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Beyond the Sticker Price: How to Evaluate Used Equipment

By Mike Hanson, Papé Machinery Used Equipment Manager

In a world filled with the latest hightech gadgets, sometimes the tried and true still works best. Buying used has never looked more appealing to those looking for a bargain in reliable construction and forestry equipment in the Northwest.

But making smart used equipment purchases requires much more than kicking tires or checking out sticker prices. Buyers must thoroughly research the equipment and ask the right questions.

As used equipment manager for Papé Machinery, I have seen my fair share of inexperienced buyers, who unwittingly buy before they thoroughly research and inspect the equipment. With some knowledge and confidence in making wise decisions, these pitfalls of buying used can easily be avoided.

Before walking into a dealership, it's important to do your homework. Spending time now can save you serious money later. Contact your state or local consumer protection office if you don't know your basic rights when buying used items. The Federal Trade Commission offers free advice on its website to protect consumers from Beyond the Sticker Price: How to Evaluate Used Equipment unfair business practices.

When viewing the equipment, don't be too hasty and buy the first model you see. Again, a little patience goes a long way, so take the time to research the price of similar models elsewhere.

When you're ready to explain your needs to a salesperson, honestly identify how hard you plan to run the equipment, and the number of hours and years you plan to use it. Knowing exactly what you want saves time and energy for both you and the salesperson. This is also an ideal time to disclose any brand preferences. For some consumers, brand of machinery is important when it comes to finding a dealer who will provide parts and service. For others, certain brands have better resale value in their area.

As with any big purchase, asking questions is the key to success. Asking a lot of questions is even better. Find out the age of the unit, its service and repair history, the number of hours it has been operated, and how hard it has been run. If the dealer is offering a return policy, get it in writing.

If the manufacturer's warranty is still in effect, contact the manufacturer to confirm that the coverage will apply to you as the new owner. In addition, try to find out why this particular unit is on the market and if there have been any recalls associated with that model.



Don't be intimidated by the dealer if you feel the equipment or the price is just not right. If the deal seems too good to be true, request a demonstration or an objective professional's guarantee that the machine is in working order. Only before the moment of purchase will you have the opportunity to hear the engine purr, or see the unit in action to determine if it is acceptable.

Purchasing from a dealer's rental fleet is becoming increasingly popular. According to the 2000 U.S. Census, an estimated \$20 billion was directly attributed to sales in the equipment rental industry. Not only do you have the security of knowing that the





equipment was regularly maintained, but you get the benefit of owning machinery that is in better shape overall. Maintenance history is usually documented and available upon request, but the selling point of buying a rental is the selection. Most rental fleets have “young” inventory that is only one to two years old, in a variety of options. Buyers can almost always find exactly what they need.

As an added bonus, rentals are presumably in “rent-ready” condition, meaning they meet the manufacturer’s standards on every aspect of operation. Rentals are also a bargain compared to new and even some used equipment. You will likely get a few referrals from colleagues or friends about reputable, well-established dealers, but the ultimate decision is yours alone. Choosing the right dealer requires the same thoughtful approach as selecting the equipment itself. No matter who you are dealing with, it doesn’t hurt to dig up as many details as possible about the seller. Today, that’s easier than ever with the variety of industry chat rooms, message boards, and websites available to used equipment buyers in the mood to spend some money.

Evaluating used equipment can be a challenge, but armed with knowledge, research, and basic intuition, it can also be a success.

Papé Machinery Inc. Headquartered in Eugene, Ore. Papé Machinery has 21 locations in Washington, Oregon, California, and Nevada.

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