The Dollars and “Sense” of Planned Obsolescence
By David Hanning

If you are like most dental offices you have purchased or are looking to purchase digital x-ray. You have probably heard that apart from being expensive, digital x-ray sensors can fail for a number of reasons and thus companies offer service plans to protect your investment. Extended Warranties range from around $80.00 per month per sensor to $150.00 per month after the factory warranty has expired. Many dentists choose to pay the extended warranties because they want to avoid the high cost of replacing a defective sensor. And, digital sensor prices with the big supply houses monopolizing much of the market are going up and not down. This is purely due to the distribution channels and the need to pay everyone in that chain. Your supply rep will not add value to your digital x-ray purchase but they will get paid when you buy.

With all of that in mind, one of the most important decisions to make prior to purchasing digital x-ray is what period of time you plan on keeping the technology. Even if a piece of technology will last for five years, will you be happy with the results you are getting relative to the new offerings in five years? And, with the cost of ongoing support contracts after the manufacturer’s warranty has expired, what is the true cost of keeping a sensor for five years? You may be surprised to find that real cost of ownership in keeping a digital sensor for a period of time is much greater than what was anticipated in the beginning due to ongoing warranty fees.

Let’s look at the Dexis sensor as an example. If you purchase a Dexis Platinum sensor for $11,000.00, you get a one year warranty that protects you against manufacturer’s defects. After the first year you pay $1500.00 annually for the DexCare plan which is essentially an insurance policy on the sensor and access to software updates and phone support. But, since many companies provide updates and support at no charge, the plan can be competitively considered as sensor insurance. Over a five year period the cost of the Dexis Platinum sensor is $1,500 x 4 = 6,000 +11,000 = $17,000! And remember with each passing year the sensor’s performance has likely been surpassed with the “march of technological improvement.” The $17,000 price puts the Dexis Platinum at approximately $3400 per year when averaged over the five years. The monthly cost for that one sensor is $283.

With the previous scenario in mind, Dental TI is working on a program called “New Every Two” which would allow dentists to have factory warranted sensors new every two years. The advantage is no additional warranty costs and staying on the cutting edge of sensor development. Dental TI has structured the “new every two” program as a true market value lease which effectively lowers the price on the sensors because there is true residual value at the end of the lease. We take the sensors back and you get brand new improved sensors with a new warranty. Because our SuniRay sensors come directly from the manufacturer, our pricing is far lower than the supply houses offerings while giving up nothing in image quality. With the new every two program the average monthly cost of each sensor is $200.00 and the sensor is always covered by
the manufacturer’s warranty. When contrasted with the Dexis scenario there is a savings of $83.00 per month per sensor. And, after two years the Suni Ray will be updated to the newest sensor technology while the Dexis is the same as the day purchased minus wear and tear.

This newest program is one approach to dealing with technology that has obsolescence built into it like digital x-ray sensors. Dental TI can structure more traditional plans with and without extended warranties for offices that want to own their digital x-ray sensors. If you are an office that likes to know that you will have a non varying payment for your technology, and, you will always have the latest and greatest, than maybe the “New Every Two” program is for you.

Let me know what you think about the “New Every Two” sensor program. Contact David at david@dentalti.com