

Trucking

In it for the long haul



TruckSure
By Trevor Toohill

There are many economic indicators out there trying to guess at the state of the economy. One of the most effective tools being the ANZ Truckometer and you should be referring to this data regularly.

The ANZ Truckometer is a set of two monthly economic indicators derived using traffic volume data published by the NZ Transport Agency. It's a real-time measure of economic momentum. ANZ refines the data into the best possible economic indicators by selecting roads whose traffic best explains quarterly GDP growth.

The ANZ Heavy Traffic Index comprises flows of vehicles weighing more than 3.5 tonnes on 11 roads, and runs hand in hand with GDP growth.

The ANZ Light Traffic Index is made up of light traffic flows (primarily cars and vans) on nine roads around the country. It gives a six month lead on GDP growth.

Now you are probably asking what all this has to do with your business and more to the point how does it relate to the title of this article.

Firstly, economic data of this type can have a huge impact on decisions that you are making and will continue to make while driving your business through into the future. Secondly I have to assume that you are in the business for the long haul – you don't invest several hundred thousand dollars in a truck and trailer if you intend to be a 'fly by nighter'.

But what about decisions as to when to put on your next unit or to employ your next driver?

Do you just wake up one morning and make these decisions or do you take into account the very best advice you can lay your hands on. Every transport operator, fleet or owner driver, should be checking these indicators and taking advice on a regular basis. It is not just about growth but also when to make cut backs or to consolidate.

Just about every successful company in New Zealand takes similar advice on a regular basis, and these companies mostly have very little to do with trucking and transport. It just happens to be that your industry sets up a very effective barometer to measure economic weather.

So are you taking any notice of these tools or do you fly through your decision making by the seat of your pants? I have asked transport operators the question plenty of times – 'how are you performing in relation to your business plan?' Surprisingly, or perhaps not, the answer often comes back with a puzzled expression, 'what business plan?'


There are operators out there who make amazingly bold decisions, sometimes solely on the basis that a mate is doing it or making a change so it sounds good enough to me – let's throw a truck on the road running goats to metro Auckland or water to Fiordland or whatever!!!!

So what is the point I am trying to make in this article?

The point is that **of course you are in it for the long haul** but you can improve your odds for success:-

- Use all of the economic data available to you.

- Research the most profitable runs and goods carried and don't just take a mate's idea and run with it.
 - Be satisfied with what you are doing or quit – don't hang about enduring a bad situation. If you are in it for the long haul you want to enjoy what you are doing each and every day.
 - Pay yourself well – reward yourself for your endeavours, but do not strip the business of valuable working capital.
 - Set up a finance repayment programme – go beyond making the bare minimum on the truck payment. Just imagine if you were freehold in your finances and you got to keep the money that was going to the finance company.
 - When you start with your first decent truck and contract you have big freight receipts coming in every month – don't be tempted to rip out straight away and buy the fancy new car. Bide your time until you are more cashed up and your contracts are settled.
 - Pay your drivers well and take the time to select the best. A bad driver can spell the end to your business dream. You would be better off without the second run if you were relying on a bad driver.
 - Freight rates need to be profitable. You cannot be in it for the long haul if you are going backwards each month. Sure take a marginal backload but work your main run for maximum return.
 - Treat your truck right in every regard. Smooth and gentle on the throttle and brakes and maintain your units aggressively.
 - Choose your insurance broker carefully and select one who knows a thing or two about trucking. Bad insurance advice can be disastrous for your business at claim time.
- Finally if you are in it for the long haul then look after yourself and come home safely after every run. Watch the diet, health, weight, and sleep well.

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