

MSAASUPPLEMENT

Managing Bidder Expectation pg 7



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September 2012 | Issue 48



Welcome

Thanks for taking the time to read the official web publication of the Minnesota State Auctioneers Association. We take pride in our association and are excited to provide this supplement, to assist our members in gaining a greater understanding of their benefits, and the auctioneering profession as a whole.

Viewing Instructions

After the first issue it was brought to our attention that some sections may be too small to read easily. A quick way to remedy this is to go up into your VIEW menu at the top of your screen and scroll down to zoom, or even turn on the "View at Full Screen" option. These are just a few of the simpler options available. Plus, don't forget you can also print the document.

Upcoming Events

2013 MSAA Conference & Show

- Minnesota State Champion Auctioneer Contest

Thursday, January 17—Saturday, January 19, 2013
 Holiday Inn, St. Cloud, Minnesota

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Announcements

Death

MSAA Member Cleon Michael Lange age 63 of Willow Lake Township passed away Sunday, September 9, 2012 peacefully in his sleep at home. Memorial services was held Wednesday, September 12 at St. Matthews Lutheran Church in Wabasso.

Announcements?

Do you have an announcement or thank you to pass along to our membership? This space is reserved for items of note each month for our membership to know. If you have any announcement to post, please send them to Frank Imholte. frank@solditatauction.com

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MSAA SUPPLEMENT

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What I Learned at the Summer Seminar

Notes from the Executive Vice President

Col. Frank Imholte

MSAA Executive Vice President
Black Diamond Auctions

Contact 



With each seminar I attend, I come away with something I can use in our auction business. The two women from the ATF (Bureau of Alcohol, Tobacco, Firearms, and Explosives) mostly talked about firearms and with several FFL's in attendance (FFL = Federal Firearms License). They were able to answer many questions I've had over the years regarding selling firearms at auctions. In the past I've relied on member Kevin Hiller to answer my questions and assist me when needed.

So when is an FFL needed? For example, we were to auction several guns for an estate that could not be held on-site. The executor wanted the guns removed and us to take charge of them. After explaining that I could end up in the do-right school if I took charge of them without an FFL, we hired an FFL to handle the guns.

This spring we were selling confiscated guns for the sheriff; however, they wanted them transferred and checks done on the buyers. We worked with a local gun dealer to do this.

Here is something else I learned at the summer seminar. If an auctioneer that is licensed (FFL) holds an estate auction on-site, they do not need to take the guns back to their office unless the guns are going across state lines.

It is best to give them a call with questions (not that Kevin hasn't read the regulations, because he has). They are available to help in any way they can. Their direct number is 651-726-0220 and ask for Pat McAdams who is the industry operations investigator.

The second presentation was on sales tax. President Mark Rime

requested that our state send out a representative to answer questions. Due to budget restraints (i.e. no money), they could not accommodate his request. He did ask his personal accountant to come and share his auditing experience and we all learned that once the state gets the sales tax money, they will not send it back without lots of additional paperwork. This will again be discussed and rehashed over many times. The long and short of it: when in doubt, collect the sales tax or you may be paying it if you cannot collect it after the fact.

This was not news to many of our members, but more of a refresher on both gun sales and sales tax. If you say it kinda fast, it is gun sales tax and then you have the NRA asking lots of questions about your arms and your guns.

Thanks to all who attended the summer seminar, as well as Mark and Conny Rime for hosting at their home. Mark had several offers to auction off his collections when he is ready.

Have a great fall and keep open the Conference and Show dates in January (17-19, 2013) which will be held in St. Cloud at the Holiday Inn.



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A Flood of Generosity

A Big Thank You

Theresa Larson

MSAA Director

Contact 



In June, my family and I had to leave our home for one month due to flooding of the Mississippi River which completely surrounds our property. The river was coming from all sides and met in the middle. We had to get out as we knew that our road would become impassable. First out were the cattle and horses and then we had to decide what needed to go and what had to stay. What a day! Having to leave your home in one day is not easy to do and is very stressful.

Our house is an old farm house and has seen many floods; the worst flood was back on May 20, 1950 when it was up to the third stair tread on the main level. That year, the river crested at 22.4 feet. This was before they created a diversion channel. The media was comparing the 2012 flood to the 1950 flood. You may be thinking to yourself: what does this have to do with the MSAA?

Some of the benefits that you might not have realized are that the MSAA is a big, caring, and loving auction family. I found this out this past summer at the annual picnic at the Rime home. Andy Imholte had Austin Bachmann auction off a \$100 bill and raised \$3,300 for my family. It was amazing and very overwhelming for me; of course, nobody warned me this was going to happen and as the tears started to fall down my face, all I could think of was that I didn't wear my waterproof mascara. The majority of the money is going to buy hay for our animals, as the flood happened in the middle of summer and it left no time for our pasture or hay land to grow back. We will have to feed hay from June through next spring. The rest of the money will go toward building materials, a chest

freezer, and cleanup from the flood. I am truly honored and grateful to be a part of this great association.

Here are some of the benefits to being a member of the MSAA: educational seminars on important topics of the auction industry, marketing, appraising, government regulations, small business growth, management, and cultural enrichment. Others include networking, mentoring, and problem solving with other auctioneers. Members receive voting privileges in annual business meetings and a subscription to The Minnesota Auctioneer and the online supplement. Membership is open to any auctioneer with a current license. The MSAA holds an annual Conference and Show in January, so take advantage of these great benefits that the MSAA offers.

Our main goal as an association is to promote the auction profession. Keep in mind that we maintain ethical practices and our reputation for the industry as a whole in our state. We have an annually elected president, vice-president, secretary/treasurer, and nine board members. The board members are on a revolving three-year term.



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June 26, 2012: Larson home, this was not the worst of the flood.

Some quick facts about the Mississippi River. It is the 4th largest river in the world; the length of the Mighty Mississippi River is 2,320 miles and the widest point is over 7 miles; the Mississippi empties into the Gulf of Mexico. Here are the flood stages near Aitkin County: 11 ft. is the action stage, 12 ft. is flood stage, 15 ft. is considered moderate flood stage, and 18 ft. is considered major flood stage as stated by the US Geological survey. The 2012 flood was the 6th worst on record, cresting at 18.71 feet. Here are the seven worst crests in Aitkin County:

1. 22.49 ft. on 5/20/1950
2. 19.50 ft. on 7/6/1905
3. 19.30 ft. on 4/29/1916
4. 18.80 ft. on 6/9/1944
5. 18.77 ft. on 4/27/1948
6. 18.71 ft. in 2012
7. 18.70 ft. on 5/12/1938

Thank you to all who donated, gave support, and helped my family through this bump in the road.



Expectations Part 2

Auctioneers Managing Bidder Expectations

Mike Brandly, CAI, AARE

Brandly and Associates, Inc.

Contact 



How inviting is the auction?

How does the bidder (customer) feel about participating in the auction?

What is the likelihood the customer will participate in this auctioneer's auctions again, and/or recommend the auctioneer's auctions to a friend?

Auctioneers are generally looking for this answer to all three of these questions: Very Good.

What is critical for auctioneers is to manage expectations so that customers view the auction as inviting, are happy to participate, and are eager to recommend the auctioneer to a friend.

We previously wrote about auctioneers managing seller expectations here: <http://mikebrandlyauctioneer.wordpress.com/2012/07/26/auctioneers-managing-seller-expectations/>

As we have written before, when we wrote about The delicate balance of a great auction, auction bidders are generally looking for:

- Properly advertised and with sufficient detail including what's selling, how to register, terms and conditions, etc.
- Accepting a variety of payment options, including cash, checks, credit cards.
- Free from reserves, minimums and seller withdrawals.
- Open for unimpeded inspection of the property selling, and reasonable preview opportunities.

- Complete with disclosure of all known material facts about what is selling.
- Absent auctioneer schemes such as running the bid, taking bids that aren't there, and other misrepresentations.
- Lacking in announcements made day of sale [which] take precedence over any printed material.
- Easy pickup (and/or alternative arrangements) of items purchased and/or possession.
- Providing clear — or at minimum marketable — title.

For auction bidders, it is imperative that auctioneers meet as many of these above expectations as possible; a bidder would have a difficult argument that he was unhappy given an auctioneer doing that.

- Then, auctioneers can do more to exceed bidders' expectations — for example:
- Remembering the bidder's name, bid number, and other personal information.
- Buying that bidder a cup of coffee or sandwich.
- Helping that bidder with moving, loading, delivery, and/or shipping of purchases.





“...bidder expectations need to be met more so (or entirely) on an aggregate basis, rather than on an individual basis. For instance, offering free delivery to one bidder, but not another, may result in troublesome litigation.”

- Making bidding by proxy (absentee), by phone, or via online available.
- Staying in touch — either by email or phone about upcoming events or items.

However, different from the seller (client) perspective where any one seller can be treated differently than another — such as a different commission rate, different placement in the auction, etc. ... the issue of treating bidders differently is a distinctly unique and material issue.

We wrote about auctioneers treating bidders differently here: mikebrandlyauctioneer.wordpress.com/2010/03/08/can-auctioneers-treat-bidders-differently/

While managing bidder expectations is important, the bidder expectations need to be met more so (or entirely) on an aggregate basis, rather than on an individual basis. For instance, offering free delivery to one bidder, but not another, may result in troublesome litigation.

Auctioneers need to have bidders. Happy bidders participate in the current auction, participate in future auctions and recommend those auctioneers to others. How do auctioneers secure happy bidders? See their expectations are met, and possibly exceeded — in total.

Mike Brandly, Auctioneer, CAI, AARE has been an auctioneer and certified appraiser for over 30 years. His company's auctions are located at: Mike Brandly, Auctioneer, Keller Williams Auctions and Goodwill Columbus Car Auction. His Facebook page is: www.facebook.com/mbauctioneer. He serves as Adjunct Faculty at Columbus State Community College and is Executive Director of The Ohio Auction School.





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Putting It On Your Calendar Now!

NAA 2013 Conference & Show

Hannes Combest, CAE
Chief Executive Officer, NAA

Contact 



We had a great conference in Spokane – the weather was magnificent, the food at the Welcome Party was unbelievable, the education outstanding, and well...it was just a good time – all the way around. And yet, it was one of the smallest events we have had in recent years.

When I ask why I get two answers: “something” came up and it was just too expensive to get there.

I can’t do a lot about the second reason. Spokane was not a major hub but there were people like Mark Rogers from North Carolina who took multiple family and office members. He did it by getting free tickets off his credit cards! Others used the points they have earned throughout the year and others... well others just drove – their cars, their RVs, trucks...we had them all.

I think the second reason really relates to the first reason – “something” came up. So I have a challenge for you: next year, our conference is in Indianapolis, Indiana. I can assure you that the education will be strong again and that the Indiana Auctioneers Association is promising a fun opening night!

So my challenge to you is this: take these dates - July 16-20, 2013 – and put it on your calendar RIGHT NOW. When you add something to your calendar, it becomes an event to be scheduled AROUND instead of scheduling conference AROUND something else!

I know that life happens. People get sick and kids get born. I was on pins and needles during the whole conference this year, keeping my fingers and toes crossed that my newest grandchild wouldn’t be born until after I got home. Carlee Ann Trent complied with my wishes and made her debut on August 5, 2012 – but I know SOME grandchildren are not as easy! And Auctions happen! But my point is this: if you have these dates on your calendar, you are more likely to tell a client who brings you an auction that you could do it on July 13 instead of the 20th. Or schedule that vacation before or after the conference.

Bob Penfeld from North Dakota has been a member of NAA since 1951 and he comes to the conference faithfully. This year his granddaughter got married the Saturday the conference ended. He still came to Spokane – and then headed dutifully to Florida to be with his family! Now THAT is dedication...

I’m not asking you to come because NAA needs your money – I’m asking you to come because I truly believe this event can help you make more money in your business. Most people attend because



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of the education, many people attend because of the networking – regardless of your reason, you can be guaranteed to make a new business contact or to pick up at least one nugget that will be valuable to you for the remainder of that year.

It's too expensive you say...it is not cheap, I'll agree with you. But we hope it pays dividends for you and

we have several options that will make it easier for you, including one that will let you divide your conference registration into payments!

The brochure for conference won't be out until March, but here's what I would like for you to do: put the dates on your calendar. If "something" comes up between now and March, think twice about

removing the conference dates. And then, when the brochure comes out, if you don't like what you see, call me and let's talk. Then after we talk, if you STILL don't like what you see, take the dates off the calendar and schedule that "something." But my hope is that we'll see you next July – back home in Indiana!



Negotiation Tip

Power of Expertise

John Hamilton, DREI
www.GoodNegotiator.com
 Contact 



Negotiating is an exchange whereby rival parties proceed based on what they know and where they want to go. In the final analysis, it comes down to expertise. Do you know enough to use your negotiating skills to get that elusive 'good deal'?

The Power of Expertise is available to almost all of us but widely ignored by too many. While we might not think of ourselves as an expert in the realm of a negotiating circumstance, we can still use this power to our advantage.

Have you ever felt overmatched and incompetent in a business dealing? Were you ever hanging on by a thin thread of comprehension? Did you ever look at your counterpart and wonder if you would embarrass yourself due to a lack of understanding? It is quite common that we are dealing with (negotiating) with people who are experts in their field, a field where we are just lost or at least overmatched.

The insurance agent explains an investment annuity. The water treatment technician explains how the water softener programming system works. The car dealer discusses the features and costs of upgrade options. The accountant presents multiple options for minimizing tax liability. Each of these will likely muster a common feeling in all of us. Specifically, I can't negotiate effectively. I'm struggling to comprehend what they are talking about.

When we are overmatched in expertise, we tend to become passive and acquiesce to someone else's recommendation. That's often done at the sacrifice of a good deal. So what do we do? Here are three suggestions to help level the playing field.

1. Slow down the process

Rushing to a settlement when you are already at an expertise disadvantage is disastrous. Ask for more details. Don't make a deal at one meeting. Put more pressure on your counterpart to bring you up to speed. Put off any agreement decision until after you've been totally briefed. Don't hesitate to admit your vulnerability, but communicate that you've been in this situation before and you always exhaustively check things out.

2. Do more research up front (or at breaks in the negotiations)

Online and print resources are easily accessible to us all. Seek out others who have considered this product or service and see what they can share. Don't be complacent and think that you know more than you really do.





3. Ask challenging questions, and I mean **CHALLENGING!**

Such as, "What's the biggest complaint you get regarding this (product/service)?" "Where can I get this at a better price?" "Is this available online at a better price?" "In a year from now, will I look back to now and wish I'd have picked something else?" "Why do you folks make this so complicated?" "Why do I sense that this might turn out better for you than for me?"

Good negotiators know how to level the playing field when they are over matched when it comes to expertise. They have the knack of preparing in advance to compensate. KEEP Negotiating.

MSAA Membership Application

Our Association is an organization of licensed auctioneers. With the support of its membership, the association works to promote the auction profession. We are governed by an annually-elected president, vice-president, secretary/treasurer, and nine board members. These board members serve in revolving three year terms. All past officers and directors comprise an advisory committee.

Membership Benefits

- Multiple educational seminars on topics pertinent to auctioneering, marketing, appraising, government regulations, small business growth & management, and cultural enrichment
- Complimentary subscription to The Minnesota Auctioneer, the official membership publication with news and informative articles from around the state
- Combined legislative influence as membership grows
- Policing body to maintain ethical practice and thus reputation for the industry as a whole in our state
- Mentoring and problem solving with other auctioneers
- Voting privileges in annual business meeting
- Permission to use the MSAA logo in advertising and compete in marketing competitions
- Updated directory of all MSAA members

Any auctioneer with a current license is welcome to join. New applicants become members by submitting a completed membership application (right) with proper payment.

Members must pledge to be faithful to all buyers and sellers. Members are also expected to show loyalty to the organization by actively participating in state activities and events.

Annual Dues Only \$100

(Include dues check for \$100 in envelope with this application.)

- New Membership
- Membership Renewal
- Membership Reinstatement

Name: _____

Company Name: _____

Address: _____

City: _____ State: ____ Zip Code: _____

County: _____ MN License Number: _____

Email: _____

Work Phone: _____

Home Phone: _____

Cell Phone: _____

Signature of Applicant: _____

Auxiliary Dues - \$5.00

Spouse Name: _____

Membership is from January 1 to December 31. Members who join after October 1 will receive membership for the remainder of the current year and the entire following year. All members are expected to act in a professional manner and conduct an ethical business.

Questions? Call Toll Free! 800-440-9398

To submit this form, fill out then print a copy and attach any extra requirements.

Return with payment to:

Minnesota State Auctioneers Association
c/o Frank Imholte, Executive Vice President
8160 County Road 138, St. Cloud, MN 56301



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MSAA Hall of Fame Nomination

Nominations must be postmarked no later than July 1 of the year preceding the presentation of the Hall of Fame Award. Mail nomination to:

Lowell Gilbertson, Hall of Fame Committee.

Name of Nominee: _____

Residence Address: _____

Phone: _____

Business Information:

Name of Firm: _____

Position: _____

Number of Associates or Partners in Business: _____

Business Address: _____

Phone: _____

Personal and Family Information:

Name of Spouse: _____

Does spouse participate in the Auction profession? Yes No

If yes, explain: _____

Is spouse a member of the MSAA Auxiliary? Yes No

Give names and ages of children: _____

General Professional Information:

How long has the Nominee been involved in the auction business?

What percentage of the Nominee's time is actively spent in the auction business?

How long has the Nominee been a member of the MSAA?

Has the Nominee specialized in any particular field of Auctioneering?

List educational background of the Nominee. (Include offices held, current and past):

1) _____

2) _____

3) _____

List regular auctions conducted, if any, and/or special individual auctions conducted which have brought attention and credit to the profession of auctioneering.

1) _____

2) _____

List at least three individuals who have worked with the Nominee or who have knowledge of the Nominee's worthiness of being considered for this award, whom the Hall of Fame Committee may contact:

1) _____

2) _____

3) _____

Previous recipients of the MSAA Hall of Fame Award have established some general qualifications which they feel each Nominee should possess or have shown. Please reflect your personal assessment of the Nominee with respect to: HONESTY, HIGH ETHICAL STANDARDS, WILLINGNESS TO SHARE WITH OTHERS, STANDING IN HIS OR HER COMMUNITY, AND MASS CONTRIBUTIONS TO THE AUCTION PROFESSION.

Narration: (Attach separate sheet.)

Submitted by: _____

Address: _____

Phone: _____

To submit this form, fill out then print a copy and attach any extra requirements.

Return to:

Lowell Gilbertson, MSAA Hall of Fame Committee
2661 Oak Hills Dr. SW, Rochester, MN 55902



MSAA Auxiliary Hall of Fame Nomination

Qualifications for Nominees:

- Spouse must be a member in good standing in the MSAA (or past member if widowed).
- A member of the MSAA Auxiliary with recent or previous active participation.
- Participation in a related business to the auctioneering profession.
- Active in community, church, charitable or volunteer organizations.

Name: _____

Address: _____

City: _____ State: _____ Zip Code: _____

Phone: _____

Name of Spouse: _____

Business Name: _____

Business Address: _____

City: _____ State: _____ Zip Code: _____

Business Phone: _____

(Attach separate sheets if necessary.)

Auxiliary Participation:

- 1) _____
- 2) _____
- 3) _____
- 4) _____
- 5) _____

Community Activities:

- 1) _____
- 2) _____
- 3) _____
- 4) _____
- 5) _____

Personal Comments: (Attach separate sheet.)

Please include as much detail as possible on all areas. Nominations must be postmarked no later than August 1 of the year preceding the presentation of the Hall of Fame Award.

To submit this form, fill out then print a copy and attach any extra requirements.

Return to:

Deb Ediger, Committee Chairperson
218 W. Main, Belle Plaine, MN 56011
952.873.2292 or 952.873.6972



Annual Scholarship Application

**Two Scholarships of \$1,200.00 each (subject to change)
from the MSAA & MSAA Auxiliary**
**One Scholarship of \$1,200.00 (subject to change)
"Vi and Orlin Cordes Memorial Scholarship"**
Deadline: November 1, 2012

Date: _____

Name _____ Age: _____

Address: _____

City: _____ State: _____ Zip Code: _____

Telephone: _____ Date of Birth: _____

Relationship to ACTIVE MSAA or Auxiliary Member:

 Child Grandchild Niece Nephew Auctioneer Spouse

An Active Member means he/she should attend MSAA Conventions on a regular basis and be interested/involved in promoting the MSAA/Auxiliary auction profession. Must be a member of the MSAA or Auxiliary for three consecutive years.

Name of Relative: _____

Address: _____

City: _____ State: _____ Zip Code: _____

NOTE: Only one scholarship per candidate. If unsuccessful in your application one year, please reapply.

High School Graduated from: _____ Year: _____

Address: _____

City: _____ State: _____ Zip Code: _____

Name of College or University of enrollment: _____

Address: _____

City: _____ State: _____ Zip Code: _____

CHECKLIST

1. Scholastic Information – GPA: _____

(If senior in high school or current college full-time student. Need not be official.)

2. Honors or Community Involvement:

(List any or all school, community, club, sports and academic activities)

a) _____

b) _____

c) _____

d) _____

e) _____

3. ESSAY: Be unique and creative! Please state what you've learned from your experience in the auction profession and/or what you would do with the scholarship funds. The essay needs to be completed **without** including any names or business names that would identify the applicant or their active MSAA member. **(This is important because the Scholarship Committee is presented the essay with this information removed so the identity of the applicant is not revealed to them. The Committee is judging the content of the essay while avoiding any prejudice by the inclusion of names.)** Please complete on a separate page, sign and ATTACH ESSAY TO THIS APPLICATION FORM.

4. Please attach a copy of the letter of acceptance or proof of enrollment in your school of higher education (required if applying for the MSAA or Vi and Orlin Cordes scholarship).

5. Current letter of recommendation is required for ALL scholarship applicants.

Absolute Deadline – Must be postmarked by November 1, 2012

Relative of winner will be notified before the annual convention. Winner and MSAA Auxiliary member relative are encouraged to attend the Saturday evening President's Banquet at the annual Minnesota State Auctioneers Convention.

To submit this form, fill out then print a copy and attach any extra requirements.

Return to:

Conny Rime
4838 South Tri Oak Circle NE Wyoming, MN 55092
Scholarship Committee: Peg Imholte (chair), Holly Hotovec, and LuAnn Finnilla



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