



Industrial Batteries (UK) Limited

Main distributor of Alcad Ni-Cd Batteries in the UK
and suppliers of Battery Support Services

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Life Cycle Cost (LCC) or Total Cost of Ownership (TCO) for an Industrial Battery

The Life Cycle Cost of a battery (LCC), sometimes called Total Cost of Ownership (TCO) is not simply a calculation concerning the initial cost of the battery and its lifetime. It is a complex calculation concerning the cost of installation, replacement, maintenance, testing, downtime cost etc. These other factors can be much greater than the initial cost of the battery and, looking at this factor only can lead to a very misleading, and costly, decision being taken.

Important Considerations

It is very convenient to decide the purchase decision on the initial cost plus a few factors related to maintenance costs. However, to carry out a realistic cost of ownership, the main factors which must be taken into account in a life cycle costing for a battery are:

- the initial investment when the battery is installed
- the replacement cost which is the sum of the costs involved if a battery has to be replaced
- The frequency of battery replacement (which is related to lifetime and reliability)
- the on-going maintenance cost
- the downtime cost which is the cost arising from either planned or unexpected loss of power.



In addition, for an accurate analysis, it is necessary to produce a realistic comparison between different battery options for a particular duty.

Initial Investment

The initial cost, in addition to the purchase price of the battery, also includes the cost of stands, connectors and any other accessories required. Further costs include the administrative and purchasing costs, transport costs, storage cost, installation costs, commissioning and testing.

Replacement Costs

The replacement cost for a battery is not only the cost of the new battery, it is all the initial investment costs, plus the costs associated with disposing with the old battery.

These costs include the de-commissioning of the battery, dismantling the battery, preparing the battery for transport, the transport cost, in some cases storage costs and, finally, the disposal costs. So the replacement cost can be significantly higher than the cost of the original battery and so it is important to minimise the number of times the battery has to be replaced in the lifetime of a system.

Battery Lifetime

An essential piece of information related to the replacement cost is the lifetime of the battery in the application. This determines if the battery would normally have to be replaced and, if it does have to be replaced, the number of times this will occur. continued over

Battery Lifetime - continued

This can depend on a number of items, the principle of which is the technology type, and the temperature that the battery is subjected to in the application, the number and depth of cycles required by the application, how rugged the battery is in abuse conditions

Battery Maintenance

The maintenance of the battery can either be according to specified industry standards, to battery manufacturers recommended procedures or to user standards. This can be the largest cost in the lifetime of the battery.

Downtime Costs

The downtime can be of two forms: Planned downtime, where there is either a loss of facilities during the shut-off time or some back-up facility is put in place to ensure there is no loss in the facility, or unexpected failure, where there is a complete failure of the system and a complete loss of the facility.

Life Cycle Cost - Summary

- Life Cycle Costing (LCC) is a technique to establish the total cost of ownership
- It produces a spend profile of a product over its life span
- An LCC analysis is used to assist management in the decision-making when there is a choice of product
- The visible costs of any purchase represents only a small proportion of the total cost of ownership.

Life cycle costing is not the only factor which should be used in defining a battery choice but can prove a useful tool when making a decision.

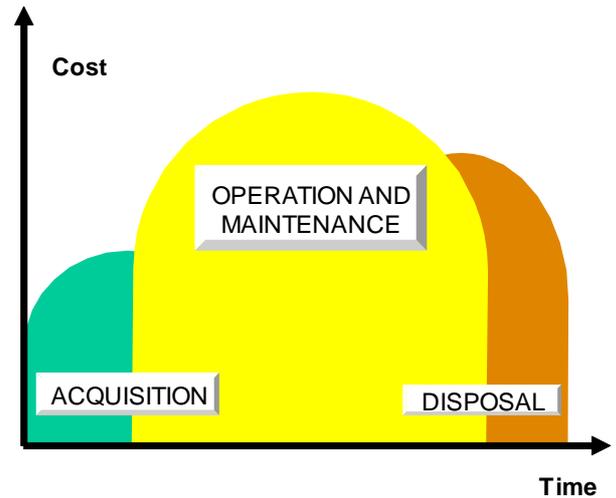
How can IBLUK help you?

Industrial Batteries (UK) Limited - IBLUK - is a UK company specialising in premium quality industrial nickel-cadmium batteries and support. In addition to being the main distributor of Alcad Batteries in the UK and supplier of the full range of Saft Industrial Batteries, it also offers an extensive selection of approved accessories plus pre and post sale services.

These include:

- A full range of **maintenance** accessories and documentation to assist you in maintaining the batteries we supply to the required standard and, if you wish to have your maintenance carried out by our accredited service provider, we can arrange this for you.
- A full **Life Cycle Cost** analysis for your application, comparing different battery options over your chosen life period.
- A **design analysis service** to ensure that you choose the right battery for you application and a battery survey service to evaluate your present system.
- A one-day **training course** for personnel involved with industrial battery installations and systems. This in-depth nickel cadmium battery course is designed for those with limited knowledge of the product and for those who wish to improve their knowledge.
- A **battery disposal and recycling** service to customers on a consultancy basis to support and guide you through the practicalities of the regulations.

Please contact us directly by e-mail or telephone or visit our web site www.ibluk.co.uk for further information.



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