



FEATURE STORY FROM THE APRIL 28, 2006 PRINT EDITION

[Jeff Lee takes eBay to another level](#)

President of local iSold It franchise finds niche in selling companies' surplus inventory online.

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Finding new ways to sell surplus inventory

San Antonio Business Journal - April 28, 2006 by [Mike W. Thomas](#)

Late last year, Michael Garcia, chief marketing officer for [MDI Security Systems](#), had a warehouse full of video cameras that he needed to liquidate to make room for a new line of cameras ready to come on the market.

He knew it would take a considerable amount of time and effort to contact various dealers throughout the country and unload all of the leftover cameras. It would take at least six months by his estimation. So he began to look for an alternative that would be faster and more cost effective for getting rid of his surplus inventory.



That is how he came to find Jeff Lee, the owner of the [iSold It](#) franchise in San Antonio. iSold It stores utilize the [eBay](#) online auction service to sell items for its clients. Lee did some research and made a presentation showing how he could sell the cameras in a timely fashion at no extra cost to MDI and still give them a substantial return on their investment.

"Jeff's organization was able to quickly turn (the surplus inventory) into revenue in a matter of weeks while freeing up shelf space for us in our warehouse," Garcia says. "I plan to use them again whenever we need to launch a new product and free up some space."

Garcia says he was impressed that Lee was able to handle the situation with no further effort by MDI. They picked up the merchandise and stored it at their own facility. They handled all the online marketing and research to determine what price to put on the cameras. And they took care of all the shipping and handling needs as the merchandise was sold.

"All we have to do is sit back and get a check in the mail every couple of weeks," Garcia says.

Avoiding headaches

Chris Bulger, owner of [Builder's Edge Supply Co.](#), has also been using the services of iSold It to sell custom designed doors that accumulate in his small warehouse.

"We like to change out our display frequently," he says. "We have a small limited warehouse and can't afford to have things lying around for long.

"But it is expensive to ship these doors back to the suppliers," he adds. "It costs more than it's worth."

Bulger says he started using iSold It last December and doesn't think he will do it any other way from now on.

"It's great for us," he says. "I don't have the headache of trying to ship these things off and they still get sold."

Rapid growth

Since taking over the local iSold It franchise in September 2005, Lee says he has seen sales revenues rise 70 percent. There are currently two iSold It stores in San Antonio, one at 13433 U.S. Highway 281 North in the San Pedro Plaza shopping center and another at the intersection of Northwest Loop 1604 and Bandera next to the [H-E-B](#) grocery store.

Lee credits the success to a change in operations and the implementation of an aggressive marketing plan.

"I'm operating the business like a corporation and not a mom and pop shop," he says. "We recently created a consumer selling site and have also been working to expand our business and commercial clientele."

MDI is currently Lee's largest commercial client, but they have also provided similar services for [SecureInfo Corp.](#), [Artcom Associates](#), [Anytime Communications](#) and Eduardo's Bridal & Formal Wear.

"We offer a highly cost-effective and efficient method for companies to liquidate their unwanted or over-stock items in a timely manner utilizing the eBay sales channel," Lee says. "Our clients have been very satisfied with our services, high-success rate and final sales price."

Lee, who previously worked for SBC Communications Inc. -- now [AT&T Inc.](#) -- says he has always wanted to have his own business and was looking for an opportunity such as this to put his background in sales and marketing to good use.

A new model

The iSold It model allows Lee to harness the sales strength of the 150 million registered eBay buyers and sellers to benefit his clients. Companies pay nothing to use the service and Lee only makes money if the items sell.

"We have no upfront cost for our services," he says. "We get compensated only when their items are sold. We provide professional digital photography and descriptive copywriting, manage their auctions and package and ship their items to the winning bidders."

Lee projects his revenues for the year will be about \$1.1 million. He has 10 employees and says that his two locations are more than enough to keep him busy for the time being.

"This is a good fit for the services we offer," he says. "We have a fast turnaround time of usually five to seven days and the buyer pays the shipping costs."

Lee says the service he offers is almost economy-proof because people will need to sell and liquidate items even more when times are hard. When times are good, it just means that there are more people with money looking to buy things.

There are currently 200 iSold It stores operating across the country with plans for another 400 to open by the end of 2006. iSold It, based in Monrovia, Calif., is not affiliated with eBay.