

# CLIENT COMPENSATION OPTIONS



## STRAIGHT BUY-OUT

**Description:** ABCSI will make an offer to purchase your assets. The number will not change regardless of our actual resell price.

**Pros:**

- ◆ Known purchase price.
- ◆ ABCSI takes care of all removal.
- ◆ Simple to compare offers

**Cons:**

- ◆ ABCSI will not pass on any additional retail revenue that might occur later on.
- ◆ Takes longer to get actual removal started.
- ◆ Given lower priority for individual marketing as we don't have ownership of items.

**When to chose:**

Jobs with 1-2 months lead time.

First experience with ABCSI.

Multiple recovery bidders.

Client has specific asset list or inventory.



## PROFIT SHARING

**Description:** ABCSI will set a percentage of profit sharing with you, our client. After all removal costs are taken out we will split the profits by 50/50, 40/60, etc. depending on the job.

**Pros:**

- ◆ Higher financial return for the client.
- ◆ Enables ABCSI to retail items and pass on those extra profits by using our web-site, direct marketing and Amazon. (We can't do this with the buy-out because we can't sell to end users until we have a right of ownership.)
- ◆ ABCSI takes care of all removal.
- ◆ ABCSI takes a turnkey approach with progress reports and supporting documentation on sales closed. Little need for client involvement.
- ◆ Partner approach to work.
- ◆ Exclusive agreement with ABCSI so we can dedicate individual Product Sales people to getting the best prices.
- ◆ Gets top Marketing priority.

**Cons:**

- ◆ Client won't know return amount until after sale.
- ◆ More difficult to compare competing offers.

**When to chose:**

Jobs needing immediate asset removal.

Worked with ABCSI before.

Jobs with 2 months-1 year lead time.

Client needs assistance identifying assets.

*\*The above options assume a positive job (i.e. your equipment is worth more than all removal costs.)*

## EXAMPLES OF BEST OPTIONS FOR VARIOUS SCENARIOS

### STRAIGHT BUY-OUT

**Example:** Client has never worked with ABCSI before and has a full inventory list with pictures of furniture to be removed in 7 weeks. They are bidding it out to 3 liquidation companies. Asking ABCSI for a specific purchase number will enable the client to compare apples to apples.

### PROFIT SHARING

**Example 1:** Client has an office that needs to be empty in 2 weeks or the landlord will invoke the penalty clause in the lease agreement and charge an extra month's rent. They are unsure of the exact furniture and equipment onsite. Profit Sharing is the best option because ABCSI can get the furniture removed at the same time we work on selling the individual items.

**Example 2:** Client company is relocating their headquarters in 6 months. There are a lot of items including systems furniture, chairs, case goods, computers and phones. Profit sharing is the best option because ABCSI can get the client substantially more recovery as we can retail many of these items. *Retail values are frequently 300-1000% more than liquidated and at least 100-300% more than wholesale.*

**Example 3:** Client has a detailed list of equipment and has worked with ABCSI once before on a job. They trust us to get the best recovery possible and mainly need the equipment out of the way. ABCSI will make a decision based on maximizing the net return and minimize any costs. Possibly we can move it to our warehouse if needed.

### REAL LIFE COMPARISON

ABCSI was asked to bid on a office closure with 90 days prior to the final day on the lease. We had worked with the client in the past but they were bidding out 10 small offices each individually and wanted straight buy-out offers for them separately even though they all had the same furniture. ABCSI provided an offer based on what we could get from various furniture dealers.

<b>Straight Buyout Offer to Client:</b>	<b>\$4,000</b>
<b>Client's returns with Profit Sharing (50/50):</b>	<b><u>\$12,000</u></b>
<b>Profit Difference of</b>	<b><i>\$8,000</i></b>

*Putting America's Assets Back to Work!*