

Case study:

How Ritchie Bros. sold 60,000 assets scattered across 30 U.S. cities in less than 90 days

A large, nationwide U.S. company that manufactures, rents and sells a variety of traffic control products files for Chapter 11 bankruptcy. Now creditors and trustees in charge of the situation need to move and liquidate 60,000 assets located in 30 cities in a short timeframe. To help them solve the problem, they turn to Ritchie Bros., a global leader in asset management and disposition.

Problem

Following financial difficulties that started during the economic crisis of 2008, a large U.S. company that manufactured, rented and sold a variety of traffic control products—including pavement marking equipment, road signs, cones, barricades, message boards, bridge inspection vehicles and safety supplies—filed for Chapter 11 bankruptcy after 30 years in business. Approximately 60,000 assets located throughout 30 cities in the U.S. needed to be moved and liquidated in a relatively short timeframe.



Challenges

With the 60,000 assets scattered across 30 U.S. cities, the logistics alone demanded a seller with the ability, scale, and experience to not only quickly remove and store the assets until disposal, but to also reach a large number of buyers. They would also have to have the ability to market effectively, deal with inquiries, inspections and conduct multiple sales, while aiming to recover maximum returns for the creditors.

Solution

After reviewing proposals, the creditors and trustees in charge of the assets awarded Ritchie Bros. with the sales contract due to their unique ability to purchase and remove all of the items in a timely manner. With over 50 years of experience, a network of permanent facilities, a massive international buyer base and the ability to market and sell specialized assets, Ritchie Bros. could deliver a commercially reasonable sale within the required timeline.

Objectives

Ritchie Bros. developed a plan that included marshaling all of the assets to their secured facilities throughout the U.S. within 30 days of signing the agreement. The company's network of locations and frequency of auction events meant that they could swiftly appraise, move, secure the assets and develop marketing plans to sell them over a span of 90 days.

Implementation and selling strategy

The assets were received and combined by Ritchie Bros. into 6,000 auction lots to be sold at 13 unreserved public auctions in Houston, Denver, Phoenix (two auctions), St. Louis, Ft. Worth, Chicago, Los Angeles, Sacramento, Chehalis, Orlando, Las Vegas and Minneapolis. A comprehensive marketing campaign that included direct mail, online channels, PR, and direct calls was developed and executed targeting more than 200,000 potential buyers throughout North America.

The marketing plan targeted **200,000+** buyers:

- ▶ **Direct mail** brochures and follow up **phone calls** to targeted prospects and customers
- ▶ **Emails** sent to member of American Road & Transportation Builders Association, Better Road, Industrial Supply, Contractor Supply
- ▶ **Listings** and a dedicated **landing page** on rbauction.com (Ritchie Bros.' high-traffic, 21-language website)
- ▶ Online marketing tactics including **pay-per-click**, **eNewsletters** and **banner ads**
- ▶ **Print advertising**
- ▶ A **public relations** campaign targeting local and trade media

Execution and results

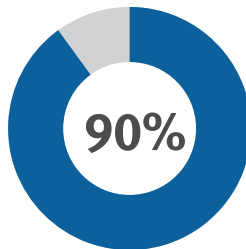
At the conclusion of the 13 auctions, the assets had successfully sold for close to \$20 million, with 61% of them categorized as miscellaneous industrial and construction equipment, 17% sign boards, 7% trucks and the rest as forklifts, compressors and other smaller items.

Nearly 1,300 buyers purchased the items, with 40% of the buyers being new to Ritchie Bros. The majority of the buyers (90%) were end-users, suggesting selling prices realized closer to retail than wholesale. The remaining buyers (10%) were primarily dealers, government agencies, and rental companies. Many buyers (44%) from out-of-state participated in the auctions. Approximately 43% of the purchases were made online, with the rest made on-site at the different auction locations.

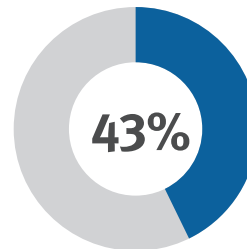
Ritchie Bros.' network of auction sites, ability to handle logistics and secure the assets expeditiously along with the ability and market knowledge to reach the right buyers allowed creditors to realize their objectives quickly and conveniently.



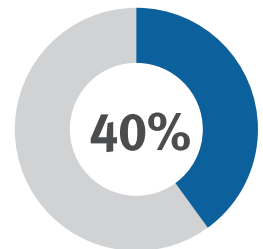
13 auctions
\$20± million sold
1300 buyers



end-users



online purchases



First-time
Ritchie Bros. buyers

About Ritchie Bros.

Established in 1958, Ritchie Bros. (NYSE and TSX: RBA) is the global leader in asset management and disposition for the construction, transportation, agriculture, oil and gas, and other industries.

Ritchie Bros. helps thousands of customers sell billions of dollars of heavy equipment and trucks every year through live unreserved public auctions (with online and onsite bidding at 44 auction sites around the world) and Ritchie Bros. EquipmentOne – a secure, online equipment marketplace.

Ritchie Bros. combines the power and certainty of unreserved auctions with the flexibility of an online marketplace, helping customers get maximum returns with minimum hassle when selling used and unused equipment.

For more information visit: RitchieBros.com

