



1-800-FLOWERS.COM used SAS® software to generate \$40 million in revenue

▶ FIND OUT HOW



Government Auctions Grow Up

In the mood for a bargain? Check out the action on auction sites specializing in government surplus property. There are things here you'll never see on eBay.

By Karen Schwartz, [InformationWeek](#)

Dec. 22, 2003

URL: <http://www.informationweek.com/story/showArticle.jhtml?articleID=16700550>

In the market for a nearly new power boat? How about 20 acres in New Mexico or a Rolex wristwatch? Or perhaps you're interested in 10 cartons of Chinese medicinal sliced orchid stems or a slightly used strip club in Baltimore. All of these items, and thousands more, are available for purchase at a growing number of Web-based auction sites specializing in government surplus, seized, abandoned, and forfeited products and property.

Government auctions of the "Going, Going, Gone" variety have been around for years, and many still flourish. But the growing use of the Internet as an auction medium, combined with general dissatisfaction at the travel, expense, and effort involved in staging and attending land-based auctions, has led to the growth of the government Web-auction model.

Government agencies of all types, from the U.S. Treasury and U.S. Marshals Service to individual counties, have come to rely on private government auction sites as an efficient way to dispose of billions of dollars of equipment and property quickly, with higher returns than they could realize by selling on their own. Numerous entrepreneurs are happy to oblige while grabbing a piece of the lucrative business--a business that yields returns 25% to 200% higher than traditional auction methods, according to Bill Angrick, CEO of Government Liquidation LLC, a subsidiary of Liquidity Services Inc. And buyers, both individual buyers and small businesses, see Internet-based government auctions as a great way to get bargain-basement prices on a variety of new and used items.

Not only is there a steady stream of products to sell via Internet auction, but entrepreneurs need very little in the way of startup costs and expertise. "Anyone with common sense and some form of capitalization can get into this," says Louis Columbus, a senior analyst at AMR Research Inc.

To succeed when competing against dozens or hundreds of similar sites, however, expertise in dealing with the government, as well as state-of-the-art technology and a unique business model, play key roles, some say.