

Making Your Miles Count: Choosing a Trucking Company

After eight years my second book is finally off to the presses (shipping is scheduled to start September 28, 2015). It's the second book in the Making Your Miles Count series. The book contains more Canadian lease/owner operator research than any other source available today.

So, how does an operator choose a trucking company? They usually do it without adequate research. The lease/owner operator industry is just too small an industry for most accountants or consultants to spend a great deal of time or effort on. Operators love their independence and tend to trust the advice of their friends over a cup of coffee than spending hard earned cash on business advice. It's an understandable position; however the turnover model leaves too many operators learning by hard knocks or trial and error.

Even though the operator industry holds a disproportionate amount of professionals they tend to be marginalized or even ignored by some carriers. This practice has its reasons. Many carriers tend to place operators as a higher risk venture than they do company T4 type drivers because losing an operator means the carrier has to replace both a driver and a truck rather than just a driver. To minimize their risk of power loss many carriers limit their fleet's exposure to operators to a relatively small percentage (5-35%).

The research displayed in the book tracks 16 years of operator contracts (1996-2012). During this time the industry experienced some dramatic changes: de-regulation, oil prices from \$10-15 barrel to \$100+ barrel, huge fluctuations in exchange rates, and two recessions (2000/2001 and 2008/2009) just to name a few. The effect these changes had on Carrier contracts are staggering.

There is an old saying "all contracts are basically the same". This book goes about to prove that this saying is false. In fact it can be a very dangerous assumption. The difference between the top and bottom carrier in 1996 was around \$2671 per month. The difference between the top and bottom carrier in 2012 was around \$5670 per month. The details of the changes should be the understanding of every operator (or potential operator) in Canada.

There is no wonder that the operator industry has suffered such negative publicity and associated fears, operators had to independently weather some significant long term crisis. Many top notch operators never survived the 2000/2001 or simply jumped out before it got too bad. Those who survived or came into the industry after 2001 are a different breed. On average, they do not hold the same level of loyalty and commitment to the industry that their predecessors did.

If you are an operator or someday wish to be one, this book will provide untold assistance and fuel countless debates and discussions. Educating operators was my primary goal.

I wish to thank Peter Charboneau of Over the Road Magazine for offering his continued support to the education of lease/owner operators in Canada.

Robert D Scheper operates an accounting and consulting firm in Steinbach, Manitoba. He has a Masters Degree in Business Administration and is the author of the Book Series "Making Your Miles Count" (taxes, taxes, taxes in 2007) and (Choosing a Trucking Company 2015). You can find him and his books at www.makingyourmilescount.com or 1-877-987-9787. You can also e-mail him at robert@thrconsulting.ca.