



DAAN

Insolvency Practice & Online Auctioning: a logical partnership

23-04-2010

Daan Auctions – presentation by kind invitation from GGI
Restructuring & Insolvency Practice Group, Madrid, April 2010

Introduction

- In The Netherlands approximately 75% of insolvency practitioners use online auctioning for asset disposal.
- The Dutch market has a leaning towards transparency in insolvency practice – compatible with online auctioning
- DAAN has spent almost 7 years growing into one of the leading auction sites and insolvency advisors in The Benelux. In the last 2 years in particular, the name has become synonymous with professionalism and service in the industry.
- Having started in Belgium in 2008, continuing with Ireland in late 2009, currently running feasibility studies in The UK, Scandinavia and Germany, DAAN has been presented with a not-to-be-missed opportunity to converse with the professionals of European insolvency practice today.

Agenda

- A. Why online auctioning?
 - The challenges
 - The principles
 - The synergies
- B. How does it work – in our experience?
 - The process
- C. Why DAAN
 - The background
 - The approach & service



A. Why online auctioning...

A. The current challenges

What are the most common challenges the insolvency practitioner is faced with across Europe?

- Overworked in current climate!
- Speed is generally key (for initial asset disposal)
- Some countries cannot cope with pressure on legal system, laws are even being changed
- Cross border expertise often needed
- Media attention often increases pressure
- Fraud more of an issue than ever – clean image is key
- Pressure from creditors is increasing
- Confidential info management, data/asset storage and disposal – all demanding expertise from the individual practitioner
- Apparent lack of assets/value
- The role of the bank

A. Options for asset disposal

1. Familiar group of contacts/buyers
2. Public/forced sale or auction
 - No transparency or traceability
 - Possible high cost of sales/notification
 - Access to buyers limited (dependent on a physical presence)
 - Turn around can be slower than necessary
 - Probable high costs of storage and logistics
 - Returns not maximised (limited competition to drive prices)
3. Online auction
4. Bank is secured creditor

A. Using online auctioning

- Online auctioning is just a means to an end – the initial advantage is early involvement in the process
 - Valuation – a quick means of buying in expertise in order to make a decision on the next step
 - Pre-liquidation - full stock taking services for quick cash conversion
 - For reorganisation of enterprises, asset disposal is equally important
 - Ownership claims – sorting out returns, what belongs to which creditors
- Online nature of the business means:
 - Little or no transport/storage costs
 - A very wide audience – no location dependency
 - Low marketing costs
 - Maximum returns through competitive buying; attention to detail ensures confidence and loyalty from buyers
 - Maximum returns through sale to end user (no middle man)

A. Synergies

- GGI consist of 4 basic groups: Accountants, lawyers, auditors and consultants
- In insolvency practice, the 'auction specialist' is also an indispensable consultant in the process
- We fill the gaps
 - Expertise in valuation and sale of huge number of goods and products
 - Speed where necessary
 - Transparency for all parties, that no other service can offer
 - Full service: premise clearance, data management, etc.
- Act as a third party that can jointly serve needs of banks and liquidators where applicable



B. How it works...

B. The auction process

Although this varies from one auction company to the other, and also depends on the project, the basic workflow remains similar:

- Week 1 Auction planning, preparation, valuation. From this point onwards the process can be taken out of the hands of the insolvency practitioner (if so desired)
- Week 2 Stock taking, data processing, online launch
- Week 2-3 Online activity including marketing (approx 10 days)
- Week 4 Preparation for collection day & shipping, while awaiting receipt of buyer's payments
- Week 5 Escrow payment control / Collection day
- Week 5-6 Additional services on request (premise clearance etc)
- Week 6 Final settlement of accounts, project closed



C. Why DAAN...?

C. Quick Background

- 7 years of dedicated evaluation and online auctioning experience
- Despite strong competition from *traditional-to-online* auction companies, DAAN remains the fastest growing auction company in The Netherlands running 600 auction projects a year
- Provides you an average of 9.500 unique visitors daily (companies as well as private buyers)
- Efficient: 20-plus auctions online at any one time, containing more than 3,000 lots – creates maximum opportunity for cross-selling
- More than 90,000 members across various European countries
- Reference database: Almost 400,000 items sold online to-date
- Complete autonomy: Privately developed/owned auction software including integrated shipping/ financial/CRM modules
- Accountants & Auditors: respected GGI member De Keijzer Nipius & Co N.V.

Daanauctions: Auctions | Valuations | Online auctions ...

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Welcome to DaanAuctions.com

DaanAuctions.com is a dedicated specialist in the world of online auctioning working on behalf of banks, liquidators, lease companies, removal companies and various other organisations to turn assets to cash with immediate results.

Not all our auctions are translated into English. It depends on the suitability for the given market. Should you have any questions please do not hesitate to contact our customer services team: [query for DAAN](#)

Currently DaanAuctions.com has **6503** lots on offer in **23** different auctions. To date Daan Auctions has auctioned off **381389** lots. Search the site by browsing through our [categories](#) on the left hand side, or by clicking on the tab labelled [auctions](#).

Auctions Show auctions in:

Home & Garden Pleasure Village B.V.- Decoratie >

Close	28-4-2010 19:00 CET	On behalf of a third party we are auctioning off the complete home décor stock of Home & Pleasure Garden Village BV. The items to be auctioned include large mirrors, chandeliers, artificial flowers an...
Location	DEURNE	
Country	NL	
Lots	593	

Home & Garden Pleasure Village B.V. - Glassware >

Close	28-4-2010 19:30 CET	On behalf of a third party we are auctioning off the full stock of glassware from the liquidated company, Home & Pleasure Garden Village BV. The items to be auctioned include Glass Sets of Royal
Location	DEURNE	

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Automatic sign in

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Hot Items:

Phones, SIEMENS, type gigaset SL37H, 2 pcs.



Current Bid: € 35

990 glassware items, ROYAL LEERDAM & LIBBEY.



Current Bid: € 100

Football, PRO-TOUCH, Size: 33, Model: Chelsea RS JR.

C. Maximised service

- **Marketing campaign** - weekly auction newsletter, weekly category alerts, local and national media marketing, online forums, online ads, etc.
- **Clear, user-friendly website** - available in a growing number of languages and adapted to facilitate purchase and export over any border - generates more than 30,000 bids per month.
- **Full traceability & transparency** – all bid and buy activities are recorded in the members personal profile. At the same time all bids related to a specific auction are recorded and visible for the seller (liquidator). These type of features provides full, real-time transparency for all parties.
- **Best in Class** - DAAN's striving professionalism compliments the image of any seller in the market. Annual training, for example, in basic insolvency laws is compulsory for all employees.
- **Minimised risk** - no cure no pay, third party payments through secure funds (escrow a/c)

C. The Extras...One-stop shop

- Valuation service
- Transportation & logistics (seller and buyer)
- Security of goods/location
- Premises clearance
- Debt collection
- Computer data cleaning/erasing (approved BLANCCO® partner)
- Digital or physical data/document storage
- URL management (sale by auction, ownership transfer, etc)

Conclusion...

- Maximum returns
- Maximum efficiency
- Maximum transparency
- Fast.... Efficient.... Reliable



The logo for DAAN, with 'DA' in white on a dark blue background and 'AN' in white on an orange background.

DAAN

- Thank you -

We would very much welcome contact with insolvency professionals who wish to know more about our services and/or our plans for their own country or region.

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Vision DAAN Group

*To become the **indisputable leader** in online auctioning in a number European countries*

*To do so by focusing on specific market segments and carrying out all activities as a **professional market-orientated** organisation*

*To initialize and drive new levels of **professionalism and scalability** in the European auction & insolvency market*

*To **expand internationally** through both organic growth and acquisitions*

Mission DAAN Group

DAAN strives to provide extensive services for asset conversion in order to generate maximum turnover for suppliers while through operational excellence providing all related services to the professional or personal buyer