

Chris's Corner: On Buying a Used Machine

Everyone wants to save a buck, spend their money wisely, and make a good investment. If you are in business, you have to, you don't have a choice.

Many times you will be faced with the prospect of getting a machine that you need for a new menu item or new product to your line. Or perhaps you have an existing machine that is worn out and is broken more often than it runs. Perhaps it cannot be fixed, whether it costs too much or maybe the replacement part you need is no longer available.

What do you do?

Well you have choices, but you have to make the best choice given your circumstances. Many times the decision comes down to new or used? But it's not that simple.

New is new. It is freshly made. It is a current production model. It will come, typically, with at least a one year manufacturer's warranty. It's the latest.

If you can afford it and it is replacing a current machine that serves a set, unchanging, purpose and you don't plan any radical changes to your operation, it might be the way to go.

However, what if you really need a machine and shopped around but find you can't afford new? Then you must consider purchasing a used piece. What choice do you have?

Or maybe you have a new product idea or a new process in mind and you're not sure if it will work. If that is the case, maybe the prudent decision is to start with a used machine and if it works, get a new machine later.

Keep in mind that not all used equipment is the same, nor does the description, "used", give you any real meaningful information.

I would say there are subsets of used equipment such as manufacturer's show and demo, repossessed, rebuilt/refurbished and used,used.

There are also a huge array of sources you can get used equipment. You can buy from a private party, a dealer, a sales/service dealer, a liquidator, auctions, etc.

What do you do? How do you do your due diligence to make sure you make a good buy? It seems confusing, doesn't it? Truthfully, it is confusing.

My first suggestion would be to figure out what you want before even considering whether to buy new or used. If you are replacing an existing unit that served your needs perfectly and you are satisfied with it, I would suggest starting by visiting the manufacturer's website to see if the model still exists. If they still make it and you like it, shop around for prices.

If it doesn't still exist, email the manufacturer and tell them what you have and ask "what is the new model that replaces it in their product line?"

If you think you need a new machine to handle a new product, process or procedure, my advice is to reach out to others in your industry and ask your peers what they use. Although a direct competitor is unlikely to help you out, someone somewhere, who has done their time in the trenches is often more than happy to help someone out. Many times, you can even visit their operation and see the machine they use in action. They will probably be very upfront with you and will tell you if they like the machine or if they had to do something over, what they would change.

Now knowing what you want, shop around.

To shop around, obviously check prices on the internet, but also call what I call local brick and mortar dealers or sales/service offices. Compare carefully what each price you get includes; does it include freight, set-up, start-up from the servicer and training. What do you get for your money?

Can't afford new after seeing all the prices? Now it's time to shop for used. Call dealers, calls sales/service offices, check your local Craigslist, look in the paper. Most importantly find out what the unit would be described as.

Show/demo equipment typically began its life as a new piece of equipment that was taken to a trade show where it was unboxed and put on display. Sometimes

it may have been used at the show for a live demonstration by the company who makes it or the company who sells it. Sometimes a customer will say they're interested in getting several new machines but aren't willing to commit until they test it. A manufacturer or dealer will actually place a machine in a live customer location and let the customer use it for a period of time.

Show/demo machines are like new. They have been, typically, gently used for a short period of time. They aren't legally new and may or may not have a full or prorated warranty on them. They typically have pretty dramatic savings on them as the people that have them want them off their books. They are hard to find, but you will jump for joy if you find one. If you definitely are going to buy, ask your dealer or sales/service company if there are any available. They are the best kind of used equipment.

The next series of equipment that typically can be on equal ground in terms of quality, reliability and price would be repo'd equipment and rebuilt or refurbished equipment. Unfortunately in our industry many new restaurants, pizza shops and food related businesses do not always survive. Many times they have financed or leased new equipment which isn't paid off at the time of the business closing.

Eventually the equipment ends back in the hands of the sellers. You probably won't have to ask if they have this type of used equipment, they will tell you because they want to move it and it's an easy sale. It's big money savings. You just have to be careful that you get some type of warranty or guarantee from these sellers. Leases and loans can be as long as 60 or 72 months, there is a big difference in a one year old repo and a five year old one.

Rebuilt or refurbished equipment means typically that a qualified servicer has run the machine, tested it and replaced parts that show wear and could be problematic. It is gone over with a fine tooth comb and repaired to optimum operating condition. It will be clean. It may or may not be refinished or repainted. But don't be fooled by looks. Ask the seller exactly what or what wasn't done to bring the machine back to spec. If a machine is genuinely rebuilt you should have no trouble at all getting a warranty or guarantee on it.

One point to be aware of is you still have to pay attention to the age of the machine. A rebuilt machine that is 25 years old and out of current production is not nearly as valuable as a newer model that also has been gone over. Chances are over time, that the availability of parts on the 25 year old machine could become an issue, even if you have only had it a short period of time.

The, of course, there is used. Real used. Buyer beware. You really have to do your homework. You have to know what you're getting. You have to know the market price for rebuilt before you look at used. The price on a used piece should be such that if you get it and it breaks shortly thereafter, you did so well on price that you can afford to completely repair it and still be ahead versus buying rebuilt in the first place.

I can't tell you how many times I have had service customers who thought they made a kill by saving \$500.00 on a machine only to end up facing a \$1000.00 repair in a short period of time. If you are buying a used, used piece of equipment I would still try and get one from a dealer. If they won't give you a warranty, they might give you some sort of guarantee. A guarantee that says if it breaks in 90 days, you can return it. You buy a piece at an auction or from a private party; you buy at your own risk. You pay, it's yours and so are all the problems that come with it.

Probably the best advice you can get from me is to ask me for advice. Sure I sell rebuilt equipment, but I am not some fast talker. I know sooner or later what I sell will find a good home, I am not in a rush and I am not in business to make enemies. I am here to help you.

Let's talk I will point you in the right direction. I have been doing this for 26 years. We sell and we do service, I know the ins and outs. If I help you in any way I can, you will remember, I know you will, and down the road you will help me out. It's not all about making money right now. It's about helping people.

Call me and save time.