



Top 3 Tips For Reducing Total Cost Of Ownership

The cost of owning an excavator encompasses much more than the monthly payment. In fact, the operator and fleet manager have the ability to significantly impact three primary cost drivers — depreciation, maintenance and fuel consumption. With a clear understanding of these cost drivers, as well as the right machine equipped with features that allow control of these drivers, the owner will undoubtedly get more out of their excavator for less.

1. Slow depreciation

The factor that most drastically impacts resale value is total machines hours. Operators are an incredible influence on this number — one operator can get the same amount of work done as another while placing significantly less hours on the machine with tips to help them manage idle time. It's not uncommon for an excavator to run at about 50 percent idle time; however, 25 percent is a realistic goal with a properly trained operator. The financial impact of this reduction can be immense.

Imagine two of the exact same machines doing the same work on the same site — Machine A running at 50 percent idle time and Machine B at 25 percent. Machine A runs about 2,000 hours each year, whereas Machine B runs about 1,500. After five years, Machine A has accumulated 10,000 hours and Machine B has 7,500. The difference in resale value could be upwards of \$20,000, depending on machine size.

Operator training is crucial to achieving a lower idle time, as is machine selection. Selecting a machine with telematics capabilities to monitor operator behavior and machine information — such as with [Volvo CareTrack®](#) — is one of the best ways to spot issues with idle times. Volvo E-Series excavators can be equipped with an auto engine shutdown feature that automatically engages if the machine has been motionless for five minutes.

2. Reduce maintenance costs

Resale value isn't the only upside to reducing idle time. In the same scenario, Machine B would

likely require about five less service intervals compared to Machine A over the five-year ownership period. It's also important to note that Machine B's warranty would be spread out over a longer portion of the ownership period, potentially resulting in additional maintenance cost savings.

Also key to reducing maintenance costs is proactive machine monitoring, be it remotely through telematics or through regular on-site inspections from your trusted equipment dealer — preferably both in order to remedy potential issues before they occur. These types of services can often be wrapped up into fully customized dealer support programs that simplify fleet management, extend equipment life and increase uptime.

Volvo recently launched [SmartCare](#) — a customizable dealer support program that includes everything from dealer-supported telematics monitoring and reporting, to on-site inspections, preventive maintenance and optional uptime guarantee. Along with this coverage, select Volvo excavators are also covered by a Lifetime Boom, Arm and Frame Warranty. Collectively, these offerings create reduced maintenance costs and lower total cost of ownership.

3. Reduce fuel consumption

For most owners, fuel consumption is the number one cost of operating an excavator — even more so than labor, maintenance and insurance — and thus, it offers the greatest opportunity for operational cost reduction. Both operator behavior and machine selection are crucial in this reduction.

Volvo excavators are built with a slew of unique fuel-saving features that can significantly reduce operating cost — chief among them are the work modes and auto idling features. Built with nine different settings within four work modes — Idle (I), Fine (F), General (G) and Heavy (H) — Volvo excavators allow the operator to dial in the exact amount of power and control for the task at hand, while burning as little fuel as possible. Similarly, the operator is able to set the excavator to automatically switch to idle when the machine is inactive for a predetermined amount of time — anywhere from three to 20 seconds. These features are part of the reason why Volvo is able to offer a fuel efficiency guarantee with the promise to reimburse the customer if fuel consumption exceeds the industry-leading model-rated levels.

The Volvo Ex Factor

Volvo excavators are designed to deliver the greatest production at the lowest total cost of ownership — providing you with the greatest opportunity to be profitable. When you consider the competitive machine pricing, along with features that help increase uptime and resale value, while reducing maintenance and fuel costs, we feel Volvo is able to help you achieve lowest total cost of ownership. That's the Volvo Ex Factor. We invite you to speak to your dealer about total cost of ownership today.