

Auction Brokers Represent You, Not the Auctioneer

by

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Auctioneers are not all the same. Just as Doctors and Lawyers have different levels of experience and different areas of specialty, so do Auctioneers. Some Auctioneers have considerable experience while others are fresh out of Auction School. Most Auctioneers are generalists; others are experts or specialists in a specific area. Some Auctioneers have an excellent reputation and a strong following of loyal customers, others are struggling to stay in business. Most Auctioneers are honest, some are not.

And if you select the wrong Auctioneer to handle your consignment, your decision could cost you dearly.

That's where Michael Ivankovich "Auction Broker" services comes in. The difference between an "*Insurance Agent*" and an "*Insurance Broker*" is that the Insurance "*Agent*" represents one and only one company, whereas the Insurance "*Broker*" represents several companies, and is able to shop your business around with several companies in order to locate the best company, and to obtain the best rate, for your particular needs.

The same is true of an "*Auction Broker*". Whereas "*Auctioneers*" typically represent one and only one Auction Company (their own), as an "*Auction Broker*" we represent several different Auction Companies and can steer your consignment to the Auction Company best suited to handle what you have to sell. This is extremely important because the key to getting the most amount of money for what you are selling at Auction is to locate the best Auctioneer for what you have to sell. And as *Auction Brokers* we are often the best resource to help you accomplish just that.

Most Auction transactions involve signing a contract with the Auctioneer. That contract will specify important points such as the commission and fees involved, when you will get paid, standard terms and conditions of sale, etc.

All Auctioneers are going to charge you a "*Commission*". That commission will normally be a percentage of what they sell for you. For example, if your consignment sells for \$10,000, and your flat rate commission is 20%, you will receive \$8,000, while the Auctioneer keeps \$2,000 to cover his/her staffing, advertising, administrative, and other expenses.

If you are unable to deliver your merchandise to the Auctioneer, most will charge you to pack it and transport it to Auction. And occasionally other fees such as photography fees, listing fees, Internet fees, and other charges may apply.

In exchange for these fees you are, in effect, "*renting*" the following from the Auctioneer:

- The Auctioneer's Name and Reputation.
- The Auctioneer's Place of Business.
- The Auctioneer's Years of Experience.
- The Auctioneer's Expertise in the commodities you are selling.
- The Auctioneer's Marketing and Promotional Ability.
- The Auctioneer's Mailing List and Contacts.
- The Auctioneer's Knowledge of Potential Buyers for what you are selling.

So the key to getting the most amount of money when selling at Auction is to locate the best Auctioneer for what you have to sell. As an extreme example, you wouldn't want to sell your Tools through a Doll Auctioneer, because there would be few, if any, Tool buyers attending a Doll Auction. And you wouldn't want to sell your Doll Collection at a Tool Auction for the same reason.

But what if you have little knowledge of the Auction business ? Or the specialties and reputations of local, regional, or national Auctioneers? What should you do with your consignment? That's where our "*Auction Broker*" services come in.

Just as the Insurance Broker can place your business with the best Insurance Company for you, we can help you to locate the best Auctioneer for what you are selling. As "Auction Brokers" will perform several vital services that will help you to obtain the most amount of money for what you are selling:

- We will explain the Auction process to you.
- We will explain the difference between National, Regional, and Local Auctioneers, and which Auction level is best suited for what you have.
- We will walk you through the legalese on an Auction Contract.
- We know which Auctioneers specialize in specific commodities, and which Auctioneers have upcoming Auctions in your particular category.
- We will locate the best Auctioneer for what you have to sell.
- We will help you to understand the best time of the year to sell.
- We will help you understand when to send it all to one Auctioneer, and when it's best to split your consignment between two or more Auctioneers.
- We will negotiate the fairest commission possible for what you have to sell. (Are you aware that in some instances Auctioneers will work for "Zero Commission"?).
- Depending upon the merchandise, sometimes (but not always) we can negotiate a reasonable "Reserve" for you. (A "Reserve" is a minimum price below which the item will not sell, and usually has to be negotiated with the Auction Company).
- We will help to ensure that you are not cheated in the process.

Here are a few examples of how we have helped clients receive the most money for what they had to sell.

- Client had several pieces of better art, some better Tiffany and Cartier sterling silver pieces, along with some more average, middle market merchandise. We arranged to have the better items saved for a much better "Catalog" Auction with a prestigious Auction House several months later. These items were pictured in a 4-color, printed catalog and sold on the Internet as well as before a live Auction audience, in order to attract a national and international bidding audience. Those items not worth storing were sold more quickly and turned into needed cash faster.
- Client had mostly middle market items, along with a few better pieces of jewelry. We arranged to sell the jewelry through a company that specialized in jewelry sales, while selling the lower end items through a younger Auctioneer who was eager to sell such items, and who sold most of the items individually rather than as "Box Lots" (i.e., selling them by the box), thereby netting the client more money.
- Client wanted to dispose of a Stamp and Coin Collection. We arranged for the Stamps to be sold in a Stamp Specialty Auction, while the Coins were sold in a separate Coin Specialty Auction, resulting in significantly higher prices than if they were sold through a non-specialty Auctioneer.

The "Broker" concept is well-established in the Insurance industry, but is fairly new in the Auction business. If you regularly attend Auctions and understand the Auction process, perhaps you don't need our *Auction Broker* services. But if you are relatively inexperienced in the Auction field, and if you are considering selling things of value at Auction, then we can probably help you from making a very major and expensive mistake.



Michael Ivankovich is a licensed & bonded Bucks County PA Auctioneer and Appraiser, and has been calling Auctions for 20+ years in 10 different states. He is active within the *Pennsylvania Auctioneers Association* and the *Lehigh Valley Society of Auctioneers*, and in 2004 was named Pennsylvania's *Auctioneer of the Year*. Michael Ivankovich has authored more than 20 books & ebooks in his areas of specialty and his columns have appeared in trade papers nationwide. For details, you can reach him at (215)-345-6094, email: info@michaelivankovich.com or visit his web site: www.michaelivankovich.com

