



Poor, Costly & Risky Methods for Selling FF&E

The following options are **POOR, COSTLY, OUTDATED METHODS** for selling your Furniture, Fixtures and Equipment (FF&E) assets. They are designed for failure from the outset with little regard for the seller. The only big winners from these options are the “middlemen” or the buyers. Unfortunately, these methods have conditioned sellers to expect little money for their equipment assets.

We will provide valuable information on why these are poor selling methods, and share the **pitfalls** of each:

- Sell or consign to Equipment Dealers
- Conduct and Auction – Live or online.
- Attempt to sell the FF&E assets yourself.

Note: Under **no circumstances** should you consider moving FF&E to storage if you expect to get worthwhile proceeds.

EQUIPMENT DEALERS – SELL OR CONSIGN

- Dealers carry tremendous overhead for storage, maintenance and staff.
- In order to survive, this business model requires dealers make triple the amount they offer you.
- These are usually the lowest offers you will receive, at two–eight cents on the dollar.
- Achieving Fair Market Value (FMV) for FF&E is impossible. Dealers are the ultimate “middleman.”
- The seller is the biggest loser with this method.
- This is a panic–driven choice for selling.

CONSIGNMENT

Even worse than selling equipment outright to dealers, some will suggest consignment. Never agree to this option! These dealers often have little or no money to offer, and little confidence in getting it sold. There is no risk for the dealer, and all risk to the seller. The equipment will be out of your control.

- Equipment is sold off slowly—one or two items at a time.
- Dealers provide little or no proof of equipment sale prices.
- Accounting is usually poor, resulting in slow pay...or no pay.

AUCTION – LIVE OR ONLINE

An auction has potential to provide only a little better return on assets than the “dealer” option mentioned above. Auction companies charge a fee of 25–40% of the sale’s gross proceeds, with possible additional expenses. This leaves the seller with little money to show for the sale.

- The “gamble” associated with an auction business model keeps the risk and overhead low for the auctioneer. The seller absorbs the risk.
- Auctions were never designed to get Fair Market Value for your FF&E. In fact, 50 percent of auction proceeds come from re–sellers or dealers. Again, dealers must sell at 2–3 times markup over what they pay you for the items purchased!
- Auction companies are the ultimate “middleman” with their hefty fees.
- Auctions are a one–shot gamble, and there is no recourse when the takeaway is disappointing.
- Many auction companies will inflate sales projections to win your business. Test this by asking them to purchase your equipment upfront for the amount they’re estimating the auction will make. They won’t do it.
- Auction marketing is minimal. Typically, companies will deploy mass advertising to the general public, and inform past buyers of the upcoming auction. This is not enough.
- Many auction companies will request that your equipment be relocated to an auction facility for the auction. This should never be done. Not only are you absorbing the risk, but also allowing the auction company to have complete control over your equipment.
- This is also considered a “panic–driven” choice for selling.



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SELL YOUR OWN FF&E ASSETS

We will assume your intentions with attempting to sell your own FF&E is to avoid splitting any monetary returns with a “middleman.” That said, this method requires extensive time, energy, planning, patience, research, and paid marketing efforts. Unless FF&E resale is something you practice regularly, there will be a steep learning curve.

From the outset, the **biggest and most common mistake** owners make is moving their equipment to storage and thinking they will make just as much money as if it never left the store. It may seem easy to sell everything off piece-by-piece, but this is **NOT** true! The value of the FF&E will instantly drop, and FMV will not be attainable. Additionally, owners lose their drive and pressure to sell FF&E assets when everything has already been moved off site.

Some of the challenges and pitfalls these sellers will face:

- Determining FMV for your assets can be difficult. Comparing prices online will not result in an accurate appraisal. There are too many factors involved, and the asking price must coincide with your removal timeline. If your inventory is priced out of the market, your equipment won't sell. If you are underpriced, you're leaving money on the table. And remember—never finance anyone.
- Potential buyers will attempt to cherry-pick your best equipment. They will entice you to sell only these items, and then you're left with assets that won't sell on their own. The smartest method is to sell your inventory as a package to one buyer, which is a very difficult task for the novice.
- Coordinating with buyers can be tedious, and handling equipment transportation is expensive without guidance. Out-of-town buyer candidates will want you to handle removal and shipping, which forces you to incur additional risk if damage occurs in this process. Plus, fending for yourself with no contract or deposit can be risky. It's common for buyers to agree to a price over the phone, then change their mind and offer less during the exchange...right before the removal deadline. At this point, all leverage is lost, your deadline is around the corner, and there's no time to find a new buyer. Many people in this situation are forced to cave and accept the lower price.

We don't recommend attempting to sell FF&E assets without professional assistance. We also don't recommend you split your proceeds with the “middlemen.”

Don't Settle for “Below-Wholesale” Returns for Your FF&E.

ADVANTAGES OF WORKING WITH US EQUIPMENT CO...WE'RE NOT THE “MIDDLEMAN”.

- No risk or cost involved for the seller.
- Learn the true value of your inventory upfront. We analyze your equipment to calculate a value based on several criteria and market conditions. Our process is often more accurate than a professional appraisal.
- The US Equipment Co database and targeted marketing process will get you closer to FMV.
- Equipment is sold as a package to **one** buyer.
- Packages are sold to end users, not resellers. This allows 15-80+% more earnings than alternative selling methods.
- No need to move equipment. Inventory is sold directly from the original location site.
- US Equipment Co handles the entire sales and expediting process, so your time can be focused elsewhere.
- You will obtain the highest net proceeds for your FF&E.