

AUCTION SAAVY CHECKLIST

Is an auction the right choice for you?

There are several things to consider when deciding whether an auction is the right decision for you. We have listed just a few of the main things you should consider when making your decision.

1) Do you have enough merchandise to have your own auction or would participation in one of our regular consignment auctions be a better choice?

Auctions are an amazingly quick way to market large quantities of merchandise for the quickest dollar! However they are not very cost effective if you only have a small amount of merchandise to sell. It costs just about as much to properly advertise and conduct a \$5000 auction as it does a \$50,000 auction. So obviously your rate of return will be higher the more merchandise you have to offer. In addition, larger auctions naturally draw larger buying crowds for maximum bid prices. Not to fear though, if you only have a small quantity of high quality items you wish to sell, ask us about including your items in our next "consignment" or "combined estate" auction. This is where we get a group of sellers together who, by themselves, do not have enough merchandise to warrant or afford a private auction. With everyone splitting the expenses we can keep your costs low while still providing our maximum quality advertising and auctioning services. Please contact us for our professional opinion on what type of auction would best suit your needs.

2) Are you really committed to selling your merchandise? What is your motivation for wanting an auction?

Some very good reasons for choosing the auction method of selling your items would be:

- 1) If you are moving and need to liquidate quickly or just don't want the hassle and expense of advertising each item in the paper,
- 2) if you have an entire estate that needs to be liquidated fairly quickly for dispersal,
- 3) if you unfortunately find yourself in a financial tight spot and need liquid funds quickly or,
- 4) if the items you wish to sell are too high in quality for a garage sale.
(You will undoubtedly get quite a bit more on average per quality item at an auction than you will at a garage sale. The reason for this is that you are offering your items at auction to many different interested buyers all at one time. These folks are competing against each other for the same items at the same time, which of course drives the price of coveted quality items to the maximum dollar most of the time.)

These are just a few good reasons for choosing an auction. In any case choosing Hagedorn Auction Company to auction your quality estates and/or merchandise will net you the highest overall return for your money.

3) *What are your expectations?*

You need to enter into an auction contract with realistic expectations. If you or a loved one paid \$1000 for a brand new couch a year or even 6 months ago chances are it may have already depreciated 50%. Or suppose you saw an antique pin just like your grandmother's at an antique store for \$200. Please remember 1) the pin is "*for sale*" at that price and not yet "*sold*", 2) you don't know how long that pin has been for sale at that price, and 3) the overhead to run an antique store (advertising, rent, personnel, taxes, etc.) or even just rent a booth in a store by the month is quite substantial and the owners/renters of these stores can wait for quite a while for just the right buyer to come along and buy each item at top appraised dollar and still may not sell the item at that price. Even though on quite a few occasions we have seen merchandise actually sell higher at auction than what you could have bought it for in a store, you need to be mentally prepared for the fact that not every item will bring what you expect or hope for. On the "*flipside*" though, please also remember that many other items will most likely bring more than expected, ultimately balancing everything out in the end.

4) *Most importantly, what auction company should you choose?*

While there are many auction companies to choose from, ***not all auction services are created equal***. The auction company, and ultimately the auctioneer, you choose can "*make or break*" your auction. A few things to consider when choosing an auction company are advertising methods/quality, efficiency and quality of auction personnel and methods, experience conducting successful auctions, average number of buyers the auction company draws to each sale, extent and quality of buyer mailing lists, satisfaction of an auction company's previous clients (both buyers and sellers), integrity and work ethic and of substantial importance, is the auctioneer's skill at "*working*" the crowd and receiving the highest bid possible on each item. Hagedorn Auction Company will be happy to provide a list of references to anyone who is seriously considering having a quality auction. You can see a list of our many quality auctions conducted within the last two years as well as an online flyer for each by clicking on our "Past Auctions" link on the homepage of our website at www.HagedornAuction.com.

Another thing to consider when choosing an auction company are commission rates. Different auction companies charge different rates for their services. ***Beware though when comparing auction services according to their rates***. Just because an auction company may charge you less to conduct your auction that doesn't mean they are the "*best deal*". The ultimate difference between a good auction company / auctioneer and a mediocre or bad one can be **THOUSANDS of dollars on your bottom line**. A good auction company may charge a couple percentage points more in commission and/or a few hundred dollars more for advertising or other services but when everything is said and done 99% of the

time the best auctioneers will net you many times more the difference in price on your bottom line. Where a mediocre auction company may get 75 to 100 buyers at an auction with 30 to 40% of the buyers leaving before the auction is over a good auction company can bring in an average of 200 or more buyers to each auction and keep upwards of 85% of these buyers for most of the auction. A mediocre auctioneer may spend all day begging for \$2 bids whereas a good auctioneer will zip off bids of 5, 10, 20, 50, 100 and 250 dollars at a time! A good auctioneer knows how to not only market an auction to its highest potential, they also know how to set the auction up for maximum impact and interest. ***These differences are what makes or breaks your bottom line not the rate of commission charged.***

One more thing to consider is the number of auctions a company is having each month. We have found by limiting the number of auctions that we have per month to two (at the most) we can provide the best service and highest quality of auction possible for our clients. In our experience, we just don't believe it is possible to conduct as high quality of auction or draw as many buyers to each auction if a company is conducting an auction (or more) every week. By limiting the number of auctions we accept in a month we are able to give each client a more personalized service and can better personally monitor the quality of each auction we conduct. Again the proof is in the results. Please contact us toll free at (866)815-0607 or email sold@hagedornauction.com . We would be happy to provide a free professional evaluation of your situation, discuss your options and answer any questions you may have.