



# AERIAL EQUIPMENT TRUE COST OF OWNERSHIP



## ENSURE THE BEST INVESTMENT FOR YOUR BUSINESS

*A new aerial work platform is a significant investment, one that can have a major impact on your business today and in the future.*

Everyone wants a great deal and it is always tempting to buy the low-price option. However, while buying the least expensive machine results in lower cash outlay up front, it is not necessarily the best long-term choice. Understanding the lifetime ownership cost of a machine is vital to making an investment that will pay dividends long-term.

It is important to review the various costs that have a dramatic effect on the true cost to own a machine. These include the benefits you will derive from the machine, the upkeep and maintenance costs required and what you can sell the machine back for at the end of its service. Additional considerations include taxes and other ancillary costs.

Calculating true cost of ownership gives owners the clearest picture of what their investment will mean for their business. This also illustrates why Elliott Equipment Company machines are the right long-term investments to drive revenue and retain the best value at end-of-service.

## AERIAL EQUIPMENT TRUE COST OF OWNERSHIP **INITIAL INVESTMENT**



There is no question the up-front acquisition cost is important. Several factors significantly impact this cost, including the height of the machine, its lifting capacities, optional accessories added, the truck it's mounted on and the degree of customization required to fit an application. The key to optimizing the price of the initial investment is understanding both current and future application needs.

That's why it may pay off to invest in more than what you currently need. Purchasing a machine with limited capabilities or one you will quickly outgrow will hinder your ability to address your customers' expanding needs and may set you up for another equipment purchase sooner than intended.

Aerial equipment from Elliott Equipment Company is designed to adapt to changing applications, with numerous options and accessories available to enable you to perform the jobs you do now as well as those you're planning for the future.



## WHAT WILL IT DO FOR ME?

A new machine needs to enhance your business in some way, or else why make the investment in the first place? Ask yourself these questions:

### Is the machine easy to learn and smooth to operate?

An operator-friendly machine inspires better confidence among operators and reduces time on jobs.

### Can you set up and tear down quickly?

This also reduces time on site and frees operators and equipment to complete more jobs.

### Is the machine solidly built?

Heavy-duty, well-constructed machines will withstand the rigors of work better than a lightweight "throwaway" machine.

### Can it do more than one type of job?

Machines capable of more than one function help to ensure higher utilization. Higher utilization will lower the cost of each job by spreading the cost of the machine over more work.

The costs associated with the list above add up over time. For instance, depending on your billing rate, shaving just 45 minutes off jobs per day can generate around \$150,000 over the course of owning the machine for seven years.

$$\frac{45\text{m}}{\text{day}} \times \frac{5\text{d}}{\text{week}} \times \frac{52\text{w}}{\text{year}} \times \frac{\$100}{\text{hour}} \times 7 \text{ years} = \mathbf{\$150,000}$$

*The true cost of ownership over seven years can add up to around \$150,000, depending on billing rate.*



**Machines built by Elliott Equipment Company possess each of the above qualities, enhancing the productivity and safety of workers.**

Plus, that added productivity means completing more work, and that drives increased revenue.

## **DO IT RIGHT THE FIRST TIME SPEC YOUR MACHINE CORRECTLY**

Consider your current plans for a new machine as well as what you may be doing with it in the future. At a minimum, the machine should let you do your job in a variety of conditions. However, it is important to also consider that buying only according to present needs may inhibit your ability to grow and take on more work in the future.

Developing the specification of your machine and ensuring you have a high-quality experience from the day you place your order to when you eventually replace your machine is important. Selecting a supplier that cares about you and is easy to work with will make your life simpler, letting you focus on your core business.



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**AERIAL EQUIPMENT TRUE COST OF OWNERSHIP**  
**WHAT'S IT GOING TO COST ONCE I GET IT?**



Arguably, it's the costs incurred after a machine is purchased that matter most to an owner. The sticker price is the most visible cost, one that can be planned for well in advance. But other, less visible costs can creep up on owners and may turn what looked like a great buy into a disaster.

That's why machines manufactured by Elliott Equipment Company are built of quality components, with heavy use and ease of maintenance in mind. These machines — and your business — are at their best when they're working jobs, not stuck in the shop.



**RELIABILITY**

Often, a piece of aerial equipment is your only tool to do aerial work. It should be simple, easy to operate, well-designed and well-assembled. It needs to stay working, as downtime results in lost jobs, late work, added stress and money down the drain. Maintenance, and especially required maintenance, can be expensive.

## THINGS TO CONSIDER:

**Are there mandatory service intervals?** If so, how regular are they and what is involved in terms of time and expense?

**Where do I take it and how long will it take?** Machine service is like a pit stop; you want to be back on the track quickly. Having a shop nearby with competent technicians is crucial.

**Does the machine require a mandatory tear down, major service or disposition at some point in its life?**

**Does the machine have a lot of proprietary parts?** These can become quite costly if there are no alternative suppliers. Is it designed for easy serviceability?

**Are hydraulic and electric components accessible?** How about the boom and boom components? If you must tear a machine apart to fix it, it can become quite expensive.

**How long will the manufacturer support it?** Can you still get parts for a 20-plus-year-old machine? If you can, that machine's retained value is far greater than that of an older machine for which replacement parts are not available.

**What's the warranty and what does it cover?** Longer warranties and broader warranty coverage not only minimize your costs, but also indicate a manufacturer's confidence in the machine.

Downtime is expensive. It means lost jobs or costly overtime to catch up, and can cause needless frustration and decreased morale. When calculating the true cost to own a machine, owners are wise to determine which models will keep projects on course and keep workers happy and motivated.



*Elliott Equipment Company builds machines based on the needs of customers across industries.*

They're designed for ease of access for service and repairs and never include proprietary parts for sale at outrageous prices. In addition, Elliott will support its machines over the long haul — up to 20 years or more— and offers a lifetime structural warranty on all equipment and a two-year parts and labor warranty standard on BoomTruck models.



## REMEMBER THE THREE LITTLE PIGS

One pig had a house of straw, one had a house of sticks and one had a house of bricks. You want a machine that will withstand the “Big Bad Wolf” of time and heavy use. Having a well-engineered, well-built machine will help it stay on the job and out of the shop. Things to think about include:

- Does the machine appear to be designed with the long term in mind (extra bearing bolts, full-length subframe, turret bearing size, hydraulic fittings)?**
- Is the machine rated conservatively, or is everything pushed to the max on range and capacity charts?**



*Thanks to the heavy-duty design features listed above, no job is too tough for an Elliott.*

Also, conservative ratings ensure the machine is not overtaxed, extending its life and enhancing job site and operator safety.



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# WHAT CAN I GET FOR IT WHEN IT'S TIME TO SELL?



Everybody is different when it comes to deciding when to dispose of a machine. Some do it at short intervals (3-5 years), others keep the machine longer (7-10 years) and still others keep it forever.

Regardless of your timeframe, the resale value of a machine can have a tremendous impact on the return on your investment. A machine that costs \$100,000 and has a resale value of \$75,000 is a better deal than one that costs \$75,000 and has a resale value of \$45,000. The \$100,000 machine has a net cost of \$25,000 while the less expensive \$75,000 machine has a higher net cost of \$30,000.

When evaluating resale value, consider these points:

**Is the manufacturer a long-term, trusted name in the industry?**

Is the machine solidly-built? Does it have heavy-duty components? Each of these can impact the life of the machine and its resale value.

**What did I pay when I bought it?**

Typically, machines that cost more up front retain more value over time.

**How will the machine be used?**

Machines that see frequent, rough duty generally don't command as high a resale price as those used less often and for lighter-duty applications.

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# OTHER INDIRECT COSTS AND BENEFITS TO CONSIDER

## FINANCING COSTS AND TAXES

Taxes, financing cost and intangibles are also worth studying when making your investment. Should you buy your equipment, lease it or rent it? These depend on your application, the time you plan to hold the machine and credit availability among others. Your tax advisor can help you with optimizing this part of the acquisition.

## BUSINESS IMAGE

Your rolling equipment is a reflection on your business and your brand. Top customers want top suppliers. They know businesses with the best equipment can be trusted for the long term, and generally work more safely and dependably.

## EMPLOYEE MORALE

Buying a new, high-quality machine signals to workers that you care about them and the work you ask them to do. This can help in recruiting and retaining top talent. The best operators want to have the best tools to do their job. The ease of operation and improved efficiency on the job make Elliott Equipment Company machines magnets of the best of the best.

## BUY THE RIGHT TRUCK

Choosing the right chassis is just as important as specing the right machine to do your job. All of the items discussed in this paper regarding the aerial apply equally to the chassis.

Some jobs require as much —if not more— drive time than uptime on jobs. Nothing is more frustrating for an operator than working with an underpowered truck. Not only does it make travel difficult, it can shorten chassis life as well.

Some companies may also determine that a truck that is rated below the USA commercial driver's license (CDL) weight limit of 26,000 lbs can provide the added benefit of increasing employment flexibility. If hiring a CDL driver is a concern, Elliott Equipment Company offers non-CDL solutions for both aeriels and cranes to fit a variety of application needs.

***Elliott aerial equipment is mounted on heavy-duty trucks designed and built for well-rounded service, whether it's the job or the travel necessary to complete it.***

**AERIAL EQUIPMENT TRUE COST OF OWNERSHIP**  
**PUTTING IT ALL TOGETHER**

There are many things that go into determining the true cost of ownership of an investment. Buyers are best served when they carefully study how these factors interact over time.

Don't let too-good-to-be-true sticker prices cloud your judgment. Compare the costs, benefits and opportunities that come with each machine you consider. Due diligence pays off.



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