



Speaking from Experience

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Time to Plan 2010


It's hard for me to believe that I have been writing for the good folks at Over the Road for more than five years. A heartfelt thank you to those of you who continue to read my ramblings on a regular basis; I do appreciate it. As part of my monthly routine I review previous articles to make sure that I am not repeating myself with the content I submit to the editor and in doing so this time, I ran across a piece I had written for my first New Year's edition to OTR way back in January 2005. I felt it was worth revisiting as this message is just as pertinent today as it was then. Please take this message seriously and for those of you who are not practitioners of the advice contained in this article, I can say unequivocally that you are shortchanging yourself on your potential success in this industry!

The calendar is a wonderful thing; a calendar year allows us to reflect on the past twelve month's triumphs and failures. Each January we start anew if we choose to! We can and should reflect on these successes and failures in both our business and personal lives. I'm not just speaking of typical new year's resolutions such as plans to lose weight, quit smoking and slow the booze down (although these are a few of my favorites). I'm speaking about a formal approach to being successful in every area of your life that is important to you. I have had experiences at both ends of the spectrum in my career in the trucking industry. I've seen the world from the eyes of a company driver, as an owner operator, as a small fleet owner and

I have also held responsibility for one of Canada's fifty largest for hire truck lines. When I reflect on the losses and wins I have been through over the years I notice that there are many similarities regardless of the size and scope of the operation. An organized individual or company who works a predetermined plan and budget will have a significantly better chance to achieve success than those who don't, period.

Gross sales, fuel cost, equipment operating cost, revenue per mile and labor costs are just a few of the factors that this plan should take into consideration. A large company will set a budget by having senior managers from each department formulate a plan for their respective area. From there, they will develop next year's objectives and form a budget for the next 12 months. When done properly it's a formal process that repeats itself year over year, so why should an individual owner operator's plan be any different? Short answer is, it shouldn't be.

I have seen a lack of planning limit many different types of people. I have seen lazy people who failed and wondered why their future wasn't handed to them. I have also seen folks work their butts off until they burned themselves out and still not get anywhere. As an owner operator you run a small business and therefore, you have a need to plan both your long and short-term success; the objective is to work smarter not harder. One way to start is by evaluating your bench strength; how did your support team do for you in the past 12 months? Or, how did your



mechanical support team perform? Were repairs done effectively the first time, at the right price? What was your total down time? How much was your total regular maintenance and repairs cost compared to the rest of the industry on your vintage of equipment? How well did your financial advisor/bookkeeper do for you? Were all of your GST returns filed accurately and on time and was your tax return done on time and accurately? Were you advised on the best approach to dealing with your taxes? Do you have an accurate picture of how you stand financially; do you receive regular profit and loss statements benchmarked to your budget? Are they there for you with advice when you need them? The questions don't end there. How did your carrier do in providing the revenue per mile and the necessary miles needed for you to succeed? Are their statements easy to read and accurate? Are they interested and receptive if you approach them and tell them that you have a problem or a solution? Are you treated fairly and honestly by the whole infrastructure of the company?

Decide what your team's KPI's (Key Performance Indicators) are and then rank them from 1-10 on their performance over the past year. If you have a weakness in your team, how did you deal with it? Perhaps you didn't clearly explain what your expectation is of them. A good leader and business person will never think people know what you want of them; it is up to you to explain your expectations. People don't know what they don't know, so spell it out for them. If you are convinced that you're not getting what you need from your team to be successful then go find what you need. A good practice is to make a list of each critical element required of each member of your team.

Then, rate each individual or service provider on a scale from one to ten and deal with each failing grade accordingly. If you don't deal with any of the failing grades, look in the mirror, for you have found the enemy and it is you!

As the President, CEO and Chief Bottle washer of your small trucking enterprise... rank yourself from 1 – 10 by asking yourself the following:

1. How was I at controlling and tracking all of my variable expenses? (Fuel, maintenance, communication cost, food etc.)
2. How was I at maximizing gross revenue?
3. How was I at managing my support teams (i.e. maintenance, financial advisor, dispatcher, safety)
4. How was I at achieving my yearly budget?
5. How was I at investigating innovation? (Did I investigate any new opportunities to be more successful and lower my operating cost, i.e. supper singles, APU's, fuel optimizers etc.)

Last, but certainly not least is your inner circle of family and friends. How you rank yourself on this one is paramount! Without them, why are any of us beating our heads against the wall trying to make it? I've been through the good, bad and the ugly times and if I have learned one thing over my years, it is that regret for the past is a waste of spirit. In other words, each new day is a new opportunity. I've learned never to take what I have for granted and the people around me need to know how much I need, appreciate and depend on them on a regular basis.

Happy New Year and have a great 2010!
Safe trucking
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