



Owner-Operator's Business  
Association of Canada  
Association professionnelle des  
routiers autonomes du Canada

*...from the  
director's chair*

## Two in a tango – Part 2

Last month's column began with the \$64,000 question: Do you know any good carriers? I get asked that question a lot, certainly more often than carriers ask if I know any good owner/operators, but I get those calls too.

It seems to me what we have is not so much a good-guy/bad-guy thing, but a failure to communicate. I indicated that two owner/ops I know work for the same carrier: one loves it, the other hates it. So if I were to recommend that particular carrier to one of you, chances are no better than 50-50 that you'd see it as good advice.

There are good carriers out there – opportunities for you to make some real money – but you have to wade through the unsuitable carriers by asking the right questions. There's no definition of "good" except as it applies to your needs.

You have to know what you're looking for so you can ask the right questions.

Last month, I suggested you first do a little soul-searching to identify what you want in a work and business relationship – ignoring the money for the moment. Once you've established what you want and found a few carriers that fit the bill, put on your business face and start interviewing carriers to find the one(s) that meet your revenue needs.

It's essential that you cover your operating costs, pay your salary and generate a profit – after all, that's why you own the truck, right?

You'll want a partner that is open and up front with you, keeping nothing up their sleeve. In principle, there should be no problem doing the first round of interviews over the phone – out of respect for your time if nothing else.

Chances are you haven't the time to drive all over town visiting carriers on the first go around.

Begin by asking for a copy of the contract or lease agreement that you can keep.

If they say no, the interview is over. Period.

The first order of business should be about compensation: what was the average payout to owner/ops last year, or last month maybe?

Would they be willing to show you a current owner/op's pay statement?

Aside from the privacy issue, the carrier should have no problem with this. The identity of the sample owner/op can be concealed easily.

You should ask next about the opportunities to earn extra revenue.

For example, what are the rates for loading and unloading, delay time, and various accessorial surcharges like weekend or after hours service, special handling, and so on?

Most carriers are now billing customers for these items, so you ought to see at least some of that revenue, based on your contribution to the effort.

And don't leave out a discussion on fuel surcharges.

You can't leave out the costs of doing business with that carrier. For all you earn with one hand, the other hand could be paying it out just as quickly.

Ask what you pay for and how much: insurance, plates and permits, administration fees, service charges and mark-ups, and other special equipment requirements will all affect your net revenue. You should see these items on the sample statement the carrier shows you.

If the carrier has been forthcoming up to this point, you're on the right track.

If not, you may want to move on to the next carrier on your list.

A carrier that sees you as a business partner, and is interested in your profitability ought to be willing to show you all the possible ways you can earn revenue with that company.



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It's in the carrier's best interest to have satisfied and financially viable owner/operators in the stable.

And last, but not least, on the list of preliminary questions is a discussion of the carrier's turnover rate. If the rate is high, there's probably a reason. You'll also want to know something about the carrier's financial performance and safety record. Tying your cart to a particular horse means you're going where it pulls you.

If the carrier is on a DOT hit-list for safety violations, so are you. If it's days or weeks away from foreclosure, so are you.

You can investigate a carrier through several sources. For the safety record, try the U.S. DOT SAFERSYS Web site, or the Ontario Ministry of Transportation's CVOR and Carrier Abstract Web site ([www.saftersys.org](http://www.saftersys.org) or [www.cvor.rus.mto.goc.on.ca](http://www.cvor.rus.mto.goc.on.ca)). While no other province makes this data available, MTO tracks safety data for every carrier that operates in Ontario, even carriers based outside the province.

For financial information and credit checks try Equifax or Dun & Bradstreet ([www.equifax.com](http://www.equifax.com) or [www.dnbexpress.ca](http://www.dnbexpress.ca)).

There's a modest fee for some of these services.

Armed with at least this much information, you'll be in a better position to make apples-to-apples comparisons of several carriers. This is where the soul searching and cost-of-operation analysis pays off.

A successful business relationship is often more about the fit than the finances, but you won't last long on one without the other.