

New or used? Buy or lease? How do I decide?

When considering a new piece of equipment, it is not all that different from shopping for a new car. Should I buy new, or will used be okay? I don't want to overspend, but I don't want to get stuck with a lemon either. The answer starts with an assessment of needs. Is this the family car or a first vehicle for your teenage son? Probably somewhere in between. We look at three primary areas: 1) What is the life of the project? 2) How critical are the part requirements and how demanding is the process? 3) What do you need in terms of dependability or reliability in meeting delivery demands?

NEW

We first look at the **life of the project** because, if the number of parts produced is high, the decision is easy. If you are looking at a three-year run on 2.5 million parts, a \$20,000 machine costs less than a penny per part and, with purchase/lease options, this expense can be timed as needed. With a part-cost this low, why take any risk in terms of performance or reliability or even that you might have to replace the machine midway through production. And why not give yourself all the technical support and applications assistance and training that comes with new equipment. But if your need is more short-run, there is more to consider.

We next look at the **part requirements** and what will be needed from the equipment to product quality parts consistently. First, we consider the part tolerances, the part performance and how critical the assembly process will be. Then we look at the overall manufacturing process, the degree to which parameters and materials may vary, and the severity of the environment and how taxed the equipment will be. Whether you are making the plastic toy in a kid's meal, or a hermetic seal on a pacemaker, there can be aspects of almost any operation that push equipment to the limit.

BUY

Next, we consider the **importance of dependability**. If you are manufacturing for inventory on a stand-alone machine, a three-day shutdown may be of little consequence. But if you are producing for just-in-time delivery to an automotive assembly line, a one-hour delay can cost thousands. In placing a value on dependability, consider whether you have other similar machines that could cover the load, and to what extent your own people are able to service your equipment. Alternatively, consider the availability of parts and the reliability in being able to get the service or answers you need when you need them.

USED

With a **realistic assessment of needs**, we then look at the choice between new and used equipment. In this industry, new equipment comes with an entire **basket of services** at no additional cost, such as technical support, applications assistance, service and training. Plus, benefits like Dukane's Service Loaner Program, which ships you replacement equipment within 24 hours if there's a problem. Here again, the value you place on these services depends to some extent on your in-house-capabilities.

Manufacturers typically charge \$1,000 per day, plus expenses, for field calls for service or applications assistance. And with used equipment, most warranties are not transferable because

RENT

equipment can be exposed to such a wide variety of adverse conditions. For these reasons, **Factory Certified used** equipment can be an attractive option. Dukane offers all our same service and support, plus a limited warranty, on used Dukane equipment that has been through a complete inspection at our facility. Another alternative is our rental program, which allows you to choose from our entire product line. This can be a cost-effective solution for short-term needs and rental **payments can be applied toward purchase**. We also offer numerous leasing options with various terms to match the life of a project. Similar to renting, leases can lead to ownership, through a dollar buyout at lease end, and payments can be expensed in the current period without tying up capital

LEASE

Today, more than ever, there are a lot of purchase options when considering equipment. And in today's business climate, the incentive to save a few dollars is real. Yet, at the same time, competition has never been more fierce and your customers' demands are not getting easier. We've tried to provide as many equipment alternatives as possible and are eager to help you evaluate which is best for you.