

Speaking from Experience

They say all good things must come to an end. I've never understood who "they" are or why "they" say that. I can, however, say that I have had a very good thing going for many years and while I'm bringing it to an end, I'm hopefully doing so for all of the right reasons.

The MacKinnon and Haight families have worked together to develop an exit strategy for myself which enables me to explore other business opportunities. Therefore, I am resigning from my position as President and C.O.O. of MacKinnon Transport Inc. I do not make this decision easily; this is very difficult as I feel that the lineage of MacKinnon Transport is deeply rooted in my own family. We're all aware of MacKinnon's legacy of 76 years of quality service and sacrifice to the industry; we celebrate it openly and loudly, as we should. A more respected trucking company in this country would be hard to find and I am very proud of any small contribution I might have made to this company's reputation and success.

The Haight family's legacy is not so pronounced but still noteworthy. My wife Connie and I started Southwestern Express Inc. with the assets that were left to me from my mother and father, Joan and Ron Haight. I drove for my father for five years before his sudden death and I can tell you, love him I did but he was one tough SOB; if you crossed him you paid the price. My father's reputation was widely known as firm but fair. I always liked that people thought that way of him because that was my own experience as well.

I believe the sweat and tears of my parents live on in this business; their values were transferred through to the partnership that Evan MacKinnon and I agreed to in 1990 and are still alive today through MacKinnon Transport Inc.

- I have had 3 significant business mentors:
- 1) Ron Haight, my father, who taught me the foundation of survival and fairness.
 - 2) Mr. Bill MacKinnon, who teaches me daily

- 3) Mr. Donnie Urquhart, who taught me the value of relationships and communication and freely shared his insights on the shipping industry.



Lately, I have become distracted by new business opportunities that have shifted my attention from my primary role. This is not fair to this business, to each of you, or to my fellow shareholders. Although I will continue to work with MacKinnon in the capacity of Director, I intend on drastically reducing the amount of time I spend in the office. I have been asked to continue to represent our company in various association work, primarily in the United States through the Truckload Carriers Association and I am greatly honored by Evan for this opportunity.

Like most truckers I have the affliction of not knowing when to stop and countless hours over 30 years have added up. Therefore, I am going to take this opportunity to spend more much-needed time with my family.

I apologize if I offend or have offended any readers, as that is not my intent. Strong but fair can easily be misinterpreted. I thank those of you who I have seen grow in your business careers because you have been open to my council. You are my greatest source of gratification in my business life.

My final thought goes to our Drivers and Owner Operators. I am continually humbled with your work ethic, heroism and dedication to this industry and your chosen profession. Without you I would not be in a position to enjoy the feeling of accomplishment I have right now. You make it all come together. I warmly thank you for the confidence and camaraderie you have shown me over the years and I wish each of you, all of the success possible. 🍁

Fail to Plan...Plan to Fail

In the next few issues of Over the Road I will address some of the common sense, basic trucking facts that I have learned over the years. I hope to offer some new ways of thinking for you to consider as you travel down the road. I hope you find value in these upcoming articles and I would appreciate your feedback, both positive and negative.

As a young Owner Operator my wishes were for a shiny truck that didn't break down and some extra cash for my down time. I accomplished what I wanted, but it was more a result of good luck than of having planned for success.

I got lucky but you don't need to depend on luck; you can put a solid business plan in place very easily... a plan that will tell you if you're a good fit for the company you're working with right now. Or, you can use this model to help you find the right company for your next move, as it will demonstrate your likelihood of being profitable or frustrated.

As the title of this column suggests, I am going to discuss the old mantra "Fail to Plan and Plan to Fail". Successful planning is not difficult; in fact it is actually very simple. I have posted a simple cash flow exercise on the Over the Road web site (www.overttheroad.ca) that shouldn't take you long to complete. The key to its success is to be factual when completing the chart. I can't stress enough how you must know exactly what your personal and small business financial needs are if you're going to be successful as an Owner Operator.

What is your fuel cost per mile?

While working at MacKinnon Transport this quick question would immediately tell me what type of Owner Operator I was speaking with. Quite often I would receive a blank stare and then a guess as a reply. I've been at this for awhile and I can tell you there is little future in BS'ing an old BS'er.

It was interesting to speak with Owner Operators who knew exactly what their MPG (Miles per Gallon) rate was going west, going south and running short haul. I would, however, suggest that they were measuring only half of what they should be looking at. MPG is helpful when speaking with your service provider or engine manufacturer to ensure you're getting what you're supposed to from your iron. But the critical business amount to know is Cost Per Mile, not Miles Per Gallon; you can have a fuel efficient vehicle, but if you buy your fuel all wrong you will still be left with a higher than average fuel cost. MPG is a measure of equipment efficiency. CPM measures an Owner Operator's business expense. Know your cost!

The document I've posted to the OTR web site was designed with Owner Operators in mind but it can easily be used by Company Drivers also. The thought behind it was to determine exactly how many miles it would take for an Owner Operator to break even.

The simple equation is... "What is your monthly cash requirement (ie. truck payments, maintenance, mortgage payments, car payments)?"

Total all of these amounts and then divide them by the net revenue per mile you are being paid by your carrier or the revenue you receive after any standard deductions (ie. plates and insurance) and net of your fuel cost. Now, divide the net revenue per mile by your cash required and the answer tells you how many miles per month you need to drive to break even.

This is your benchmark number; this little bit of information tells the whole story for you. If this number is around 8-9,000 miles and you're working with a long haul carrier who is offering up to 12,000 miles per month and this lifestyle works for you, you are probably in pretty good shape. On the other hand, if you need 11,000 miles per month to break even and your current carrier is only offering only 10,000 miles...guess what? You are slowly sinking. You will need to do one of two things; either take a hard look at what you can do without to lower your cash requirement, or try and find a carrier who pays more and offers the miles you need to succeed.

If you are considering leaving your current carrier, I urge you to do this exercise before you jump ship. You might find this to be a good reality check. You could, for instance, find that you are your own problem because your expenses are too top heavy; in this case you can work for every carrier out there and never be successful. People in this situation think their predicament is everyone's fault but their own unless they know better.

Know the facts of your business before you end your relationship with a carrier and share those facts with them; if they're reasonable business people they will appreciate knowing where you stand and what your numbers are. If

they're not interested, they probably aren't the right fit for you anyway.

This exercise has many applications in addition to knowing if you're working with the right carrier. Are you thinking of buying a new truck, house or pickup? Plug in your new payment number and see what it does to the amount of miles you need.

How can you lower some costs? If you sometimes run slightly higher than the posted speed, try slowing down a little to see what effect this has on your fuel cost and see how it affects the number of miles you need. Now that you know how this works, try altering a few other variables to see what can bring your operating costs down. Before you commit to a new carrier, plug their net number into your cash flow chart; is it any different than what you have now? See what the difference is and decide, "is it really worth the move?"

Making educated business decisions based on facts will win over good luck 99.9% of the time. I feel very fortunate to have been able to work my entire adult life in this industry, both behind the wheel and behind a desk. The diversity of people, the places to see and the excitement of it all has fueled my enthusiasm decade after decade. Over the Road Magazine has offered me this platform to share some of my thoughts and experiences and for that I am thankful. My only concern is that I use this space to provide value to you, the OTR reader. So please let me know what your thoughts are and until next month...

Take good care and safe driving!
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