

THE CLIENT

Bayer is a global enterprise with core competencies in the fields of health care, agriculture and high-tech polymer materials. As an innovation company, it sets trends in research-intensive areas. Bayer's products and services are designed to benefit people and improve the quality of life. At the same time, the Group aims to create value through innovation, growth and high earning power.

CHALLENGE

Bayer made the decision to sell a facility that was handling their solid dose manufacturing. Once they stopped production, they needed to find a way to liquidate all of the equipment within this building as well as 3 local warehouses in order to move forward with sale of the facility. As a result Bayer engaged EquipNet and requested that EquipNet develop a comprehensive turnkey asset disposition strategy.

The facility which was located in St. Joseph, Missouri housed primarily solid dose production and manufacturing equipment with a small assortment of laboratory instrumentation. The strategy that EquipNet developed served to not only maximize Bayer's returns, but also to provide them with complete clearance prior to their deadline.

SOLUTION

EquipNet started the project by deploying a team of three equipment specialists to the facility in order to complete the inventory. The inventory process took the EquipNet team approximately one week onsite to complete and they wrote up approximately two hundred pieces of equipment.

Following the write up process, all of the assets went through a detailed and thorough appraisal evaluation in order to determine the equipments fair market value.

After the equipment appraisal, the EquipNet marketing team then developed a comprehensive marketing plan that focused on promoting the assets to a segment of buyers within similar industries in order to find the most qualified buyers.



HIGHLIGHTS

ASSETS

Manufacturing building,
three warehouses

TYPE

Solid Dose Production
and Manufacturing, Lab
Equipment

DEADLINE

45 days

REALIZED RETURN

\$425,000

SERVICES

Auctions
Project Management
Equipment Specialists
Logistics
Marketing

EquipNet then implemented their standard cascading sales model which allowed Bayer to focus on maximizing revenues at the beginning of the project and shifting their focus to clearance towards the end.

The initial focus was to sell the higher value items on the EquipNet marketplace which is a negotiated sales channel designed to extract the highest returns. Following this negotiated sales phase, the EquipNet auction team scheduled an online auction geared to generate additional sales and facilitate clearance for the remainder of the assets.

RESULTS

During the initial marketplace sales period, EquipNet sold several high value items which generated sales in excess of \$350,000. The remainder of the inventory was sold through an auction which was held in the first quarter of 2014. In addition to providing facility clearance the auction generated sales in excess of \$85,000.

Throughout the sales process EquipNet ensured that all required paperwork regarding equipment sales were filed so that the facility liquidation was in full compliance with FDA and DEA regulations.

After the auction, EquipNet redeployed another equipment specialist for a period of three weeks to oversee the post sale logistics. EquipNet's presence on site following the auction ensured that the Bayer personnel were not tasked with helping to manage the pickup and oversee the equipment removal process. EquipNet's in-house logistics team worked diligently to ensure that all of the assets were removed from the facility prior to the client's deadline.

During this project, EquipNet was able to successfully meet the client's goals by facilitating clearance in addition to generating sales revenues in excess of \$425,000 and coming in under the estimated project budget. EquipNet successfully developed and implemented a customized compressive turnkey solution that address the client's goals and ultimately left them extremely satisfied with their experience. See testimonial below:

EquipNet provided me with exemplary turnkey performance. From forecasting expected idle equipment sales dollars, to Cataloging equipment, through Marketing activities and finally through shipment coordination at our site, EquipNet delivered as promised.

Jody G.
Bayer Healthcare

QUESTIONS?

For more information regarding EquipNet's Corporate Asset Management Program and other projects like this one, please visit us at EquipNet.com