

Title:

Like New, Only Better

Word Count:

1188

Summary:

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Keywords:

material handling equipment, refurbished warehouse equipment, pallet rack, conveyors, used material handling, equipment procurement

Article Body:

**Like New, Only Better**

Material handling systems (conveyors, sorting systems, shelving, etc.) represent a major purchasing decision, no matter how you slice it. The wrong decision can be costly, and making the right decision can be difficult, largely because of the number and nature of the options available.

Of course, you could just pay top dollar for new equipment. You know exactly what you are getting, assuming the equipment performs up to specs. Your only concern is the possibility that you have paid more for it than you really had to.

You could save money (or at least spend less, which is not always the same thing) by purchasing used equipment. Now all you have to worry about is dependability-or, at worst, the cost of replacing the equipment if it doesn't do the job it was intended to do.

Finally, there is reconditioned equipment. This saves some money, but not as much as buying used. On the other hand, it should perform better than used, if not as well as new. That's the theory, but you can never really be sure what was done to the equipment other than a quick paint job. Ideally, reconditioned equipment should be the perfect compromise between the quality of new and the cost savings of used equipment. However, unless you know exactly what to look for, you will have a hard time predicting performance and measuring it against the cost of the equipment.

Fortunately, there is a fourth option which attempts to eliminate this uncertainty by specifying - and guaranteeing exactly what has been done to used equipment before it is once again offered for sale. "Renewed" equipment permits informed purchasing. You can calculate, as with new equipment, the value of the purchase based on anticipated performance versus cost.

#### **<b>Who Do You Trust?</b>**

Of course, anybody can slap a "renewed" label on some old piece of reconditioned equipment, so you have to ask yourself who you are dealing with. How do they "renew" equipment? How do you know what is done to the equipment? If the equipment doesn't perform as promised, what is the supplier going to do about it?

If possible, work with a material handling equipment supplier you know. Barring this, it is important to identify a supplier with experience in refurbishing the kinds of equipment you are considering, and who has an established reputation in the industry for standing behind the products they sell. Talk to other customers. To be on the safe side, try to talk to customers that aren't on a list given you by the supplier.

Visit the supplier's facility, if at all possible. Do they have the engineers and qualified shop personnel to inspect, test, rebuild and retrofit the equipment? Do they make the product cosmetically attractive, but neglect the additional work needed to revitalize the equipment's performance. Do they have a process that includes extensive inspection and testing? Do they offer a guarantee that the equipment will perform as advertised?

#### **<b>The Renewal Process</b>**

A true equipment renewal program adds value to the equipment at every stage, from disassembly at its previous location until it is installed and functioning in your facility.

**<b>Disassembly.</b>** Material handling equipment undergoes wear and tear throughout its working life. Regular maintenance and intelligent operation of the equipment can keep this to a minimum, but all this good work can be wasted by careless disassembly. Before accepting the equipment as potentially renewable, the supplier must examine the equipment on site, along with any maintenance records. Even more critically, an experienced, reliable crew must be employed to tear the system down, categorize, palletize and transport it to the renewal facility.

**<b>Evaluation.</b>** As mentioned earlier, a certain amount of wear and tear is

inevitable. Some is acceptable, and is one reason that renewed equipment costs less than new. Excessive wear, however, is not acceptable. Some elements of a system may be rejected, or sold as used at a lower price. Frequently, the wear and tear is concentrated in easily replaced parts such as seals, rollers, bearings, etc. A good renewal program will replace critical parts in this category even if they still look good.

**Testing.** Renewed equipment should operate up to the specifications of the equipment when it was new. (It may not hold to those specs as long as new equipment would, but that's why you're spending less.) A good renewal program will test each component, so that you know exactly what performance to expect from the reassembled system.

**Design.** You probably won't be using this equipment exactly the way the previous owner did. A good design and engineering team can help you integrate the equipment into your existing system.

**Cosmetic Work.** You'll get a repaint job with any reconditioned equipment, but the paint on renewed equipment is not there to cover up flaws. It's simply there to enhance appearance.

**Reassembly.** Renewed equipment may not assemble as easily as new, although it is easier to work with than used equipment. A certain amount of additional adjustment will probably be required, along with the re-drilling of holes and other minor modifications, to retrofit the system so it integrates properly. A trained crew can be a real asset here.

#### **Living with Renewed Equipment**

Renewed equipment will continue to perform within spec for a certain amount of time (less than new, more than used). However, this is not a simple "you get what you pay for" compromise. The fact is that most material handling systems have a limited shelf life. Growing volume changes in business processes or materials handled, the availability of new material handling technologies—all of these can and will make your new system obsolete at some time in the future. Why pay for more time than you need?

Of course, taking advantage of this factor requires careful planning. Sometimes it's a fairly simple matter. For example: your present system is completely inadequate for your needs and absolutely must be replaced. On the other hand, you are planning on consolidating material handling operations at a single facility in four years. Paying extra for a new system that will last ten years simply makes no sense. Renewed is the obvious choice.

On the other hand, it's not always an either/or question. Frequently, some

combination of new, renewed and even used equipment makes the most economic sense. For example, you may wish to take advantage of recent developments in control systems. You may want the newest, quietest and fastest-rated conveyors for your high traffic, populated areas. Buy new in these cases. Renewed, on the other hand, may be the best answer for the bulk of your conveyor component. Used or conventional reconditioned equipment may be adequate for all or part of your shelving requirements.

The point is that you should examine all of your options, realizing that complex systems may benefit from a combination of those options, and then make the best choices to suit your requirements, your budget and your future plans.