidelines.

Why be restricted to one stage of asset disposition? What if to grow it wasn't just about capturing more auction-ready inventory but leveraging those existing consignor relationships to sell inventory sitting in an earlier stage of the asset lifecycle.

Become a partner who can implement all the major disposition strategies—advertise, buy now/make offer, timed auction, live auction and direct purchase. Embrace this approach, and propel your businesses into the next generation. Understand the needs of asset owners and provide a solution for that meets each situation.

## Inventory Funnel

Inventory moves through various stages of disposition throughout its lifecycle. Become a resource at each stage, moving beyond only auctions, and watch your business grow. Evolve how you think about consignments to capitalize on assets moving through all stages of the inventory funnel.

To do that, get smart on other stages of the lifecycle. It's not as hard as it seems.



**Buy Now or Make Offer Sales:** Now that advertising is working, find a solution that facilitates sales directly—delivering full transaction capability. The easiest route is often an off-the-shelf software solution, existing vendor, or established marketplace. The following questions will help you make the best decision for your company:

- Will my brand have visibility with this solution?
- Are fraud-prevention tools available? Can the solution look beyond a simple credit card verification? Will I have access to a risk management team who will watch for fraudulent buyers?
- Is the solution 100 percent PCI compliant?
- Is dispute resolution available if a problem should arise with a transaction?
- Is customer service and support available for both me and my buyers?
- Will I have access to buyer data and demographics?
- Are payment solutions integrated?
- What fees are associated with transactions?
- What is the track record with current clients?
- Does the partner have experience with clients in my industry?

**Timed Auction:** There's a good chance you have this covered. But—the industry landscape is always changing and there's never been a better time to reevaluate your partners. Ask these simple questions of any provider you're:

- How long has the provider been in business?
- What is the provider's background in the auction industry?
- How many sellers does the provider work with?
- What kind of customer support does the provider offer?
- Does the provider offer back-end administrative tools? What are they?
- Does the provider have advertising and marketing expertise? What types of advertising and marketing assistance is available to sellers?
- Will the provider help me to advertise my sales?
- How successful has the provider been and how does the provider measure success?
- Does the provider offer training?
- How recently has the provider made improvements to its solution and how often do improvements occur?
- Does the provider own its software?
- What distinguishes the provider from the competition?
- What features does the provider offer to buyers?
- How much does the provider's services cost and what are the terms?

**Live Auction:** This is your area of greatest expertise. You've worked hard to build relationships with consignors and you know what buyers want. Work with a provider who understands your business needs and can help achieve and exceed your goals. Enhance your live event with the right provider to take your event online. The same questions you would ask to a provider of timed auctions apply here. Don't forget to ask:

- Does the provider offer free audio and video services?
- Does the provider offer staff who will come to my sale site and assist with critical auction components such as photography and operating the online solution on sale day?
- Can the provider guarantee 99.9 percent uptime?

## Benefits to Auction Companies

Bottom line, this methodology will help expand and enhance your business. As an auctioneer, adopting this new philosophy will create longer-lasting relationships with consignors because they will rely on you during all stages of disposition process. Become a complete asset disposition specialist and maximize each revenue opportunity. Get a larger share of inventory and watch your business grow.

## About the Author

Proxibid ([www.proxibid.com](http://www.proxibid.com)) has applied this approach to our own business. This new methodology has already helped asset owners and auction companies make important changes, and grow revenue. You can learn more about this new approach at [Proxibid.com/assetpath](http://Proxibid.com/assetpath).

### **Ryan Downs** **President and CEO**

Since joining Proxibid in August, 2010, Ryan Downs has been responsible for driving the strategy, vision and mission for the Company.

Ryan Downs joined Proxibid from eBay (NASDAQ: EBAY), where he served in a number of roles, most recently as Senior Vice President of Worldwide Operations for PayPal, eBay's payments division. In that role, Ryan Downs was responsible for customer service, risk operations, merchant operations and various other functions. As one of the top executives at PayPal, Ryan Downs was instrumental in PayPal's integration with eBay, expansion to Europe and Asia, and the launch of the merchant business. He also spearheaded efforts to improve the end to end user experience for PayPal and eBay customers.

Ryan Downs also serves on the Board of Directors for Live Ops, a leading provider of on-demand call center technology and home agent outsourcing services. He is also a member of the Corporate Board for the Raikes School at the University of Nebraska, an honors program focused on the intersection of business and computer science.

Ryan Downs earned a B.S. in Agricultural Sciences in 1991 from the University of Nebraska-Lincoln and a J.D. from Harvard Law School in 1994.