

# The Podium

VOLUME IX NUMBER 1

FALL 2012

The Official Journal of The Industrial Auctioneers Association

[www.industrialauctioneers.org](http://www.industrialauctioneers.org)

## Waste of Energy

### Also Inside:

- Auction Evolution
- Tales from the Arctic Trails
- The *Real* Present Value
- Live or Webcast?
- Small Business Financing








# INDUSTRIAL AUCTIONEERS ASSOCIATION

The world's **FIRST** and **ONLY** association comprised solely of  
**Industrial** machinery and equipment **Auctioneers**.

Contact us today.

Call us toll free at 1-800-805-8359 or  
email us at [info@industrialauctioneers.org](mailto:info@industrialauctioneers.org)  
for our free brochure and membership directory.  
**[www.industrialauctioneers.org](http://www.industrialauctioneers.org)**




## Feature Articles

### 8 / Live or Webcast?

Eric Merback examines the pros and cons of auction formats.

### 12 / A Waste of Energy

Ross Dove talks power and sunshine.

### 16 / Present Value

Robert C. Levy reflects on the past, the future and the critical point in between - the present.

### 22 / Like Ships Passing in the Ice

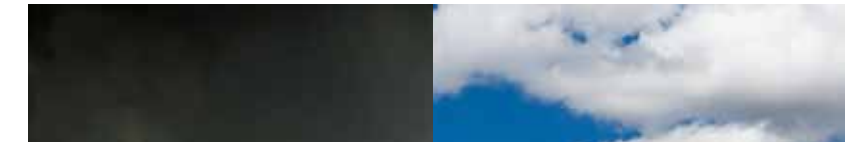
Terrance Jacobs journeys to the North Pole and back to get a deal done.

### 25 / Auction Evolution: Who's Calling Now?

Jerry Beach discusses the evolution of auction technology.

### 29 / Pizza Napoletana

Jasen Kisber eats pizza and tastes corruption.



**A Waste of Energy** p. 12



### 35 / Where Did All the Money Go?

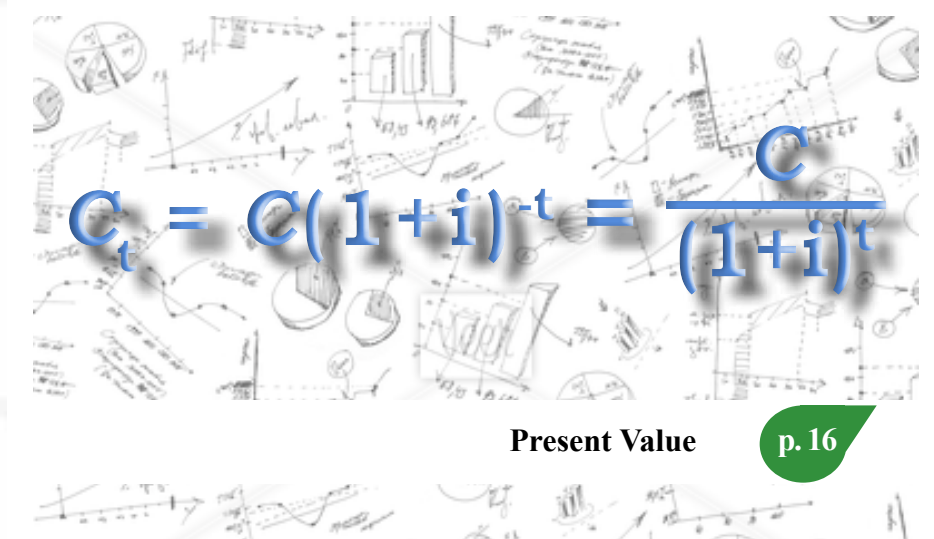
Blake Wilson delves into the deep freeze of small business financing.

### 38 / R.O.R. - Return on Relationships

Van Beusekom BV highlights the importance of building relationships.



**Auction Evolution: Who's Calling Now?** p. 25



**Present Value** p. 16

## Departments

### 5 / From the Editor

### 7 / Letter from IAA President, Terrance Jacobs

### 41 / 2012 IAA Conference Guide

Everything you need for the 18th Annual IAA Conference.

### 42 / Insider's Guide to Orange County

LKISStyle.com's Lisa Kisber explores food, fun, and a little retail therapy.

### 44 / 2012 IAA Conference Schedule

A breakdown of all the events at this year's Conference.

### 45 / 17th Annual IAA Conference Revisited

Photos from the 2011 IAA Conference in Key Biscayne, Fla.

### 46 / Platinum Sponsor Section

Insights from our Platinum Sponsors.



Courtesy of Pelican Hill

## From the Editor



Jasen Kisber - Editor  
C3 - Crescent Commercial  
Corporation

Change. Inevitable, irrevocable, constant change. It is hard to remember that things are always changing. Whether we perceive them or not. Today we are more aware of the changes around us. We are constantly bombarded by images and stories of political unrest, economic instability, climate change, and technological development. Never mind news at 6 and 11 or even on the hour, stories break by the second and are so abundant that they cannot all be digested. Product life-cycles are shorter. Fashion and fads have gone from 15 minutes of fame to 15 seconds. But is this really indicative of more change? For those who knew what was before, the magnitude of the change today may seem much greater. For my 5 year old son, interacting with someone a thousand miles away through a screen and constant connectivity to media seems completely benign.

In the **Fall 2012 PODIUM**, we dig into the issues of change. Robert Levy examines change from an economic and philosophic view in his article, "Present Value" (p. 16). Jerry Beach in "Auction Evolution: Who's Calling Now?" (p. 25), addresses the impact of change on the auction business, while Eric Merback's article "Live or Webcast?" (p. 8) and Van Beusekom BV's article "R.O.R. – Return on Relationships" (p. 38), provides practical insights and advice for navigating today's auction world. In our cover article, "A Waste of Energy?" (p. 12), Ross Dove delves into changes and resistance in the energy field. Blake Wilson highlights the changes in the topography of the small business financing landscape in "Where Did All the Money Go?" (p. 35), while IAA President, Terrance Jacobs, explores frozen arctic landscapes and "the strange things done in the midnight sun by the men who toil for gold"<sup>1</sup> in "Like Ships Passing in the Ice" (p. 22). In "Pizza Napoletana" (p. 29), I get a dose of "plus ça change, plus c'est la meme chose."

In addition to our Conference Section (p. 41) and words from our Platinum Sponsors (p. 46), we have a fantastic Guide to Orange County (p. 42) by marketing consultant, Lisa Kisber from LKISStyle.com, which will keep you well-dressed, well-fed, and entertained in the face of change.

Enjoy!



<sup>1</sup> Robert Service, (1907) "The Cremation of Sam McGhee."





<b>Industrial Auctioneers Association</b>  <b>Board of Directors</b>  <b>President</b> Terrance Jacobs TCL Asset Group Inc.  <b>Vice President</b> Kyle Rosen Rosen Systems, Inc.  <b>Treasurer</b> Scott S. Swanson Barliant Auctions, Inc.  <b>Secretary</b> Jasen Kisber C3 - Crescent Commercial Corp.  <b>Directors</b>  Tjade Dieker Troostwijk Auctions Europe  William J. Gardner The Branford Group, LLC  Lance W. Mannion Asset Sales, Inc.  Howard Newman Loeb Winternitz Industrial Auctioneers  Erik Tivin Centurion Service Group  <b>Honorary Board Members</b>  Stephen E. Comly Comly Auctioneers & Appraisers  David S. Fox GoIndustry DoveBid  William J. Firestone Capital Recovery Group, LLC  <b>Executive Director</b> Andrea Pauson Industrial Auctioneers Association	<b>Publisher</b> Scott S. Swanson Barliant Auction Co.  <b>Editor &amp; Designer</b> Jasen Kisber C3 - Crescent Commercial Corporation	
	<b>Article Contributors:</b>  Jerry Beach Rabin Worldwide, Inc.  Ross Dove Heritage Global Partners  Terrance Jacobs TCL Asset Group  Jasen Kisber C3 - Crescent Commercial Corporation  Lisa Kisber C3 - Crescent Commercial Corporation  Robert C. Levy Hilco  Eric Merback Quaker City Auctioneers, Inc.  Van Beusekom BV  Blake Wilson Furrow Auction Company	<b>Photo Contributors:</b>  Patrick Bernes p. 5  Terrance Jacobs TCL Asset Group pp. 23, 24  Jasen Kisber C3 - Crescent Commercial Corporation pp. 32, 34  Andrea Pauson Industrial Auctioneers Association p. 45  Pelican Hill pp. 4, 41  <b>Cover Design</b>  Jasen Kisber C3 - Crescent Commercial Corporation
	© 2012 Industrial Auctioneers Association	

# Letter From IAA President, Terrance Jacobs



Terrance Jacobs, President  
Industrial Auctioneers Association  
TCL Asset Group

Throughout my years servicing on the Executive Board of the Industrial Auctioneers Association, I have come to realize and appreciate the importance of the IAA presence in the auction industry, the prestige of being a member, and most of all, the stature to which other auction companies, who are not members, ascribe to our association, made up of 48 companies.

While we are somewhat similar to other associations, marketing our members as having integrity and being professional with a code of ethics to back it up, the IAA stands apart from other associations such that we scrutinize new membership as well as potential sponsorship relations in order to achieve these standards. Our mandate has never been to “grow the membership” or to “actively seek out new members to increase revenues.” Potential new members are usually introduced through our network, handpicked and thoroughly reviewed before a vote is conducted. Sponsors are also accessed in a similar fashion before acceptance is granted.

This process regulates not only the quality of our membership, but in the eyes of our clients, and outside auctioneers, sustains our reputation as ethical leaders and innovators in the auction industry.

As we continue to increase our Internet and social media presence, we are developing new ways to leverage the incredible experience and knowledge base of our members. This coming year, we will be introducing video posts discussing a broad range of issues relating to the industrial auction market along with reflections from our members. Follow us on Twitter @IAA\_org.

Once again, on behalf of the entire membership and Board of Directors, I would like to thank Jasen Kisber (Editor) and Scot Swanson (Publisher) for taking the time to ensure we can offer another great issue of **The PODIUM**. In addition, I would also like to acknowledge all the contributors, who have spent time writing the incredible articles for the Fall 2012 issue. Without you, the Official Journal of The Industrial Auctioneers Association, would not be possible.



## Live or Webcast?

by **Eric Merback**  
**Quaker City Auctioneers, Inc.**

As members of the Industrial Auctioneers Association, we are a progressive, business-minded and competitively friendly, knowledgeable group, and it is our desire to provide the best options for conducting auctions to our clients and customers alike. There is no other group of businessmen and women that are better prepared and adapted to selling assets than the members of the IAA. As pioneers and forerunners in buying, selling and appraising assets, we constantly strive for marketing and sale methods that will improve the revenue to our clients and expose their assets to the largest, most likely buyers possible.

Project circumstances, contract terms, and asset composition will determine the auction method, whether a Live and/or Webcast or Static Auction is chosen. The forum of buying an asset that you want, need, or believe might provide a competitor with an added advantage is exactly what the auction process provides. Whether this process is best accomplished through the Live or Webcast auction is a decision to be determined. Let's explore further...

Live auctions are as old as history. Whether it was in biblical, slave trade, early century, or common day times, one of the most effective and lucrative ways to sell assets is via the Live auction method. Here, a seller is able to organize and gather a collection of buyers that have specifically made an effort to physically partake in an event when they desire to buy what is available for purchase. The live auction is still an inviting, stimulating event that draws a diverse group of buyers. Auctioneers that attempt to include the largest audience available can combine live and online formats in one event.

**“Each auction format has its benefits and is appropriate in different contexts; the tough part is deciding which to use.”**

The webcast auction, simultaneous with the Live event, is a product of ever-developing technology whereby a bidder in the United States, United Kingdom, South America, India, Asia, or elsewhere in the world where Internet access is available, can easily register to bid (qualifications may differ from one hosting auction platform to another). Once the bidder is registered, he/she can participate in the sale by following the prompts on the screen, and in some instances, may actually listen to the auctioneer's calls via an audio feed. As long as the auctioneer provides thorough descriptions as accurately as possible, multiple photographs of different angles and close-ups of important components (as is similarly the case with the static auction), then online buyers can and do impact today's auctions. Again, it is advisable that an inspection of the assets be made either by a designated employee, contractor, or in person prior to participating online. The initial delay and perception created by online bidders has increasingly been improved and has been worked into the auction process in a more coordinated, less disruptive manner (although still frustrating to the in-person bidder). Constant improvements are being made and glitches to the systems are being removed.

The online auction, commonly referred to as static auction, is employed as a means to minimize labor

expenses and offer assets for sale in operating, information sensitive, potentially hazardous environments or at remote facilities. Consignors, whether government regulated, Trustee or creditor directed, or privately owned, may insist on limited foot traffic or restricted access to certain assets, therefore the static auction exposes assets with these site restrictions, to a large market, but under controlled circumstances. The items are (or should be) pictured, with varied angles and described as thoroughly as possible with modest starting/opening bids. This does not preclude the necessity or diligence of the buyer

to inspect prior to bidding. Registered bidders, a fairly easy process depending on the specific auction platforms, can manually bid on each desired lot or may insert a “not to exceed” bid amount, allowing the auction host to bid, incrementally, up to the maximum. Until recently, (on one of the prominent auction hosts), the Auctioneer was privy to the maximum bids placed by the bidders, but due to questionable tactics, the auctioneer must now request permission from registered bidders, to view their maximum bids during the duration of the bidding. The only advantage to view maximum bids (from my perspective), is to see where the true value of that asset is as the time of the auction. There is a set date and time for the commencement and conclusion to the bidding process with an extension of varying minutes, to any lots receiving competing bids within the last 5-10 minutes of the close of the auction. Once closed, the Auctioneer will generate invoices immediately and email them to the registered bidders. Full payment is normally required within 24-48 hours from receipt of the invoice and the auction terms will dictate removal times, special arrangements, available riggers or any other pertinent information that buyers should be aware of and compelled to follow.

Each format has its benefits and may be appropriate in different contexts; the tough part is deciding





which to use. Here are some insights that will help auctioneers, as well as customers, make this decision:

The Live method has survived periods with buyers literally throwing bids at the auctioneer and periods that “pulling teeth” is easier than getting a bid. The type of assets, their installation, the plant condition, multiple locations and specific contract prohibitions due to the security, safety, ongoing operations or hazardous activity, will impact the decision to go Live or Static.



If you are looking to maximize revenue, create the optimum bidding atmosphere, expose the assets to the largest audience possible, then together the Live and Webcast method is most effective. The traditional buyers that need to “kick the tires” or require consistent affirmation that what they are bidding on is worth it, have the option while seeing their competition bid against them in a live setting. Alternatively, they can sit back in the comfort of their office or chosen location with their computer and competitively bid against the live bidders or other registered on line bidders.

**“Today you can wink, gesture, tip your hand or merely hit ‘enter’ to place a bid.”**

The auctioneers that conduct small, common-type sales usually opt for live sales. Their customers are repeat buyers and the assets for sale have limited appeal. This sale has specific parameters and the expectations are predictable.

The plants or shops that present well from an equipment standpoint are adequately lit with surroundings that permit access and safe passage, have safe aisles and provide safe movement are ideal for Live and Webcast auctions. In this situation, Live and Online buyers can vie for the assets in the most competitive manner. The Live bidders can participate in a traditional manner and the online bidders

have the prerogative of bidding on assets that could be a continent or time zone away.

The primary benefit in choosing a Static auction is the conservation of clean-up and preparation expenses and auction day costs. If the assets are located in an ongoing operation, a governmental contractor, a hazardous site, or logistically-challenged locations, then the Static sale should be the chosen method to maximize the sale of assets.

Today you can wink, gesture, tip your hand in person or you can merely hit “enter” on your keyboard if you want to bid on an item for sale. This option is

a very real and effective method for bidding at auction. Whether the auction is static, live and/or real-time webcast, technology refined software, worldwide Internet presence and progressive auctioneers have made these options viable and extremely productive. Quaker City Auctioneers, along with 51 other competent, professional and diverse auction companies of the Industrial Auctioneers Association are ready and looking forward to utilizing our many resources to successfully conduct the most suitable auction for YOU! ■

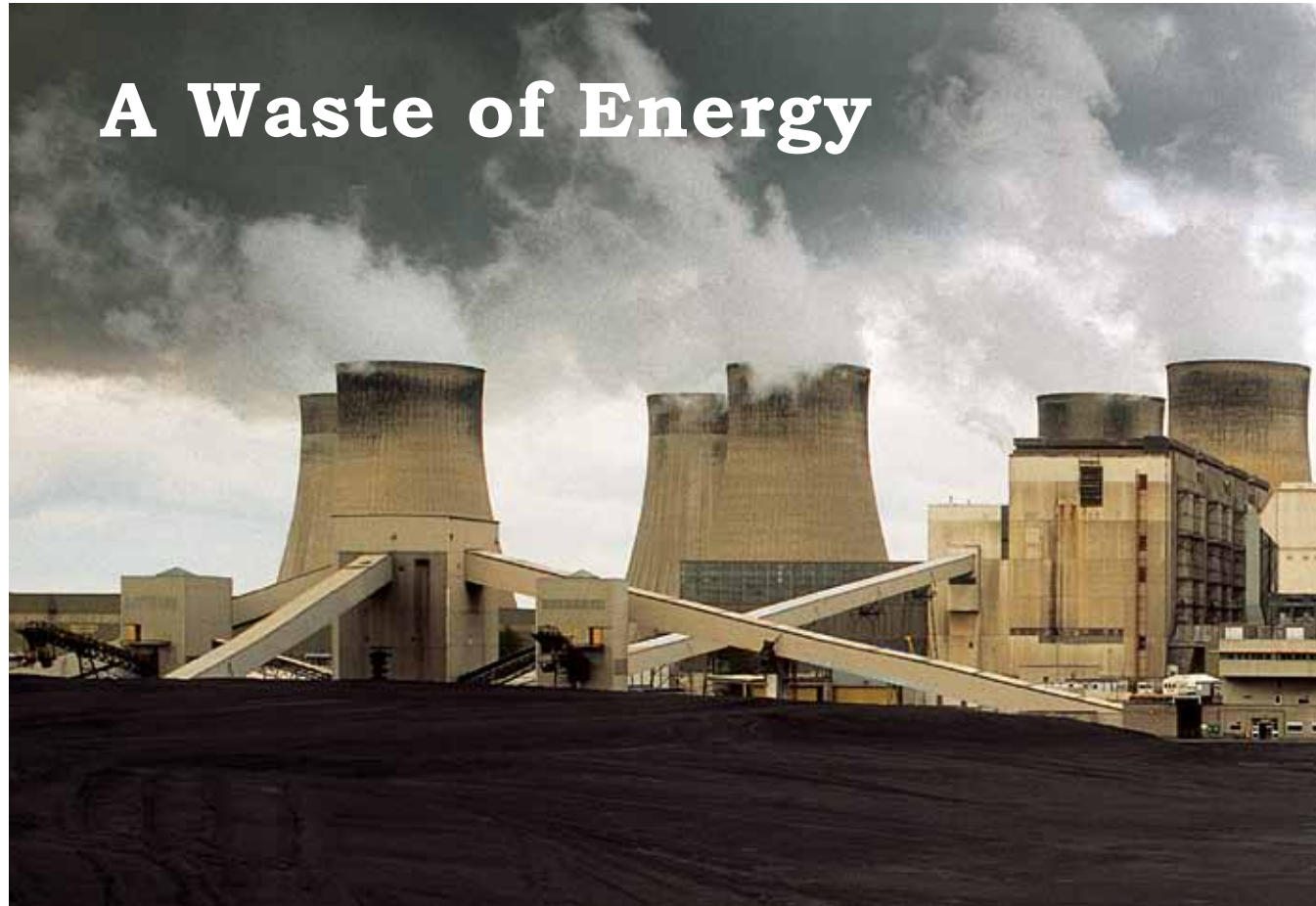


Call us toll free at 1-800-805-8359 or email us at [info@industrialauctioneers.org](mailto:info@industrialauctioneers.org) for our free brochure and membership directory.





# A Waste of Energy



**by Ross Dove**  
**Heritage Global Partners**

What a ride it has been here at Heritage Global Partners (HGP), focusing on auctions for the energy industries. On an average day, I received two new leads that are as opposite as possible. Lead one today was, “Utility Announces the Closure of Ten Aging Power Plants in Midwest.” Lead two today was “Another Federally Funded Solar Plant Closes after 17 Months.”

So off we go, to simultaneously chase them both. The power plants are 60 years old and belong to a Ten Billion Dollar Utility. The solar plant owes the Department of Energy \$300 million dollars. Good old HGP is about to explain how we can ride in on our white horse and save the day.

Both closures have one thing in common, their installation costs were hundreds of millions of dollars. The dramatic difference is the power plants are sixty years old, rode hard, and put away wet. The solar plants are shiny, new, and in perfect condition.

So it sounds simple. The power plants are just scrap sales and demo projects and someone will buy the solar plants to re-operate. Well the funny point is that so far, the simple truth is that we have actually achieved quite similar results; in both values as usable and scrap sales in both sectors. Even more ironic is that the numbers add up the same when they are not supposed to.

To hide the names of the innocent and the guilty, I’ve given you two actual examples; a two year old solar plant with four hundred million in funding versus a sixty year old power plant that cost four hundred million to build. They are both great auctions as long as you can define success by explaining how \$390 million can disappear over sixty years or 16 months. Yes, both auctions brought in about \$10 million dollars. How can that be? There are only two logical reasons: the first is those guys at HGP can only do an \$10 million dollar auction no matter what you give them; the second is that in open and transparent public auctions, assets trade at market demand.

## First about Power.

More than 34 gigawatts of electrical generating capacity must retire soon. Hundreds of plants. The reason has nothing to do with solar or renewable energy cost savings. It is solely because the Environmental Protection Agency created the Mercury and Air Toxins Rule. The good old MACT (1) and

CSARP (2) “Cross State Pollution Rule.” Bottom line, even though the coal plants are up and running, and most could operate decades longer, it costs too much to meet the new standards. The question may be with ten percent of all power plants closing, will there still be buyers? The fast answer is yes, forever. Each plant has spares needed by existing plants and generic machinery needed by many. Some 60 year-old turbines may not find a home, but commodity prices make selling assets as scrap still accretive. Besides, the 20 year-old Craftsmen Tool Cabinet at Exelon fared almost as well as the 17 month-old Cabinet at Uni-Solar and the contents of parts turned out to be even more valuable.

Is it a waste of energy to close all these plants? Like every plant closure an auctioneer ever sees, there is someone on site to tell the auctioneer why the plant should not close. In these cases, it’s a consistent story. The new standards are too severe and you the consumer will pay more as capacity shrinks. Since I am just an auctioneer, I can’t speculate on whether all these great new renewable energy hopes will fill







second interview. Here is the most novice answer to a complicated question. Everyone wants to “go green,” but nobody here in the USA is willing to lose enough greenbacks. When all these plants simultaneously raised a zillion dollars to build state-of-the-art, latest and greatest plants and processes, they were betting that Uncle Sam would make going green the path to Greenbacks. They looked at Uncle Sam putting the big squeeze on huge utilities and forcing coal plant closures. Internationally, they saw the governments of the most sophisticated and developed nations creating economic policies and subsidies that practically insured electricity buyers would pay whatever it cost for renewable energy. Easy money. Of course, it was beyond easy when you actually got to borrow hundreds of millions from Uncle Sam (Department of Energy) to build the plants. It was clear the sun was shining through a perfect storm. You get great funding to build the

the void. I can only say for certain what I know for a fact isn't fishy! The plants by the lakes are

**“How long can we ‘go green’ and loose Greenbacks? Can we legislate an industry to be profitable forever?”**

plant and then consumers get huge savings benefits buying your products. What could put

not the favorite spots for fish or fishermen, however, for savvy salvage buyers and entrepreneurial operators, there will be lots of assets to catch.

a cloud over that picture? There is only one answer: the one thing nobody can regulate is that regulatory policies don't change.

#### Here Comes or Here Goes the Sunshine.

“The Solon product we manufacture here in Tucson may have a better fit and finish than some others, but the market doesn't really value that. The market values a low price. We are going to stop beating our heads against the wall and say, ‘How can we be smart strategically?’” said Dan Alcombright, President and CEO of Solon North America.

Every time we do a solar plant auction, someone from the press comes to take our picture and ask us why these solar plants are closing. Since I don't proclaim to be the brightest guy that ever held a microphone, my first instinct was to say, “because they went bankrupt!” However, because I am a show-off, I forced myself to learn a little more before the



One day someone woke up and said there doesn't appear to be as much power production as we thought and, “boy is this expensive.” How long can we “go green” and loose Greenbacks? Can we legislate an industry to be profitable forever?

While everyone was pondering this, somebody in China was saying, “Did I hear the words, ‘Price War?’” It is way too complicated for me. So

rather than embarrass myself pretending I understand massively complex issues, even the World Trade Organization (WTO) debates, I will tell you the funny part. Uncle Sam decided to try and save green, losing so many Greenbacks and placed anti-dumping duties on Chinese Solar Cell Manufacturers. Not to be outdone, China launched their own probe. Their Ministry of Finance now accuses US of dumping government subsidies if I read it right. Yikes, I might have it wrong!

**“I am a lifelong optimist, only one thing is for certain: the sun will keep shining”**

Here is what I do know: polysilicon companies in China are rapidly closing up shop and racing US Solar Companies to see who can say uncle faster. Even the greatest lovers of Green Energy in Germany are jumping onboard the auction wagon. What does this say about the future of solar and the value of assets in the plants?

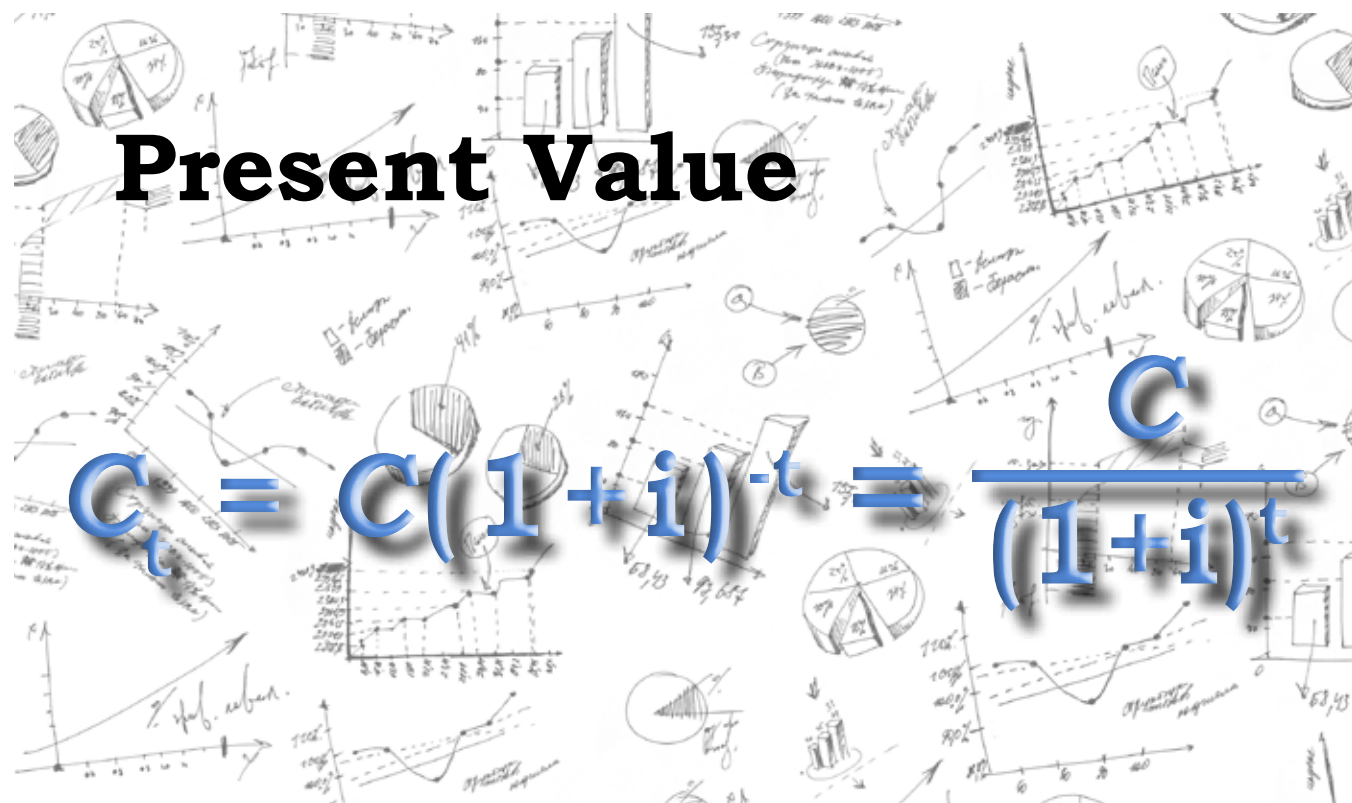
Just my final thoughts, I am a lifelong optimist and know only one thing is for certain; the sun will keep shining

and the assets will keep selling as new businessmen find the energy to fix the problem. Many will be the same entrepreneurs who built these plants, because they have renewable energy in their blood.

Check out HGP's auction calendar; it's an energetic bunch of events. Hope you don't feel it was a waste of energy to read this. ■







# Present Value

$$C_t = C(1+i)^{-t} = \frac{C}{(1+i)^t}$$

by Robert C. Levy  
Hilco

My father was a smart man. The fact that I idolized him meant that he had my undivided attention and what he said stuck. I learned more from him than I have from anyone else, ever. Being a successful parent and mentor, he provided me with the fundamental basis to begin my own constant and evolving development and maturation process. The good news for me is that he was a quality human being. What he failed to tell me was that if one was to ascribe a numeric value to each moment in the maturation process for the purpose of creating a graph, it would not be a continuous line increasing in value from left to right, it's actually a bumpy ride.

Years later, now being middle aged as commonly defined as 35 to 58 years old, I possess all of the age-appropriate trappings: expanding collection of memories; my own family consisting of a wife and nearly grown children about to be launched into their own state of independence; a series of wins, losses, embarrassments and regrets; 33-year career of war stories of victories, failures, cold sweats and celebrations; relationships; personal reputation; history; a collection of Stuff; about 25 more pounds; and a bit less stamina. I now find my-

self frequently pausing in reflective thought. I remember joining my father's business 33 years ago without any of the requisite knowledge or understanding, but I had energy and certainly ego. I was a young long haired punk with questionable priorities. I was fortuitously surrounded by generations of experience, good moral judgment, honor, and fortunately, patience. I was tolerated by some, and those who were not tolerant concealed it fairly well. Some actually tried to teach me.

I learned, I appreciated, I experienced, I made mistakes, I respected, I worked, I lost, I won, I got older, and I developed relation-

ships with others varying in age and experience, some who started in the same boat. Now, when I am at an event such as an auction sale, MDNA or IAA meeting, wedding, party or funeral, I have developed a habit of stopping to pause, look around and take a mental snapshot [moment freezing] of my surroundings as life moves with increasing speed every day that passes. It is amazing to experience the new technology of cell phone cameras and their

tion contract in US history. My brother and I sold our core companies in 2000 thinking that we were growing our business by parlaying our successful efforts into something much larger with another sibling run family enterprise. We all know how that new venture-capital funded company ended up. Its rapid expansion and acquisition path created an appetite for cash that significantly outpaced income. It failed to retain its newly acquired entre-

**“My father was a smart man. He had my undivided attention and what he said stuck.”**

connectivity to web-based photo sharing sites that automatically organize one's life into an un-editable recorded timeline for sharing, providing thoughtless automated ease to create and access memories for the odd moments of self-reflection. What we may fail to realize now is that there is a diminishing ability to remember with Walter Mitty embellished interpretations, as the recordings of our cameras do not lie.

Fast forward to 2012 after years of LIFE. Not only did I not destroy my father's business, which was the prognosis of some, my brother and I, along with some great people, built it into the largest international enterprise in our industry. While doing that, we built another company to handle the sale of military surplus by garnering the largest privatiza-

preneurial industry veterans, who could garner and execute good business and most of all, it never reached profitability. Before its tired investors hired savvy investment bankers to sell the company for a multiple of its actual worth, I was fired by one of my best friends, who in turn suffered the same fate a short time later. Thank you Ross for the best bittersweet day of my life! Then, I joined my current company and along with a great team, built it into one of today's largest and most profitable global leaders in our industry.

I now see myself at the place in life which carries a multifaceted set of irrefutable responsibilities. I can no longer be carefree and reckless, (and yet, maybe now I can actually afford to be), because the previous generation has





by default and not necessarily willingly, moved to its next phase leaving mine to become the responsible mentoring, visioneering, risk calculating, fortune gathering one. It is our turn in the sequence of generations to grab the lead reigns bequeathed to us to not only pilot our own businesses to success,

There are now numerous other countries that have more money and power than we do and who are well positioned to continue the acceleration of their economic ascent while we in the US continue to lag behind the growth of these other emergent economies. We battle over issues such as healthcare, the



but to mentor the younger generation to eventually replace us. In our planned obsolescence, we need to teach them a sense of honor, humor, ethics, and fairness, as well as a responsible and sustainable set of values. I wonder how our bygone mentors would critique our progression.

Our latest generation is the first of many that will effectively earn less than the previous one due to increased cost of living and fewer available jobs. This will strain our culture. It will create stress for us as parents to see our beloved children without certainty of prosperity in a shrinking domestic economic base, and it will certainly compromise our own personal comfort in our sunset years. In just one and a half generations, we have watched the world shift from one in which the USA was the dominant wealthy superpower to one in which we battle for the retention of our power and affluence.

effects of union labor rates and their related impact of job loss. With this trend, we lose our future security and influence over global policy.

China has gained a foothold in every imaginable industry. Why? Because they have been strategic, patient, hardworking, and willing to work competitively. We are currently experiencing the systematic decimation of a global capital-intensive industry by China. China has effectively crippled the world's solar industry by reducing the cost of production through government-subsidized investments.

This has cost billions, if not trillions of dollars to the global solar industry, while worldwide demand is actually on the rise. Major modern solar fabs erected for billions of dollars in 2008 and 2009, did not produce a single cell before they failed and were liquidated by their wounded investors.

**“China has gained a foothold in every imaginable industry.”**

We, as a country, have become lazy through the abuse of our forefathers' successful efforts and currently live in an age of perceived entitlement. We demand and expect more compensation, better quality and faster service for less effort. We are outraged, en masse, when a foreign population is willing to

against US exports. The painful answer is not to impose measures to artificially decrease our competition's advantage, but to become globally competitive by design by providing better quality, faster and cheaper than anyone else. Equally important, we must re-align our expectations of fair compen-



produce these desired results competitively, effectually displacing our domestic jobs. We will continue to concede the privilege of industry ownership to others who are willing to work for these rights and compete in the new competitive global economy. Sustainable success is something that only occurs when efforts are continuous and the rewards are appreciated, instead of being leveraged and taken for granted. It is OK to celebrate victory; however, gloating and becoming complacent is a recipe for short-lived success and eventual capitulation.

Some believe one solution for the unbalance of trade is for our government to impose protective tariffs on imports. These measures are not the answer as the set of global economies have become so symbiotic that one US protective tariff on a single product can spark retaliatory and crippling foreign tariffs

sation for the value we add, not the value we used to add. We must cannibalize our own products with new and better ones, rather than allowing foreign competition to replace us as the primary suppliers of creativity and desirability. Our delegation of ingenuity and manufacturing capabilities has marginalized our former global advantage. We must re-

**“We, as a country, have become lazy through the abuse of our forefathers' successful efforts.”**

prioritize our support for the education of our youth, incentivize them to become more energetically creative, eliminate bureaucracy, and protect the sanctity of rapidly waning common sense. We must now assume our responsibility by paying for our credit card errors and buy back our children's mortgaged future. If not, we continue to relinquish our supreme position in the new global economy.

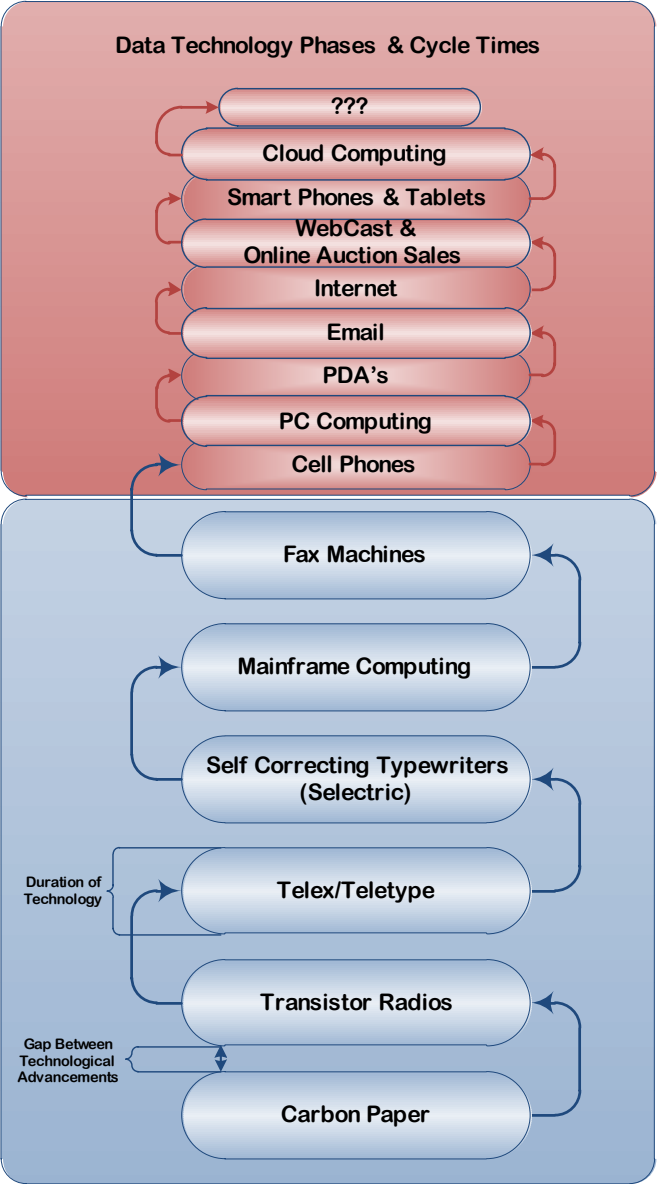
My wife has always said having children completes the circle of life. It provides each of us a





more evolved understanding of where we are and where we are going by reconnecting us to where we have been. She is right and smart, and I love her. I began observing the older generations a long time ago. When you're twenty, fifty seems ancient and eighty seems decrepit. Now at fifty-four, still feeling like I'm twenty-five, although a little less patient, the original eighty year olds are gone and the then 50's are now the new 80's. It is difficult to think that in another blink of an eye, I will be one of the 80's. My message to those in their 20's, is to keep your eyes, ears and hearts open. Pay attention and periodically take that mental snapshot of where you are and what you are experiencing within your current surroundings because before you know it, you will be one of the 80's and marginalized by the newer generations.

The passing of the younger generation's mentors is inevitable. Life is unpredictable and there are challenging curves thrown directly at us at light's speed. My father passed away when I was only 25, only giving me a glimpse of a long-term adult business and personal relationship with my most important male mentor. Others in our industry have experienced this of late. Lloyd Ashman and Ron Haas have left their fledgling offspring to fend for themselves in a very entrepreneurial, aggressive and evolving industry. I was fortunate that I was surrounded by good mentors, a great business with a stellar reputation combined with my own overwhelming fear of failure balanced with a drive to succeed. It took a long time for me to cease doing things as my father would have, just because it was the way my father would have done them. A questioning thought process was actually liberating from the debilitating chains of the emotional entrenchment of unquestioning loyalty to my father. I now believe he would be much happier knowing I came to my own justifiable conclusions through my own experience based thought guided by a sound moral compass, rather than through mindless and occasionally costly mimicry.



It seemed to be easier back in the early 1980's. Sure, we had competition, but it seemed less thirty years ago with more reliability and predictability. People in the business were more dependably there for the duration and as the then lifers, they understood the unwritten codes of our industry. The speed of change was much slower and healthier. We did not have to reinvent ourselves with the frequency of the rapid pace of today's changing environs. Times were more forgiving as we had time to digest and experience technological advances.

Today, the frequency of each technological iteration is increasing at blinding speed as the cycle times

for each new technology is decreasing. The gap between and the duration of each new technology poses directional and financial challenges for all forward thinking technologically sophisticated enterprises. The market pressures the race to deliver new merchandise resulting in countless half-baked products from companies such as Microsoft, RIM (Blackberry) and even Apple. The cost to bring a new product to market is staggering, given the size of marketplace that each provider must serve. The adoption of the right technology can position an enterprise for the coveted win while the wrong one will result in extinction. Beta vs. VHS is a perfect example of an inferior technology claiming victory over a superior product. There is no readily apparent rhyme or reason as to why one technology will succeed over another.

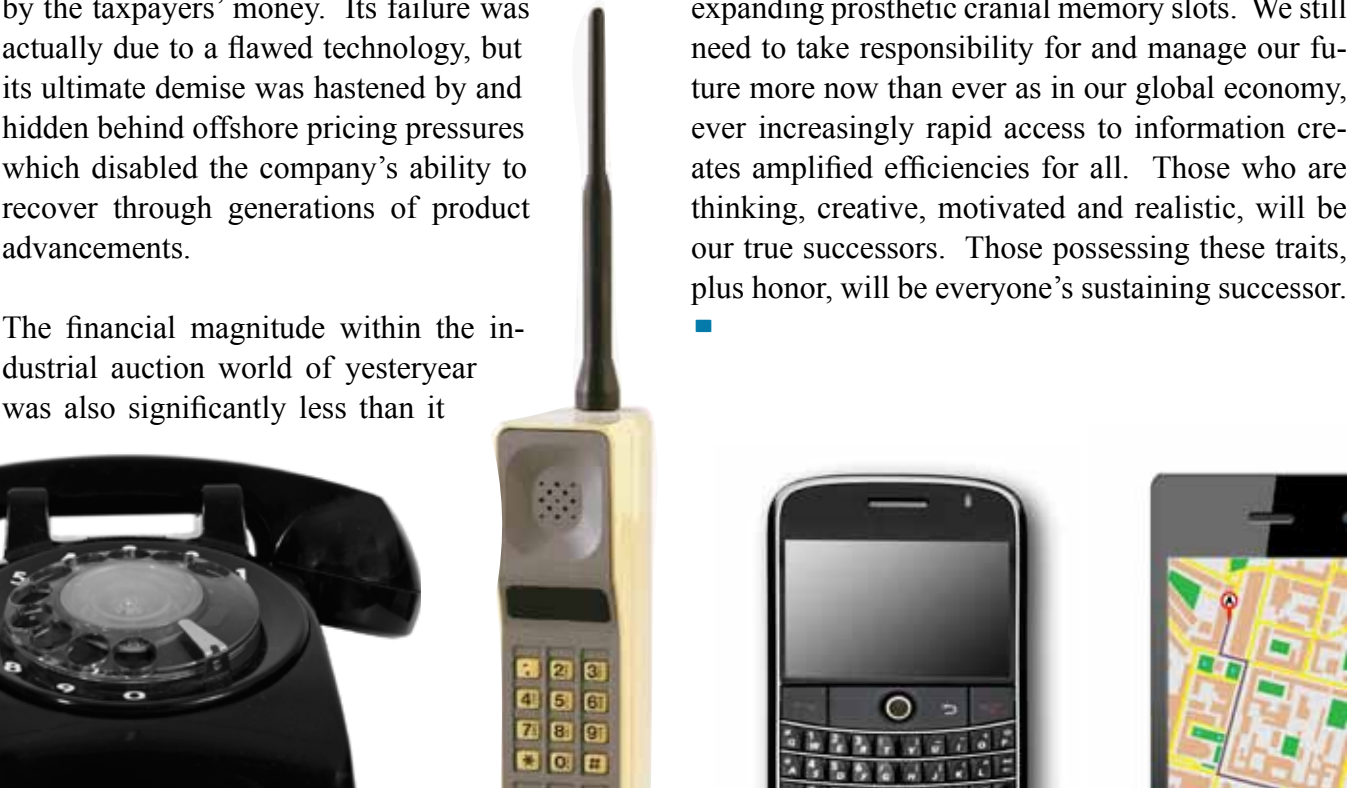
Solyndra, a significantly flawed solar technology which drew the attention of the Obama administration, won a massive investment backed by the taxpayers' money. Its failure was actually due to a flawed technology, but its ultimate demise was hastened by and hidden behind offshore pricing pressures which disabled the company's ability to recover through generations of product advancements.

The financial magnitude within the industrial auction world of yesteryear was also significantly less than it

**“Today, the frequency of each technological iteration is increasing at blinding speed.”**

is today. It was unusual to see a five million dollar deal then, whereas today, we are typically working on multiple eight digit equity deals at any one time. This is not for the faint of heart or the undercapitalized. How will the younger generation fare in the long term? Will they apply life's lessons to live long and prosper, or take down their partners and investors who lack the requisite industry knowledge and business savvy while relying on and believing that someone else has done their homework, or equally bad, miss the great deal for the same reason?

With the passing of time, we experience technological change and advancement. It seems that each new generation is better equipped to deal with new technologies as if the technology of the previous generation has been embedded to become an innate characteristic or DNA imprint. Who knows, maybe someday soon, those mental snapshots can be automatically shared between the cloud and our mind expanding prosthetic cranial memory slots. We still need to take responsibility for and manage our future more now than ever as in our global economy, ever increasingly rapid access to information creates amplified efficiencies for all. Those who are thinking, creative, motivated and realistic, will be our true successors. Those possessing these traits, plus honor, will be everyone's sustaining successor.





# Like Ships Passing in the Ice

by Terrance Jacobs  
TCL Asset Group

In mid-March of this year, I received a call from the Newmont Mining Corporation. Known as the second largest gold producer in the world, Newmont had recently placed their Hope Bay, Nunavut gold mining project on a Care and Maintenance program, basically stopping all mining operations and writing off approximately 6 billion dollars.

The call was from the Newmont office in Vancouver. They wanted TCL Asset Group to provide a quote to evaluate two projects. The first, involved all the Hope Bay assets, which they were considering selling these in the near future. The other project was to appraise a new, never-installed, gold

processing plant located in South Africa. As part of the decision process, Newmont requested that I fly to Vancouver to meet with representatives of the company to discuss project details and review our experience in the industry. We were told that another company was also going to “pitch their services” but only one of us would get the assignment.

The interesting part was Newmont had spent the last two years building the basic infrastructure in order to start mining for gold at this very remote arctic site. How remote? Suffice it to say that if you flew 2,500 miles due south from Hope Bay, you would still be in the United States. Hope Bay is located in a very isolated area about 90 miles north of the Arctic Circle. Flights to and from the Hope Bay site are twice a week out of Yellowknife, heading two hours due north using Newmonts chartered aircraft. The closest town to Hope Bay, Cambridge Bay, is a 45 minute flight north west over the Beauford Sea.

Shipping assets to the site larger than what can fit in the belly of a Hercules aircraft is only possible using Great Lake ships and then only during the time of year when the arctic seaways are clear of ice. The shipping season is a mere 6 weeks a year – from the end of August to the first week of October. In other words, food supplies and small items can be brought in

by air year-round, weather permitting, however, construction, mining, and electrical equipment, fuel, and bulk assets used to support the operations can only be “sealifted” once per year.



As a result, Newmont had constructed an air strip, a man camp for a few hundred employees and, because there is no electricity at the site, a power plant consisting

**“Both of us were trying to figure out who the competition was, knowing they were in the next boardroom.”**

of (8) 1450 Caterpillar gensets that would be able to power the small city. The gold processing plant was to be shipped from South Africa up to the site in August. The gensets needed a fuel supply to run the power plant throughout the year, and therefore, a large tank farm was also fabricated to store over a million gallons of diesel fuel.

At the time of the call, my team was very busy with various similar large scale evaluations and a

few scheduled auctions throughout the country. The call from Newmont came minutes before I had a conference call with Aaron Stewardson, COO of Maynards Industries about a Bakery in Edmonton we had just purchased. Considering our busy schedule over the next few weeks and Maynards geographical proximity to the Newmont office, I figured I would ask them if they were already working on the Newmont deal, and if not, would they consider partnering up.

One week later, Aaron and I were sitting in a Newmont boardroom waiting for executives to meet with us as they finished up another meeting. Both of us were trying to figure out who our competition was, knowing they were in the next

boardroom; I even tried to check the sign-in sheet at reception, but was not familiar with any of the names previously signed in.

The meeting went very well and after a few days of discussions, we received the mandates to evaluate both the Hope Bay assets and to provide a Desk Top Value of the South Africa gold processing plant.

Arriving in Yellowknife, our last stop before the charter flight to





Hope Bay, our team consisted of Michael Seibold of Maynards, Peter Keeley of TCL and myself. We were each given Canada Goose cold weather workwear to put on before boarding. This was mandatory for safety reasons, need I say more.

We spent one week at the Hope Bay site climbing over equipment at the tail end of an arctic winter. Surprisingly, we mostly had clear crisp days, except for the snowstorm that rolled in the



day we were scheduled to leave, giving us an extra day stuck at camp. Living conditions at camp were very good. There was a recreational area, full cafeteria, meeting rooms, offices, and individual living quarters. The downside, as with most mining and forestry camps, was that it was a "dry camp," meaning no alcohol. Furthermore, you could not leave any of the buildings at night due to wildlife, etc.

### "This time we were passing each other like ships in the night."

During our visit we found out that our competition had also received the same mandate to evaluate the Hope Bay and South Africa assets and that they would be onsite just after we departed. We were also told that one of the

companies would be given the job to sell all the assets by auction in the fall. Needless to say, with over \$50 million dollars in evalu-

ated assets, this project started to become very interesting. Never having being told who the other company was, we assumed it was Richie Brothers or another major construction company.

Finally arriving home after our delayed departure, we spent the next few weeks arranging our notes and pictures and researching the assets. We then provided Newmont with a very comprehensive report.

With the appraisal report completed, we were asked by Newmont to prepare a proposal to sell all the assets we had evaluated along with selling the Gold Processing Plant in South Africa. After a month of negotiations, we

were awarded the contract to sell the Hope Bay assets.

During the month of August, barges were used to transfer all the construction, mining and electrical equipment we had appraised from the shores of Hope Bay to two huge Great Lake ships, the Rosaire Desgagnes and the Sedna Desgagnes moored in the deeper waters offshore from the mine site. The Great Lake ships would then travel

for 8 days through the ice-free waters and down the St. Lawrence seaway arriving at a deep water port in Becancour, Quebec on October 1. At that point, the assets were off-loaded and staged on a rented site near the port where we held an auction at the beginning of November.

We never did receive the mandate to sell the Gold Processing Plant. That was given to the other company, a partnership between a large dealer of ball mills and other mining processing equipment, AM King, and a member of the IAA, Rabin Worldwide. Richard Reese and the guys from Rabin have been our partners on numerous deals and this time we were passing each other like ships in the night. It's funny how things work out. ■



## Auction Evolution: Who's Calling Now?



**By Jerry Beach  
Rabin Worldwide**

"Can you hear me? Yes, the photos aren't showing. They come up late, a full second after the item goes on the block. Are you there? There's a lag. Huh? Yes, a Lag... No! THE PICTURES ARE SLOW!!"

I'm screaming into the phone next to a speaker the size of a refrigerator. My chest is throbbing from its vibrations, and the sound "bum da da bum da da bum" overpowers the auctioneer we are working with, whose voice on the microphone is muffled but very loud. A fleeting thought passes through my brain: why do auctioneers always over-amp the audio?

"What?! My what?? You want my password? Okay, it's all caps, REACH4WORD... R-E-A-C-H... Bala... are you there? ...Hello?"

Bala is the project manager for the new software we are testing at the auction. It is the middle of the night in India where he is. Things look fine on his computer and he wants to try my login, except the phone has just gone dead. I desperately want to walk away from that infernal speaker, but I need to be at my laptop, which is plugged in to the auction network.

Flash, crack! The thunderstorm is back, with torrents of rain outside the Florida facility where we are selling woodworking equipment. The sudden storm makes it dark in the room, but luckily our equipment is still on. Meanwhile, a minor battle has broken out on the auction floor. A belligerent bidder is screaming back to the auctioneer, "Why the hell are you giving it to someone you can't even see? We took time off and paid

**"He wants my login, except the phone has just gone dead."**





good money to come to this auction! WE are here, THEY are not.”

The auctioneer explains that the online bidder has also registered to bid, and there will be plenty of opportunities to win items not yet auctioned. His reply is half-hearted and he also seems to resent the bids coming in from the Internet. The bidder grumbles and walks to the back of the room where he can stir up more controversy.

That was in 2003, and we certainly had our share of software issues at the start. Minds have changed though, much more rapidly than the software did. People’s attitudes have shifted about what an auction is, who is qualified to bid, what a bid is, and what the role of an auctioneer is.

We quickly learned that bidders from other countries with an online option would become regular customers. We realized with online bids appearing on a public screen in the auction venue, (rather than heard through one person’s telephone headset), that people would trust the process. And if you allowed people to freely return to their offices to continue bidding online, or come to the auction floor from their home where they had been bidding online, the added flexibility increased participation.

**That was Then, This is Now**

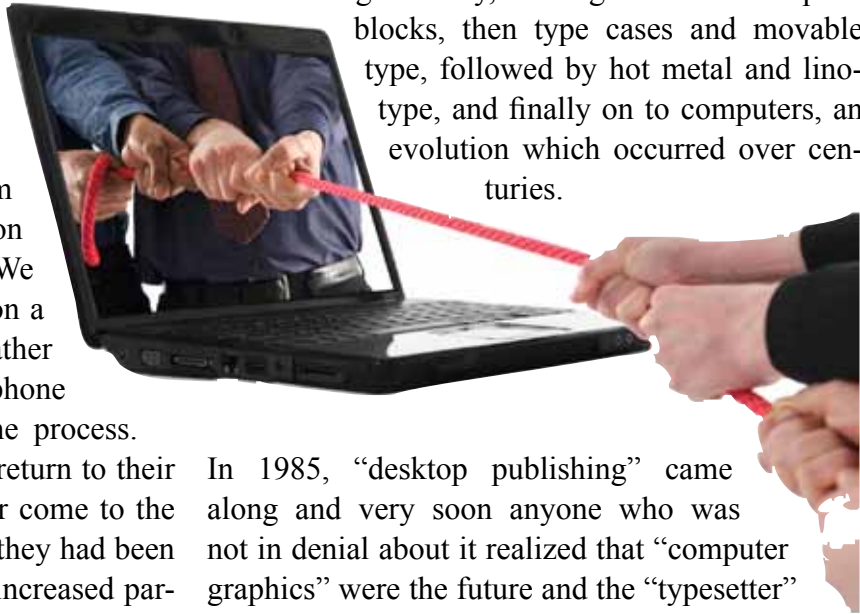
One issue we now face at live sales is exactly the opposite from the early days of Internet bidding: how to motivate greater on-site participation. Internet bidding has become more convenient for bidders, provided the bidding is transparent and there is a

degree of comfort that online bids have the same weight as floor bids. Ironically, no sooner than we became comfortable with the idea of online bidders at live auctions, auctioneers started talking about timed, online auctions, and whether or not the Internet would one day become the only viable venue for auctions.

For a number of years, I worked in book and newspaper publishing, back in the days when every syllable, dash, and comma found its way onto the printed page through the agile fingers of a typesetter. Typesetting, an age old craft, had been a necessary component of printing ever since Gutenberg. The methods had changed along the way, starting with wooden print blocks, then type cases and movable type, followed by hot metal and linotype, and finally on to computers, an evolution which occurred over centuries.

In 1985, “desktop publishing” came along and very soon anyone who was not in denial about it realized that “computer graphics” were the future and the “typesetter” would soon become an obsolete occupation. I was there when it happened, more of a revolution than evolution. Many typesetters began training in the skills of the layout artist (who also had to learn the new computer graphics). Other typesetters, who refused to adopt new skills, while assuming their old craft would still be needed, found themselves out of work. This all took place in a single decade. I’m sure there are industrial auctioneers who can

**“A Beligerent bidder is screaming, ‘Why the hell are you giving it to someone you can’t even see?’”**



recall having to sell obsolete printing and graphics equipment during that period who remember how many businesses failed because the owners didn’t have the wherewithal to acquire new equipment, or refused to acknowledge the changes taking place in their industry. Is the same thing going on in ours? The evolution that has been spurred on by the presence of the Internet is changing the industrial auction industry as we have known it.

**What Constitutes an Auction?**

There is a whole range of events that come under the category represented by the word “auction.” From English auctions where the competition goes up from a starting bid, to Dutch auctions where the bidding comes down until someone accepts. From auctioneer directed events where a crowd gathers around the objects being sold, to eBay-style auctions where a single item is an auction and the auctioneer is a computer algorithm.

Some version of “auction” exists in nearly every culture where there is commerce. It is a basic idea and everyone gets it. Here is what I believe is generic to any activity categorized as an auction:

- Property, goods or services being sold (an auction is a type of commerce);
- Price is determined through a competition of bidders (not predetermined);
- The competition has rules; and
- There is an arbiter of the competition.

The price can have certain boundaries or limits such as those implied by opening bids and reserves,

which might confuse the idea that people have about what an auction is. I once overheard a bidder say, “Why would I want to put down a proxy bid if I know the auctioneer will open with my bid amount? THAT’s not an auction!” I would be surprised if most people didn’t have that same understanding about what an auction means. It would seem competition is necessary to have an auction, and without it, can it still be considered an auction?

What about the multitude of auction styles and techniques that can be devised? There is no limit on that. This can be incredibly liberating when it comes to designing computer driven auction experiences.

**Rabin 24/7**

In our organization, we looked at whether it made sense to develop our own brand of online auction. Having integrated cataloging, registration, book-keeping and invoicing into our RabinLive platform, we successfully streamlined customer service with automated invoicing the moment the auction closed.

With those components in place, and with emerging web technologies, we decided to create a more satisfying and interesting online experience, and moved ahead with our Rabin 24/7, all-online offering.

In industrial auctions, there has been a kind of auction-within-an-auction known as the “Bulk versus Piece-by-Piece.” This has special rules designed to maximize value. As long as the rules are public and announced ahead of time, the bidders are willing to compete. Briefly, there are two groups of bidders. The “bulk bidder” competes for an entire pro-



**“Without competition, can it still be considered an auction?”**





duction line, and the “piece-by-piece bidders” who compete for the individual components. If the bulk bidder beats the sum of the individual component bids, the line is awarded to the bulk bidder. If the sum of the component bids is higher than the bulk bid, the components are awarded to piece-by-piece bidders.



We brought this “bulk” vs. “piece-by-piece” style of selling into our 24/7 online auctions. Every time the piece-by-piece bidder increases a bid and it brings the sum of the components higher than the bulk bid, those bidding on the entire line are immediately prodded to in-

crease their bid because they are now losing

to the piece-by-piece bidders (same prompting to the piece-by-piece bidders whenever a bulk bidder takes the lead). This is done as the bidding occurs, moment by moment. It’s even more dynamic than it would be at a live auction where the auctioneer is restricted to selling the entire line before or after offering the individual pieces in sequence.

Bulk bidding can at times be confusing to bidders but the computer can now show the bidders at every instant when they need to raise their bid. We’ve just released this and time will tell how much it increases the prices that we are able to achieve, but it is a clear example of how you can innovate and create a better bidding experience without violating the core concept of what constitutes an auction.

## Evolving Industry

When asked what an auction is, most older people would think of a typical Sotheby’s style auction, where there are rows of seated bidders, an auctioneer at a podium, the sound of a gavel, and the auctioneer’s pronouncing of “sold!” People raised in farming communities would think of a livestock auction with rapid auctioneer banter. In both cases, there is an auctioneer calling the bids.

Whereas the typical auction includes an auctioneer, the eBay-style auction doesn’t need one. If the auctioneer is now optional, it could be that the idea of an auction is changing as well. Focus groups may tell us whether younger bidders think of an auctioneer when they think about auctions or if they are more likely to remember an online experience without an auctioneer. It is important to consider all types of auctions when creating new ways of doing things.

What is the future of auctions? For example, how could auctions be adapted to support responsible recycling, as the desire for “green” disposition grows?

Is there a way to improve, through an online experience, the success of ongoing fair market liquidations? Can we add value in other ways to other disposition techniques (e.g., bankruptcy, turnaround management, and private equity)?

In the late 1980’s I enjoyed being able to call myself a layout artist, rather than holding on to the title of typesetter. Similar adaptations and new job titles may be required in this industry, eventually. Don’t get me wrong, we still find in many contexts, that live, auctioneer directed, public auctions are the very best way to achieve the highest possible values. It’s just that what constitutes a live public auction is evolving. ■



The car headed east from Naples. As we sped along the desolate two-lane highway Vesuvius loomed on our right stirring images in my mind of streets frozen in time, blanketed with ash. The road twisted and turned along the valley floor as we made our way to a manufacturing facility deep in the heart of the Italian countryside.

This was my first trip to southern Italy and like everywhere else I have been in Italy, I was struck by the beauty of the landscape – rolling mountains eroded with time, striped with small roads snaking up from the valley and dotted with villages along the peaks. I was also amazed by the dedication of its settlers who chose to build these lovely little towns nestled into the mountain tops exploiting both the beauty of the vistas and the safety of the vantage point.

We continued deeper into the countryside. The small highway slowly deteriorated until we reached our destination – an industrial park at the base of a mountain village. Getting out of the car I was again reminded of Vesuvius and the town of Pompeii. There was no volcano, but the industrial park was also frozen in time, buried under the economic destruction of the last five years. There were three plants in view, each from completely different industries, from unrelated companies, and each closed. In fact, I was told two of them had never really ever opened. The facilities were built, ran briefly, if at all, and then shut their doors. Now they were all under the same management – the local judiciary.





We did the tour of the factory in minimal light as there was only a gas generator to provide power. As we walked back around the outside we had a beautiful view up to the mountain village that gazed down on us and where we would later take our board.

We drove up to our bed and breakfast, which was a non-descript house on a semi-residential street. Other than the sign, nothing about its exterior would indicate that this was anything more than someone's house.

After dropping off our bags, we went into the town for dinner. As we wended our way along the small streets, it seemed very dark. It wasn't just an absence of street lights, the houses and buildings were dark too. It was 8pm on a weeknight, and the streets appeared just as empty as the factories.

Our dinner was in a restaurant, with a spectacular view of the entire valley. The food was the incredible classic, rustic Italian cuisine where you can taste the generations of grand-mothers' hands that shaped and honed each recipe. As we talked with our hosts, it became clear that, as we had seen, the village was, for the most part, empty. Anticipating the cause, I asked about the shuttered factories we had seen. The response took me by surprise.

The factories had nothing to do with the state of the village. The village had been slowly losing its population for decades. The village never had enough people to staff the factories. So I posited that they must have built these factories to try and bring people back to this area. Again I was not entirely correct. The Italian government, in an effort to create more jobs in the south, was incentivizing businesses to build factories in Southern Italy. However, some were taking advantage of

**“Some were taking advantage of these incentives, building factories that would likely never run.”**

these incentives building factories that would likely never run, exaggerating costs and reaping the difference. The government and the financiers were left with idle assets that were worth cents on the dollar. I could understand how someone might be able to take advantage of a loophole, but what was being described to me was widespread exploitation. How could it persist? The answer was that some things in southern Italy are not so straight, or put another way... crooked. I had no idea how soon I would get to experience this first hand.

We returned to our quaint accommodations and the next morning headed to the local courthouse to submit our sealed bid. The courthouse was a non-descript building at the end of a narrow gated drive on an empty street in another small village. We spent our time with the clerk of the judge, who was over-

seeing the sealed-bid proceedings. She was kind enough to make sure that we had all the relevant paperwork before we officially submitted it. We would never have been able to navigate this process without her help and the excellent translation abilities of my Italian colleague. After submitting, we went for coffee at a nearby cafe. There were rumors about who our competitors would be on this file. We sat and speculated over our drinks, trying to make sense of who was partnering with whom from the tidbits of information we were getting from our network of customers and agents. Really a moot point given that we had already submitted our bid, but we were psyching ourselves up for the likely potential auction scenario we would face tomorrow in the judge's chambers. And it seemed as good a topic as anything else to discuss over a beautiful Italian coffee on a sunny day in the South of Italy. One of the local “guides” we had hired decided to hang around to see if he could recognize anyone else submitting a tender.

We took our leave and went for lunch in yet another mountain-top restaurant, this one in a secluded area and with a spectacular view of the entire region. We sat outside under the shade of the building. The day was warm, the wind was cool, and as always in Italy, the food was fantastic and abundant. There were

so many courses that I lost count after 10. In fact, we had to ask them to stop bringing us food three-quarters of the way through as we had all consumed well beyond our limits. We continued to discuss our possible competitors and were no closer at the end of the meal than we had been at the beginning to determining who they might be.

**“This man radiated adversary and I naturally assumed he represented the competition.”**

We drove back to our accommodations and spent the rest of the day catching up on other business. The next

morning we got up early, packed, and said farewell to our sleepy village and drove back to the courthouse. At the designated time we were ushered into the judge's chambers, which turned out to be nothing more than a small office with a desk and chair for the judge and three chairs for visitors.

When we settled in, there were a total of six people in the room: the judge and his clerk sitting on one side of the desk, my two colleagues and I sitting in two of the chairs across the desk from the judge and one standing, and a thin man with a pointy face elegantly dressed with rimless glasses, a tan blazer, gold tie, dark pants and tan leather (Italian no doubt) shoes already seated in the third chair across from the judge. The thin man radiated adversary and I naturally assumed he represented the competition.





The procedure began. The clerk declared that we were the only group that submitted an offer. She opened our package and officially entered in each of the requisite documents. After recording each document she passed it to the judge. As this was going on, the thin man started asking my Italian colleague questions about who I was, did I have authority to bind the corporation, etc. As his questions were translated for me, I was even more certain that he represented one of our competitors. Based on the tone and aggressiveness of his questioning along with the type of questions it appeared that he was looking for a way to disqualify our bid. He then began going through our documentation and looking for mistakes. This was just like hundreds of times I have sat across the table from an adversarial lawyer, nitpicking, looking for a way to mess things up. The only difference is that even the most presumptuous lawyer would hesitate to sift through the paperwork on a judge's desk.

The thin man noted that our certified deposit check was made out to the court in trust, but failed to fully reference the file. All I could think was, "Who is this guy?" But before I had a chance to voice my question the judge spoke up.

We had submitted two offers: a conditional bid of 1.8 million Euros and an unconditional bid of 1.5 million Euros both to be paid within 60 days as the court



**"The thin man spoke up again saying our bid should be disqualified."**

had stipulated. The judge made it clear that they were not interested in our conditional offer, but that they would consider the 1.5 million Euros. I anticipated that we might have to increase our bid slightly, but I was still feeling fairly confident given that we were the only bid.

The thin man spoke up again saying that our bid should be disqualified as our deposit check was improperly referenced. Usually the deposit check is to make sure that the buyer is serious. We flew three people half way around the world to sit here in person, which was more than anyone else had done since there were no other bids. It seemed safe to say that we were very serious. At this point I finally asked, "And who are you?"

It turns out the thin man was the curator, in other words the government-appointed individual overseeing the file, a bit like a trustee, just appointed by the government and, as I would soon find out, with greater authority than the presiding judge. I was flabbergasted. The thin man had clearly been looking for a reason to disqualify us from the moment we sat down. But he worked for the government and we were the only bidders? It made no sense.

The thin man then suggested that we cut a new check and return in 2 days. He said this knowing full well that it would be nearly impossible to do so as we had to have our check certified in Canada and then verified in Italy. I had the sinking feeling that no matter what we did, we were not getting this deal. So I decided to test the theory.

I asked if the 1.5 million was acceptable, to which the judge replied, "yes, but unfortunately not with this deposit check as the curator has stated." I reconfirmed that the amount was acceptable and the thin man again harped on the check. I then offered an alternative solution, "It's 6:30am in Montreal right now, in two hours I will call my office and have them wire the full amount. Not a

deposit. Not in 60 days. The full amount. Today. What do you think about that?"

Now you should understand that I work with my father. He and I had never discussed this eventuality, never even considered it. I had no clue

if he was going to be happy with my deciding to drop 1.5 million Euros in one morning, but I could feel that this process had left the straight and narrow a long time ago and I needed to call their bluff.

The judge looked like a deer in headlights. It appeared that he had never considered this eventuality. He stared at the thin man with a "what do I say?" look on his face. There was a moment of silence, everything slowed down, and my offer sat in middle of the room like a giant white elephant.



Up until this point in time, the judge had always maintained the appearance that he was in control of the proceedings, the final authority, which as I have come to understand, is usually the case. But that pretense had shattered to a million pieces and it felt like a scene out of "The Good, The Bad, and The Ugly" as the thin man looked at the judge, I looked at the thin man, and the judge fervently looked back and forth between us.





The judge was still stammering when the thin man took over, “Your deposit check is not referenced correctly; your bid is disqualified. This proceeding is closed. We will seek new tenders in January, you may resubmit then.”

“What about bringing a new check in two days or wiring the money today?” I asked.

“The proceeding is closed.”

My Italian colleague was livid and even though I anticipated that this is where things were going to end up, I was still shocked. How can you lose a bid if you are the only offer? All cash, no conditions, and the “reserve” is met. They didn’t work us over to raise our bid. They didn’t work us at all. Just “No.” It’s hard to swallow.

We got in the car and drove silently to Naples. Every once in a while one of us would grumble in distaste and then fall back into silence.

That night we left our hotel and walked to the best pizzeria in Naples (and by extension the best in the world), Pizzeria Da Michele. It lived up to its reputation. As we stood in line outside with fifty or sixty other Neapolitans, I marveled at the piles of garbage in the street. My colleague was explaining that it is due to a strike when a nearby stranger interjected, “it’s the mob. The whole thing is corrupt.”

I thought to myself, “You have no idea.”



## Where Did All the Money Go?

By Blake Wilson  
Furrow Auction Company

Auctioneers like morticians often hear some of the most personal laments from their customers. These laments include family tragedy, health issues, employee theft, government interference, foreign competition, etc. Money problems are always the most common complaint we hear, but lately it seems there may be a trend developing.

I noticed this trend shortly after we had scheduled a metalworking auction of a longtime fabrication and millwright contractor in Tennessee. Typical marketing included brochures and emails to prospective buyers throughout the Southeast and beyond. The usual phone calls from prospective bidders asking for details followed these marketing efforts, but then I noticed another trend. Within a 3 day period following delivery of our brochure I received four separate calls from business owners wanting to liquidate their machine shop/fabrication business. Although most business comes from doing auctions, it is rare to have so many calls just from a brochure. Questions regarding the auction process were typical, but the owners revealed that although they currently had existing revenue generating business, they had decided to close due to difficulty in obtaining bank loans along





with a myriad of other issues. I realized that this lament has become more common throughout the last several years.

It is no surprise to IAA Members that small business in America is going to have more difficulty finding the cash to run their businesses due to the changes in our banking industry. Banks and lending institutions have always been our primary customers and they will certainly continue to be the drivers of auction sales. That being said, there are some trends

Small businesses are selling out more than at any time in history. Statistically on any given day 1.7 million small businesses are for sale. Although there are many buyers for these businesses (mostly laid off employees), it is becoming more difficult for them to get financing.

The Federal Financial Institutions Examination Council has the best information on small business lending by banks. It's data on millions of loans to businesses with revenues of \$1 million or less,



that are forcing small business owners to take a look at how they operate.

The days of 90–100% financing are over and cash flow vs. true margins is what banks want to see. Tighter regulatory standards will continue to persist. Since 1968, much of Furrow Auction Company's business has come from the smaller community banks (3-billion or less) that support the small business in their communities. This way of doing business is being squeezed out by these standards. One banker friend told me, "Relationship lending is a thing of the past; we are concerned with debt service and cash flow."

which is 95% of small business, shows a decline in dollars loaned, as well as number of loan originations. Between 2007 and 2009 banks originated \$73 billion in loans to small business which is \$64 billion less than in 2007, a drop of 47%. A similar drop occurred over the same period in the number of loans made to small businesses – 1.6 million in 2009 as compared with 5.2 million in 2007 which is a 69% drop. The data available through 2010 shows the trend continues with another 20% decline in both dollars loaned and number of loans made.

Tied to all of this lending is that the banks making these loans are on average much larger than they

were just 10 years ago. Institutions with assets of \$2 billion and more accounted for 93% of all small business loans reported.

Individual investors may be the answer for small business as people look for a way to get a return on investments.

The U.S. Government needs to take a close look at the financial systems that Japan put into place due to their bank crisis 20 years ago. These changes produced multi-national government run corporations. Many of our answers to the U.S. banking crisis have been similar.

The American entrepreneurial spirit will prevail and small business will remain the backbone of the U.S. economy. Auctioneers may find that future auction clients will include more individual and group investor funds than in years past. Fortunately, IAA members are well positioned to capitalize on this trend by maintaining a strong presence with the corporate world and the small business community. Many IAA members now offer business asset loan programs and are becoming another outlet to support industrial business owners. ■

**"Relationship lending is a thing of the past; we are concerned with debt service and cash flow."**





# R.O.R.

## Return on Relationships

By Van Beusekom BV

**A**s industrial auctioneers, we spend most of our time considering investments in machinery and equipment. We are consumed with asset value and when it comes to marketing, it is usually the assets that are the star of the show. One company has recognized that there is another key ingredient to success – relationships.

The Dutch online auction house Van Beusekom, a member of the Industrial Auctioneers Association (IAA), invests a substantial sum each year in its relationships and the communication with sellers and buyers of their auction sales. Jeroen Kamminga, the chief commercial officer of Van Beusekom, explains:

We focus heavily on our relationships, since we believe in a long term approach of our business. The executors who have to choose the auction house to do business with, have to know us and trust us, since they have to rely on our expertise and ethical conduct. We meet with them in a sounding board role, even if we do not have a specific auction sales going on. In our view we industrial auctioneers need to position ourselves in the role of business partner. It is essential for our business continuity. We know that our sup-

pliers have a choice of companies to work with and our approach of becoming a business partner makes the difference.

Critical to developing strong relationships is frequent contact and top of mind status. Mr. Kamminga describes several approaches he has taken to remain in close contact with his relationships:



“During the year we are available for questions or consultation 24/7 and we only charge a fee when we really are going out for an evaluation or the preparation of a sale. A bank or executor should feel free to contact you as a business partner without being charged for every single phone call. To stay in continuous contact with our business partners we have several proactive contact moments during the year.

“We publish a newspaper Van Beusekom Nieuws 6 per year about the economic developments, which includes interviews with well-known entrepreneurs and a column of a specialist insolvency lawyer. The paper is sent to all our relationships, an impressive list of thousands - and we invariably get positive feedback about the content. But it is not just on paper that we keep in contact with all our partners.”

Recently the company decided to invest in market research among its more than 100,000 registered buyers. “The research will give us valuable insights

in the habits and the reasons for customers to buy at online auctions,” concludes Jeroen Kamminga. On top of this the partners at Van Beusekom give regular presentations to banks and the company publishes its views in a number of magazines.

**“It is not just on paper that we keep in contact with all our partners.”**

While newsletters, emails, other social media, and market research are good ways of keeping a relationship fresh and gaining greater understanding of customer behavior, the way to make deep ties is to have face-to-face contact. To that end, in Spring Van Beusekom organizes a drinks reception, which





is usually attended by more than 200 of our business contacts in banks, insurance companies, legal practices and curators. In order to make the event meaningful and more than just about networking, Van Beusekom brings in attractive speakers to give a presentation. Among the famous names they have had in the past are a former outspoken Secretary of State of Finance, Willem Vermeend and the former managing director of the Association of Shareholders, Peter Paul de Vries. De Vries was the most vocal critical shareholder in The Netherlands for many years.

This year Van Beusekom invited Twan Huys as special guest. Huys was correspondent of the Dutch news in America and he gave an inspiring speech about the developments in the USA and his views on the potential Presidential candidates. The event

**“Informal friendly tournaments help to ensure business continuity.”**

takes place in well known and prestigious locations such as the Palace Soestdijk, the home of the popular Queen Juliana, the mother of the present queen. Having interesting speakers and location not only

makes the event more attractive for guests, but adds a shared experience and talking points that can be used to further develop the relationships in the future beyond the roles of buyer-seller.



In Autumn Van Beusekom organises an annual golf tournament, in which some two hundred of their business partners participate. The tournament is very popular and appreciated and relations actually contact Van Beusekom to ask for an invitation. At the end of the day all guests are invited to dinner and never leave a business event without a gift. Kamminga says that these informal friendly tournaments do help to ensure business continuity. “It’s not just for us that our clients are attending the tournament, thanks to the informal atmosphere all the guests are meeting other business partners and it’s more a networking meeting.” This is a great example of how hosting an event can transcend its marketing purpose and become an entity all unto itself. The host becomes the lynchpin of relationships both directly and tangentially related to their business and the event becomes the hub of an entire network.

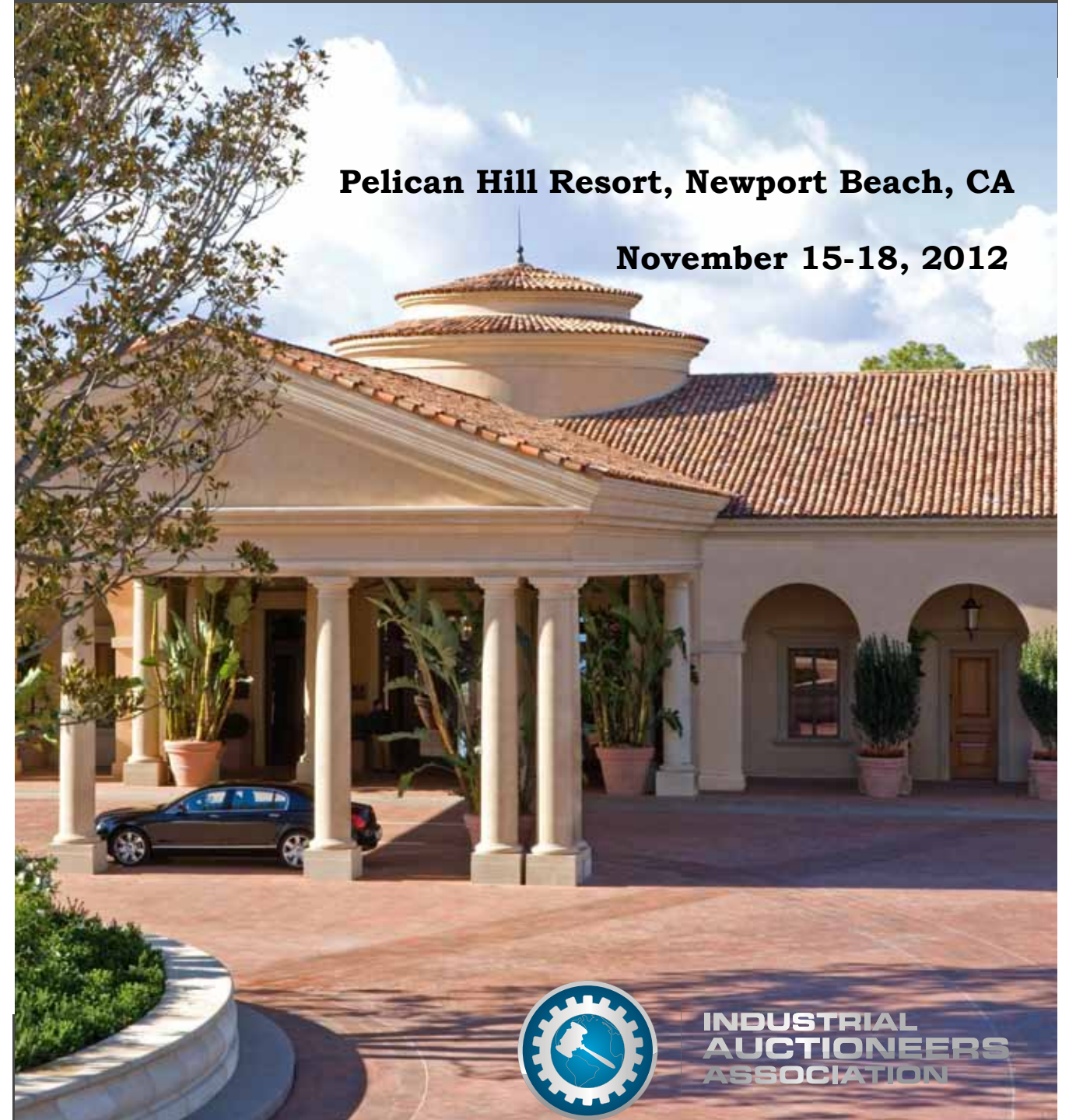
Whether it is face-to-face or top of mind, an investment in relationships will generate returns on assets.



## 18th Annual IAA Conference

**Pelican Hill Resort, Newport Beach, CA**

**November 15-18, 2012**



**INDUSTRIAL  
AUCTIONEERS  
ASSOCIATION**

Photo Courtesy of Pelican Hill







What could be bad about year-round sunshine, gorgeous ocean views and small towns filled with good stuff to eat, see, and do? Absolutely nothing. Having lived in the OC, I have spent many days scoping out the different goodies around the county and trust me, you will not be disappointed. From San Clemente

By Lisa Kisber  
LKISStyle.com



to Newport Beach, this is the land of sea and surf and true Californian-living.

Any surfers in the bunch? There are tons of surf shops, surf lessons and surfing in spots all along the coast. For true surfing history, make sure to hit **Huntington Beach**. For a little surf-village mentality, cruise through **San Clemente**, right on the border between Orange County and San Diego County

(make sure to eat at **Fisherman's** on the pier and try the peanut butter pie for a to-die-for snack!). And, for that surfing gem (and where I learned how!), head to **San Onofre** beach, where surfers in the know will be hanging out on the beach and by the bonfire.

For food, there is no shortage of amazing eats in the OC. In Laguna, try **Katsuya**, already made famous by its sister-restaurant in Los Angeles, this



Japanese amazingness will blow your mind.

Also in Laguna, is **Las Brisas**, which is perfect for Margaritas at sunset. The views alone make this spot a must for a pre-dinner cocktail.

**Roy's** in Newport Beach is one of the locations in the restaurant empire of celebrity chef Roy Yamguchi, who pioneered Hawaiian fusion. It has a creative menu that is as interesting as it is delish.

If you feel like really getting into the ocean vibe, try **Gulfstream**. This restaurant is also in Newport Beach and combines rustic elegance with southern and coastal cuisine. I also happen to love the outdoor fire pits that make later reservations ideal.

For a serious steak, head to **Flemings**, which has that great

old-school steakhouse vibe. An unassuming atmosphere makes their quality beef taste that much better.

And a fairly new addition to the foodie scene in Orange County is **Market Del Mar**, which has a market-based menu that changes daily and highlights the best local and in-season ingredients.

Californians also really know how to shop and nobody does malls like So-Cal.

For the true fashionista, you must go to **Fashion Island**. It is a completely elegant outdoor mall with every store a spender could want. The best part is that you can hit up all the majors and then head to **PF Changs** for dumplings.

**Irvine Spectrum Center** is also a great outdoor mall that could take you some time to get through.

With shops and restaurants and good people watching, this could be a day-long event.

For a kitchy experience in history, check out the haunted tour of the **Queen Mary** ship which is permanently docked at Long Beach. On a Sunday, I love the champagne brunch at the Hyatt Huntington Beach Resort and Spa, which is a civilized experience, to say the least.

To get in the "one-with-nature" mode, the **Pacific Marine Mammal Center** is a really great way to get some oceanic learning done.

Why not visit the happiest place on earth? You will feel like a kid again, when you strap on those ears and head for **Disneyland**.

And, if you are feeling lucky, the OC has no shortage of horse tracks. Between **Santa Anita**, the **Del Mar Racetrack** and **Los Alamitos Race Course**, you can definitely place your bets!

Orange County is a great mix of Los Angeles glamour and San Diego "chill" with weather that can't be beat and a lifestyle that will have you asking yourself "Why don't I live here?"





## Special Conference Section

**Thursday, Nov. 15**

1:00 PM – 4:00 PM

**Meeting-Continuing Education (CE)**

**\*\* NEW EVENT \*\***

**Mandatory Illinois Law – Pending Approval**

4:00 PM – 6:00 PM

**Board of Directors Meeting**

7:00 PM – 9:00 PM

**Networking & Cocktail Reception**

**Saturday, Nov. 17**

7:00 AM – 10:00 AM

**Breakfast**

8:00 AM – 12:00 PM

**CE Education/General Meeting/  
Sponsor Presentations**

12:00 PM – 1:00 PM

**Lunch**

1:00 PM – 4:00 PM

**Continue CE Meeting**

7:00 PM – 11:30 PM

**Dinner followed by Nightcaps**

## Special Conference Section



## 17th Annual IAA Conference Revisited

**Key Biscayne, FL**



## The 18th Annual IAA Conference Schedule

**Friday, Nov. 16**

7:00 AM – 10:00 AM

**Breakfast**

8:00 AM – 12:00 PM

**Continue CE Meeting**

12:00 PM – 1:00 PM

**Lunch**

1:00 PM – 4:00 PM

**Continue CE Meeting**

7:00 PM – 11:30 PM

**Dinner followed by Nightcaps**

**Sunday, Nov. 18**

**At your leisure**

**\*Times/Events subject to change.**







INDUSTRIAL  
AUCTIONEERS  
ASSOCIATION

# Platinum Sponsors

## Platinum Sponsors



One of the largest global dealers of used and new equipment, Aaron Equipment Company specializes in process and packaging equipment for the pharmaceutical, food, plastics, chemical and allied industries. We have over 15,000 pieces of used equipment in stock.

In recent years, the company has provided consulting services to several Fortune 100 companies whose large projects have involved multiple sites. These sites' equipment has ranged from commodity plant utilities to highly engineered process systems. To help them achieve the highest ROI, Aaron recommended selling their equipment through multiple sales channels:

1. Onsite liquidation
2. Retail sales
3. Live and Online auctions

Aaron has significant storage facilities (over 400,000 square feet of inside storage and 40 acres of outside storage). We have a comprehensive reconditioning center that can test run or recondition most types of equipment.

In addition to the retail equipment business Aaron has been very active in the live auction arena. The major industrial auction companies routinely invite us to participate as a partner in their projects.

They value our expertise in assessing equipment condition, value and marketability. Aaron has sophisticated web expertise. We manage marketing campaigns with our partners that focus on specific industry segment or by product. Our email data

can complement the existing information auction firms typically rent. This cooperative effort keeps marketing expenses within budget.

Our Auction partners appreciate that Aaron is a global company. We speak over 8 languages and have offices in the United States, Europe and representation in Israel and India. In 2012 we purchased and sold equipment in over 40 countries.

Those who have worked with the company, they know our style; "Easy to do business with" and every effort is made to work the deal!

It is very competitive to get a deal today. At best the profit potential is a challenge. No one can afford a mistake. We have a record of bringing value before, during, and after the sale to extract all the value in a project.

Michael Cohen  
Aaron Equipment Company Inc  
735 E. Green Street  
Bensenville, IL 60106





## Platinum Sponsors



When we are talking to a potential customer about Live Webcast and Timed Online Auction services it is very common for us to hear “I have never heard of you guys!” Most companies would be disappointed, but not Bidpath. Our team has spent the last 12 years building online technology for some of the world’s leading auction companies. We pride ourselves in the fact that we have helped to build their brands, not ours.

Bidpath is not a “one-size-fits-all” solution. We created a fully customizable and integrated solution that has partnerships with leading technology companies to incorporate the best auction tools into our services.

Since 1999 our technology has been used for more than 75,000 auctions worldwide. Currently, 15,000 auctions per year are being conducted using our platforms in 14 different industries and more than 20 countries, generating tremendous return. The size of the event and volume of sales generated is not limited. We have successfully conducted multiple auctions that have each included over 2,000 participants. The highest price for a single lot sold online was \$8.5MM, and one auction event generated over \$20MM.

As the auction industry evolves and technology advances, we make it a priority to follow that same path. Bidpath is committed to servicing and growing our private label auction services and is excited to be able to expand our offering.

### Technology:

Bidpath is pleased to announce that this month we will launch our Industrial Auction Portal which will integrate our new timed online auction tools with our superior webcast technology in a user friendly experience. More industrial auction companies now have access to our best-of-breed technology in an easy-to-use environment that offers a superior buying experience for your customers.

### Marketing:

Our private label customers do not wish to share their buyer lists and prefer to handle their own marketing, but we recognize that for many auction companies the single largest benefit of using a shared platform is the marketing advantages.

To offer a practical alternative to just recycling buyers between auction companies, Bidpath has created an exclusive strategic alliance with Auction HQ (auctionhq.com) to offer unparalleled marketing services, search engine optimization, and social media tools designed to increase the exposure of your auctions and drive more bidders to your sales.

Selecting the right technology service provider for your business can be a daunting task, and while there are many different paths you can take, our team firmly believes that the right path is the Bidpath.

## Platinum Sponsors



It has been over a decade and Bidspotter would like to thank you for getting us here. In particular we would like to acknowledge four clients who started with us back in 2001. I.A.A. members Koster Industries, TauberArons, Brian Testo Associates and Schneider Industries have been with us from the beginning. We are most grateful.

From 11,000 industrial auctions we’ve learned that auctioneers know what they want. They advance promotional techniques with every sale. They understand changing things up in the middle of an event is often key to success as well. Rolling with the flow has become second nature to BidSpotter working in this rapidly evolving industry.

A decade ago we had very different technology to work with. Webcast operators would sit in a plant office connected via the fax line, relaying bids by walkie-talkie. Some auctioneers preferred to have the internet clearly separate from the bidders on the sale floor. Today that preference is accommodated using cell phones. And now, on site operators follow the auctioneer with wireless connections, maintaining instant communication for everyone involved. Our clients have offered up every possible strategy for sequencing, grouping, choicing, bulk-bidding and selling subject to approval. BidSpotter has accommodated each, while clearly communicating it to the bidders online.

Bidder approvals, travel arrangements, information displayed and pretty much every other aspect of our work has come under the close scrutiny of industrial auction professionals requiring the absolute best for selling industrial assets. Today we are supporting video, social media, international marketing and multi-media presentations.

Looking ahead we see broader possibilities for BidSpotter to promote more auctions. In the tradition of embracing many approaches, we now plan to open our website in support of auction events without regard to the bidding taking place using our technology. Perhaps you want to use our webcast technology but feel timed auctions are best served on your site or you are joint-venturing a deal with a partner who brings their own technology with them. We will be happy to support you with catalog only listings on the BidSpotter site directing interested bidders to you.

Our second decade will see changes in business, social, technological and legal expectations placed on auctioneers. Payment, broadcast, validation and security aspects will all bear consideration. Come what may, the BidSpotter brand will always be synonymous with commercial/industrial auctioneers.

Thank you for an amazing journey this past decade together. We eagerly look forward to the next one with you.





## Platinum Sponsors



There are many exciting opportunities in Federal Equipment Company's future as we actively seek to expand our leadership position in the used equipment business. We have the opportunity to leverage our industry experience and expertise to maximize liquidation and auction events, and we continue to create opportunities to build upon our global reach in both equipment sales and investment recovery services. To assist our clients, we are enhancing our appraisal service offering.

Federal Equipment Company continues to build upon its trusted name in the pharmaceutical, chemical, and plastics industries by providing quality, used process and packaging equipment at competitive prices. Federal Equipment is one of the world's largest suppliers of used equipment with thousands of pieces of equipment stored in over 400,000 square feet of warehouse space and over 40 acres located in Cleveland, Ohio. With a network of branch offices and partnerships, Federal Equipment is able to extend its expertise to meet the needs of customers and investment recovery clients around the world.

Our global reach, industry experience and market expertise can be leveraged to bring the best results for liquidation and auction events. By focusing on the pharmaceutical, chemical, and plastics industries, Federal Equipment has been able to build substantial expertise in the specialized equipment used by these manufacturers. Along with equipment

expertise, we have built substantial knowledge about the global marketplace for this specialized equipment. We have assembled a huge database of end-user, equipment buyers and we have shown the ability to bring buyers to sales. Additionally, Federal Equipment is continuously building sales history that reflects the actual market value of your equipment.

With in-house expertise to evaluate opportunities, clients and industrial auction partners have come to rely upon Federal Equipment's evaluations. Equipment evaluation and appraisal is the foundation for a successful liquidation or auction event. Understanding equipment value secures the deal and maximizes returns. Federal Equipment has AMEA certified appraisers on staff with expertise in the pharmaceutical, chemical and plastics industries as well as up to date sales information from our constantly changing inventory. Federal Equipment has the expertise to work with you on our next valuation or appraisal.

Take advantage of the opportunities Federal Equipment Company creates! To learn more, visit [www.fedequip.com](http://www.fedequip.com).

## Platinum Sponsors



Perry Videx, founded in 1932, celebrates its 80th year in 2012 as a global leader in liquidation and monetization of industrial plants and equipment across the chemical, pharmaceutical, plastics, paper, power generation, and sugar industries.

Based in Hainesport, NJ, Perry covers the world with offices, warehouses, and workshops in the US, England, France, Poland, the Czech Republic, Russia and Mexico, with agencies throughout South America, Asia, and the Middle East. In house language (and cultural) fluencies include English, Spanish, French, German, Dutch, Italian, Polish, Czech, Portuguese, Hebrew, Arabic, and Mandarin. And everyone speaks English very well.

Perry's most recent growth has occurred along both industrial and geographic lines.

Industrially, Perry has built a robust practice in the power generation and plant utilities industries, with specialists covering boilers, turbines, compressors, water treatment, and chillers. Most recent activity in this area has centered around boilers and turbines with recent transactions involving the US, the UK, Denmark, Spain, Turkey, India, Mexico, and Venezuela.

Geographically, Perry's most recent growth has come from its newest offices in St. Petersburg, Rus-

sia, where activities in both the chemical and sugar industries are very strong. Sales into Central and Eastern Europe continue to be a core competency.

Perry Videx also maintains a strong market for complete plants for relocation from its office based in central France, where the staff constantly monitors plant closure activities and offers facilities, often with Intellectual Property, worldwide.

Perry Videx continues to lead the industry from a technological standpoint, from an inventory standpoint, and from a people standpoint.





## Platinum Sponsors



### Information is Power

When you evaluate your online solution do you find you are working with just another service provider, or are you confident you're working with a true business partner? With a significant percentage of your business being transacted online, if all you have is a technology solution with no commitment to, or understanding of, your long-term goals, vision and mission, you could be in trouble.

As a true business partner, Proxibid takes database management seriously, and works to harness as much customer data and behavioral analytics as possible to benefit you with each and every sale. If you aren't currently in possession of this critical intelligence, you should be asking your provider why. Because, what you don't know about your customers is killing your businesses.

Proxibid has spent the last eleven years harnessing as much customer data as possible to better understand who is shopping in our marketplace, what they're buying, when, and even why. We carefully watch for trends in our marketplace to help clients better understand consumer buying habits. And, because we value the relationships we have created with our auction company partners, we not only share this data, we help clients analyze it against auction results to provide a clear understanding of online performance. If your online provider cannot or will not share this important data with you, you are missing out on key performance metrics and marketing opportunities to help you drive your business forward.

Our team understands the importance of not only

harnessing important data points, but thrives on analyzing the data to put it to work for you. Our best partners know how to leverage this data to remarket back to bidders, keeping them engaged and setting the stage for them to bid in their next auction. The need for understanding customer intelligence is so great, and is of such importance to our partners, that we have trained analysts on staff who help harness this critical information. And, since not everyone knows exactly what to do with the data once it's been extracted, our team of consultants reviews this information with clients and shares back important insights that can make or break their next sale.

Of course, basic data such as which buyers are shopping for which equipment is invaluable information. But we can dig deeper and tell you how many auctions those buyers have attended, how many times they've purchased in the Marketplace, what they've purchased and how many times they've purchased a specific type of equipment, so together we can better target your marketing for your next sale. Understanding where equipment is located versus where your buyers are can help secure consignments and provide valuable insight as to where you should spend your marketing dollars.

Knowledge is power. The difference between you and your nearest competitor winning the next consignment could be in your ability to access, analyze and leverage important customer data. If your online provider isn't providing you with the knowledge you need to make critical business decisions, ask yourself why. If you're ready to take your business to the next level, you need to be working with Proxibid.

## Platinum Sponsors



“QSAP’s experienced staff provides auctioneers across the nation with quality, cost-effective printing and mailing services — all under one roof. From postcards to brochures, we offer small and large quantities, using our design or yours.”  
~ Steve Holden, QSAP Sales Manager

Greetings to each and every IAA Member,

QSAP is once again both honored and proud to be a Platinum Sponsor of the IAA Annual Convention.

The most important thing we would like you to know about QSAP is that we have a dedicated staff of personnel who have years of experience in the auction industry — including salespeople, graphic designers, proofreaders, coordinators, and production and mailing specialists — all in one location.

Our objective is to provide you with the most attractive and effective sales materials possible — and we hold to the highest standards for quality and timeliness in everything we do. We create and print auction promotional pieces that will attract the right buyers to each and every auction to help ensure a successful sale for you.

QSAP understands that auctions are by nature very time-sensitive, and that a variety of things can change at the last minute. It is for that reason that a standard brochure can be in our door and then turn around and be in the mail to your potential buyers within 72–96 hours.

If you prefer, we can use your pre-designed files, or we can design your pieces for you. Either way, we are eager for your printed piece to look its best! We provide PDF proofs via email so you can review and approve your project before it goes to press.

For those wanting to utilize cutting-edge technology, we can supply personalized URLs and QR codes to enhance the design of your piece and make your auction information accessible to your potential buyers who utilize Smartphones to communicate.

At QSAP we offer both in-house mailing and shipping services, including inkjet addressing and state-of-the-art variable data addressing on our digital press. If you choose to ship instead, we can ship all of your finished pieces directly to you or send specific quantities to several locations.

You can be confident in choosing QSAP to be your auction printer... we are ready to go to work for you!

Be sure to visit our newly re-designed website: [www.qsap.biz](http://www.qsap.biz)





## Current Members of the Industrial Auctioneers Association

Aaron Posnik Co., Inc.  
[www.posnik.com](http://www.posnik.com)

Abamex Auction Co.  
[www.abamex.com](http://www.abamex.com)

Accelerated Buy Sell Inc.  
[www.acceleratedbuysell.com](http://www.acceleratedbuysell.com)

Asset Sales, Inc.  
[www.asset-sales.com](http://www.asset-sales.com)

Asset Services Inc.  
[www.assetservices.ca](http://www.assetservices.ca)

Barliant Auctions Inc.  
[www.barliant.com](http://www.barliant.com)

The Branford Group, LLC  
[www.thebranfordgroup.com](http://www.thebranfordgroup.com)

Brian Testo Associates, LLC  
[www.btesto.com](http://www.btesto.com)

C3 - Crescent Commercial Corporation  
[www.c3.com](http://www.c3.com)

CA Global Partners  
[www.cowanalexander.com](http://www.cowanalexander.com)

Capital Recovery Group, LLC  
[www.crgauction.com](http://www.crgauction.com)

Centurion Service Group, LLC  
[www.centurionservice.com](http://www.centurionservice.com)

Cincinnati Industrial Auctioneers, Inc.  
[www.cia-auction.com](http://www.cia-auction.com)

Comly Auctioneers  
[www.comly.com](http://www.comly.com)

Corporate Assets, Inc.  
[www.corpassets.com](http://www.corpassets.com)

EquipNet, Inc.  
[www.EquipNet.com](http://www.EquipNet.com)

Frank Ronne and Associates, Inc  
[www.appraisals-auctions.com](http://www.appraisals-auctions.com)

Furrow Auction Company  
[www.furrow.com](http://www.furrow.com)

Gerlach Companies, Inc.  
[www.gerlachcompanies.com](http://www.gerlachcompanies.com)

GoIndustry-DoveBid  
[www.Go-Dove.com](http://www.Go-Dove.com)

Gordon Brothers Industrial, LLC  
[www.gordonbrothersindustrial.com](http://www.gordonbrothersindustrial.com)

Grafe Auction Co.  
[www.grafeauction.com](http://www.grafeauction.com)

Harry Davis, LLC  
[www.harrydavis.com](http://www.harrydavis.com)

Heritage Global Partners  
[www.hgpauuction.com](http://www.hgpauuction.com)

Hilco Industrial, LLC  
[www.hilcoind.com](http://www.hilcoind.com)

Infinity Asset Solutions  
[www.infassets.com](http://www.infassets.com)

Investment Recovery Services  
[www.irsauuction.com](http://www.irsauuction.com)

Joseph Finn Co., Inc.  
[www.josephfinn.com](http://www.josephfinn.com)

Koster Industries, Inc.  
[www.kosterindustries.com](http://www.kosterindustries.com)

Loeb Winternitz Industrial Auctioneers  
[www.loebwinternitz.com](http://www.loebwinternitz.com)

Maynards Industries, Inc.  
[www.maynards.com](http://www.maynards.com)

Miedema Auctioneering and Appraisals, Inc.  
[www.1800lastbid.com](http://www.1800lastbid.com)

Motley's Auction & Realty Group, Industrial Division  
[www.motleys.com](http://www.motleys.com)

Myron Bowling Auctioneers, Inc.  
[www.myronbowling.com](http://www.myronbowling.com)

Orbitbid.com, Inc.  
[www.orbitbid.com](http://www.orbitbid.com)

Perfection Industrial Sales  
[www.perfectionindustrial.com](http://www.perfectionindustrial.com)

Plant and Machinery, Inc.  
[www.pmi-auction.com](http://www.pmi-auction.com)

PPL Group, LLC.  
[www.pplgroupllc.com](http://www.pplgroupllc.com)

Quaker City Auctioneers, Inc.  
[www.quakercityauction.com](http://www.quakercityauction.com)

Rabin Worldwide  
[www.rabin.com](http://www.rabin.com)

Rosen and Company  
[www.rosenandcompany.com](http://www.rosenandcompany.com)

Rosen Systems Inc.  
[www.rosensys.com](http://www.rosensys.com)

Sanderson Weatherall LLP  
[www.sandersonweatherall.com](http://www.sandersonweatherall.com)

Schneider Industries  
[www.schneiderind.com](http://www.schneiderind.com)

Stephen Passy and Associates, Inc.  
[www.passyauctions.com](http://www.passyauctions.com)

Tauber Arons, Inc.  
[www.tauberaronsinc.com](http://www.tauberaronsinc.com)

TCL Asset Group Inc.  
[www.managingyourassets.com](http://www.managingyourassets.com)

Thomas Industries  
[www.thomasauuction.com](http://www.thomasauuction.com)

Troostwijk Auctions Europe  
[www.TroostwijkAuctions.com](http://www.TroostwijkAuctions.com)

Van Beusekom  
[www.beusekom.nl](http://www.beusekom.nl)

# BidSpotter.com opens your auction floor to a world of machinery buyers.



### BidSpotter.com

- Markets your auction.
- Assigns a professional account representative to handle your needs.
- Posts your terms and lots on a Web page specific to your auction.
- Collects registration information, based on your distinct event's needs.
- Runs the auctioneer interface on the day of the event or we train your staff to use our state of the art technology.
- Reconciles Internet wins and sends email notification of wins, including buyer's premium, applicable sales tax, shipping costs, and pickup/loadout instructions.
- Offers additional marketing programs and incentives to fit your event needs.

## BidSpotter.com

The world leader of broadcasting live, event-based auctions on the Internet for over 10 years!

BidSpotter.com was designed by auction-industry experts to work with your existing event process and bring your auctions to a worldwide audience.

Customers worldwide can view your catalog and place bids directly through the Internet. You approve bidders just as you would at your own auction.

BidSpotter.com administrators work at your venue and interact with Internet bidders or we can easily train your staff to manage the entire process.

Internet bidders can bid live, as if actually attending the auction. Customers see your catalog images and descriptions and hear your voice calling the auction. They can buy from your auction with the click of a Bid button.

IT COULDN'T BE EASIER!



Lets Do Some Business!

[www.bidspotter.com](http://www.bidspotter.com)  
1-866-597-BIDS  
[sales@bidspotter.com](mailto:sales@bidspotter.com)







# **INDUSTRIAL AUCTIONEERS ASSOCIATION**

Call us toll free at 1-800-805-8359 or  
email us at [info@industrialauctioneers.org](mailto:info@industrialauctioneers.org)  
for our free brochure and membership directory.  
**[www.industrialauctioneers.org](http://www.industrialauctioneers.org)**