



Spec'ing Your Taxes With Robert D. Scheper

Choosing a Trucking Company: Highest Pay

The financial top 10% of operators don't all work for the same company, yet some companies have a significant portion of the top 10%.

Conversely, there are some companies who have a disproportionate number of their operators mired in financial crisis or flow through bankruptcy. Some receivers could easily provide group discounts for certain companies.

Some of the problems have to do with the "birds of a feather" syndrome or the adage "good drivers drive for good companies and bad drivers for bad". There will always be a certain amount of truth in that tendency. However, let's leave the extreme situations alone for awhile and pick apart the rest of the industry mix.

Choosing a trucking company requires more than just a look at the financial contract. It usually ~~represents~~ about 60% of the input in the final choice. When a well informed operator chooses a company they will consider a wide arrangement of factors. Unfortunately, even the range of factors can vary. One could argue it's impossible comparing apples to apples, at best maybe fruit to fruit.

There is one general observation when comparing contracts; "the better the contract pays, the less im-

portant pay will become" or "the worse the contract the more IMPORTANT money is". For the majority of operators (and there are obvious exceptions) once the basic financial needs are covered the non-financial factors become critical. This employment phenomena is evident in virtually all society. It's linked to "you get what you pay for" or "there's no such thing as the PERFECT job".

Once the basic necessities are met (and the term basic can vary considerably) the remainder of the decision tends to focus on quality of life issues: home time, physical requirements, comfort/stress, personnel issues, etc.

Sometimes quality of life issues may even trump basic necessities, but not very often. Some operators can arrange their basic necessities to such a low threshold they can enjoy quality of life issues and still remain solvent (usually with the help of an inheritance, an annual \$60k+ spouse or a fortunate lotto 649 pick).

What appears to be unfortunate is when a high basic necessity operator has a cup of coffee with a low necessity operator. Most friends do not share "all relevant financial information" with their buddy and choices are made based on perception alone. This "un-informed operator" is miss-

ing some critical information and crisis is about to occur.

Operating a business such as a highway tractor under contract requires all relevant information and a firm grasp of the necessary sacrifices. Most choices are "hand made", custom to each operator, especially when some necessary sacrifices are deal breakers. I've talked to some operators who refuse to drive in the mountains, in Quebec, in the US, on the East coast, California, go in bond, pull a reefer, tarp in cold weather, wait for paperwork, enter the trailer, etc. With each restriction they reduce their opportunities.

But not all sacrifices are voluntary; many are pressured by the company, using threats or bribery to get things done. It's a fine line, a line that is drawn differently.

Some operators focus too much on the cash. They sacrifice all for that extra \$1000 of revenue. They may have a strong bank account but at an expense many are not willing to pay. Finances are one of the poorest indicators of success (but that's another story).

If the majority of your quality of life deal breakers are honoured and your basic necessities are met (along with a reasonable return) count yourself blessed, hunker down, stay out of trouble and ignore the colour of the grass across the fence.

A successful operator MUST factor in all industry risks and personal sacrifices into their business model. If the company requires you to risk or sacrifice too much, walk away! When enough operators vote with their feet, the industry will have to take notice. ♣

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