

by Binseng Wang

The Facts on Used Equipment Export

Most readers have had to tackle the task of disposing of old or excess inventory. In spite of the recent slow-down on capital investment, most institutions still have plenty of assets that will not be used. One disposal solution is to transfer the used equipment to needy hospitals in less developed areas of the world. This can be accomplished by donation or sale, either directly to the end-user or through a relief organization or dealer.

Having worked in some developing countries and now being engaged in the transfer of used equipment from the U.S. to those nations, I am appalled by the lack of care and common sense, if not ethics, of some people in this field. Healthcare organizations and equipment dealers in less developed countries are increasingly more reluctant to purchase or receive donations of used equipment because of the bad experiences they have had. Horror stories include paid-for goods never shipped, unusable equipment, recalled devices, lack of information on installation requirements, and missing operating and service documentation.

Equally disturbing is the lack of preparedness of some buyers and donation recipients. Since guidelines for donors and recipients of used equipment have been developed by the American College of Clinical Engineering (ACCE), this article will concentrate on the for-profit segment.

Even when a piece of equipment is shipped and received in good working order, its longevity is questionable due to the lack of technical support. It is prohibitive for the recipient to ship the equipment back to the U.S. for repairs or to bring technicians from the U.S. each time a repair is needed. Local distributors often refuse to service used

equipment because it was not acquired through them or because they have been instructed by the manufacturers to refuse support.

Many manufacturers allege liability as one of the reasons for not supporting the export of used equipment. This concern is grossly exaggerated, since few countries are as litigious as the U.S. and rarely do patients have the resources to come to the U.S. to sue the manufacturers. A more realistic concern that the manufacturers have is the damage to their reputation caused by non-functional equipment. Refusing to support used equipment does not, however, solve the problem. Used equipment brokers interested in short-term profits will not stop selling and many buyers are willing to take a risk. A more rational approach would be for the manufacturers to support exporters that can provide good after-sale services.

The reason most manufacturers would not support export of used equipment is the fear that it would reduce the sale of new equipment. This fear is not substantiated by facts. The institutions and countries that have the necessary resources to purchase new equipment will not stop acquiring it simply because less expensive used equipment is available. On the other hand, those that do not have the necessary resources will acquire lower quality alternatives manufactured by emerging industrial nations like Argentina, Brazil, India and Korea. In many ways, the medical equipment market is similar to the car market. Everyone would love to own a luxury car. Some people that cannot afford to buy a new one will buy a used one, while others may opt for a new, but less equipped car.

A better approach for exporting used equipment would be to ship a

large amount of units of the same brand and model to a single country or group of neighboring countries. There the equipment would be serviced and refurbished, if necessary, before resale or transfer to the end-user. Besides taking advantage of the lower labor cost, this approach guarantees after-sale service support. Naturally, training, documentation, spare parts, and management technology must also be transferred besides the used equipment itself. This approach has already worked well for high-ticket items, such as CT and MRI systems. For equipment in the lower cost range, a certain minimum volume is needed to provide enough return for both exporters and importers to justify their initial investment in parts and training.

For the U.S., this idea helps to recycle hardware that would otherwise end up in junkyards, strengthen the reputation of manufacturers in general, and increase the international market share of American products. For developing countries, this project helps to create more jobs for biomedical engineers and technicians, promote better management, and most importantly, contribute towards making available more and safer equipment to treat patients. **BTM**

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