

3 Tips For Buying Used Equipment For Your Manufacturing Business

When it comes to investing in manufacturing equipment for your business, there are typically two ways to buy: new or used. While new equipment may seem like the only option for a quality product, that may not always be the case. Buying used manufacturing equipment is also an extremely viable option.

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Today's top original equipment manufacturers are designing lifelong products that stand the test of time. However, due to plant closures and shifting plant production strategies, this machinery is often sold on secondary markets for a fraction of the cost in order to maximize its life expectancy.

Keeping in mind used products maintain their premier quality, there are a few factors to consider when buying used manufacturing equipment.

Work With a Reputable Seller

Sellers with a surplus of unused industrial equipment are leveraging online marketplaces to recoup their costs. As selling online continues to grow in popularity, it's important for buyers to work with someone they can trust. Be sure to research the seller history in order to better understand the machinery's owner, frequency of use, and amount of time in circulation. How is the owner's reputation? How well was the equipment maintained?

If something seems too good to be true, it may be. Be sure to vet your sellers and be open to sellers vetting you. Sellers often want to vet their customers to ensure they are legitimate in order to not waste their time. This is actually a good sign that they are also serious about the transaction. However, be wary in any online marketplace of common fraud scams.

Check the Title

Do your homework before purchasing any equipment. Does the seller actually own the product? Make sure the machine is legitimate by taking the product identification number and serial number to the police department to verify it was not stolen. Read through the title first- if you purchase a machine that has not been fully paid for, you could be liable for payments owed to the original seller. Buying used equipment takes your due diligence, but the outcome can be well worth it. With a title and paperwork to prove the history of the machinery, you're in a good place to move forward.

Inspect the Equipment Fully

A reputable seller will inspect and guarantee the machinery for its buyers, but don't just take their word for it. While selling online is becoming more common, it's ideal to inspect the equipment in person before purchasing. If you or your team can't manage a visit to see it in

person, consider hiring an expert independent inspector or manufacturer's representative to conduct an inspection for you. Have an expert test run the equipment to make sure it's operating correctly. And obtain a maintenance report to show if the machine has been properly maintained. Has the machine experienced an abnormal amount of problems? Are there any signs of wear? Have a checklist prepared to make sure it meets all your expectations.

Finding a quality, used piece of equipment can make a big difference in your manufacturing business. For help with financing your equipment purchase or more information on growing your business, visit your local branch or call a PlainsCapital Bank representative at 866.303.0557.