

# TRUCKING FOR DUMMIES



Learn All About Trucking  
Business In Just 7 Days!

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# Trucking for Dummies - BEGGINERS GIUDE TO ENTERING THE TRUCKING INDUSTRY

The trucking industry is a huge and ever evolving. It offers a world of possibilities. Starting a career in trucking can lead to great professional success and personal satisfaction. If you are considering becoming part of the truckers' family, and open your own company, we applaud your idea and encourage you to do it. Before jumping to action.

I suggest you read our short but comprehensive guide to successfully entering the trucking world. In this five chapters, I am going to let you in od several tips for opening your trucking business, and I am going to reveal how profitable the trucking industry is, I will talk about advantages and disadvantages of different ways of providing trucks, and teach you what you need to know about truck insurance.

And, at the end, as a bonus, I am going to share with you the latest trends expected to hit the trucking industry. I hope you will get all the information you need and make and prepare yourself for the challenges that await you.

## Chapter 1

### Expert Tips How To Start a Successful Trucking Business

Trucking business is a big cake and you want piece of it. Your determination is great, but unfortunately not nearly enough.

There are many things to be considered before starting your own trucking company. Dealing with competition, costs and cash flow is something you'll get on regularly basis. Other struggles will come along the way.

*Can you manage all this and is it worth it?*

Definitely.

But firstly, increase your knowledge about the industry, legal issues, and some other bits and pieces.

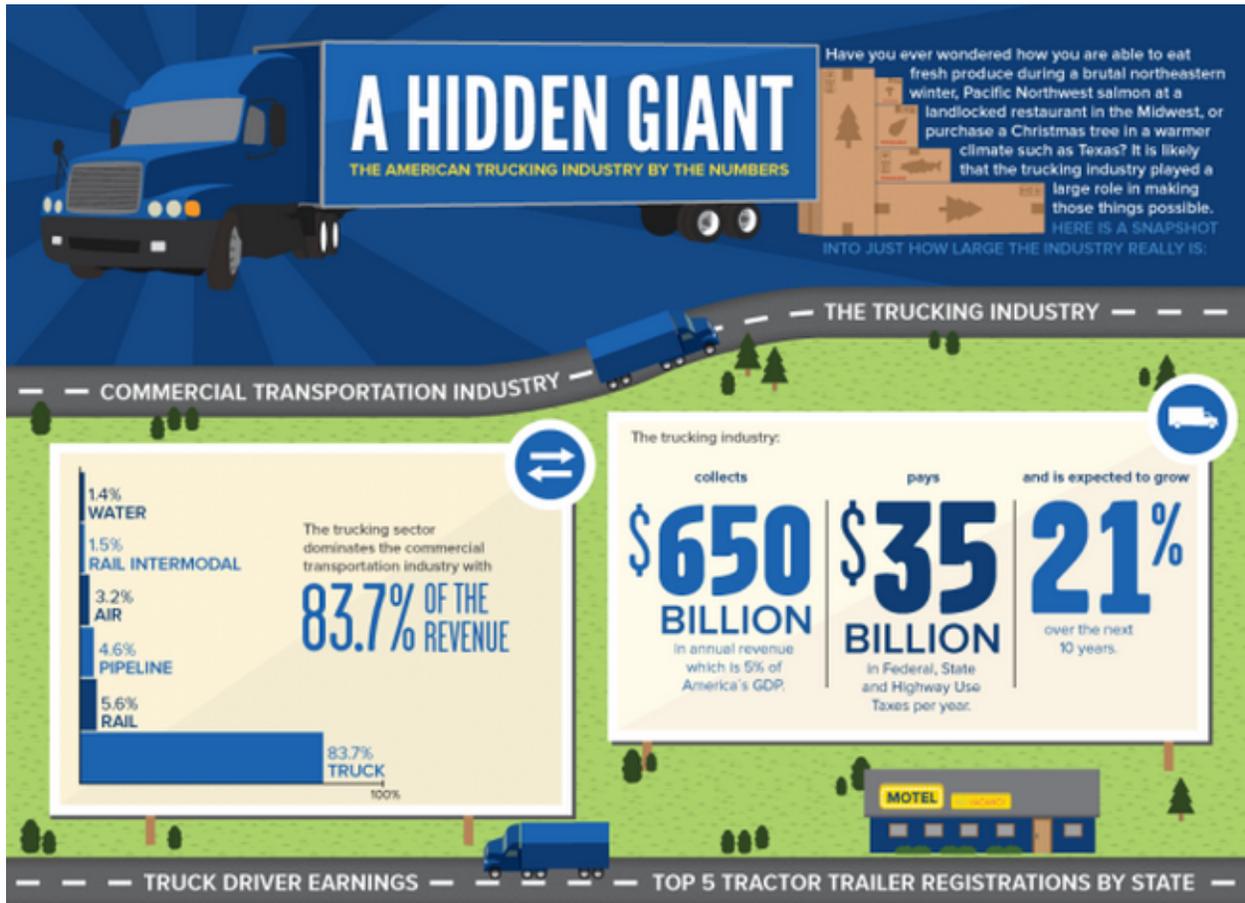
Let's begin.

### Trucking industry in USA

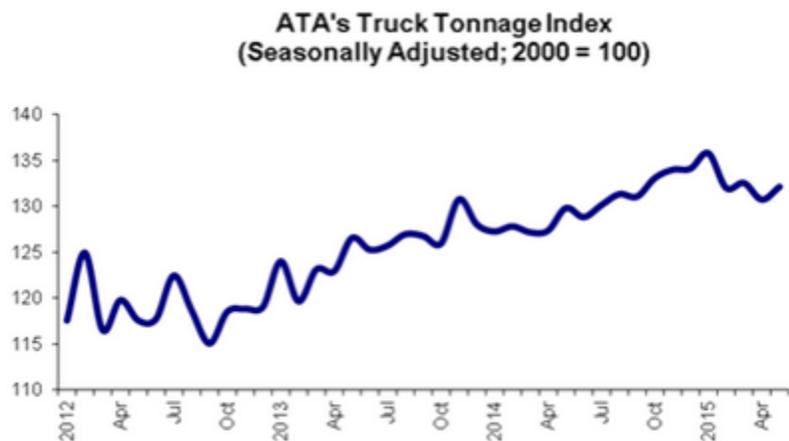
Shipping industry is huge. The extract from ATA reports for 2014 will give you the idea:

- In USA, more than 68,8 % of all freight transportation, is done through motor carriers
- Almost 10 billions tons of freight are transported by trucks
- Motor carriers got 80% From all transport mode revenue, which is around \$700 billion

To get the wider picture, look at the snippet of uShip’s infographic about trucking industry in USA referring to 2013.



American Truckers Association’s [Truck Tonnage Index](#) is probably the best measure for shipping activity. It shows gross tonnage of goods or cargo shipped through motor carriers.



You can see that growth is mostly slower in first half of the year, but in third and especially in last quarter it’s rapidly increasing. It’s the case in most of the seasons.

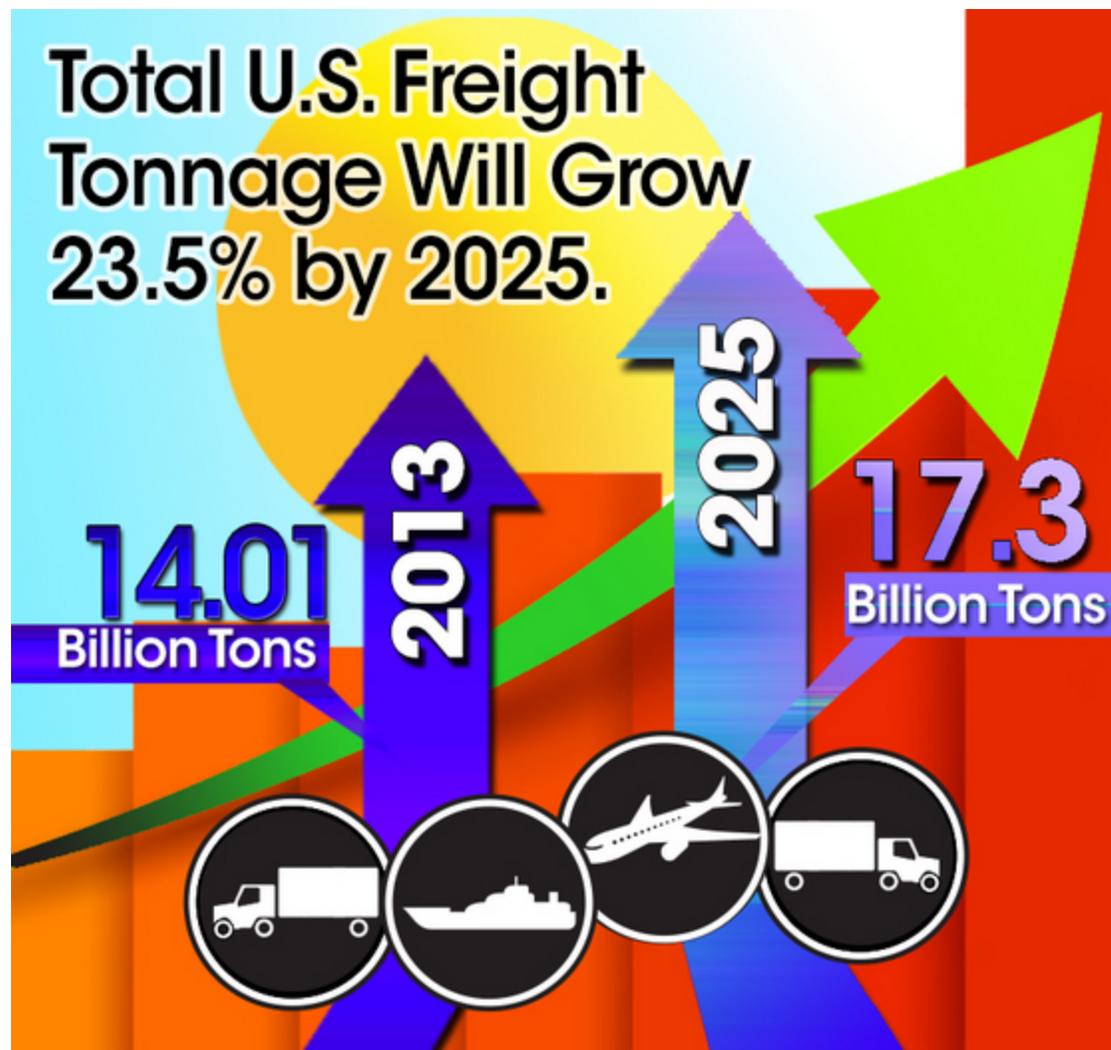
Expect rising in coming years.

Last year, ATA Senior Vice President and Chief Economist Bob Costello said:

“We continue to see growth for the entire freight economy - but we also see that trucking will maintain its position as the nation’s dominant mode of freight transportation”

GE Capital’s survey from June 2015, is showing that more than a half of trucking business leaders were expecting industry expand.

According to ATA “U.S. Freight Transportation Forecast to 2025”, the overall freight tonnage will grow more than 23 percent from 2013 to 2025.



Source: *Forecast 2014*

More ATA’s predictions include:

- Trucking’s share of freight tonnage will grow from 69.1% in 2013 to 71.4% in 2025;
- Truckload volume will grow 3.5% a year through 2019, then 1.2% annually from 2020 to 2025. Truckload carriers will make greater use of intermodal rail for intermediate and long-distance hauls.

- Rail intermodal tonnage will grow 5.5% annually through 2019 and 5.1% a year through 2025.
- Railroad market share will, however, shrink from 14.5% of all tonnage in 2013 to 13.8% in 2025.
- Regional breakdowns of [where freight moves in the United States](#).

## Regulations

In USA, every state has a website about commercial transportation, with updated information about licences, taxes, safety and other requirements. So visiting your [state's transportation website](#) is a must-do activity.

Also, [FMCSA offices](#) will help you to meet the regulations.

Depending on your type of trucking business, SBA are highlighting these regulations as especially important:

- Federal DOT Number and Interstate Operating Authority: Applying for certifications online on the [Federal Motor Carrier Safety Administration's](#) website
- Heavy Vehicle Highway Use Tax Form (2290)' With [this IRS form](#), comply with tax regulations related to the heavy use of U.S roads
- [International Registration Plan \(IRP\) Tag I](#)
- International Fuel Tax Agreement (IFTA) Decal:
- BOC-3 Filing: File this form to maintain active operating status

One other thing to have in mind is a written contractual agreement . With it you should especially consider terms that can have more than one meaning. Define them and discuss with your customers before you sign anything.

Finally, compliance professional is the best option for meeting all requirements

## How to operate

Basically, two most commonly used ways are:

- subcontracted drivers
- privately owned drivers

In first option, instead of employing drivers you have subcontractors. It's a much cheaper considering cutting down insurance costs, required equipment etc. However, you'll have very little control over the drivers.

On the other hand, with your own equipment and employed drivers, you are running your business and have full control over the operations. Investments are required, but final results will depend mostly on your work.

## Getting the right equipment

This is where you will invest the most. Very soon, you'll get yourself into one standard dilemma: to buy or to lease the truck.

It's hard to tell what is better alternative. It really depends on your position. Maybe, this brief comparison will help you in making decision.

Buying vs Leasing trucks:

- Buying is simple. Leasing is more complicated
- Buying requires higher payments. With leasing you avoid high costs.
- If you are using loan for buying, truck stays yours after last payment. In some leasing options, you are using equipment as long as you are paying fee for it.

*So, what should you do?*

If you are still undecided, get help from CPA/PFS. In fact, this is probably the best way to reduce risk of making wrong choice. Their services costs, but it will cost you much more if you pick an alternative which you can't deal with.

### **Insurance in trucking business**

Every year you will be selecting the company and the policy to insure your vehicle. Narrow your choice to companies specialized for truck insurance, and if possible find specialists for your niche.

Once you've selected few options, compare them using reports from National rating agencies like The AM Best Company, Standard & Poor, Weiss Research and others.

*What about coverage?*

Basic coverage include collision coverage (covers the costs of other vehicle from accident caused by your fault) and comprehensive insurance (covering the costs of repairs on your vehicle)

Specialized Coverage means choosing coverage for various of scenarios that could involve your vehicle.

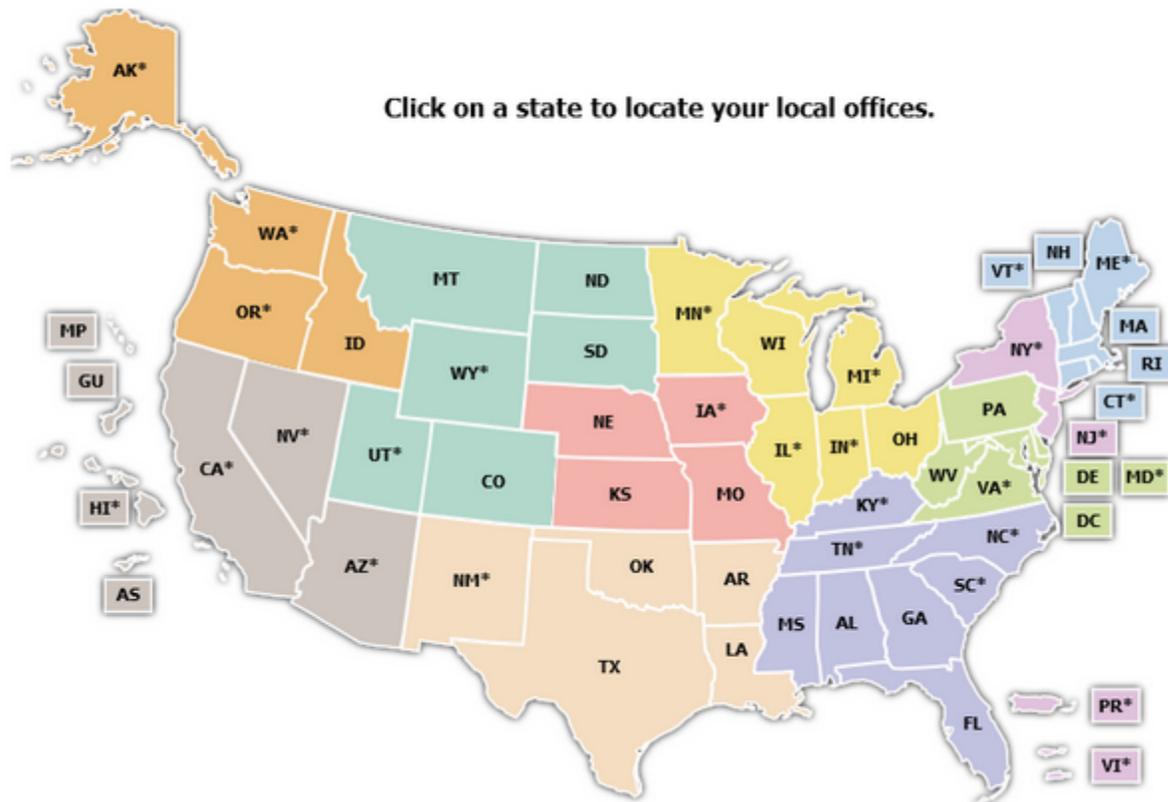
Cargo insurance cost depends on the value of the property.

### **Securing workplaces**

First of all, truckers have right to work safe. [Occupational Safety and Health Administration \(OSHA\)](#) regulate workplaces where truckers deliver goods. Employers have to provide safe and healthful workplace.

For any doubts and questions, you can find and contact [OSHA Offices](#) in every state, or simply call 1-800-321-OSHA (6742).

## OSHA Offices by State



### Getting started and finding first loads

Now that you have made up your mind, it's time to start your own trucking company.

For starting trucking business from home, choose limited liability company to avoid all the formalities. We are suggesting these [10 Steps to Starting a Business](#) that will help you to prepare and manage your business.

When finding first clients, new trucking companies are often using [free load boards](#). Don't forget that this can be only short-time solution. You'll have to bid very low prices, with mostly one-off loads.

To track down your customers, use digital marketing strategies:

*Send e-mails.* Find a mailing list of companies from your niche. This is a constantly growing process. Bigger mailing list means better chances to get customer. Keep sending them creative offers including discounts and other benefits but be careful to stay out of spam.

*Create social media campaigns.* Twitter, Facebook, LinkedIn etc. are all powerful marketing tools. For low costs, you can track influencers, business owners and generally all people relevant to your business.

*Make online ads.* Paid online advertising allows you to show your offers exactly to potential customers. It's happening when they are looking for services using search engines like Google's.

You can do all mentioned marketing activities by yourself. Still, you will save time and energy,

but above all, you'll get much more conversions if you hire someone specialized for online marketing.

How do you plan to get into business? Have you already started? Where do you find clients? Share your thoughts, recommendations and experience.

## Chapter 2

### Reveal How Profitable The Trucking Business Really Is?

The trucking business is a very competitive business, there are so many great truck drivers who tried to get into the trucking business and failed in that attempt.

There are statistics that 970 carriers with five or more trucks were forced to close their business in 2013. The line between profit and loss is very thin, one wrong decision can bankrupt the company.

Starting and growing a trucking company on your shoulders takes a lot of hard work and dedication. Leading your company takes a disciplined approach. You need to know how to deal with people in business sense, to make the right decisions and to take the right actions.

#### Is it really profitable like people think?

If it was so easy to do, in the last few years we would not have thousands trucking companies who have lost their equipment and gone bankrupt.



Source: [www.stateofthemarkets.com](http://www.stateofthemarkets.com)

The factors that directly influence the trucking industry are

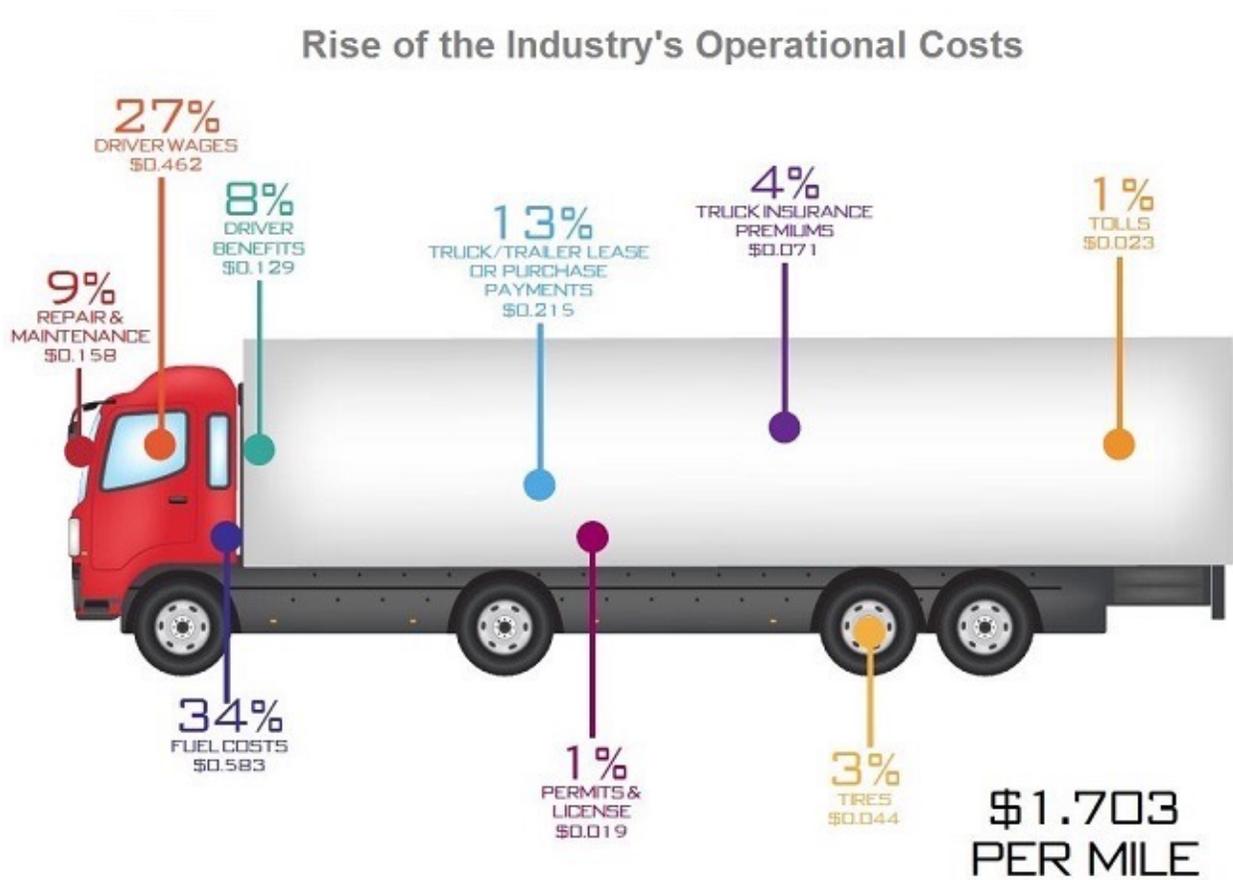
- Variations of the fuel prices
- Ups and downs of production of goods

- Big competition
- Regulatory requirements
- Unpaid invoices or payment delays

Over the last few years trucking industry was in the golden years, with high profits, not so much regulation, steady fuel cost. Because of this positive income, many trucking companies were opened.

But unfortunately, the hard conditions and requirements over the past years brought low profit and led many of these companies to close their business.

According to the [National Association of Small Trucking Companies \(NASTC\)](#), only 15% of newly formed trucking companies will survive in their second year of operation.



Source: [www.arkansastrucking.com](http://www.arkansastrucking.com)

The [American Transportation Research Institute \(ATRI\)](#) released the results of 2015 update on the rise of the trucking industry operational cost from 2008 through 2014.

What is the average profit of trucking company

The success of the trucking company depends on the profit that the company will make on the annual base. Companies that operate their trucks for many miles without a load will lose money, which means that there will face drop of the profit and increments of their expenses.

Every company has different profit, but on average base the numbers say it is 6-8 percent profit of the annual income per truck.

If the average profit for a trucking company on annual base is 7% of the gross annual income per truck and we have a total profit of \$200,000 than we get

- 93% or \$186,000 to cover the expenses
- and 7% or 14,000 average clear profit per truck

Like we said before, we have expenses and we should never forget about them because if we forget we might spend more that we can afford, more that we have and that can be catastrophic for your company.

### **What is killing profit in trucking business**

The best way to be safe is to be aware of the [expenses that kill profit](#) if you mist calculate. Having correct information's in this field will give you the chance to make the best freight price and to lead your company in the right direction.

- Costs of fuel
- Cost of labor
- Administrative costs
- Expenses for Insurance
- Personal, Business, and Self-employment taxes
- Cost of regular vehicle maintenance
- Truck repairs
- IFTA
- Vehicle Registration
- Trailer Registration
- Permits
- License fees
- Medical Exams
- Monthly truck and trailer payments
- Rental costs for office space
- Cost of deadhead miles ...

If your expenses are higher than the income, you and your company are in a dangerous situation. When you make a freight cost strategy you need to make profit, but you also need to have a competitive price on the market. How to do that?

To do this you need to **pay attention** on your cash flow and the cost of deadhead miles to make the correct calculations.



Source: [www.pcgfactoring.com](http://www.pcgfactoring.com)

**Cash Flow** - You bought new trucks and you spend a lot of money on that? That is great, but if you get to the point where you cannot pay the regular expenses in the next period, you will run out of cash.

This is the point where you, with the new trucks will not be able to transport loads which means unnecessary downtime of your vehicles. This is very bad for your business, but your competition will love you for that.

If you spend a lot of money and rely on customers to pay on time to continue your freights, you may face an empty pocket and no position to keep up with your work.

As a trucking company you have to know that you should not rely on randomness. Having a slow-paying client is part of the job and by the way one of the worst enemies for every trucking company. Be prepared for everything!

It is always a good way to have some money on the side to cover your spends like fuel, drivers, unexpected repairs in case your client pays latter.

You need to make sure that you have the money to do your work. Do not let to be caught in the corner.

**Cost of deadhead miles** - you are delivering a load to Chicago and you forgot to find a load from there and connect it to the truck to the back home? Well, you made a mistake that cost you money. As a company you have to learn to look step forward to pull the best of the given situation.

**How to make it more profitable**

In order to avoid unnecessary spending and increase the profit, trucking companies must implement a system where expenses will be minimized and totally controlled.

By having all of your company expenses in one place, you will know exactly how much money you need to run your business. Having these information's will help you to set a minimum amount per mile to be profitable.



Source: [www.pcgfactoring.com](http://www.pcgfactoring.com)

Here a few segments that you need to calculate, so you never undercharge a load:

### 1. Fixed Costs

Fixed costs are expenses that your company is having whether your trucks are on the road or they are in the parking lot.

- Permits
- Vehicle Registration
- Trailer Registration
- Insurance
- Property leases
- Truck payment
- Health insurance ...

## 2. Variable Costs

Variable costs are the money that your company spends for operating the trucks.

- Fuel
- Tires
- Repairs
- [Truck Maintenance](#)

## 3. Salary

Salary is the amount that you certainly need to calculate in your expenses.

With these statistics you can calculate your cost per mile. A key to make a good profit in the trucking business is to properly manage your company's operating expenses on a per-mile basis.

You should calculate these costs monthly to get the most up-to-date information on how much your company is spending.

*One additional advice from me :*

*Train your dispatchers to find better loads* - finding a load with loadbord can be helpful, but not good for a growing relationship with the shipper because you are always working with new clients.

Train your dispatchers [how to find good loads](#) and how to develop a business bond with the shippers.

It is extremely important to educate and train your stuff because at the end of the day their negotiating skills can be very important for every trucking company and it can make the difference in some cases up to 20% in load price.

When the shippers are satisfied with your service they will recommend you to other shipper, to work with, getting referrals can be like a wind in your back.

Now when you manage your cost and you train your team, you are ready to eat your fruits of your work!

## How to maintain high profit

Once you achieve a high level of profit you need to ensure to stay in that position or even to improve it. The question is, how to do that?



[www.hire.creativeskillset.org](http://www.hire.creativeskillset.org)

You can start by **investing in the equipment** to improve the quality of work. Provide your fleet with the best equipment that you can afford. If your fleet is in tip top shape then

- You will **protect the freight**
- Delivery will be on time and
- You will get a satisfied customer

The **skills of your employees** are also the important part of your success. Motivate them, give them time and space to develop additional skills for example business management. Invest in them with proper training so in time they will become more confident to perform new responsibilities that will save you money in the long run.

## Conclusion

The Trucking business has its own ups and downs, some companies are going down after 1 or 2 years and some find their way to maintain steady work.

This is not a phenomenon, this is just a strategy that helps them to overstep some difficulties. It is always better to learn from other companies mistakes that from your own.

Having a clear view of the real expenses will give you the possibility to calculate the real profit and to identify your spending patterns and segments where you have a chance to cut the cost and dramatically improve your profit.

Running a trucking company without knowing your costs is like driving with your eyes closed. You have to know the cost of every mile that your trucks are driving.

## Chapter 3

### Discover What is Better - Buying or Leasing a Truck?

Buying or Leasing a truck of is always a question for all trucking companies. Trucking industry is an economic giant in the United States that accounts for 5% of U.S. annual GDP and 85% of all goods transferred within the U.S. For that reason, trucking is a vital business in an economy that is heavily reliant on transportation services. Every day, ordinary Americans use the goods and products that are transferred to their homes and workplaces by trucks.

Due to the changes in people's lives, there have been more loads than ever that have led to shipping tonnage of historic levels. Over the last 10 years, the trucking industry grew significantly and it is projected that tonnage of carried goods will increase 75% by 2025.

The rapid anticipated growth of the trucking industry has led to more people being willing to enter the trucking business as a drivers or as a company owners. Because of the sharp increase in the number of trucks on the roads over the last 10 years, the wait times to acquire vehicles have significantly increased as well.

It can take at least 3 months to buy a new truck and up to 12 months to buy a new trailer, a demonstration of the current growth and expansion of the trucking industry.

The high number of business people entering this industry has led to an average decrease in prices. Average prices of carrying loads per mile are down and the profit margins are at a historic low. Despite there being fewer barriers to enter the trucking business, it has become increasingly difficult to stay in the trucking business.

This book aims to help those who are entering the trucking business sustain their businesses. It also seeks to help those who are current business owners learn new ideas and solutions to expand their businesses to new horizons.

In these challenging economic times, it is more important than ever to maximize your current resources. At the completion of this book, the reader will have know how to achieve the ultimate goal of being a leader in the trucking business.

### **Get New Trucks No Matter is it Finance or Lease**

Reliable trucks are a vital part of any trucking company. I have had experiences in operating a fleet of 100 Class A trucks and in managing a fleet of 15 trucks. I have also utilized used trucks in order to increase my overall number trucks in hopes that it would lead to greater profit.

You may think that by having as many trucks as possible, whether new and used, that your profits would increase, but this is generally not the case. If you have a large fleet of 100 trucks where most of them are used and in poor condition, I guarantee that you will make more with 15 brand new trucks.

After learning this lesson the hard and expensive way, my company switched to all brand new trucks and learned some lessons in that arena as well. Neither option is perfect, but you can use the best features of both options and experience positive results. Both worlds of leasing trucks and financing (buying) them have advantages and disadvantages.

What worked best for me may not work best for everyone, but my solution was the most cost effective in my experience. We learned these important lessons on our path to becoming a profitable company:

### **Leasing**

Definitely a great choice. You will have a relatively standard monthly payment, the ability to easily estimate your cash flow, and the capacity to plan for investment expansion and the management of overall company finances.

Another benefit is that you have a maintenance and warranty plan included in your monthly payment, so despite having a brand new truck, you have the assurance that any possible repair or maintenance needs will be covered by your monthly payment. Knowing that these potential costs will not be an added expense allows you to focus on finding better loads and getting more cents out of every dollar you earn.

If something goes wrong and you need your truck repaired, simply drive the truck to one of a hundred repair shops and they will usually fix it within a few hours. If they are unable to meet that timeframe, they will give you a new truck so that you can continue your driving. It is the same process for scheduled maintenance and unexpected road failures.

## **Financing**

Another great choice. You also get a new truck and would not have the concerns of using a used truck. One major difference with leasing is that if you want to have the same repair and maintenance coverage, it often is not possible or it is only available if you pay a lot extra.

Financing is a viable option, and for higher monthly payments, you will have similar terms to leasing. Another factor to keep in mind is that you can depreciate a certain amount for every year of any truck you buy, and you can use it as a tax exemption, which could ultimately save you up to tens of thousands of dollars annually.

## **Conclusion**

A mixed combination of leasing and financing has worked best for my business. Once we switched to new trucks leased and financed, our trucking business exploded and started rising. We are thrilled that we have been able to make more money doing the same job.

There were no expensive repairs, on the road failures or expensive towing needed – we were simply focused on driving and getting more loads. Our drivers were happy because they were driving new trucks. We were happy because we were able to attract more drivers to the company, becoming an employer of choice.

Our method was to lease 70% and finance 30% of our trucks in order to obtain tax exemption and receive the benefits of leasing. We found this approach to be successful resulting in \$7,000 in savings per truck at the end of the year.

## **Truck Insurance**

After fuel, the next largest expense is insurance. Insurance is the most important part of any trucking company and requires a lot of attention.

Having a proper insurance in difficult situations can literally save your company. Any time invested in this part of a trucking business is useful and cost saving in the future.

A challenging aspect of doing business with insurance companies is being required to go through an agent. In the future, perhaps there will be a company that will disrupt the market and connect companies with insurance companies directly. There have been some attempts to do this, but at this early stage, none are worth highlighting. There are a few tips and tricks you can use to lower your insurance prices.

Prior to the annual renewal of your insurance policy, obtain multiple offers from different agents. Price differences can be astonishing when you have agents involved in a bidding war. This will likely be the only opportunity you will have to see substantially lower prices.

An Illinois-based company could easily pay a monthly insurance rate of \$1,200 a month for a Class A truck. This is high price that would certainly affect a trucking company's profitability. Obtaining offers from multiple agents, in my experience, can lower this price on average by 20% or more.

For a fleet of 10 trucks, this is a major savings of around \$20,000 annually. Trucking company owners should obtain offers from at least 3 other agents when it comes time for policy renewal.

Be careful not to be drawn into a personal connection with your existing agent – he/she is there to give you the best possible service and price on the market. This tactic has saved my company around \$200 monthly per truck.

The downside is that you cannot use this tactic immediately; you can be prepared for when the opportunity arises and ultimately save your company a significant amount of money on insurance.

Upholding an optimal safety record is one of the most crucial actions a company can take to have a best truck insurance price. Usually companies fail at monitoring their safety record because of a lack of focus. There are many factors you need to keep in mind when running a company in order to maintain 100% control.

Usually an intense workload and everyday situations in a company cause fleet managers or trucking company owners to overlook certain situations, such as a driver getting a speeding ticket or an hours of service (HOS) violation.

Multiply that by 10 trucks in an average fleet in the U.S., and you can ruin a great safety record you built for years in less than a year. As you know, in order to remove a poor safety record, you need to have 10 good inspections. Let's face it, only few companies would be able to accomplish this with ease.

This is the reason positive safety records need to be among every company's top priorities. Poor ratings can hurt businesses, cause insurance to be cancelled, and lead to bankruptcy. Feel free to share your experience with buying or leasing a truck with us and what is your opinion on this matter.

## Chapter 4

### Truck Insurance: Secret Facts What You Need To Know

As a trucking company owner operating fleet of trucks, you know you have to get insurance annually. Now, how you choose the right insurance for your coverage can definitely be a hard task if you don't know what is required to choose the right insurance and this can yield some bad and unpleasant results if the insurance selected does not fit your requirements.

But rest assured! After going through this article you will know the proper procedure to select the right insurance company as well as the policy too.



#### How to Choose the Right Insurance Company?

Some companies have specialty in trucking insurance, which matters a lot. Someone who specializes in trucking is bound to know some of the technicalities that can be learned overtime with experience only. Now, let us not confuse trucking insurance with a motor insurance company.

There is a basic difference that your truck earns for you and that is by transferring cargo inter and intra state. So you need protection against damage by accidents, damage to cargo and damage to the environment done by the accident.

Now, there are some perks only the experienced insurance company, which has expertise in trucking, can provide you. The first of all is that they know how to think out of the box. They are adaptable and know that you have to sometimes load something out of the said cargo or you have to go out of your coverage area to have a financially good backhaul. This said, a non-expert won't be so flexible because he only knows what's in the book and not what happens in the real life.

### **Pay Attention to Details**

Therefore, make sure to choose a company that provide flexible policies since insurance is for unseen possibilities where more the flexibility, better the reliability of business.

If you are a for-hire trucking company, you will have to deal in different states. Each State, sometimes has its own motor-carrier regulatory agencies and therefore, if your insurance provider does not have enough knowledge about USDOT MCS-90 endorsement, you will end up bad in a different state. This can range from tickets against your vehicle to getting yourself detained in some jail and letting all the money that you were supposed to earn go in vain.

A non-expert might deal with you on the light truck basis. He might not know the exact weight limitations in different states. Imagine yourself not reaching the destination just because your weight doesn't meet the limits of a state, whereas the client dealt with you on the basis of your insurance.

Whereas, if it had been an experienced and a flexible insurer, you would not have faced the problems mentioned above. A flexible insurer sure knows how to deal with the little problems that arise and these little problems can be cause of big disappointment.

### **Create a Shortlist and Compare at least 3 Insurance Offers**

There might be complicated problems too. One example is of an accident. An expert knows that the truck is your life. You are out of business if you don't have your truck anymore. Now an expert and specialized company care about their customers.

They will know that they have to take your truck quickly to the repair shop and make the necessary arrangements to get you out of trouble from law and different agencies e.g. environmental and law agencies. They will cover for your medical expenditures so that you can get in the position to earn as soon as possible.

Now that you have a few trucking companies shortlisted, it's time for main factors. Is the company financially strong enough to spend on the high cost claims? Is the company old enough to survive in the strong competition? Is the company providing flexible coverage for my routes? And with flexible coverage, is it cost effective as well?

Or is the company providing me good advice for better coverage? And how much they value their customers? Are they providing timely service and response? If a company satisfies all these answers, then you need to give it a go. And so we come to further research on this company.

### **Truck Insurance Pricing Is Sometimes Really Complicated**

Don't get misled by the catchy conditions of the policy. Don't lose your cool mindedness and don't get carried away. Some examples are that the cost will be very low, but the coverage will be low.

You have to keep all the other factors in mind and not go straight for the cost. Also, you have to check the condition of the company as to whether it is financially strong enough because when a company is going to be closed, that's when the most frauds occur.

This is luckily covered by different ratings available from different platforms. The A.M. Best Company deals with ratings for financial strength of a company (ranging from A++ to F), while Standard & Poor provide ratings for claims-paying ability (on a scale of AAA to R) and solvency (BBBq to R).

Some other platforms dealing with ratings like these are Duff & Phelps, Weiss Research etc. These ratings are easily accessible and can be used to guess the future of a company and thus avoiding any chances of frauds.

These ratings and checks are required. Why, you ask? Well, what if the company isn't strong enough to deal with multiple claims at a same time and might go bankrupt and still owing a lot of money to people? The insurer might go out of business and some other insurer might buy the company and return the claims, but this will take a lot of time which a few of you can't afford.

### **Read Really Carefully What Is Covered**

The perks provided by the insurer are sometimes too good and you don't know what you are compromising for because it's written in difficult terms for you to understand easily. You are being blinded by the low cost or being lured in by the insurer without you knowing what the real deal is.

Read carefully what is written in the policy in terms of coverage and conditions. An example is that you are being insured for an accident that might occur. Now, you think that it covers all types of accidents and low costs combined with this makes you settle down on this insurance.



However, what if in some corner of the page, there is written some conditions of accident that you overlooked and when you are in an actual problem, the insurer refuses to back you up. Now you are in a problem all because you didn't read the terms and conditions of policy before signing it. So, make sure you do it and you do it really carefully before signing the policy.

### **Get Informed - Ask Insurance Company for Details and Advices**

To keep in touch with your insurance company is a really important aspect for your business. A good insurance company will always provide their permanent customers with new offers and advices for their well-being.

A good insurer will always provide with all the important details before you depart on a journey, e.g. the weight requirement in different states and all. All you have to do is ask them since they are handling a lot of customers already. A good or bad insurer is defined by how well they handle their customers even when they are overflowing.

An insurer is a lot more experience than you if you think in this context. You deal with 1 truck and that is yours. An insurer deals with thousands of them. Therefore, he knows how to handle the truck more financially than you.

You need to rely more and more on your insurer to have a good margin in your business and avoid a possible incoming problem that you are unaware of.

### **Real Cost Depends On You**

As the heading suggests, it is indeed you who will be the key in bargaining the price with the insurer. Usually it's your driving record that will matter a lot in deciding the price. The more tickets against your vehicle you have, the more accidents you have; all these are going to affect the insurer's image about you since he will feel more secure if you have a clean record.

How an insurer treats a driving record can be different and this can be known by keeping in contact with them so as to receive the perks of cost reduction if you keep your record clean.

There are policies based on time like annual or semi-annual. The insurer should be asked about the different aspects provided in these policies. People also tend to go for deductibles to decrease the insurance rates.

But these deductibles in truck insurance apply to property and might not be good in the long run. Therefore, what comes the foremost is to keep your driving record clean.

### **Conclusion**

All said, the choice of choosing the insurance company is on you and now that you know some of the many techniques of identifying the right company for you, I wish you all the truckers out there to have a pleasurable experience with the insurance companies.

## Bonus Chapter

### Truckers Report: 10 Future Trends in Trucking Industry



You have read truckers report and you are wondering where trucking industry will be in the future? What kind of changes will people in the trucking industry face? In this article I will answer some of your questions that came out from truckers report. By doing that I will let you see more clearly what the future trends in trucking industry will look like.

Among all changes that are going to be present in the future of the [trucking industry](#) there are 10 trends that will happen for sure. Those 10 future trends include:

- Growth of Industry;
- Excluding the Brokers from Trucking Industry;
- Better Paid Loads;
- Reduced Trip Length;
- [Truck Drivers](#) Shortage;
- [Insurance Costs](#) will get lower;
- [ELD Mandate](#);
- Merger Trend Will come;
- Brokers will buy;
- [Profit Will Raise](#);

Truckers report are saying and forecasting that trucking industry will go through the process of slightly changes over the period of next 10 years, and if you want to go through those changes successfully it is the best to get prepared. One way to get prepared for those changes is to acknowledge that technology is improving every day.

As you might expect these trends will happen, and that will be due to evolution and small changes. Furthermore, these changes will bring improvements, and by fine tuning and upgrading trucking industry will get to a point where truck drivers and trucking companies' owners will achieve profit.



Source:[www.mobile-cuisine.com](http://www.mobile-cuisine.com)

Trucking industry exists for more than 100 years, and during its existence it has been and it is still facing changes. When we see truckers report we can notice that changes were constant all the time, the only difference was that they were sometimes faster, and sometimes slower, but they were always present.

Nowadays trucking industry is facing changes that are happening faster than ever before. Hence, trucking industry is adapting to the current technology development and is changing its business habits. Additionally if the trucking company is easily adaptable to technology development and changes in general, it will meet success for sure.

## **1. Industry Will Continue To Grow**

Nonetheless, major industry growth in [trucking industry](#) will happen soon, we can see that in truckers report. In general almost every business in USA is impacted by trucking industry, and that is the primer reason why trucking industry is expanding. Without trucking industry in USA many things would stop functioning, even though we could stay without food. Seeing that we get a way clearer picture why this industry will continue to grow.



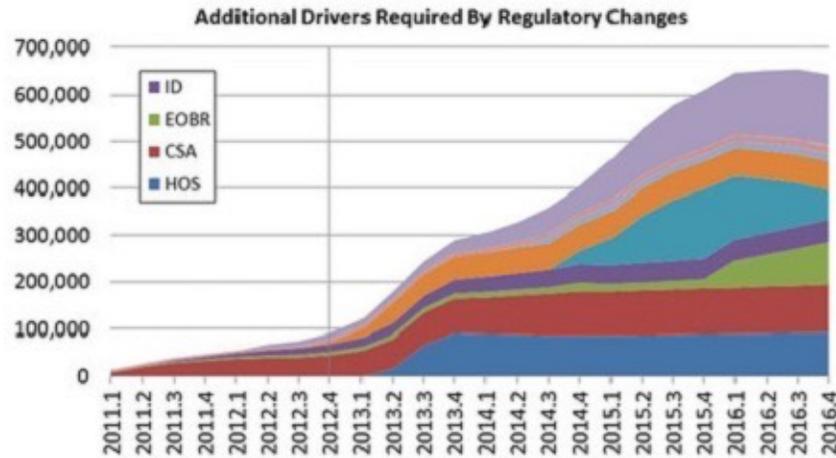
Source: [www.fueloyal.com](http://www.fueloyal.com)

Identically as any other industry- trucking industry has had ups and downs during these 100 years while it is on the market, we can see clearly that in truckers report. Finally after several years of ups and downs, it has reached the state of stability, and by that improvement and innovation are following. These innovations and improvements are bringing with themselves a new technology that will help trucking industry by:

- Providing [trucking companies](#) with new technology that will help them transporting loads without the need of brokers;
- In the next 10 years loads will be better paid;
- It will be easier to find loads, and trip length will be reduced;

Truckers report are showing that trucking industry will continue to grow, this is unbeatable fact. All the Truckers Report are showing that industry will continue to grow and over the next 10 years there is 21% growth expected. Also in some areas there is even bigger growth rates expected such as overall tonnage will grow by 70% in the next 10 years.

# Regulatory Impacts on Trucking



Sources: FTR Associates, OEM Market Indicators

Copyright: FTR Associates, 2013

Source: [www.oemoffhighway.com](http://www.oemoffhighway.com)

When you look at the Truckers Report it is definitely industry that is growing and it is good to be a part of it. But also it will require some modifications in a way of thinking and doing business.

Most compelling evidence for trucking industry growth in USA is the one that the [American Trucking Association \(ATA\)](#) has given. This trucking association is predicting that the revenue in this industry will rise to 66% or even more. It is only the matter of time and finding the methods of transportation improvement.

It is important to emphasize that in this passing year trucking industry has already seen 10% volume increase. Truckers report show that good logistic strategies are everything. Since we are in the [trucking industry](#) and we have the time on our side we should play smart and incorporate new technology and new strategies in order to see the long expected industry growth.

In the future trucking companies owners will need to adapt to new changes in order to be successful and stay in the business. Technology will have a great impact and will become the part of everyday daily routine so it is important to adapt to it, and enjoy the benefits that it brings.

## 2. Brokers Will Lose Their Role

Straight forward as technology is developing constantly, and is reaching its highest level so far, truck brokers are losing their role in this business. That is so because technology nowadays allows transporting loads without the need of broker.

Moreover, truckers report show that in the future it will be even easier to make a deal without the help of the broker. That will make truck companies' owners life easier and at the same time they will have more money in their pockets.

A good start point to exclude brokers from the business is the fact that trucking companies are not happy with the current situation. They want to avoid brokers as much as possible. After all the changes that are going to be made in the trucking business will provide trucking companies owners to get more [loads](#) without brokers and at the same time to make more money.

Here are some reasons why trucking companies do not want to work with [brokers](#):

Because Brokers are lowering the load price;

As well they are [cutting trucking profits](#);

Brokers are known to cause problems by canceling the loads , even though the documents are signed;

Because Brokers do not provide the full information about the loads;

Truckers report show changes in this part of the trucking business that are already knocking on the door and creating a lot of divided thoughts, truckers report can show that. Mostly changes are going to be made as an effect of the trucking companies that will aim towards change.

And we all know that if our wish is strong enough we are going to find a way to realize it. So if trucking companies have a strong will to fight for changes, they will definitely succeed.



Source:www.macrotransport.com

Most trucking companies' owners want to incorporate new ways and means how to lead the companies in order to make more profit. Trucking companies want to work in a way that they won't waste and lose money for brokers. Truckers report show that trucking companies can be successful without brokers.

Among the newest strategies that some companies are using are the wellness strategies. These wellness strategies can help trucking companies have a better insight of the total cost that the company is facing. Certainly by having a better insight of the total cost [owners](#) will be in a position to manage the cash flow and to make reorganization.

That power of demand for change will definitely create a supply that already started by few very promising companies that have a plan to remove the brokers as the middle man and provide online platform where carriers and companies can work without middle broker company. The [role of the broker](#) will for sure shift in the following years.

It would be crazy to expect that brokers will not take their position and strike back by offering even better services so for us it is best to just sit and wait to see how this will change in the future and what would be the size of the change.

### 3.Loads Will Be Better Paid

Over the next period of 10 years all the market researches and truckers report show that load prices and average [load](#) per mile price will go up. It is not to be surprised at all by this fact, and in my opinion it is not a science fiction to make this conclusion. Due to arranging better paid loads, truck driver salaries are expected to go up as well.



PHOTO: FLICKR /401(K) 2013

Source:www.fool.com

When we are looking at a truckers report we can see that the first thing to remember is - in order for you as a trucking company to receive better paid loads you will have to:

- Have a clear view of what you really want, and to
- Determine with what kind of clients you are going to work;

These are the two main rules that every trucking company should follow nowadays, and in the future when the [future trends](#) will hit the trucking industry. Therefore, having a clear view of what you really like to achieve will help you find which way to focus and lead your company.

What makes the point of determining with what kind of clients you are going to work so important is due to the income that you can make or lose.

With this in mind, if you don't find the perfect client for your company, you might either get involved into a situation where the client pays with delay or worst case scenario- he doesn't want to pay. So you are the one that is going to set your priorities and means of finding the right way to better paid loads.

To be sincere with you it is expected that better and more payed loads will be really easy to find.

Likewise I find the following things as crucial in order for you to find better paid loads:

- Client with good reputation;
- Client that pays on time;
- Shipper that is well established;
- Shipper that will provide you with loads constantly;

According to truckers report,we can see that no matter if you are [hauling liquid materials](#), transporting over-sized loads, [hauling cars](#) or [driving dump truck](#), there will be better paid loads in each sector of trucking industry. All you will have to do is to do your work properly and trust the timing. Better paid loads are on its way.



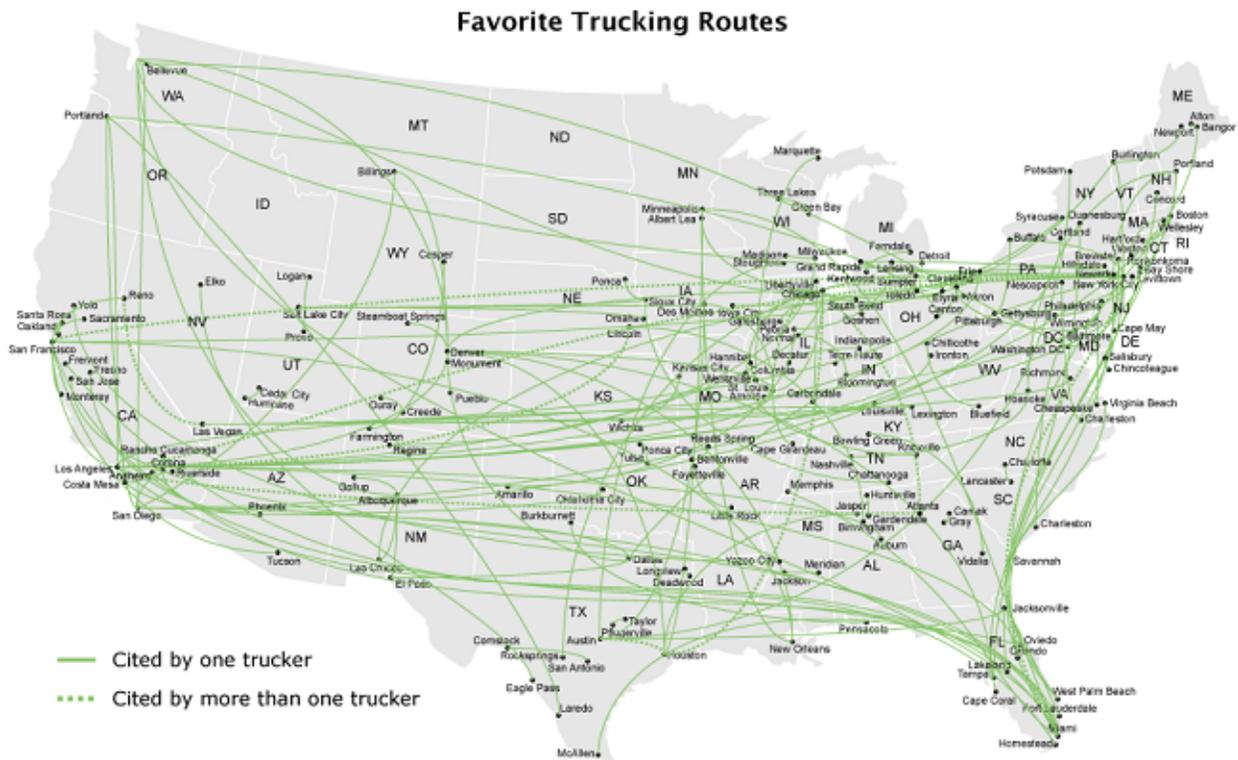
Source:www.viatrading.com

Equally as the [trucking companies](#) are going to receive better paid loads, the companies are going to grow. By getting better loads the company will make money, and more money means more trucks and need for more truck drivers. Therefore success is on our way.

This is important to know so that most trucking companies can plan their future and make forecast of their future [cash-flow](#) positions and plan in advance all the activities related to company growth, [new equipment](#) purchases and so on.

#### 4. Average Trip Length Will Be Reduced

By truckers report we can also see that this situation is already visible now at this moment. While before [OTR trucking companies](#) were able to find a load that is 2000 miles long lately over the last years or so it is not easy to find one at all. When you find a single load that has 2000 or even more miles in a row you consider yourself happy.



Source: [www.softwareadvice.com](http://www.softwareadvice.com)

By adapting to the newly made changes in trucking business companies are able to reduce the average length of trips. By reducing the average length of the trip trucking companies at the same time are reducing the costs and are [improving their services](#). This way they have achieved to satisfy both- the customers and the truck drivers. Truck drivers were waiting for this change to happen for years.

On the positive side trucking companies will ease their work and will make the deliveries in smaller amounts. Trucking business is one of the most important if not the most important in

USA, there are around 3 million people that is in the trucking sector, so reducing the length of the trip and keeping everybody satisfied is of a great importance.

Reason for this is that companies and [rental truck](#) chains changed the way they run business in a big way. All of their effort is now invested into reducing costs and optimizing performance. That by consequence has that they put a lot of pressure on trucking companies in the area of good delivery requesting a lot more often but smaller deliveries which then impact the load length.

Instead of going one long they take few shorter trips and truckers report will be easier to get prepared.



Source:[www.flatbedtruckingcompanies.org](http://www.flatbedtruckingcompanies.org)

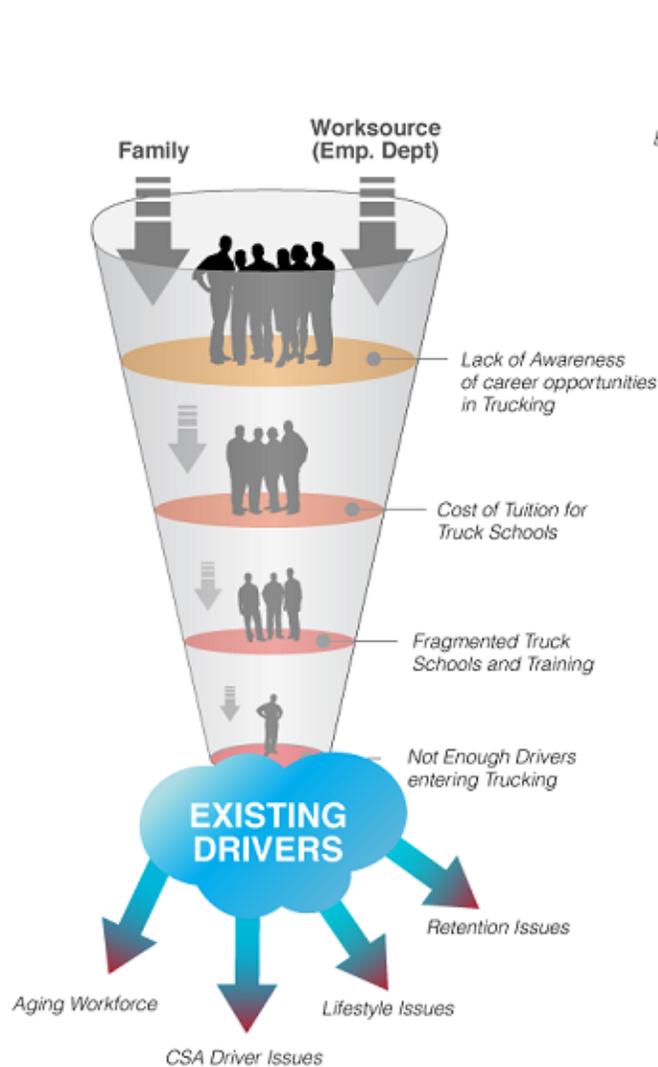
Thereupon, by going on few shorter trips instead of going on one long trip will also reduce traffic accidents and will improve the safety of truck drivers and other passengers on the road.

Although there are rules and regulations about the drive time for truck drivers, there are some that are not respecting that in order to earn more money. And by reducing the trips from longer to shorter, truck drivers even if they don't want to they will have to make breaks between the trips. So we can see reducing the trip length can bring us only positive things.

## 5.Truck Driver Shortage Will Not Change

The very first time when driver's shortage was noticed in USA was in Truckers Report from 2005. There is lack of truck drivers on the market and everybody knows that story, especially trucking companies. Truck drivers' shortage is also due to the high average age of the existing workforce.

## Driver Shortage Issues & Barriers



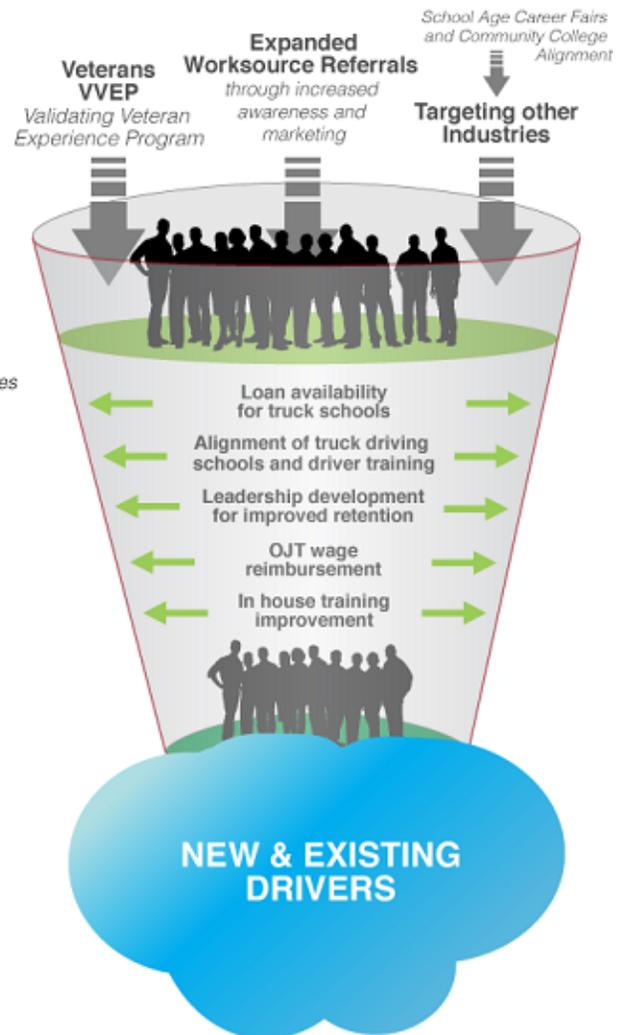
Source: [www.truckingsolutions.org](http://www.truckingsolutions.org)

The main three reasons why there is a truck driver shortage are:

1. The new rules and regulations have caused a lot of drivers to go out of the trucking industry;
2. The second reason why there is a truck driver shortage is that most of the drivers are approaching retirement;
3. The third reason is that there were new regulations about the hours of service. According to these rules it is requested from the drivers to deliver the same amount of goods in fewer hours, which adds a lot of pressure to drivers;

There is one part of the business that will not change according to the truckers report. The trend of driver shortage can be felt even in the economy. Also because of that shortage the drivers are the ones that are paying the price.

## TSC Initiatives For More Drivers



There are truck drivers that are paying part of the trucking operation costs. To change that it is mandatory that politics gets involved into solution seeking process. In the next year trucking companies will be put in a situation where they will have to hire around 900 000 truck drivers in order to replace the drivers that are approaching retirement.

In order to improve the situation and to start lobbying for the changes, it is the best that some of the best top 10 trucking companies in USA to get involved into solving this problem and to start the process.

That seems to be the only choice when we look at truckers report. On the other hand they are not in problem with the drivers' shortage because they can pay them better salaries due to highly profitable contracts they have with government.



Source:www.blog.capterra.com

So at the end small and medium trucking companies are paying the price and still they are not in strong position to request changes because to change this it would require to modify immigration politics that is always a hot political topic and politicians try to stay away from it.

Henceforth, driver's shortage will increase, and on the negative side the most affected companies are going to be the small and medium. That would be so because big trucking companies will try to take the drivers from the small and [medium truck](#) companies by offering them higher salaries, bonuses, better trucks and longer routes.

## 6. Insurance Cost Is Expected To Go Down

In the last 10 years total trucking company insurance cost have hit the sky. Truckers report allows us to see the that the amount of money requested by insurance companies is crazy . Trucking companies have a lot of problems dealing with this newly developed situation. In comparison when we see truckers report that are 20 years old, we can see that in the last decade the insurance costs have increased drastically.



Source:www.justinziegler.net

Trucking companies are paying these insurance costs yearly. Can you imagine how every year these companies are being hit by higher and higher prices? Therefore trucking companies don't have any way out except to pay those insurance bills. But there is always light at the end of the tunnel. In that direction it is expected that that the market will be hit by a lot of competition and that prices will go down up to 30%.

The lowering of [truck insurance](#) costs can make a huge impact when it comes to the surviving of trucking companies. That amount of saving will make companies survive because at this moment paying \$15,000 for the annual truck insurance is crazy and only very few companies can comfortably pay those ridiculous bills.

Hopefully the predictions are going to turn out true and trucking companies will be able to save money instead of giving it for huge insurance fees. In that way the companies will be able to save money and to increase truck driver's salaries. When we see clearly insurance cost is taking almost half truck companies income.

## **7.Truckers Report - ELD Mandate Is Knocking On The Door**

ELD Mandate is the biggest change that might happen in the trucking industry and at the same time it requires huge business modifications. [ELD Mandate](#) will change completely the way

how trucking business is run. Nowadays it is in the final stage of preparation before it is being released.



Source:www.overdriveonline.com

According to the [Federal Motor Carrier Safety Administration \(FMCSA\)](#) trucking companies that are going to use ELD will be able to save annually up to \$1 billion dollars. ELD will make truck drivers life a lot easier, instead of manually writing their log books, now they will fill their records in the ELD. This way the companies will be able to see right away what the driver has done for the day that has passed.

FMCSA is recommending these devices in order to increase the safety on the road. By that I mean that when the logs are going to be entered in the devices by the help of GPS the companies will be able to monitor the drivers. Also by the help of these devices the drivers will have to follow the rules and regulations regarding their hours of service.

# ELD | Benefits Beyond Compliance

## THE ELD MANDATE IS COMING



The mandate requiring electronic logging devices (ELDs) is expected to be published in September 2015. If not currently using a device, fleets will have 2 years to implement. Don't wait until the last minute and be forced to rush into an implementation just to comply with the pending government regulation. Implement electronic logging devices in your fleet on your schedule, and start realizing benefits that go far beyond compliance.

### BENEFITS THAT GO BEYOND COMPLIANCE

Source: [www.fleetequipmentmag.com](http://www.fleetequipmentmag.com)

If it gets started it will add extra cost to install the required hardware and equipment into the truck that could easily cost up to \$500 per truck and it will also add monthly maintenance cost in amount of \$20.

When it comes to any innovation it is normal that it has pros and cons. The positive things of using ELD are:

#### Pros of using ELD

1. It can increase the productivity
2. Will help companies to have a better track of their trucks and drivers
3. It will be a great management tool
4. Truck drivers will be able to make a better load scheduling
5. Better customer service

Also there is a great chance that this requirement will not come to the market so quickly. It faced several postponing and there are rumors saying that ELD mandate that is supposed to start on December 17th 2017 will be postponed again due to some privacy issues that currently are opened.

## 8. Merger Trend Will Explode Between Companies

In the light of the 10 future trends that will happen in trucking industry it is the merger trend that has already exploded between companies. But wait, what does this merger trend means? And what is its role in the [trucking business](#)? Merger stands for the deal two companies are

making in order to get united as one company. Therefore the merger trend is considered to be a good option for companies to get united as one in order to make more money.



Source:www.joc.com

Truckers report show that merger trend has taken its place due to the new rules and regulations that not all trucking companies can fulfill on their own. So in order not to close the companies, the owners have considered what will be the best alternative and have chosen to do the merger option.

It started already but in the future of the next 10 years it is expected to become massive. Trucking companies are facing the painful truth that if they are not big enough to get amazing deals and rates they will have issues staying in business. In order for companies to remain in the business they are making these contracts and arrangements with other companies.



Source: [www.supplychain247.com](http://www.supplychain247.com)

To avoid those challenges and to bypass those obstacles they will merge and form one larger entity that will be capable to resist all those newly set challenges. One trucking company with fleet size of 45 trucks doesn't have that big impact as the trucking company operating fleet size of 100 trucks so it is kind of logical move to make.

### **9. Brokers Will Buy Carriers**

The trend of brokers to buy carriers has taken its place. In the past 6 to 12 months brokers have advanced from being only brokers to buying carriers, and having the whole process of transportation in their hands. We might be wondering if that is because trucking companies are trying to exclude them from the business, but however the reason they are playing smart.



Source:www.dat.com

All of us have witnessed some amazing acquisitions in the field of brokers. Brokers became aware that their role as a middle man is becoming jeopardized. Therefore by adding large fleets to their business they aim to become not only company that can find load but also the company that can carry them.

At the same time being a company that can find loads and a company that can carry loads attracts a lot of customers. The full range of transportation services found in one company can only lead to increased profit. Again on this way if brokers will continue buying carriers they might start making more money than trucking companies.

By becoming a company that can carry loads they will be in even better situation than trucking companies are. You must be asking yourself how can they become better than trucking companies, and what makes them to be in a better situation? Well there are few reasons and facts that make them to be in a better situation:

- Better financial strength;
- Better sales force ; Their trucks will be loaded and on the road all the time;
- The nationwide [freight](#) will be at their dispoibility;

When I say that brokers that have bought carriers will have better financial strength I mean that, they are more experienced in finding loads and can make better deals. According to truckers report we can notice that better financial strength comes from better deals. At the same time they know how to make the deals and to become a leading sales force. B

believe me that they will make sure to have their trucks loaded and on the road all the time.

We are all aware that experienced truck brokers have connections all around the world, so the nationwide freight will be at their disponibility. Just have in mind how much money are made by transporting nationwide freight.

It is good to know that brokers in fact at the same time by obtaining their license they are able to perform operations as carriers. Whereas Motor Carriers must obtain several permits and certificates in order to do their job. We can easily recognize if the broker is at the same time carrier by seeing on the bill if his name stands as the carrier.



Source:www.bulldogautotransport.com

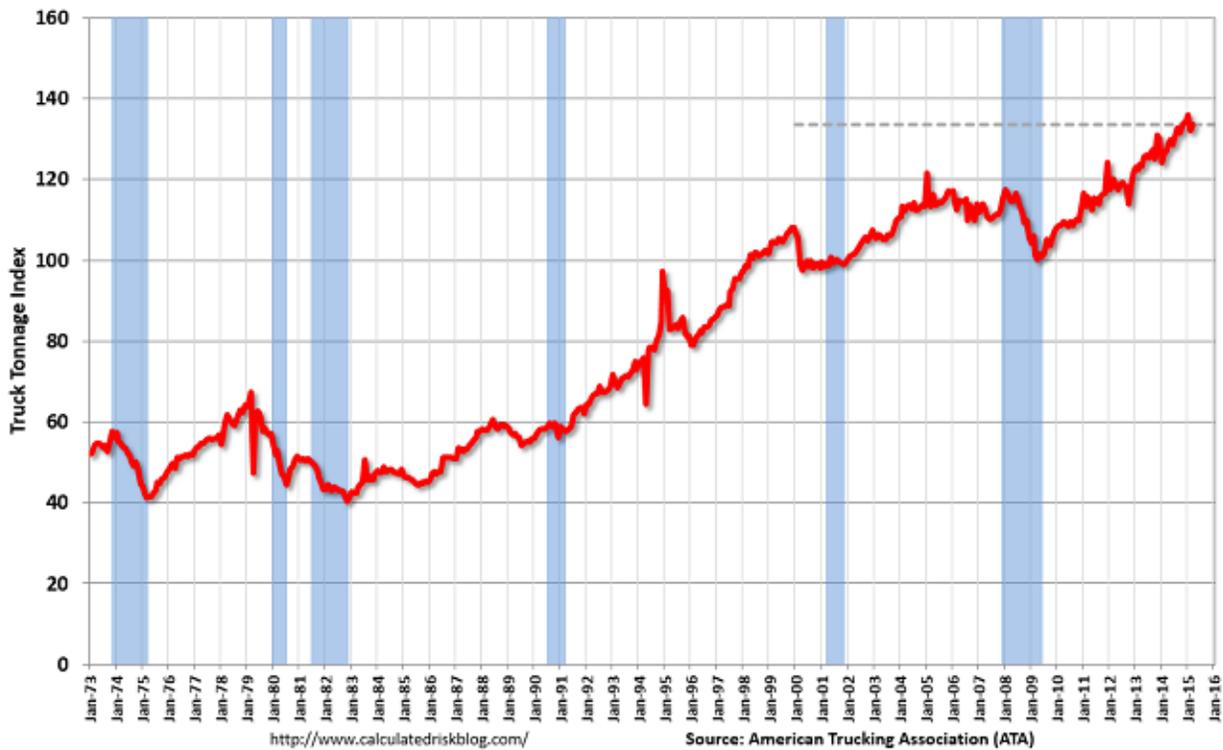
When the broker is at the same time carrier, he will be the one that is going to be responsible if there is any damage or loss of the load. But they will take care that damage and loss will not happen. They will do so by being very careful when choosing the right customers, as well by giving their truck drivers a good training. They have the whole process planned in advance.

In my opinion it is a smart move but at this moment it is concentrated only on the biggest trucking companies and in the future we can expect to see brokers buying even smaller companies with fleet size up to 200 trucks. This way there will be few trucking/broker giants formed.

## **10. Profit Will Raise**

By the same token as new implementations of technology and improvements in trucking industry take place, profits will rise at the same time. Increased profits are going to be the result of better paid loads and due to more improved transportation. New technology in trucking companies will make the dream of almost every person in this industry come true and will improve truckers report.

ATA's For-Hire Truck Tonnage Index



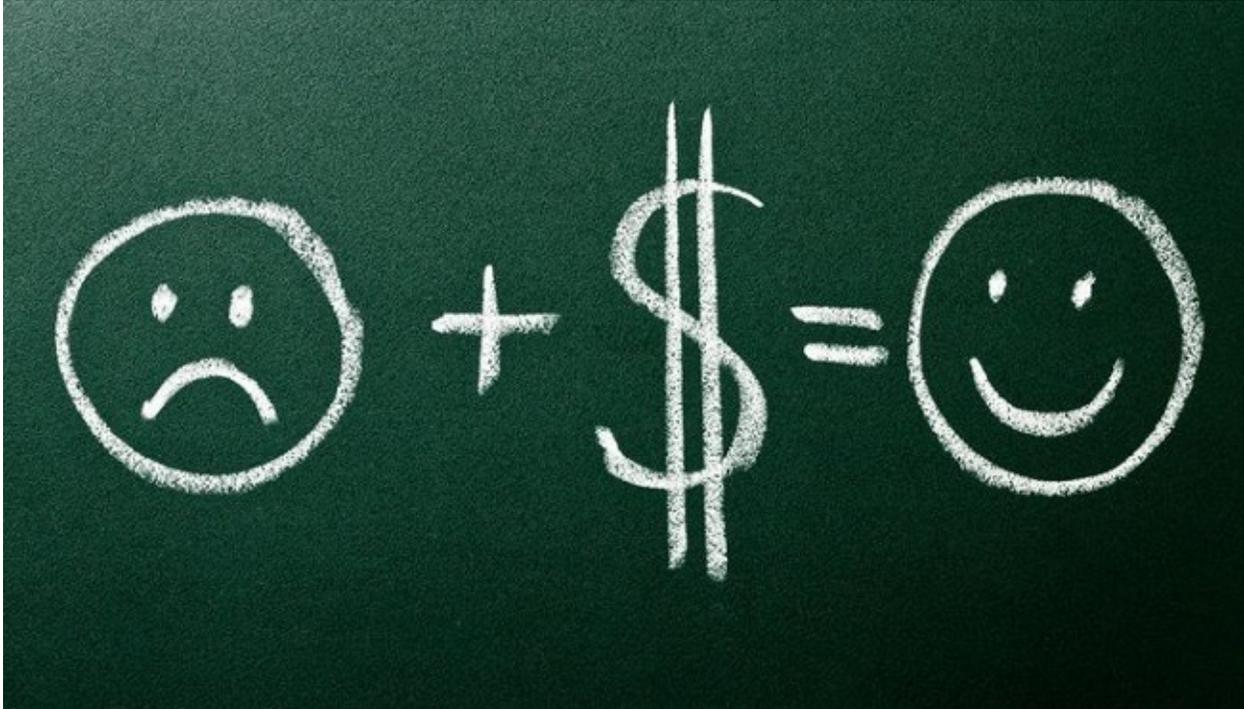
Source:www.road scholar.com

Increasing profits are something trucking industry was waiting for the last few years. If this wouldn't happen then the entire industry would be in huge problems and a lot of companies would be out of business. But now we can put those worries aside since the predictions for trucking industry are positive.

In fact trucking companies can profit without doubt by paying more attention to time. They can raise the profit by just finding a way to deliver the loads faster. Time management can make everything possible.

Moreover, bigger demand will lead trucking companies to engage more trucks and truck drivers in order to achieve continuous growth. Truckers report show that continuous growth will be seen in all areas of trucking industry. Regarding the expectations we can see that there will be a growing need for commercial trucks. So be wise and in the following few years concentrate in the area of commercial transportation.

Many companies have been putting so much effort in order to increase their profitability. Most of the companies are putting the focus on the methods that they consider to be effective, and that will increase their rates and decrease the costs.



Source: [www.fueloyal.com](http://www.fueloyal.com).

Increased profit margins are expected to happen due to higher demand for transportation because of the changed habits of both consumers and business. Profit margins are expected to go up by 20% in the next 10 years meaning that they would just get back to the level they used to be and to the level they should be.

Luckily since these margins are going to increase, we can be calm and enjoy the benefits of raising the profit. There have been few years in the trucking industries that more companies have been facing loss instead of profit. Those days are over, now trucking companies can regain their lost money.

## **Conclusion**

To sum up, according to truckers report in the following 10 years trucking industry will go in the direction of expansion and improvement. So the following decade is going to be very good for trucking industry.

Correspondingly to the expansion and improvement all of you that have been and are working hard, will be able to see the bright sight of this business. With the help of these future trends in trucking industry everything will finally pay back to you.

There will be more loads that will lead to more money, and more money will help truck companies' owners to get the newest technology that will help in the process of running the business even easier.

Technology advancement will transform the way trucking company is ran and you will see a lot of virtual companies that literally will have no office and that are ran from home. Dispatchers outsource to cheaper countries, trucks on the road and only thing you need is laptop and software to run your business.

All in all the future trends in trucking industry are more than welcome, because they will help in every possible way. Improved performance, increased salary, raised profits, and lowering the insurance costs are just few of the crucial things in trucking industry that will change for the better by the future trends.

## End Notes

Just like every other business, trucking has its own pros and cons, its advantages and disadvantages. Running a trucking company in a tough economy can be challenging, yes, but if you follow our tips, it can be very fruitful and rewarding business in the long run.

In a world full of technological advancements, the trucking industry is still very big and very important and you can count on the fact that technology can only make it easier for you to operate your business in the future.

Even though circumstances change, be present on the market, and try to quickly learn, listen and adapt to the market and customers' needs. Follow the newest trends, and implement the changes that best suit your business's needs. That way you are sure to succeed. Once you enter the trucking world, you will not want to leave this big family.