



SELLING YOUR USED EQUIPMENT

**HOW TO MAXIMIZE THE VALUE OF
YOUR USED RADIATION THERAPY
AND DIAGNOSTIC IMAGING
EQUIPMENT.**

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WHERE TO START...

If you are reading this, you are likely considering selling your used diagnostic imaging or radiation therapy equipment.

Reasons you may be selling your used equipment include:

- ✓ Replacing for new technology or new(er) equipment.
- ✓ Creating space in your facility or moving to another facility.
- ✓ Equipment is no longer needed

Once you have come to the decision to sell or replace your equipment, it's a matter of understanding your options and working with the right vendor to complete your project. This Seller's Guide will provide you with guidance on where to start.



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Often, direct selling is not the best option. Consigning, scrapping, parting-out, trading in, or auctioning can be better options. In fact, more machines are removed and scrapped than are actually sold in the used equipment market. We have compiled a summary of all the removal options and their “pros” and “cons” to guide you through the process.

OPTION 1: SELL YOUR USED EQUIPMENT

For many owners, selling equipment for a fair price is often the preferred choice. After all, selling your equipment you will have the benefit of knowing how much your used equipment is worth.

Pros of the direct Selling Option

- Receive the maximum cash value for the equipment.
- Cash payment provides value and flexibility. Use the funds in any area of your department.
- Extends the life of equipment by placing it in areas where it is needed, since most buyers' will re-use or recycle the equipment.
- Humanitarian value when equipment is used in developing areas of the world, which is where much recycled equipment is used.

Cons of the direct Selling Option

- Often requires inspection from the purchaser of the equipment, adding complexity to the process.
- May require gathering information and service history, taking photos, etc.
- Requires the equipment to be complete and usually in operational condition.
- The proceeds of the sale are often kept by the hospital's general fund and not retained by the department.

OPTION 2: CONSIGN YOUR USED EQUIPMENT

Some sellers choose to consign their equipment, which allows them time to find the “right” buyer. Consignment involves allowing a third party company to remove, store, and market your equipment until a suitable buyer is found. Often, the consignment company will pay you once a buyer is found, or will take a commission on the sale.

Pros of the Consignment Option

- Frees up space quickly. You can have your equipment removed without going through the longer sales process.
- More time to market and sell often yields a higher price and more value recovered.
- Hiring a qualified company to work with will make the process seamless.
- Equipment ages and loses value the longer it is stored.

Cons of the Consignment Option

- Some equipment often loses value after it is de-installed.
- There is no guarantee of whether it will sell at the price you want.
- Equipment ages and loses value the longer it is stored.

OPTION 3: REMOVE AND DISPOSE OF YOUR USED EQUIPMENT

A removal and disposal is sometimes the only option to choose if your equipment has low or no value on the secondary equipment market. This option is often known as “scrapping.”

Pros of the Remove and Dispose Option:

- Opens up space that can be used for other equipment, offices, storage, conference rooms, etc.
- Eliminates liability and risk of older equipment sitting around.
- Often allows your building to be sold with fewer complications.

Cons of the Remove and Dispose Option

- Removal companies will charge a fee to professionally remove your old equipment.
- Can be dangerous and requires skilled professionals to remove safely.
- There is a chance you will need the equipment at a later date.

OPTION 4: PART-OUT YOUR USED EQUIPMENT

Cash payment for individual parts can often help offset or even completely cover the costs of removal and disposal of the old machine. With many systems, the sum of the parts is often greater than the whole. This is when the Part-Out option makes sense.

Pros of the Part-out Option

- Some value (vs. no value) can be recovered from the equipment by selling its parts first, before disposal.
- Some parts may be used to support your older units and lower service and maintenance costs of those units.
- Parts can often be used to reduce cost of removal and disposal.
- You may be helping medical facilities in developing countries with your used parts.

Cons of the Part-out Option

- Equipment's service life ends when machine is disassembled.
- Removal and disposal services are still required to remove the rest of the equipment.
- Parts-only machines tend to have little residual value.

OPTION 5: TRADE-IN YOUR USED EQUIPMENT

A trade-in, as the name implies, is the replacement of an older piece of equipment with a newer, more technologically advanced, new or refurbished system. A trade-in occurs when the seller of your new(er) system provides a discount to you for taking your old machine as part of the transaction.

Pros of Trade-in Option

- Reduce downtime by swapping out machines simultaneously. The old machine comes out immediately before the new one is installed.
- Upgrade to new technology, using the value of your old machine to cover some of the costs.
- Reduce time by wrapping everything into one transaction with one party – eliminates the headache of dealing with several parties.
- Allows budget dollars to be applied to the department's equipment vs. the general hospital fund. Therefore, your department retains the trade-in value.

Cons of Trade-in Option

- Value of older equipment may not be significant, so the trade-in allowance may be negligible.
- Selling your older equipment on the secondary equipment market may provide more value than a vendor is willing to provide on trade-in.
- Discounts from trade-in equipment are often overstated to make the new system quotation appear more attractive. Many of these discounts can be negotiated anyway.

OPTION 6: AUCTION YOUR USED EQUIPMENT

An auction is a great method to ensure maximum sales price of used equipment, assuming the auction is highly targeted to qualified buyers. There are various types of auctions, and numerous organizations and technologies

Pros of the Auction Option

- Greater exposure to a larger audience of buyers. Increased competition can result in a higher price.
- The sales process is completely transparent to the seller, so you know who is offering what for your equipment.
- Auctions are good for large volumes of sales, or sales in large lots, especially for lower priced equipment.

Cons of the Auction Option

- The auction process is may exclude potential buyers that may require more time to gain approvals and secure financing.
- Opens the buying to non-professionals, which can pose great risks when removing equipment, such as damage to your facility, or worse, injury to people.
- Auctions are generally not very flexible and may not allow for equipment to be inspected at the appropriate time(s).

ROS is here to help make the most of your decision to sell or replace your used equipment. If you are ready to find out how much your used equipment is worth, we can provide you with a fair market valuation.

SO HOW DO I GET THE MOST VALUE FOR MY USED EQUIPMENT?

To get the most out of your used equipment, it helps to provide prospective buyers with as much information as possible. The more information you can provide, the less risk of the unknown to a buyer, and, generally speaking, the higher the price you will be able to command.

Here are a few pointers to help you identify the information that can help you maximize your sales price:

- The original manufacturer's quote, if you have it
- Key Information: manufacturer, model, date of manufacture, etc.
- Photos of equipment, software and accessories
- Software options and upgrades
- Age of major component and upgrades
- Confirmation of existing service (this is important to ensure the equipment will be acceptable under a continuing service agreement)
- Usage information (slice counts, gantry rotations, scan seconds, chiller, injector, etc...)
- Names and contact information of personnel who can provide technical details about the equipment

TIP: Resist the urge to get as many price quotes as you can. What normally happens when you reach out to more than the recommended several (2-3) vendors at a time is it will appear that there is more supply than actually exists. This will drive down the price of your used equipment. By carefully soliciting bids, you can maximize the value of your used equipment.

FINAL THOUGHTS...

When replacing used equipment, you have many options to choose from. Regardless of which direction you choose, working with an experience team can not only help you gain the most value for your equipment, but can eliminate the headaches of managing the whole process, and most importantly, ensure that the project is handled safely and competently.

To request an appraisal for your current equipment or a custom price quote, please email info@oncologysystems.com or call 858-454-8100.

Be sure to also check out our Blog, which contains resources, tips, and insights from our equipment and project experts.

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