

Finding Your Niche

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Every entrepreneur is looking to find their niche in business, that idea that no one else has come up with, or if they've come up with it, that you can do better, cheaper or faster. It's that great idea that you just know you'll have the guts and intelligence to make successful if it would just come to you! The funny thing about great ideas is when, where, and how we come up with them. You never know when an opportunity will find you, and the biggest trick is keeping yourself open to the idea, then trying new techniques in the face of the unknown.

The Big Idea

For me, that opportunity came early in my career and it was simply an opportunity to liquidate a hospital that had been emptied of patients, but not of its equipment. I did some investigating into the marketplace and found that there was an active resale market for medical equipment, but what it was lacking was any sort of "blue book" or experts with a

broad knowledge of the industry. It was a fragmented marketplace of mom-and-pop brokers who did the buying and selling. I had some acquaintances at hospitals who confirmed that the equipment was sought after, but that they sold their equipment to these brokers and were never quite sure who got the best of whom.

As an experienced auctioneer and

liquidator, I was very prepared for the logistical part of the endeavor, but had a large learning-curve for understanding the medical equipment I was selling. Medical equipment is multi-generational with new models consistently coming to market and its resale value can have little to do with the original purchase price. Five year old medical equipment can be obsolete, while a piece that is 10 years old may have retained its value. I was very frustrated as I researched the values that I should command on the auction stand with so little information available to me. Despite my lack of command of the medical equipment values, the auction was a success. And there it was, my big idea! I found that it was a niche marketplace and the person who could understand the industry and its equipment could position himself on a large scale due to the fragmented market.

With the success of the hospital liquidation, I was bullish on the industry and spent a year trying to make a go of it as a medical broker. I floundered that year as I became one of a sea

of brokers in the business, with nothing that made me stand out amongst the crowd. My luck changed when another hospital liquidation opportunity presented itself, this time for three hospitals at once. I said yes and arrived at

an amount that was acceptable to purchase the hospitals' assets. To ensure success, I had to be sure I got the equipment at a steal to limit my risk. I dedicated some resources to it and

work commenced. The liquidation at the three hospitals was again a success.

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Fine-Tuning a Dream

I stood by my idea, and armed with my successes, I was ready to take an alternative path to make it a reality. With the four hospitals I auctioned, combined with brokering equipment for a year, I had dipped my toe into the medical liquidation business, but they were all one-time sales. On the whole, hospitals, and the medical industry in general, are very stable, so I would not be able to survive by liquidating closed hospitals. To be successful in this niche I needed to find a way to get repeat business. Thousands of brokers lived off the surplus medical equipment that routinely came out of hospitals as they continuously upgraded to newer and better technology. That's where I would compete, but I decided to leave their ranks and up the ante. I would do my business on a national scale and, to the medical industry, I would bring the auction. ▶



General Assets Recovery (GAR) was formed as the first medical auction house. From my hospital liquidations, I had made some contacts that proved advantageous for me, as I needed both buyers and sellers to get off the ground. I had enough capital to rent a warehouse and a small staff, but was again faced with not yet having a true understanding of the medical equipment values, and purchasing directly from hospitals left me open to getting burned financially until I became better versed in medical equipment values. It was at that point that I considered consignment. Consignment was an untested idea to me personally, but I chose that route as it would limit my risk as I got started. Consignment also limits proceeds, but I did not want to be a fly-by-night operation and because I saw such great potential for my idea, I was willing to build my business slowly.

Consignment proved to be the smartest business move I made when forming GAR. By

sharing the auction proceeds with the customer, I was providing them with the peace of mind that their auction partner is highly incentivized to sell their equipment for the highest dollar value. The auction format is transparent, so the customers know you are an honest partner. Building these relationships, and the corresponding reputation in the industry, positioned me for success.

Growth was steady and soon I had regularly scheduled medical auctions. I developed a marketing program and sales department for both buyers and sellers and our growth shot up exponentially. I was able to sell GAR to a large company in the medical industry several years later. In 2001, I started Centurion Service Group and used what I learned at GAR to further improve the auction process for surplus medical equipment.

Today

I now sell over 5,000 pieces of medical equipment each month and have sold over 1,000,000 pieces in my lifetime. My operation consists of two warehouses in the United States, one in Europe and an online timed auction company. I continue to do consignment, because it builds customer loyalty. Being a longtime student of medical equipment values, I have become a certified appraiser. Understanding the nuances of my niche is why I have been successful and why I'm still in the industry today. I know the needs of my customers, the wants of my buyers, and the values of equipment. I am very lucky that when an opportunity presented itself, I was able to recognize it, pursue it and succeed. ■