

Why aren't there more successful owner operators in our industry? In a market-driven economy, demand is the underlying ingredient of success. Considering the large demand for owner operators, running your business in a reasonable fashion should ensure success. So what's going on here? Is something broken or are we limiting our success because we continue to do things the same way we always have?

Popular opinion holds that it should be easy for a solid company driver to become a successful owner operator. This is definitely not the case, however.

Picture ABC Company. ABC has its own maintenance facility with a staff of top-notch mechanics. One day ABC's board of directors decides it is going to outsource all of their fleet maintenance fleet because they want to reduce their overhead. They probably wouldn't assume that each mechanic that has been working for them has the ability to operate their own successful garage. Why? Because being a successful independent mechanic requires business skills above and beyond the ability to twist a wrench. The same is true when considering fleet drivers and owner operators. A good driver is just that - a good driver. Meanwhile, a good, successful owner operator is both a good driver and a good businessperson.

How can you determine if you might become a successful owner operator? Here are some questions you might ask yourself:

Do you have the discipline to work as hard as you are now while at

the same time completing all of the paperwork required to operate a small business? Do you have the time and ability to track and initiate the maintenance needed to ensure your equipment is in good operating order at all times? Can you develop and stick to a tight budget until your small business is on solid ground? Are you educated on the new way the tax man will look at you and all of the changes that will impact your life as you make the transition from employee to small business owner? If the answer to any of these questions is "no", you might want to reconsider your plan to purchase that truck.

So why do you want to be an owner operator? If your answer is to work hard, make more money and have a more rewarding life, then you need to plan for success. The successful owner operator is driven above all else by the prospect of financial payback as a return on their time and financial investment. Becoming an owner operator also brings with it some trade-offs. Having the freedom to work how and when you want are benefits that must be balanced with the need to be financially responsible and self-disciplined. The challenge is great and for those who are successful, the rewards can be greater still.

I believe that the underlying motivation for most new owner operators is two-fold. First, I think most owner operators want to own



Re-visiting the Leap

a truck and be able to tinker and adjust the vehicle to their own liking. The second reason is the perceived freedom that comes with ownership...the ability to choose your own lanes and work according to your own timetable.

If this is what attracts you to the opportunity, most trucking companies will welcome you into their lease op program in a heartbeat. Before you take that leap, do your homework and thoroughly understand what you're getting into. Take the lease to a business advisor and have it dissected so you know the terms and conditions as they will apply when you own the vehicle. Then do a cash flow chart which considers your personal needs, the terms of payment on the lease, and all other business costs. This will ensure that the contract will enable you to meet your cash flow needs on a monthly basis. Finally, put a budget in place that will help you control your progress in accordance with your business plan. All of this work might sound overwhelming but it really isn't and if you have decided to sign on the dotted line for this long-term investment you need to keep your eyes wide open and do everything necessary to tip the odds of success in your favour. If the numbers don't work, don't do it. Determine why they don't work and look for the proper opportunity for you to be successful.

Finally and most importantly, if you decide to take the leap, keep an open mind. Always be willing to learn, seek knowledge and ask questions. No matter how much experience you may have, there is always knowledge to be gained and there are many

people with different perspectives and different experiences who can help you. If you close your mind to new information you will be shutting the door on a successful operation. Business books on tape or CD are a great source for gaining knowledge on how to be a better business person. Remember, one advantage that you have over most small businesses is that you have time to learn while you are driving. Use this time wisely.

Many of you who have been reading my ramblings over the past year or so may have picked up on the fact that one of my pet peeves is that we are an industry that likes to keep doing things the same way we have always done them. The fact that we've made "change" a four-letter word drives me nuts.

There's a good living to be made as an owner operator for those who keep their heads on their shoulders and have a plan for success. Done correctly, lease op programs can be a viable way of entering the owner operator ranks. Just remember to do your homework first; you will have a much greater likelihood of success.

What do you think?

Feel free to drop me a line on this idea.

Take good care & safe trucking!

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