

# Alignment with Client's Objectives

*EquipNet's client alignment policy yields returns where others couldn't*

## Challenge

ChemDesign Corporation recently closed a 27-acre manufacturing campus in Fitchburg, MA. In an effort to liquidate all of their assets, ChemDesign gave limited exclusivity for the sale of their manufacturing equipment to three of the best known equipment dealers, two very well known auctioneer houses, and EquipNet. Each company had 120 days to sell the same inventory.



## Goal Alignment: Vendors vs. Clients

An equipment dealer's main objective is to buy equipment from companies such as ChemDesign for pennies on the dollar, take it into inventory, and sell at a much higher price at some point in the future. This model was in direct conflict with ChemDesign's goals of speed and the maximization of value. On this project, the dealers could not take ownership. Therefore, ChemDesign's equipment was in direct competition in the marketplace with the dealer's stock inventory, which they would obviously earn more money on in a sale.

An auctioneer's model, on the other hand, is to liquidate an entire facility within an event that typically lasts a day or two and as such must employ bottom-up bidding to ensure that every item sells. The result is that the assets are liquidated expeditiously but at a significant discounted value. This too is a direct conflict of interest with the client's objective of maximizing returns.

EquipNet, however, is strictly aligned with the goals of ChemDesign and all of its clients. Because it employs a commissioned-based model, EquipNet's objective is to receive the highest value for the assets regardless of the disposition channel used. In addition, EquipNet's employees are compensated based on client satisfaction. This philosophy ensures the end result is a benefit to both the client and EquipNet.

## EquipNet's Solution

Within weeks of ChemDesign awarding the project to the vendors, EquipNet submitted a complete analysis of the equipment inventory that included pricing, realistic sales cycles, and the various sales channels to be employed. EquipNet then executed a thorough sales and marketing plan based on the aforementioned analysis and began to immediately escort buyers to the site. Consequently, EquipNet's comprehensive inventory and marketing plan, which included the use of EquipNet's cascading sales approach, delivered both the speed and returns that ChemDesign desired.

## Results

By aligning itself with ChemDesign's goals, establishing a comprehensive inventory analysis, and executing on a solid sales and marketing plan, EquipNet sold assets totalling \$365,791 within the 120 day timeframe compared with one dealer selling only one item for \$10,000.

	EquipNet	Other Vendors
Total Value	\$365,791	\$10,000

*"The results speak for themselves. Clearly EquipNet's proactive approach to this project was head and shoulders above the rest. I'd recommend them to anyone looking to maximize returns on their assets."*

John Cote  
VP Operations  
ChemDesign Corporation