



Eleven Tips for Lowering Total Cost of Heavy Equipment Ownership

Each job, machine and application is different – but there are a few universal things you can do with each piece of equipment to make its operation more practical and cost effective. Here's a look at 11 things that can have a direct effect on your bottom line.



1. Control idle times

2.

Whether through CASE Sitewatch™ telematics, idle management control features (i.e. one-touch idle, automatic shutdown, etc.), or through one-on-one coaching, contractors can save a significant amount of money in fuel costs and long-term engine costs by simply reducing engine idling. Excessive idling is a drain on fuel and adds unnecessary/non-productive hours to the engine, shortening its life and wasting the machine's warranty.

2. Properly utilize/deploy fleet

For larger fleets, it may be easy to "lose track" of a machine. There may be a backhoe sitting idle at Jobsite A. Jobsite B may have a need for a backhoe, but is unaware that one sits idle at another jobsite. Getting a better understanding of equipment utilization through Sitewatch telematics can help you better deploy equipment and reduce unnecessary equipment rental/purchases when you think you are in need of another machine but actually have the assets sitting somewhere else, ready to go.

3. Working features/services into purchase

During the equipment buying process, have you ever had this thought? "That sounds like a great feature, but I'll wait and add it at a later date." That may seem practical, but take into consideration the costs that will be involved with taking that machine out of service at a later date (downtime), and the costs associated with adding that feature or technology at an aftermarket price. Carefully weigh initial purchase/package prices vs. the cost it may take to add that feature at a later date. Also important to note: factory fit features generally offer/equate to factory quality and warranty.

4. Planned maintenance contract

A planned maintenance contract, such as that offered as standard services by CASE ProCare, can save contractors a significant amount in time and cost savings. Through ProCare, all a contractor worries about is fueling and greasing the machine for the first 3,000 hours. The dealer carries out all other preventive maintenance activities. What's the practical savings? Using the CX160C excavator as an example, it is estimated that a planned maintenance contract saves the equipment owner \$3.18 per hour over the first 3,000 hours of that machine – a savings of approximately \$9,540 . [Check out this article](#) to see what one contractor thought of ProCare.

5. Machine control

Machine control can seem intimidating at first, but it offers a wealth of advantages for contractors large and small. Machine control lowers owning and operating costs in a number of ways: greater quality and productivity (doing the job right the first time), more accurately calculated material costs, allows for less wear and tear on equipment, shortens the training window for new operators, and cuts down on time and labor for related activities, such as re-staking a site.

6. Remanufactured parts



The practice of OEMs remanufacturing parts has grown considerably in recent years, and has evolved to include thousands of parts and components in stock that can be shipped to equipment dealers upon request. This can be a significant advantage for fleet managers as they race against the clock to get equipment back up and running. That's the first advantage: Rather than having a machine "down" while a major component is rebuilt, or having to rent a replacement machine in its place, the customer can purchase a remanufactured part and have it installed immediately upon receipt. Remanufactured parts come ready to install and can significantly lower downtime and repair costs.

Another advantage of a remanufactured part is purchase price. Depending on the part and the machine, a remanufactured part can cost up to 40 percent less than a comparable new part – all without sacrificing quality. There is no drop-off in quality between remanufactured parts and new/rebuilt parts and they can provide an apples-to-apples cost savings in many cases.

Remanufactured parts can also feature warranties that are better than what a rebuilt part can offer, and may meet or exceed other OEM warranties. This provides fleet managers with peace of mind and protection against additional costs during the life of the warranty.

For more on remanufactured parts, [visit WhyReman.com](http://www.WhyReman.com).

7. Operator practices

There's a reason it's called owning and operating costs – how a machine is operated can have a significant effect on its bottom line. Operators can be coached in a number of ways to help reduce equipment costs, including methods to reduce idle time, operating the machine in a manner that puts the least amount of wear and stress on an undercarriage, and proper use of machine controls and functions to optimize fuel efficiency. Identifying and curtailing "rowdy" or unsafe driving practices is also important to reduce possible damage to the machine and the jobsite.

8. Outfit machines to handle all applications it may encounter

Whether it's an attachment you commonly use or a machine feature that gives you a little extra lift or digging power, don't leave your machine shorthanded for the work ahead. Fully understand the scale of your work, and anticipated work, so that you're not renting or purchasing additional equipment to compensate.

9. Understand benefits of lease vs. rent vs. own

The financial realities of each company are different and, as such, the pros and cons of the different equipment acquisition methods vary. There are, however, some general truths. **Leasing** provides owners with new equipment every two – three years, it bonds services together in a single payment, and allows the contractor to bid jobs more accurately as owning and operating costs don't change – they must simply factor in fuel and operator costs. It also makes disposal easier as the leaseholder has no concerns over trying to sell the machine. **Rental** allows the contractor to pass the rental costs on to the job and places owning and operating costs squarely in the hands of the dealer. It ultimately reduces transportation/storage/carrying costs, but also may limit access to equipment based on availability. **Owning** equipment offers a variety of tax advantages, and depending on the type of equipment a contractor buys and how well it holds its value, they may be in to make a profit when they turn around and sell it.

10. Understanding Tier 4 processes

Many cooled exhaust gas recirculation (CEGR) systems require regeneration. It's important for operators to know how regeneration works, and how those systems indicate to the operator that regeneration is needed. If the operator "bypasses" regeneration (never recommended), that machine may then require a manual regeneration – which may require downtime and the attention of a dealer service technician.

Similarly, SCR systems require the operator to know when it's time to refill the Diesel Exhaust Fluid (DEF) reservoir. If the operator remembers to do this every time they refill diesel, then it has minimal impact on operating costs or downtime.

11. Give the undercarriage the attention it deserves

Using dozers as an example: approximately 20 percent of the purchase price and 50 percent of the maintenance cost sits in its undercarriage. As such, owners of all tracked machines should pay special attention to the tracks: inspect them daily before operation, check the track tension and alignment, and keep them clean. Coach operators in best practices to minimize wear and tear for tracked machines, and immediately address any concerns with the undercarriage so that your productivity and profitability don't go off track.

(Source: Case Construction)

