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Online auction is solid Gold

Auctionwire founder sets up safe system for bids to benefit charities

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JERRY LANGTON
SPECIAL TO THE STAR

Remember John Schneider? He played Bo Duke (the blonde one) on the original *Dukes of Hazzard* TV series. Well he now writes, produces, directs and stars in his own independent films. And a couple of years ago, he wanted to finance another one.

Luckily, he had an asset to sell: A blood-red, Confederate-themed 1969 Dodge Charger that once appeared as the "General Lee" on the show.

Like many people, he put his car up on eBay. The winning bid was \$9,900,500 (U.S.), more than enough to finance his film project. That was a bit of a pleasant surprise because an assessor had told Schneider that his car would be worth about \$150,000 – \$200,000 at the most.

But when Schneider went to collect, the bidder didn't want to pay. Or, to be more clear, the bidder claimed he wasn't the winning bidder because he hadn't actually bid.

William Fisher, owner of New Hampshire-based Knifecollector.com, claimed someone had hacked into his eBay account and placed the huge bid on his behalf. Investigators found no evidence to support his claim, but decided not to pursue him. Instead, they put the "General Lee" back up for auction with all bidders closely screened. The top bid was \$100,000, which wasn't enough for Schneider.

He withdrew the car from eBay ... and went to Auctionwire.

Toronto-based Auctionwire is a company that auctions interesting, high-dollar items online to qualified buyers.

"Before we accept a bid on anything, we talk to the bidder's bank and credit card company to make sure he or she can afford it," said Josh Gold, president and CEO of Auctionwire.



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Josh Gold, whose company auctions interesting, high-dollar items online to qualified buyers, says more than \$2 billion in winning bids have passed through the Auctionwire site. "That's a lot of money for charity."

"We can't be fooled."

Although many of the items up for sale on Auctionwire at any time – Barry Bonds' 715th home run ball; the world's oldest hockey stick; and a walk-on role on the TV series *My Name is Earl* – draw wide interest and huge bids, mischief is also kept down by the fact that most of Auctionwire's auctions are for charity.

Of course, Gold keeps his cut, and he's doing fairly well. Auctionwire recorded revenues of \$147,653 (Canadian) in 2004 and \$1,651,671 in 2006. And it's continuing to grow.

But while his own company is doing well, Gold maintains the real winners are the charities that use his site.

"We've had more than \$2 billion in winning bids pass through our site since we started," he said. "That's a lot of money for charity."

That success has not gone unnoticed by the big boys.

"Auctionwire has demonstrated energy, focus and drive to leverage technology to deliver business growth and a superior experience for its customers by making it easier for them to be innovative in the development and execution of marketing campaigns," said Kevin Peesker, general manager, small business division, for Dell Canada.

"Small businesses play a critical role in the Canadian economy and we are delighted to recognize Auctionwire for its application of technology earning them the 2007 Dell Canada SMB Excellence Award."

Like most start-ups, Auctionwire didn't start easily. And it started out of necessity.

Gold went to work one morning at MCI WorldCom and saw a headline on the front page of the *Star* saying the company had gone bankrupt and laid off all its employees.

Looking for a quick way to make some cash, Gold offered to sell some of the leftover office supplies and other inventory from the ruins of MCI WorldCom on eBay.

It worked well enough and – some months later – Gold found himself sipping coffee in Starbucks, reading the *Star* again when he was hit by a great idea: How about a managed auction site for newsworthy items.

And the tie-in to charities, Gold said, came naturally.

"My parents taught me that sharing is important," he said. "I've been heavily involved in charities since I was 15; I was a Big Brother."

At first he tried selling those items on eBay, but ran into problems.

"We had the world's first iPhone, the very first one certified by Apple, and we were auctioning it for charity," he said. "But when we put it up on eBay, there were dozens of other entries that also came up when you searched 'first iPhone;' some were 'my first iPhone,' 'the first iPhone in Fresno,' and others were just plain frauds."

So Gold hired some IT guys to come up with proprietary auction software, allowing his company to handle its own auctions without any help from outside.

That's helped Auctionwire raise its profile. And with that, the customers, products and bids have gone decidedly upmarket.

"Our clients are mostly advertising companies, charities and manufacturers who want to stay in the news," Gold said.

The bidders, he said, come to him.

"We get two types: People who have had bad experiences with eBay and those who don't have the time to use eBay," he said.

"We sometimes even get calls from bidders asking us to find items on eBay for them."