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January 24<sup>th</sup>, 2019

## Stretching your laboratory funding budget: Should You Purchase Used Equipment for your start up laboratory?

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Starting up a new laboratory is an exciting and challenging endeavor. One of the first things to determine when starting up a new lab is where you're going to get the lab equipment that you need to run it. Often, due to limited funds, one of the first thoughts you may have is to consider purchasing used lab equipment.

This article will review the benefits and pitfalls of this approach. First, the good news is: There are several options for used lab equipment purchases. The used equipment market is actually vast and can be a great source to purchase equipment much more cheaply than purchasing new from a laboratory equipment vendor.

There are typically four main purchasing channels for buying used lab equipment:

- 1) Auction Houses
- 2) Buyers/Resellers
- 3) Equipment Refurbishers
- 4) Equipment Brokers

Let's break down these four options:

Auctions typically sell off not only equipment but the contents of entire laboratories that may have gone bankrupt or are in the process of shutting down for other reasons such as mergers and acquisitions, etc. If you're considering purchasing used equipment from an auction, it can be a little hit or miss. One advantage is that sometimes you can get very lucky. Depending on who attends the auction and who is bidding you can pick up relatively new equipment extremely inexpensively. Typically, before the auction starts you'll have a chance to inspect at the equipment, look it over, and determine if you think it's going to work for you.

Unfortunately, not all labs can use the auction approach due to their purchasing practices. For example sometimes you may need to know the price ahead of time in order to get budgetary approval. One way around this is to have a top line number that you won't bid beyond when bidding on equipment. Other issues with auctions are that the equipment is often sold "as-is/where-is". Because of this, auction purchased equipment rarely comes with any warranties. In addition, obtaining a contract to service the equipment may also be non-existent. So you may end up with a really inexpensive piece of laboratory equipment that you have no warranty on and no way to fix if it stops working correctly.

You also have no control over who will show up at an auction, and what their motivations may be. If several auction attendees are all focused on the same piece of equipment and really want to purchase it - expect a bidding war and higher prices when the gavel goes down.

Finally, with auctions the other major caveat is you can't really be sure what will be available to purchase until you attend the auction. In some cases, this may mean driving considerable distance to an auction only to find out that the equipment is not a good fit for your lab. Try to contact the auction house prior to the auction before you invest significant time and resources so you don't waste your time going to auctions that don't have what you are looking for.

Going through a buyer/reseller can sometimes put a little more comfort into the purchasing process. A buyer/reseller will typically have a wide range of equipment available for you to

choose from. In addition, you'll have less time pressure to inspect the equipment and ask questions about it than you would at an equipment auction, and you'll have a better chance to evaluate the equipment before you purchase it. Buyer/resellers take ownership of equipment that they purchase from other labs and then resell it. Usually equipment purchased from a buyer/reseller includes an existing warranty and sometimes servicing of the equipment as a part of the purchase package.

Similar to buyer/resellers, An equipment refurbisher will take equipment that they purchase from a third party, make any necessary repairs, replace parts that need fixing, etc. before they resell it to you. Although you may pay a slightly higher price from a refurbisher, you can somewhat lower your purchasing risk; as the equipment that you're purchasing has been evaluated for its fitness and function before making a purchase. Generally a refurbisher will offer their own warranty and possibly a service contract since they repair and service the equipment they sell.

An equipment brokerage is a firm that has an exclusive right to sell equipment on another laboratory's behalf. A laboratory will reach out to an equipment broker when they have lab equipment that they want to sell and they will have the broker coordinate the purchase process with the buyer. Working with a broker can be useful because it gives you an opportunity to ask questions and exchange information with the current owner of the equipment, using the broker as a go-between so that you can learn more about it before making a purchase. Remember, that brokers represent the seller not you. So you will need to take that into account.

If you are not an expert on the type of equipment you are purchasing, it may be helpful to locate an equipment buyer's agent or equipment consultant to help you with making your purchase. Often you can locate such a person by reaching out to your network of laboratory professionals, or by contacting the vendor of the type of equipment you are considering purchasing. Tell them that you are considering purchasing used and would like a reference to one of their current customers who is willing to act as an equipment purchasing consultant.

Some caveats to watch out for when purchasing any used equipment are:

- 1) The age and the environment it was used in. Generally, newer is better.
- 2) Review any interfacing requirements that are necessary to interface that equipment to the other equipment throughout your laboratory.
- 3) Review the details - does the equipment only interface using RS-232, or does it support network connectivity? Determine what you are going to need for interfacing before purchasing.
- 4) Stay away from equipment that is so old that it requires obsolete cables, device drivers, or connections that no longer exist.
- 5) The distance and shipping costs to get the equipment to your laboratory should be taken into consideration. If you aren't careful, the shipping cost could exceed the cost of the equipment.

Lack of startup funding is a real challenge. Purchasing pre-owned equipment can lessen that financial hardship and enable a new lab to get started much more quickly, while stretching your startup budget further.

**Used Equipment Resources:** The following resources are a good starting point to start researching the options for a used laboratory equipment purchase.

**Cambridge Scientific**

<https://www.cambridgescientific.com/used-lab-equipment>

**American Laboratory Trading**

<https://americanlaboratorytrading.com/>

**The Laboratory Depot**

<https://www.labdepotinc.com/>

**Used Equipment Auction Listings**

<https://www.labx.com/auctions/>