

# The Podium

FALL 2010

The Official Journal of The Industrial Auctioneers Association

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

## WHAT'S DRIVING

# ROLLING STOCK VALUE?

### Also Inside:

- A Review of Auction Trends
- The Next Generation of Networking
- The Ten Year Run
- Membership has its Privileges
- The Grand Slam Auction
- 2010 IAA Convention Guide



**INDUSTRIAL  
AUCTIONEER'S  
ASSOCIATION**





# Going... Going... Gone!

The Grand Slam Auction

by David Muslin  
PPL Group

**W**hoever said that the phrase “going going gone!” relates only to baseball? In many ways, our auctions can be described in much the same way. Not in the cliché “going once, going twice, sold” train of thought but in the “bases loaded bottom of the 9th grand slam!” fashion.

PPL Group recently found itself in that euphoric situation. It was the bottom of the 9<sup>th</sup> and the bases were loaded. In other words, we had a bank needing to sell all of the machinery and equipment that was surrendered by Northwestern Tool & Die (runner on first). Not only did they need to unload ALL of the equipment, but they needed to have it accomplished in the shortest amount of time possible (runner on 2nd). And finally, to load the bases, the 47,000 square foot industrial office needed to be sold at the auction

as well. Could PPL step up to the plate, square its shoulders, stare down the bidders and knock it out of the park? You bet they could, and this is how they did it!

Northwestern Tool & Die, a well-known die and mold manufacturing facility in the Greater Chicago area had surrendered all of their assets to the bank, so PPL found itself working directly with the bank and assignee to orchestrate a WIN-WIN arrangement that would provide the highest recovery value for their assets.

Methodical preparation and precise execution would be vital in finishing out this exciting inning... Batter Up!!

Our highly experienced staff was tasked with preparing a marketing strategy to auction both the equipment and real estate sale. The intense marketing campaign included building, signage, email marketing campaigns, newspaper ads, and full color brochures for the building contents as well as the actual real estate itself.

PPL diligently researched the market for industrial real estate, including developers, brokers, private investors, as well as manufacturing firms throughout the country in order to achieve the win for the bank. We conducted both a live and an online simulcast auction that attracted buyers from all over the world. With the preparation and marketing complete, it was now time to put our game plan into action.

Success would hinge on PPL's ability to combine the real estate with the contents of the building which included well-maintained machinery, plastics equipment, air compressors, tooling, furniture, computers, a cargo van, even the refrigerators and vending machines. Every inch of the 18 year-old facility was included in the sale.



**“Methodical preparation and precise execution would be vital in finishing out this exciting inning... Batter Up!!”**



The strategy that PPL employed was to sell the real estate early in the auction. This was to encourage the successful real estate bidder to purchase a significant amount of the remaining equipment, and that is exactly what happened. The new real estate owner placed numerous bids for the remaining equipment and drove the auction revenues even higher.

In the end, the auction was a huge success, attracting over 225 bidders registered online



**“The strategy was to sell the real estate early to encourage the successful bidder to purchase the remaining equipment.”**

and over 125 on-site bidders present at the sale. However, the ball wasn't quite out of the park yet and PPL's job wasn't over by a long stretch. Although the facility was a premier manufacturing facility, PPL still had to ensure that the building was left in broom-clean condition. Within a short three weeks after the sale, PPL coordinated the complete removal and cleanup of the entire facility in preparation for a smooth real estate closing.

PPL hit the ball out of the park and as a result of this auction, has become a new presence in the industry and determined that including real estate in their live auction events can significantly reduce market time. Offering real estate in conjunction with the sale of other machinery and equipment greatly enhanced the realization to the lender and provided value to the auction buyers. Most importantly, achieving that much sought after grand slam!

