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## Backstage Pass to Equipment Auction Financing

*Selling Big With Ritchie Bros. Auctioneers*

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Behind the scenes shot of Warren Waechter being interviewed (Top). Kevin Tink, vice president, at the auction mic (Left). A hydraulic excavator being sold in Chilliwack, BC (Above). Kevin Tink auctioneering from one of the auctions in Edmonton, Alberta (Opposite page)





# BACKSTAGE PASS TO EQUIPMENT AUCTION FINANCING

*Selling Big with Ritchie Bros. Auctioneers*

By Ian Malinski

**R**itchie Bros. Auctioneers is the world's largest industrial auctioneer, with operations in more than 25 countries, including 44 auction sites around the world. In 2013 the company sold more than 300,000 equipment items and trucks for approximately \$3.8 billion, including more than \$1 billion sold in Canada alone.

Based in Canada, this international success story started from humble beginnings in the 1950s in Kelowna, British Columbia, with brothers Ken, Dave and John Ritchie. The three brothers were running a local furniture store when their bank called in on a \$2,000 debt. To raise the money the brothers decided to hold an auction, selling surplus assets from their store. Not only did the auction allow them to pay off their debt, it also helped them find their calling. Spurred by their initial success, the brothers decided to start an auction company and began conducting more regular auctions, soon branching

out into selling equipment, trucks and other industrial assets.

Built on the core principle of conducting strictly unreserved auctions—where every item is sold without minimum bids or reserve prices—Ritchie Bros. has gone on to conduct auctions across North and South America, Europe, the Middle East, Australia, Africa and Asia.

"We're very proud to be a Canadian company and a leader in our industry," said Kevin Tink, Senior Vice President, Ritchie Bros. Auctioneers. "Ritchie Bros. has been conducting unreserved public auctions for more than 50 years—it's an exciting business; we get to work with the builders of the world. Our customers build roads and hospitals, grow our food and help provide our basic fossil fuels. Our job is to help these buyers and sellers exchange equipment with ease and confidence, that's it."

Two years ago Ritchie Bros. was approached by Canadian television producer Tim Alp of Mountain Road Productions, based in Ottawa, ON, to

star in its own auction-related television series titled, *Selling Big*.

"There were, and still are, a lot of hugely successful auctions shows: Auction Hunters, Auction Kings, etc.—so I thought we could take this concept to the next level and do a show about one of the biggest auction companies in the world," said Mr. Alp, about Ritchie Bros. Auctioneers. "We presented the idea of the show to several TV networks and a local Canadian company called Blue Ant was excited to feature the show on their new channel Cottage Life. When we started to look deeper into this we really felt that with such interesting individuals, and the big machines and big money that these would be perfect ingredients to make a great TV series. And it turns out we were right... The series has been a big success."

The *Selling Big* series consists of 13 30-minute episodes shot at Ritchie Bros. auctions across Western Canada, including auctions at three of the company's permanent auction sites in Edmonton, AB; Grande Prairie, AB;



and Chilliwack, BC. Designed to cover the entire auction story from start to finish, the show includes interviews with equipment sellers and buyers, auction action footage and a lot of equipment: from truck tractors to crawler tractors and from cranes to planes.

"I couldn't believe the passion the Ritchie Bros. employees had for their jobs" said Mr. Alp. "And the Ritchie Bros. customers were great—I don't think I have seen that many millionaires in one place. They weren't dressed in a suit and tie; they were salt of the earth people. The richest person in the room usually had on ripped jeans and a dirty shirt—these are regular people who have had great success by working hard. Many of them still operate the equipment, even if they don't have to."

Selling Big also included a lot of behind-the-scenes auction footage most Ritchie Bros. customers would never see. The company takes great pride in conducting the most efficient auctions in the world, which includes painstaking attention to detail for equipment display, safety and marshaling equipment on auction day in front of bidders seated comfortably in heated auction theatres—a very important feature for a company that holds auctions in Edmonton, AB in December.

"I was amazed at the whole process leading up to the auction," said Mr. Alp. "It's like seeing a fine piece of theatre coming together. Weeks and weeks of preparation all leading to the curtain coming up on auction day, it was impressive."

Ritchie Bros.' Regional Operations Manager Warren Waechter was featured in several episodes of the Selling Big series—he loved the unique experience.

"We hold ourselves to a very high standard at Ritchie Bros. because it's critical to our success that every aspect of the auction and our equipment yard be organized perfectly or we risk things falling apart on auction day—it's a big operation and it needs to operate like a machine," said Mr. Waechter. "A benefit we didn't think about is that Selling Big is a great learning tool for our employees. At Ritchie Bros. we are all usually so focused on our specific task—our cog in the wheel—that we don't have time



Top row (L to R): Lisa Nault (Producer); Kim Schulz (Mgr, Corporate Communications & Events, Ritchie Bros. Auctioneers); Kevin Tink (Senior Vice President, Sales, Ritchie Bros. Auctioneers); Tim Alp (Writer, Director & Producer); Ray Walukiewicz (Yard Staff, Ritchie Bros. Auctioneers); Richard Nault (Location Sound). Bottom row (L to R): Stefan Shymanski (Camera Operator); Andrew MacDonald (Director); Michael Tien (Director of Photography)

see every aspect of the auction coming together. Our yard staff don't get to experience sitting with a customer while his equipment sells, our administrative staff don't get to experience how we set-up all the equipment in the yard and our sales folks don't get to see all the work done at our administrative offices. Selling Big allows us to show the auction process from all sides."

In 2013 alone, Ritchie Bros. helped more than 43,000 sellers around the world sell equipment, which is not an easy feat. Selling Big featured dozens of these sellers on the show, including Roy Isley of D & J Isley & Sons Contracting Ltd., who sold more than \$8 million of forestry and transportation equipment at the company's unreserved public auction in Grande Prairie, AB in June 2013.

"It was a lot of fun being on the show and I would definitely do it again if I had the chance," said Mr. Isley. "We've been selling with Ritchie Bros. since 1978 as we made adjustments to our fleet based on the different types of equipment we need for the jobs we are working on. The show was a great representation of everything Ritchie Bros. does for their customers, no matter how big or small. In fact, the episodes of the series I liked best were the ones with the "smaller" or first-time sellers—it was

great to see that no matter what the size of the company they always get the same great service from Ritchie Bros."

Unfortunately since the shooting schedule of Selling Big ended in early September 2013, the show's overarching storyline of Ritchie Bros.' \$1 billion Canadian sales goal wasn't able to be closed.

"I can proudly say we achieved back-to-back billion dollar sales records in 2012 and 2013 in Canada," said Mr. Tink. "We were very excited to be involved with the Selling Big television show and I'm very happy with how it all turned out. It was great for current and potential customers to see all the different aspects of how our auctions work and we were glad so many of our customers were willing to be a part of the show."

Selling Big was one of the top two shows on the Cottage Life channel this past fall. The series has since been sold to networks in Australia, Italy and the UK and a special one-hour episode will be appearing in the United States this spring. While Blue Ant has not yet decided if they will go ahead with a second season of Selling Big, things are looking promising—here's hoping.

**ABOUT THE AUTHOR:** Ian Malinski is Corporate Communications Lead at Ritchie Bros. Auctioneers. Selling Big episodes repeat Wednesdays at 10 a/p on Cottage Life. Learn more at [www.CottageLife.com](http://www.CottageLife.com).