



Case Study: Energy

Oilfield Services Company Recovers Over \$2 Million Through Flexible Sales Approach

Challenge

Our client is one of the world's largest oilfield services companies with operations in more than 80 countries. Like all energy companies, it faces the challenge of managing surplus assets, from shop equipment to pressure pumping trailers. Before partnering with Liquidity Services, the client sold its surplus assets through a traditional onsite auction method, which required shipment to an auction site and limited the client to only "absolute" and "no reserve" auctions.

This was not an ideal approach for the client. In some situations, it would have preferred a reserve option – in which bids must reach a minimum value – to protect assets from selling for low recovery. Some higher-value assets – such as trucks still in excellent condition – could have generated higher recovery through a retail option. In addition, the client was hesitant to sell specialized equipment through the no-reserve model due to competitive sensitivities. In some cases, the client also needed the option to move assets offsite.

Seeking choice in solutions and to increase recovery levels, mitigate risk, and reduce resources spent on asset management, the client engaged Liquidity Services to sell its surplus on the secondary market.

Over \$2 million

recovered for surplus assets over three-month period

4 sales strategies

leveraged to maximize recovery

\$910,000

for specialized oilfield assets in sealed bid

Client Challenges



Increase recovery levels



Mitigate risks



Reduce resources spent on asset management

Solution

Liquidity Services has partnered with this client for many years. Most recently, we helped the client maximize recovery for its surplus assets by selling them through a wide range of sales models based on a strategy customized to each asset situation. With our multichannel sales approach, the client maximizes recovery and reduces risk for a diverse set of assets, from utility trailers, tractors, and cranes to specialized oilfield assets such as nitrogen pumper trucks.

The client sells its assets through four channels, each of which offer distinct advantages. We work closely with the client before every sale to select the best sales approach and complementary marketing strategy – or, in some cases, a combination of strategies.

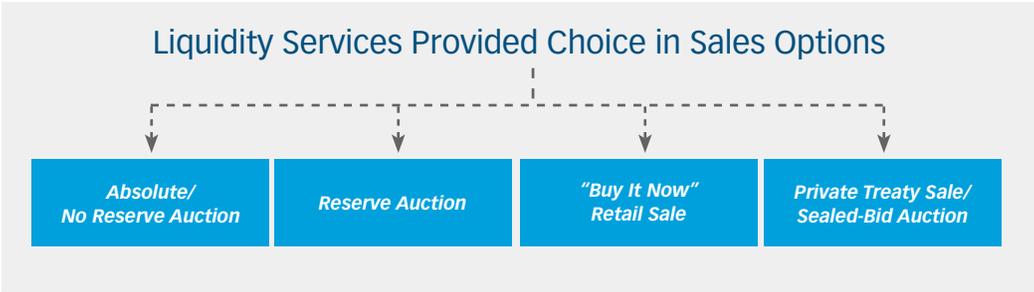
- **Absolute/No Reserve Auction** – We sell liquid assets in high demand without reserves through live and online auctions on our [Truck Center](#) and [Network International](#) marketplaces.

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LIQUIDITY
SERVICES

A Better Future for Surplus

- **Reserve Auction** – When our client needs to ensure a certain recovery level, we set a reserve price for the live or online auction.
- **“Buy It Now” Retail Sale** – We maximize recovery for trucks of high value and in top condition by selling them on our Truck Center marketplace for a fixed value higher than the client would receive from an auction.
- **Private Treaty Sale/Sealed-Bid Auction** – Specialized assets with a limited potential market, or where price or competitor sensitivities exist, are sold through a targeted marketing and negotiated sale method.



The client has the option to sell assets in place or off site. When the client desires to free up space by moving surplus off site, we manage the process of transporting it to our lot conveniently located nearby in Fort Worth, TX. When it isn't necessary or justified to move the assets, we sell them in place from the client's site.

We skillfully manage every aspect of the sale: detailing truck assets to improve appearance, creating "lot listings" for online auctions, running the auctions, promoting them through targeted marketing strategies, and handling all post-sale details such as invoicing, collections, payment, and coordinating buyer removal.

Results

Over just a three-month period, Liquidity Services helped the client recover well over \$2 million for its surplus assets, with individual sales results exceeding those of its previous partners on comparable assets.

Recent notable results include:

- **Reserved Online Auction** – 16 transportation assets sold for nearly \$1.2 million
- **Live Auction** – Five truck tractors sold for 60% above reserve price
- **“Buy It Now” Retail Sale** – Truck tractor sold for five times client's minimum recovery
- **Private Treaty Sale** – Specialized oilfield assets sold for \$910,000

The value we provide to the client goes far beyond the amount of recovery. Through consultative service and a wide range of sales options not available from competitors, we empower the client to select the ideal approach for every sale. This increases recovery, reduces risk, and simplifies the sale. By handling every aspect of the sale from identification through payment, we free up resources for the client to focus on its core business of oilfield services.

Benefits of Partnership to Client

- \$2 million in recovery over three-month period
- Optimal channel for each sale
- Reduced risk
- Reduced resources spent on asset management