



HOW TO WRITE A BUSINESS PLAN

FOR YOUR TRUCKING COMPANY



1

Section One:
Getting Started With
Your Trucking Company
Business Plan

2

Section Two:
Trucking Company
Executive Summary
& Mission Statement

3

Section Three:
Trucking Company
Business Plan
Financials

TABLE OF CONTENTS



HOW TO WRITE A BUSINESS PLAN FOR YOUR TRUCKING COMPANY

| | |
|--------------------|---|
| ▲ Whitepaper Intro | 1 |
| ▲ Section One | 2 |
| ▲ Section Two | 5 |
| ▲ Section Three | 6 |



BUSINESS PLAN QUESTIONNAIRE

| | |
|--------------------------|----|
| ▲ Questionnaire Template | 10 |
|--------------------------|----|



BUSINESS PLAN QUESTIONNAIRE EXAMPLE

| | |
|-------------------------|----|
| ▲ Questionnaire Example | 12 |
|-------------------------|----|



BUSINESS PLAN EXECUTIVE SUMMARY

| | |
|---------------------|----|
| ▲ Executive Summary | 14 |
| ▲ Exhibit A | 20 |
| ▲ Exhibit B | 21 |

How to Write a Business Plan for Your Trucking Company

Have you always wanted to own a trucking company and become your own boss, but you don't know the first thing about starting a business? We can help you! We'll explain the elements commonly found in a traditional business plan, give examples to help complete it, and take a deep dive into planning for your trucking company's finances.

YOU MIGHT BE ASKING YOURSELF:

Why do I need a business plan?

A business plan is vital for long-term success. According to Avondale [researchers](#), only 15% of newly formed trucking companies make it to their second year of operation. But creating a business plan helps you pinpoint potential pitfalls before they happen. There are many steps involved with running a trucking company and it can be challenging to keep track of them all. Writing out a business plan puts your thoughts to paper so that you can revisit, revise, and re-evaluate them later.

“

A BUSINESS PLAN IS VITAL FOR LONG-TERM SUCCESS.

What is a business plan?

A business plan is exactly what it sounds like, it's a plan for your business's future. It's a way to think through how you want to run your business and come up with strategies for how to be successful.

How do I begin writing my trucking company's business plan?

Great question! Now that you know why creating a business plan is important, you can start writing yours. But where do you start? It's important to think through or even brainstorm these business components first.

- 1 | What types of services will you provide?
- 2 | Who will you hire?
- 3 | What products/services will you need?
- 4 | What will be your competitive edge?
- 5 | What does your industry sector look like?
- 6 | Where will you find customers?

- 7 | What do you know about your competitors?
- 8 | What are your main goals?
- 9 | What is your short-term growth plan?
- 10 | What is your long-term growth plan?
- 11 | What will your expenses be?
- 12 | Think about your revenue.
What will it take to make a profit?

SECTION ONE

Getting Started with Your Trucking Company Business Plan

We've included a *Business Plan Questionnaire* template (page 10). Please follow along answering each of these brainstorming questions as we go through them below.

What types of services will you provide?

Before you start your trucking company, you need to decide what types of services your trucking company will provide. Will you haul freight interstate or intrastate? Will you run long haul, over-the-road, or stay in a specific geographic region? Think about what freight types you want to haul and the equipment needed to haul them. Will you be hauling truck-load (TL) or less-than-truckload (LTL)?

Who will you hire?

When you start your trucking company, will it be just you, your truck, and a dream running as an owner-operator? Or do you plan on hiring a driver? Will you have someone to help you with back-office support or provide dispatching services? Determining staffing needs ahead of time is important as it can be a major business expense.

What products/services will you need?

If your trucking company is going to run its own truck, do you plan on financing your truck? If so, you'll need to find an equipment financing company. You'll also need insurance, an electronic logging device (ELD), and a drug and alcohol testing provider. You might also need help for compliance with the Federal Motor Carrier Safety Administration (FMCSA). In addition to these products and services, you might want to use a factoring company or fuel card provider. Familiarize yourself with various products and service providers. We suggest that you get price quotes and read reviews beforehand to help you decide who you want to work with.

FACTORING & FUEL

Freight factoring is all about cash flow. Cash flow keeps a trucking company in business. It's about having funds for fuel, payroll, repairs, and more. Freight factoring is an easy way to manage cash flow for your trucking company. We buy invoices for freight you've already delivered. It's money that is advanced on accounts receivable. Freight factoring keeps the cash flowing so you can keep hauling.

www.apexcapitalcorp.com/factoring/

Diesel fuel costs can take up a big portion of your trucking company's operating expenses. The Apex Fuel Card Program, with help from our fuel card partner TransConnect Services (TCS), is a comprehensive fuel card for trucking companies large or small. Apex clients save an average of 30 cents per gallon with zero transaction fees at in-network fuel locations nationwide.

www.apexcapitalcorp.com/fuel/

What will your competitive edge be?

Newly formed owner-operators can all look the same, but you need to think about what will give you an advantage over your competition. Do you have industry experience proving that you're a reliable and dedicated employee? If you have driving experience, did you operate safely and maintain a good safety record? Use any good references, referrals, or connections to your advantage to find customers and build up a good reputation.

Where will you find customers?

Some trucking company owners have pre-existing relationships with brokers and shippers and use their connections to find business. But most newly formed trucking companies don't know where to start or how to find loads. Many trucking companies use load boards. They're a great place to find freight in the spot-market.

NEXTLOAD

NextLOAD is a product of Apex and is a 100% FREE load board for truckers to find freight when they need it. What are you waiting for? Create your free account today!

www.nextload.com

“

**BUILD A FLEET.
LEAVE A LEGACY.
ACHIEVE RETIREMENT.**

What are your main goals?

Why do you want to start your own trucking company and become your own boss? Do you want to be an owner-operator and get to travel across the country? Do you want to eventually build a fleet and leave behind a legacy for your family? Or do you want to use this business to achieve your retirement goals? Whatever the reason, make sure that you keep it in mind so that the decisions you make align with those goals.

What is your short-term growth plan?

Growing your trucking company in just one or two years is possible, just be sure to put some strategies in place beforehand. We suggest you calculate your break-even point, which helps you understand what freight rates to look for and which loads to haul. You want to make sure the work you're doing is making your trucking company a profit. We will go over how to calculate your break-even point in more detail in section three of this guide. A big part of growing a trucking company is maintaining steady and reliable cash flow. That can be done through factoring your freight bills and using a fuel card to purchase fuel. You can also commit to looking for other ways to cut costs or reduce your monthly expenses.

BREAK-EVEN POINT

Break-even point (BEP) - the point at which the total costs and total revenue are equal. There is no loss but also no gain.

What is your long-term growth plan?

Planning for growth in the future is important. Think about if you want to eventually add trucks or drivers. If you do, you'll have to think about what else comes with that type of growth, things like higher maintenance and payroll costs. Some successful business owners will take a portion of their profits and use it to reinvest back into their company. Saving money for a rainy day helps with unexpected expenses, like maintenance, repairs, and potential cargo claims.

TYPES OF EXPENSES

- 1 Formation Expenses
- 2 Monthly Operating Expenses
- 3 Annual Expenses
- 4 Other One-Time Expenses

What will your expenses be?

Have you ever heard the expression, "you have to spend money to make money"? In the trucking industry that's especially true because you don't get paid until after your job is finished. But you'll have expenses before your job is finished! Fuel, insurance, and equipment are just a few of the common expenses trucking companies have. We will go into more detail about trucking company expenses in section three of this guide.

What will it take to make a profit?

Making a profit can be simplified by this calculation, **REVENUE - EXPENSES = PROFIT** In order to make a profit you need to project your revenue and expenses. We've included instructions to calculate your break-even point and set up an income statement projection later in this guide. Both of those projections will help you build a profitable trucking company.

SECTION TWO

TRUCKING COMPANY EXECUTIVE SUMMARY & MISSION STATEMENT

We've included the *Business Plan Executive Summary* (page 14) template in this guide. Follow along and complete each field using your answers on the *Business Plan Questionnaire* (page 10) as a starting point.

Now that you've thought through how your trucking company will operate, plan for growth, and achieve a profit you're ready for the *Business Plan Executive Summary* included in your guide. It really is that simple! There is one essential part of the business plan that is often overlooked.

Believe it or not developing a mission statement is very important when starting a business. Why? Because it serves as a guide for all the company's future decision-making. It's important to refer to your mission statement to make sure your future business decisions align with your original intentions for your trucking company. That doesn't mean that your mission statement needs to be complicated or eloquent. Mission statements should be simple.

Business Plan | Executive Summary
Apex Startup Program
Business Planning Tools **Apex**

Be clear in describing your business, the services it will provide, your ideal customers, and your business goals. It's best to complete this section last after you have gone through the details you want in the other sections.

Company Name: _____

Services Provided: _____

Domestic: general freight transportation or specialized (breakbulk, liquid transportation, interstate or international, refrigerated, hazardous materials, long-haul or short-haul, intermodal, truck or air, less than truckload, freight services, etc.)

Company Goals: _____

Example: operate 2 to 5 trucks within 2 years with 5 dedicated customers, be my own boss and create my own schedule after opening a profitable company, create a profitable injury for my family, etc.

MISSION STATEMENT TIPS:

1

**Stick to
One Sentence**

2

**Aim for Under
12 Words**

3

Be Specific

Mission Statement Example: Our company is dedicated to safely and efficiently delivering goods to America.

SECTION THREE

Trucking Company Business Plan Financials

In the *Business Plan Executive Summary* (page 14) template, we've included Exhibit A and B. Please follow along and fill out each portion as we go through them below.

The next step in developing your business plan is figuring out your trucking company's finances. This can be projected with an income statement and a break-even analysis.

Income Statement Projection

An income statement, also called a profit and loss (P&L) statement, is the one way to determine your business's net income. It's a comprehensive way to plan for your trucking company's profit that subtracts expenses from revenue. Income statements are usually completed monthly, quarterly, and annually.

When projecting an income statement, you will create an estimate of how much you think your revenue and expenses will be – letting you know your projected net income, too. We've included an income statement projection for you to complete in this whitepaper.



DEFINITIONS:

- ▲ **EXPENSES:** The costs of operating a trucking company.
- ▲ **INCOME STATEMENT:** Also known as Profit and Loss (P & L) Statement – a financial report that lists out your revenue and expenses during a particular period.
- ▲ **NET INCOME:** The amount of money that is left after expenses are taken out.
- ▲ **REVENUE:** The income you receive or the checks that you cash from your customers.

How do you come up with your estimated revenue and expenses? We suggest doing some research and talking to people who've been through it.

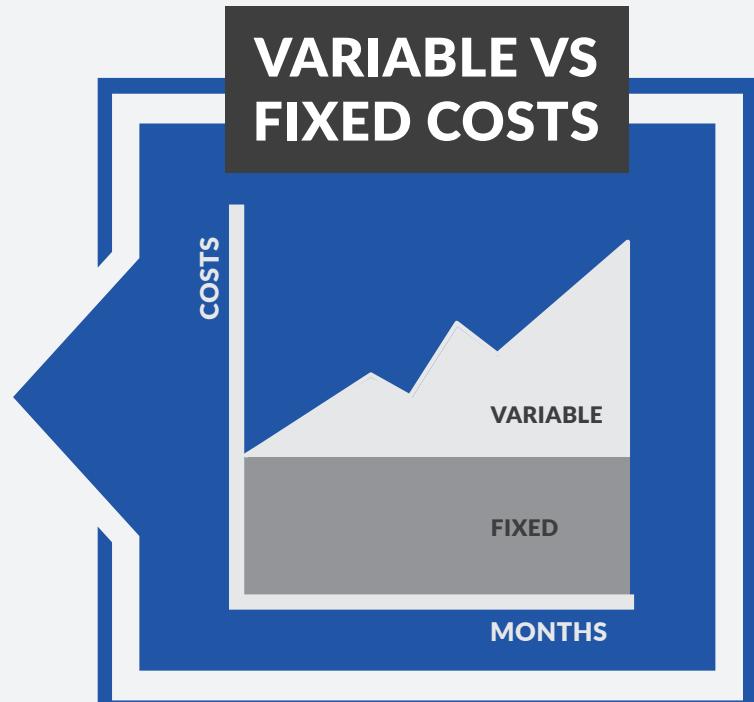
WHEN THINKING ABOUT EXPENSES YOU'LL COME ACROSS TWO DIFFERENT TYPES - VARIABLE AND FIXED.

Fixed Costs:

These are expenses that consistently occur, regardless of how many loads you deliver. Examples include monthly truck payments, monthly insurance payments, and administrative payroll. Annually, you will need to pay for permits or license renewals. These payments are generally the same every pay term so budgeting for these types of expenses can be simple.

Variable Costs:

These are expenses that are connected to how often your company hauls loads. These expenses include fuel, maintenance and repairs, meals, and lodging. After all, you can't make money in the trucking industry without spending some, too! Variable costs can be harder to anticipate when compared to fixed costs. After operating a few months, you should have a better idea of your variable costs.



For more information about the costs of starting a trucking company, read our article at www.apexpalcorp.com/startup/cost-to-start-a-trucking-company

Break-Even Point

Once you have an estimated expense total you can use it to determine your break-even point. Your break-even point tells you how much your trucking company needs to generate in revenue to cover all your expenses. Simply, what your trucking company needs to break even, not making a profit or operating at a loss. It might seem inefficient to calculate what your trucking company needs to break even, but it's a great tool to help you determine how much revenue you need to make in order to be profitable.

Fill out your direct and indirect expenses in Exhibit B of the *Business Plan Executive Summary* (page 21) and you will be able to determine your break-even revenue.

The next projection you'll want to know is your target rate-per-mile. Your target rate-per-mile is an estimate of how much revenue you want to earn per-mile. Knowing your target rate-per-mile helps you identify which loads to haul and the rates that will bring your trucking company a profit.

To find your target rate-per-mile you'll estimate your desired monthly profits and divide that by the number of miles you'll drive in a month.

DIRECT & INDIRECT EXPENSES

- ▲ **DIRECT EXPENSES:** The costs that come from operating a trucking company that relate to the production of a good or provision of a service. An example of a direct expense for your trucking company would be fuel and payroll.
- ▲ **INDIRECT EXPENSES:** The costs that come from operating a trucking company but are not directly related to a product or service. An example of an indirect expense for your trucking company would be office expenses and business permits.

DETERMINING YOUR DESIRED MONTHLY PROFITS:

- ▲ Use your break-even point to help you find your desired monthly profits. We suggest you start with 10-15% above your break-even point.

WHAT'S NEXT?

Getting Started with Your Trucking Company Business Plan

If you've followed along with us, filling out both templates – congratulations! You should have a completed business plan for your trucking company. But what's next? The next step is for you to move forward with starting your trucking company. We can help! The Apex Startup Program helps you with the formation filings and registrations for your trucking company. Using a startup company provides you with more time and resources to plan for other business needs, such as getting equipment, insurance, an ELD, potential employees, and more.

If you're worried about operational cash flow after starting your trucking company, we can help with that, too! Factoring your freight bills is the best way to get cash fast so that you can anticipate and budget for expenses.

Watch our How to Write a Business Plan video series:

Part One: https://youtu.be/h_MvqjNfCME

Part Two: <https://youtu.be/8hYUPhbQJro>



855-973-1573

www.apexcapitalcorp.com/wp/business-plan

BUSINESS PLAN QUESTIONNAIRE

Apex Startup Program

Business Planning Tools



What types of services will you provide?

Who will you need to hire?

What products/services will you need?

What will be your competitive edge?

What does your industry sector look like?

Where will you find customers?

What do you know about your competitors?

What are your main goals?

What is your short-term growth plan?

What is your long-term growth plan?

What will your expenses be?

| Expenses | Cost |
|-------------------------------|------|
| Formation | \$ |
| Insurance | \$ |
| IFTA | \$ |
| Equipment | \$ |
| Fuel | \$ |
| Monthly Service Subscriptions | \$ |
| Other | \$ |

Think about your revenue. What will it take to make a profit?

BUSINESS PLAN QUESTIONNAIRE EXAMPLE

Apex Startup Program

Business Planning Tools  Apex.

What types of services will you provide?

- Long haul, over-the-road, freight transport services
- Specific equipment or freight types: reefer, dry van, heavy haul, expedited freight, etc.
- Truck load or less than truckload

Who will you need to hire?

- Owner-Operator (not hiring)
- Driver(s)
- Back office support

What products/services will you need?

- Equipment finance company
- Insurance company
- ELD provider
- Factoring company
- Fuel card provider

What will be your competitive edge?

- Industry experience, reliable, and dedicated
- Great reputation with referrals from past customers/employees
- Good safety scores

What does your industry sector look like?

- Interstate/Intrastate
- Over-the-road
- Spot market

Where will you find customers?

- Load boards for spot-market freight
- Pre-existing relationships
- Dispatch services

What do you know about your competitors?

- Experienced drivers or staff
- Variety of equipment types for all types of freight
- Name recognition

What are your main goals?

- Buy more trucks or trailers
- Leave a legacy for my family
- Build a retirement plan

What is your short-term growth plan?

- Find areas to cut costs
- Find the break-even point
- Own or lease equipment

What is your long-term growth plan?

- Add trucks and drivers
- Use a portion of profits to reinvest back into the business

What will your expenses be?

| Expenses | Cost |
|-------------------------------|------|
| Formation | \$ |
| Insurance | \$ |
| IFTA | \$ |
| Equipment | \$ |
| Fuel | \$ |
| Monthly Service Subscriptions | \$ |
| Other | \$ |

Think about your revenue. What will it take to make a profit?

- I need revenue that is 10 – 20% over my break-even point.

Business Plan | Executive Summary

Apex Startup Program

Business Planning Tools  Apex.

Be clear in describing your business, the services it will provide, your ideal customers, and your business goals. It's best to complete this section last after you have gone through the details you want in the other categories.

Company Name:

Services Provided:

Examples: general freight transportation or specialized/hazardous material transportation; interstate or intrastate freight transporting services; long haul or short haul transportation; truck load or less than truckload freight services; etc.

Company Goals:

Examples: operate 2 to 3 trucks within 2 years with 5 dedicated customers; be my own boss and create my own schedule while operating a profitable company; create a profitable legacy for my family; etc.

Business Plan Executive Summary | Apex Startup Program

Company Description

Define your business model by identifying key personnel, details about services offered, differentiating qualities, as well as a mission statement.

Mission Statement

Mission Statement:

Examples: our company believes in providing efficient, professional services in a safe way; etc.

Key Personnel and their Roles:

Examples: owners, managers, drivers, administrative roles, contractors, etc.; specifically identify these individuals as yourself, family members, employees, etc.

Differentiating Qualities of Services:

Examples: safety, reliability, efficiency, experience, industry knowledge, customer service, value added services, etc.

Business Plan Executive Summary | Apex Startup Program

Company Strategy

Describe your industry, customers, and strategic partners while giving a competitive, regulatory, and growth analysis.

Industry Description:

Examples: interstate long-haul general freight transportation in the 48 continental United States; intrastate aggregate truckload transportation within specific region of specific state; etc.

Customer Description:

Examples: brokers and/or shippers; large companies or small companies; customers found in the spot market or load boards; dedicated freight from specific customers or connections; industry specific customers; etc.

Competitor Description:

Examples: other freight transportation companies similar to mine; larger or smaller companies; companies that are more or less established; companies with more or less experience; companies with more or less industry knowledge; companies with more or less backup support; etc.

Business Plan Executive Summary | Apex Startup Program

Strategic Partners:

Examples: factoring company, fuel card company, specific customers, etc.

Competitive Advantage:

Examples: safety, reliability, efficiency, timeliness, loyalty, etc.

Applicable Regulation:

Examples: Federal Motor Carrier Safety Administration, state level transportation regulators, state level business regulators, etc.

Business Plan Executive Summary | Apex Startup Program

Growth Plan:

Examples: slow growth for first 2 years; slow growth but add 1 truck after first year in operation; etc.

Financials

Determine how your business will meet financial obligations and maintain positive cash flow. Use the attached Exhibits for detailed financial projections.

| | |
|----------------------------------|------------------------------------|
| Variable Expenses: Direct | Variable Expenses: Indirect |
| Total Variable Expenses: | |

Examples: fuel, factoring, IFTA taxes, certain types of permits, etc.

Business Plan Executive Summary | Apex Startup Program

| Fixed Expenses: Direct | Fixed Expenses: Indirect |
|------------------------------|--------------------------|
| Total Fixed Expenses: | |

Examples: insurance, monthly service subscriptions, equipment payments, salaries, annual licenses, etc.

Breakeven Revenue Calculation:

Total Fixed Expenses: \$ _____

$$\frac{(\text{Total Fixed Expenses: } \$ \text{ _____} + \text{Total Variable Expenses: } \$ \text{ _____})}{1 - \frac{100}{\text{Contribution Margin Ratio}}} = \$ \text{ _____}$$

*Breakeven
Revenue
Total*

EXHIBIT A: INCOME STATEMENT PROJECTION

Projecting your first year's income statement helps you to see your company's bottom line. This can be modified to be used on a monthly basis or annual basis.

Note: This is a non-exhaustive list of revenue and expenses intended for a startup trucking company operating 1 truck. It should be used for planning purposes only. Additional categories may apply depending on a variety of factors.

| Revenue | |
|----------------------|--|
| Total Revenue | |
| Gross Revenue | |

| Operating Expenses | |
|----------------------------|-----------------------------------|
| Registration Expenses | Entity Formation |
| | Authority Filing |
| | BOC-3 Filing |
| | UCR Filing |
| | IRP Plate Registration |
| | Other Permitting |
| Office & Employee Expenses | Salaries |
| | Wages |
| | Office Overhead |
| | Office Supplies |
| Operational Expenses | Fuel |
| | Insurance |
| | Scheduled Maintenance |
| | Repairs |
| | Tires |
| | IFTA Taxes |
| | 2290 Taxes |
| Partner Service Expenses | Equipment Payments/Lease Payments |
| | ELD Services |
| | Factoring Services |
| | Load Board Subscriptions |
| | Drug Testing |
| Other Expenses Not Listed | Other Compliance Related Services |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | Total Expenses |

| Net Income | |
|--|--|
| Net Income Before Taxes | |
| Taxes: use appropriate rates (state and federal) | |
| Net Income After Taxes | |

EXHIBIT B: BREAK EVEN ANALYSIS

Projecting your break even analysis gives you a good idea of the point at which your company may make a profit. The break even revenue total is what your company will need to generate in revenue to cover all of its expenses.

Note: This is a non-exhaustive list of expenses intended for a startup trucking company operating 1 truck. It should be used for planning purposes only. Additional categories may apply depending on a variety of factors. Although most of the expenses listed are identified as either fixed or variable, these designations may also change depending on a variety of factors.

| Direct Expenses | | |
|--|-------|----------|
| | Fixed | Variable |
| Wages | | |
| Office Supplies | | |
| Fuel | | |
| Repairs | | |
| Tires | | |
| IFTA Taxes | | |
| Factoring Services | | |
| | | |
| | | |
| | | |
| Direct Expense Totals: | | |
| Indirect Expenses | | |
| | Fixed | Variable |
| Entity Formation | | |
| Authority Filing | | |
| BOC-3 Filing | | |
| UCR Filing | | |
| IRP Plate Registration | | |
| Other Permitting | | |
| Salaries | | |
| Office Overhead | | |
| Insurance | | |
| Scheduled Maintenance | | |
| 2290 Taxes | | |
| Equipment Payments/Lease Payments | | |
| ELD Services | | |
| Load Board Subscriptions | | |
| Drug Testing | | |
| Other Compliance Related Services | | |
| | | |
| | | |
| Indirect Expense Totals: | | |
| | Fixed | Variable |
| Total Direct and Indirect Expenses: | | |

BREAK EVEN REVENUE:

\$ _____ = Total Fixed Expenses / (1-Total Variable Expenses/100)