



Tom Hirt

Taking a Closer Look at Used Forestry Equipment

Things I've learned after 43 years in a great industry



In my 40+ year equipment career, I have interacted with loggers and small business contractors—all great people—around the world. Most Equipment Dealers across North America have seen my footprints inside their stores at one time or another. And I've overseen sales for several well-known forestry equipment manufacturers. Let's just say...I've been around! This industry exposure has been key to my understanding of the many opportunities and challenges that exist in the purchasing and/or selling of used equipment.

Since branching off with my own company in 2007, I have learned much about the pitfalls that exist in the Used Equipment world. I would like to share some of my views with you.

One of the first questions I ask a client who is considering the sale or purchase of a 'non-new' piece of equipment is why they would want to take on this task by themselves. I get many answers and explanations. Here are a few good reasons as to why you may want to look for help.

- Specialists will have more contacts and will advertise your machines on websites and use other media.
- You may not be as smart as you think you are when it comes to the values of used machines. Ask yourself why you have an insurance agent; banker; accountant; doctor; lawyer...you get my drift.
- You work long hours as it is. Do you want to put your phone number in front of thousands of people and receive calls at all hours?
- If you find a buyer, are you prepared to document the sale properly to avoid any legal issues or conflicts after the sale?

I don't own a chain saw. If I inherited 1000 acres of good timber, would I buy a bunch of equipment? Nope...I'd hire one of YOU!

Knowledge Is Key

There is ONE important point that needs to be emphasized: **The condition of a used piece of machinery is subjective!** Like two women who see the same man, one may think he's a hunk, but the other a reject. It's the same with used machines. Opinions differ!

What are some of the important things to consider when buying or selling used machines? It's quite a list – some obvious, some you may never have pondered. But in order to have the best results, you need to understand the game. If you don't have enough experience...find someone who does!

- What is the history of the unit?
- Is the seller the original owner?
- How many different operators have been on the machine?
- How well was the machine maintained?
- Do you know how to check all the fluids and inspect grease points?

- Any warranty remaining?
- Any liens against the machine?
- Can you locate the serial number?
- Is the hour meter working properly?

All of the above items have been important considerations over the years, but these days, we have one more fly in the ointment...the Tier IV engine and DEF.

- Did the machine have a Tier IV engine with DEF and is it still installed and working properly? The dangers with equipment which has had the DEF deleted are vast!

After obtaining as much information as possible, and you like what you have found, you will be ready to 'close' the deal. Here's some thoughts to review in completing the transaction:

- Are there any liens on the machine?
- Have clean paperwork showing the sale and include the serial number and have both parties sign the document.

In a nutshell, inspecting a piece of equipment is not very different from inspecting a used car or truck or a pre-owned house. If you do not feel confident in your ability to determine the condition of a used machine, don't hesitate to seek a pro.

'Fair Market Value'

In the case of a late model, low hour machine, the seller bears a much higher risk of not getting fair market value because the seller is competing with new equipment. To help a buyer justify investing in a low hour, late model machine, the price will have to be substantially lower than a new unit. Why? Because a new machine will have new warranty and typically lower interest rates, and no previous use! So this also reflects on the mentality of buying 'New'. If you only intend to keep it for 2 or 3 years, be prepared to get less value when you trade or sell because Dealers will be competing.

Always remember that you are buying a used machine. No matter how much research you do, or how many mechanics you have check it out, it has been run on a job you did not supervise by someone who did not work for you, so there is always a risk that something unforeseen might be wrong and it won't show up until you have put it to work. This singular fact about used equipment is why you always hear the phrase 'Let The Buyer Beware!' In the end, the buyer bears the responsibility of knowing what he has purchased.

If you take your time, ask questions, do your research, and are not afraid to ask for professional advice, you greatly increase your chances of finding great value in a used machine that will serve you well.

Hirt is president and owner of FSK Equipment & Supply, Inc., McKinney, Tex. Contact him at tom@fskequipment.com or visit www.fskequipment.com. Tom has been invited to give a more in-depth presentation on purchasing used equipment at the 26th ALC Annual Meeting scheduled for September 24-26, 2020 in Branson, Missouri.