



How to Create a Trucking Business Plan

Discover everything you need to know to start your business on the right foot.



Introduction

Ready to start a trucking business? In addition to navigating the legal requirements imposed by the government, you'll need to create a detailed trucking business plan before finding clients. Not only can a solid business plan set the stage for a profitable business, but it can also convince potential partners or investors you will take your business from an idea to a success.

Without a trucking business plan, you won't be able to receive the money you need to get your business off the ground, as everyone from banks offering truck loans to investors looking for companies that will become successful down the line will want to see that you have a clear path forward.

Luckily, you don't need to write up a 50-page business plan. A single page or a simple 10-year plan can do the trick — and if you're unsure what goes into a business plan, don't worry! We'll go over everything you need to know to create a trucking business plan.



What you need to do before creating a business plan



- **Earn your commercial driver's license (CDL):** Attend a private driving school or enter a training program with a trucking company to gain experience and earn your CDL. The [FMCSA also helps military members obtain their CDL](#), meaning transitioning from troops to trucks will be simple.
- **Determine your business structure:** Business structure options include sole proprietorships, partnerships, limited liability companies (LLCs), and corporations.
- **Get your Employee ID Number (EIN):** The IRS will use this nine-digit number for identification and taxation purposes.
- **Set up an International Fuel Tax Agreement (IFTA) account:** This account will normalize fuel taxes in all states and Canadian provinces.
- **Get insurance:** The FMCSA requires carriers to have \$750,000 in primary liability insurance and \$5,000 per vehicle and \$10,000 per occurrence in cargo insurance at a minimum.
- **Get your DOT number:** To receive your [DOT number](#) from the U.S. Department of Transportation, you'll need to provide information on your operating locations, number of trucks, and more.
- **Apply for a Motor Carrier (MC) number:** Once you have your MC number from the FMCSA, you'll be allowed to haul loads in interstate commerce and deliver hazardous materials.
- **File your BOC-3 form:** This will give you a legal presence in states where you do business and enable the public to reach you for legal matters. You'll need to specify a process agent to file the BOC-3 form on your behalf.
- **File a Unified Carrier Registration (UCR) application:** If you're involved in interstate commerce, you'll need to pay an annual [UCR registration](#) fee based on your fleet's size.

What to include in a trucking business plan



Steps for writing a business plan

Writing a business plan can seem daunting, especially if you've never made one, but it's not as difficult as it sounds. Most business plans have the same components, so you just need to create one that accurately reflects your specific business. Tailor the following elements to your company:

1 The executive summary

The executive summary is the first thing readers will see, so you want to impress them. Include a description of your company and its mission, financial information, offerings, and growth plans. Get to the point, catch readers' attention, and briefly explain why you're starting a business and how you know it will succeed.

2 An informative company description

Think of this as an About Us section. Dive into the background of your business and who you are. Don't forget to include your business' year of incorporation, the states your business is registered in, and the areas you will operate in.

This is also a good time to outline how your company will differentiate itself from the competition. Maybe you have years of experience in the industry or many connections with those already in the business. Maybe your company will operate in a specific area or deliver specialty freight. Or, perhaps you'll hire the best drivers and back-office staff. Whatever it is, share it with your potential investors and partners.



3 A detailed market analysis

Performing a market analysis now will give you an idea of what to expect and demonstrate to investors that you know the ins and out of the industry, its [trends](#), and market demand. Luckily, you don't have to spend hours sifting through data on your own. Instead, you can turn to [DAT Trendlines](#) to [DAT iQ Live](#) to understand market rates, trends, and seasonality in minutes.

When creating your market analysis, you'll want to include:

- **An industry description and outlook:** To let readers know about the size of the trucking industry, you'll want to include data on how many carriers there are, who the biggest players are, and how much the industry generates annually. Consider the market outlook for the next five to ten years.
- **Your target market:** Who are you targeting? How large or small is your target market?
- **Pricing and margins:** Don't forget to include details on how you'll price your services, how that compares to competitors, and the margins you'll need to operate on to turn a profit.
- **A competitor analysis:** In this part of the plan, you'll want to show potential investors and partners that you know the competition. Include information about your competitors' strengths and weaknesses, their customers, and how you can outperform them.
- **Industry regulations:** The federal government heavily regulates the trucking industry, and you'll need to stay on its good side. That means understanding the rules you'll need to operate under and creating a compliance plan.



4 Your services

Don't forget to think about your services and include them in your business plan. Questions worth considering include:

- What types of freight will you haul?
- Which industries will you serve?
- What will your pricing structure look like?
- How will you meet demand?
- Will you be licensed to transport hazardous materials?
- What problems will you solve for customers?

5 A marketing strategy

You can't build a loyal base of customers if no one knows who you are! To grab people's attention, you must have a robust marketing strategy. Think about who you want to target and determine your marketing budget. Then you can decide how you'll attract attention. Consider pursuing traditional advertising on industry websites or by attending trade shows. You can also consider buying email or phone lists or even creating a strong social media presence to get your name out there!



6 Sales plans

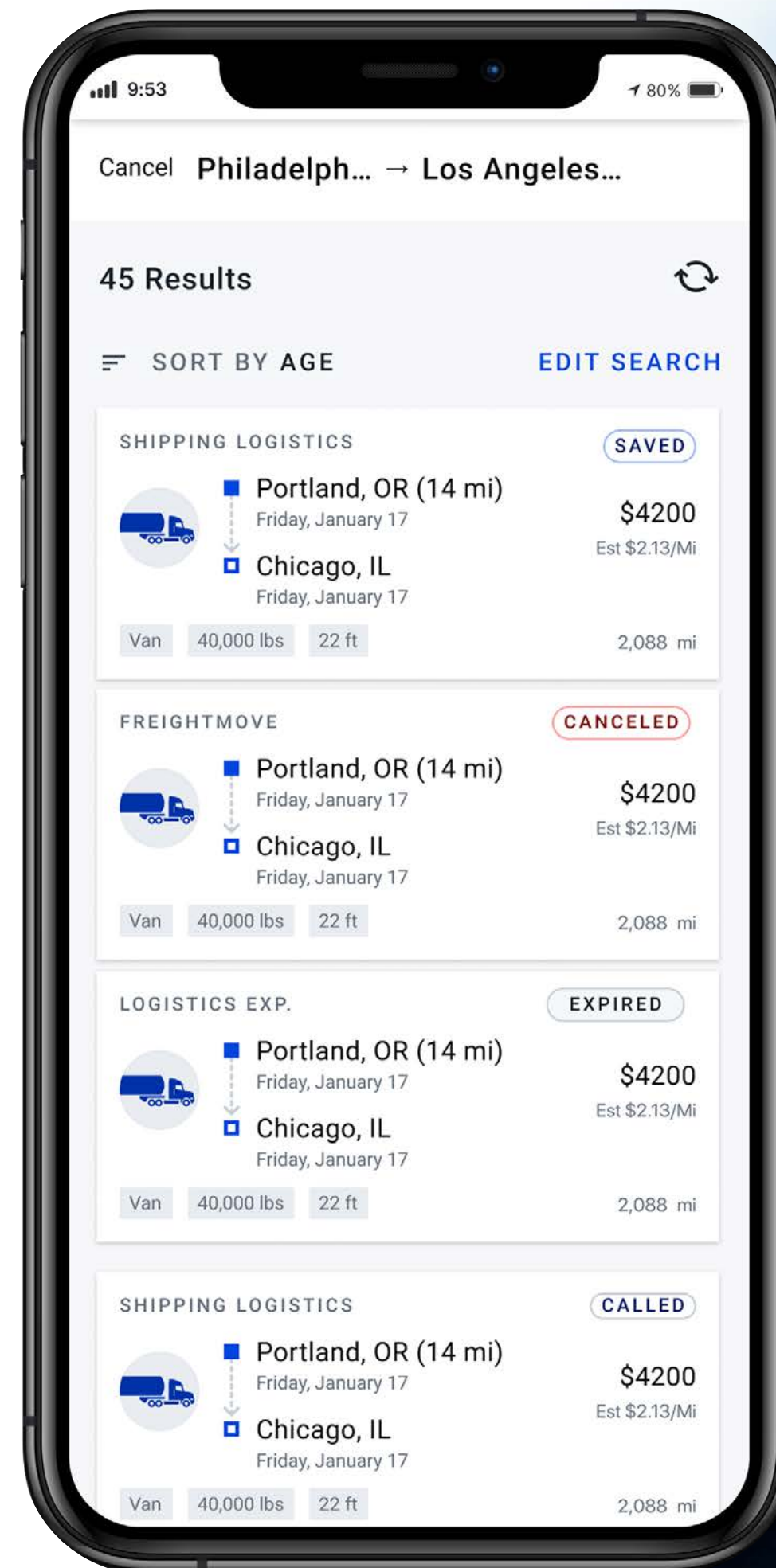
Today's market is crowded, so good marketing isn't enough. You also need a killer sales strategy to seal the deal, so focus on the type of sales operation you want.

Will you hire an internal sales force? If so, dive into how many sales agents you'll employ and their pay structure. If you intend to hire a third party, explore various companies before making a selection. You could even use a [load board](#) as a sales tool for finding broker partners in need of carriers. Either way, explain how you'll find and contact prospects, what sales quotas must be met, and your sales budget.

7 An operational plan

While your company description will cover who is behind the business, your operational plan will go over how everything will work. To start, you'll want to decide which technology and tools you'll use. For example, you might rely on [load boards](#) to find profitable freight, reliable partners, and even to optimize your routes! Other tools to help your business succeed include accounting software, fuel cards, and freight factoring.

You'll also need to think about the critical roles in your company. Will you be the only driver, or will you hire others? Who will handle routing and dispatching? Who will complete back-office tasks? Will you hire dispatchers to help you find the best-paying loads that meet your needs? Will you rely on brokers to serve as matchmakers between you and shippers or manufacturers in searching for a qualified carrier?



8 Management and personnel plans

Your business can't succeed if you don't have the right people, so describe management and personnel in your plan. Discuss your approach to hiring and onboarding, and don't forget to detail how you'll retain employees! With the right people, you can establish your business as a trustworthy partner and eventually grow. After all, shippers and brokers want quality experiences, and you can't provide that if you don't pay close attention to your people from the beginning.

9 Financial projections

Let readers know your company's financial details and ability to meet fiscal targets. Consider including a balance sheet, profit-loss statement, sales forecast, cash flow statement, and break-even analysis.

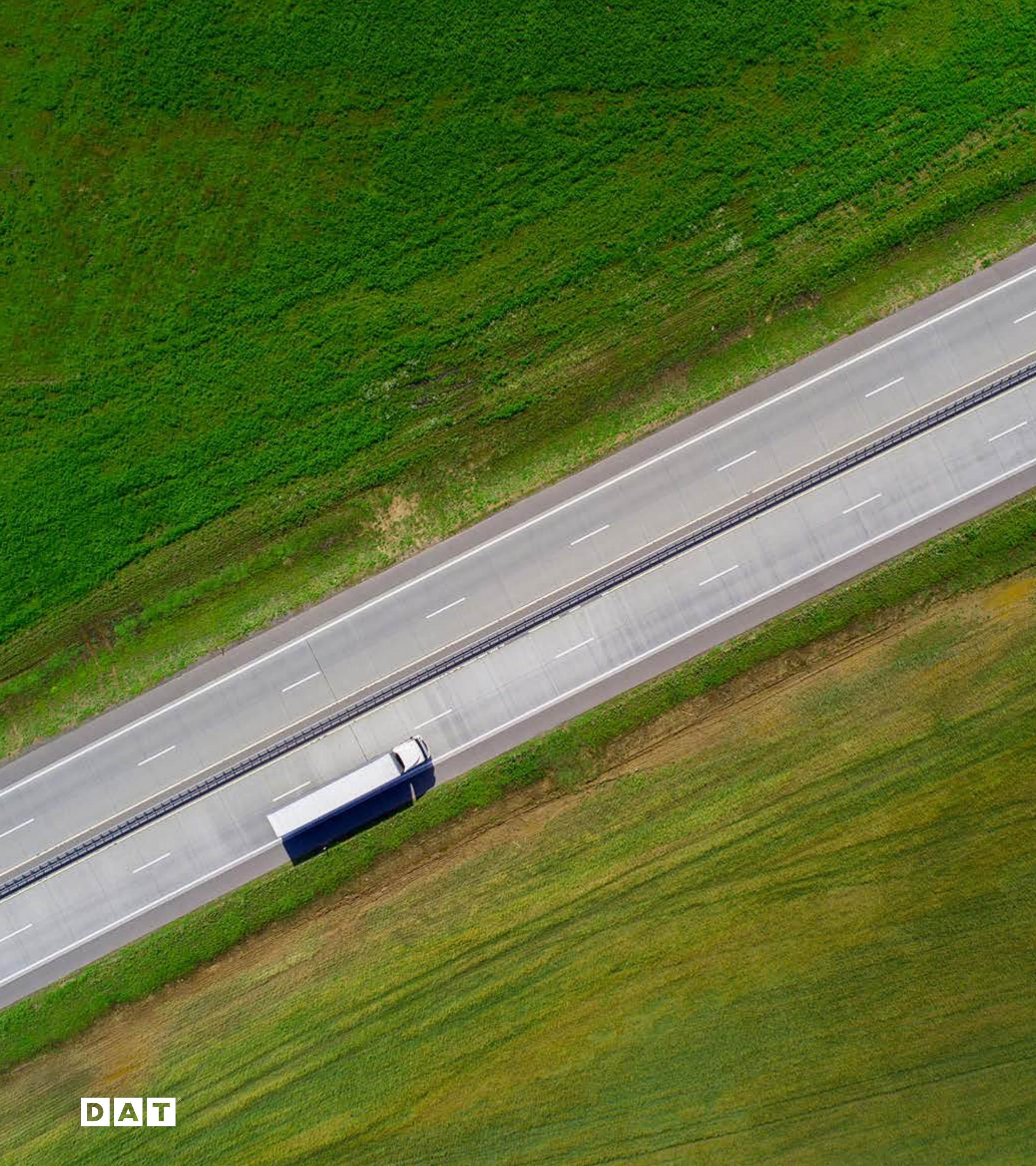
Explore your finances, revenue goals, and financial projections for the next five years to show investors that you have a plan, but don't worry if things change. Nothing is set in stone.

10 Funding request

If you need financial backing to start your business, include a funding request in your plan to let potential investors and partners know what you need to get your business running.

Be specific about how much money you'll need. To calculate it, just subtract the money you currently have to invest in your business from your projected costs. Then let readers know how you'll use the money and consider listing your assets and contributions to show you also have something at stake.

“Your business can't succeed if you don't have the right people”



Get the right tools

A business plan is an essential starting point, but you also need the right tools to bring your company to the next level. That's where [DAT](#) comes in.

With over a million new loads posted daily, the DAT load board makes finding cargo and trustworthy partners easy. DAT also has your back when it comes to turning a larger profit. Not only can you [view current lane rates](#) to see where your trucks are most in demand, but you can also save money through our [fuel card program](#) or work with our [factoring partner](#) to eliminate cash flow gaps.

Want to set your business up for success? [Check out DAT's carrier services](#) today!