

Speaking from Experience



Spring is here and it's a time when many of us get a little itchy to see if the grass really is greener on the other side of the fence. I suggest there are many things that you should investigate before committing to a new carrier. If you are looking for a long-term relationship with a progressive, successful carrier, you need to know as much about them as they need to know about you, if not more.

I suggest that you write out a plan with a goal; begin with the result you want. How long do you want to be away from home? What part(s) of the job do you like most and least? Do you prefer as few stops as possible or do you prefer multiple stops and the opportunity to meet lots of different people? Do you like a good mix of physical labour along with driving? There are as many types of operations as you can imagine so decide which sector of the industry best fits you and only focus on carriers who work within that group.

Once you've narrowed the field down, it's time to bring some detail into the search. Make a list of all possibilities and put each company on a separate piece of paper. Investigate each company and keep notes on their own sheet so you can compare them rationally. Contact them to get as much information as possible over the phone. Ask them to send you any information they have, including the contract you will be signing. When

you have this information you should be able to narrow your search down to two or three candidates.

Each company will have different pay packages and bells and whistles for you to consider. The common elements will be consistent and need to be tracked, so list these items on the top of each sheet. A revenue section should list rate of payment (per mile or percentage), average miles driven by their owner operator fleet or the average gross revenue if they pay by percentage, along with the average miles driven. It should also list pick/drop payments, the rate of pay for waiting time, layover payments, any safety bonuses and any other per diem payments that might apply, and any additional perks that might create revenue for your truck if you are an owner operator.

Below this, list all expenses that are paid either by the company or by yourself. These should include items such as base plate, insurance (specify your deductibles in the case of an accident), tolls, permits, border crossing decals, HVUT (Heavy Vehicle Use Tax) if you're crossing the US border and any other requirements. Holdback amounts are your monies but until they are paid, they are an interruption of future cash flow so put this amount here for now, and be sure to ask if

interest is paid on this amount and if so, when and what amount.

This information is what I consider to be the hard facts and you should have had very little challenge in getting this information from your prospective new company. Now comes the critical step; you have narrowed your search so now it's time to get to work and compare fine details. Remember not to be fooled by large gross amounts, which do not necessarily equate to money in your pocket.

Many carriers have developed infrastructures that are very owner operator user-friendly and their infrastructure will allow you to take significant operating costs off of your bottom line. Remember that it's what's left over that counts. For instance, a carrier might offer preferred shop rates that are significantly below market rates. If you are not inclined to do your own oil changes and minor maintenance, this lowered operating cost will flow right to your bottom line and save you money.

Finally, ask what their turnover rate is; they should be able to give you this answer quickly if they're concerned with the success of their contractors and drivers. Ask for the names of a couple of their owner operators so you can talk to these people about their experience with the carrier. When you're talking to these people you might want to get

Decision Time

the names of a couple of operators who are not so happy so you can talk to them also. What does the terminal look like? Is it neat and clean with a good drivers' room? Ask to meet the operations manager and one of the dispatchers for a quick chat. Try and determine the culture of the company inside and outside the building. Is it a win/win professional climate or is it adversarial with tension in the air? Are the people in the company treated like professionals with respect?

Add up all of the hard and soft items and make your decision. Take your time and make your choice properly. If, at the end of the day, you are left with two very close candidates, trust your gut. Let your instincts take over as to where you might be most comfortable working. When you make your decision; go into the relationship with a positive attitude and a determination to succeed. You only get one chance to make a good first impression; let everyone know that you are a professional and do your part to get off to a good start.

What do you think?

Feel free to drop me a line on this idea.

Safe driving!
Ray J. Haight
CEO, The Alliance Canada 🍁