

## Excerpt from *Driven 4 Profits*

Copyright 2002 Tim Brady & Esta Klatzkin, EA

### Holding On in the Lean Times

*Eight things you can do to protect your financial stability from the woes of having to ride out the ups and downs of a cyclical business.*

**1. Keep a cash reserve: \$2.00 for every \$1.00 of current expenses.**

If you are spending \$2,500 per month on operating expenses, you should have a reserve of \$5,000.

**2. Market constantly.**

When times are good (lots of tonnage), go for the gusto. Take all the tonnage you can handle. When tonnage is lean, this is the time to lean on dispatch; not just of your agency, but of any agency you go into and you have space available on your truck. Ask them if they have any tonnage they need covered. If you're having to deadhead to get under another load or just heading to the house, see if they have anything going in that general direction.

This is also a time when those special favors you did will return ten-fold. Your helpfulness in the busy times will benefit you in the slow times. Just make sure you don't make it sound like they owe you. Be a 'squeaky wheel,' but not an irritating one. A polite, professional rapport with all dispatchers goes a long way. "You scratch my back and I'll scratch yours," is a standard in our industry.

**3. Track income and expenses.**

Over time you will see a cycle develop. This will make it possible to anticipate and project your monthly income and expenses. This will become your monthly budget.

**4. Plan to make the best of the slow times.**

By tracking and comparing your income monthly, a pattern will develop. Then you can anticipate the lean periods and devise special efforts to attract loads. For the extremely sluggish times, you might consider using this interval for training or vacations. Sometimes you just can't 'beat a dead horse.'

**5. Create various alternative income sources.**

Examples: Doing local jobs for either your agent or for the agent where you are currently located. Volunteer your services wherever you are and when time permits. Be creative; the idea is to add additional revenue (CASH FLOW).

**6. Continue to upgrade your skills.**

Search out new techniques and technologies that can enhance and improve your services. It can be anything from a special multi-tool, or a new and improved dolly, to a complete on-board communication system. Review and improve existing techniques and equipment. Take courses ranging from Stress Management to Business Administration and Customer Relations. Review your financial data with your tax advisor or accountant to see where improvement is needed.

**7. Network, network, network.**

Stay in touch with former shippers, labor who did excellent work, dispatchers, claims personnel, and anyone else who has a direct effect on your income. You'll be surprised at how far a simple picture postcard will go in brightening someone's day. And then, how they will bend over backwards the next time you need their services. Always go the extra mile.

**8. Remember, you are in charge!**

It may seem as if your Cash Flow has nothing to do with your efforts. In reality, most of what happens on your truck is within your control.

There is always some way for you to serve others and have the results be that **your** truck is **Driven 4 Profits!**