Sales guide

How to sell assets successfully

To choose the best
sales method for your assets



GREENFIELD INDUSTRIAL x Sumborg Invest.

Publisher

Greenfield Industrial GmbH

Rondenbarg 6
22525 Hamburg
Germany

+49 40 2368734-0
info@greenfield-industrial.de

Sumborg Invest GmbH

Alter Kirchenweg 83
24983 Handewitt
Germany

+45 20 26 58 35
info@sumborginvest.de

Contents

The choice of sales method 2

Why companies sell their assets 4

Important factors for successful asset sales 5

Sales methods: Online auctions 6

Sales methods: Online marketplaces 8

Sales methods: Direct sales 10

Sales methods: Sale back to the manufacturer 12

Sales methods: Rental (construction machinery) 14

The sales methods in comparison 16

Greenfield Industrial x Sumborg Invest. 18

The choice of sales method



The choice of the optimal sales method depends largely on the type of assets for sale. The best possible sale is influenced by how well the chosen method matches the specific requirements of the assets and the seller‘s objectives. Through thorough planning and consideration of all relevant factors, sellers can ensure that they maximise the proceeds from the sale process. The decision on which sales channel to use not only influences the entire sales process, but also has a direct impact on the success and efficiency of the transaction.

A differentiated approach is required in order to take appropriate account of the specific characteristics of different assets.

In the case of tangible assets such as machinery and vehicles, a more detailed look at the physical characteristics and current condition of these assets is crucial. Factors such as age, maintenance history and any defects play a role here. Where are the assets located? Are they freestanding, already dismantled and stored, or possibly installed? This information not only influences the potential market value, but also the strategy for the sale.



In contrast, intangible assets such as intellectual property or licences require a specific approach. Here the focus is on the intellectual value and the legal framework. The sales process can be more complex as it involves communicating the strategic importance and benefits of these intangible assets to potential buyers. Individual contract negotiations or specialised platforms may be required for the sale of such rights.

The choice of sales method must therefore be made carefully and tailored to the specific characteristics of the assets. A detailed understanding of the current markets in which these assets are traded is essential. Timing, current market conditions and potential buyers also play an important role.

In this guide, you will learn more about the pros and cons of some of the most popular sales methods for corporate assets and how to make the best choice for your individual situation.

Why companies sell their assets

The decision to sell assets is a strategic step that companies consider at various stages of their development. The question of why assets should be sold in the first place takes a look at the many reasons that justify this business practice.



Immediate financial resources & liquidity

The sale of assets enables companies to generate immediate cash. This is of particular importance in situations where money is urgently needed, whether to cover ongoing operating costs or to fulfil other financial obligations. The rapid availability of funds supports the continuity of business operations and increases liquidity without having to take on additional liabilities. This is particularly advantageous for overcoming financial bottlenecks and ensuring financial stability.

Focusing on the core business

The sale of assets enables companies to focus their resources and attention on their core business. Instead of spending time and energy on raising capital or managing receivables, companies can concentrate on their strategic business areas.

Fast processing

The sale of assets can usually be processed quickly. This rapid processing is particularly important in situations where either immediate financial resources are required to maintain business processes or to create storage capacity.

Better capital utilisation

The capital released from the sale of assets can be utilised more efficiently to invest in growth-promoting projects or take advantage of business opportunities. Optimised capital utilisation contributes to the sustainable development of the company.

New scope for action

The sale of assets that are no longer required offers companies the flexibility to act as required in order to convert dead capital into fresh liquidity.

Important factors for successful asset sales

- **Type of assets**

Which assets are to be sold has a significant influence on the choice of selling method. For example, tangible assets such as machinery or vehicles may require a different approach than intangible assets such as intellectual property or licences.

- **Target group**

Identifying the target group is a key factor. Depending on whether the potential buyers are end consumers, companies or specialised investors, the sales strategy can vary considerably. The needs and preferences of the target group should be taken into account when deciding on a sales method.

- **Market situation**

The current market situation and economic conditions play a crucial role in the choice of sales method. In a highly competitive buyer's market, an auction could potentially achieve the best value, while for assets with a specific unique selling proposition, alternative approaches need to be considered to make informed decisions.

- **Evaluation of pros and cons**

Sellers should be aware that each selling method has its pros and cons. For example, an auction may result in competitive prices, but there is a risk that the final sale price may be lower than expected. Other methods such as direct sales or negotiations can offer more control, but the process may take longer and not offer enough transparency.

- **Full understanding**

A comprehensive understanding of the chosen sales method is crucial. This includes knowledge of the associated costs, legal aspects and administrative requirements. A clear overview of the entire process enables clients to make informed decisions.

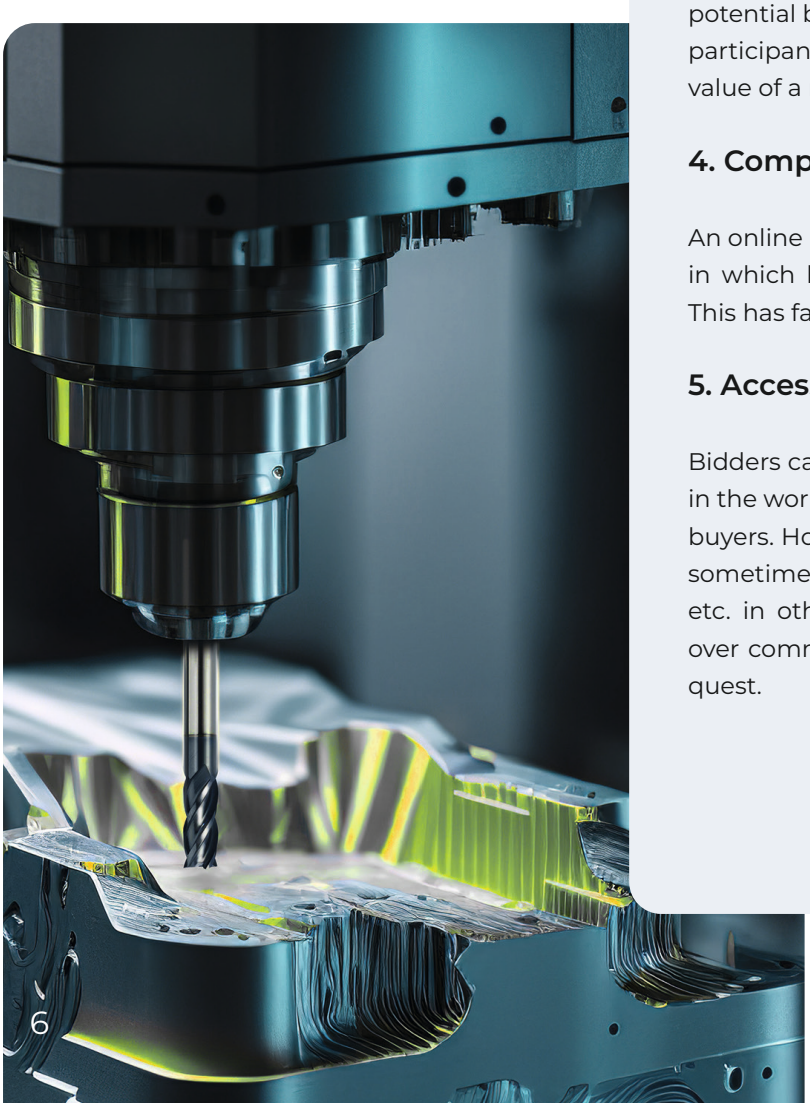
- **Steps towards realising value**

Sellers should take appropriate steps to realise the best possible value from the sale proceeds. This may include optimising the assets before the sale, marketing them effectively during the sales process and ensuring that all legal aspects are handled correctly.

Sales methods

Online auctions

In an increasingly digitalised business world, the sale of assets via online auctions is rapidly gaining in importance. This innovative and dynamic method not only enables companies to sell their assets internationally, but also modernises the traditional sales process.



1. Market reach

Thanks to the already established market reach, online auction platforms enable sellers to make their industrial machinery accessible to an international audience, which significantly expands the potential buyer base.

2. Planning reliability

The sales process via online auctions is usually scheduled. Sellers can schedule the sale of the machine and quickly create liquidity or space.

3. Transparent pricing

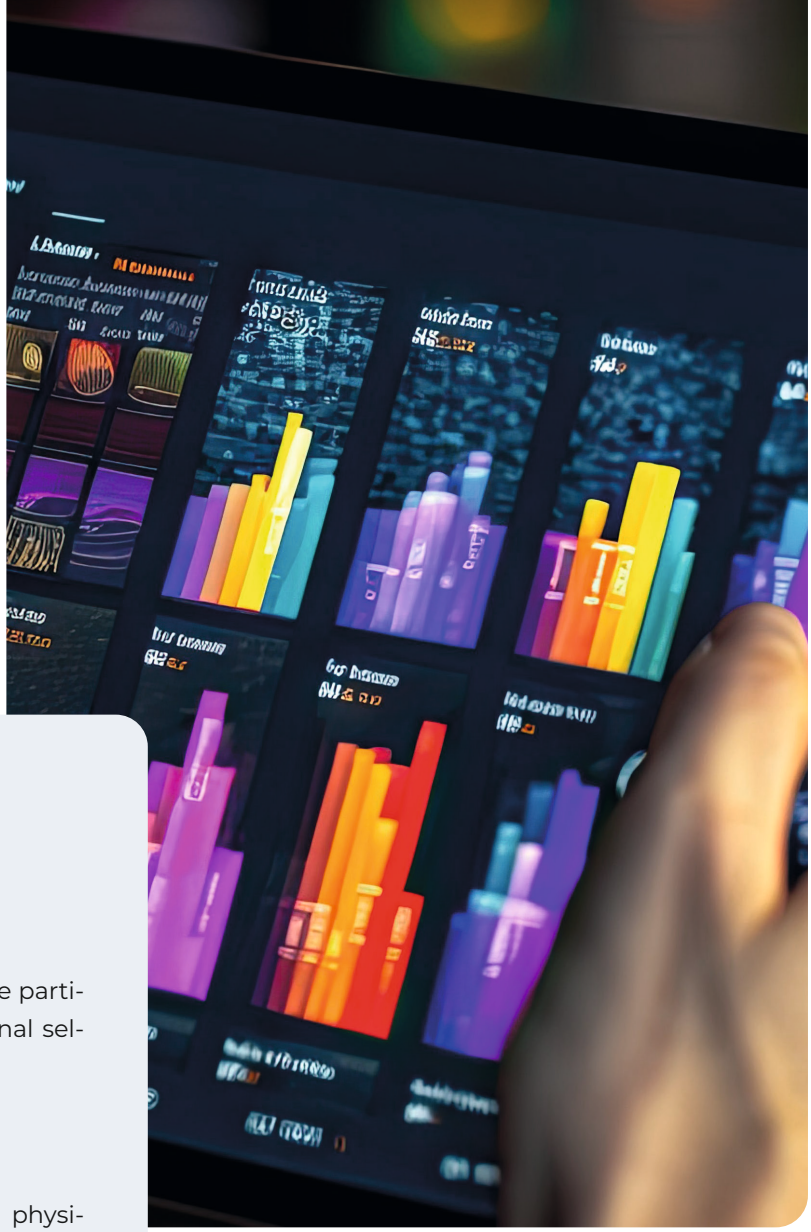
The auction platforms offer transparent pricing, as potential buyers react in real time to the bids of other participants. The highest bids usually indicate the real value of a machine that the market is willing to pay.

4. Competitive prices

An online auction creates a competitive environment in which buyers endeavour to make the best offer. This has favourable effects for the seller.

5. Accessibility

Bidders can take part in the auctions from anywhere in the world, which increases the potential number of buyers. However, this also makes it necessary to hold sometimes complex discussions about machine data etc. in other languages. Auction houses often take over communication with the potential buyer on request.



1. Final price

As the final price depends on the bids of the participants, the seller is uncertain about the final selling price.

2. Inspection

Buyers may have limited opportunities to physically inspect the machines before purchase, which can lead to confusion about the condition.

3. Limited face-to-face interaction

Compared to traditional sales methods, online auctions lack personal interaction, which can lead to a certain distance between buyer and seller.

Conclusion

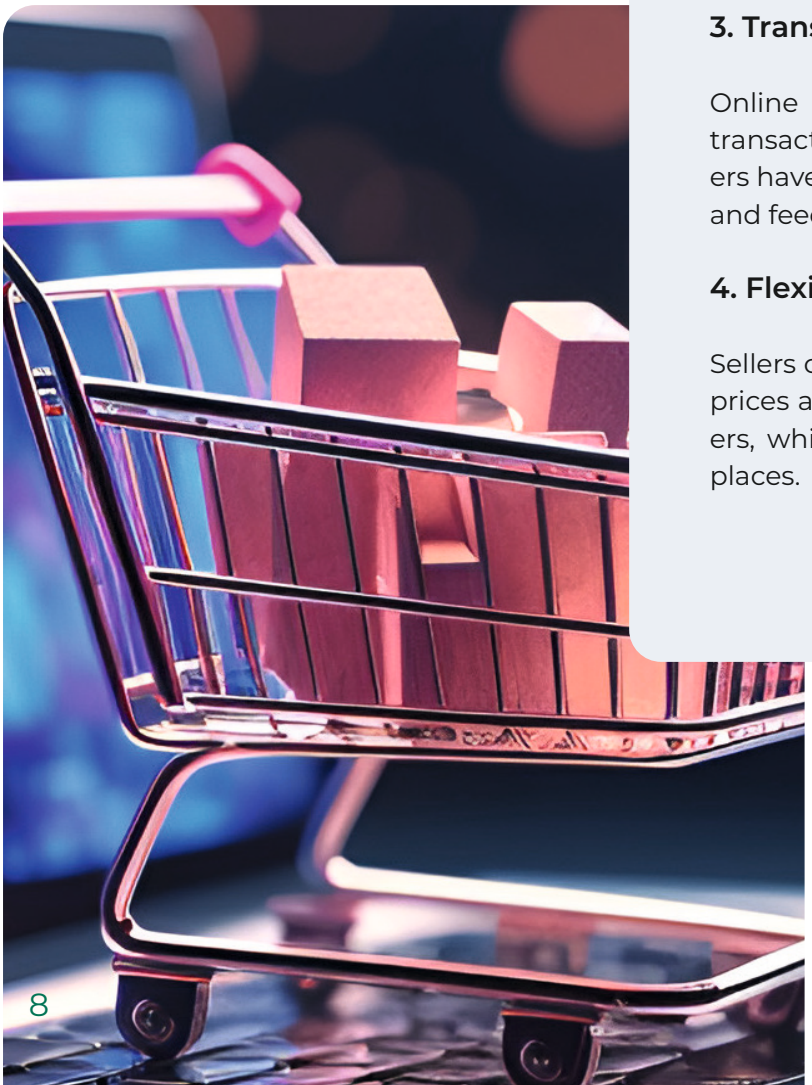
Selling industrial machinery through online auctions undoubtedly offers many advantages, including international access to the market and efficient transaction processes. Nevertheless, the decision to sell assets through an auction should be based on a careful consideration of the circumstances and the type of assets. The choice of the appropriate auction house should ensure that the auction process is conducted properly to achieve the best results for the seller.

Sales methods

Online marketplaces

The sale of industrial machinery via online marketplaces has become increasingly important in recent years. Companies that want to renew their machine inventory or decommission old machines are increasingly utilising modern digital options.

By using the relevant marketplaces, transactions can be processed faster and more efficiently, which can lead to an accelerated utilisation of industrial equipment.



1. Market reach

Online marketplaces offer a broad reach and enable sellers to make their industrial machinery accessible to a large audience worldwide.

2. Easy access for buyers

Potential buyers have easy access to a wide range of industrial machinery on online marketplaces, which facilitates the search and comparison process.

3. Transparent transactions

Online marketplaces often offer transparent transaction processes where sellers and buyers have the opportunity to exchange reviews and feedback, which can increase trust.

4. Flexible pricing

Sellers often have the flexibility to adjust their prices and make special offers to attract buyers, which is easier to do on online marketplaces.



1. Competitive pressure on prices

Intense competition leads to an oversupply of identical or similar machines and equipment. This can lead to increased price pressure and thus have a negative impact on the profitability of sales

2. Lack of planning reliability

Selling via online marketplaces can be time-consuming, as there is usually no scheduled time for the sale. Sellers cannot expect sales proceeds in the short term or plan with cleared business premises.

3. Quality control and inspection difficulties

Buyers may have difficulty physically inspecting the machines, which can lead to uncertainty about their condition.

4. Fees and commissions

The use of online marketplaces can be associated with fees and commissions that can affect the profitability of the sale.

5. Communication difficulties

Communication between buyers and sellers often takes place digitally, which can lead to misunderstandings. Clear communication is therefore crucial to avoid uncertainties.

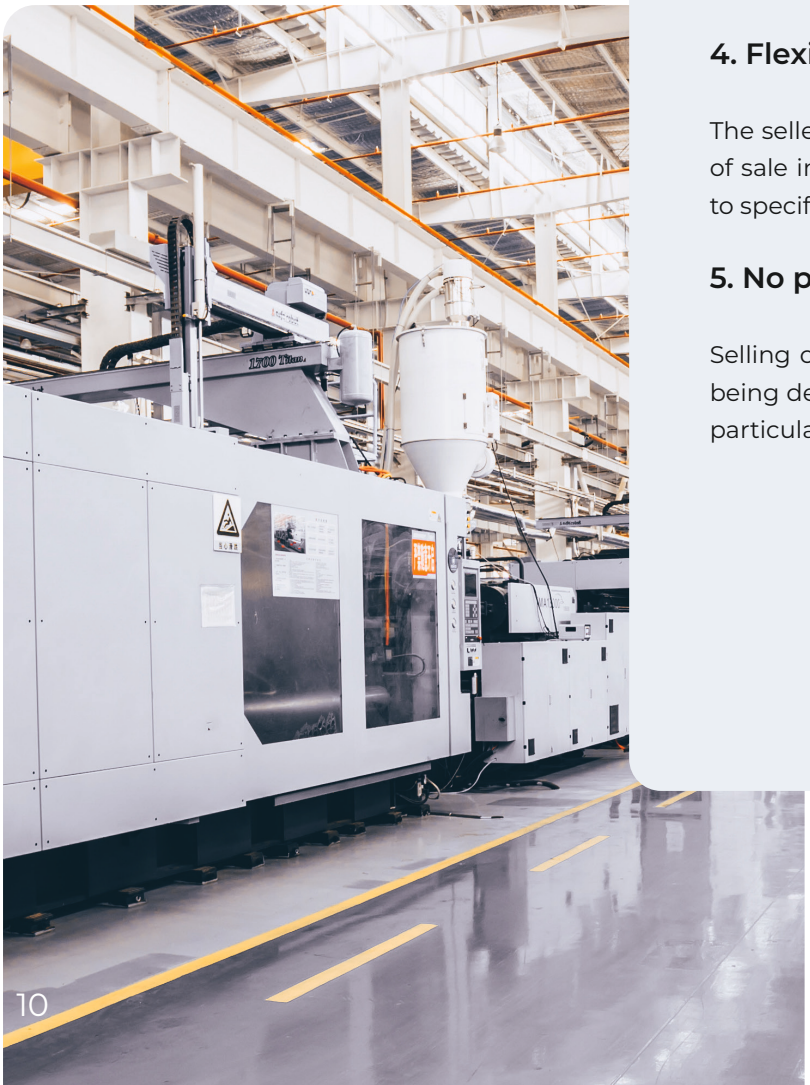
Conclusion

Online marketplaces can be a good alternative to selling industrial machinery, but there are some challenges to consider. An oversupply of identical and similar machines can lead to price pressure, which can have a negative impact on profitability. The lack of planning certainty due to irregular sales dates makes precise business planning difficult. The difficulties in physically inspecting the machines can cause uncertainty about their condition. In addition, fees and commissions associated with the use of online marketplaces can affect profitability.

Sales methods

Direct sales

Direct sales of used industrial machinery have become a strategically important option for companies wishing to sell their equipment efficiently. This form of sales makes it possible to bypass distribution channels with intermediaries and sell directly to potential buyers. Direct selling offers a number of advantages, from greater control over the sales process to maximising profits by avoiding intermediary fees.



1. Complete control over the sales process

The seller retains full control over the entire sales process, from setting the price and negotiating to selecting the buyer.

2. Maximising profit

Without intermediaries or platform fees, the seller has the opportunity to set the selling price to maximise profit.

3. Direct communication with potential buyers

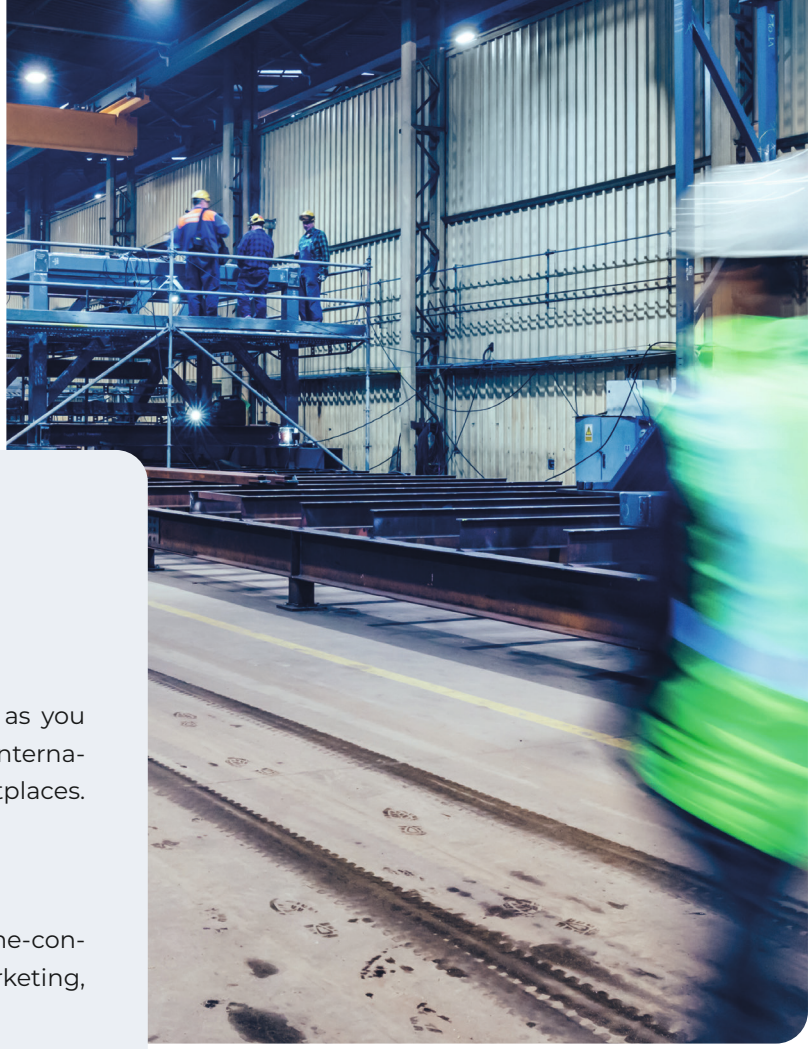
The seller can communicate directly with potential buyers, which offers the opportunity to answer questions and build trust.

4. Flexibility in negotiations

The seller has the freedom to negotiate the terms of sale individually with the buyer and to respond to specific requirements.

5. No platform dependency

Selling outside of online marketplaces means not being dependent on the rules and restrictions of a particular platform.



1. Limited market reach

Selling on your own can limit your reach, as you don‘t automatically have access to a broad, international audience like you do on online marketplaces.

2. Time-consuming process

Selling without a buyer network can be time-consuming, especially when it comes to marketing, negotiating and contract fulfilment.

3. Lack of expertise in sales

Without experience in selling industrial machinery, the salesperson may have difficulty applying the best sales strategies.

4. Lack of marketing resources

Selling on your own may require more effort in marketing to ensure that the machines get the attention of potential buyers.

Conclusion

To summarise, direct sales offer an attractive opportunity to sell used industrial machinery, provided that the challenges are carefully assessed and overcome. Direct communication with potential buyers builds trust and allows the terms of sale to be customised. However, limited reach can restrict access to a broad buyer market. The time-consuming process requires additional resources and can cause delays. A lack of sales expertise and marketing resources could further reduce the effectiveness of direct sales.

Sales methods

Sale back to the manufacturer

Another option in the area of selling equipment and machines is to sell them back to the machine manufacturer. The focus of this concept is on the seamless return of systems and the potential restoration of a close business relationship.

1. Expertise of the manufacturer

The manufacturer usually has detailed knowledge of its own machines, which can enable an accurate assessment of the condition and demand in the market.

2. Return guarantees and conditions

Manufacturers may offer clear return guarantees and conditions, which can create security and transparency for the seller.

3. Promoting customer relationships

Selling back to the manufacturer can strengthen the customer relationship, as the manufacturer supports the customer in updating to newer models.





1. Lower buyback price

The manufacturer's buyback price could be lower than the market value, as the manufacturer has to take into account its profit margins and costs, e.g. for overhauling and recertifying the machine.

2. Limited room for negotiation

When selling back to the manufacturer, there may be less room for negotiation compared to sales to third parties.

3. Restriction to certain models or series

Manufacturers could only buy back certain marketable models or series, which could limit the option to sell other or older machines.

4. Limited flexibility

Selling back to the manufacturer could lead to a certain restriction of flexibility, especially when it comes to alternative marketing options.

Conclusion

Take-back guarantees create security and the promotion of customer relationships strengthens the business relationship. Nevertheless, the disadvantages of this marketing method should also be taken into account. A lower buyback price could reduce the financial incentive. Limited room for negotiation and model restrictions could limit flexibility. The limited availability of buyback programmes could ultimately prevent the use of this option altogether.

Sales methods

Rental (construction machinery)

Finally, the strategy of renting, especially construction machinery, can also be considered in order to create financial flexibility. Companies have the option of renting out machines to third parties and retaining ownership of the assets in this way in order to re-integrate them into production planning at a later date or to sell them permanently in order to generate liquidity in the short term.

1. Short-term revenue

The rental of construction machinery enables short-term recurring revenue.

2. Retention of property

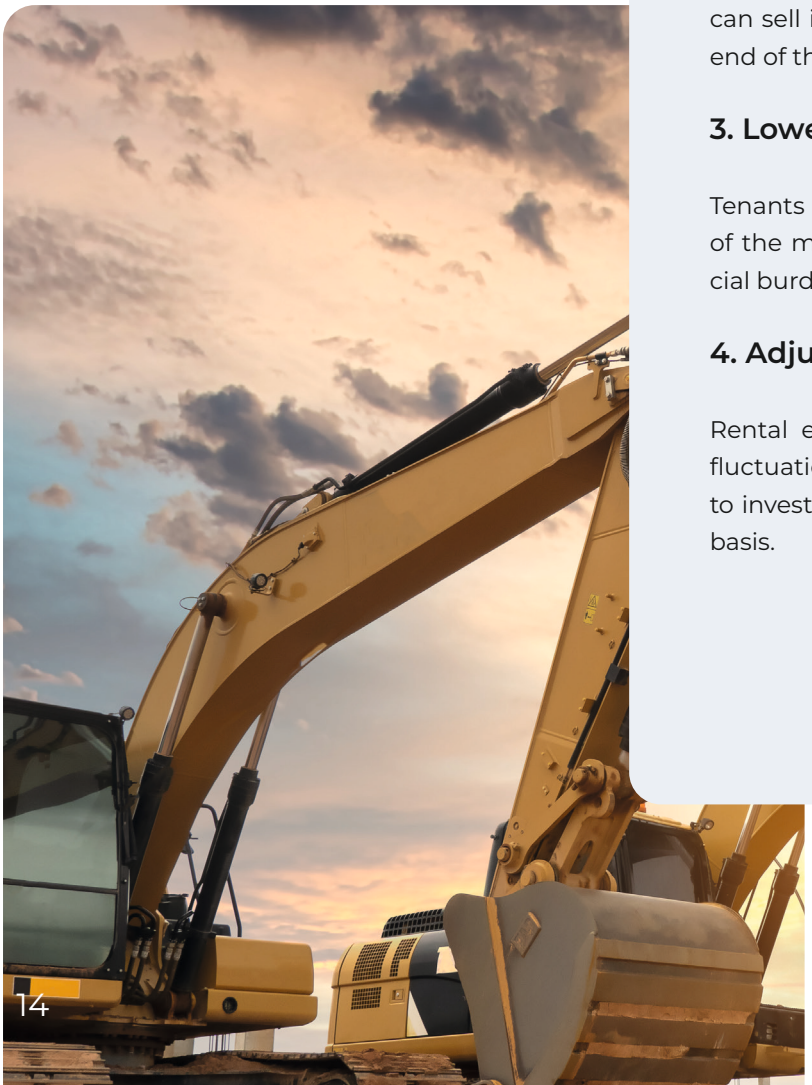
The owner retains ownership of the machine and can sell it on or use it for other purposes after the end of the hire period.

3. Lower financial burden for tenants

Tenants do not have to pay the full purchase price of the machine and therefore have a lower financial burden.

4. Adjustment to seasonal demand

Rental enables companies to adapt to seasonal fluctuations or short-term projects without having to invest in expensive equipment on a permanent basis.





1. Long-term costs for the owner

Although income is generated in the short term, the long-term costs for maintenance and servicing can increase for the owner.

2. Limited long-term revenue

Compared to selling, renting may generate less income for the owner in the long term.

3. Wear and tear

Rented machines may be subject to a higher degree of wear and tear, which can result in additional maintenance and repair costs.

4. Reach and market demand

The demand for rental can be influenced by economic conditions and industry trends, which can lead to uncertainties. In addition, the tenant for a machine must first be found.

5. Limited control over use

The owner has limited control over how the machine is used and must trust that the tenant will maintain and use it appropriately.

Conclusion

The rental of construction machinery offers a double dynamic of regular cash flow and long-term strategic considerations. The short-term generation of recurring income and the maintenance of the property are clear advantages for the owner.

However, long-term maintenance costs can put a strain on short-term income for the owner. The wear and tear of rented machines and the uncertainties in market demand pose additional challenges. Furthermore, renting comes with limited control over the use of the machines. Overall, the decision to rent requires careful consideration of the short-term cash benefits and the long-term impact on the financial health of the business.

The sales methods in comparison



When looking for the optimum sales method for industrial machinery, companies are usually faced with very individual questions. Does the sale need to take place as quickly as possible and should it not affect day-to-day business? Are proven processes known to ensure that your sale is carried out as efficiently as possible? Can an existing network of buyers be accessed or do potential buyers have to be identified first?

Tasks such as valuation, marketing and customer communication form a solid basis for a successful sale. Can the company provide sufficient capacity and resources to carry out these tasks itself or do you rely on the support of experts in the marketing of used machines so that you can continue to concentrate on your day-to-day business? In addition, financial considerations also play a decisive role. Short-term liquidity needs as well as long-term financial implications should be taken into account when choosing the sales method.

Basically, it can be said that companies have specific needs. These needs determine which goals should be achieved through the sale of assets in order to be able to speak of successful asset sale. The choice of sales method should therefore be based on these needs.

Assets that generate value. Bid on more than just used machinery.

Online auctions for industrial professionals.

GREENFIELD AUCTIONS

www.greenfield-auctions.com



Greenfield Auctions

Proven Expert

Customer reviews

EXCELLENT

95% Recommendations

Greenfield Industrial x Sumborg Invest.

Your partners for the successful and efficient sale of business assets

We understand that the success of a project goes far beyond mere trading. That is why we not only offer a standardised service, but also go one step further: a partnership designed to focus on customer- and project-orientated processing. Every project is realised efficiently, reliably and transparently from start to finish.

Our expertise covers the entire value chain, from the precise valuation and inventory of your assets to careful and optimal sales and project management.

Our aim is to ensure that our clients can realise the maximum return from their assets. We place particular emphasis on customised solutions that meet the specific requirements of each client.

This is particularly beneficial for our customers and partners within insolvency.

We cover both the purchase of large batches of goods, entire machinery parks, and factory closures, among other things. We also own the auction platform „Greenfield Auctions“ and have strategic ownership/partnership with the large German real estate group Thelen Gruppe.

Sumborg Invest GmbH and Greenfield Industrial GmbH have entered a strategic partnership that grants Sumborg Invest exclusivity throughout Scandinavia.



Our 360°-Full Service



Inventory
Our comprehensive inventory and property description ensures that every detail of your fixed and current assets to be marketed is recorded.

Auction
With our professional auction process, we offer an efficient platform for trading industrial goods. Our auctions are transparent, fair and create an optimal market value for your assets.

Customer- and project-orientated processing
Our services are geared towards meeting the needs of our customers individually and reliably. We offer swift and project-orientated processing and ensure that every project is implemented successfully and efficiently.

Fixed contact person
With us, you will be assigned a dedicated contact person who will guide you through the entire process and be available to answer all your questions and concerns.

Quick payment
Once the transaction has been successfully completed, we ensure that the proceeds are paid out quickly in order to handle the financial aspects efficiently.

Individual arrangements
We attach great importance to individual agreements to ensure that our services are tailored precisely to your requirements.

Expertise
Our experts have in-depth knowledge of the industrial market and offer customised solutions for your specific requirements.

Confidentiality and integrity
We always act with the utmost integrity and guarantee our customers absolute confidentiality in all phases of the business process.

Greenfield Industrial x Sumborg Invest.

Acting properly in challenging times: You can rely on our services

Greenfield Industrial and Sumoborg Invest. help your organisation to make the sale of your assets as efficient and straightforward as possible. We support you with both direct sales and contract sales via online auctions on our own auction platform.

With our many years of experience and a dedicated team, we always endeavour to create added value for you. Get in touch and let's talk about the options that will help you best.

Your personal contact:



Jørgen Sumborg

jorgen@sumborg.dk
+45 20 26 58 35



Joakim Sumborg

joakim@sumborginvest.de
+45 20 97 06 46



Erik Sumborg

erik@sumborginvest.de
+45 40 86 80 49

GREENFIELD INDUSTRIAL x Sumborg Invest.

Greenfield Industrial GmbH

Rondenbarg 6
22525 Hamburg
Germany

+49 40 2368734-0
info@greenfield-industrial.de

Sumborg Invest GmbH

Alter Kirchenweg 83
24983 Handewitt
Germany

+45 20 26 58 35
info@sumborginvest.de

www.greenfield-industrial.de