

A FORK IN THE ROAD



New vs. Used Equipment Purchasing

Our 21st century economy is causing incredible market swings away from “New” machine purchases and towards purchases of good used woodworking equipment. The pattern directly relates to the steep increases in new machine prices that make them “cost-prohibitive” for many buyers.

Over the past few years, our customers tell us their profit margins are shrinking to the extent that new machinery is simply “out of the question”. - It is clear that in the current “budget-conscious” economy, used machinery is “the answer” for nearly two-thirds of all woodworking machinery buyers. The big question in everyone’s mind is:

How can you have confidence in the Used Equipment you buy?

As with any type of acquisition, when done properly, the Used Equipment purchase provides tremendous gains:

- Recognize that most used machines in today’s market are in **good overall condition**. You may initially detect faded paint or other signs of use in gearboxes and chain drives. On closer look, some wear-and-tear parts may be ready for replacement. Even if all of this is true, you are seeing, for the most part, cosmetic blemishes that will not affect the **quality of work they produce**.
- Typically the purchase price of used equipment is ...50% less than the price of new. Even when wear-and-tear parts replacement is necessary or preferred, you have more than enough financial room to replace those parts and obtain years and years of reliable service and production, yet still realize tremendous savings!

This may be why “buying used” is the secret in the woodworking industry and represents a true bargain.

- If money permits, pay a bit more than 50% of new to buy equipment in “tip-top” condition.
- Stay clear of “new” or “advanced” technology features unless it is required to produce your product and there are no used machines available with the technology.
- If you check thoroughly, “Near-New” machinery can be purchased at ...70 - 75% of the new equipment price and often comes with valuable tooling and accessories.

Near-new machines are without mechanical or electrical issues, generally have low hours, and full operators/

installation manuals - all with the added benefit that the stiff “buying new” depreciation penalty was already absorbed by the previous owner!

Not all “used equipment” sources are the same. Determine who will respect your position as a Buyer from those who do not.



Our 60,000 Sq/ft Warehouse & Showroom / Zeeland, MI

AUCTIONEERS. Typically, and for obvious reasons, online and on-site auctioneers know little about the items being sold - period.

Auctioneers rely on and expect buyers to be informed and knowledgeable about the items they bid on. Whether the auctioneer is an individual company or a huge conglomerate such as Ebay, the focus is on cataloging, presentation and advertising. For on-site auctions, some attention is given to cleaning the facility. In all cases, it is unnecessary for an auctioneer to possess “product knowledge”.

Auctioneers don’t know what the machinery does, how it works, or even its condition. No one provides guidance, knowledge, or recommendations regarding auction items; everything is sold “As Is - Where Is”. If a problem is detected after your “winning bid”, there is no recourse: You bought it. It’s yours, period.

Auctioneers make their money from seller and buyer premiums; their interest exists during the day(s) of the sale and only on developing the highest prices possible, regardless of condition or usability. When yours is the “winning bid”, it is your responsibility to get your equipment rigged out of a building, on a truck, and back to your facility.

Still, you can successfully obtain “seriously good deals” at an auction; that’s why people keep coming back. Just remember the “Buyers beware” caveat in the business of used equipment sales: We hear our fair share of auction horror stories about deals going the opposite direction where: Equipment looked great in the auction brochures,

but when it arrives on-site, it is worn beyond usability, or the machinery has broken or missing parts; or the equipment was dropped and out of alignment. It's also fairly common to hear that the item was misrepresented or conditions overstated. We know the situations! Auction buyers come to us regularly, asking that we relieve them of their mistakes!

EX-FACTORY INC. In business since 1989, we sell and buy Used Woodworking Equipment. We made our debut online in the early 1990's. From the start, and true to today, there is a significant difference between "us" and "them": As an organization, we focus only on Woodworking Machinery, and we are very serious about the depth of our woodworking machinery knowledge.

Our headquarters in Charlotte, NC houses main functions such as Customer Service, Transportation/Insurance/Logistics, Information Technology, Literature and Specification Archives, Order Processing, Accounting, and Administration.



EX-FACTORY EQUIPMENT COMMITMENT.

WAREHOUSE FACILITY. In 2005, **EX-FACTORY** opened a 60,000 sq/ft Warehousing and Machinery Center in Zeeland, Michigan, near Grand Rapids. The Center has state-of-the-art services including a modern machinery rebuilding facility, warm & dry storage for hundreds of machines either owned by EX-FACTORY or on consignment by our customers, a showroom, and a demonstration area for both used & new machinery. Our staff of Service Technicians has years of woodworking machinery experience. Most are factory trained by multiple machinery manufacturers, and they are available for our customer's requirements whether it be reconditioning, repairing, upgrading, or restoring.

PRODUCT KNOWLEDGE. **EX-FACTORY** offers used machinery *after* extensive research has been done regarding the machine's background and overall condition. Prior to posting equipment on our Website, an in-depth interview occurs between the Seller and one of our 30-plus Product (Sales) Managers.

With over (110) different woodworking machinery categories, EX-FACTORY knows that our Product Managers cannot possess adequate experience to sell all machine types. We've allotted only a narrow selection of machine types for each Product Manager so that he/she can maintain a high level of expertise in that area while continuing to enhance

his/her product knowledge over time. For example, Gang Ripsaws, Straight Line Ripsaws, Double Planers, and Single Planers are each represented by different a Product Manager. Each Product Manager has solid experience in his specific field, or machine type. Many of our PM's have 25, 30, even 40 years of woodworking machinery experience.

PRODUCT BACKING. When we publish a machine's condition, we put our name on it; when we state it is in tip-top condition, it is in tip-top condition. That's a tough policy to back, but here's how we do it.

When we sell machinery in "Excellent" or "Reconditioned" condition, and if by chance there's a problem not of the buyer's making – WE FIX IT. Sometimes it may require a technician's service call, or repair parts, a replacement machine, or we may even take the machine back. If the equipment's condition is not as we stated, we fix the situation at our expense. That's how sure we are when we "advertise"; we know machinery.

Be also aware that equipment we rate as "fair" or in "as is" condition, is equipment you can count on putting some work into it before it is back on its feet. Yes, you'll be doing it without our participation, except where we can provide guidance based on our knowledge and experience.

At EX-FACTORY INC, 80% of the equipment we sell is rated in "Good Condition". By definition, this means without warranty or guarantee. The exact wording can be found on our website, but essentially it says: Runs and is considered functional – might require some adjustments; cosmetically acceptable, but with some scratches, dents, and faded paint. Might have been repaired in the past and may be missing accessories, manuals, and wrenches – no guarantee."

Because **EX-FACTORY's** Product Managers are detail-oriented in their machinery interviews, seldom is there a surprise about condition. Should the situation arise when a machine's condition is grossly misrepresented, EX-FACTORY takes the blame, cares for the Buyer and works with him/her until resolution is obtained.

PRICING. Not surprisingly, some machinery at EX-FACTORY may cost more than from other sources, and almost always more than at an auction. But considering the odds of a successful purchase, buying at the lowest price is only one factor of the purchase.

When you want to be confident that you purchased woodworking equipment at the best price in the condition you need to produce the results you require.

Buy from EX-FACTORY INC. - it's the right choice!



We'll be talking with you soon!

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