

Being an Owner-driver

If you decide to be an owner-driver, you will need to make a lot of decisions on how to run your business. Following are some of the questions you may wish to ask yourself. It is important to note that these are general questions and you need to assess if they apply to your own situation.

What sort of work do you want to do?

Here are some basic questions you might ask yourself:

- Do you want to do low loader work – with oversize loads?
- Do you want to drive a prime mover?
- Do you want a B-double or road train combination?
- Do you want to drive long distances or stay in the metropolitan area?
- Do you want to take on interstate work?

What do you want to get out of running your own business?

There are some costs that you won't be able to control – eg your truck payments, the cost of licences and permits, the cost of insurance and the cost of fuel. All of these will affect the profit you'll make from the work you do. But there are a number of ways that you will be able to reduce your costs – if you want to.

How many hours are you prepared to work?

You may increase your income if you work more hours, by taking on more work. You'll also maintain a better cost-per-kilometre rate the more kilometres you do.

However, extra hours should not be at the expense of safety. You should ensure that all operations stay within the fatigue management regulations and you achieve the necessary rest requirements.

Note that with extra kilometres, your truck will need servicing more often and will reach the end of its life sooner.

Are you going to do your own servicing?

Do you have the experience to carry out your own servicing? Having your vehicle regularly serviced reduces the likelihood of breakdowns and unscheduled downtime, and increases safety on the road. If you don't have the necessary experience or qualifications to service the vehicle yourself, it may be best left to a qualified mechanic. Servicing the vehicle yourself may also take up a lot of your leisure time.

What do you need to consider when deciding what to pay yourself?

After you have decided what your business expenses are likely to be, you will need to determine the amount you will pay yourself as wages or drawings depending on whether you work as a sole trader or for your own proprietary (pty) company.

It is also important to set aside money for major repairs and vehicle replacement.

Have you got what it takes?

The difference between being an employee and being an owner-driver is not just a matter of who pays the bills. To succeed, you must:

- be a self starter;
- be prepared to work hard;
- be prepared to set goals;
- be comfortable with business negotiations;
- be good at dealing with customers and providing them with good service;
- be good at promoting yourself and your business;
- be a good organiser;
- be able to deal with the ups and downs of owning a business;
- be willing to learn;
- understand the business you are in;
- be willing to keep up with what's happening in the industry and with your customers and to change the way you do things when necessary; and
- be able to work within the law, staying within fatigue management standards and other regulatory provisions.

Here are some ways of learning about the business you are taking on:

- Draw on previous experience in a similar business.
- Visit the Small Business Development Corporation.
- Speak to a professional accountant or bank manager.
- Your trade association is a good source of information.
- You'll get the inside story by talking to other successful owner-drivers.
- Talk to potential customers and suppliers and ask for their opinions and ideas.
- Subscribe to industry publications.

Plan ahead

Don't make the decision to become an owner-driver in a hurry. Work towards your plan and build up your cash reserves so that when you go out on your own, you won't have to borrow so much and you'll be better prepared to deal with the unexpected.