

Reduced breaker operating costs mean

LOWER LIFE-CYCLE COSTS



Torsten Treger, Product line Manager, Hydraulic Breakers, Atlas Copco Construction Tools, talks about equipment life-cycle costs. Torsten believes that people tend to focus on the purchase price, while the total cost of owning a hydraulic breaker consists mainly of operating costs that are often not visible at time of purchase and there is a tendency to overlook their impact. To achieve lowest life-cycle costs, it is necessary to keep operating costs to a minimum by investing in reliable, durable high-performance equipment. Even though the initial investment might be slightly higher – it pays dividends in the longer term.

TORSTEN, HOW WOULD YOU DEFINE LIFE-CYCLE COSTS?

"All costs generated by a piece of equipment throughout its lifetime. They can normally be divided into ownership costs and operating costs."

WHAT ARE OWNERSHIP COSTS?

"These are fixed costs, such as purchase price, depreciation and interest. They begin to occur when the attachment is purchased and do not end until it is sold. The owner must pay the ownership costs, irrespective of the attachment's condition. Whether you work with it or not – you've still got to pay for the depreciation!"

AND OPERATING COSTS?

"These are variable costs and they start as soon as the attachment is running. Operating costs vary according to age, application, environment and maintenance policies. All components have a physical life and need to be replaced one day. Operating costs are directly related to the length of the equipment's lifetime."

ATLAS COPCO HYDRAULIC BREAKERS ARE DESIGNED TO OFFER MORE POWER WITH LESS WEIGHT. HOW DOES THIS AFFECT COST OF OWNERSHIP?

"Our breakers have a high percussive performance-to-weight ratio. This means you can do the same job with a lighter breaker and a smaller carrier, using less fuel. Both the initial investment and cost of ownership are lower. The higher the efficiency of the breaker, the lower your fuel costs. You can also get more work done with the same breakers."

Costs – life-cycle comparison



HOW DOES EQUIPMENT MAINTENANCE FIT INTO THE LIFE-CYCLE EQUATION?

"If an attachment is easy to maintain, it costs less to own because you can do your own maintenance and keep a high level of reliability. However well a breaker is running, every machine needs maintenance. Regular, simple maintenance can help avoid downtime, loss of production, costs for stop-gap equipment and possible customer badwill. A good example of how we help to reduce time spent maintaining the breaker is the automatic lubrication system ContiLube II."

DO MANY OF YOUR CUSTOMERS HANDLE THEIR OWN BREAKER MAINTENANCE?

"Most companies can handle it because our breakers are specifically designed for easy maintenance and we provide training for customer personnel. The machines can be dismantled quickly and simply and replacing wear parts is easy. There's no need for special service tools, just a tool for re-charging the accumulator, and our customers can reduce their stock of parts, such as seals, retainers and bushings."

"The availability of parts and ease of service help to keep the time spent on maintenance as short as possible."

WHAT HAPPENS IF THEY DON'T WANT TO HANDLE IT THEMSELVES?

"We offer the Atlas Copco 1+2 Program. This consists of Service Contracts that guarantee maximum availability



Life-cycle costs are all costs generated by a piece of equipment throughout its lifetime.

Torsten Treger, Product line Manager, Hydraulic Breakers, Atlas Copco Construction Tools.



for a hydraulic breaker and are tailored to meet customers' individual needs."

2,400

Euro can be saved in 240 working days by using a smaller excavator which may cost 10 Euro per day less in fuel and other overheads.

CAN YOU GIVE US SOME INSIGHTS INTO DEPRECIATION?

"One of the strengths of Atlas Copco products is that they keep their value. Thus, depreciation can be longer – changing from 5 years (20% per year) to 7 years (14%) means a 6% per year saving on depreciation – or 30% over 5 years!"

WHAT ABOUT RESALE VALUE

"That will be higher. Taking into account changing residual value after 5 years, from zero (20% per year) to only 10% value (90%/5 = 18%) means 2% per year saving on depreciation".

SO, AS YOU SAID, THE TOTAL COST OF OWNING EQUIPMENT OVER ITS LIFE-CYCLE IS LARGELY DUE TO OPERATING COSTS

"Exactly, and for this reason it really pays to choose Atlas Copco products, particularly in economically difficult times. They offer low maintenance, high productivity, long lifetimes and high resale value. This all adds up to lower cost of ownership – even if the initial investment might be slightly higher."

Many users do not take into consideration total cost of ownership over the life-cycle of the attachment including: Efficiency, power/fuel consumption, investment for carriers, availability of service products and support.