

7 HABITS

OF SUCCESSFUL TRUCKERS

A GUIDE CREATED BY:
TBS FACTORING SERVICE



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...CREATED BY TBS FACTORING SERVICE

[TBS Factoring Service LLC](#) is a leading company in providing factoring to growth-oriented companies in the transportation industry. Founded in 2004, the Oklahoma City-based company serves thousands of clients nationwide with simple and flexible cash flow solutions.

TBS Factoring is a key part of a family owned one-stop shop for independent trucking services that also includes [Truckers Bookkeeping Service](#), formed in 1968 to provide independent trucking companies with permitting, DOT compliance and fuel tax reporting services. In 1998, the company began offering truck insurance through a network of Preferred Agencies. In 2013, [TBS Capital Funding](#) joined the TBS Family, expanding our service offering to include accounts receivable funding and payment acceleration for businesses outside of transportation. And in 2017, TBS began offering logistics and disaster recovery services through Foxhole Logistics, the newest addition to the TBS family.

The TBS family-ownership group has over 50 years experience serving independent truckers. Our clients receive outstanding service from a seasoned and dependable staff. TBS Factoring Service is among the most highly regarded freight factoring companies in the USA.

 **LET'S BE FRIENDS**





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7 HABITS

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are going into long-haul trucking. Independent truckers are a special breed, and the lure of being your own boss trumps all.

On the other hand, your rig is expensive and requires a lot of TLC; your cash flow, at times, is unpredictable; and staying healthy while on the road may prove more difficult than expected. No wonder consultants who track such things say there's a 50-50 chance that a new business owner starting out today will still be in the business in five years.

Trucking should be a rewarding business, but sometimes it seems as if everyone has their hand in a motor carrier's pocket these days. To help make your life easier, we've compiled some of the best advice we've heard from truckers who have been down that road and back. Call them tips – we call them “Habits” – but whatever you call them, we hope you'll find them helpful.



**THERE ARE 390,000
INDEPENDENT TRUCK
DRIVERS IN THE U.S.**

50% OF SMALL BUSINESSES FAIL IN THE FIRST FIVE YEARS*

These figures aren't meant to scare you, but to prepare you for what it takes to run a successful trucking company. Underestimating the difficulty of starting a business is one of the biggest mistakes entrepreneurs make. However, success can be yours if you are willing to work hard and take all the necessary steps.

* U.S. Small Business Administration



HABIT #1



MANAGE YOUR BUSINESS

Success doesn't happen by accident. If you don't manage your business, it will manage you. If you don't have a plan, you're just spinning your wheels.

You don't need an MBA to run a trucking business but one of the first questions new business owners should ask is "how much money will I make?" TBS Factoring Service, estimates that a hard-working trucker should gross around \$5,000.00 a week, give or take 10%. It's important to have a good handle on your costs. You've got fixed costs – tractor and trailer payments, insurance, permits, etc. Then there are variables -- fuel, meals, telephone, tolls, gate fees, loading/unloading lumber fees, tires, lodging, factor fees, broker fees, taxes, laundry, showers, and maintenance. The Owner-Operator Independent Drivers Association (OOIDA) has created a spreadsheet you can download for free (see below) to help you calculate costs.



COST PER MILE: DO YOU KNOW YOURS?

The trucking industry has a history of cowboys flying by the seat of their pants. However, as competition has increased, it has become vital that independent drivers have a feel for how their operation is fairing at any given point in time. Before, just running might get you by and even make you

a little money. Today, if you don't run smart, you can run yourself right out of business. Once you know your fixed costs, then your business is no longer a guessing game. **To download OOIDA's "Cost Per Mile" Worksheet, [click here](#).**

PLAN YOUR WORK, AND WORK YOUR PLAN WORKS **EVERY TIME.**

People talk. If you find success within a certain category of freight, work it. Cultivate referrals; become a specialist. There's a lot of competition out there, but a reputation still counts for something. And it's a lot easier to be known for doing one or two things well, than it is to be known as a generalist.

Once you've got a good customer, get to know them. People like to do business with people they know and like. Make it your mission to get face time with the decision makers. Communicate with them regularly. Get to know their expectations and exceed them – every time.



HERE ARE SOME OTHER ROAD-WORTHY SUCCESS STRATEGIES:

Take the lane – Most successful truckers get that way by developing a “freight lane,” a regular route of steady-paying customers, anchored by a “sweet spot,” or high-paying run that puts the operation in the black, with a series of profit-enhancing “back-fill” gigs to fill the downtime and lower fixed cost per mile.

Motivate your customers – Keep reminding your prospects of the results they are hoping to achieve by doing business with you. If there is no shortage of trucks at your location, consider discounting your rate for a one-time haul to get your foot in the door to a more profitable relationship.

Load boards are great – But before you jump at a juicy rate, make sure you've booked a profitable back haul. Think of it like a plane ticket, and always book a roundtrip.

HABIT #2



MANAGE YOUR CASH FLOW

Most truckers will tell you it takes 30 to 60 days to collect on a freight bill. That's a long time to wait for your money. If your truck breaks down and you don't have the cash to fix it, you can't pick up your next load. If you can't pick up your load, your customer is disappointed. If your customer is disappointed, he or she is going to hire another trucker. If he hires another trucker, you can't fix your truck. And soon you may be one of those five out of every ten small businesses who didn't make it.

You may think you can finance your business on a credit card, because most cards give you 30 days to pay. But what if you can't get approved for a high-enough limit? Plus the high interest rates of credit cards tend to be dangerous for large purchases that can't be repaid quickly.

CREDIT HARD TO FIND?

Good credit can ensure that small businesses get financing when they need it. According to the SBA, insufficient or delayed financing is the second most common reason for business failure. And, since most bank loan decisions below

\$100k are automated, the business's credit rating will often dictate the amount and terms of a loan. For businesses with poor credit ratings, banks will either decline the loan or increase the loan interest rates on average from 8% to 12%.

CASH FLOW IS KING

So what are viable options to enhance cash flow? Successful truckers use either a bank loan/line of credit or factoring. First let's talk about bank loans. The Small Business Administration (SBA) recommend start-ups move any personally secured lines of credit over to business lines of credit as soon as possible, typically within the first year of operation. In order to do this, you will need to establish a "credit file" (rating) by registering your company with Dunn & Bradstreet, put the phone in the business name and open a commercial bank account to pay bills. Monitor your business credit file and keep it up to date. Your ability to secure financing on better terms depends on a good credit rating.

Many banks will extend a secured line of credit to most start-up ventures. The line may be unsecured if the business can demonstrate consistent earnings, an excellent capital position, and multiple sources of repayment.



FACTS

- 27% of small business owners reported they needed funds in the past year and were unable to find willing sources.
- When rating lending institutions, only small community banks and credit unions received positive ratings.
- More than 25% of small business owners say they have changed banks in the last four years.

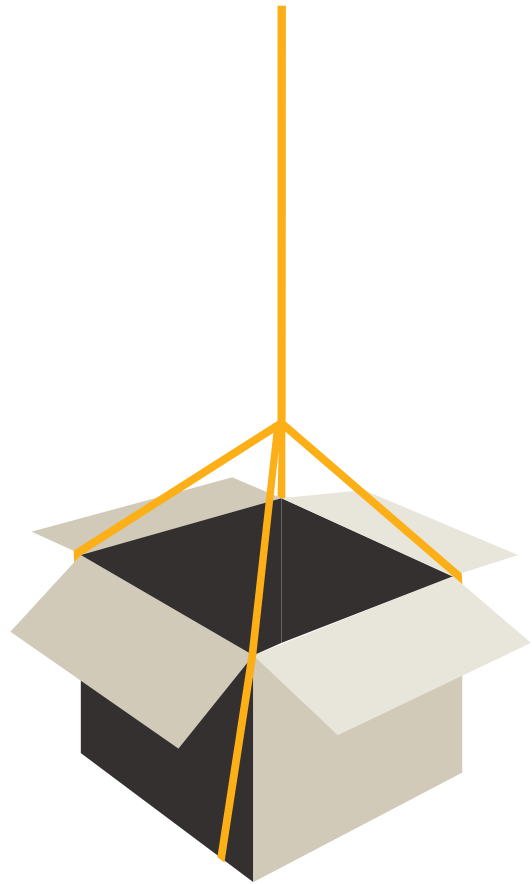
Source: 2017 Small Business Access to Capital Survey

THE FACTOR FACTOR

A simple way to enhance cash flow is freight factoring. Factoring allows truckers to turn their freight bills into cash for a fee. Most factors will either purchase the invoice with the trucker guaranteeing payment (recourse factoring), or, for a slightly higher fee, the factor will take on all the payment risk (non-recourse factoring). This common trade practice has become increasingly popular among independent truckers as traditional financing sources – such as bank loans, have become harder to come by.

Successful truckers can't wait 30 to 60 days for brokers and shippers to pay freight bills. Some brokers and shippers offer Quick-Pay, but most are no quicker than factoring (in fact, it often takes longer.) And their fees are often higher.

Whether you factor or get a line of credit, it's always a good thing to nurture a relationship with your factor or your banker. Stay in touch; promptly answer any questions; and send them the information or paperwork they need, so your cash flow never stops. It's a mutually beneficial relationship.



TIP: NEED FUEL MONEY ON A HOLIDAY?

Most factoring companies offer a fuel card. If you are a factoring client, the factor can fund to (put money on) the fuel card regardless of bank holidays. If you need cash, Comdata and EFS fuel

cards have a "TransCheck" feature, where you can go into a truck stop and write your fuel card number down and get cash. In other words, you can pull cash off your fuel card.

HABIT #3



USE TECHNOLOGY

Your business is mobile, your technology should be mobile as well. The last few years have seen remarkable advances in mobile banking, load boards, and factoring apps that allow you to book and factor loads with the push of a button.

Electronic Logging Devices (ELD) have become mandatory. Apps like TBS's Fuelfinder allow you to source the lowest prices on fuel along your route. There are even peer-to-peer apps that allow truckers to help each other out by crowdsourcing information on available parking.

WAYS YOU CAN SAVE TIME & MONEY WITH TECHNOLOGY:

- There's an app for that – In this digital age it doesn't make sense to do things manually. Before you spend a lot of time and effort on manual processes, check to see if there is a mobile app that will allow you to automate the process.
- Don't pay too much for fuel. The TBS Fuelfinder app saves you money by sourcing the lowest cost fuel along your route.
- Shop for the best prices on ELDs and pick the one best suited to your individual style and compliance requirements.
- Connect peer-to-peer with other motor carriers and help each other locate safe and available parking.

LOAD BOARDS

Load boards are a good resource for most independent truckers – especially for back hauls and when you are just starting out.

Internet Truck Stop, DAT boards have a wealth of information and resources. You should sign up for several. When DAT posts their loads, they include aging information to let you know in minutes when the load was listed and how long it has been on the board. When it comes to using load boards to help find loads, the early bird most often catches the worm!

TO START USING A LOAD BOARD

You'll complete a carrier pack or service agreement and give the load board your motor carrier (MC) number, your tax identification number, a description of your company, and your billing information. After a short training period, you'll be assigned a login and a sales contact. As soon as you login, you can look for loads and book them.



Most load boards have features that allow you to set parameters that alert you when a load is posted that fits your criteria. Some load boards allow you to research which lanes are paying the highest rates. They get data from many sources. Poke around on their websites.

Load providers are listed on the load board. You'll call the provider, negotiate your price and book the load. It doesn't hurt to negotiate – negotiating skills come with experience.

MORE TIPS ON HOW TO FIND FREIGHT

- **Build broker relationships** - It's no secret that many carriers prefer to work directly with shippers 100% of the time - all the more reason for you to build broker relationships, even before you need them. CH Robinson, TQL, and Landstar are known for working with proven truckers directly, allowing them to pick up business before it has been posted on a load board.
- **Lanemakers** - If you are using DAT Load Boards, use the feature called LaneMakers to identify brokers who focus on your lanes.
- **Try trihaul routes** – Backhaul rates got you seeing red? Trihaul routing typically offers better rates than a straight backhaul. For example, let's say you have a good paying regular route from Chicago to Dallas but your backhaul is not profitable. To begin "triangulating" the best paid way home, look up mileage and rates from Dallas to cities that are 250 to 1,000 miles away.* Eliminate cities that are less than 250 miles from your home base in Chicago. Then look up the rates from each of those cities back to Chicago. Set up a spreadsheet with the lanes and rates side-by-side to show you the money!

*Access data on DAT's Truck Load Rate Index-Spot Market Rates8

HABIT #4



SAVE FOR A RAINY DAY

Whether you call it a slush fund, escrow, or savings account, you know that there will come a time when you'll have some large expenses – for example, TBA (tires, batteries, and accessories) costs.

Most trucks have ten tires, and trailers have eight. Tires are approximately \$400-600 each. That's between \$7,000 and \$10,800 to replace all eighteen. You have to put a little money aside each month to be ready for the inevitable TBA costs.

RUNNING SMART IS KEY TO A SUCCESSFUL BUSINESS

To be successful, you should consider yourself both a truck driver and an entrepreneur.

Get a fuel card because they have management features online such as setting limits on the cards for multiple drivers. If you pay for fuel with a credit card, you'll pay a premium price at the pump, but a major fuel card gives you a discount at the pump.

If you factor, running smart means taking advantage of your factor's free credit service by checking the credit of your customers BEFORE you haul the load.



SAVE TIME BECAUSE TIME IS MONEY

Some startups may discover that finding loads is a full-time job in itself. Long distance phone bills, hours spent calling, and being placed on hold only to be told the load was already booked with another carrier is not a productive use of your time. You need to be out on the road, doing what you do best – hauling freight.

You may need a dispatcher to book loads for you. Day in and day out, these seasoned professionals know where the freight is – it's their job. There are many dispatch companies from which to choose, but do your homework before signing a contract. Get recommendations from other carriers, and then interview the dispatcher to determine whether he or she meets your needs. (For instance, has the dispatcher been in business long enough to prove that he or she is good at dispatching? Does the dispatcher have a history of booking loads in the lanes you want?).

Most dispatch companies will either charge a flat weekly fee or a percentage of each load. Sharing a piece of the pie may be hard to swallow, but the expense may be worthwhile when weighed against sitting at a dead stop trying to find a back-haul.

DON'T BE A DRAG

New technologies promise large improvements in the fuel efficiency of heavy trucks. Aerodynamic trailer skirts can achieve fuel savings of up to 6% or higher. Depending on the model you choose, trailer side skirts vary from \$900-\$2,000 and can be custom printed. Installation doesn't require any special tools and takes around 3 hours for two people to install. Experienced drivers claim they gained an extra 1 mile per gallon including better traction/stability in high crosswinds. Add cab extenders and cloth wheel covers (hubcaps) to achieve even more savings. Diesel fuel is the #1 highest cost for truck owners - put money back in your pocket simply by reducing drag.

HABIT #5



KNOW THE ABC'S OF CSA

TAKE CARE OF YOUR RIG

NFMCSA rules on Compliance, Safety and Accountability (CSA) have raised the bar on maintenance. Here are five ways to keep your rig on the road:

- Keep your tires in good shape. Tire troubles account for 25 percent of all road service calls, and are the second most common source of CSA violations.
- Keep your lights in tip-top condition. Inoperable lighting and missing retro-reflective striping also rank among the most frequently cited maintenance violations.
- Service your brakes regularly. Air brakes are prone to oil and water contamination, air leaks and timing imbalances.
- Buy good quality fuel. Discount fuel is often out-of-spec, untreated fuel that quality suppliers have already rejected.
- Keep your battery powered up. Lower idle times and the increased electrical demands of driver appliances have led to an increase in dead batteries. Consider an APV. You can't roll if you can't start.

OIL OR NOTHING

- If you're a good shade-tree mechanic, you could do routine maintenance yourself and save. If not, oil changes, filters, etc. run about \$200-\$400. Count on 40 quarts of oil, an \$80-90 fee, and 3-4 filters. Batteries cost about \$125.
- Do an oil analysis to find out how often to change the oil. If it looks good at 10k miles, then re-test at 20K miles and if it tapers off – you know your sweet spot.
- Get more life out of your oil with intelligent idle control and run at lower RPMs by adjusting rear-end gears.

HABIT #6



STAY COMPLIANT

FMCSA's Safety Measurement System (SMS) quantifies on-road safety performance using data from roadside inspections, including all safety-based violations, state-reported crashes, and the federal motor carrier census to quantify performance in the following Behavior Analysis and Safety Improvement Categories (BASICS).

- Unsafe Driving
- Fatigued Driving (Hours-of-Service)
- Driver Fitness (CDL + Medical)
- Controlled Substances/Alcohol
- Maintenance
- Hazardous Materials
- Crashes

A carrier's measurement for each BASIC depends on:

- Number of violations
- Severity
- Frequency

GO

A COMPLIANT TRUCKER IS A SUCCESSFUL TRUCKER.

Check the Federal Motor Carrier Safety Administration (FMCSA) website to review the tough new carrier safety regulations now in effect.

DID YOU KNOW?

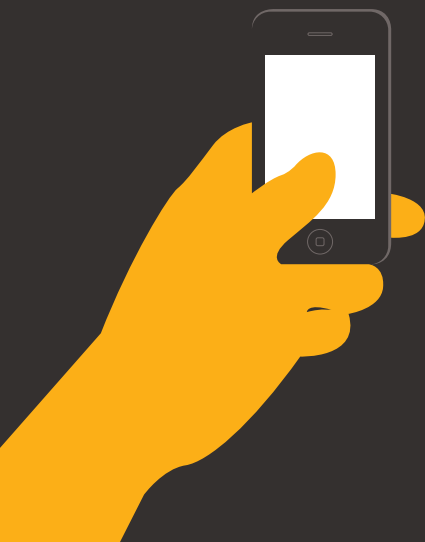
- Two accidents, regardless of cause, can put a driver out of business. If you are in an accident, be sure to obtain a police report for your files. If an accident meets DOT reportable criteria, the driver must submit to a, "Post Accident Drug & Alcohol Screening."
- ELD issues regarding hours-of-service violations are serious infractions that can result in a failed DOT Audit.
- Schedule a Level I inspection and get a CVSA sticker when you know your truck, trailers are in good condition. The sticker will exempt you from routine Level II or Level III roadside scale inspections for the quarter it is issued.



DO NOT DRIVE DISTRACTED...EVER.

Commercial drivers are now required to use hands-free cell phone technology.

NO CALL OR TEXT IS WORTH A CRASH.



HABIT #7



BETTER HEALTH HELPS THE BOTTOM LINE

A road-ready rig is important, but your rig can't roll without you.

The Federal Motor Carrier Safety Administration (FMCSA) requires all CDL holders to provide a medical examiner's certificate – signed by an approved examiner – to prove that you are roadworthy. Drivers with a clean bill of health will have to recertify every two years.

Here's why:

- 86% of truckers are overweight
- 70% suffer from obesity-related health problems
- 25% of preventable crashes are caused by health problems

HERE'S WHAT THEY ARE LOOKING FOR

- **High blood pressure.** A stroke on the road can be deadly. If your blood pressure tests above 160/100, you've got three months to bring it down below 140/90, or your license will be revoked. Once you've been diagnosed with high blood pressure, you'll have to recertify every year.
- **Diabetes.** Diet regulated, and under medical supervision – you're good to go. Insulin-dependent – ineligible because of the potential for sudden dangerous swings in blood sugar levels.
- **Body Control.** Cardiovascular or respiratory disease, epilepsy, or anything else known to cause seizures, spasms or unconsciousness – not eligible.
- **Hearing and Vision.** Must be correctable with hearing aids, glasses, or contact lenses in order to be certified for a CDL license. You must be tested by a specialist in each of these areas with written consent that you are fit to operate a motor vehicle.
- **Drugs and Alcohol.** You must not have any history of alcoholism, or use any non-prescribed pharmaceutical drug, narcotic, amphetamine, or use any other type of habit-forming drugs, illegal or legal in nature. If you have a prior positive drug screen, there is a means to recertify – ask our team of professionals.

DO THIS NOW

- Eat healthier. Pick grilled chicken over fried, and switch to water or non-sugared soft drinks. Trimming 100 calories from each meal can trim almost a pound a week from your body.
- Truck stops are offering more healthy foods. Love's has made a big push in their truck stop stores for healthy meals. TravelCenters of America/Petro's created a StayFit program that offers healthy menu items at many restaurants and fresh fruit at its convenience stores.
- Exercise. An increasing number of truck stops have fitness facilities, even a half-hour walk every day can work wonders. With StayFit, free exercise rooms and walking or jogging trails are available at many TravelCenters of America/Petro locations.
- Know your numbers. Take advantage of a free health screening the next time you see one at a truck stop, drug store, or trade show. You'd be surprised how often these freebies save lives.
- Experts on human behavior suggest that it takes about three weeks to establish a positive habit. Even small changes in a couple of these areas can start you on your way.



Before

- Guzzled coffee
- Subsisted on fast food
- Little or no exercise

Now

- Switched to green tea or water
- Eats salmon, fruits, vegetables
- Walks 20-30 miles a week

PROFILE IN HEALTH

Results

"I sleep better. I don't have as many body aches from sitting in the truck all day long." He feels it in his wallet, too: Ash, an independent owner-operator says his insurance premium dropped \$100 a month.

Source: USA Today

THE MONEY BEHIND YOUR MOTION

TBS Factoring Service will fuel your cash flow ... upfront and fast! Our most popular program offers a low non-recourse flat rate discount.

Fuel Advances are available on any load we factor.

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TBSFACTORING.COM



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LOWEST RATES

- Low Flat Rates
- Free Credit Checks
- Easy Application
- Fuel Advances
- Fuel Card
- Free Authority
- Permits
- Insurance Down Payment Assistance

OTHER PROGRAMS AVAILABLE



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