

Surgical Products Readers Find Value In Refurbished Equipment

by Jeff Reinke

The foundation of the surgical community was built upon the ability to respond to challenging situations with innovative approaches.

Advanced surgical techniques, new equipment and ever-evolving training and education are just a few examples of such resiliency and dedication.

Similarly, as hospitals and surgery centers face significant cuts to operating room budgets, many have looked for new outlets in helping control costs. One such outlet includes an increase in purchasing from refurbished equipment sellers.

While spending time in the industry will help identify almost any trend, in order to fully understand its depth and reach, one must go out to the stakeholders and get real input from the field. So in looking to better understand how surgical professionals are utilizing used and refurbished equipment channels, we simply asked our readers for their input.

Their responses show that a majority of *Surgical Products* readers understand the potential value of working with an equipment re-seller and are regularly in touch with them. They are also understandably aware of the potential pitfalls of buying used versus new equipment, and this mindset does creep into play when considering this procurement route.

Survey Says ...

In looking first at the annual expenditures of our audience, more than 75 percent have an annual capital equipment budget of over \$500,000, with the majority falling between the \$500,000 and \$2 million range. Again, we asked only about their capital equipment expenditure budget.

About one in four of those responding spend 20 percent or more of their annual budget on refurbished equipment. Nearly 50 percent spend 5 to 20 percent with a used equipment re-seller each year. Additionally, 58 percent said they are regularly solicited by a used equipment re-seller, and nearly the same percentage said they have previously sold equipment to a refurbished equipment re-seller.

In gauging the surgical community's general thoughts on used/refurbished equipment, respondents offered the following commentary:

- 82 percent said used/refurbished equipment can be a good value buy.
- 48 percent said it can be a solid option in dealing with shrinking surgical and capital equipment budgets.
- 42 percent said most re-sellers offer quality options at a lower price.
- 32 percent said they would only buy certain brands from resellers, sticking with those that they have used in the past.
- 13 percent felt going the used/refurbished route offered an opportunity to try new brands before making a large investment on a new or unfamiliar model.

Negative sentiments were also voiced, in the form of:

- 18 percent felt the uncertainty of manufacturer support for used or refurbished equipment was too big of a question for them to overcome in going this route.
- 13 percent felt there was simply too much risk from a patient care perspective.
- 11 percent simply stated they didn't trust used equipment.

This survey reinforced two primary principles as it relates to the role of used/refurbished equipment within the surgical community:

1. Those responsible for the purchasing and selection of capital equipment used in the OR know, understand and appreciate the value of this channel in meeting their patient care needs, helping to conserve shrinking funds and in possibly researching new brands.

2. There is still concern over receiving the commensurate level of support they are accustomed to when purchasing new equipment and a significant level of uncertainty can still be seen in dealing with this channel.

So while this group is aware of the benefits of using the refurbished equipment channel to help control costs and improve patient care, the used equipment marketplace probably needs to do more to help educate the surgical community in helping it overcome some of these negative perceptions. **SP**