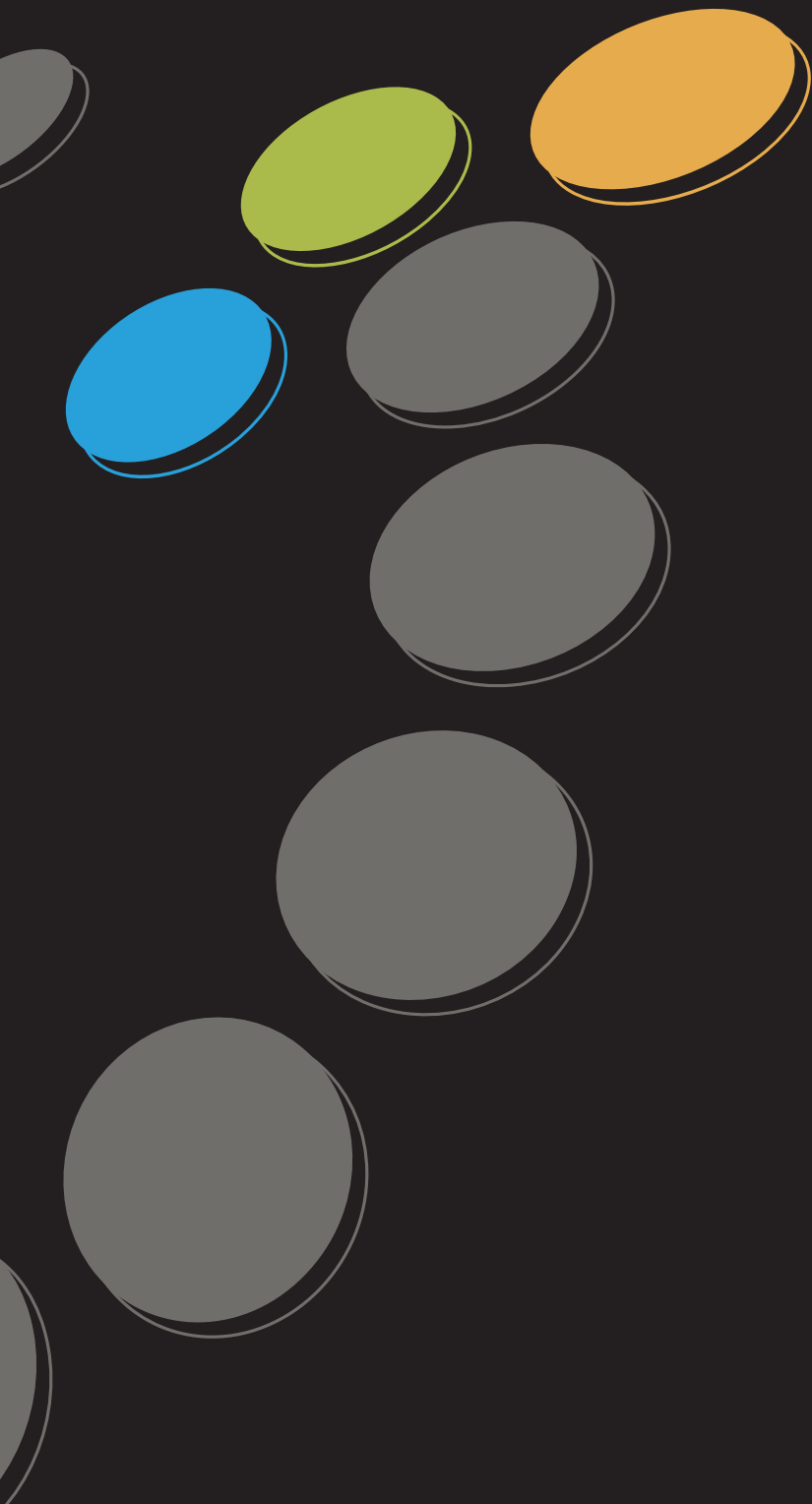


STARTING AN OWNER-DRIVER TRUCKING BUSINESS



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INTRODUCTION

This e-book, *Starting an owner–driver trucking business*, aims to help would-be owner–drivers set up and run a trucking business. It provides a summary of some of the things you need to be aware of and do.

You probably already know how to drive a truck. But as you’ve probably guessed, running a business is a lot different to being simply an employee.

While the potential rewards — personal and financial — are greater, there are more challenges and risks involved in running your own trucking business.

This e-book — based on existing industry guides (*see ‘References’ at the end of the document*) and insights gathered from interviews with truck drivers, dealers and finance brokers — is intended to help you make more informed decisions and improve your chances of success.

There are numerous aspects to setting up and running a trucking business. We’ve identified the key ones you need to consider, namely:



SETTING UP YOUR BUSINESS

According to business.gov.au (2014), planning should always be the first step in developing your business.

A *business plan* is a document that describes your business, its objectives, strategies, target market and financial forecasts.

It gives your business direction and helps you prepare for the things you'll need to do to secure work, grow and prosper.

Developing a business plan forces you to think through all the aspects of the business, including its strengths, weaknesses, opportunities and threats (SWOT analysis).

It will involve some research on your part, however the effort will be worth it as the plan will save you time and money in the long run.

Bear in mind that your business will depend on the health of the businesses you serve. For example, a downturn in housing will affect the transportation of building supplies (this would form part of your SWOT analysis — see 'Business tools' section below). An example SWOT analysis can be found in the business tools section at the end of this ebook.

So you'll need to be on the look out for things that will affect your customers and plan accordingly.

HOT TIP

Review your business plan quarterly — as your business changes, your strategies will need to evolve to ensure your business stays on track.

BUSINESS STRUCTURE

The way you set up your business will affect how it is managed and the way you pay tax (*Western Australian Department of Transport (WADoT) 2012*).

Most owner–drivers operate as sole traders, whereby they accept full responsibility for every operational and financial aspect of the business.

However, while they have complete control and ownership and receive 100 per cent of the profits, they are personally exposed to all the commercial risk.

Other business structures include *partnerships* and *limited liability companies* (see 'Business tools' section below).

HOT TIP

Before deciding on the best business structure for your operation, talk to your accountant or other professional advisor, who will be able to explain the pros and cons of each.



BUSINESS REGISTRATION

When you have decided on a business structure, you can ask your lawyer or accountant to help you register your business name.

An Australian Business Number (ABN) is not compulsory, but the positives of having one far outweigh the negatives.

INSURANCE

According to the WADoT (2012), it's important to protect your assets, including your truck and trailer, by taking out appropriate and adequate insurance cover.

Insurance can be arranged through an insurance company, insurance agent (who acts for the insurance company) or insurance broker (who acts for you).

The broker's job is to compare a range of policies and find the best one for you.

Do not sign anything until you fully understand the terms and conditions of the insurance contract.

There are several types of insurance, including *comprehensive motor vehicle*, *public liability* and *income protection*. For more information, talk to your broker.

HOT TIP

Make sure you disclose all the facts that could influence the insurance company's decision to accept the risk or in calculating the premium. If you don't, any future claim could be rejected.

TAXATION

You'll need a tax file number for your business, otherwise you'll be taxed at the highest marginal tax rate.

Under Australian Tax Office (ATO) rules, businesses with a turnover of more than \$50,000 per year must register for goods and services tax (GST).

A GST-registered business must charge its customers GST on the taxable goods and services it provides.

However, the business is entitled to a credit for any GST it has paid for its expenditures on these goods and services as well as capital purchases (called input tax credits).

In addition, businesses that employ staff must register as a Pay As You Go (PAYG) withholding payer.

You may also be liable for state taxes, including payroll tax, land tax and/or stamp duty.

HOT TIP

Ask your accountant to confirm what you must do to comply with all Australian Tax Office (ATO) requirements, as non-compliance can lead to financially crippling penalties (WADoT 2012).

PERMITS AND LICENCES

As you probably know, there are numerous regulations governing things like gross vehicle weight/combination masses, axle loadings and driving hours.

Find out which government licences, permits, approvals, registrations, codes of practice, standards and guidelines you need to know about to meet your compliance responsibilities.

A good place to start would be your state's transport department.

Special permits are needed for the transportation of dangerous goods and vehicles that exceed regulation mass and/or size limits.

HOT TIP

Make sure you have the correct driver's licence for the category of vehicle you will be driving, otherwise you could be heavily fined and/or your vehicle could be confiscated.

GETTING FINANCE

Very few wannabe owner–drivers have the money to pay cash for a truck. Consequently, they have to borrow the money from a lender.

Even if you have enough cash to buy a truck outright, it may be wiser to get it financed through a third party. That way, you will have more cash on hand to meet your operating costs until you get paid (see ‘*Managing your finances*’ section below).

The best person to advise you about financing your business is your accountant or licensed finance broker.

They will be able to advise you on how different types of finance will affect your set-up and running costs and tax bill.

If you’re unsure how to find a licensed broker, there are well-known broker associations, such as CAFBA, that can help you find one.

RENT-TO-OWN

The finance company purchases the asset you require and then rents it to you. You then use the vehicle for an agreed time in return for regular, fixed rental payments.

It means you avoid high upfront investment costs and improves your short-term cash flow.

The rental payments are fully tax deductible. In addition, you may be entitled to claim an input tax credit for the GST contained in your rental payments.

At the end of the rental contract you have a number of choices, including continuing to rent the vehicle at an adjusted rental amount; buying it for the residual amount owing; or returning it if no longer needed.

Although rent-to-own may sound identical to a finance lease (see below), there are some fundamental differences.

In contrast to a finance lease (and chattel mortgage - see below), rent-to-own:

- allows you to hand back the vehicle to the finance company at the end of the contract if it no longer suits your needs — no questions asked
- allows you to pay for the vehicle in full at any stage of the contract without penalty
- is ‘off balance sheet’, which means your business equity — and capacity to borrow more money — is unaffected
- generally has a shorter duration — you’re not locked into a long-term contract.

Rent-to-own is particularly suited to start-up businesses as the vehicle funder typically does not require a trading history or director guarantees.

CHATTEL MORTGAGE

One of the most common forms of truck finance is a chattel mortgage — a mortgage on a moveable item of property.

The purchaser borrows funds for the purchase of the new or used truck (the chattel). The lender, for example a bank, then secures the loan with a mortgage over the truck.

Regular payments are structured according to your requirements, typically over a one- to five-year term.

The repayments vary according to the size of your deposit and the final lump sum payment, if any, due at the end of the finance term — known as the residual value, or ‘balloon’, payment.

Although legal ownership of the truck is transferred to you the moment you purchase the truck, it is only after you have repaid the loan that the mortgage is removed.

In your next Business Activity Statement, immediately after purchasing the truck, you may be entitled to claim an input tax credit for all the GST contained in the purchase price of the truck.

You may also be eligible for tax deductions, including interest charges on the loan and depreciation on the vehicle.

If you have a ‘balloon’ payment still owing at the end of the loan term, you must either pay it in full, refinance it for an additional term, or upgrade/replace the vehicle and enter into a new agreement.

(Be aware that some banks will only consider loan applicants with a trading history and/or a sizeable deposit.)

FINANCE LEASE

Another popular form of finance in the trucking industry is a finance lease.

The finance company purchases the vehicle you require and then leases it to you. You then use the vehicle for an agreed time in return for regular, fixed lease payments.

The interest component of the lease payments is fully tax deductible, as is the depreciation on the vehicle. You may also be entitled to claim an input tax credit for GST contained in your lease payments.



At the end of the lease you have the option to purchase the asset at a pre-agreed price. If for whatever reason you cease trading before the lease ends, you will remain liable for the balance of your lease payments, including any residual, or 'balloon', payment.

(Be aware that some finance companies will require new entrants to the trucking industry to have a near-perfect credit history to obtain finance.)

GOGETTA THE FLEXIBLE CHOICE

GoGetta, which specialises in start-up businesses, funds all trucks and trailers, new or second-hand, with no age restrictions. It offers a 12-month rent-to-own agreement with four options:

1. Purchase — At any point in the contract you can pay for the truck in full without penalty. If you pay in full within the first 12 months, you'll receive a 75 per cent net rental rebate on the purchase price.

2. Return — If, after the first 12 months, the truck is no longer suitable or your business hasn't worked out as planned, you can give it back to GoGetta without penalty; all you will have 'lost' is 12 months' rent.

3. Continue renting — After the first 12 months, you can simply continue renting. During this time you will still have the option to purchase the truck and receive a generous rental rebate or give the equipment back to GoGetta without penalty.

4. go.Own.plus — After the first 12 months, you can switch to a three-year go.Own.plus agreement, whereby you continue to rent the truck for up to 30 per cent less per week. At the end of the agreement, you have a number of options, including owning the truck outright.

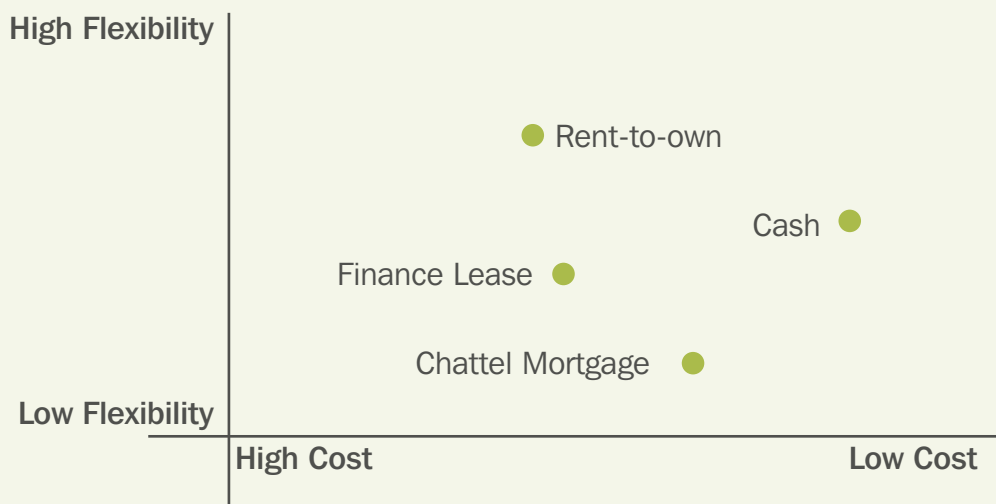
CASH

If you have enough cash, your natural inclination will be to pay for a truck outright, thus avoiding the interest on a chattel mortgage or finance lease, for example.

But if that means you would be left with no money to pay for your running costs and living expenses, you might want to think again.

It may be several months before your first accounts are settled, during which time the bills will still have to be paid (see 'Managing your finances' section below).

Comparison of cost and flexibility of finance options*



*This is a general guide only; for expert advice on the best finance option for you, speak to your accountant or finance broker.

APPLYING FOR FUNDING

The funding application process will differ from lender to lender, however they will all require information on which to base their assessment of your application.

The stricter the lending criteria, the more detail you will be expected to provide.

This personal and financial information may include:

- driving skills and experience
- trading history (if applicable)
- borrowing history, including any other commitments you already have
- projected income, including any written contracts
- projected expenditure, including truck finance payments, personal finance repayments (e.g. motor car, credit cards, monthly bills), mortgage repayments, fuel, tyres, and maintenance and repairs.

CHOOSING A TRUCK

Before buying a truck, you must decide on what sort of work you want to do and the sort of truck you'll need to get the job done (*WADoT 2012*).

Do you want to move general freight, refrigerated goods, earth, or heavy vehicles, for example?

Do you want a specialist truck that does one job very well or a more versatile one capable of handling different types of work, for example a prime mover with hydraulics?

Would it make more sense for you to buy a flat-nosed truck rather than a bonneted one, allowing you to pull a longer trailer and negotiate tighter loading/unloading docks?

HOT TIP

Whichever truck you choose, don't forget to make sure it has clear title. If it doesn't and the previous owner defaults on their debt, the lender may repossess *your* truck to recover their costs.

PRICE

As tempting as it would be to buy the flashiest, most expensive truck in the yard, don't spend more than you need to.

Otherwise, warns the WADoT (*2012*), you might find it hard to compete for a contract with someone who has spent less.

Balance the price against the truck's lifecycle cost — the total cost incurred during the life of the truck. This includes not only running costs (e.g. fuel), but also financing costs, services, insurance and accommodation (i.e. a sleeper cab).

Importantly, you should buy the truck only after you know the value of any contract for cartage you have secured.

After all, you want to be sure you'll be able to meet the repayments on any vehicle loan, rental or lease you enter into.

NEW VS SECOND-HAND

A prime contractor may require you to have a new (or relatively new) truck, which will obviously have a bearing on the age of the truck you buy.

If you buy a second-hand truck, you'll need to accept that the service and repair costs will accumulate faster — and you'll have to replace the truck sooner.

That said, a second-hand truck with reasonably low mileage and a good service history may be a smarter choice than a new one.

After all, the more expensive, new truck won't generate more income than the cheaper, second-hand one.

In addition, the finance repayments on a second-hand truck will be lower, improving your cash flow; and you won't be as exposed to depreciation, which typically occurs more rapidly in the years immediately after purchase.

To check a second-hand truck's service and repair history, contact the relevant workshop or call the manufacturer and quote the vehicle identification number.

KEY FEATURES

When deciding which truck to buy, consider the following features (*WADoT 2012, Peter Rocke and Associates 2007*):

- **Horsepower and torque:** You'll need enough horsepower to do the job — but not too much, otherwise your fuel efficiency will suffer. If you intend to tow heavy loads over steep terrain, your truck will need sufficient torque.
- **Tare weight:** The lighter your unladen truck, the more freight you'll be able to carry each trip. Choose lightweight components and/or keep them to a minimum (e.g. extra fuel tank, bull bar).
- **Gearing:** the truck's gearbox and differential ratios should match the RPM and legal speeds the truck will be doing.
- **Wheel base:** An incorrect wheel base may restrict your vehicle's ability to pull maximum-length trailing equipment. Also, incorrect axle groupings may reduce its weight-carrying capacity.



- **Fuel economy:** Fuel is likely to be your biggest running cost — the difference between a profit and a loss on a tightly costed contract. Don't rely on manufacturers' published fuel-useage data; ask people in the industry driving the same make and model of truck.
- **Tyres:** Steel-belted radial tyres reduce fuel consumption and are less puncture-prone than conventional tyres, however they're also more expensive.
- **Comfort:** You'll be spending many hours driving your truck, so you need to make sure it will be comfortable. Is the driver's seat comfy? Are the instrument panel and controls visible and easily accessible? Is the cab well-insulated against noise and situated away from the exhaust?

For peace of mind, order a full mechanical inspection of the truck to ensure it is in sound working order.

HOT TIP

Before buying a truck, take it for a test drive. Be sure to hitch the truck up to a trailer, preferably a loaded one, to get a more reliable indication of how well the truck tows.

EXPERT ADVICE

Not only will your truck be the biggest business investment you make, your choice of truck will also affect your running costs and, therefore, your competitiveness in the market (*WADoT 2012*).

Because there is so much riding on your choice of truck, you should consider getting expert advice from a specialist transport engineer or consultant.

FINDING WORK

According to the WADoT (2012), before looking for work, you need to know how much it costs to run your business — and how much you need to earn to make a reasonable profit.

Knowing your costs and being able to convert them from a per-hour to a per-kilometre to a per-tonne figure and vice-versa will enable you to decide whether a job you're considering is financially viable or not.

The best way of calculating your costs is to keep records for several months. You'll need to track the kilometers you've travelled, the hours you've been on the road, the tonnes of material you've carted, or all three.

If you're just starting out, talk to people in the industry to get an idea of the rate you should expect.

For example, if your annual fuel bill was \$112,500 and you travelled 150,000 kilometres, fuel alone would be costing you \$0.75 per kilometre.

It's a good idea to constantly keep an eye on your costs; if they rise, you'll need to charge a higher rate in order not to lose money.

It should be noted that, unless you are contracted directly to the end client, you will have minimum input to the negotiations surrounding the rate charged.

Indeed, you will be told what you will be paid by the prime contractor or freight forwarder. So the onus is on you to know how much it would cost you to provide the service — otherwise you could end up operating at a loss.

You can find truck operating cost calculators on the internet (*see 'Business tools' section below*).

HOT TIP

Resist the temptation to accept underpaid work simply to remain busy — you'll lose money while adding to your truck's wear and tear. Look for other work.

HIRERS

As with virtually all industries, the more people you know the better your chances of finding work — so get networking!

As your network expands and you build up a reputation as an honest and reliable owner–driver, you should find it easier to get work.

Another avenue for finding work are online loading boards (also called freight boards) that allow shippers and carriers to find each other and enter into agreements to move freight.

Although loading boards are a good way to get started, they are not a long-term solution as you don't want to be fighting for loads every day.

Instead, your ultimate goal should be to build relationships with companies offering longer-term contracts that will give you reliable business for several months, if not years, to come.

The media, including trade journals, are a good source of news about future infrastructure developments, for example, that will generate demand for road transport.

According to the WADoT (2012), before entering into a contract, you should find out as much as you can about the contracting company, to make sure they are reputable.

Probably the best source of information are other owner–drivers who have worked for the company.

Are they happy with the company? If not, why not? Do they get paid on time? Are they paid a waiting time allowance? And are the company's charge-backs on settlement fair?



THE CONTRACT

According to the Commonwealth Department of Industry, Innovation, Science, Research and Tertiary Education (2010), a contract can be anything from a formal written document to a purely verbal promise or handshake deal where the only thing in writing is a quote on the back of an envelope.

Whatever its form, if you agree to provide a service to a hirer for money, you have entered into a legally binding contract that is enforceable in the courts.

Nonetheless, it's safer to have something in writing than to rely on someone's word. A written contract will give you more certainty and minimise your business risks by making the agreement clear from the outset.

If a written contract isn't possible, make sure you have some documentation that will help you identify what was agreed: emails, quotes, specifications, and even notes about your discussions.

Before signing a contract, you need to know things like (*WADoT 2012*):

- how long the contract will run
- the guaranteed minimum quantity of work
- how the rate of pay will be calculated
- the manner in which you will be paid
- whether there is provision for future rate changes to reflect increased costs (e.g. fuel)
- whether there is a buy-in price — and whether it can be recouped later
- how the contract may be terminated.

As mentioned previously, if you are working for the prime contractor, you won't have much input to the contract terms and conditions.

The issues and questions you need to consider before signing contracts also apply to tenders.

HOT TIP

If you're signing a contract it's obviously a written one, and regardless of whether it's short- or long-term, it's best to seek independent legal and financial advice

MANAGING YOUR FINANCES

According to the WADoT (2012), when starting out, you'll need enough working capital to not only set yourself up, but also to operate for perhaps several months until your first accounts are settled, and for any emergencies and bad debts.

The set-ups costs include professional advice, the deposit on your truck, equipment and tools, and insurance and registration.

You'll also need enough cash to buy supplies (e.g. fuel) to operate your truck for several months and cover your living expenses.

Estimate how many months it will be before you start getting income from your work (generally, you should allow a minimum of 30 days for the settlement of accounts).

Add a month or two for safety and use that figure when calculating how much cash you'll need to operate for that period.

These are two types of costs:

- *fixed costs*, which stay the same, regardless of the amount of work you do (e.g. lease payments and insurance)
- *variable costs*, which vary according to the number of kilometres you travel, hours your work or tonnes you cart (e.g. fuel and tyres).

KEEPING A CASH BOOK

Not many people enjoy paperwork, let alone bookkeeping.

However, the WADoT (2012) recommends that, at the very least, each day you write down all your receipts and payments in a *cash book* (also known as a 'journal').

Although it is called a 'cash' book, very few of your receipts and payments will be in cash; most will be in the form of a cheque, credit card, direct debit, direct credit, EFTPOS or barter.

You should include comments on any unusual receipts, for example a loan, capital brought into the business, the sale of assets, or a refund.

Your accountant needs to be made aware of these receipts as they will be treated differently in your tax return. If it is not income, it might be subject to capital gains tax.

When you receive your bank statement, you can reconcile it against the 'banking' column of your cash receipts; and the 'total payments' column of your cash payments.

CASH-FLOW BUDGET

According to the WADoT (2012), the most critical factor in maintaining a viable business is a positive cash flow, as it provides you with the capacity to pay your bills and maintain a reputation as a reliable creditor.

That said, the amount of work you get will vary from month to month. Your truck will be off the road for servicing some of the time and your customers will have busy and quiet times. Plus you'll need to take holidays. Consequently, your 'sales' will fluctuate.

In addition, the amount of money you receive in a given month won't be the same as your sales, the main reason being that some customers are slower at paying than others — it generally varies between 30 and 90 days.

A *cash-flow budget* — a forecast of your cash in-flows and out-flows — will help you better manage the peaks and troughs.

It will tell you which months you will need to find more money to pay your bills than you have coming into the business.

If your bank balance is negative only for a month or two, you might want to ask your bank for an overdraft facility; otherwise, you could arrange longer-term finance, which would be less expensive.

If you have more money in the bank than you need to pay your bills, you may wish to put it into an emergency fund, to pay for your running costs when business is slow; or for big-ticket items like your tax bill, a new set of tyres, or an engine rebuild.

Your cash-flow budget will also help you decide whether to spread your regular bills (e.g. insurance premiums) over the year, paying monthly or quarterly rather than once a year; and the best time to take time off, knowing you have money in the bank.

If you're just starting out, you won't know what pattern of receipts and payments to expect, so you'll have to make an estimate. As you gain experience, your estimates will improve.

Comparing your actual receipts and payments with your cash-flow budget will help you fine-tune it.



BOOST YOUR CASH FLOW

To increase your cash flow (WADoT 2012):

- send your invoices out as soon as you can
- on the invoice, put the date it is due as well as the trading terms (e.g. 'net 30 days')
- make sure your customers abide by your trading terms
- follow up customers who do not pay on time
- allow your customers to make payment directly into your bank account.



STAYING IN BUSINESS

Practically all of the goods produced in Australia need to be transported to a final consumer, the vast majority of them by road.

Consequently, growth in the Australian transport sector typically reflects growth in gross domestic product (GDP) (*Australian Industry Group 2012*).

Even in good times, however, the ease with which someone can enter the trucking industry — one dominated by independent contractors — makes it highly competitive.

Your success will depend on your ability to compete in an industry with lots of players and tight profit margins.

According to business consultancy Ferrier Hodgson (*2014*), in recent years average net profit (after tax) margins in the transport and logistics industry have fallen to three per cent.

That said, the outlook is positive, with Australia's freight task in 2020 expected to be double what it was in 2006; and triple its current size by 2050 (*Pricewaterhouse Coopers 2009*).

Besides managing your finances well (*see section above*), there are a number of other key success factors in the trucking industry.

CUSTOMER SERVICE

Your customers are your business's lifeline. It's therefore extremely important to keep them happy, so that they keep coming back and tell other potential customers about you.

You will be judged by what you do, not what you say.

You will go a long way towards keeping your customers happy by following these tips:

- answer your phone
- don't make promises unless you will keep them
- listen to your customers
- deal promptly with complaints
- be helpful, even if there's no immediate profit in it
- train your staff (if you have any) to be always helpful, courteous, and knowledgeable
- go the extra mile.



VEHICLE MAINTENANCE

According to the WADoT (2012) and Australian Trucking Association (2007), regular services will reduce the likelihood of breakdowns and unscheduled downtime and increase safety on the road.

Breakdowns can be very costly, not only in terms of towing and lost productivity but also, most importantly, lost customers.

Your truck's manufacturer will provide you with a service schedule. If your truck is second-hand and there is no schedule available, try and get hold of a workshop manual.

(If you buy a second-hand truck, ask for its servicing and maintenance records — and check they are authentic, otherwise you will be end up paying for the previous owner's neglect.)

If you're capable, you may decide to do the minor maintenance yourself and rely on an authorized truck repair workshop to carry out major maintenance and repairs.

Even if you're not a mechanic, at least familiarise yourself with the truck's mechanical operations and how the different systems interact.

You should conduct daily inspections, enabling you to spot any problems and get them fixed before they become serious.

Tyres represent between 15 and 20 per cent of the overall cost of maintaining a truck, so keep them properly inflated to reduce tread wear and rotate them to extend their life.

To keep your running costs and cash flow predictable, it's a good idea to trade in your truck every five to seven years to buy a new, or newer, one.

You might also want to think about a back-up truck for when your vehicle is off the road for a major service or repairs — perhaps a friend with a truck for hire or one from a rental company.

Similarly, having a back-up driver who can cover for you when you're unable to work will mean you won't have to forego revenue.

FUEL ECONOMY

According to the UK Department of Transport and AECOM (2007), fuel can account for one-third or more of an owner–driver’s operating costs, so using less fuel makes good business sense.

Even a small improvement in fuel useage can generate a large increase in profitability.

You have the single biggest impact on fuel consumption.

Although some factors affecting fuel consumption are outside your control, there are simple steps you can take to increase your vehicle’s fuel economy, regardless of what truck you drive, the traffic conditions and the weather:

- avoid excessive idling — turn off your engine when you don’t need it on
- inflate your tyres to the correct pressure to minimise rolling resistance
- if possible, keep your truck moving, even at walking pace
- avoid excessive speeding, which increases aerodynamic drag
- take your foot off the accelerator and use momentum to ascend and descend hills
- use cruise control when safe to do so — it will optimise your fuel consumption
- move up to top gear as quickly as possible — each change boosts fuel economy by 10 to 30 per cent.
- avoid unnecessary braking — you will have to accelerate to make up the speed you lose
- lower revs means better fuel economy — use an appropriate horsepower engine to avoid engine strain
- use correctly adjusted aerodynamic body styling equipment
- minimise the load height to reduce drag.

HOT TIP

Keep track of your mileage and fuel consumption so that you can pinpoint areas for improvement.

RECORDKEEPING

According to the WADoT (2012), recordkeeping is not only beneficial to your business, it's also a legal requirement.

The Australian Taxation Office (ATO) requires you to keep business records for five years, either in paper or electronic form.

Good recordkeeping also makes it easier to:

- complete your Business Activity Statements (a regular form submitted to the ATO to report your tax obligations) (see '*Business tools*' section below)
- prepare tax returns
- monitor the health of your business, including cash flow
- get better value for money from your accountant, who'll be spared the time-consuming task of sorting through a shoebox of paperwork.



CONCLUSION

We hope you found this e-book, *Starting an owner–driver trucking business*, useful.

If it has helped narrow the gap between your perceptions of being an owner–driver and the reality, all the better.

As exciting as the prospect of becoming an owner–driver is, you need to be fully aware of not only the opportunities and rewards but also the challenges and risks.

That way, you will be able to come to a more informed, balanced decision about whether you've got what it takes to set up and run your own business.

Before committing yourself, the WADoT (2012) recommends you at least compare the estimated cost of putting you and your vehicle on the road with the amount you can realistically expect to earn.

If the figures don't stack up — if you're unlikely to be able to earn a living wage and make a big enough return on your investment to replace your truck at the appropriate time — do not proceed.

By the same token, if the sums do add up, what are you waiting for! Should you decide to join the thousands of other enterprising Australians in taking the plunge, we wish you all the best!

ACKNOWLEDGEMENTS

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BUSINESS TOOLS

- Business structures
- Business plan template and guide
- SWOT analysis
- Truck operating cost calculator
- Business Activity Statements

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