

HERE FOR YOU: INDUSTRY VENDORS PROVIDE EXPERT SUPPORT

Managing Equipment Assets in a Challenging and Changing Market

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(Editor's Note: Beginning with this issue, Hole Notes will now dedicate a page to a MGCSA affiliate member to promote and provide education on products or services. Jim Fahey, Fahey Sales Auctioneers and Appraisers leads us off with his thoughts on managing equipment assets in a challenging market.)

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Twelve years ago, when our then 52 year old auction company entered the commercial turf and golf course maintenance equipment market, there were few options for golf courses, institutions, government agencies, distributors and manufacturers to sell good usable industry specific equipment in a timely manor. After some coaxing from a friend in the business, we took a hard look at applying the proven model of ag equipment consignment auctions to the more targeted commercial turf and golf course equipment market. What we found was a lack of consistency of service, a lack of marketing to the correct buyers and a general lack of product knowledge being provided to your industry by the auction industry.

Since then we have made many friends in the commercial turf and golf course industries. We have met you at the Green Expo, various industry related functions and at the annual Minnesota Commercial Turf and Golf Course Equipment Consignment Auction near New Prague for the past 10 years. As in any relationship, it's good to reconnect from time to time to bring everyone up to date on what is happening in the market today.

It has been exciting to watch so many in the Upper Midwest embrace the industry specific services. Many organizations have come to rely on the annual auction as both buyers and sellers. Many have found great value in putting used equipment into service while the sellers are able to liquidate their outgoing equipment and receive the best cash purchase price when purchasing new replacement equipment without having to trade something in.

The exposure to buyers from the industries has also been changing. The first year

of the auction we boasted buyers from Minnesota, Iowa and Wisconsin. By the third year we had expanded our buyer base from Chicago to Kansas City to Billings, Montana. Then live internet bidding was added and our little regional industry specific auction went global. Using online bidding in the last 24 months we have shipped equipment to almost every State, in addition to the countries of Egypt, Lebanon, Mexico, Belgium, Germany, Guatemala, Canada and Peru. The buyers are responsible for shipping and trucking costs while the sellers enjoy the anonymity of selling through the auction without the hassle of pricing, showing the equipment, meeting tire kickers, collection of funds and coordinating the pick up of items that come with other services such as EBay or Craig's list.

Many government agencies have experienced the difference of what an independent, industry specific retail auction can net as opposed to a "Government Auction" and all the lowball stigma that comes with such a sale. These results can have an important impact on budgets in a tight economy.

You have helped us to realize that often times, a yearly opportunity to sell used equipment is not enough so we have responded by adding a Commercial Turf and Golf Equipment ring to our regular consignment Ag and Construction equipment auctions held monthly either live or online at the New Prague location. Many of you have taken advantage of our onsite services in the complete liquidation of golf courses including restaurant, bar and concession equipment. We have also found many of you are unable to get equipment to the auction site so we have added pick up and delivery services to the list of options.

One common question that we receive is "What can I do to maximize the sale price of my equipment at an auction?" Here are 10 things that with little or no additional investment on your part can positively affect sales prices.

1. Let us know what you are bringing

before the advertising deadline. If we know what you are bringing to sell we can advertise it early. In today's world of search engines and mass mailing, the more time we have to expose your equipment to buyers the better chance of a higher sales price.

2. Deliver or have the items delivered to the auction site at the beginning of auction week. Items onsite on Monday or Tuesday get much more exposure on the site and on the internet than items that come in right before the auction.

3. Be sure all the tires are up and will hold air.

4. Be sure there is plenty of fresh gas in the tank so when prospective buyers start the item it will run.

5. Be sure the oil level is full.

6. Be sure the battery is charged up and will hold a charge. If a piece of equipment runs good but does not start at the auction site it can cost you many more dollars than a new battery.

7. Send the owners manual along with the equipment if you have it.

8. Send service records along if you have them.

9. Furnish receipts for any major repairs done on the items such as rebuilt engine, new hydraulic motors, etc.

10. Wash or wipe down the equipment before it comes to the site.

Fahey Sales is happy to introduce Tim Gray as our industry specific Equipment Consultant. Tim brings with him many years in the sale of commercial turf equipment and we are excited to have him on board. Tim is available for site visits or phone consultations. He will also be happy to help you find a piece of equipment you may be looking for.

The first decade serving your industry has been a great experience for all of us at Fahey Sales. We are always available to help you with the buying or selling of assets. Thank you for the opportunity to serve your industry. If you have any suggestions as to how we can serve you better, please let us know.