

MSAASUPPLEMENT

NO Routine
Auction



Pg 8



MSAASUPPLEMENT

September 2014 | Issue 72



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

If some sections have print that is too small for you to read easily, go up into your VIEW menu at the top of your screen and scroll down to ZOOM, or even click on the "View at Full Screen/Full Screen Mode" option in the VIEW menu. You can also print the document if you wish.

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Announcements

Theft

Frank was contacted by Deputy Bonnicks regarding a stolen JD Twin Axle Dual Apron Spreader with flotation tires and a Case gear box on the beaters. If you come across it, please contact the Wright County Sheriff's office at 763-682-7600 and ask for Deputy Bonnicks.

Items to be Sold

If any members are looking for gaylords (skids) full of books to be sold at auction. Everything from kids to adult and text books. 500 to 1500 per skid. Up to 150 skids asking \$200 a skid.

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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Auction Family

Let's Share the Fun



Frank Imholte

Executive Vice President, MSAA
Black Diamond Auctions

Contact 

In past articles, I shared that my brothers and I played music for wedding receptions and parties. There was a lot of work before and after the actual playing of music. I compared that to the auctions we currently do. The fun part of the music is playing the music and the fun part of the auction is actually selling the items. If I had an ideal job, it would be to show up and play the music or bid call the auction. Either would be the perfect job. I have discovered, however, there is still more than that.

An auction opportunity presented itself this past August. Peg and I were invited to assist John Kruesel and Lowell Gilbertson with an auction near Rochester, MN. It was great to auction in a different area selling many of the same items we often handle at our auctions as well. I was even able to visit with John Schultz who also helped. As with every auction I do, I also learned a couple things from John and Lowell that day. It was a fun day and John's bubbler was in fine form at the auction. If you have not seen it, check out his auction on a hot day. The best part turned out to be spending time visiting with Lowell and his friend Sharon. The meals we shared as well as jokes and conversations were wonderful. I love spending quality time with our auction family.

The next opportunity presented itself shortly after attending Dave Thompson's September auction in Austin. Peg and I were on our way back and called to see if Eileen Roehlke was home. Peg and I were able to deliver her Hall of Fame plaque and visit with her at that time. She gave us a booklet on Wes and we were greeted with the same warmth she has shared with our membership over the years.

As much fun as it has been performing music and auctioneering, I've enjoyed meeting with auction families and talking with them as well. If I could find a way to be paid for talking with people, I would have a new favorite thing to do. That too, would be fun. As always, I'm open to ideas, just send them my way.



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It's Not Closed until It's Closed

Real Estate Pitfalls

Austin Bachmann

Director, MSAA
Bachmann Auctioneers

Contact 



When selling real estate by auction or by traditional listing, there are many pieces to the puzzle. One piece missing from that puzzle can make the whole transaction a disaster! Making sure to properly educate your sellers and buyers before, after, and during the sale can be a great practice to use.

Let me start off with a famous quote that almost every Realtor and Auctioneer has used, "I'm not an attorney, and I will not give out legal advice." When it comes to selling real estate, everyone loves those cash deals that work out perfectly to a "T" and close in two weeks! However, when you're involved with many real estate transactions every year, it doesn't take long to realize not every sale is like peaches and cream. And if you haven't hit any road bumps along the way with any of your transactions in the real estate world, my best advice would be educate and prepare yourself the best that you can because it's going to happen eventually. If at all possible, it's always best to educate your buyer and seller before, during, and after every transaction so everyone is always on the same page.

There are many issues that can arise from final purchase agreement acceptance date and the actual closing date. In this article I will only talk about one of the many possibilities that extends out to several possible issues. I will discuss other issues in my October article.

1. Financing

Buyer's financing is one of the hardest areas to go without flaw. There are so many things that can come up with the buyer's financing that I don't even know where to start! It would be almost impossible to be prepared and know everything about every area of concern, but there are some major areas that you can educate yourself on before and during a transaction. Some of these concerns can vary depending on a property selling at auction or traditional sale, but the concerns are usually still there even if sold at auction. It's always best to research as much as you can, and educate your buyer and seller about any possible steps needing to take place.

Buyer's credit score or available loan amount changes. This can happen from a missed payment, the buyer taking out a loan on something else, and opening credit cards or putting large balances on existing credit cards. The best part about this is there is no way for the realtor or banker to know right away... This means it usually comes up right before closing and then... you don't close!



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“The goal is to get the property closed and get a new home for the buyer and get the full amount of money into the seller’s hands.”

- Property doesn’t appraise at purchase price or higher. Unless the buyer is paying cash, this is going to be a huge issue especially if the appraisal amount is way lower than the purchase price. The lender will typically only give a loan for the appraisal price. This means in order to close, the seller will have to drop the price to the appraised value, or the buyer will have to come up with the difference of appraised value and purchase price.
- Well and Septic Inspection and Certification. This is required on many real estate loans especially if the property is rural, if there is mortgage insurance on the loan, FHA and Rural Development Financing, and even on conventional loans if there is more than 80% financing.
- One or more of the lender requirements for final approval are not met.

If possible, it is always good practice to visit with the buyer about the type of lending they are

planning on using. It is also good to visit with their lender about the requirements and everything that is going to be needed and required in order to get final approval for the buyer on the loan. Knowing as many of these requirements as you can beforehand can help you prepare your buyer and/or sellers for a successful closing.

I know most auctioneers and many realtors sell property without contingencies, so you are probably thinking, “None of these issues matter because if the buyer doesn’t close they lose their earnest money.” That is true in most cases if properly stated in the purchase agreement and terms. However, the goal is not to take the buyer’s earnest money and give it to the seller so they can keep it. The goal is to get the property closed and get a new home for the buyer and get the full amount of money into the seller’s hands. Without both of those steps happening, it’s not a success.

I look forward to discussing more issues in my October article.





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There is no Routine Auction

Employing Empathy

Ryan George

BiPlane Productions

Contact 



Over the course of three days, I happened to drive through West Virginia twice. Both times, I was captivated by a short headline on two hospital billboards on I-64.

“There is no routine cancer.”

Often, hospitals tell you that they’re rated in the top ten in the country for a particular disease center or that they perform [insert number] of a certain procedure per year. Or they wrap some cliché in a font that appeals to AARP members.

But this hospital gets it. They know that a person with cancer doesn’t want to be another notch on an oncologist’s belt. My friends and family who’ve battled cancer definitely didn’t want to be a statistic. On the other end of a biopsy, the patient needs assurance of getting the best medical care possible. They’re looking for signs of two things: expertise and empathy. “There is no routine cancer” communicates the care part of the equation. That message gives the impression that medical professionals will fight to save their lives.

The same desire is true for a large portion of auction sellers—at least those with assets big enough to warrant a proposal or earn a company brochure. They want to know the auction marketer pitching to them will understand their situation, study their asset, and create a custom plan to make the

best outcome possible. They want to hear, “There is no routine auction.”

Despite this, auctioneers tend to spend the majority of their pitch on what they tell every seller: “Look at my resumé; I’ve won some accolades and earned some designations. We sell lots of stuff like yours. Auctions are the best.” Most of the company brochures I’ve read express little empathy. Property analysis is usually one of the shortest sections of proposals—if it’s even in there. I’ve seen more market analysis from one meeting with my old REALTOR® than I’ve seen in probably 99% of the seller presentations that I’ve been asked to design.

The good news is that you can be the exception to that rule, and exceptional can give you a competitive advantage.

You can still leverage your experience and accomplishments. They just have to be framed within the context of the seller’s benefit. How does your bid calling competition win benefit them? What did you learn at CAI or CES that you can use for this auction? How do those marketing awards translate into better advertising





Do you see any parallel headlines to our auction industry headlines?

for the campaign at hand? Your time as a leader in an association gave you what insight that you can implement for the challenge of this sale? How do all those years in the business make you worth that commission number they're skipping through the proposal to find?

I got this wrong for most of my career. I stacked my plaques and auction folders to impress potential clients. I still do. It's a hard default to reset.

I'm working toward bringing those into context with a different

message: "Working with assets and winning for auctioneers all over the country has given me insight that might help you." Hopefully, I've given enough information away in emails and on phone calls, in blog posts and on seminar screens, to let people know that I'm trying to bring them on that same learning, growing journey—even when I resort to my stats.

How 'bout you? How could you bring empathy and customization into your presentations? What content do you need to add or emphasize, cut or edit?



Negotiation Tip:

Reward Power



John Hamilton, DREI

www.GoodNegotiator.com

Contact 

I don't hear the phrase "carrot and the stick" as much as I used to. I can't say that I know what is now being said in its place, but the principle still holds. Dangling an incentive (the carrot) in front of another party (the mule) will typically prompt them to go in the direction we want.

Good negotiators have long known that an incentive, a reward, or a 'deal sweetener' can often put a deal together. Any parent knows the drill..."Eat your vegetables and you can have a cookie." I won't comment upon the effectiveness of this strategy since our kids are much more skilled at negotiating than most of us.

But don't discount the power of offering a reward when negotiating a good deal. It not only is that 'deal sweetener' we mentioned before, it more importantly communicates that we recognize the perspective (needs, aspirations, concerns, pressure points) of our opponent. It's often the key to a win-win result.

Setting aside our self-interest priorities for a moment to consider how our counterpart might feel is often a game changer.

When it comes to employing the power of rewards, creativity and 'out of the box' thinking is typically required. Looking at a negotiation from your opponent's perspective can spawn proposals that might induce them to agree to a win-win deal.

1. I'll consider buying a **larger quantity** (reward = more volume) if you can give me a 10% discount.
2. If you can do it for that price, I'll **recommend you to my friends** and even **write a testimonial letter** for your promotional use. (reward = more business)

3. I'd consider **purchasing some of your other products** (reward = more sales) if you can help me on this order.
4. Could you agree to this price if I **pay cash?** (reward = no credit card fees)
5. I can reduce my price on this order (reward) if you'll **pick this up at our warehouse** by Friday.
6. What can I do (**ask them to suggest a reward**) to get a better price on this?

You are likely more creative than me when it comes to identifying rewards. Coming up with incentives becomes easier when you concentrate your efforts and thinking in that direction. What are the possibilities in your negotiating circumstances?

What inexpensive thing could you give up (reward) that would convert your opponent's hesitancy into action?

Good negotiators recognize the trade-off possibilities when offering incentives or rewards. Recognizing the perspectives of others always proves beneficial as we 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: _____

Spouse Email Address: _____

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

**Scholarships for \$1500 each (subject to change) from the
MSAA and MSAA Auxiliary
Deadline: November 1**

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 Conferences/ Meetings 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 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.

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

Absolute Deadline – Must be postmarked by November 1

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 Association Conference and Show.

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
Scholarship Committee: Conny Rime (chair), LuAnna Finnilla, Anita Aasness



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