

Enhancing your eBay Strategic and Tactical Skills V

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Back in **Enhancing your eBay Tactical Skills I**, **Enhancing your eBay Tactical Skills II**, our **Enhancing your eBay Tactical Skills III** and **Enhancing your eBay Tactical Skills IV** tutorials of **GuruGrams** #41, #49, #62 and #70, we looked at some advanced **eBay** items from our email **help line**, our **What's New** and newer blog pages, and the **alt.marketing.online.ebay** newsgroup. Plus stuff I've been meaning to emphasize beyond our earlier info resources found on our **Auction Help** and **Auction Resources** links.

I thought we might once again continue here with some newer **eBay** tactical skills topics. Many of these concepts are enhanced and expanded from their previous appearances in our **WHTNU05.ASP** and (ongoing) **WHTNU06.ASP** news blog pages. Which are now also **RSS Available**.

But first, let's once again summarize the **eBay seller success** rules ...

Offer unique products not available elsewhere.
Maximize your personal value added.
Always seek out a minimum 30:1 sell/buy ratio.
Always aim for a 21 day payback.
The minimum profitable eBay sale is \$19.63.
NO foreign bidders/buyers/transshipments!
Accept VISA/MC/Paypal only!
Never list anything you cannot hold at arm's length.
Use both a scanner AND a 5 megapixel camera.
Spend at least TWO HOURS in image postproc.
NO dropshipping, pallet buys, or consignment sales.
Limit terms and conditions to TEN words maximum.
Clearly state your revenue neutral shipping charges.

Along with the single key **eBay buyer rule...**

ALWAYS proxy bid your max ONCE very late in the eBay auction. Do so in odd penny amounts that are somewhat above a currency denomination threshold.

Let's go on to some more recent concepts...

Some Storage Guidelines

Improper storage of your **eBay** inventory can literally eat you out of house and home. What makes sense and what does not?

Several rooms of our house are dedicated to shipping and immediate storage of smaller items. A shop area is reserved for my refurb. A few really huge items are occasionally stashed in the driveway or beside our spa area. We try to avoid these unless an exceptional opportunity arises.

A \$45,000 doghouse in the back yard (actually a photo processing lab bought from the feds for \$175) holds useful and convenient storage of popular and mid-sized items. But our main storage consists of five nearby rental units.

Right now, our focus is on making our available storage much more efficient through **better inventory control** and **heavier triage**.

There is room for a steel building in the back yard, but the present dollar volume does not quite justify it. And, as others continue to conclusively prove, **eBay does not scale worth a damn**.

There is an optimal size for any eBay business. Try to exceed it at your peril. Several of the largest eBay sellers just got done by greed and excessive fixed cost expansion. More on this in our **eBay selling** and **eBay buying** tutorials.

Here are some useful storage guidelines...

- **Avoid any and all long term future obligations. Rent storage by the month, not the year.**
- **Immediately triage incoming items, converting lots of big items into fewer smaller ones.**
- **Avoid placing anything in storage that has not already paid for itself. Seek out a 28 day cash out and a 15 month hang time.**
- **Always handle items with extreme care. Most especially when loading and unloading.**
- **Seek out alternate storage solutions, such as a rentable house or excess garage space or a distress real estate location.**

- **Collect bargain shelving and oddball cabinets from your local auctions. But never pay more than \$2.50 each. Use these to organize and make your storage more efficient.**
- **Aggressively keep accurate inventory records. Never store anything if you do not know what it will be sold.**
- **Have an **Alvin Pile** where you can immediately flush anything that is not working for you. Preferably getting paid to do so.**
- **Provide different storage areas for immediate inventory, long term winners, and stuff that needs further processing.**
- **Chances are a forklift can be rented from a nearby lumberyard or machine shop by the hour if you only occasionally need one.**
- **Clutter will eat you alive the instant you turn your back on it. Continuously maintain neat and orderly work areas.**
- **Be sure to use the TOP HALF of any storage area. This can cut your costs by two.**
- **If you haven't dealt with it in fifteen months, you ain't gonna. Flush it NOW.**
- **Don't store anything that you are going to end up throwing away two years from now anyway.**
- **If you touch an item that has been in storage deal with it NOW. NEVER set it aside.**
- **Treat items that will need refurb or repair separately from routinely sellable new items.**
- **A handtruck and a dolly or two can be enormously useful. But avoid buying new or paying list price for them.**
- **Metal storage buildings (\$15K) or shipping containers (\$1700) are not all that expensive and quickly can pay for any retail rentals. Available land and zoning permitting. But long term sales volume has to be justifiable. Perhaps 100K in yearly sales to justify a 10K investment.**
- **Don't sell anything that you can't hold extended at arm's length.**
- **Shit floats to the top. If you find yourself forever moving an item to get at what is underneath, flush it.**
- **The sooner you get rid of useless trash, the better.**
- **Continuously review what you have stored where.**

The Government Liquidation Saga

At one time, U.S. military surplus was sold directly through their own **DRMS** service. Where high risk and gross inconvenience got combined with negligible competition and unbelievably outstanding bargains. And for which we made out extremely well with everything from **nuclear holocaust fashion accessories** to our **tinfoil hat liners** to **water soluble swimsuits**.

Sadly, someone discovered that it was costing the feds \$1.65 in admin costs for each dollar in sales, and that simply dumping the stuff outside the main gate with a "FREE" sign on it would be far cheaper. Instead, the feds elected to **privatize** mil surplus sales. The main beneficiary of which was **Government Liquidation**, a for-profit firm based in Scottsdale, Arizona.

Things started out really great. But over the years, the Government Liquidation closing bid prices of test equipment went up so high we could no longer afford to bid on them. Minimum bids were raised up to \$50 on all items, some of which would have been risky at \$2.50. And at least some of their site managers became legendary in their customer rudeness, inflexibility, and intentional hassle creation. Maddingly infuriating bid extensions meant that your optimum bid window was a few milliseconds wide precisely 42.7765 minutes into their closing hour. Many military bases dramatically tightened security and entry hassles. At least one base would not make a phone call over a 200 foot distance for you.

As a result, **we have personally been forced to scale way back in our mil surplus involvement**. Substituting the **industrial distress auctions** that do seem infinitely superior on most counts. And, just as the mil surplus scene could not possibly get any worse, it did.

It seems another someone discovered that the **DRMS** is still grossly inefficient. Similar to the **British Sailing Ship Bureaucracy** whose size and costs peaked many decades after the last sailing ship was removed from service. Per **this bizarre document**. Or **this one**.

Apparently **many surplus warehousing centers are being closed or downgraded**. One consequence appears to be that certain Government Liquidation sites now list only a few worthless scrap items instead of hundreds of potentially useful ones. As in down to useless dregs. Arizona and New Mexico seem particularly impacted.

As near as I can tell, DM Tucson surplus material will be transferred to Northern Utah to save on shipping costs. A mere 954 miles. **Per this map**. Southern New Mexico stuff, of course, goes to central Colorado.

Obviously, there is definitely a major glitch today in mil surplus availability. Whether it is temporary or permanent remains to be seen. As will what role, if any, that **Government Liquidation** will play in future surplus opportunities. Or your own role. Now depending highly on where you live.

Are Multi-Day Mega Auctions For You?

Those larger industrial auctions have their own peculiar sets of advantages and disadvantages. These may be either the usual "walk around" or the theater-style "sit down". **It is super important to know which is which ahead of time** since previewing may be difficult or even forbidden during a sit-down auction.

Sitdowns may be used because of the enormity of the site, climate, or security. **A walk-around auction is overwhelmingly more in your favor** because it can be a lot rougher on the other bidders, and because quick lot mergings or choices are likely to occur on the fly at the auctioneer's whim.

If you must participate in a sitdown auction, be **absolutely certain** that you carefully preview the "contents of cabinet" and "contents of room" lots and have fairly appraised their value to you. For their hidden value may give you unique opportunities others miss.

Online bidders may seem to have a slight edge on the sitdown auctions as their bids may end up being entered faster and more reliably. But **there is rarely any time when "being there" is not overwhelmingly to your advantage.**

Here are some mega auction disadvantages...

- **Very few will be nearby or in your area of interest.**
- **They are nationally promoted, heavily advertised, and may attract a huge pool of bidders.**
- **Bidders may be bigger spenders as they may have committed to hundreds or thousands of dollars in airfare and hotels.**
- **Pricing rarely drops below \$25 per item.**
- **Extreme focus is needed to target your items of interest. Energy levels MUST be carefully conserved.**
- **Auctioneers may get ahead or behind, meaning that your lots may not be on the expected day.**
- **There may be more than one auction ring, so you may have to be in two places at once. Or run back and forth.**
- **Big time auctioneers may be enormously hard to understand and may pull all sorts of secret insider stuff. You must listen very carefully and respond clearly and quickly.**
- **Some "professional" bidders delight in pissing contests and will not ever let you outbid them.**
- **Previewing and planning can be overwhelming. Especially with a sitdown or theater style auction.**

- **Online bidders are at a huge disadvantage due to the usual comm blowups, delays, and sudden auctioneer changes.**
- **Ordinary items in sane quantities (especially anything tool or machine shop related) are likely to sell outrageously high.**
- **A local auctioneer is much more likely to cut a personal deal. Or at least favor taking your bid. Because they want you back.**
- **Your own travel and trucking and rigging and casual help may become major and high risk considerations.**
- **Many bidders will be spending other people's money. If you are attracted to the auction, so will many others.**
- **Quality of bid items may differ wildly depending on which area is being bid. New inventory or repairs or obsolete junk?**

Along with these Mega Auction benefits...

- **Enormously huge bargains can result IF you can triage the more obscure multi-pallet lots.**
- **If there are 9000 lots and only 1000 bidders, each bidder should score 9 lots on the average. It is hard to miss.**
- **Thorough and repeated inspection can reveal hidden values that the others may overlook.**
- **Many items will be high up on murky shelving that others may skip carefully inspecting.**
- **Items are often grouped into "contents of room" or "contents of cabinet" to keep the total number of lots down. Knowing exactly what is in the room or cabinet can give you a tremendous edge.**
- **Bunches of stuff will fall through the cracks as not everyone can possibly notice everything.**
- **Some larger lots will run out of bidders before they run out of product. Meaning that the dregs may go for a pittance.**
- **Only a few lots will be of specific interest. It does not matter how much the others go for.**
- **Side deals can sometimes be cut on "pass it" items gotten for \$10 each. As can poisoned lots where a trash lot is combined with a good lot to drive away bidders.**
- **Auctions typically run very late. If everybody else runs out of interest and energy before you do, great opportunities abound.**

Some More Photo and Imaging Tips:

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A trick that can increase the apparent resolution of a digital camera: **Crop very tightly to subject and then paste into a larger background.**

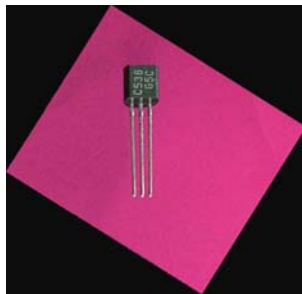
One way to do this is to load the camera image into **Paint**, copy to clipboard, select **Attributes** to expand image size, and then repaste the original back.

Background knockout then proceeds either **manually**, **automatically**, or with optional **Auto Vignetting**.

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Sometimes nice things can unexpectedly or even serendipitously happen when manipulating images. Ferinstance, a recent scan of a transistor was way out of plumb. When I fixed this with an **ImageView32**, rotation, a diagonal square resulted that normally would have been cropped.

But it was unusual enough to leave as a design element...



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A minor tip when scanning round or otherwise unstable small objects: **A pair of solid state relays makes an ideal set of "bookends"**. That might let you orient and position just right. You might even want to have a special set or two with scratch-free felt bottoms added.

There is usually enough excess resolution on a scan that you can rotate the image using **Imageview32** or whatever to get things aligned perfectly.

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Photographing "**big coiled thingies**" such as an endoscope or a large immersion heater or whatever for **eBay** listing can get sticky in a hurry. One trick that works well for me is to **tape the item to a door**. This gives you very careful control of coil spacing and smoothness and is very much easier than even thinking about any vertical photography.

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Most higher quality digital cameras have a **NTSC video output**. Using this can dramatically simplify and improve your **eBay** photo layouts. Just find a suitable cable and monitor to get a very large display that greatly eases compositions.

The monitor does have to be a "normal" television monitor, rather than a higher def "computer" one. A tv set with a composite video input can also be used. I've found **Apple IIe color monitors** to be readily available at school auctions for a dollar or two. These can be nearly ideal.

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If you knock out an image to a white background, you may get **fuzzy linear JPEG artifacts** along the edges in your final file. Similar defects will likely appear for most any solid color background.

But by going to a **pseudorandom mottled background** consisting of three or more colored pixels, these JPEG defects can disappear almost entirely. As we just saw, knockout to a mottled background can be done **manually, automatically**, or with optional **Auto Vignetting**.

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First Principles of Winning Websites

eBay sales by themselves are normally not enough on their own for a successful business venture. Instead, you'll want to combine other sales channels such as **Craig's List** or your local **Trades & Sales** to the mix.

But most important of all is your own website. Ideally setting up a "two way funnel" where **eBay** brings folks to your website, and your website generates interest and demand for your **eBay** sales. And hopefully with **positive gain** in both directions.

Here are some of the concepts that I feel make for a great website...

- **Have a concise mission statement for the site.**
- **Know exactly what you want the site to accomplish.**
- **Offer unique free content not available elsewhere.**
- **Give a lot away to sell a little.**
- **Aggressively use quality and relevant associate programs.**
- **Use both raw HTML and **GoLive** or a similar utility.**
- **Provide all reference materials in **Acrobat .PDF** format.**
- **Keep the site appearance unglitzy and somewhat retro.**
- **Steal the plans using "view source". But modify heavily.**
- **Do not use any annoying video, sound, or animation.**

- Be very cautious over humor. But use it.
- Keep your updates timely. Especially for events.
- Provide a historical archive of older documents.
- Keep nav and appearance everywhere consistent.
- Make your sourcecode freely available.
- Use server side .ASP files, especially INCLUDES.
- Provide a site map and several navigation layers.
- Tightly link your eBay store and other ventures.
- Use subtle bouncy bricks. But NO annoying glitz.
- Keep all banners and ads first rate and top quality.
- Seek out many small and indirect income streams.
- Aggressively use your log files and log reports.
- Link six ways from Sunday. Then link some more.
- Never seek traffic solely for traffic's sake.
- If one word describes your site, make it "eclectic".
- Seek out an optimum size. Many won't scale.
- Keep operating costs minimum. Avoid hiring anyone.
- Pay attention to complaints and critical comments.
- NEVER mislead or misrepresent. ALWAYS understate.
- Have good reasons for viewers to return every day.
- Offer live 24/7 help. But discourage time wasters.
- Make search engines aware of your site.
- Don't use canned templates unless heavily modified.
- Never manipulate a search engine for better positioning.
- Finish what you start. Have orderly expansion.
- Provide a useful shopping cart service.
- Auto rotate any banners.
- Provide a blog or a What's New? feature.
- Test the site continuously, using the best available tools.
- Provide your own VISA/MC merchant status. Plus Paypal.
- Have your ISP provide byte range (byte serving) delivery.
- Make certain the ISP provides full ifilter .PDF searching.
- Verify that your contact info obvious and convenient.
- Avoid clutter! Keep your layout simple and clean.
- NEVER require registration, passwords, or other hassles.
- ALWAYS show prices conspicuously and up front.
- Do not promise what is not yet there.
- Make corrections and updates and link repairs quickly.
- Offer a RSS feed. Update it daily.
- Avoid the use of frames or browser specific features.

- NEVER use popups or other annoying or malicious code.
- Typeset first and edit last.
- ALWAYS listen to critical comments and suggestions.
- Watch what you say about people. The web is forever.
- Do not use link exchanges or other site watering.
- Use both visible and invisible HTML tables.
- Place text in byte sized landscape oriented chunks.
- Use legibility optimized fonts and color combinations.
- Use newsgroups to promote and learn. But never spam.
- Use "web friendly" colors.
- Provide "click magnify" options for extra image detail.
- Make a [favicon.ico](#) icon available.
- Word layout is as important as the words themselves.
- Encourage use of [Acrobat](#) smoothing and [CoolType](#).
- Avoid home page changes. But stay accurate and linked.
- Learn and use [WS_FTP](#) and [Putty](#) for site maintenance.
- Make your site stats freely and readily available.
- Use single column layouts without fill justification.
- Provide half line visual breaks between paragraphs.
- Emphasize with bold and color, not underlines or italics.
- Create a [Froogle](#) data feed for all your products.
- Spell check often! Nothing ruins credibility faster.
- Forward and reverse link your [eBay](#) store.
- Be fully [Firefox](#) and other browser compatible.
- Combine client side JavaScript with server side ASP or VB.
- Stay on the subtle side of subdued.
- Try to need less than nine HTML file grabs per sent page.
- Color code to aid your nav. Especially mid level.
- Avoid ever requiring horizontal scrolling.
- Keep [banners](#) and any auxiliary displays under 8K.
- Use [Dilbert](#) as an example of minimum daily update.
- Favor repeat visits over one time "gee whiz" effects.
- Pay attention to what others are trying to tell you
- Keep download file sizes down. Avoid large bitmaps.
- Ease global changes with style sheets or includes.
- Watch others as they navigate your site.
- Know and match the educational level of your viewers.
- Consider [Google](#) or [Paypal](#) merchant options.
- Never use a zero delay time redirect!
- Dedicate enough time to site improvement and maint.

- **NEVER use popups or other annoying or malicious code.**
- **Keep most pages shorter than "a screen and a half".**
- **Always respect all IP rights of others.**
- **Have long term plans for major site expansion.**
- **Never force music, speech, animation, or video.**
- **Avoid browser specific code or features.**
- **Recognize the limited attention span of most viewers.**
- **Keep all page styles uniform and consistent.**
- **Correct all 404 bad links immediately on discovery.**

Why eBay is not Wal-Mart

One of the persistent myths of eBay is that "whatever works for **Wal-Mart** should also work for **eBay**". In reality, the success strategies will pretty much be **exact opposites** of each other.

eBay is inherently a **low volume, high fulfillment cost, highly customized, very unpredictable, extreme value added, non real time, erratic, self-competitive, self-exclusionary, and widely non-scalable sales venue.**

Some of the **eBay** rules that work for me are found in our **eBay Selling Tutorial**.

First and foremost is **maximizing your personal value added** by offering **unique** products that you have specialized expertise in. And feel very strongly about. Items that are not available elsewhere.

Second is **a decent sell/buy ratio**. Most eBay sellers stupidly try to squeak by on ludicrously low margins. My minimum recommendation is to always seek out a **30:1 or higher SBR. Suitable supply sources are found here**. Custom local supply sources can be found for you **per these details**.

Third is **minimizing your fulfillment costs** by absolutely **no foreign sales** that is combined with a strict policy of **VISA/MC/Paypal** only.

Fourth is **NEVER drop shipping** and **NEVER buying wholesale**. Nor ever selling anything you do not personally own and have possession of. Nor anything that you cannot hold extended at arm's length. Nor any item with excessive scam potential, such as ANY consumer electronics.

Fifth is optimizing your total return by **initially listing at higher than expected prices**. Always aim for a **28 day payback** and a **15 month hang time**.

Sixth is **keeping absolute control of all of your costs**. If you are not including your **pro rated water bill** in your cost accounting, chances are overwhelming that you are running at a net loss.

Always know your **Leavenworth Ratio**, or how much net net net you are getting per hour compared to prison labor rates. Minimum wage, of course, is far beyond the pale for the overwhelming majority of **eBay** sellers.

Seventh is **proper image post processing**. A minimum of two hours per image is recommended, because few other eBay activities can generate such a high return for time spent. Much more on our **Auction Help** library page .

Controlling Closure

One crucial issue of buying and selling surplus is **closure**. It is super easy to end up with an ever increasing number of storage areas of ever diminishing value. And longer and longer times before any buy falls off the radar.

You should have a definite series of steps you go through between an auction buy and absolutely nothing remaining of your purchases. All done within a reasonable and efficient time frame. But still clearing the big bucks first.

Some closure recommendations...

DEPRESSURIZING — You return any rental trucks and get your vehicles back the way they were before you left for the auction as quickly as possible. Literally dumping items into your primary triage area. But always being careful not to inflict any storage damage. And minimizing any disruption of your life as quickly as you can.

PRIMARY TRIAGE — In which you carefully sort, group, then identify and inventory all items. High value individual items into one pile. High quantity longer term primo inventory items into a second. Any potential repairables and refurbables into a third. Strippables into a fourth. Smaller lower value items into a fifth. And trash into the **Alvin Pile**, given to the fire department, traded to a neighbor, or simply thrown out.

CAREFUL RESEARCH— Done especially through **Google** and **eBay** and any appropriate newsgroups. Chances are there will be both pleasant and rude surprises over any items that you have grossly over or under valued.

CASH RETRIVAL— Your goal should be to completely pay for the auction purchase, labor, and trip within twenty-one days of the buy. If you achieve your goal of at least a 30:1 **sell/buy ratio**, this means that only **three percent** of your items need to be immediately sold.

LIST THE HEAVIES— Naturally, you list any mint high value biggies on **eBay** immediately. But should you have seventy of something that can consistently sell over the next fifteen months, these should also receive priority to get them into the pipeline as quickly as possible.

Any dregs should be grouped as efficiently and as compactly as you can. With twin goals of nothing remaining that is not paid for and virtually everything outthere within fifteen months.

LIST THE REST— Try to list at least **twenty** items each and every day.

It is super easy to get in a rut and do nothing new while your older inventory continues to sell nicely. But the bottom line total yearly return depends on consistently quickly listing new offerings.

REWORK STRIPPABLES— Boredom or screwoff time efficiently should be used to tear down the strippables and low value items. Always with a goal of minimizing weight and volume while maximizing any value that remains. Always delegate anything that is repetitive or not fun. But do enough of the work yourself to know what is useful.

FLUSH THE TRASH— It also pays to consistently check into the bottom of the pile of the oldest and least selling items. With the rule "**if you pick it up, you immediately get rid of it in one way or another**". And a second rule of **completely** cleaning out any shelf or other area once you initially attack it.

For More Help

The [alt.marketing.online.ebay](#) newsgroup often has useful solutions to [eBay](#) problems on it. Additional auction help resources are found on our [Auction Help](#) library page. Custom auction locators can be created for you on a private or public basis per our [Auction Resources](#) services.

Additional consulting services are available per our [Infopack](#) services and on a contract or an hourly basis. Additional [GuruGrams](#) are found [here](#).

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