



# Unlocking The Value of Medical Equipment

By Philip F. Jacobus

Radiology administrators are dealing with a lot more complexity than they did 20 years ago. New business models and the purchase, integration, and use of new technology has made the job much more demanding. If you are running a diagnostic imaging department today, you certainly look at pre-owned equipment differently than you did two decades ago.

Pre-owned equipment is now mainstream and there is a global market hungry for what your clinic owns. Diagnostic imaging equipment costs more, it does more, it is more valuable, and there are more options available than ever before. The Internet has significantly changed the selling dynamic and opened up more options for clinics. This has, in turn, provided opportunities to fetch significantly higher prices than if equipment was traded in or sold to a broker. This transparency and ability to sell in an open, global marketplace has made selling pre-owned equipment online attractive, relatively straight forward, and well worth the time.

By following these simple steps, you can delegate almost everything to a subordinate with the exception of the negotiation. And, really, anyone qualified to run diagnostic imaging is qualified to negotiate a Cold War peace treaty! Following are some suggestions.

1. Start early! The sooner you get started, the easier the process will be and the more money you will fetch when you sell your equipment. Ninety days is ideal, 60 days is acceptable and, at 30 days out, you are pushing your luck.

2. Make sure that the item you want to sell cannot be used somewhere else within the hospital or IDN. If you have six matching rad rooms, it may be worthwhile to strip one down for parts and throw the rest of it away. The money you save on parts might far outweigh what the room would sell for. Be careful not to be like my neighbor who had an extra lawn mower in his garage for the last five years because it was too good to throw away! If you hold on to something, make sure there is a real need for it.

If you are going to transfer or give something to another facility, set your expectations from the start. Who is responsible to deinstall, transfer, and put it back together? You and your team have plenty of other work to do so you certainly do not want those responsibilities yourselves. Unless the group you are transferring it to can handle the job from soup to nuts, you are better off selling it.

Give other departments in the IDN a deadline and if they do not pull the trigger by that deadline, move on down the road and sell the unit.

3. Do a proper inventory. Look over the item and write down your observations keeping key questions in mind. If it is a rad room, for example, does the table elevate? Does it float in four directions?

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Is it an overhead tube crane or a floor-to-wall tube stand? What is the model of the x-ray tube? How old is the system? Have any components been upgraded since it was installed? Are there manuals included? Where are they? What does the tech say about it? Does it work right? How is the image quality? Are there any accessories with the system? And so on.

When potential buyers read what you have written, they will know an honest person described it and they will be more likely to make offers.

4. Take pictures—lots of pictures. Take 20 pictures. Digital cameras are nearly free nowadays or use your smart phone. You can email digital pics or easily upload them to a website.

Imagine you are the buyer. Wouldn't you be more likely to buy something if you liked the way it looked? People will pay more for things when they can see what they are buying. We review pictures on sites like TripAdvisor to confirm we're getting a decent hotel room—ample pictures provide someone with an extra level of comfort.

5. Mentally walk through how you are going to get the equipment out. Is it on the ground floor? Is it a long walk or a short distance to the loading dock? Is there a loading dock? Does the deinstallation have to be done at night or on the

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weekend? Do you have any special requirements and, if so, what are they? Set your expectations and be ready to write them down. You will avoid a lot of headaches down the road.

6. Is there a local service company available to deinstall the system and what will they charge? It is entirely possible that the ideal buyer for this system lives 2,000 miles away and will pay you top dollar if you can arrange to get the unit deinstalled. However, if you do this, never take responsibility for the deinstallation. Do not be involved at all. Introduce the buyer to the service provider and wash your hands of it at that juncture.

7. Set the removal date. If the removal date is a moving target, be reasonable. Everybody needs time to plan; the new equipment vendor, your department, and the buyer of the machine being replaced need a reasonable amount of time to plan.

8. Encourage competitive bidding. You can do this on an auction website by sending an email to the usual suspects, typically dealers. I would advise against accepting an offer over the phone or selling to the first person who makes an offer. Give it a little time and give everyone a chance to submit a bid.

Submit formal bids through so that everyone can see that the process is legitimate. Reputable dealers have a number in mind that they are willing to spend and they will make you that offer. There might be a little leeway in the offer and if they see that someone else is offering you more money, they might increase the bid or they may not. Either way, you know where you stand.

9. Up until now, you would have invested a minimal amount of your time, but when the negotiations start, that is when you are really needed. If you are in charge of diagnostic imaging, you certainly know how to listen and you can tell when someone is not being genuine. No doubt you are experienced enough to recognize sincerity, so trust your gut.

10. Leverage technology and use the Internet to find possible buyers.

11. Transparency is your friend. If there is a way that people can see what other bidders are offering, that will help drive the price up and help you to know you are selling the unit at a fair price.

12. Do not forget the paperwork! You need some sort of a purchase agreement that describes what is being sold, what is included, what is not, the deinstallation date, the condition of the equipment (this should always be as is, without any warranty expressed or implied), insurance, what the purchase price is going to be and any other special considerations. Always ask for a deposit and include in the contract when the next payment is due.

Reputable dealers will not have any problem sending a 20% deposit within a day or two of the sale being finalized. If your potential buyer is not willing to send you a deposit and a contract, something is wrong and you better start thinking about plan B.

The Internet has brought efficiency and transparency to the pre-owned medical equipment market. It takes a small amount of time to get used to selling online and a bit more to digest all of this advice, but once you develop the skill and sensibility, you become that much more valuable to the organization. And, don't forget, there are others who work with and for you who can help bring more value for your equipment. It is a new world out there and you will never regret taking advantage of it. Good luck! 🍀

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*Philip F. Jacobus founded DOTmed.com in 1999. DOTmed is a vendor neutral website for buying and selling of new and used equipment and equipment service. Jacobus has helped to establish 60 MRI imaging centers outside the United States equipped with pre-owned MRIs.*