

Transcript – Episode 98 – [Best Practices for Auctioning Big-Ticket Travel with Adam Capes](#)

Dolph Goldenburg: Welcome to the Successful Nonprofits™ Podcast. I'm your host Dolph Goldenburg. Today, we're speaking with Adam Capes about how to make your next auction more successful. I would like to say that I had this planned, but it is fate more than foresight that is at work here. Today's guest Adam Capes is expanding on one of the topics we discussed in the recent episode with Red Apple Auction's Auctioneer and CEO Sherry Truhlar. Sherry told us emphatically that every charity auction must have a trip to offer. Adam's business Getaway2Give and the G2G Collection are all about fulfilling that mandate. Getaway2Give is the largest provider of private residences and vacation packages to the nonprofit industry, and while I always promise that we don't have guests on to do infomercials, what Adam is going to share with us will be some of his favorite ideas to make your nonprofit auction successful. So, let's cue the music and welcome Adam Capes to the podcast.

Dolph Goldenburg: Hey, welcome to the podcast, Adam.

Adam Capes: Thanks, Dolph. Very much appreciate being here today.

Dolph Goldenburg: I know that you have a pretty extensive background in the business of the luxury lifestyle. I think you created Jezebel magazine which of course is a luxury lifestyle publication and also Equity Estates which allows buyers to build equity and luxury destination clubs. What I don't quite understand is how you made the transition from for-profit luxury lifestyle maven to the niche of the nonprofit sector. What led you to that?

Adam Capes: I think the answer lies in the fact that I've always wanted to be successful in business and make a lot of money. Some of my heroes are people like Warren Buffet and Bill Gates, you know, who built major enterprises and then took the vast majority of the wealth that they created and started giving it back to society. As I looked at that, not that I ever believed that I would be at that level, I thought about my life and asked myself, "Do I want to try and make a lot of money and when I'm 70 or 80 or whatever start giving it back?" I realized that I didn't have to do that. I could actually create a business, and there's been a lot of wonderful examples of this in the last 10 or 20 years of social enterprises where the business is actually doing good on its own. You can do well by doing good. So, I took what I know and my experience in the luxury vacation sector, and I saw that when we had donated vacation packages from Equity Estates to different charities, we actually did that because Equity Estates was a luxury residence fund that was a Reg-D securities offering. That meant that we could not advertise and do the kind of typical marketing that other destination club do. It's actually not a security. It's a fund, and you can sell it through a broker-dealer. We ended up raising money individually, three to four hundred thousand dollars at a time.

We couldn't do kind of general advertising and marketing, and a lot of people would ask, "Why don't you just go to a charity event because there's a lot of people there that might be interested in investing in your fund?" We did that, and we would donate some of our own management company night to charity events. It really didn't help us in terms of adding numbers. It wasn't a great business strategy, but what I quickly learned was vacation packages, as Sherry discussed with you on a recent podcast (and I know Sherry's a wonderful auctioneer), are really critical oftentimes to the success of most organizations at their Galas. If you look at what common things are out there that most donors and people would be interested in at an auction, vacations are at the top. So, I remember at a big charity auction in New York City, we donated our Anguilla five-bedroom home on the ocean. I thought it would go for five or ten thousand dollars. They paired it with some Delta

first class tickets, and it went for seventy-five thousand dollars.

Dolph Goldenburg: Seventy-five thousand dollars?!?

Adam Capes: It did, and here's the crazy thing, Dolph. After that, the gentleman who bought the trip didn't take it. He donated it back the next year, and it went for eighty-five thousand dollars the next year. So, we raised about 160,000 dollars with that one week, and I thought, "There's something here." I think I can actually start making a difference in the world right now by figuring out how to work with charities and take my experience in the luxury vacation home sector and build a platform that they can use with no risk to help them raise tens of thousands or hundreds of thousands of dollars.

Dolph Goldenburg: So, over that time, what have you learned about the do's and don'ts for charity auctions?

Adam Capes: Yeah, I've learned a lot. You know I've been able to see a lot of different auctions, and we've narrowed it down to the three most important critical success factors for a live auction. The **first** is you've got to have the *right people* in the audience, right? If you don't have people who are willing to spend some real money on whatever it is that you're offering, then it's going to be difficult to raise substantial money at the event. You must have the right audience. The **second** thing you have to have is the *right items* for that audience. You really have to match that well. One way to do that is to ask board members and major donors beforehand, "Is this something you think you'd be interested in, or do you know people that you could invite that we'd be interested in betting on so it's not a total guessing game?"

Dolph Goldenburg: Let's start back at one and work our way to two. How do you even know who the right audience is?

Adam Capes: Well, I think you've got to start with your goals. Are you trying to raise fifty-thousand dollars in the live auction, or are you trying to raise a hundred? Are you trying to raise five hundred?

You've got to figure out what you are trying to do and then work backward from there. [Ask yourself], "Okay, how much do we have to sell of different packages whether there is a reserve on them (which is the space that we operate on) or whether you can get them fully donated?" Secondly, and we can talk about this as well, one of the things that we've found is that with our packages we are able to sell them an unlimited number of times. Most auctions and auctioneers are used to selling something once to the highest bidder, but we've found that if you've got 300 people at your events, and you determine who you want to have six items, and those are donated items and you sell them each once, that means that 98 percent of the people in the room are walking away empty handed.

They're not giving you money that they might otherwise be interested in giving you. What we try and do is take money from people's vacation budgets and move it over into their giving budgets or philanthropy budgets. We found that there was a lot of people who are very interested in taking vacations. And if you put the right [item], or whatever it is that you're putting in your live auction, you can sell it more than once, and maybe you can sell it 10 or 15 times (and we can talk about how we do that). You can actually get a lot more money out of the live auction. I think it's good determining the right audience, and who you want there starts kind of with your goals. Who can you bring an invite to the event that might have an interest in bidding on that level of item?

Dolph Goldenburg: So, once you get the right people there, I know you'd started to talk about how to make sure you've got the right items, and part of that is to ask maybe like the people on the host committee. What are some other ways that you can make sure you've got the right items?

Adam Capes: Well, you can certainly look back and see what you've done in previous years and what the most is that people have been willing to pay for, but oftentimes we find that charities they don't get as much as they could because they're afraid to ask. So, an example of that is in the Fund-A-Need, and there's a lot of different names for the Fund-A-Need: The Paddle Raise, the Fund-the-Mission.

Dolph Goldenburg: The ask from stage that night where you stand up on stage like, "We need money. Here is what it's for. Give us money."

Adam Capes: Exactly. It usually starts at some high level like \$5,000 or \$10,000. I've asked many professional benefit auctioneers, "Tell me about what you do in the Fund-A-Need that allows you to raise so much more money than they did maybe before they had a professional benefit auctioneer." The number one thing that I hear is, "Well, I ask for more." They try and, of course, before the event, tee that up and find someone that they know is going to give twenty-five thousand dollars. If you normally go to a lot of organizations and say, "Why don't we start at \$25,000," they'll say, "Oh no, we can't do that because nobody's going to want to raise their paddle, and we'll look bad." If you have somebody ready who's going to bid at \$25,000, and the auctioneer says, "We're going to start this opportunity to give here at twenty-five thousand dollars," many times you'll get three, four or five paddles going up, and now you've raised maybe an extra hundred thousand dollars that you wouldn't have gotten if you didn't. Same thing goes for a live auction. Find out if there are people that want to go on a yacht with a big group that maybe they're planning a special- maybe it's a big anniversary or birthday, or maybe they've got a number of friends that they want to get together with and go on a yacht or go to a private island. That could be a thirty or forty-thousand-dollar vacation. When you break it down over a number of days with ten people, it actually isn't that crazy. It's just a matter of kind of opening up to possibilities and not limiting yourself by saying, "Oh, we don't have anyone who will pay this amount."

Dolph Goldenburg: I've seen great success with those types of travel activities that groups of people can go into, whether it's a villa in Tuscany or whatever. When you can get your four best friends or best couple of friends to all go in together, suddenly it's not so expensive.

Adam Capes: Exactly. Most charity events you're probably sitting at a table with eight or ten people or you're probably with some folks that you might know or some friends that you invited or co-workers. It's really a great opportunity to go in together on an amazing experience, and that's the area that we play in – group travel. We find that that's something that a lot of charities are looking for: unique experiences that they can't get anywhere else. There's a lot of ways to get hotel rooms. So, we like to have really special, unique private residences that your average person can't just get on the Internet on their own.

Dolph Goldenburg: Sherry and I talked about that as well. There's something really special about saying, "Okay, the only way you get to go to this venue or hotel is by bidding tonight. After tonight, that opportunity closes." There's nothing like the 'fear of missing out' to get people to bid more.

Adam Capes: No doubt. When people come to charity events, I think a lot of them are asking, "Hey,

what can we do that's going to be an amazingly unique experience that we can't get anywhere else other than tonight and also help this organization and what they're trying to do as well, really feel good that we're giving, and get something that's important to us – maybe time away with family friends or whoever it may be?”

Dolph Goldenburg: We have talked about getting the right people to the event, and we've talked about having the right items at the event. What's the best way to make sure that everybody at the event is fully aware of the auction items?

Adam Capes: So, that actually leads perfectly into the third critical success factor which I believe is the most important factor in an event, and this is coming from looking at many hundreds of charity events and school auctions across the country over the past number of years. We have found that the most important thing a charity can do, whether they work with us or another company that offers vacation packages or other items, is hiring a professional benefit auctioneer – someone like Sherry Truhlar. The reason for that is they are going to make a massive difference in what they raise in the live auction. If there's a fund-a-need, fund-a-mission or paddle raise, what they raise during that portion of the evening - they are professionals. They've done this many times. They know the tricks, and they're constantly working on their craft. It's what they do every weekend versus somebody who's like “Yeah, I can get up on stage and ask how much someone wants to pay for an item.” [There's a] big difference. So, we think that you know the person that is on stage with the microphone selling the right items to the right audience is the most important thing that a charity can do, and the reason that we find that a lot of organizations don't hire a professional benefit auctioneer is because they cost money. They feel like they can get a non-professional, a board member or someone who's on a local television station to do it for free. I think that's a huge mistake because in the business world if you ask somebody, “Hey, would you pay twenty-five hundred dollars or five thousand dollars if you can make an extra 50 or a hundred thousand dollars?” They would pretty much all say “yes” all day long. It's a no brainer.

Dolph Goldenburg: You may have just answered the question that I was just about to ask but let me find out. The typical range that most organizations should anticipate paying an auctioneer is at twenty-five hundred to five thousand - what kind of range are we looking at?

Adam Capes: It depends on the market you're in. I would say for most markets that's a good range. Twenty-five hundred to five thousand dollars. If you're talking about one of the top five or ten metro markets if you're in New York City or if you're in San Francisco maybe Chicago, L.A., Texas, it could be up to ten thousand dollars. I haven't really heard of anybody paying more than ten thousand. Typically, these auctioneers at a good event can make a difference of six figures or more...

Dolph Goldenburg: Is there anything other than just standing on stage and kind of auctioning and wrapping the items and, of course, doing heads or tails or anything else that the auctioneer might be doing? Are there other things that charities should be expecting to get from the auctioneer for that \$5,000 or \$10,000?

Adam Capes: Yeah, there are really two types of auctioneers. There are those who are really good callers; they show up the night of, stand up there and do their chant. They're up there just doing that event that night. We find that most auctioneers want to be more involved and use the best practices that they've seen at other events and help the organization in the run of show, the planning and what to do if you're going to do heads or tails. They'll help advise on which auction

items to use.

They are more of consultants, and they help with all events and planning everything up to and including the live auction and the fund-a-need

Dolph Goldenburg: Adam, you and I are both based out of Atlanta, and there's one auctioneer that I know, and we're going to be having them on the podcast, Dean Crownover, in the next few months. He's going to be talking about something that I think is so critical and, as an auctioneer, he helps organizations deal with it, and that is getting the crowd at a cocktail party to shut up during the solicitation of the auction. So often, when it's not a pro up there or a pro that's kind of determined what the structure of the evening is going to look like, people go to the bar. They're still drinking, and they're still talking. They're still having a good time and are not paying attention to the auction or the solicitation. You've got a pro who is kind of helping you set the event up and figure out, "OK, we need to shut down the bars, and we need to have maybe volunteers walk around shushing people so that everybody's paying attention."

Adam Capes: No doubt. That is one of the most difficult things that organizations have to deal with specifically during the live auction. Going back to that example, if there are six items and 300 people in the audience, 98 percent of the people are not going to win if they're selling it only once. That means they're probably not that engaged and they're talking to their friends. They're eating at the bar. So, yes, that is one of the most important things that a benefit auctioneer can do is be able to control the crowd, keep them engaged, keep them listening and cheering on those who are bidding so that they can help the organization meet its goals for the evening. I will tell you that Dean Crownover is one of the best I've seen that. He is a phenomenal auctioneer, and I'm sure he's going to be able to bring a lot of value to your listeners on this podcast.

Dolph Goldenburg: It's funny you know him. I have seen him do the auctions and solicitations for the Georgia Lawyers for the Arts and he is incredibly amazing. Adam, we are going to take a short break, and when we come back, we're going to talk about both the prep work that organizations should do to promote trips before the event and what they should do after the event with the high bidders.

Okay folks. It's time to return from Robin Leeches Daydreams of Luxury Destinations for a moment, but let's stay with the thoughts of money. How is your non-profit doing financially?

Maybe you're sitting here thinking, "My agency is so strapped for cash that the only auction I can imagine having today is on eBay, and we're going to be selling off used ink cartridges that we've pulled from the printer and half-used reams of paper that we've also pulled from the printer." So, let's look at the steps to getting you back from that brink of financial crisis. Check out my Bonus Break Series Surviving a Cash Flow Crisis. You can find it on www.successfulnonprofits.com. That's right. You and your organization can get to a better place - maybe not a beach in Costa Rica or a villa in Tuscany - but a better place nonetheless.

Hey, Adam. Welcome back to the podcast.

Adam Capes: Thanks.

Dolph Goldenburg: So, leading up to the weeks or a month before an organization's big event, what

should they be doing to promote those big-ticket travel items that they're going to be auctioning?

Adam Capes: There are a number of ways to promote those items. I think that certainly sending out regular e-mails, and repetition is important. Sometimes, organizations are like well we don't want to send an e-mail to our donor base or our attendees at this event more than once every week or once every couple of weeks. It's OK to send them e-mails every couple of days if you're giving them good information that's actionable. You can send them, "Hey, here's another feature item that we've got in our event. Make sure to check this out," and give a lot of details on that item. Say 'only available the night of our event Saturday' or whatever the date is... Sending out regular e-mails is important. I also think picking up the phone and talking to people is important. I would suggest getting the board involved by asking them, "Hey, who do you know that might be interested in this one item that we either have secured and are going to have in the event or could have?" Now, sometimes it's something that you have every year and know that someone's going to buy that item, but we also hear from a lot of organizations that they want items that are new and fresh and different so that you know you can bring in new donors. So, I think that's important. You have to promote those. The two primary ways, though, are online with e-mails and then just picking up the phone and calling board members or other donors. [Ask them,] "Hey is this something you'd be interested in," or, "Hey, if not, what would you like to do?" Companies like Getaway2Give and others that have a wide array of offerings know someone really wants to go to the Super Bowl, go find Super Bowl tickets for them and pay up for them. You're going to make a bring in some good dollars in the live auction.

Dolph Goldenburg: Are you a fan of allowing people to bid online before the event or do you feel that's a no-no?

Adam Capes: I think it's okay to get the bidding going before the event, but I think what's really going to get you where you want to be and help you hit the fundraising goals that organizations have is in a room with a professional benefit auctioneer where there's that excitement level, and people are betting against each other. That doesn't really tend to occur online. You don't have the same dynamics. We tend to not participate in silent auctions for that very reason. We could probably sell a lot of packages, but we wouldn't raise the kind of money we're trying to raise for organizations inside and off.

And so, we really want to be in live auctions where we can get the bidding up, and our goal is to have a package where there are many different options. Maybe one winner's choice package could have five different two-bedroom, oceanfront Beach Residences to choose from, and they have 18 months to use it. If we can sell it ten times for five thousand dollars or six thousand dollars, we'd rather do that than selling it once for ten thousand.

Dolph Goldenburg: Let me ask you about after the event. So, somebody goes for a beach resort villa, and it's been six months or twelve months. Is there any type of follow up you recommend that the organization does with the high bidders?

Adam Capes: Yeah, I think the Thank You is really important, and I think most organizations miss the boat there. The best I've seen of any organization, and it's actually a major national one that doesn't have events. So, I've never worked with them personally, but they do an incredible job online is www.donorschoose.org where they are helping raise money for classrooms for supplies for things that otherwise the teachers may have to pay out of their own pocket, which I think makes no sense. It's a great organization. If anyone hasn't experienced it before, I highly recommend you go online.

If you have children involved, then pick a good classroom maybe in your community (maybe somewhere else) and donate 20 bucks or 30 bucks or 50 bucks. You're going to get an e-mail and probably a letter from the teacher. More impactful than that, you're going to get letters from all of the students drawn in crayon and personalized to you. My son who's 13 years old got a bunch of letters that say, "Mr. Coates, thank you so much for helping me out." It was so touching. They really get the Thank You right. I think it's really important for organizations. It doesn't matter whether they are bidding one hundred dollars or one hundred thousand dollars. It's really important to contact them. Personal phone calls are great. Say, "Hey, I just want to really thank you for attending the event. Let me tell you the impact that what you donated or what your purchase at this event what it did and what it means to us." I think connecting the gift with the impact is really important, and that is what's going to keep people engaged and want to continue doing that because they get that really great feeling that they were able to make a difference in the organization's mission.

Dolph Goldenburg: How do you feel about giving a high bidder(s) the opportunity to tell their story after they've taken the trip? So, whether that's in an e-mail blast or on stage next year at the event or whatever.

Adam Capes: Absolutely.

And that's something that we try and do to help the organization, Dolph. We've got all these people going on vacations. We really try and get feedback from them and get videos from them that can go back to the charity. They can use that to inspire the next group of folks that may want to buy a similar vacation.

Dolph Goldenburg: I know that personally because we ended up being the high bidders on a consignment vacation at a safari in Africa. We've seen that safari at other organizations' charity auctions, and every now and then someone in that organization who knows that I've been might ask me to say a few words about safari. It's funny. When I gush about it, suddenly they reopen bidding and are like, "Okay, now I really want this no doubt."

Adam Capes: Yeah, having somebody who's experienced that up there saying, "Hey this is really a great experience," sure. That really is going to get people. It's the trust factor. Who's been there been and vetted it makes a huge difference.

Dolph Goldenburg: Well, Adam, thank you so much for joining us. We are starting to run short on time, but I want to make sure that I get in the Off-the-Map question. First, I have to explain to listeners that we ask every podcast guest before they come on if there are any URLs they would like us to mention during the recording session or in the outro. Typically, we get links to their nonprofit organization or the business that they're affiliated with. Now, Adam has actually taken a different direction. In addition to asking that we promote the links of his business, he also asked that we mentioned www.donorschoose.org and www.kiva.org. Adam, you've already shared with us about www.donorschoose.org. Now, here's another opportunity for the Off-the-Map question. Why did you list www.kiva.org as one of the URLs you would like for us to promote?

Adam Capes: Yeah, I think www.kiva.org is just a phenomenally innovative nonprofit that is making micro-lending accessible and available to everybody. It's actually not a donation because you're giving and lending money to somebody in a third world country that is trying to start a business, or they have a business and they need maybe a small grocery store. When I say small, I mean like a little shack where they're selling food out of that in a developing nation. This is how they feed their

family and make a living. They need to be able to buy supplies so you can actually participate in that and loan them one hundred bucks. In general, you're going to get 98 or 99 percent of that money back, and then you can keep lending it to other people. It's just an amazing idea and concept that I think people should check out.

Dolph Goldenburg: Adam, I have to say it says a lot about you as a human being and as a humanitarian that the two of the URLs you want us to promote are other organizations. So, thank you, and thank you for being with us today. You have given us a ton of information on improving the bottom line in our auction events. Listeners, you can check out the amazing trips and experiences available through Adam's company Getaway2Give. The websites are www.Getaway2Give.com and www.G2Gcollection.com. Just so that you're aware, in both of those websites, 'to' is the number '2' and not the word 'to.' Additionally, Adam has offered to personally advise listeners to contact him on any travel questions they may have so feel free to reach out to him and again find him at www.Getaway2Give.com. In addition, we are also going to share Adam's favorite philanthropic organizations in the show notes.

Hey, Adam, thanks again. You've been an amazing guest.

Adam Capes: Thanks, Dolph. We're both here in Atlanta, and I look forward to getting together with you soon.

Dolph Goldenburg: Absolutely.

You might be busy right now making a pros and cons list to decide which G2G trip you'd prefer such as the Thatchkey in Belize or the Harry Potter experience in London. Well, carry on. You will find all of the information necessary to contact Adam at today's show notes, and that's on our website at www.successfulnonprofits.com. I really enjoyed this conversation. For me, the big takeaway was that every organization that has an auction should hire a professional auctioneer. I would love to hear what struck a chord with you, dear listener. Do share it with me on Facebook, LinkedIn, or Twitter. In addition to that feedback, don't forget that it only takes a couple of minutes to rate and review this podcast on iTunes, Stitcher, Libsyn, or whatever favorite podcast listening app that you happen to have on your phone. I am always grateful to hear from you as our listeners. That's our show for this week. I hope you have gained some insight to help your nonprofit thrive in a competitive environment.

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