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Going digital: How commercial auctioneering firms adapt in the 21st Century

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In our line of work, litigation and bureaucratic red tape have become much larger obstacles than threats of theft or damage. Property owners trying to hold on to an impending foreclosure have been known to throw a wrench in the auction proceedings, and it's not uncommon to get challenged on virtually every aspect of a contested auction. What time did the auctioneer show up? Was the Certificate of Entry executed properly under the statutes of the Commonwealth of Massachusetts? What time was the auction conducted? What time did he or she leave? Were accurate records kept of the auction proceedings? The stakes are high, the process is complicated, and there is no margin for error.

Not only does your execution have to be impeccable every step of the way, but your hard work can be undone by something as simple as poor record-keeping and management. You never know when you could be subpoenaed to show up in court or asked to provide proper documentation to your client as proof of how the actual auction proceedings took place, and losing track of paperwork can have disastrous consequences.

A good commercial auctioneering firm tries to prevent this problem before it starts with meticulous documentation, ensuring all papers, forms, licenses, and other paperwork are tucked away, most likely in an alphabetized filing cabinet of some kind. The files are mostly forgotten, but they're still accessible in case details ever need to be provided or revisited.

But is that enough today? One option to better safeguard your documents is to "go completely digital."

I want our company to be prepared, and when compliance becomes more stringent and it trickles down to the auctioneer level, our systems are already in place! Records are only as good as their accessibility, and we're now finding that today, commercial auctioneering firms are being asked to present documents they haven't worked on for months, maybe years. Even firms that pride themselves on being conscientious aren't immune. Auction firms can accumulate hundreds of thousands, if not millions, of individual documents, and files can be misplaced or damaged. Being unable to come up with files quickly can jeopardize a transaction you thought was over long ago.

Since an auction process starts electronically, it only makes sense to finish the same way. It's all about organizing your electronic data and being able to access it quickly! Everything in between, including what happens on-site at the auction, is documented and recorded as part of our new electronic recordkeeping. All documentation is then gathered, scanned and then filed on our secure server. Finally, we work with our IT department to guarantee everything is saved and backed-up properly and that the safety and security of our office's electronic system is ensured. If this sounds meticulous, it's because it is.

This is not to say that digitizing your records is easy—or cheap. At Sullivan & Sullivan, when we

decided to scan our records, we were looking at a monumental task. There have been months where we handled up to 150 property auctions per month, totaling close to 2,000 files each year. Multiply that by the number of individual documents for each file, and multiply that by the seven years we've been taking care of customers, and you have a job that costs not thousands, but tens of thousands.

Despite the expense, we know that it's worth it, because maintaining digital records is essential to elevating our profession into the 21st century. We see keeping digital records as an essential cost of doing business, of bringing an extra level of security and attention to detail our clients expect from us. More to the point, we feel that we can't afford not to keep digital files. Having all our records available at our fingertips, just a few keystrokes away, has been a lifesaver on more than one occasion. Our only regret is that we didn't do it sooner.

We realize that we'll probably never need to access most of the digital files we maintain. However, we never know when a client will ask who the second highest bidder was on a particular property, or how a particular auction was promoted. The ability to handle these questions quickly and efficiently is important to fully serve both past and existing customers.

Because of the time-consuming nature of scanning and data management, not to mention the cost, many auction firms just aren't willing to spend the time and money to "go completely digital".

I firmly believe that one of the reasons we've been so successful is because of our willingness to go the extra mile not just meet our clients' needs, but to circumvent any potential problems down the road. Keeping digital records is just one example of our commitment to our customers.

And with the low cost and high availability of computer memory and scanners, don't be surprised if keeping digital records changes from being a wise move to a mandatory one.

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