

Hanwi Auction

Overview

This document is intended to provide organizations with a simple explanation of the online auction definitions, processes, and revenue potential.

Auction Items

Items are divided into auction boards, with each board having a staggered closing day. Each board has a variety of items and will be sold at closing time to the highest bidder.

Bidders

Participants to the auction will go to *your personal auction website* and will register to get a bidder number. Each bidder will login using their personal bidding number that they will receive via email and begin bidding. After each board closing the winner will be notified via email or telephone. At the end of the online auction, which normally runs for 3 weeks, the winners will have the option to either pay online or send in a check. Once the payment is processed the item is mailed to the winner or picked up in person from your office.

Potential Revenue & Expense

The potential revenue to be gained depends on several variables such as the number of sponsors/advertisers you solicit and their individual contributions. Hanwi can provide suggestions in pricing these sponsorship opportunities to assist your organization in reaching its fundraising goals. An example auction with 3 main auction sponsors, 50 auction board sponsors, 100 web banners, and 500 accompanying items is as follows:

1. Site Sponsors – 3 x \$5000 = \$15,000.
2. Board Sponsors – 50 boards x \$500 = \$25,000.
3. Web Banners – 100 banners x \$250 = \$25,000.
4. Donated Items – The average returns are about 50% of the value of the item - 500 x \$45 (average estimated value of your items) x 50% = \$11,250.

A simple income statement for the above example auction would be:

| Income Statement – Example Auction | |
|----------------------------------------------------------------------------|-------------------------|
| Revenues | |
| Sponsorship and Advertising | \$ 65,000 |
| Items | 11,250 |
| Cash Donations | <u>1,000</u> |
| Total Revenues | <u>77,250</u> |
| Expenses | |
| Fees due to Hanwi (8% of above <i>Items</i> + <i>cash donations</i> total) | 980 |
| Total Expenses | <u>980</u> |
| Net Income | \$ <u><u>76,270</u></u> |

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Auction Management – Roles and Responsibilities

Singular roles:

| <u>Auction Committee</u> | <u>Hanwi</u> |
|-----------------------------------------|-----------------------------------------------------------|
| 1. Solicit Sponsors | 1. Acquire personalized domain name (www.yourauction.org) |
| 2. Solicit Items | 2. Setup sponsor logos on website |
| 3. Acquire Items | 3. Manage website |
| 4. Entering Information for the website | 4. Technical support |
| 5. Item pickup or shipping | 5. Board closings |
| | 6. Email confirmations to winners |

Dual roles:

| <u>Hanwi/Auction Committee</u> |
|--------------------------------|
| 1. Catalog Items |
| 2. Market the auction website |
| 3. Payment |

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Contacts Component Setup:

1. Identify and update the categories of contacts. Standard categories include:

- * Restaurant
- * Business Professional
- * Retail
- * Previous Donor
- * Previous Sponsor

you may use this to add a person's name or by region or type of donor.

2. Identify and update the status of contacts. Standard status include:

- * New contact
- * 1st Call
- * 2nd Call
- * 3rd Call
- * Not interested
- * Delete
- * Mailing gift certificate
- * Pickup
- * Complete
- * Other

3. Identify and update the type. Standard type include:

- * Gift certificate
- * Physical gift
- * Board sponsor
- * Website sponsor
- * Banner sponsor

Contacts Component changes:

1. Login to the manager site.
2. Click on contacts.
3. Click on category to manage the contact categories.
4. Click on status to manage the contact status.
5. Click on type to manage the contact types.
6. Click on Filters to manage the drop down filters that appears in the Contacts page.