

Ken Nordeen Case Study

Ken Nordeen is a 65-year-old retired Los Angeles police officer whose hobby is the collection and trading of memorabilia. To supplement his retirement income he rents booth space at various swap meets in California and buys and sells items there. He has many pieces of memorabilia consisting of baseball cards, autographs, medals, etc. He has a very rudimentary system of accounting for this activity. When asked to describe the processes performed at a typical swap meet, he stated the following-

I usually set up my table around 8:00 AM at the swap meet. I set out all of my items grouped by type—baseball cards in one area, autographs in another, etc. I have a card for each item in my current inventory. At a swap meet, I look to buy items that I think have value, sell items if I get a good offer, and trade items if a deal can be found. Once a month, I conduct a silent auction for some selected items, where I allow swap meet attendees to incrementally bid on items. Each of these processes is detailed below.

Buying an Item

The swap meet is full of interesting memorabilia, and often I will find a few items that I am interested in. The key is to make sure to get the best value possible. This means buying an item for less than what it should be worth. The trick is to know the true value of the item. Now, I have a pretty comprehensive memory in regards to item values, but it would be great to be able to quickly look up an item's value without having to break out my 700-page almanac.

If I find an item that is underpriced, I will buy the item from the seller. Then, I will write up a new card for the item to keep in my inventory. I keep track of the item, the item type, a brief description, the date the item was acquired, and the current value. Some items have sentimental value, so I write "DO NOT SELL" on those cards to make sure I don't accidentally sell the items.

Selling an Item

Once I set out my items on the table at the swap meet, I have to go through the tedious process of finding the cards in my inventory for all of those items. If someone comes to the table and wants to buy the item, I haggle with them over the price until we reach a deal. Occasionally, someone will offer me a card/autographs as a trade for one of my items. In a trade, I look up the value of my item and decide whether or not to make the swap. If it's worth it, I trade the item, charging the other person if the amounts are not equal.

When someone buys/trades something from me, I have to give them a sales receipt. The receipt is in two parts; I keep one part and give the other to the customer. At the end of each month, I reconcile each sales receipt against each card to make sure that I've entered everything properly. In addition, I create a report that indicates how much money I've made each month.

One thing I've always hoped for is the ability to sell items that I own but didn't bring to the swap meet. Sometimes I'll have a customer come up to my table asking about, for example, a Ken Griffey Jr. autograph. Now, I've got one, but I may not have it with me. I'd love to be able to give the customer something like an "IOU" for the next swap meet, so I can be sure to bring it next time and complete the sale.

Silent Auction

Once a month, I bring some of my most prized items and conduct a silent auction. In the silent auction, I set an initial bid and how much the bid goes up each time. When a customer comes to the table and wants to bid on an item, they write their name on the next line, with the bid increased by the amount I specified (e.g. \$10 increments). At a specified time, the auctions all end, and whomever has written their name on the furthest line wins the item for the amount listed. It's a simple process, but I can only conduct 3-4 because each one takes up so much space on the table.

Ken is thinking of purchasing a PC to automate the basics of his business and he has asked you to suggest a solution.