

# AUCTION PROFIT

Welcome to the seventh volume of *Auction Profit*. Your auction software is a powerful tool to increase the profit from your auctions. Volume 7 focuses on the need for innovation and change to gain a competitive advantage. Future issues will feature a specific methods for increasing your bottom line through your auction programs.. **Volume 7**

## **WINNING IN TOUGH TIMES**

**In 1982** unemployment reached 10.8% and real Gross Domestic Product shrunk by over 2%. This was a true recession and tough economic times by any definition. Then, like now, there were plenty of goods to sell but prices were depressed. 1982 was also the year the first auctioneers invested in and installed SOLD II auction software. What happened to those auctioneers? Bar none, they prospered. **Those early innovators gained the efficiencies and competitive advantage they needed to get through the rough times, and when the economy rebounded as it always does, they experienced rapid growth because they were already ahead of their competition.**

### **Profit from UPDATING:**

Today is your business what you expected it would be 5 or 10 years ago? Most of the auctioneers tell us: “No, absolutely not. Markets and techniques have changed and so have we.”

Markets change! Profitable new concepts are added! New hardware options provide cost-effective efficiencies not possible before. Good software grows and changes with these developments.. Your auction software, as an underlying model of your business should reflect changing conditions and opportunities. Auction programs from 5 years ago were written for the needs and what was feasible 5 years ago. There are some very good reasons for the continuous development of auction programs:

- **Hardware & operating system change continuously;** efficiencies are added using new features and devices not available before;
- **Every software update is more efficient than the last;** that's why updates are such a good investment for saving money and gaining a competitive advantage
- **The auction business evolves:** important, but often subtle changes to programs allow easy adaptation to these changes

### **Keep the Fundamentals**

The right innovations can yield cost savings and a competitive advantage, but don't forget the core of your auction business to select the right innovations for you. Keep these fundamentals in mind and short-term fads and fashions won't distract you from your goals. Just as auction fundamentals are unchanging, your auction program should be rock solid at its core to meet those unchanging requirements. Change should not be for its own sake but because it makes sense for more efficient operations, more cost effective marketing, and better customer service.

Your auction software should provide the flexibility to add the innovations that make sense for your business while retaining needed core capabilities.

### **There's GOLD in your auction programs**

Innovation is ongoing, not a one time event, and your auction programs should make it easy to shift your business in changing times. Your programs can help you do this only if they too are also continuously changing and innovating.

There are hundreds of SOLD II capabilities and some will fit your business. Look for more ideas in the next issue of Auction Profit. **Future issues will deal with specific innovations and best practices you may consider** to get the most from your auction programs.



# AUCTION PROFIT



In our daily contact with Auctioneers, we are constantly updated as to market trends. What is selling well? What isn't? In the November Special Edition of *Auction Profit* we reported “**a resurgence of traditional auction business.**” These findings still hold and are consistent with our experiences in the past recessions during our 25+ years of auction experience. The purpose of this third special edition of *Auction Profit* is **to update you on the specifics of those trends.**

**Special Edition Volume 7A**

## WHAT'S HOT? WHAT'S NOT?

### THE BAD NEWS:

#### **Real Estate: Up to 90% of RE auctions end without a sale.**

There is a lot of property to sell but both banks and sellers are unwilling to sell unreserved and qualified buyers are looking for bargains.

The best estimates predict no significant market reversal for 6 to 18 months. Many “RE auction firms” have shifted their emphasis back to traditional non Real Estate auctions in the interim.

#### **Antiques & Collectibles: very soft**

Buyers are bargain hunting and sellers are holding, awaiting the next market up-turn.

**Notable Exceptions:** guns, coins, collectible currency are all markets which are very strong throughout North America.

### THE GOOD NEWS!

#### **Commercial / Industrial: very strong**

Prices may be down, but most auctions are absolute; auctioneers with efficient operations can do very well; most common complaint: “I’m too busy to keep up.”

#### **Estates: (strong by region)**

Although in some regions, trustees are taking a “hold” position, this market is generally strong nationwide. Since prices may be off, auctioneers with efficient operations profit the most.

#### **Benefit/Charity Auctions: a hidden opportunity based on need**

Many non profits are hurting and must supplement shrinking donation revenues. **Now is the opportunity for auctioneers to prove their worth to this market.** They truly need consulting expertise that goes far beyond bid-calling. These auctions require a very high level of professional service, but they also can yield extraordinary long term returns, both direct and indirect.

More goods! Lower prices! More auctions! More demanding service!

All of the “Good News” markets demand increased productivity to cash in. Without it you'll be missing out as you will be able to handle fewer auctions, and they will be less profitable.

### Increase Productivity by Investment in Better Tools:

Auction software is one key way to get this done. But not just any auction software. To increase productivity the software must do a lot more than simply get you through an auction. **Integration of the entire auction process is the key.**

### There's GOLD in your auction programs

Good auction programs are a productivity tool that should go far beyond efficiencies at the auction itself. They are an effective tool for all of your day to day operations and promotions if used wisely.

There are hundreds of SOLD II capabilities and some will fit your business.

# AUCTION PROFIT

Welcome to the eighth volume of *Auction Profit*. Your auction software is a powerful tool to increase the profit from your auctions. Volume 8 focuses on the use of your auction programs for most cost effective auction promotion.

Volume 8

## TO BEST PROMOTE YOUR AUCTIONS

Ask any knowledgeable seller, and they will tell you that **the most important factor in selecting an auctioneer is the auction firm's own contacts** (whether or not the auction firm has the right buyers for the seller's goods).

One of an auction firm's most valuable assets is its client or customer list, and in today's cost conscious world, the **most cost-effective way to reach your buyers is email**. In fact today's sellers have come to expect an email blitz directed at your best potential buyers for their items.

Have you noticed that auction firms will often charge a seller for the purchase of a shot-in-the-dark mailing list but don't charge for mailings to their own contacts? Yet most successful auctioneers admit that most of the sales come from their own lists, not the purchased lists which are a *feel good* for the seller. **Don't undervalue your own list! Perhaps consider charging for its use, but by all means, use it as a major point in selling your consignors.**

## EMAIL IS FREE, OR IS IT?

When using email to promote auctions, there is a temptation to send to everyone you may have on your list. After all, there is no out-of-pocket expense so you might as well send to everyone, right?

The problem is that most of your buyers only want to hear about offerings that relate to their interests. If you send them announcements on everything, they will begin to ignore and delete your emails. **Your email campaigns will be most effective if targeted to the right buyers, not to everyone.** You want your buyers to know any email they receive from you may be important to them, If you send them too much, they don't want to take the time to cull out the important from the unimportant. Perhaps email is free, but if overused it also becomes ineffective. Don't squander it.

## Your Auction Software is the key to an effective list

Good auction software will enable you to:

- **collect the email address of all of your registrants**
- **flag and select them based on types of auctions they attend**
- **select them based on expressed interests**
- **select them based on actual purchases (*the best predictor of all*)**
- **include buyers as well as sellers (*they often overlap*)**

The secret is that all of this can happen just from properly running your auctions combined with a minor amount of -planning of the factors are important to your auction business. **This most valuable auction company asset is a side effect of using good auction software at your auctions.**

## There's GOLD in your auction programs

Your auction software can create, maintain, and harvest your best buyers and sellers for the most cost effective marketing of your auctions imaginable. You will derive two major benefits:

1. **Better auction promotion**
2. **More future auctions (*your best buyers are your best potential sellers, too*)**

There are hundreds of SOLD II capabilities and some will fit your business. Look for more ideas in the next issue of *Auction Profit*. **Future issues will deal with other specific innovations and best practices you may consider to get the most from your auction programs.**

# **AUCTION PROFIT**

Welcome to the ninth volume of *Auction Profit*. Your auction software is a powerful tool to increase the profit from your auctions. Volume 9 focuses on your opportunity to eliminate time wasting procedures from your auction business.

Volume 9

## Can you afford inefficient procedures and systems?

As pointed out in previous issues of *Auction Profit*, **there are abundant opportunities for auctioneers**. Lots of volume is available but at lower prices. That's the rule in our current economy. "Leaner and meaner" will win in this economy, so if there was ever a time to take stock, this is it.

### Review your Current Procedures

It's impossible to improve without first defining what you are doing now. Put these procedures on paper for each of the most time consuming processes for your auctions. Include everything involved in the marketing and actual execution of your auctions. Having completed your list, ask some key questions:

- **Are there unnecessary tasks and procedures we can eliminate?**
- **Are there duplications of effort? Are we doing the same task more than once?**

Perhaps some actual examples will help your analysis.

### Eliminate Time Wasters

John's robust marketing of his auctions included several effective pieces:

- Ads and flyers listing key items for upcoming auctions
- Catalogs (including pictures) of his upcoming auctions on his web page
- Mailers to prospective bidders
- Email to prospective bidders
- Printed catalogs available to attending bidders

**John found that his staff was typing in the same information at least four times for each auction.** One staff person was composing the ads with key items in Word; another was creating an HTML catalog for upload to their website; a third person was inventorying items as that came in to an excel spread sheet and eventually creating the printed auction catalog, and a fourth was entering the catalog to their auction software for easier clerking at the auction itself. Sally, **the office manager, spent a lot of time co-ordinating** all of this and making sure the lots in these separate places matched up.

### Your Auction Software Keeps it all together!

**Good auction software, such as SOLD II, will eliminate all of this duplication of effort.** The data entered there can be used to create:

- Ads and flyers listing key items
- Catalogs including pictures for you website
- Printed catalogs

And if you start there, **the details are only entered once and you'll never get out of sync.** Starting from SOLD II you'll be able to create all of your documents as is or with minimal editing from your favorite word processor.

**By making the auction software the pivot for this cataloging effort, John reduced the time spent by over 75% and had better and more accurate results as well.**

But that wasn't all that John discovered. He also found that their mail and email lists were being kept in a separate excel data bases, and his staff wasn't using the built-in mailing system of his auction software. As a consequence his staff was spending a lot of time re-entering the same data that his auction software had collected when bidders had been registered. To make matters worse, separate lists were being maintained for different types of auctions, and his staff often spent a lot of time culling out dups in trying to marry up multiple lists.

**By insisting that they use SOLD II's built in mailing system, John eliminated from 8 to 20 hours of totally**

**unnecessary effort for each and every auction.**

## **Don't Buy into the excuses!**

We won't mislead you. Change is difficult and many of John's staff were opposed to the changes he was demanding. He heard all of the usual excuses such as "It doesn't do that! (Even though it does), "I'm too busy!" (to save time), "I know how to do it this way" (at John's expense), etc., etc.

**John, however, was dogged in his determination to lead, and he wouldn't accept the many excuses.** In the end, a funny thing happened. Not only did his company become "lean and mean" in getting the job done, his key people, having time freed up from menial unnecessary tasks, became more interested in serving his clients better.

**What about those employees who were fighting change? Their job satisfaction went up. Change had been a good thing for them too!**

## **There's GOLD in your auction programs**

There are hundreds of SOLD II capabilities and some will fit your business. Look for more ideas in the next issue of Auction Profit.

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# **AUCTION PROFIT**

*Welcome to the tenth volume of **Auction Profit**. Your auction software is a powerful tool to increase the profit from your auctions. Volume 10 focuses on making the most of the opportunities in our current economy.*

**Volume 10**

## **Are you too busy to make money?**

**During the past month our auction clients have reported a huge upsurge in available business.** These trends will escalate during the coming 12 to 18 months. The last several months may have been difficult, but auction opportunities are now abundant, Will all of these auctions be profitable? Some markets are really hot. Other markets with depressed prices are profitable only to the most cost efficient auction firms.

You can't make money unless you're busy, but being busy is no guarantee that you will. It may very well depend on what items you are selling and what markets you are selling to.

## **Focus your time and energy!**

Even if you are willing to take on "all comers" the real question remains: "Where do you focus your own selling?" Time is in short supply for all of us, so which markets are most productive for you to pursue? The answer that's right for your firm will depend on many factors including local market trends and your firm's level of experience and expertise in various markets.

## **Auction Software will help you focus**

In past articles, we've noted how good programs can eliminate unnecessary and menial tasks free you and important staff for more profitable work. That's more time to find the right prospects and sell your services. However, that time saving is only a portion of the advantages of good programs.

- **A Sales History of What and Who is Profitable**  
SOLD II's history module, for example, allows you to quickly determine which types of items are the most profitable and which sellers are bringing you the most profitable items. Is there a pattern?  
**Our clients tell us that this information quickly shows them important trends that are missed using only intuition. Since trends in specific markets are likely to change rapidly during the coming months, this capability becomes more important than ever before.**
- **Efficient Contact of the Best Sellers & Buyers**  
Once you've determined your focus, you'll want to **efficiently contact your best prospects** for those items. SOLD II's contact management system can do that for you. Surely you may want to expand your marketing and sales effort beyond this base, but don't overlook those you already know. They remain your very best prospects.

## **Have both FOCUS & EFFICIENCY**

This era is producing unique opportunities for auction firms. Some will find the right focus for their efforts and also be highly efficient in their marketing and the delivery of their services. These firms will prosper the most. Don't let your firm squander what may be a unique and short-term opportunity in our economic history.

**Powerful auction software can help you fulfill the need for both focus and efficiency. No other tool can help more. There are hundreds of SOLD II capabilities and some will fit your business. Look for more ideas in the next issue of Auction Profit.**

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# **AUCTION PROFIT**

*Welcome to the eleventh monthly issue of **Auction Profit**. Your auction software is a powerful tool to increase the profit from your auctions. Volume 11 focuses on customer service as the key to long-term success..*

**Volume 11**

## **Profit from improved service**

Several of our clients have commented: **“We are seeing a lot of new people at our auctions now!”**

The economy and bargain hunting account for this trend. In every auction market, buyers are sensing opportunity for good deals from auction buying.

**Will your auction business retain these buyers as regular customers?** If you can, in the long term more buyers will mean better prices at your auctions. These buyers are also your most likely consignors in the future.

## **New auction buyers are your opportunity**

As the saying goes, **“You never get a 2<sup>nd</sup> chance to make a first impression.”** As every successful auctioneer knows, the more professionally you handle your auctions and the better you service your buyers and sellers, the more repeat business you will gain. This service component is the key to sustainable growth.

## **Auction Software is a key to better service**

Nothing turns off a new auction attendee more than long and slow check out lines, delays from manually run sheets, and any sense of disorganization and confusion at the cash out. Clearly a good auction software system can solve this problem in terms of both speed and accuracy. In the end, it comes down to increased buyer confidence.

Good software helps your service in many other less obvious but important ways. For example, it will make the handling of absentee bids more transparent and efficient to manage, a fact that instills greater buyer confidence. Using wireless clerking for a mobile auction block (innovated by SOLD II over 20 years ago) is another example that adds to efficiency, buyer confidence, and the auction company's image.

There are literally hundreds of “small things” that software can do to create higher bidder satisfaction and confidence. Many of these will fit your business and enhance its image.

## **Better service to sellers too!**

Sellers expect and deserve quick and accurate reconciliation. The more quickly and efficiently this is done the more confidence sellers have in the results. Unduly “holding up” payment erodes confidence. **Good auction software adds both speed and accuracy to the entire reconciliation process.**

## **Perhaps the most important benefit**

Over the past 25 years, new SOLD II clients have noted how much **better** their **customer relations** had become. Their personnel time was freed up from stressful menial tasks during the auctions. Now they could better and more comfortably interface with the customers. This is an important and often unexpected dividend from having good auction software.

**Powerful auction software can help you fulfill the need for both focus and efficiency. No other tool can help more. There are hundreds of SOLD II capabilities and some will fit your business. Look for more ideas in the next issue of Auction Profit.**

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Welcome to the twelfth monthly issue of *Auction Profit*. Volume 12 focuses on an important technology trend and its possible impact and opportunity for auctioneers.

Volume 12

## Google Announces New Operating System

One of the big stories this past week was Google's announcement that it would be releasing its own operating system, **CHROME**, next year. All the major media including the [NY Times](#) and [CNN](#) picked up the story.

Note that **Chrome will be aimed at the "thin client" market**, meaning it will be configured to do everything via the internet, "an internet appliance" if you will.

Note also that **Chrome will be a Linux operating system derivative**. Linux has always been a preferred operating system for web servers and serious multi-user business applications, but Google's announcement makes the linux desktop a serious contender for the personal computer market as well. Sure, Apple has been using its own version of linux for years, but Google should make a much greater impact. This new level of competition is good news for users who have grown weary of MicroSoft's arrogance and system instability.

## Why does this matter to my auction business?

You may be well thinking: "So what? How would this matter for my auction business." The answer relates to a Google motivation to enter the thin client market. Although the competitive aspect in itself is a good thing for small business users, it's the underlying trend that will matter the most to your business.

It is predicted that over 95% of software applications will be a **web-based software as a service (SaaS)** within the decade. This trend has begun and will continue to accelerate. Chrome is Google's way to position itself for this trend.

To explain what **SaaS** is another way, you would no longer load your applications programs to your computer but rather would run these programs via the internet. In the auction industry, **SOLD II** has led the way and began offering its auction software as a service ([SOLDII.net](#)) 5 years ago. It is a proven, secure, and effective tool for auctioneers that only **SOLD II** offers.

## What are the Competitive Advantages of a SaaS for my auction business?

This list could be vast (perhaps a followup issue of *Auction Profit*?) but the summary list below is a good start:

- **Run the programs and access your data from anywhere** you have internet access.  
This means your clerk can input data from home while you review from your hotel room.
- **Run separate auctions at same time in different locations**
- **No data transfers or complex synchronizations needed.**
- **No application software loads, updates or maintenance to do**
- **Better customer service** since the information your clients want will be available wherever you happen to be.

An auctioneer lives in New England but runs many of his auctions in California. He seldom goes to CA, but since he is a **SOLD II** SaaS client, he manages every step of every auction without leaving home.. **Whether your auctions are across town or across the continent, your auction business can gain an advantage from the same technology.**

## You can do it too!

The technology to use auction software as an internet service and to access the internet from virtually anywhere is available now! It's available at low cost too. Perhaps it is the right and future path for your business.

*Auction Software as a Service adds an extra dimension of efficiency to your business. Software as a Service is one of many **SOLD II** innovations that may help your business. Look for more ideas in the next issue of *Auction Profit*.*

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Welcome to the thirteenth monthly issue of *Auction Profit*. Your auction software is a powerful tool to increase the profit from your auctions. Volume 13 focuses on the coming economic recovery and preparation for the auction boom to come.

Volume 13

## Are you ready for an economic recovery?

In prior special issues of Auction Profit we have focused on the abundant opportunities for auctioneers during our economic recession. Aside from a few very profitable spot markets, this has been and remains a period of lots of goods to sell but at depressed prices. Those who have added efficiencies to their auction businesses have ridden this out profitably and of equal importance have a significant competitive advantage in the auction boom to come.

### Are we already in recovery?

The answer really depends upon which economist you ask and which economic indicators you look at since we are getting mixed signals. Unemployment is still high, but not as high as some have predicted. The good news today, as I write this, is that the Fed deficit won't be as high as originally predicted, (mostly because of budgeted bank bail out money that won't be needed) but still is staggering. And of course it remains to be seen if the federal "stimulus" packages will help or only prolong our recession. On the international front, both Germany and France showed actual real growth the past quarter. This is good news but they did not have the same level of crisis in the housing market we experienced in North America.

The recent consistent upward trend in the stock market is very positive. Stock market values relate to the future economy and the collective best guess of our future economy and corporate earnings. If this is our barometer, perhaps the best answer is that we aren't quite in recovery but believe we will be soon. Perhaps the answer is, in recovery but not recovered.

### The signs of Auction Specific Recovery

As with all other past business cycle recoveries, some sectors will recover sooner than others. Here are some key indicators of recovery in your auction market segment:

- Auction Prices begin to improve;
- More attendees at auctions; the average buyer thinks there are "deals" out there;
- Bankruptcies & foreclosures work their way through the system and are available for auctions;

Have you and will you continue to nurture new clients, both buyers and sellers, by providing better and more efficient service? Have you setup and used an efficient contact management to keep your buyers and sellers in the loop on items of interest to them?

### "Procrastination is the grave in which opportunity is buried" ..... *anonymous*

Are you ready? Or are you waiting until full recovery? Those who have implemented improvements such as good auction software systems not only can weather the storm but are ready for the boom to come. They will have a decided competitive advantage in gaining most of the new business. Those who procrastinate until the boom is here have lost their opportunity. How will they know that the auction business is booming? Perhaps from all of those auction their competitors are having.

**Powerful auction software can significantly increase marketing effectiveness, company efficiency, and customer service. No other tool can help more. There are hundreds of SOLD II capabilities and some will fit your business. Look for more ideas in the next issue of Auction Profit.**

# AUCTION PROFIT

Welcome to the fourteenth issue of *Auction Profit*. Your auction software is a powerful tool to increase the profit from your auctions. Volume 14 focuses on use of your software for better consignor negotiations.

Volume 14

## Better Consignor Negotiations

### ..... *Use of Your Auction Programs as a Closing tool.*

Good auction software provides powerful tools to gain more profitable sales and happier sellers. This begins by providing a greater array of options which are easy to calculate with good auction software but nearly impossible without. When considering the benefits of auction software, most auctioneers will think of fast cash-out, accurate settlements, and financial tracking of their auctions. These are benefits that auctioneers often use as sales points to potential consignors. Often ignored, but of equal benefit, is the use of those same programs for option selling to gain more profitable consignments.

First, let's list the tools you need. Good auction software should include the capability for:

- **Separate commission and fee arrangements for each consignor;**
- **Sliding scale commissions by item or for the consignor's total** in the auction;
- **Multiple percentage and flat fees** for each consignor;
- **Pro-rata Expense Sharing** of overall auction expenses such as auction event advertising.

Having this array of tools enables the auctioneer to provide powerful sales options when signing up consignors. Given this flexibility the auctioneer can negotiate profitable consignment arrangements while at the same time better matching the consignor's needs, both real and imagined.

### Use Sliding Scale Commissions for “Option” Selling

As every auctioneer knows, it is not uncommon for consignors to overvalue their items versus the auctioneer's informed estimates. A sliding scale commission where the rate decreases as the prices increases can be attractive to such a seller. When offered the option of a sliding scale versus a fixed rate commission, the consignor will typically choose the former although it is inevitably more profitable for the auctioneer.

Consignors often fixate on the value of specific items rather than the overall return of the auction. Offering a sliding scale commission related to the consignor's total for the auction (as opposed to per item) can often shift to focus to the overall results leading to a more profitable and happier auction for seller and auctioneer alike

Having all of the commission schedules and other fee arrangements we've listed available will give your firm in a competitive advantage over other auction firms as well as give you flexible closing tools.

### Note: Avoid Costly Commission Schedule Holes

Many firms fastidiously put together sensible sliding scales only to miss **costly “holes” where they earn less for doing more.** For example, if your schedule is at 25% for items selling below \$500 and drops to 20% at \$500 or more, **you will actually earn \$23.75 less if you sell an item for \$500 versus only \$495.** If you change the wording in your consignment agreement to accumulate the commissions at each level, these profit holes will disappear and you will always earn more for getting a better price. **Good auction software will handle cumulative sliding scales.**

### Buyers' Premiums Matter to Consignors too!

Large institutions will often look at the entire mix of commissions, fees, and buyers' premiums when negotiating. On the buyers' premium side, this can include sliding scale premiums as well as added premiums for internet bidders. Your auction software must be flexible to meet these demands.

**There are hundreds of SOLD II capabilities and some will fit your business. Look for more ideas in the next issue of Auction Profit.**

Welcome to the fifteenth issue of *Auction Profit*. Your auction software is a powerful tool to increase the profit from your auctions. Volume 14 focuses on the most recent trends in the economy and its impact on auctions.

**Volume 15**

## Is the Recession Over?

..... *Not for everyone, but it is over for many auctioneers.*

Read any newspaper and you will find an op ed piece that the worst is over, but you won't need to look very far to find the opposite opinion. From a technical point of view, the recession has not ended until we have had 2 consecutive quarters with a positive growth in Gross Domestic Product. In the second quarter (the last period where we have actual numbers), the economy was in recession (-.7%). This means the earliest the recession can be officially over would be in the first Quarter of 2010. But are we in positive growth now? That's what matters to our businesses. The jury is out and it's easy to find economists who will speculate in both directions.

One thing certain is that consumer spending has not rebounded. Although bad news for the GDP, this news may actually be good for your auction business, especially for that general merchandise which is the core of many auction businesses.

### Consumer spending is down and two other economic trends truly stand out:

- **Reduction in Consumer credit:**  
"Consumer credit decreased at an annual rate of 5-3/4 percent in August 2009. Revolving credit decreased at an annual rate of 13 percent, and non-revolving credit decreased at an annual rate of 1-1/2 percent." ... Federal Reserve.
- **A Surge in Personal Savings:**  
Personal savings: 42% higher in August 2009 than a year earlier according to Federal Statistics.

### A Positive Trend for Many Auctions!

These statistics reflect a change in consumer habits. They are using less debt to fund purchases (*especially credit cards, due in part to decreases in credit limits*); they are buying less and saving more. This translates into buying fewer new goods and more goods at auction.

Consistent with this trend, our clients have reported a major surge in bidders for durable items such as furniture. Whereas, a year ago the market for used furniture was extremely soft (*everyone was using those credit cards or consumer financing to fund new furniture*), dollar conscious consumers are now flocking to auctions. Our auction clients have noted a dramatic increase in hammer prices on furniture and other durables. Items that were considered *a lost cause* a year ago, are now viable, perhaps even "hot."

### Many new bidders at auctions, a period of opportunity.

The trend toward buying used instead of new is attracting many first-time bidders to auctions. As the saying goes, "**you only have one chance to make a first impression.**" Is your firm ready for these new potential bidders? Perhaps now is the time to take stock of your operation including your auction system. Your auction clerking system will be one of the key factors in that first impression. Will your efficient and friendly handling of the auction turn your new bidders into future regulars at your auctions?

A few questions you may want to ask: "Is our hardware up to snuff? Are we using all the best features of our software? Should we add more users or new features? Do our people need some refresher training to get the job done easier and faster?"

Welcome to the sixteenth issue of *Auction Profit*. Your auction software is a powerful tool to increase the profit from your auctions.

Volume 16

## **“Extending your auction season”**

*..... Don't allow tradition to create lost opportunity*

Many auction businesses have had a traditional seasonality. Although this varies by type of auction business we are now approaching the supposed “down time period” for many auction businesses. But is this really true in today's economy? Has it really been true for the past decade, or is it simply “self-fulfilling” because the business is planning on the traditional down period?

The economy is on an upswing! Is now really the time to pull back on your sales and marketing efforts? Bankruptcies and liquidation sales opportunities are at an all time high. Is now the time to pull back on your efforts because of your traditional “seasonality?”

Now is also a great time to be recovering from the actual slow period your business is likely to have experienced during the past 2 years. Does shutting down for the winter make any sense in that context?

### **IF YOUR TRADITIONAL BUSINESS REALLY IS SEASONAL:**

By really seasonal we mean you are selling items which truly don't have a market during a certain period of the year. You should ask yourself: “Is this really true.” Or was it only true years ago and no longer true? A dose of skepticism should be applied here. Many markets that were once seasonal no longer are.

But let's say you honestly can conclude that your “bread and butter” business truly is seasonal. If that's the case, consider some new options.

### **A Down time is the best time to experiment with new options!**

There are probably viable markets that are counter-cyclical to the one you are in now. Perhaps there are holiday auction opportunities in your local market you haven't considered. What specialized sale would really fly in January or February where you are located? Most businesses want to establish a reliable year around cash flow. Do your expenses vanish during your down times?

### **Know your capabilities!**

*... Your Auction Software in one of these.*

To establish the right fit to extend your auction season you need to seek market opportunities that fit the capability and expertise within your company. We know you'll do a good job in evaluating personnel and other assets, but don't forget your auction software and its importance.

We've found that many of our clients learn only a small portion of what their software can do for them. That's understandable; they find a “groove” that fits what they normally do and take it no further. Now, however, is the time to find out what you CAN DO, not just what you've been doing. Understand your flexibilities. Anything less and you may be unnecessarily limiting your business options. Good auction software provides a model for many types of auctions and auction businesses. Learning those possibilities may trigger some new ideas leading to profitable new business. The worst case is that you will know your flexibilities, and a time may come when that will be of great value to your company.

**There are hundreds of SOLD II capabilities and some will fit your business, both current and future. Look for more ideas in the next issue of Auction Profit.**

## “Seasons Greetings from SOLD II”

..... *NOW is the time to plan for 2010!!*

Perhaps you are glad to see the end of 2009. It was a roller coaster year for most auctioneers with difficult patches early in the year but noticeable business increases in the 2<sup>nd</sup> half. As we close out the year, our clients are becoming busier than ever; their auction business is increasing at an accelerated rate.

### Last minute housekeeping for 2009:

Now is the time to make those investments that will ready you for the boom to come in 2010. Invest in upgrading your auction system and other needed capital equipment to take advantage of immediate tax benefits in your filings. This is especially true if you ended with a good year.

### New Year Resolutions: PLAN FOR 2010:

How can I improve my auction business in 2010? How can I add the efficiencies needed to take advantage of the opportunities that will abound in the coming. What efficiencies can improve my bottom line?

**Credit Card processing integrated to your auction software is a good example** of a single item that will add to your efficiency, shorten your cash-out lines for a better bidder experience, while also protecting you from unexpected declines and charge backs.



We know that this whole subject of credit card processing can be mysterious. The credit card companies want to keep it that way. Don't let fear or misunderstanding cripple you from important changes such as this.

[Double click here to see a video demonstration of how easily this can work for you.](#)

If you have questions about credit card processing, call SOLD II at 800-487-6532. We understand the “ins and outs” and can help remove the mystery

### Get Expert Opinion to help in your planning

The best business leaders always seek the insights of experts before making a plan or arriving at a decision. **Please don't make the mistake of neglecting your vendors in this process. Who can have a better overview of trends in the auction industry than those who interface nationwide with auctioneers everyday?** Often vendor expertise goes well beyond this industry awareness. For example, SOLD II's staff includes people with MBA's and Masters degrees in economic as well as computer science as well as experience in industries as diverse as banking, leasing, economic development, and real estate as well as computer technology.

Take advantage of our expertise and call us. We'll be happy to talk and pledge to you totally

straight forward and objective answers. And, of course, when it comes to auction systems, no one has more background and experience.

## **AUCTION PROFIT in 2010:**

In January we will begin a new series **“Adding Profit Centers to your Auction Business.”** We believe this series can benefit any auction firm and we look forward to your feedback.

**HAPPY NEW YEAR**

**TO YOU AND YOURS FROM EVERYONE AT SOLDII !**

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