

5 WAYS TO IMPROVE **FREIGHT WORKING CAPITAL**

A GUIDE CREATED BY:
TBS FACTORING SERVICE

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With more than 50 years of experience serving motor carriers, [TBS Factoring Service](#) makes trucking easier with technology and services to help drivers get established, stay compliant, find loads and get paid faster. Founded in 2004, TBS Factoring serves thousands of clients nationwide with simple and flexible cash flow solutions.

TBS Factoring anchors a one-stop shop for independent trucking services that also includes [Truckers Bookkeeping Service](#), formed in 1968 to provide independent truckers with permitting, DOT compliance and fuel tax reporting services, and [TBS Insurance Agency](#), founded in 1998 to provide truck insurance nationwide. In 2013, [TBS Capital Funding](#) joined the TBS Family, expanding our service offering to include general factoring. In 2017, [Foxhole Logistics](#) was formed to serve federal, state and local agencies with disaster response solutions.

Based in Oklahoma City and voted one of the best places to work in Oklahoma, the TBS family of companies is driving change for small businesses with its commitment to digital transformation.



LET'S BE FRIENDS





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5 WAYS TO IMPROVE FREIGHT WORKING CAPITAL

Trucking can be a rewarding career, due to the lure of the open road and the ability to be your own boss. But as with any business, you have to make money — and manage it wisely — to reap the rewards.

Plenty of available freight is available at competitive rates, but fixed costs (such as tractor and trailer payments, insurance, fuel taxes and permits), plus variable costs (such as fuel, meals, lodging, telephone, tolls, gate fees, tires, taxes, loading/unloading lumper fees, laundry, showers and maintenance), keep coming. Cash flow is king of the road, so here are five ways to improve your working capital.



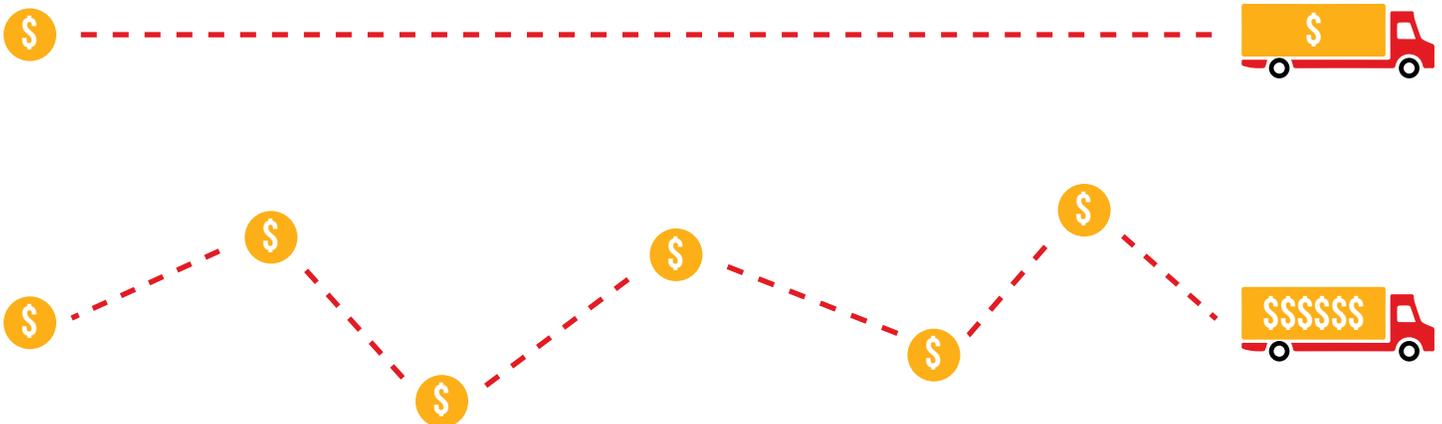
CHAPTER #1

STRING TOGETHER SHORTER HAULS THAT PAY BETTER

While the Bandit and Snowman made hauling a load of beer from Texarkana to Georgia look like great fun (and quite lucrative) in the 1977 movie “Smokey and the Bandit,” today’s successful trucker checks electronic load boards online or works with a dispatch service to find shorter hauls to string together for a higher per-mile average rate.

Load board, most notably truckstop.com, and DAT’s TruckerEdge, provide information about short and back hauls, and many have features that allow you to set parameters and get alerts when a posted load meets your criteria.

Once you find a series of short loads – coming and going – negotiate to be the regular, go-to driver for that route, which will provide stability to your schedule and predictability to your cash flow.



CHAPTER #2

FUEL UP THOUGHTFULLY

If you pay for fuel with a credit card, you'll pay a premium price. At the very least you should definitely be taking advantage of mobile fuel pricing apps, such as TBS's FuelFinder. Many factoring companies also offer fuel cards with volume discounts at the pump, and advance you cash on the card. TBS Factoring Service, for example, will advance up to 50 percent toward the purchase of fuel on any load it factors. The factor can put money on the fuel card regardless of bank holidays, meaning truckers and trucking companies no longer have to be in a bind over a weekend due to a lack of funds for fuel.

Here's how it works: Drivers need only to sign an Advance Program Agreement and fax an advance request to TBS with a copy of the rate sheet and bill of lading. Upon approval, TBS will put the advance on either your FTS/EFS or Comdata® fuel card. For Saturday fuel advances, requests can be faxed or emailed between 8 a.m. and noon.

TBS's upgraded fuel advance program also has been streamlined for faster processing and funding. Drivers can receive a discount by sending advance paperwork via a dedicated fax number, email address or trip document scanning inbox.

With some plans, you can also pull cash off your fuel card at truck stops, and manage features online, such as setting spending limits on the cards for multiple drivers.

Also pay attention to where you fuel up. When it comes time to pay your IFTA fuel taxes quarterly, some states assess more than others. Rates often change, so check iftach.org for information.



CHAPTER #3

ENHANCE CASH FLOW WITH FREIGHT FACTORING

Factoring allows you to turn your freight bills into cash, for a nominal fee, rather than waiting 30 to 60 days to collect. Factors can purchase the invoice only (non-recourse factoring) or purchase both the invoice and the payment risk (recourse factoring) for a slightly higher fee.

Since credit cards often give you 30 days to pay, some truckers turn to them for financing. They quickly find out, however, that they may not qualify for a high enough limit, and the high interest rates of many credit cards can quickly lead to trouble if large purchases or cash advances can't be repaid quickly.

Bank loans or lines of credit are viable options for financing your trucking business, but once again, new start-ups may find this type of financing hard to find, and the Small Business Administration (SBA) recommends changing personally-secured lines of credit to business lines of credit as soon as possible.

Unpredictable cash flow can derail the strongest of companies, and independent truckers are especially susceptible, if you don't plan your work and work your plan.

CHAPTER #4

KEEP YOUR RIG ROLLING WITH PREVENTATIVE MAINTENANCE

If your truck is held together with spit and baling wire, incessant repairs will deplete your wallet quickly. But maintenance performed regularly, while the equipment is still working, will lessen the likelihood of it failing and prevent unexpected breakdowns. The following components should be inspected and kept in excellent condition, and you should always buy good quality fuel.

ENGINE – should be properly tuned and serviced.

LIGHTS – adjust headlights and ensure all lights work properly.

FILTERS – change when necessary.

AIR – inspect air system for proper operation and drain water.

FLUIDS – fill to recommended levels.

TIRES – check air pressure, tread wear and chains.

OIL – use proper grade and viscosity for weather conditions.

EXHAUST – check seals for leaks or holes.

COOLING SYSTEM – inspect belts, hoses, clamps, caps, fans, shrouds and clutches; replace as needed.

BRAKES – ensure proper braking of each wheel, and check anti-lock brake system.

FUEL – maintain fuel filters and drain tanks and separators of water and sediment.

WINDSHIELDS – inspect wipers, washers, heaters and defrosters to allow clear vision.

BATTERIES – test charge and inspect for cleanliness and damage.

LUBRICATION – use the right lubricant to reduce friction, prevent wear and minimize corrosion.

ELECTRICAL SYSTEM – check alternator, starter and wires for condition and operation.

CLEANLINESS – removing dirt and de-icing agents help prevent corrosive damage.

CHAPTER #5

STAY IN COMPLIANCE

In order to keep our roadways safe, your on-road safety performance is measured using data from roadside inspections against the BASIC (Behavior Analysis and Safety Improvement Categories.) These are:

UNSAFE DRIVING

HOURS OF SERVICE (fatigued driving)

DRIVER FITNESS (CDL and medical)

CONTROLLED SUBSTANCES (drugs/alcohol)

VEHICLE MAINTENANCE (cargo handling, HAZMAT and crashes)

Your measurement for each BASIC depends on your number of violations and their severity, as well as how recent the violations were.

Always request a CVSA sticker on a “No Violations” – Level 1 inspection. If the inspector is certified, they can provide a sticker that is valid for the current quarter. Be sure your truck, trailer and logs are in good condition because “OOS” (out of service) can mean “out of business.”

There is tremendous focus on distracted driving as a contributor to truck crashes, and commercial drivers are required to use hands-free cell phone technology. The device you utilize must allow drivers to make or answer calls with a single touch. Any accidents, regardless of cause, can potentially result in a DOT intervention and could subsequently put a driver out of business. No call, text or tweet is worth losing your livelihood.

Repeat on-the-road violations can result in a FMCSA intervention in the form of an on-site DOT audit, letter of intent to revoke a motor carrier’s operating authority and much more. Call the experts regarding any letter you receive from FMCSA. Ignoring a letter from FMCSA is costly in many ways.

Parking is also a nationwide concern. Be sure to check the route ahead for adequate parking opportunities to avoid going over hours, ensure adequate rest and prevent unnecessary stress and driver fatigue.

To enjoy your trucking career and the time you spend on the road, it is necessary to have the working capital available to take care of fixed and variable expenses, both in the long and short terms. By staying in compliance, keeping your rig maintained, factoring your freight loads, fueling in the right places with the right discounts and stringing together shorter hauls that pay better, you’ll find that during those hours spent resting up to prevent driver fatigue, you’ll sleep like a baby knowing you’ve got all your bases covered.

THE MONEY BEHIND YOUR MOTION

TBS Factoring Service will fuel your cash flow ... upfront and fast! Our most popular program offers a low non-recourse flat rate discount.

Fuel Advances are available on any load we factor.

VISIT
TBSFACTORING.COM



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LOWEST RATES

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- Free Credit Checks
- Easy Application
- Fuel Advances
- Fuel Card
- Free Authority
- Permits
- Insurance Down Payment Assistance

OTHER PROGRAMS AVAILABLE



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