

# The true cost of owning a piece of test equipment

Purchase  
Service, repair & calibration **Visible Costs**

**Hidden Costs**  
Finance  
Depreciation  
Management & Logistics  
Equipment Obsolescence  
Downtime cover  
Managing your disposals  
Storage & Security

## What is the true cost of ownership?

When looking at the cost of ownership the hidden costs as well as the visible costs have to be considered.

For example the real cost of ownership for a £10,000 item is £20,400. This is equivalent to £98 per week for 4 years (a typical depreciation period for equipment). See the chart below showing how this is calculated. Typical 6mth/12mths/24mths rental costs are also shown.

## Should I rent or buy test equipment?

Research shows that over 50% of purchased equipment is either infrequently or never used after the initial reason for purchase.

You can decide if it is better to rent or buy by asking yourself two key questions:

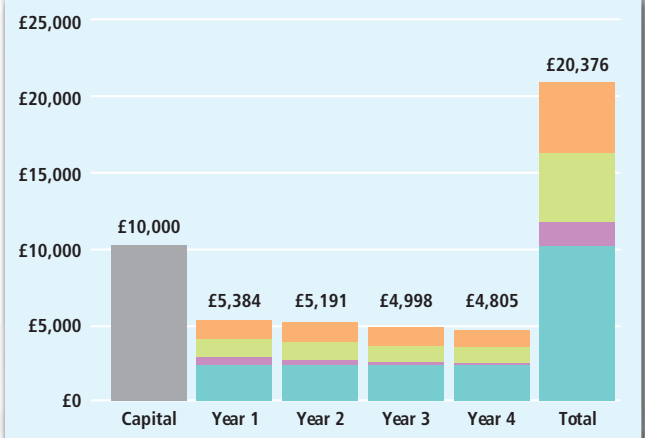
- How long do I **really** need the equipment for?
- How much will it cost me to own it?

## Make an informed decision

So, if you know you will need the equipment for more than 2-3 years without upgrading it in that time, purchase is the right decision. But if there is any uncertainty or risk (financial or obsolescence), rental costs you less and gives you greater flexibility and control.

### COST OF OWNERSHIP

- Initial capital
- Service, repair & calibration (12% of capital)
- Finance (8%ARR)
- Depreciation (over 4 years)
- Indirect costs (10% of capital)



### COST OF RENTAL

No of months	6	12	24
Rental per week	£151	£110	£110
<b>Total Cost</b>	<b>£3,926</b>	<b>£5,700</b>	<b>£11,400</b>

