



10 Tips to Win BIG

with Quality Used Equipment

By Brad Emerson



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Today's tough economic environment has forced companies to tighten their wallets and look for creative ways to get more for less on condensed budgets.

Warehouse or distribution center projects have experienced the same financial squeeze. During the design process, the storage system layout is developed and priced either internally or through outside design consultants prior to being presented to upper manager for approval. Unfortunately, with several departments competing for the same shrinking capital dollar, full project resources are rarely available, driving companies to explore the pre-owned storage equipment market.

The terms 'pre-owned' or 'used' might strike an inferior or uncertain connotation, but if researched and sourced carefully used equipment can reap huge dividends; as much as **50% savings** versus new equipment for the same quality materials. Depending on the size of the project this can translate into thousands, and possibly millions of dollars in savings. Today, quality like-new storage racking, shelving, lockers and wire decking are more or less gold to businesses trying to expand and/or improve their warehouse operations on limited budgets.

I've developed the following **10 Tips to Win BIG with Quality Used Storage Equipment** to help steer you through the pre-owned purchase process in order to make better, smarter equipment decisions and win BIG savings.

1 Rely on a Reputable Equipment Company

Unfortunately, the used equipment business, similar to used car market, is littered with unscrupulous, fly-by-night companies who misrepresent the condition and/or capacities of the equipment. Unsavory deals and project fiascos have scared many away from used materials, along with their potential savings benefit. Do your research and only work with resellers who have an established reputation in the industry. Don't forget to ask for references!

2 Be Ready to Jump for the Right Deal

Timing is everything in the used equipment market and smart buyers are ready to make a commitment as soon as the phone rings to get the best deal. Equipment available through building liquidations or foreclosures must be moved quickly, with typically only a few weeks to sell and vacate the building. Once the owner agrees to a price, it's first-come, first-serve and buyers must be ready for a trip to the jobsite and possibly a wire transfer of funds to release the shipment of the materials. Budgets have to be approved and available in order to quickly negotiate in a very competitive market.

3 Go Look at the Equipment

Go look at the equipment... Go LOOK at the equipment! *I hope I have your attention now.* Don't make one of the biggest used equipment blunders by basing your decision on a picture or description. Both can be deceiving, and unless you've purchased the same equipment before, you are taking a huge risk by buying sight unseen. I don't know how many times I've heard equipment described as a "9 out of 10" only to realize it's actually a "5" on evaluation. Another common reseller trick is to photograph the equipment prior to moving it outside where the quality is diminished due to exposure to the sun and rain. Make sure to go see all equipment prior to purchase.

4 Don't Let a Little Rust Scare You Away

Although you're looking for quality first, remember not to let a little rusty equipment worry you. If the storage racking is the right size and capacity, don't rule it out - many larger resellers have the ability to repaint the equipment with rust-stopping primer, followed by a nice finish coat of paint or powder coating. The racking may not have a factory finish, but could easily pass the eye test at 10-20 feet away. Remember, the storage system will be covered in slotting labels and barcode stickers, ready for more forklift abuse in the warehouse. Consider using the rust-factor in your favor to negotiate a lower price to pay for repainting.



5 Get Transfer of Title Before Payment

Never pay for equipment by wire transfer or check without signed documentation for transfer of title of ownership; descriptive purchase order, used equipment contract or other binding document. This is extremely important in liquidations involving the assets of a company in bankruptcy that may have liens against them. Reminder for Tip #1... Always work with a reputable equipment reseller who will protect you from these risks.

6 Request Engineered Calculations & Capacities

This is another 'gotcha' area for used equipment buyers, specifically in the area of storage racking. If beams aren't strong enough for new load weights, they will begin to deflect or bend in the middle due to overloading. Additional deflection may not immediately cause beams to fail, but the wear and tear on the system could ultimately result in rack failure or collapse. Always request engineered calculations stating the capacities of equipment when it was manufactured. If calculations aren't available, sometimes the original equipment manifest with part numbers will provide the information needed to determine capacities from published capacity tables for newly manufactured materials.

7 Invest in NEW Hardware

You got a great deal on the equipment, now don't compromise your storage system by pinching pennies with the used hardware. Pre-used hardware can be stripped or stretched preventing the old nut from forming a snug-fit connection to the bolt, for example on a structural pallet rack system. The same rule applies to all types of shelving. Installation with new nuts and bolts, providing a snug-fit connection will ensure proper safe assembly of your storage system. Not to mention, your install crew will be very thankful that they don't have to waste valuable time either saving or rummaging through old hardware.

8 Ask for Original Install & Approval Drawings

Installation and approval drawings will prove to be a valuable resource, providing initial design capacities from the manufacturer, reseller or installer. This information can be used by an engineer or approved supplier to verify that the current design can hold the desired load weights.

9 Purchase a Sample Bay

This tip applies to very large used rack systems. If time permits and the equipment owner is willing, try to purchase a single bay or section of equipment for evaluation before making a substantial investment. The sample bay can be tested on site with current material handling equipment to identify any issues or discrepancies that may affect long term performance.

10 Package Equipment for Efficient Shipment

Make sure the dismantle team packages the bundles of steel racking material properly to avoid additional freight expense. Four truckloads can quickly become eight if loads aren't bundled efficiently for either flatbed or box trailer. Your goal should be to bundle to achieve a 35,000 lb. load or higher per truck. Freight costs for long distance shipping of a 15,000 lb. load can escalate freight costs significantly.

Throughout my 20+ years in the material handling industry, I've personally experienced, at least to some degree, each of these used equipment pitfalls and learned how to navigate the market to source quality used racking and storage equipment, bringing major savings to my clients.

E-Distribution is a **National Material Handling Systems Integrator** - In addition to providing storage and conveyor solutions for warehouse and distribution, we rely on our extensive supplier and customer network to match buyers and sellers of like-new storage equipment. We can help expedite the engineering and sales process by finding the right equipment for the right buyer at the right price.

Feel free to contact me with questions -

Brad Emerson

bemerson@e-dist.com

phone (972) 398-2360 ext. 222



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