



Owner-Operator's Business
Association of Canada

Association professionnelle des
routiers autonomes du Canada

*...from the
director's chair*

Seven habits of highly successful O/O's

Some of you may snicker when you read this; "Oh, geez," you'll say, "she's discovered the self-help section at Chapters."

But where I really got the idea is from a B.C. carrier I met recently – one of those creative and successful operations that restores my faith and reinforces my belief that positive change in this industry is possible.

This company is on its way to becoming an employer of choice by putting its money where its mouth is.

It's aggressively moving toward a pay scale that will give its drivers a livable income, a reasonable workload, and better work/life balance.

The fact that its drivers are compensated fairly for every hour of every day they work speaks volumes about principles and respect.

A lot of what this carrier is doing right stems from its management philosophy which has been significantly influenced by the values of management guru Stephen R. Covey. Covey's book, *The Seven Habits of Highly Effective People*, became a blueprint for personal development when it was published in the late 1980s.

Covey defines a habit as the intersection of knowledge, skill, and desire: knowledge being the "what to do," skill being the "how to," and desire being the "want to." He says that to create a habit – or indeed break one – you have to bring all three to bear on the problem.

So I got to thinking about the habits of some successful owner/operators I know, and how they run their lives and their businesses, and couldn't resist borrowing from Covey for the title of this column.

The owner/ops I'm referring to are doing what they love – driving truck – but they're making money too. The following are seven habits I'd say helps keep the pros in the black.

Know your costs

Well-run businesses should operate at a profit, and that begins with knowing and doing everything possible to control and manage costs. Smart owner/ops know that lower costs translate into higher profit margins. Charge enough to cover your costs, and to earn a profit on each load.

There's no such thing as a backhaul rate, so don't haul freight that doesn't pay what you need. That said, make sure your costs are realistic.

Nobody's going to pay more to compensate for inefficiencies like poor fuel economy.

Don't haul cheap freight

Run your truck like a business, with profitability and sustainability as your goals. Make a business plan and stick to it; just make sure you've built in the flexibility to make the oft-required mid-course corrections and adjustments. But go only so far – rate cuts and claw-backs of fuel surcharges, for example, are not in the plan, especially today. If the partner isn't prepared to pay enough, just walk away.

Get it in writing

A good contract is one of your key tools. The terms of the business relationship should always be spelled out in the contract, whether it's with a shipper or a carrier. Outside of a contract, there are no laws protecting you from unscrupulous business associates, so don't leave anything to chance in terms of unplanned changes or impromptu deductions from a settlement. Owner/ops don't have the same rights under labour law that company drivers have, so make sure the contract covers all the bases and protects your interests too.

Run compliant

It's safer, cheaper, and less stressful in the long run. And with HoS in particular, it just doesn't make sense to keep reinforcing the reprehensible habit of giving away your time. And that's exactly what you're doing every time you adjust your logbook to compensate for screw-ups or poor planning. You can't complain about unpaid delays at the same time you're hiding the hours. It's only when those hours gets logged where they should that carriers and their customers will have no choice but to operate like the company I mentioned earlier. 'Nuf said.

Use your truck to make money

When a truck is running along at highway speed, it's operating at maximum cost. But it can also pay to sit still, or to deliver loads at irregular times.

Carriers routinely charge customers for delays and after-hours deliveries, so go after your share of the surcharges they're collecting.

**Joanne
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Get very picky about who you work for and what you're paid for. There are far too many owner/ops leaving money on the table when they agree to haul for less than a fair percentage of the total freight bill – not just the billed miles.

Know the sector you work in

Why would anyone get excited about \$1.15/mile if that's all General Motors is prepared to pay the carrier? There's freight out there paying \$2 to \$3/mile, sometimes as high as \$5 or better, if you know where to find it. The real pros know the markets they work in and they follow the good paying freight. Are you likely to get a good reefer load out of Thunder Bay? Probably not, so the rate into Thunder Bay had better be sufficient to cover the empty miles back to greener pastures. All that comes from knowing and understanding the sector you work in. Watch, listen, read – keeping on top of things is a continuous learning process.

Look before you leap

You've got to know when it's time to move on. There's lots of freight to move, and there are lots of good carriers out there moving it. 'Good' is subjective, but if you've developed some of the above habits, you'll have a better idea of what you'll want in a business partner.

Compare apples with apples when you're looking at carrier operations and pay packages. Interview them with a list of questions that will help you make an informed choice – and don't sign on until you have the answers you need.

In the final analysis, there are only three kinds of people in the world: those who make things happen, those who watch things happen, and those who wonder what happened.

Where do you suppose the winners stand?