

AUTO TRANSPORT BUSINESS STARTUP CHECKLIST

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How To Start A New Car Hauling Company

YES, you've finally made the decision to start a new Auto Transport Business but you can't find all the information you need in one place, right? You're ready to become a Car Hauler and Owner-Operator but nobody's given you a road map or full answer. Well, I wrote this for you.

20 Steps To Become A New Car Hauler

First, I ask that you read all twenty steps before you finish step one - so you are not blind-sided later. Always be thinking about what's coming next, so you can get to step twenty before you run out of time, energy, and most of all, money. Remember: this advice is based on research, experience and feedback. Every new business is a gamble. Verify everything. Assume nothing.

1) CREATE A LONG-TERM STRATEGIC BUSINESS PLAN

a) What Are You Hauling? We all know that an Auto Transport Business moves vehicles, cars, trucks, vans, etc. But how many will you carry at a time? This will determine your Trailer Capacity - and ultimately the size of your truck.

b) Where Are You Hauling? If you plan to haul Intrastate (only within one state) then some steps will differ from Interstate. But no matter what state you plan to call home for your new Auto Transport Business, you will need to become very familiar with Local State Transportation Laws and Business Operating Regulations. Click here to find your state and research the local laws: <https://www.usa.gov/states-and-territories>

c) How Are You Going To Get Your Loads? You must find out what the average load pays in which areas and on which routes you will travel. Then, find out how will you obtain new orders and get paid to move those units. Are you going to rely primarily on Load Boards - or can you get direct access to Brokers, Dealers and individual Customers?

d) What Experience Do You Have? If you have no Truck Driving or mechanical experience, plan out how you are going to get the experience to make car hauling work for you.

e) What Equipment Do You Already Have? Most new car haulers at least start with a used Truck and Trailer. If you are starting from scratch, have plenty of money in your budget.

f) Define Job Roles. If you are the owner, driver, dispatcher, and accountant, then write it down and own it. If not, make that person accountable. Stick to the plan or make changes as needed.

2) GET YOUR MEDICAL CARD

If you can't get a Medical Card, you need to go back to step one. If you can't physically drive, you will need to find a good, reliable driver to make money as an Auto Transport Business. Visit <https://www.fmcsa.dot.gov/medical/driver-medical-requirements/dot-medical-exam-and-commercial-motor-vehicle-certification> to learn how to obtain your new medical card.

3) DEFINE YOUR BUDGET & SET UP YOUR COMPANY

Every business needs working capital and a brand new Auto Transport Business can easily require a \$100,000 initial investment. Whether you're halfway there, you have an investor, you have a partnership, or you're just starting out, consult with your Tax Professional to set up a new company, apply for an Employer Identification Number (EIN), register with the Internal Revenue Service (IRS), and set up a Business Checking Account. Click here to get started: <https://www.irs.gov/businesses/small-businesses-self-employed/apply-for-an-employer-identification-number-ein-online> This is also a good time to look into using QuickBooks Accounting Software <https://quickbooks.intuit.com/>

4) PURCHASING EQUIPMENT, INSURANCE & A WHOLE LOT MORE

Now that you have a company and a business plan, it's time to shop for equipment. Since you are just starting out, we're going to focus on Pickup Trucks vs. Semis as well as 3-4 Car Hauling Trailers instead of a 10-car stinger. Here's a Shopping List (with an average range of cost):

- a) Truck: 3500 dually, price \$40,000-\$50,000
- b) Trailer: 3-4 car capacity, price \$5,000-\$10,000
- c) Insurance: \$1M automobile liability + per vehicle cargo, \$15,000-\$25,000 annually
- d) Fuel: \$1,000/week
- e) Maintenance: \$5,000-\$15,000 annually
- f) Business Expenses: \$1,000 set up
- g) Central Dispatch Load Board: \$1,000 annually

The most difficult item on this list to obtain can be inexpensive Motor Carrier Insurance. Not all Insurance Companies are equal as there are many parameters to consider when choosing coverage. Talk with several insurance agents to discuss what is going to work vs. what's too expensive for your new Auto Transport Business (think \$50K max cargo ins / vehicle).

5) APPLY ONLINE: USDOT & MC AUTHORITY

It's now time for you to get very acquainted with your new boss, the Federal Motor Carrier Safety Administration (FMCSA). Visit <https://www.fmcsa.dot.gov/registration/getting-started>

and closely follow their six "[Steps In The FMCSA Registration Process](#)". Here you will apply for your USDOT Number, your MC Operating Authority, begin following State Registration Requirements and learn more about your new Safety Assurance Program.

Also, if at a later time there are any changes to your basic Auto Transport Business profile information, be sure to update your registration with the FMCSA using the MCS-150 form <https://www.fmcsa.dot.gov/registration/updating-your-registration>

6) APPLY ONLINE: UNIFIED CARRIER REGISTRATION

Unified Carrier Registration (UCR) is a Federally-Mandated and State-Administered Program pertaining to all motor carriers engaging in Interstate Commerce. Click here to register: <https://portal.fmcsa.dot.gov/UrsRegistrationWizard/>

7) VISIT STATE CAPITOL: IRP & IFTA (APPORTIONED PLATES & FUEL LICENSE)

The International Registration Plan (IRP) relates to motor carrier highway usage and fees (or Cab Card) <http://www.irponline.org/> To apply, a business owner must make a trip to the State Capitol to Apply in Person. During the IRP application, the International Fuel Tax Agreement (IFTA) application begins the process of paying Quarterly Taxes based on where fuel gallons are purchased versus where those gallons are consumed. Obtaining Apportioned Plates and a corresponding fuel license (IFTA sticker) are the result of properly completing this process.

Note: If your total Gross Vehicle Weight Rating (GVWR) is going to be over 55,000 pounds, now is the time to find out more about IRS Form 2290, Heavy Highway Vehicle Use Tax Return: <https://www.irs.gov/forms-pubs/about-form-2290>

8) EARN YOUR CDL A

To create a truly successful Auto Transport Business, you must earn your Class A Commercial Driver's License (CDL A). Having a CDL will improve many aspects of your trucking business. <https://www.fmcsa.dot.gov/registration/commercial-drivers-license/how-do-i-get-commercial-drivers-license>

9) PRE-EMPLOYMENT DRUG & ALCOHOL TESTING

Pre-employment drug and alcohol testing is required for every motor carrier operating under the authority of the FMCSA. When you think of the DOT, think "Zero Tolerance". <https://www.fmcsa.dot.gov/regulations/drug-alcohol-testing/overview-drug-and-alcohol-rules>

In addition, your Auto Transport Business is responsible for maintaining an ongoing DOT/FMCSA Drug and Alcohol Testing Program which can be facilitated by a Consortium or Third-Party Administrator. You don't ever want to be suspected of not taking these drug and alcohol testing and regulations seriously. Not testing may cost you your business.

<https://www.fmcsa.dot.gov/regulations/drug-alcohol-testing/what-are-consortiumthird-party-administrators>

10) PURCHASE & INSTALL AN ELD

The FMCSA ELD Rule is a December 2017 Legal Mandate that requires virtually all motor carriers to use an Electronic Logging Device (ELD) to electronically record Hours Of Service (HOS). <https://www.fmcsa.dot.gov/hours-service/elds/faqs> The ELD device is a piece of hardware that connects to a truck's engine via diagnostic port. Some ELDs communicate to a mobile app via bluetooth which the driver will need to download and learn how to properly operate. NOTE: Only FMCSA registered ELD providers can be considered as authorized options for your Auto Transport Business. <https://csa.fmcsa.dot.gov/ELD/List>

11) CREATE A COMPLIANCE & SAFETY MANAGEMENT PLAN

While the FMCSA mandates safety and compliance laws, rules and regulations - it's the nationwide Department of Transportation (DOT) officers that enforce them. The FMCSA Safety and Fitness Electronic Records (SAFER) System supplies company safety data online as part of your Company Safety Record <https://safer.fmcsa.dot.gov/>

As an Auto Transport Business owner, you are responsible for maintaining your own Company Safety Records <https://www.fmcsa.dot.gov/resources-for-drivers> Think of these records as a portable expanding file containing an individual folder for every driver, each truck and any trailer you own and operate. In addition, every document, folder and file in this container must be available and ready for any DOT officer to inspect upon request, including:

a) Driver Qualification File - This is a folder containing copies of any and all licensing, IDs, medical card, past driving record, drug and alcohol testing results, and personal job application (per driver). You will also want to maintain copies of all driver log sheets for compliance and safety as well as for billing and compensation records.

b) Truck Maintenance Plan File - To ensure public and road safety, each and every truck and trailer requires a thorough and documented pre-inspection called a Driver's Vehicle Inspection Report (DVIR) <https://www.flhsmv.gov/fhp/CVE/DVIRReport.pdf> - as well as preventative maintenance logs with details of completed repairs. Proper documentation will include vehicle information such as Year, Make, Model, VIN, and Unit # as well as updates, improvements, and parts changed or replaced noted with day, month and year.

12) PROPER MARKING OF CMVs & EQUIPMENT

Per the Electronic Code of Federal Regulations (e-CFR), Title 49 Subtitle B Chapter III Subchapter B Part 390, subsection 390.21 - every motor carrier must display the following information: Business Name (DBA), USDOT#, MC Authority, and GVWR - as well as all appropriate plating, IFTA sticker and Unit #. You may want to bookmark <https://www.ecfr.gov>

13) SIGN UP WITH CENTRAL DISPATCH

Central Dispatch is by far the most important Load Board in the auto transport industry. Before you are ready to haul vehicles, you must learn how Central Dispatch can help you stay loaded <https://www.centraldispatch.com/hiw-carriers/> In addition, Central Dispatch offers a 30-day free trial <https://www.centraldispatch.com/signup/> Be aware that signing up can take approximately one week for processing, so you may want to sign up 10 days before you are ready to pick up cars. Before contacting them, have your three (3) set up documents ready to submit: 1) a copy of your MC Authority Certificate 2) a current dated and signed W-9 form <https://www.irs.gov/pub/irs-pdf/fw9.pdf> 3) a copy of your Insurance Certificate with Central Dispatch listed as the Certificate Holder (ask your insurance agent if they can provide this in ACORD format). Then, Learn Best Practices and How To Search For Vehicles by watching Car Hauling Dispatcher YouTube videos at: <https://www.youtube.com/c/AutoTransportIntel>

14) EMBRACE CAR HAULING TECHNOLOGY

Paper bills of lading were the trucking standard up until about yesterday - and fax machines might have been relevant last year; but times have changed and everything is going electronic.

Now that the ELD rule is a legal mandate, you really need to be conducting your business on a computer, tablet or cell phone. That includes being visible by GPS, using email as your primary method of sending and receiving dispatches and business documents, using digital signature software such as DocuSign <https://www.docusign.com/> and leveraging your business around a Car Hauling TMS and eBOL Mobile App (such as CarShipIO <http://www.carshipio.com/Home/Landing> Schedule your personal free demo today).

15) GAIN EXPERIENCE & POSITIVE RATINGS

When you first start booking loads on Central Dispatch, some brokers will reject you because you're a new Auto Transport Business. The reason given could be that you don't have over twenty (20) Positive Ratings - or that you haven't been in business for more than six (6) Months.

The truth is, you will always meet certain auto brokers that insist you are not ready to sign up with them. To overcome these obstacles, network with other drivers, talk to more brokers, obtain positive Central Dispatch ratings, and get your foot in the door with that shipper. You can do it.

20 positive ratings is your first goal. 0 negative ratings is your second goal. Anytime you see a negative rating pending in your account, address it right away! Central Dispatch has a fair and responsive dispute resolution process. Respond immediately, state your case, and make them understand. They will help you. Don't Burn Bridges.

16) OTHER LOAD BOARDS & MORE AUTO BROKERS

Regardless of your original step one strategic plan, there will always be more opportunities and additional ways to find more loads. These are the other Load Boards you will want to join:

Ready Logistics <http://www.1dispatch.com/>
CarsArrive Network <http://www.carsarrive.com/>
United Road <http://www.urautoloads.com/>
Metrologistics <http://www.metroloads.com/>
Reindeer Logistics LLC <http://www.carrier.reindeerauto.com/>
Uship <http://www.uship.com/>

In addition to joining these free Load Boards, there are many Auto Brokers you can contact and get set up with. Many of them will require that you complete a New Carrier Set-Up Packet before they can include your new Auto Transport Business within their preferred carrier list.

Accelerated Services 1 <http://loadrequest.com/>
DIY Transport, Inc. <http://www.diytransport.com/>
JMN Logistics LLC <http://www.jmnhaul.com/>
ReloTrans, LP <http://relotrans.com/>
RPM Frieght Systems LLC <http://www.rpmcarriers.com/>
Sancrest <http://sancrest.com/>
ShipYourCarNow LLC <http://shipyourcarnow.com/>
Southern Base Transport Services <http://www.southernbasetransport.com/>
TTS, LLC-TX <http://www.tts-us.com/company/company.aspx>
Wholesale Express LLC <https://www.wholesaleinc.com/>

17) CONSIDER HIRING A DISPATCHER

Brokers make phone calls to check on cars they have dispatched to carriers. Dealers, residents, and third-party customers expect to be notified of what's going on. Vehicles need to be booked and loads need to be verified. Insurance certificates may need to be updated, invoices followed up on, and last minute changes handled. Consider hiring a dispatcher to book loads on your behalf and make these phone calls. If you can't enlist a family member, Central Dispatch has a classified ads section where you can find and contact a dispatcher service.

Yes, dispatching is an added service, another mouth to feed, and an additional expense. Most dispatchers charge a percentage of every load they book but some work on a flat fee. Some are more expensive than others (and a few might over promise what they take care of). But make no mistake. A good dispatcher can help you grow your business - and a great dispatcher is worth every penny. If done right, you'll wonder how you ever did it without them.

18) SPECIALIZE YOUR BUSINESS CAPABILITIES

By now, you've tried to move a few cars that were much more complicated than you had originally thought. Either you were unable to complete the job without incurring additional expense, enlisting additional help, or you had to overcome an unforeseen major obstacle. You'll make mental notes that next time, you'll do things differently. (Don't say 'No'; find the answer!)

Turn those mental notes into action. Acquire the tools and knowledge that will expand your business capability. For example, adding a 10,000 pound winch to your truck is a great way to start moving better paying residential INOPs. Make sure you have a battery charging jumpbox for cars that have been sitting too long at the auction. Consider obtaining a TWIC card to pick up and deliver at ports instead of hiring a vehicle escort <https://www.tsa.gov/for-industry/twic> Unite new tools and knowledge to position your transportation operation as a specialty carrier!

19) BUILD YOUR BRAND

You don't have to be a celebrity to set yourself apart. But you should at least have a website, business cards and some form of logo on your clothing and truck. Even if you start with a black t-shirt and a hat with your company name, find ways to brand and promote your Auto Transport Business and running lane. Brokers will remember you if you take care of them. Dealers will appreciate your professionalism. Make your business shine through excellent communication, reliable timing, professional equipment and positive attitude. (And reflect back on step one).

20) RETAIN REGULAR CUSTOMERS

Whether it's an auto broker that regularly calls you first or a customer that loves your commitment to excellence - over time you'll need to establish a Preferential Business Relationship with somebody. Get creative and try to convert a business contact into a regular customer. Revisit past jobs, comb through old leads and try to get their future work by calling you direct. If you have not done this by the beginning of your third year in business, re-evaluate your original strategy. You can't live off load boards forever - they are too unpredictable.

Nearly every owner-operator's dream is to expand into more trucks and more drivers. But beware: Do not try grow too quickly and do not expand too fast. Do not let your debt get ahead of you or you will find yourself back at square one. Be patient and persistent. Be realistic and cautious. And always strive to be the best Auto Transport Business owner you can be.

I truly hope this article helps you. And if it has, or if you have further questions, please visit my YouTube channel at: <https://www.youtube.com/c/AutoTransportIntel> or send me an email. And again, I urge you to verify this information and double check with the FMCSA, DOT or any state law or agency for specifics and details of any licensing or regulatory process.

Disclaimer: Everything in this article is public information and it's purpose is to help you get organized. Since I have not asked anyone to pay me for this advice, I cannot (and will not) be held liable for any errors or omissions contained herein by any individual or company.

I also want to give a very special thanks to my Owner-Operator friends for providing incredible feedback during the construction of this article. And to all the Auto Transport Industry and Community members who strive to improve our Ecosystem, I tip my hat and thank you as well. For the Greatest Success in Life comes to those who have built Great Relationships.

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revised 11-17-17