

# 10 TIPS

EVERYONE IN TRANSPORTATION NEEDS TO KNOW NOW!

BY MATTHEW MANERO

*"Great tools and tips!  
A must read for all transportation companies"*

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Commercial Fleet Financing, Inc.  
Dallas, Texas

BONUS  
TIPS, NOTES  
AND  
REFERENCE  
GUIDE  
INCLUDED

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## Introduction

After 20 years of financing trucks and trailers, I know a few things about the transportation industry and about running a business. My company, Commercial Fleet Financing, Inc. started from nothing, in a 1-bedroom apartment in Dallas, TX in 1995. Since then, we have built a company based on helping small business owners be better, more professional, more competitive, and more profitable. Our company is closing in on funding \$1,000,000,000 worth of trucks and trailers, and we are now regarded as one of the best independent finance related companies in the nation.

This booklet was designed and built to help YOU build your transportation business correctly from the start. These simple tips will help you avoid many pitfalls and costly mistakes while building a foundation of success for you, your company, and your family. Use this booklet wisely, and it will pay for itself over and over and over...

There is an argument that many people should NOT go into business for themselves and simply work for someone else. Many have been told, “drive a company truck”, “run under their authority”, “use their insurance, their fuel, and just follow their schedule.” This is excellent advice for some, but for others, the freedom of being the boss is what it’s all about. Sadly, for many, it is also a recipe for disaster and heartache. This booklet is for those of you who have the entrepreneurial spirit, a desire to build a great business (big or small) and the unyielding need to be your own boss. If you are such a person...read on because we want to help you.

Drive safe and be great.

Sincerely,

Matt Manero

President of Commercial Fleet Financing, Inc. Dallas, TX. (972) 247-8447 phone

## TIP 1

### DO YOUR HOMEWORK BEFORE YOU BUY YOUR FIRST TRUCK.

#### Understand Your Industry

*“Knowledge is power.”*

Make sure you have done your homework **BEFORE** you start your transportation business. Your best bet is to have worked in the transportation industry as a driver, manager, dispatcher, bookkeeper, etc. for a few years before starting your own business. Being successful in the transportation industry is not as easy as people think. It has changed so much since we got into the business 20+ years ago and it certainly is much more than just learning how to drive a truck. To run a successful transportation business you, need to understand the products hauled, lanes throughout the United States, seasonal impacts, which equipment can be the most profitable, billing and collecting and on and on and on.

You will need to learn more than just how to be a great trucker. It will take learning how to be a great business owner as well. To do this, you will need to learn everything you can about your industry and how to make the industry work for you.

Do your homework before you start. Build the proper foundation FIRST and that will require you to become an expert in your field.

## TIP 2

### RUN THE BUDGET BUILDER EXERCISE BEFORE YOU BUY YOUR EQUIPMENT!

#### Run the budget out—BEFORE YOU MAKE A PURCHASE

At CFF, we built a quick and easy software program we call “CFF BUDGET BUILDER”. We believe so strongly in this program that we put it on the home page of our website and you can use it anytime you want—FREE OF CHARGE! Here are the basic questions. Put yourself through this simple exercise by asking yourself these questions, and then writing them down on paper. Make sure you will actually make money before you start!

Question:	Amount:
1 How much revenue will this equipment generate each month? ( <i>You want this number to be above \$15000 per month</i> )	\$ _____
2 How much is your monthly payment?	
3 How much will my driver cost?	- (\$ _____)
4 How much will insurance cost?	- (\$ _____)
5 How much will fuel cost?	- (\$ _____)
6 How much will repair and maintenance cost?	- (\$ _____)
	Approx. Monthly Profit \$ _____
	x 12 Months \$ _____

(Additional Budget Builder worksheets available in back of book )

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This simple exercise should be done before you go into business for yourself and/or buy your equipment to make sure that you have enough revenue to cover your expenses and leave a profit. Use this formula anytime you are thinking about expansion, going for a new contract, or determining if you can increase your rates.

**THE NUMBERS DON'T LIE...IF YOU CAN'T MAKE A PROFIT...DON'T DO IT.**

## TIP 3

KEEP EGO OUT OF YOUR PURCHASE, BUY THE EQUIPMENT THAT WILL MAKE YOU THE MOST MONEY

### PICK THE RIGHT EQUIPMENT

Profit margin in the transportation industry is tight, and you need every advantage you can find. Buying the right equipment can create such an advantage for your company. Making the right choice in your equipment could prove to be one of the best decisions you can make.

Important questions to ask yourself when picking the right equipment:

1. Will I be running through the Rocky Mountains or mostly in the plains states?
2. Will I run local or long distance?
3. How much horsepower will I need to get through these routes?
4. Do I really need a sleeper the size of Nebraska?
5. Do I want to be shifting gears and just put it in automatic and go?
6. What about tire size, aluminum, or steel wheels for weight?
7. What are the long-term EPA regulations that might make this truck obsolete in the future?

At CFF, we have seen too many clients buy the wrong equipment for the products they are hauling. Their choice gets the job done, but it increases the costs, aggravation, maintenance, etc.

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Here is an example:

You have a contract to haul sand and dirt for a highway construction project. Do you really need 550 horsepower and 72 in. raised roof sleeper? Maybe you can use a truck with 400 horsepower and no sleeper. This can cut down on weight of the truck, fuel consumption and ease of getting in and out of the job site.

Here is another example:

Let's say your truck gets 4.5 miles to the gallon and you have 300-gallon capacity that means you can run 1,350 miles on a full tank. If you could get 6.5 miles per gallon, you could run 1,950 miles on a full tank. At \$4 per gallon for diesel, you would save \$80 per fill up. If you filled up only once per week, you just saved \$4,160 per year, over 5 years, you just saved \$20,800!

Put your ego aside. Learn about new technology, ask lots of questions, and work with a dealer that has your best interest in mind.

Bottom line: Take the time to spec out your equipment and give yourself every advantage you can.

## TIP 4

THERE ARE RICHES IN NICHE... PICK YOUR NICHE. ASK A LOT OF QUESTIONS, BECOME AN EXPERT WITHIN THAT NICHE AND DON'T BE AFRAID TO CHARGE ACCORDINGLY FOR YOUR EXPERTISE.

### What will your niche be?

The key to winning business in a niche market, is that you must be an expert in that niche. Customers will pay for expertise, but they can see a phony coming from a mile away. Experts can charge more and will be paid more, you just have to take the time to really become an expert.

Ask a lot of questions, such as:

1. Does this niche fill a need in the marketplace?
2. Who are the main players in this niche?
3. Can I run my business better than the current players?
4. Is this niche a flash in the pan or a long-term niche?
5. How do my customers make their money?
6. Are there any problems that are not being addressed?

## TIP 5

### DON'T GO INTO BUSINESS WITHOUT SETTING UP A CORPORATION FIRST!

#### Incorporate your business

Running a transportation company without the protection of a corporation is NUTS! Most people don't incorporate their business because of the following issues:

1. They don't know how.
2. They don't think they will ever need the protection.
3. They just don't want to spend the money.

Please understand the importance of incorporating. If you run your business as a sole proprietor you DO NOT have enough protection. You might have insurance, but if something was to happen and the damages EXCEEDED your insurance coverage, you could be held personally liable, and your personal assets could be taken. By incorporating your business, you have the protection of the insurance coverage, but you also have the protection of the corporation. Incorporating a business is so important and has become so cost effective because of the internet, that you can set up your corporation within days, for as little as a few hundred dollars.

Consult your CPA and Attorney about the tax benefits, the protection and the credibility provided by being incorporated and do it today!

## TIP 6

NEVER STOP FOCUSING ON GENERATING REVENUE. IT IS MORE IMPORTANT THAN WATCHING EXPENSES.

### GENERATE REVENUE:

It *seems* pretty simple... but this is really important... you have been given wrong advice most of your life. Remember when people said, *“watch the pennies and the dollars will come?”* Hog wash...First and foremost, you need to generate revenue!

Most business owners spend too much time looking at the expenses in their business and too little time looking at how they can grow revenue. You need revenue, income, sales, and you need it bad! Yes, watching the expenses is critical, but if you don't have any revenue, the expenses don't matter.

Revenue rule #1:

Why do I need to focus on generating revenue? Because revenue growth is essential to any business. The idea that most businesses go out of business because they don't have enough startup capital is wrong. Most businesses go out of business because they don't generate enough revenue to keep the doors open. It's really that simple.

## Revenue rule #2:

Stuff happens...be prepared for it. Because “stuff happens”, customers go out of business. Your contact gets fired, your customer loses a key account that is out of your control, whatever this reason, you need to be prepared.

## Revenue rule #3:

Generating revenue is about effort and action— massive action. Once you have determined your “niche”, get a list of potential customers, call them, and ask for their business. Go see your customers in person, build a personal relationship with them, and remind them that you are an expert and because of your expertise, they are better off. Do not think that they ASSUME THIS...you need to remind them often. Do this on a regular basis because you need a pipeline of customers in case something happens.

## Revenue rule #4:

Think about more action. Never stop thinking about how you can do more. More customer contacts, more networking, more relationships.

## TIP 7

GET YOUR TEAM IN PLACE, YOU WILL HAVE A BETTER BUSINESS WITH A BETTER TEAM.

### BUILD A TEAM

You might be saying, this is going to be just me and my truck...driving the open roads with the wind blowing in my hair.

*WRONG!* - You need a team to support your business.

These people are on your team to make you better and they work for you. You will pay them when needed, so make sure that they have your best interest in mind. Here are the players you need to select for your team: Accountant, lawyer, insurance agent and finance partner.

Think of it like a 4-legged stool.

1. Accountant:

It's your duty to pay your taxes, but not a penny more than you should. Therefore, you need a good accountant to help manage your income, expenses, profits, and taxes. Find a good accountant, talk to him every month, and keep good books.

2. Insurance Agent:

Your insurance be an expert in your industry because he/she should be making recommendations to PROTECT YOU. It's not fun to pay for Insurance each month, but it's vital if something happens. Make sure you have enough coverage so that your assets are protected in case something happens. \$1,000,000 should be the minimum starting amount.

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3. Lawyer:

Everybody hates lawyers until they need one, and when you need one, you don't want to start doing a google search. Get a good lawyer lined up so that if something happens (hopefully nothing will), you can call him/her and they already know you, and your business and is ready to help you.

4. Finance partner:

Build a relationship with your banker or a company like CFF BEFORE you need them. If you land a new contract, you want to be able to buy more equipment quickly. If something happens to your equipment, you want to know who to call right away.

A good rule of thumb is to have speak with your team once a quarter. Whether you need them or not, make the call to them every quarter and give your team your update!

## TIP 8

### DON'T INTERMINGLE BUSINESS AND PERSONAL MONEY!

#### CREATE SEPARATE BANK ACCOUNTS

Right now, at this very moment...stop intermingling business and personal funds. Set up a separate bank account specifically for your business and DO IT TODAY!

At CFF, we see it all the time, bank statements from a potential client with school tuition, birthday parties, clothing stores, etc. on them. This is not what your finance company, your banker or the IRS wants to see. Make the commitment today to treat your business money and your personal money separate.

You will want a bank account to be in the name of your corporation, and you will want all deposits (revenue) and withdrawals (expenses) to be made through this account. Make sure the people or companies that you haul for have the proper account information for this account so that your deposits can be made electronically. Think about having your expenses automatically deducted from this account each month too. This can allow you to focus on generating revenue first and watching the expenses second.

These accounts should have minimal (if any) monthly fees, excellent online tools and internet access so that you can look at them often and from anywhere.

## TIP 9

START AND FUND A REPAIR AND MAINTENANCE ACCOUNT TODAY!

### CREATE A REPAIR AND MAINTENANCE ACCOUNT

Now that you have separate bank accounts for business and personal expenses, let's go one step further and set up a separate account to handle repair and maintenance.

As we have discussed, stuff will happen...and it always happens when you least expect it. You will want a few bucks set aside so when breakdowns occur, you will be ready and you can get the truck fixed quickly. Once fixed, you can once again...GENERATE REVENUE!

We recommend putting aside \$500 a month min. and build it up from there. Don't touch this account unless it is for scheduled maintenance, repairs, or breakdowns. Don't treat it as a vacation account, or secret stash. It is to be used to keep your equipment in top working order and to get your equipment back on the road quickly. Also, think about signing up with a reputable roadside assistance provider.

#### Why is this so important?

1. So that you can keep the truck working and the revenue coming in!
2. You will sleep better at night knowing that you have this account in place and funded.

## TIP 10

” THE FISH GROWS TO THE SIZE OF THE TANK”, PUT YOURSELF, YOUR BUSINESS, AND YOUR FAMILY IN A BIGGER TANK.

Think about expansion—Think big...from day 1.

Once you have your knowledge, your niche, your equipment, your team, and your revenue stream...it's time to start thinking about expansion. The transportation industry can be “*systematized*” and doesn't have to be run by the seat of your pants. You CAN hire quality people, get financing for more equipment, and find more customers. You just have to dream it first, then build your system so that you can do it over and over again.

You must think big, bigger than you originally thought. You will be uncomfortable at first, but if your business has been set up properly, and the effort is there, it will work for you. A great book on this topic is “The 10X Rule” by Grant Cardone.

Being bigger can be scary, and it will require you to be a business owner. But that's what this booklet is all about, being better at your business.

## BONUS TIP

LEARN FROM OTHERS- BE A READER OR LISTENER OF GOOD BOOKS THAT BENEFIT YOU AND YOUR BUSINESS!

### Learn from others

It has been reported that the average American reads 1 book per year, but the average CEO reads 60 books per year. Who do you think will do better in business? Make a commitment to yourself to learn about business from others. Here are a few suggestions of good reading or audio book material to make you a better business owner.

### RECOMMENDED READING OR LISTENING MATERIAL

1. Online subscription to Transport Topics Magazine
2. "The E-Myth" — Michael Gerber
3. "The 10X Rule" — Grant Cardone
4. "Swim with the Sharks Without Being Eaten Alive" — Harvey Mackay
5. "How to Win at the Sport of Business" — Mark Cuban
6. "Purple Cow" — Seth Godin
7. "Good to Great" — Jim Collins
8. "Mastering the Rockefeller Habits" — Verne Harnish
9. "The 7 Habits of Highly Effective People" — Stephen Covey

## BUDGET BUILDER WORKSHEET

Question:

Amount:

- |   |   |              |
|---|---|--------------|
| 1 | How much revenue will this equipment generate each month? ( <i>You want this number to be above \$15000 per month</i> ) | \$ _____     |
| 2 | How much is your monthly payment?   |              |
| 3 | How much will my driver cost?   | - (\$ _____) |
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| 5 | How much will fuel cost?  | - (\$ _____) |
| 6 | How much will repair and maintenance cost?  | - (\$ _____) |
|   | Approx. Monthly Profit  | \$ _____     |
|   | x 12 Months   | \$ _____     |
- 

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| 6 | How much will repair and maintenance cost?  | - (\$ _____) |
|   | Approx. Monthly Profit  | \$ _____     |
|   | x 12 Months   | \$ _____     |

## REFERENCE GUIDE

### Incorporate your business:

[www.Legalzoom.com](http://www.Legalzoom.com)

[www.incorporate.com](http://www.incorporate.com)

### Equipment Financing:

[www.cffnationwide.com](http://www.cffnationwide.com)

### Find equipment for sale

Work with your local dealer

[www.truckpaper.com](http://www.truckpaper.com)

[www.equippost.com](http://www.equippost.com)

[www.commercialtrucktrader.com](http://www.commercialtrucktrader.com)

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*"This booklet is MAGIC, everyone in transportation in america needs to read this. It could generate thousands of dollars in new revenue and save you thousands in costly mistakes and headaches.*

*Commit today to running a better business, this booklet will get you there!"*

NEED FINANCING?  
CALL TODAY  
**972.247.8447**  
[WWW.CFFNATIONWIDE.COM](http://WWW.CFFNATIONWIDE.COM)

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