

Production: When is the Right Time to Repair, Replace and Refurbish Printing Equipment?

 Jerry Simpkins  June 10, 2019



Repair, rebuild, buy used or buy new? Several questions come to mind when we are looking to maintain or upgrade our current printing capabilities. We all want the latest and greatest equipment. With many properties consolidating, it's now provided a glut of used equipment and opportunities for some great deals. To help us navigate the waters, I've spoken with two companies that offer a long history of in-depth experience in our industry.

The first company I spoke with was [The Siebold Co., Inc.](#) (TSC) based out of Harrisburg, Pa. Their expertise in our industry is what has impressed me most. In addition to hands-on experience, their key individuals have worked for some of the top players in our industry including Ryco Graphic Manufacturing, Goss International, Rock-Built Finishing, and Hall Contracting Services. They also have a tremendous background not only in newspaper operations but commercial printing. The next company I spoke with was [The Network](#), a leading provider of packaging equipment sales and service to our industry. Located in Sebastian, Fla., the company is led by Keith Hockenbery, who started The Network in 2010 after leaving Muller Martini. At the same time, many equipment vendors were going through layoffs caused by a decline in the industry and challenges in the world

economy. He started his company with other displaced engineers and service techs and now employs his own staff.

In full disclosure, the companies I spoke with are ones I've done business with before, and based on my experiences, I've been pleased with them. They've provided excellent customer service and I respect the expertise they have. I've dealt with many companies who provide great services to our industry but simply can't list them all here. This is not an endorsement of these companies, but is meant to provide useful information that may help you to make a better decision as you seek to maintain, expand or upgrade.

I'll tell you up front the general consensus is that plenty of good, reliable equipment is currently available and it's a great time to buy. With that said, it's also a tough time for some newspapers to think about capital investments of any sort. But as many of our companies expand into commercial printing as a result of less profitable properties moving their printing, opportunities now exist for those in the growth mode to secure some wonderful deals on used equipment.

How has your business changed as a result of consolidations becoming more and more common in our newspaper industry?

TSC: Consolidations have created new projects for us like our recently completed *Concord Monitor* DGM 850 press installation, and on the other side, it opened up opportunities to purchase well-cared-for equipment which are no longer in production.

The Network: Our business was built on consolidations starting in 2010 and has been growing every year. We average 10 machine moves a year, typically taking from a shutdown facility to a facility that has taken on new or additional production demand.

How is the supply of used equipment in the marketplace?

TSC: A lot of used equipment is available but is not all marketable in today's production environment. We find the more automation and upgrades on the equipment, the more likely it is to sell quickly.

The Network: There is an abundance of used equipment available, inserters, stackers and tie-line equipment.

With the glut of used equipment in the marketplace, how has it impacted the price to the end user? How does this compare to the sale of used equipment five or 10 years ago?

TSC: As the prices for equipment fall, it benefits the buyer. However, the cost of installation and upgrades has increased which eats into the savings for the total project. The market is very different, particularly in the newspaper space than it was five or 10 years ago. Newspapers that are not printing outside publications are more likely to exit and print elsewhere than invest new capital for additional equipment.

The Network: Inserters are selling for at least 50 percent less than they were five years ago; stackers and tie-line equipment are holding their own on price.

Are sales of used equipment brisk? Or do most companies prefer new? What are the advantages and/or disadvantages of each?

TSC: We are in a unique position in the market with the ability to offer our OEM—DGM and Smith branded equipment as well as offering used equipment options. While we would not describe the market for used equipment as "brisk," there are still many active buyers seeking this option. Given the current inventory available and the lower cost of used equipment, the demand is very strong for used equipment.

The Network: Very few new inserters are being sold; I'd estimate 1 in 30 inserter installations are new equipment.

Is “off-brand” aftermarket equipment growing in popularity or do most companies prefer OEM parts? Is it worth the extra cost for OEM parts?

TSC: Siebold offers OEM parts for DGM presses and Smith spray bar customers along with a full line of Goss single width parts. Our quality standards are the same for everything we sell and we stand behind them 100 percent.

The Network: Parts are an issue for some, but not all existing equipment. Some vendors are not supporting the equipment at all and others have stepped in to fill some of the voids, especially when it comes to PLC and machine control. Other items can be difficult to find and buying used is often the best alternative.

What equipment is popular/the hot seller today?

TSC: Customers seem to be looking for more automation as a way to hedge against the tight labor market. This allows them to produce products with smaller press crews. Equipment with register controls, motorized ink fountains with presets and spray bar dampening are normally the top of the list.

The Network: Typically, a customer will repurpose what they have. If they don't have what they need, they will purchase the most economical solution so far as capital cost vs. operating cost. If a new machine cost 80 percent more than used and only reduces production/operating cost by 15 percent, it's not going to fly, especially when you face the reality that circulation and volume of preprints are declining.

Do you rebuild/refurbish used equipment?

TSC: We have the ability to offer used equipment rebuilt or selectively refurbished depending on what the customer wants. We have service technicians who can service units and folders including boring worn side frames, replacing eccentrics, and installation of reconditioned cylinders at customer sites.

The Network: We find the best solution to fit the need. We have taken out customer inserters, shipped them to our warehouse to be cleaned and refurbished prior to being shipped to their new home, and installed and commissioned by us. We have shipped directly from one site to another, installed, commissioned, and repaired on a time and material basis. We have also sold used inserters as refurbished.

Do you sell equipment “as is” and if so, what would you recommend to the buyer?

TSC: We do sell equipment “as is” but predominantly to dealers rather than end-users. Recently, most of those sales have been to companies outside of the U.S. Some buyers have strong maintenance teams and would rather do the work themselves, but in my experience having the equipment inspected and major issues addressed prior to shipment is the best solution.

The Network: When we sell or move a piece of equipment, we discuss all the “what ifs” and build their budget accordingly.

Is used equipment as a result of downsizing or consolidation being sold in the USA or overseas?

TSC: Our core market for used equipment is North America and some of the Caribbean Islands.

The Network: We do not operate outside of the US/Canada but others do.

What are the “hot” departments for equipment today?

TSC: We see interest in all areas, particularly when consolidation is driving the project. The production requirements almost always touch all departments so upgrades are needed to achieve the desired volume and make the financial model work. We've seen activity for new and used equipment being driven by consolidation or the need to add commercial print strength to the facility.

The Network: Inserters and tie-line equipment.

What makes your company stand out from the pack?

TSC: We are a full service supplier, so mechanical and electrical installations are a core part of our business. Our 70,000 square foot parts and service facility is home to DGM, Smith Pressroom Products, TSC Press Drives and Controls, and our newly acquired press parts businesses DR Press

Parts and Lion Web Components. The investments we have made in our facility and staff put us in a great position to service our customers throughout the graphics arts and material handling industries.

The Network: We have grown over the years. In 2010, we used all contract labor. Now we use company employees that have been with us many years. We provide full support for Heidelberg /GOSS and GMA/Muller inserter lines, including electronic and machine control support. We are known for our inserter operator training and are the only company that is rated A+ by the Better Business Bureau.

Explore Your Options

Who you decide to look to for your equipment or repair needs is, in my opinion, a very personal decision based on their reputation and/or past experiences you've had with an organization. There are dozens of individuals and companies around today that market new and used printing equipment. So, find someone you're comfortable with, do your homework and look at a few different options before making any large purchase. I've said many times we need to spend the company's money like it is our own. Make smart decisions that not only make your job easier but also show a positive return for the company that helps put a roof over your head.

As you explore various options for equipment, don't discount options that allow you to preserve the equipment you have on-hand. Many equipment companies have shut down product lines and don't offer the services they used to. Other times the only option may be an expensive upgrade or simply being forced into buying replacement equipment because parts are no longer available.

One company I've discovered can provide help for solving many problems with drives, electronic equipment, hydraulics/pneumatics, servo motors, AC and DC drives, PLCs, power supplies, monitors, touch screens and other electronics is Industrial Repair Service. The company has grown from one location to six repair facilities over the last five years and now has locations in Arizona, California, Georgia, Illinois, Missouri and Texas.

I first explored this option by necessity, when I simply couldn't survive the six-week lead time a vendor required to get a part. Exploring the options the price was favorable: the warranty was solid, and the time it took to service and repair the part took days instead of weeks.

Obviously, a major advantage of repairing, refurbishing, or rebuilding electronics versus buying new is the cost. Industrial Repair Service boasts that the cost of repairs typically runs about half the cost of new. My recent experience for repair of a drive component actually beat that by a long shot, costing roughly 15 percent that of purchasing a new part.

Another advantage is they fix old and obsolete equipment. When you pull a drive off your machine, that's inoperable your first call might be to the original supplier; however, OEMs are constantly phasing out equipment and often don't make that particular series any longer, and often, they don't offer a retrofit but they will gladly sell you an upgrade. In this case, it's wise to explore a repair option to the current electronics verses an expensive upgrade or replacement.

They also offer an interesting warranty. The warranty doesn't start when they ship back the repaired part, but starts the day you plug your repaired unit in. This provides a huge advantage allowing you to build back-up inventories and not affect the warranty while a part sits on the shelf.

There are several options to keep your equipment up and running: repair, replace and/or refurbish them. Options for replacement include buying used or buying new. Then, there's always the baling

wire and crazy glue some of us tend to use. The important part is exploring all your options and making the decision that is right for your department and your company. Keeping the operation running smoothly and on-time should be our end goal.



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