

# Speaking from Experience

One of the most difficult concepts I have tried to grasp over the past number of years and the one I cherish most is "I am in this position because I chose to be here... I take 100% responsibility for me."

Think about it. The situations you find yourself in with your family, friends and the carrier you drive with have developed because you chose to create and stay in these situations, both good and bad. No chains keep you where you are. You are in charge of you. A simple concept... right? If this is true then why do we seem to be so hell-bent on sticking with the ordinary in our lives when the extraordinary is within our grasp? We all have the power to change if we're motivated to do so.

So you're not happy with your current carrier and you are contemplating making a change (as many of you are or you might not have even picked up this magazine). What do you do now? Many drivers will simply look through recruiting ads and make a short list of carriers to call and see what they have to say. They might listen to what their buddies have to say about where they're working, or listen to the CB rumor mill.

If you're considering leaving a carrier, my question to you is... "what have you done to make the place you are at now a success and why is it bad?" Ask yourself "what can I control in this situation and what can I do to minimize my cost of operation and maximize my profit?" If you haven't done this exercise then you haven't given yourself the opportunity to succeed and feel good about the quality of the job you do.

What can you control as an Owner Operator? You control many significant

operating expenses such as your MPG. Is it as high as you can possibly get it? You control your maintenance cost. Are you doing everything necessary to minimize this expense? Do you have a good relationship with the shop that does your work? Do you handle as many roadside breakdowns as you can yourself by carrying your own tools? Do you have a good Accountant and financial support staff who know trucking and can offer advice when needed? Is your finance cost in line with what it should be? How is your relationship with your Dispatcher - is it cooperative or aggressive? Are your operating costs and living expenses outside your truck reasonable?

Now look at what you can't control. You cannot control the amount of miles you are offered; if there aren't enough offered for you to make a living you will need to move on ASAP. You also can't control certain costs that your carrier is probably going to pass on to you, perhaps such as base plates and insurance.

Let's try doing it this way... grab a piece of paper and draw a vertical line down the middle of the page. List all of your fixed expenses on one side. This may include your truck payment, base plate and insurance if it is a set amount. On the other side of the line, list all of your variable expenses such as fuel, maintenance, on-road meals, calling cards and tolls. When you've finished collecting all of the costs to run your business, fill in the dollar amounts that each of these cost you each month. Try not to go into shock... as you see the numbers all in



one spot it can be shocking but please be honest with each entry.

Now, look at each item. On the fixed side try and see if everything listed is in line with what you know about the industry. Although these items might have a fixed payment schedule attached to them you should feel comfortable that they are reasonable. If you're unsure about any of the amounts your financial advisor should be able to help you.

The variable side is often where savings can be found. These items are within your control and every opportunity should be explored to ensure that these costs are minimized. However, don't cut corners on your maintenance; this will usually only create a big expense later. When I say minimize I don't mean be penny cheap and dollar stupid. I mean that you have to be comfortable that all of the expenses wrapped around the cost of running your truck (business) are in line and you are doing your best at all times to keep these under control. You should always keep an eye open for ways to further reduce them. Please keep in mind that I am not trying to talk anyone out of leaving the carrier that they currently work with. I'm simply trying to slow down the Owner Operators who have had five jobs in five years and cannot understand why everyone's always picking on them. Look in the mirror... one of the reasons you became an Owner Operator is for the independence; when you made that decision you became a small business person. Are you sure you're acting like one?

One of the miracles of trucking is the maze of different pay packages that exist in this business. No two are alike and they all have their own little nuances that can make

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or brake an Owner Operator or Company Driver. One of the biggest fallacies is that bigger is always better. However, reality dictates that when all is said and done, the carrier who advertises the highest gross rate may not be the carrier that will put the most money in your pocket. Shop wisely and investigate what processes and offerings each carrier provides that might help you reduce your variable cost. Some carriers offer reduced shop rates and others offer discount group savings on cell phones, fuel and health benefits. Whatever the offer is, investigate each one thoroughly and see what might be available that you can leverage to reduce your variable savings and help you succeed.

This advice is applicable for Company Drivers also. While you don't have truck payments and base plates to worry about, you still face many variable costs which dictate how profitable your driving career is and how much money you take home at the end of the day. Take a hard look at your meal and phone costs. Can you save money (and remove an inch from your waistline) by choosing your meals carefully? Absolutely! Investigate the cost of implementing a toll-free number at home (that you can call from a truck stop payphone) and do your homework and compare cell phone packages. Saved pennies quickly turn into saved dollars.

What do you think? Feel free to drop me a line on these ideas.

A copy of the exercise I mentioned earlier in this article can be downloaded from [www.overtheroad.ca](http://www.overtheroad.ca).

Take care and safe driving!

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