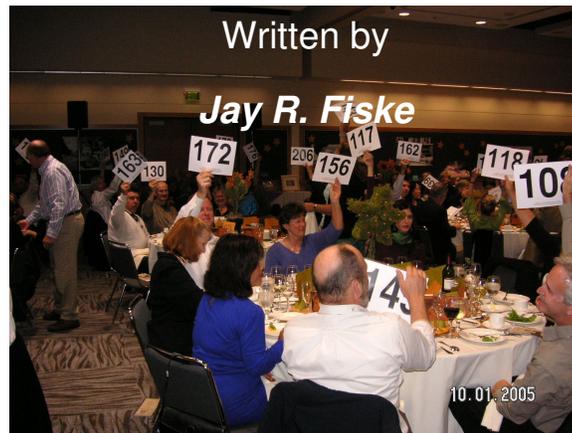


The Top Ten Pitfalls of *Live* Auction Planning

...and How to Fix Them

(Plus a bonus Pitfall at the end)



Presented By

Northwest Benefit Auctions, Inc.

and

Maestrosoft, Inc.

Also Available:

The Top Ten Pitfalls of *Silent* Auction Planning

... and How to Fix Them



The Top Ten Pitfalls of Live Auction Planning

"The Top Ten Pitfalls of Live Auction Planning" was developed as a service to the clients of Northwest Benefit Auctions, Inc. It is being made available to the general public as a resource for auction committees to introduce NWBA, Inc. and the many services we provide for the successful management of charity (benefit) auctions. Since 1993, Northwest Benefit Auctions, Inc. and its sister company, MaestroSoft, Inc. have helped raise over \$2 Billion for a variety of good causes nationwide. We have dedicated our businesses to researching, developing and enhancing the techniques used by the most successful charity auctions. Our business is based on the dissemination of that knowledge to other charities nationwide so they may benefit as well. It is our belief that as auction technology and techniques improve, it is important for that information to be distributed to all who might gain knowledge from it.

It is in this spirit that we offer *"The Top Ten Pitfalls of Live Auction Planning"* to your organization. We invite you to use these techniques, tips and suggestions to improve your event. You may freely share these ideas with others who can benefit as well. We ask only that in the process of sharing, our copyrighted materials not be reproduced in any way, without obtaining our prior written permission. We will be pleased to supply another copy of *"The Top Ten Pitfalls of Live Auction Planning"* to anyone who requests one. Therefore, please provide our telephone number or website address or other contact details to other interested parties so we can forward a copy to them.

We hope you realize greater success from using these tips, and ask you to let us know if they benefited your organization. We look forward to supporting your fundraising event in the future. Please do not hesitate to ask us for assistance with your auction. We are a full-service auction management company that can provide software, forms, systems, consulting, services, and of course, auctioneers for your event. Best wishes for a successful fundraiser.

Sincerely,

Jay R. Fiske

Founder, Northwest Benefit Auctions, Inc.

Co-founder, MaestroSoft, Inc.

800.469.6305

425.688.1110

FAX 425.688.0999

www.auctionhelp.com

www.maestrosoft.com

The Top Ten Pitfalls of Live Auction Planning

1. ***Pitfall: You have a room full of eaters, not bidders***

Problem: There is an old adage (that I made up years ago) that says: A bidder will always eat, but an eater will not always bid. What is meant by this is simply that when you invite a person to a dinner, and then you subject them to an auction, they won't always bid. They thought they were attending a dinner.

Solution: Be honest about the purpose of the dinner. It is OK to let your guests know ahead of time that they are going to be attending a fundraiser. After all, the more they can be prepared to spend money ahead of time, the more likely they are to actual spend it.



Trap: Don't assume that just because the audience is composed of people with money to spend, this alone will translate in to active bidding. People bid for two very important, and absolute MUST reasons: 1) They want to support the cause, and 2) they have a desire for the item being offered. If there is no interest in your cause, that person is an "eater" not a "bidder," regardless of their financial situation. Remember, wealthy people can buy whatever they want whenever they want. You must touch them emotionally with WHY you want them to support your cause before they will part with their money at your event.



Tip: Often you can't control who is attending due to a variety of reasons. Perhaps the auction is part of an awards dinner, or the tables were sold to corporations who then invited whoever they wish. If this is the case, don't set your expectations too high for how much you can make from your Live auction. Instead, have a variety of items with values from modest to high so that you cover the cross section of the potential audience. Don't forget to "sell" your cause in subtle and brief ways such as in a handout, table cards, or a very brief introduction to the WHY they were invited during the opening welcome. Promote your cause and your items ahead of time whenever possible. Send an RSVP acknowledgment to every registered attendee with your web address, and be sure to post the items there along with a brief overview of your cause and why you are holding the auction. Don't assume they will already know.

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2. *Your Live Auction always seems to take too long*

Problem: The audience always complains that the live (oral) auction takes too long. In an effort to fix this, you reduce the number of Live items you sell. When you do, you still get complaints, no matter how few items you sell.

Solution: You are fixing the wrong problem. The problem is not with the QUANTITY of items you are selling, but rather with the narrow *appeal* of the items you are selling. Often the natural tendency is to sell only the most expensive items in the live auction. Many if not most of your audience will not be able to afford the most expensive items, therefore, you have converted your audience in to a room full of “spectators” who are bored watching a few elite folks bid on the very high end items you offer. When they can’t get in the game, they complain that the auction takes too long. What they really mean is “there is nothing for me to do so this is taking too long.” The solution is to be careful that you place items in the auction that will appeal to most of the audience even if that means putting in some lower value items. It is better to have a lower value item nearly everyone wants than a very high value item that perhaps only a handful of people will want or can afford.



Trap: Don’t place items in the live auction for the wrong reasons, such as who donated it or because the value is high. Sometimes there is pressure to include items because a Board Member or very supportive patron donates the item. This is a major mistake! If the item does not have wide appeal all you have done is embarrass the donor when the item does not sell well. Also, don’t assume that just because the item is expensive it is a natural for the live auction. Think about your audience. Is this item one that more than half would have interest in and will at least 10 or more people bid on it? If not, then it is better sold in the silent auction.



Tip: *When deciding on what is best in the live auction, start by preparing a descending dollar report and pick the most expensive items as a starting point. Then work your way down the list and ask yourself the following questions: Will most of the people in the audience want this item? Will more than half the audience be able to afford this item? Will more than 10 people bid on it? Will bidding on this item not embarrass the bidder (for example, tummy tucks and face lifts are expensive, but would an audience bid on these items IN PUBLIC?) Does this item have emotional appeal? If you can’t be positive that the item will yield a yes to these questions, then move it to the silent auction, and promote the next item down the list up to the live auction. Do this on every item you select for the live auction and you will have a room energized with bids and will get few complaints about how long the auction takes.*

3. *You do a great job selling tables, but not so good getting bids*

Problem: Your committee does a great job selling tables to corporate sponsors and you have no problem filling the tables. The trouble is, when it comes to bidding, it is like pulling teeth, getting blood out of a turnip, etc. (see Pitfall #1).

Solution: What you have is a room full of eaters, not bidders. This happens when the audience is filled with people who have not paid to be there. The corporate purchase of the table was a nice donation, but the people attending were asked to attend “the party” because their company, or vendor, bought the table. They have no bond with your cause, and only want to experience the food, fun and frivolity. You need to fill many of the tables with actual bidders, and that means reaching out to people who are more bonded with your cause. It is OK to ask a corporate sponsor if they would like help filling the table they purchased. Often they give away the seats at their table just because they don’t want their name on an empty table. If you offer to fill the table for them they will be relieved in many cases, and then you get to control who sits there. Placing your known bidders at these corporate tables assures you of bidding power in the room, and makes the company look good because their table has active bidders.

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Trap: Don't assume that just because you charge big bucks for the table, the people sitting at those tables have big bucks. You may have people filling those tables wearing borrowed evening dresses and rented tuxedos. What is meant by this is that these folks may not be regular "Gala" goers, but just hard working employees who are being rewarded by the "boss" by being asked to go to the party and sit at the company table. The items you sell in the live auction need to match the audience and if you suspect the room will be filled with people who cannot buy expensive items, then by all means don't fill your live auction with expensive items!



Tip: *Matching the audience to the items and vice versa is essential to get the most out of your live auction. Survey your corporate table sponsors ahead of time to get a sense of who they expect to send to the event on their behalf. It is OK to be forthright with them – after all, they know you are holding a fundraiser and will want to work with you to help maximize your results. For example, it is OK to ask a corporate table sponsor who they plan on inviting (you need the name ahead of time anyway for registration.) When you ask, see if they are part of their management staff, employees or customers. Mention that you want to match the items being sold with the potential audience and you want a sense of at what level the table will be filled. If you suspect your room will be mostly eaters, scale down the value of the Live auction to include lower value items along with the higher value items so there is something for every one to bid on.*

4. Live Auction items always sell for well under value

Problem: The live auction items sell for less than they should and no matter what you do, it is always a shock when something goes for full value. You wish you could find a way to get full price or over value in the live auction.

Solution: This sounds like a buying power mismatch problem. The audience is thinking Wal-mart and you are offering Neiman Marcus. Make sure to promote the "cause" as much as possible. Offer items for bid that will energize the audience. There is no better way to get over value for an item than to have a lot of competition for the item, and that means making sure the items you offer are "hot," emotional, and widely desired. If it feels like shopping, the "bargain hunters" will come out. Items too expensive for your audience will be duds, so keep the value of items reasonable for your expected audience.

Trap: Don't sell your auction as "a great way to shop for items" or say things like "we have some great bargains in the auction." This sets an expectation that bargain hunting is OK and endorsed. Instead, try to sell the concept that "we are all here tonight to support the cause, and it is OK to overpay when it is for our kids (or research, or training, or whatever.) NEVER open the live auction with an expensive item or an item with limited interest. The first item needs to be a lower value barn-burner that will get everyone going. You need to set the example right from the get-go that there is an expectation bidders will be generous.



Tip: *Try to open the auction with a tangible, emotional item that everyone in the room will want and will over-pay for. A good example is a wagon full of toys ("what price can you put on your child's happiness?") or a fresh, hot, home-made apple pie (complete in glass dish, covered with a checkered cloth, in a basket, just like Grandma used to bring on Thanksgiving.) You could start with a dozen roses, a bottle fine champagne and a box of chocolates (the "instant romance" package) or just a rare bottle of wine. Any of these items will go over value and will train the audience that they are at a fundraiser. Also, NEVER place an item in the Live auction for political purposes (i.e., because of who donated it, or because the donor was promised it would be sold there.) ONLY place items in the Live auction that will sell well, and have wide appeal.*

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5. *The audience is too loud and never pays attention*

Problem: You have a very “social” crowd. OK, so they refuse to be quiet and pay attention to the auctioneer. You can never get their attention and wish you could find a way to hush them so the auctioneer could be heard.

Solution: Why fight it? You have invited them to a dinner and seated them at a table with old or perhaps new friends. They want to talk. Let them! You don't need 100% of the audience to pay attention to have a successful auction. You just need 10% of them ON ANY GIVEN ITEM to get the bids going. To do that, you just need a good sound system that allows the auctioneer to be heard over the “din” of the crowd. Those that want to bid will tune-in, those that want to talk can continue to do so. Remember, the “show” is not on the stage, it is in the audience! A quiet crowd is a deadly crowd because they are all looking at the auctioneer and expecting him/her to entertain them. This is not the same as watching a comedian or singer perform after dinner. The auctioneer's job is to get the audience to participate, and that means they need to be comfortable, happy, and smiling. So, let them chat with their tablemates. Then make sure the auctioneer is armed with enough sound power (see Tip below) to cut through the noise and reach those that want to bid on any given item.



Trap: You agree that sound is important so you ask the banquet hall manager if the sound system is ok. “Why of course it is! We have a great sound system here” comes the answer. Sure, if you are hosting a Rotary Club luncheon and listening to a guest speaker. In that case only ONE person is expected to be talking. However, if you have a room with 400 people, 200 of them will be talking at the same time! This is not the same. It is extremely rare for a built in “house sound” system to be adequate for a successful live auction. You must bring in an auxiliary sound system in most cases. If in doubt, ask the banquet manager when the next event similar in size to your event will be, and go there and listen during the auction to see if you can understand all the auctioneer is saying. The cost of a good sound system can be made up quickly on *just one item* in your live auction with increased bidding.



Tip: *You will be convinced that the band's sound system will be adequate for your auction, but don't fall for it. It never is. Look where they place their loud speakers – right in front of the stage, and on the floor. This is great for the people dancing, but for the people in the middle and back of the room, they won't hear anything but noise. Turn the volume up to reach the back of the room and all you have done is blasted the tables in the front. Now you have uncomfortable people in the front of the room, and frustrated people in the back of the room, and the people in the middle could care less because they can't hear anything but noise! Spend a little money and bring in an auxiliary sound system. You want one that will ring the room with speakers (surround sound, and) with the speakers on tall stands, up at least 8 or 9 feet in the air above everyone's ears. A 4- speaker system may be adequate for an audience of 300 people, but for larger rooms and more people you might need 8 or even 12 speakers. The cost is well worth it. An audience that can't hear clearly tunes out, and they don't bid. Save money on decorations or center pieces if you must, but never skimp on good sound!*

6. *By the time dinner is over, no one wants to stay for the Live Auction*

Problem: You conduct your auction after dinner and by that time the audience has “happy feet” and is ready to leave. Even though you want them to stick around for the entire auction, nothing you do will keep them in their seats.

Solution: Why are you conducting the auction AFTER DINNER rather than DURING DINNER? After-dinner auctions are deadly for many reasons, so conduct the auction during dinner. Think about it. On any given item you sell, only a handful of people want that item, so the balance of the audience are spectators. Each item has a different group of spectators. Watching other

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people spend money is boring, so with nothing else to do, the bored head for the doors. By conducting the Live auction during dinner, you entertain the non-bidders by feeding them! No one ever leaves a dinner table until after they are finished eating, so use that to your advantage. A properly timed dinner can be the “glue” to keep audience in their seats. When they want to bid, they will put the fork down and pick up the bid number.



Trap: You think the bidders will stick around if you have a band playing after the auction, or provide some other kind of post auction entertainment. Unless you have a “headliner” level entertainer, this is not true. Not everyone likes to dance, and by the time the meal is over, and the auction is over, many if not most of the guests will be heading for the exits. You may be paying for a band that will be playing to only 10% of your audience. Use the dinner as your auction time, and save money on the band.



Tip: *Choreograph your Live auction like you would a play. Do a timeline for the Live auction, including when the welcome will be made, who is talking, when the main course is being served, how long before the plates are to be cleared, when dessert is to be placed, coffee service and so on. Work with the caterer for typical expected relaxed eating timeframes (the dinner should NOT be rushed, and make sure your caterer knows that dessert is to be served based on the auction item number being sold, NOT a specific time of evening.) Serve the dessert a few items before the major items in the Live auction come up for bid (no one ever gets up from a dessert!) so 100% of the audience is sure to be at their tables when you sell the biggest items. Finally, prepare your live auction items so the values generally follow a bell curve of value, with the most expensive items near the middle of what is sold (see Pitfall #8 below) and time the beginning of the Live so the main course can be consumed, and dessert served just before the most expensive items will be sold. The “sugar rush” from dessert will sustain the audience as you come down the back side of the bell curve (value) of items, and will wear off near the end of the auction – right on time! This is one reason why we don’t recommend the auction be conducted after dinner – the sugar high and low hits too early in the auction.*

7. You Don’t Use Bid Number Cards, or “Paddles”

Problem: You decide that assigning bid numbers, or actually handing a bidder a card with a number on it is way too much trouble. You rely on the auctioneer to interpret hand motion and winks and nods as some kind of a bidding sign. You have been watching way too many movies! These days we don’t buy items in a charity auction like we are ranchers buying cattle. The auctioneer needs to have a positive sign that the person waving their hand in the air is actually trying to make a bid, versus just saying hello to a friend at the next table. Without a positive physical indication that the person really wants to bid on that item, the auctioneer must go much slower, and be more deliberate when he gets around to saying “sold!” This greatly reduces the energy in your auction, and steals valuable selling time from the agenda. You end up going over your time, or have to sell fewer items. Either way, it is costing you MONEY.

Solution: Use only bid numbers for bidding. Give each person a number and track that number to the specific person. Use the same number for both the live and the silent auctions. If you do not want to give the physical bid card/paddle to the bidder during the cocktail party (because they would have to carry it around) then use a label with the bidders name and table number on it, place the label on the bid card and place the bid cards on the tables so when the bidders sit down they have the card for the live auction. The advantage of this system is the guests are much more relaxed and not afraid to make friendly motions during the auction to signal for more coffee, say hello to a friend, or have an animated conversation. Let’s let them loosen up and not be afraid that saying hello might buy them something they really don’t want!



Trap #1: Don’t start your bid numbers with # 1 and go up. This will create one digit, two digit and three digit numbers that will eliminate any opportunity to cross-check whether someone was using all of their number or only the last one or two digits. Use three-digit bid numbers only,

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starting with 101 and assign them alphabetically. If you use single digits to start, people will always ask why so and so “got a better number than I got...” It may have been alphabetically assigned, but Arnold Aardvark will always get #1 and Zoë Zimmerman will get #399. Use three-digit numbers and eliminate this problem.



Tip#1: Avoid trying to assign bid numbers by table. It is error prone and unnecessary. Use a cross-reference list if you must know what bid number belongs at what table. This will allow you to make last minute changes to your table assignments without having to reassign bid numbers, which will ultimately result in accounting errors.



Trap #2: You decide to save money by writing or printing the bid number on the back of the auction catalog. Seems reasonable. The problem - the catalog is now converted to what is neither a very good catalog (it has to remain closed for the bid number to be visible) nor a very good bid card (the number can't be seen if the bidder actually opens the catalog to follow along!)



Tip#2: Use real bid cards. These are available from Northwest Benefit Auctions at a nominal cost. Professional bid cards make you look more organized and are easier for the auctioneer to see. If you must print on the back of the catalog, then instruct the auctioneer to tell the audience to tear off the back cover before the auction begins so the back cover can be used separately from the catalog.



Bonus Tip: Find a local business willing to pay a fee to have their logo printed on the back of the bid card – this generally sells for \$1,000 to \$2,500 and is called a “Bid Card Sponsorship.” Whenever a bidder holds up their card, the audience behind that bidder is seeing the business's logo! It converts the cost for bid cards to a revenue generator. Northwest Benefit Auctions can supply these cards with the sponsor logo pre-printed, or you can order cards with blank backs to print locally.

8. You decide to “Save the best item for last”

Problem: You figure that by saving the best for last everyone will stay in their seats until the last item just to see who ends up bidding on it and winning it. Actually, what you have done is have bidders save up their money hoping to get the best item, and therefore NOT bid as aggressively on the items that come before it! In the end, only one bidder will win that item, and the other bidders go home with money in their pocket they would have spent on items sold earlier.

Solution: Sequence your items so the values, or expected bid range resembles a “bell curve” with lower value items in the early going, and lower value items near the end, and the higher value items near the middle. In this manner the bid activity will ramp up in value until the higher ticket items. Early on the entire audience can afford to bid and as the values grow fewer will be able to be successful bidders. In the middle the “high rollers” can go after the best items, and shortly thereafter the lower value items will bring everyone in to the bidding again. This will keep the auction from feeling too long because at some point everyone in the audience can bid, —early, in the middle or at the end.



Trap #1: You have only expensive items in your Live auction so there is no “best for last” issue. Big mistake. You have doomed your audience to a boring auction. Who wants to sit on the sidelines and watch other people have fun “playing the game?” Think of how bored your kids are in sports when they are on the bench! You have put your entire audience, except for a few, “on the bench.” What you want to do is get everyone in the game, and that means having something for everyone at some point in the Live auction. Complaints about the auction taking too long will go down dramatically when you do this.



Trap #2: You decide to keep the silent auction open until after the live auction just in case someone gets outbid on the Live auction items they want, they can go buy something in the Silent auction after the Live is over. NO!! You are living under a false premise. What people want to buy at 7:00 PM (during the Silent auction) is no longer of interest at 10:00 PM (after the Live

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auction) so all you have done is crashed your cashiering system by not being able to have your Silent auction closed out. Plus, you have given them 3 hours to change their mind about what they want! Too much time to think and analyze a purchase does not work in your favor.



Tip: sell emotional items of lower value early to get the audience tuned in. Examples are things for kids, one of a kind memorabilia, or homemade items. Sell merchandise items generally in the first half of the auction; experiences generally in the second half.

9. You fail to offer the audience an opportunity to make a cash contribution

Problem: You have gone to great lengths to place real bidders in the seats, and because not everyone can be a successful bidder, many who came with a budget to spend go home with that budget still in their pocket. This is a very big lost opportunity, and “steals” money from you that could have been part of your revenue.

Solution: Ask for cash donations! Really. This process is called “Fund an Item,” or “Raise the Paddle,” “Cash Call,” or “Emotional Appeal.” It works every time and is ALWAYS worth an extra 10% to 20% of your auction total, and often can be significantly higher. It is not unusual that a well run “Paddle Raise” will be worth 30%, 40% or even 50% of the total raised from the auction! One auction I conduct each year raises over \$250,000 and nearly ALL OF IT is from the Raise the Paddle! The point is, if you don’t ask for the money, you won’t get it. So ASK for it!



Trap: Don’t try to simplify this process by placing “pledge cards” on the tables and then asking people to fill them out. They won’t, at least not in the quantity they would if asked publicly to raise their bid card at set denominations. This process works best when the auctioneer asks for pledges at specific amounts (starting at the highest and working down to the smallest donation you wish to have) and then reads off the bid numbers at each level, while recorders write down the bid numbers on tally sheets for each level. Typically, you use multiples of the lowest level, so amounts asked for might be \$10,000; \$5,000; \$2,500; \$1250; \$500, \$250 and \$100. Start high and go down, not the other way, and if at all possible be sure to have at least one card ready to go up at the highest level to prime the process for the audience. A board member or regular supporter of your cause can be asked to make the contribution to get it all started.



Tip #1: If possible, tie the amount you are asking for to the cause you are raising money for, and make the cause specific, not for general purposes. For example, you might be looking for money to send kids to camp at a cost of \$500 per kid, so when you are asking for \$10,000 have the auctioneer say “who would like to help send 20 kids to camp?” Then, of course, it is “send 10 kids to camp,” “5 kids to camp,” and so on down the value of the ask. It is best if someone from the organization sets up “the ask” by telling a short story about why you need the money (short is 2 minutes or less) or if possible, have a beneficiary of the money tell his/her story. As an example, if you are raising money for new computers in the school, then have the principal talk about how these computers are going to help streamline the education process, so the kids will learn more and be prepared better for a high tech world.



Tip #2: Size the amount you ask for to the audience’s capability. In some cases starting at \$10,000 as the first level is too high, in other cases it may be way too low. Survey your typical supporters how high they might be willing to go when the auctioneer does the ask, and then see if they would agree to get the ball rolling by being one of the first people to raise their card at that level. Often having one “known card” at a high level will cause several surprise contributors at the same level. Don’t be afraid to ask high. By the way, this process can be worth tens, and sometimes hundreds of thousands of dollars (really!) so this is a good justification for why you want to hire a professional benefit auctioneer (see Pitfall 11 below) who most likely has done this before. This is best not handled by amateurs and could come off very clumsily in the hands of someone lacking sufficient experience in making the audience feel good about giving.

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10. You conduct your auction by candlelight

Problem: Your dinner chair wants a candlelight dinner, with only the soft ambient light of a few votives on each table for illumination. Lovely. Good thing you aren't trying to make any money, because you won't. Auctions by candlelight are as effective as brain surgery by flashlight. The auctioneer needs to be able to see the bidders, and more importantly, see the "body language" exhibited by the potential bidders. A good auctioneer can tell when someone is ready to bid, and it may take only a glance in that direction, eye contact being made, to cause that bidder to put up the bid card. This is an impossible task by candlelight. Further, the audience needs to see the activity around them to get energized to be part of the process.

Solution: Strike a compromise with the dinner chair. Explain that the auction is best conducted in light that allows interaction of the audience and the auctioneer. A good compromise is to have a person stand at one end of the dining area with a bid paddle. Have another person stand at the opposite end of the dining area. Raise the lights until the numbers on the paddle are readable. This is often about 50 to 60% illumination, and is the minimum for an auction.

 **Trap:** Don't get talked in to doing the auction after all of the dinner service is over (salad, main course, dessert.) The audience is too lethargic after all that food has been consumed. The dining experience is what keeps the audience members occupied while they are not bidding. On any given item, perhaps 10% or fewer of the audience will bid on that item. Eating the food is what keeps the other 90% happy. Don't make your audience a room full of spectators by having them sit with no food and nothing to do but watch others bid. BORING! The food is part of the entertainment, and the bidding is done in short breaks in the eating by those who want to bid. **NEWTON'S LAW OF AUCTIONS:** Bodies at rest will remain at rest, bodies in motion remain in motion. Auctions are best when all the bodies (bidders) are "in motion" by eating!!

 **Tip:** If the dinner chair insists on a candlelight dinner, then ask if it is OK to bring up the lights, temporarily, just during the auction after which you will have them lowered back to the pre auction level. Some compromise must be reached in order to make money in the auction. If the dinner chair is unwilling to compromise on the lighting, then ask the dinner chair to write a very big check as a cash contribution to offset your losses in the live auction. This is an attention getter.

11. You "Save Money" by Using A Volunteer Auctioneer

Problem: A true Professional Benefit Auctioneer will charge a fee for service from as little as \$500 up to \$3,500 or more depending on the number of meetings he/she attends and other services provided. Therefore, you decide to save money by getting a volunteer from your organization, or a local Celebrity to be your auctioneer. You will likely pay more in lost bids, irritated bidders, and missed opportunities to maximize revenue than if you paid the fee.

Solution: Hire a professional BENEFIT AUCTIONEER that specializes in charity auctions. Not all auctioneers are the same any more than all doctors are the same or all attorneys. Auctioneers specialize just as other professions do, and for good reason; selling a herd of cows is not the same as selling fine art, or a "unique experience" or a gourmet dinner, or a vacation cruise. Even though you will pay a fee, the cost will always be less than what you will lose in the bidding by placing the sale of your items in the hands of a part time, amateur auctioneer or celebrity.

 **Trap #1:** You decide you want a "real auctioneer" for your gala so you contact a local commercial auction house and, good news, they agree to send someone over to auction off your items for you AT NO CHARGE! Sounds like a good deal. Don't do it. Commercial auctioneers are trained in auction school to donate their services to local charities to build good will in the community where they work and earn their living AS COMMERCIAL AUCTIONEERS. Remember, commercial auctioneers earn their living by LIQUIDATING THINGS QUICKLY at

The Top Ten Pitfalls of Live Auction Planning

whatever price they can get. You do NOT want your auction items LIQUIDATED, you want them MAXIMIZED, and unless the auctioneer you happen to get also does quite a few charity events, you are at risk of having your items gone before you know it, at well below value. You are not looking for a fast talker, you are looking for someone who can present your items in a classy, upscale manner, and keep the audience entertained with some clever and funny banter. He/she understands that the bidders are not regular auction attendees that know the ropes, but will need to be encouraged to be generous, rewarded for their good behavior, and are there generally for the cause, not the items. They will not want to be “pushed” or embarrassed by the auctioneer, or subjected to off color jokes or prodding. The problem is, a “free” auctioneer will generally be the one from the auction house with the least amount of experience, exactly not what your event needs.



Trap #2: You find someone with lots of charity experience AND he/she agrees to do your event at no charge! Still don't do it. Why? Because a volunteer auctioneer has no obligation to show up, show up early, meet with the committee ahead of time, or do things the way you want them done. Insist on paying something, even if it is nominal, so it is clear this is a HIRED SITUATION and get the commitment to perform in writing. Numerous events every year “crash” because the volunteer auctioneer had a conflict at the last minute, or was called out of town for a paying job, or just plain forgot. This does not happen when you engage a professional, and get it in writing, and agree to a fee. Remember, a volunteer auctioneer works for themselves, and paid auctioneer works for YOU!



Tip: When you do find a real professional benefit auctioneer, the best way to find out if they are any good is to ask “what are you doing next Saturday night?” If the answer is “Nothing, what are you doing?” then this is the wrong person! The best benefit auctioneers are booked three to six months in advance, and work nearly every Saturday night, somewhere except for holidays. An auctioneer who can't send you to an auction to check them out in the next month or so is just not working very often. At the very least, these will not be the highest fee auctioneers because they generally get paid on a supply in demand basis. The More you pay, generally the more experienced auctioneer you will get. Always ask for referrals, and always call them and check them out. It is worth the effort.

Summary: Your Live auction can be worth up to two thirds of your revenue. If you can increase the income by eliminating the pitfalls and traps, you will significantly affect your financial performance, and also increase the enjoyment of your guests, and volunteers. Don't try to do it all alone. Hire professionals whenever possible. The cost will always be less than what you will earn back from having your live auction a fun filled, entertaining part of your event. Live auctions should not be something you dread, or that your audience assumes will be boring. Live auctions can be a significant source of income, especially if you employ the “Raise the Paddle” process as outlined above. Without a fun energetic Live auction, you will miss the opportunity to ask for that cash, and that can cost you a very large amount of money.

So, have fun, fix these Pitfalls, and start to make the Live Auction part of the entertainment your audience looks forward to each year!

Notes: