

## BUYING NEW EQUIPMENT? PROTECT YOURSELF

### SUMMARY

**NTMA members sometimes come to the Association for help in resolving problems with new machines. This BMA contains some tips on avoiding such problems and resolving them when they do occur.**

#### CHECK IT OUT BEFORE YOU BUY

Don't let a dealer talk you into selecting a particular machine tool just because it's the one he happens to have on the showroom floor. Ask other NTMA members at your monthly chapter meetings about the machine, the manufacturer, and the dealer.

You should also contact NTMA's Technical Department to see if any members have turned in users' reports on the machine in question. Even if NTMA doesn't have a report on the specific model, reports on other machines from the same manufacturer can often give you a good idea of what to expect.

#### FIND OUT ABOUT SERVICE

Who does it? The dealer? The manufacturer? Independent service organizations? Who pays for it? How are warranty-related service calls handled?

In a recent survey, service was the biggest machine-tool problem reported by NTMA members. It is also important to find out if separate warranties cover separate components. One NTMA member had difficulty getting a problem resolved on a German machine that came equipped with an Italian control and a Japanese-American toolchanger—each with a separate warranty and service policy. If you can get a single responsible source, go for it.

#### GET IT IN WRITING

Most of the member problems NTMA handles in this area revolve around verbal promises or claims that can't be traced. In one case, a machining center was bought on a salesman's claim of 8-10 second toolchange time. When the buyer took delivery, actual performance was closer to 25-30 seconds.

Once the machine is installed in your plant, it is much more difficult to get satisfaction on problems if you don't have

everything documented. This means saving correspondence as well as contracts and other written agreements. Telephone conversations and meetings with dealers, manufacturers and service companies should always be backed up by a short letter confirming the highlights of the conversation.

#### CHECK IT OUT AGAIN ONCE YOU'VE TAKEN DELIVERY

We've seen situations where machines have been installed without lubrication or with faulty lubrication systems. In one instance, an autolube system wasn't found to be faulty until after the warranty had expired, leaving the owner with an expensive repair bill.

Ask your dealer for a performance guarantee and get it in writing. Let your dealer know "up front" that you won't pay for it if it isn't right, and put that in writing, too.

#### IF YOU HAVE A PROBLEM, DON'T STOP WITH THE DEALER

It is logical to go to the dealer first when you have a complaint. In most cases, the dealer can handle many of the most common kinds of problems quickly and efficiently. In some situations, though, dealers may be reluctant to absorb warranty charges or may fear losing a sale if a machine is returned. You should know how the "chain of command" traces back to the manufacturer. With many imported machines, this is especially important, since there may be one or more distributors, importers, or trading companies between the dealer and the manufacturer.

Ask your dealer for the names and addresses of the manufacturer and any middle-men. See if you can get the names of the manufacturer's chief executive and customer service manager. Contact these people when you reach an impasse with your dealer, and let the dealer know.

## **INSIST ON GETTING ACTION QUICKLY**

Delay is your biggest enemy in resolving capital equipment problems. Warranties are getting shorter and shorter and once expired, you are at a considerably greater disadvantage. The longer a problem drags on, the more it will cost you in lost work, idle labor, service costs and replacement costs. If you can't get it fixed quickly, get rid of the machine.

## **IF ALL ELSE FAILS...**

Lawsuits can be time-consuming and costly for all parties, and you may not necessarily get the satisfaction that you seek. Generally, it is better to settle disputes out of court. Sometimes, the threat of a suit is needed to get the supplier's attention, however. If you threaten to sue an out-of-town supplier in your own locality, you may have a slight advantage of geography, but the supplier may be better prepared to defend the case than you and your attorney are prepared to litigate. If you have everything documented in writing, your case will be considerably stronger. If you threaten to sue, be

prepared to follow up. Often, the threat of a lawsuit will bring action, but you should not make empty threats nor be too quick to sue.

## **BE OPEN TO NEGOTIATION**

Know what you want out of a settlement. Unfortunately, you must accept the fact that you will probably be unable to recover the entire costs of the problem. Even if an unsatisfactory machine is returned, you are not likely to recover the full cost of purchase, installation, lost time, and so on. Be reasonable and give yourself as well as the dealer or machine builder some room to negotiate.

Disputes over expensive problems can easily become emotionally heated. Shouting matches do no one any good. If you can't negotiate calmly with the other side, see if you can get a friendly third party to step in to mediate informally.

**This BMA was prepared by NTMA's Technical Department.**