

IronPlanet: Looking Ahead to 2015

18 February 2015 by IronPlanet

With 2015 looking set to be another mixed year for Europe's construction markets, we spoke to IronPlanet's Felipe Fernández-Urrutia Massó about how IronPlanet is preparing to meet this year head-on.

For IronPlanet, 2014 proved to be a year of unprecedented achievement. The world's leading online auction for used machinery, IronPlanet has grown tremendously since it began as an idea in a Harvard Business School working group, when it was realised that there was a need in the market for a more simple and efficient way to buy and sell machines. Today, 6 years on from its successful decision to expand into EMEA, IronPlanet has sold over US\$ 3 billion worth of used equipment worldwide.

We spoke to Felipe Fernández-Urrutia Massó, Vice President of European Sales at IronPlanet, about the company's plans for the upcoming year.

"In 2014, we consolidated a number of large, international accounts – from rental companies like Loxam and Ramirent, to major contractors throughout Europe, such as Bouygues and Vinci in France, and FCC and Ferrovial in Spain," said Fdez-Urrutia. "These renewed, bolstered partnerships are made possible thanks to the strength of our unique, online business model, which enables us to sell equipment after a project has finished from any part of the world – whether from Tanzania, Equatorial Guinea, Morocco, Colombia or Australia."

"For IronPlanet, success largely depends upon understanding the construction market conditions, and how well we respond to these," Fdez-Urrutia explained. "When the market is up, there is usually new equipment being bought, and this consequently means there is old equipment that needs to be sold," he continued. "Equally, if the market is down, people are more likely to buy used machines rather than make large investments on new machinery – it's very circular."

Fdez-Urrutia predicts that 2015 will bring with it – once again – relatively mixed European construction market performance. "The Southern European markets will remain the same, without much activity. The French construction market has also dipped somewhat, and this is not likely to change in 2015. However, we recognize that, as a result of this, there are opportunities for us to sell equipment from France, as fleets are downsized."

He emphasised that the construction markets of Northern Europe were a different story. "The North is far more stable," he stated. "The UK market is doing well, Ireland is beginning to pick up again, and whilst the Dutch market has dipped slightly, it is nowhere near at the same rate as the South. Scandinavia looks set to

have mixed successes – whilst Denmark is picking up at a very slow rate and Finland is likely to be heavily affected by problems in Russia, by contrast there are large projects happening this year in both Sweden and Norway. These projects mean new equipment is being bought, and therefore used equipment will be sold to make way for the newer machines.”

So how does IronPlanet prepare itself to deal with these market fluctuations? “IronPlanet will ensure that it is ready to meet the needs of customers. We are very quick to reinforce our sales teams in regions where we see an emerging trend that will have an effect on the buying or selling of used equipment. We have already done this in France and in Scandinavia,” Fdez-Urrutia added. “The IronPlanet teams in these areas are now even better prepared to cover these trends, and ready to advise customers looking to downsize fleets, or to buy used equipment as opposed to new.”

Fdez-Urrutia was also excited to share a number of IronPlanet projects which will truly come to fruition in 2015. “At the beginning of 2015 we launched a new website, with a host of new features and significantly enhanced functionality, meaning that we are offering our customers an even greater service and online experience.

As IronPlanet EMEA shares many customers with their US counterparts, it’s no surprise that Fdez-Urrutia is eager to highlight successes from across the Atlantic. “We are a truly global company,” he explained. “Wherever we have successes, they are celebrated in all regions. Everyone on the IronPlanet team is aware that an achievement for one brings benefits to us all – better brand recognition, and a stronger IronPlanet.”

Aside from the new and improved website, IronPlanet has had two other especially notable US-based developments. “We won the DLA Rolling Stock contract, and this win drove us to launch GovPlanet. Through this, we are selling all the rolling stock from the military of the US army,” said Fdez-Urrutia. “It’s a truly outstanding contract, and it really gives IronPlanet huge visibility. The equipment for sale is fantastic quality, and always generates a huge audience.”

“One of the most important events that occurred last year was the signing of an agreement to merge IronPlanet and Associated Auction Services LLC, an alliance of Caterpillar and several of its independent Cat® dealers, that operates under the name of Cat Auction Services,” he continued. “The power of IronPlanet’s technology, multiple marketplace formats and global buyer base coupled with Cat Auction Services’ live, onsite auction format and deep equipment expertise will provide the most powerful and complete suite of auction remarketing tools in the industry.”

Fdez-Urrutia's enthusiasm for the coming year is both clear, and infectious. "With so much going on, and very thorough preparation for any changes in the markets, I really see this year as a strong year for growth for IronPlanet, and I'm excited for this," he concluded. "Of course, this is not just exciting for us as a company, and myself as an employee – this growth means that we will be offering our customers a continually better service, which is, after all, what we are always and continually striving to achieve."