

New versus Used

What to Consider When Evaluating
Furniture Options



Knoll

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With an eye on reducing costs, organizations often evaluate the purchase of used furnishings for their new workplaces. While used furniture savings may appear considerable, buyers must take into account a series of underlying factors in their decision making process: hidden costs, quality concerns and the overall effectiveness of used furniture to support business needs. These issues can significantly dilute the potential value of used furniture by affecting the bottom line during and after the initial purchase, reducing employee satisfaction and diminishing the overall work environment.

1. Hidden Cost — Indirect Cost Prior to and After Purchase

If the lowest initial purchase price is the only driving factor of a business decision, used furniture will most likely be the least expensive choice. However, if the hidden costs are factored into the decision, new furniture is often a better return on investment. Typically, a used furniture purchase forces a customer to buy more product than required for the new configuration because used furniture is sold in an “all or nothing” package. This results in “overbuying” with the unused excess product requiring warehousing and handling over the long term.

Services and project fees

NEW	USED
Space planning, CAD design, short term warehousing, and shipping & handling fees are all generally included in the purchase of new furniture.	Design services fees, warehousing, shipping and all handling fees are in addition to the initial purchase price of used furniture, increasing the actual overall cost.

Investment spending

NEW	USED
New furniture can be treated as an operational cost and can be leased at very competitive interest rates allowing capital outlay to be spread over time.	Used furniture requires complete capital outlay up front. The residual value assigned to used furniture is so low that leasing is not a viable option.

Availability of basic elements

NEW	USED
Glass components offered by new furniture support transparency, collaboration and natural light.	Glass components are not readily offered in used product options because they are fragile, easily scratched and difficult to store.

Additional product expenditures

NEW	USED
All components, parts, and hardware are shipped complete and included in the cost of new furniture. The initial specification meets the design intent.	Reconfiguring used furniture typically requires additional components and parts. Determining those additional components and parts can be time consuming and increase the cost of buying used. If they are even available, parts are more expensive because they do not receive the deeper discount levels associated with new projects.

2. Quality Concerns — No Provision for Product Performance Assurance

Rarely is purchasing furniture a single, one time transaction. Most customers need access to product and services over the lifespan of their work environment. Basic workplace maintenance and evolving needs mean that customers need the confidence that a furniture manufacturer stands behind the quality of its products and that, from installation on, a dependable dealer is there to service the product.

Access to missing parts

NEW	USED
New furniture components and critical parts required for simple changes during installation are readily available and easy to order. <i>(For example, Knoll offers a 24/7 critical parts program allowing an installation to proceed without delay).</i>	Used furniture components and parts are frequently difficult to locate or unavailable if older products were discontinued, making reconfigurations difficult and time consuming – and increasing installation costs.

Caliber of installation services

NEW	USED
Certified dealer installation services are provided when purchasing new furniture, ensuring a seamless, professional project installation.	Used furniture install crews are typically outsourced, and lack training, certification, and familiarity with the correct installation procedures for specific products. On-going follow-up services are limited, not available or an additional cost to the initial purchase price.

Post purchase protections

NEW	USED
The purchase of new furniture is warranted, which provides certainty of quality and performance assurance to the customer. <i>(For example, Knoll seating offers a 12 year warranty on parts and labor, even for 24/7, multi-shift use).</i>	Generally, used furniture does not offer any warranty or legal recourse to address product defects and concealed damage. Used office seating is especially susceptible to breakage, malfunctions and upholstery issues, which equate to added cost for the parts and labor necessary to repair the product.

3. Ineffectiveness — Lack of Alignment with Business Needs

When furnishing a workplace, buyers are purchasing more than just static objects; they are typically buying a series of inter-related components that combine to form a system. And to be effective, that system's configuration and capabilities must match the needs of the client workplace and work processes over both the short and longer terms.

Appropriateness for the intended environment

NEW	USED
Planning with new furniture addresses the most effective business strategies to tailor a specific planning solution, maximize the use of expensive leased space and adhere to an overall design solution supporting a company's image and improving worker productivity.	Used furniture, when available in workstation clusters, does not maximize the use of a specific space and does not effectively adapt to a new floor plan without modifications and additional product.

Relevance for a contemporary workplace

NEW	USED
New furniture is offered in a comprehensive scope of product design solutions that can meet specific customer objectives. A wide range of design choices and planning solutions can directly respond to current workplace trends, help elevate employee morale, support employee retention and improve a company's image.	Without a series of updates and enhancements, used furniture can appear dated and out of step with the goals of a new workplace.

Scope of options

NEW	USED
New furniture offers the advantage of a broad selection of finishes, materials and a comprehensive scope of product choices.	Used furniture is limited to one material and finish, available at the time of the purchase.

Technological needs

NEW	USED
New furniture offers current, advanced electrical and data solutions and components designed to accommodate cabling capacities, multiple access points and seamless interface with new building technologies.	Used furniture may not be able to meet demanding technology requirements. Outdated electrical and data components, minimal cabling capacities, and ineffective building interface reduce the ability to keep up with technology advances.

Long term flexibility

NEW	USED
The flexibility inherent in new, well designed modular furniture allows a company to accommodate growth and adapt to ongoing churn.	Used furniture has limited flexibility because it's sold on an "as is" basis; therefore, it is very difficult or impossible to match and does not address future growth using similar, compatible product.

3. Ineffectiveness — Lack of Alignment with Business Needs *(continued)*

Support of sustainability goals

NEW	USED
Sustainable attributes of new furniture help satisfy indoor air quality health concerns and can lower the cost of the overall facility. Knoll FSC certified wood and Greenguard, BIFMA Level and SMaRT certifications support client efforts to achieve LEED certification and measure sustainability attributes. If 70% of a project is new furniture, it can contribute approximately 5-7 LEED points.	Used furniture typically does not have these inherent environmental attributes or industry third party certification. Used furniture may seem like a logical sustainable choice because resources are repurposed; however, that only plays a small part in contributing to LEED points when compared to purchasing new furniture.

Reflection of contemporary workstyles

NEW	USED
Lowering panel heights and storage components allows more daylight and encourages collaboration which is critical in today's workplace. New furniture solutions easily accommodate these goals, improving the overall work environment, encouraging communication and contributing to LEED points.	Used furniture generally consists of older panel heights and components that will not adapt to lower horizons and poorly support today's work modes.

Summary

The initial low price of used furniture seems like a straightforward financial decision—until the hidden costs, reduced quality and ineffectiveness associated with used furniture are taken into consideration. In today's competitive business environment a well-planned thoughtfully designed workplace is essential to employee retention, productivity and collaboration. New furniture addresses all these considerations, and optimizes flexibility over the short and long term. Ultimately, purchasing new furniture from a single source for initial and on-going product and service needs allows the customer greater buying power over the life of a workplace.

Through research, Knoll explores the connection between workspace design and human behavior, health and performance, and the quality of the user experience. We share and apply what we learn to inform product development and help our customers shape their work environments. To learn more about this topic or other research resources Knoll can provide, visit www.knoll.com/research/index.jsp