TCN FACTORING SERVICES

Cash is king! Never run out of cash! Cash flow means your trucking business has an ever-increasing amount of cash balances on hand. A transport carrier should have at least 30% of its current assets in checking accounts, saving accounts, or cash equivalents like marketable stocks, bonds or other securities. Fighting cash flows in trucking can be very stressful. Your business is running your trucking business and not fighting daily cash flow problems. Remember your trucking company is a federally regulated utility essential to our economy.

There are simple ways to increase trucking cash flow.

First, you need to generate profits to increase cash flow. In days of rate regulation, transport carriers factored a profit right into the total costs per mile. A net profit after federal and state taxes was considered a part of the total freight transport costs to the shipper. To ignore a net profit as part of total transport costs will not generate increasing cash flow over time. Over time you eventually go broke with negative cash flows and realize no return on your invested capital for revenue equipment and other assets you have invested to run a trucking business.

Under freight rate regulation the ICC spent considerable time evaluating why transport carriers failed. While the ICC primary purpose was to keep rates low, the federal government also wanted to keep transport carriers in business and allowed them to recover their full cost of transport including a net profit and a fair and reasonable return on invested capital. State and federally regulated utilities such as electricity and gas still operate the same way today. Profits are considered a necessary cost component of the consumer's utility bill. Transport costs should be no different. The 1980 Motor Carrier Act ended all that. The Act instructed the transport carriers to charge whatever freight rates they deemed *fair and reasonable*.

So why do so many trucking companies currently fail? The truckload industry now looks to private sector credit bureaus, such as Dun and Bradstreet, for the answers. Dun & Bradstreet yearly surveys consistently shows the top two reasons trucking companies fail are *inadequate revenue and lack of good recordkeeping*.

There is an old accounting truism, "If you don't know where you are going any road will take you." Adequate record keeping will tell you where you have been, but more importantly you need to know what roads to take in the future to improve your net profit and cash flow. The roads you need to take are where adequate transport revenue will generate a fair and reasonable profit and increase cash flow.

What then is inadequate record keeping system? Before rate-approval deregulation, the transport carrier industry survived and thrived with a uniform system of cost accounts. The uniform system had served the truckload industry for over 50 years prior to deregulation. Current, accurate, and complete accounting records with a good chart of cost accounts measured per mile revenue and total transport cost that included a profit and measured cash flow.

Today thousands of transport carriers do not have current, accurate, and complete financial statements in a format which tells them not only where they have been historically, but more importantly are in a format that can answer the following future questions.

- What transport revenue from an origin point to a destination point is adequate?
- What are my empty mile costs?
- What are my transport margins after my over-the-road variable line haul costs?
- What are my fixed line haul costs per day, per month, per year?
- What are my fixed shop costs per month, per year?
- What are my administrative support costs per month, per year?
- Have I included a targeted net profit in my total transport costs?
- Have I generated an adequate profit and increased cash flow?
- What future decisions do I need to make net profits and increase my cash flow?

After generating profits there are other ways to increase immediate cash flow and improve profits going forward. This can be accomplished by using TCN factoring services and value-added Truckwin solutions included in one single fee. TCN factoring incorporates value-added and necessary administrative support costs that increase cash flow currently and keep future per-mile revenue up and administrative support costs per mile low.

TCN factoring, Truckwin solutions and other services

TCN factoring, billing, collecting, and settlement services and other Truckwin solutions are provided by Carriernet Group Financial, Inc. CNGF is a financial affiliate, specializing in increasing a trucking company's immediate cash flows along with providing Truckwin solutions designed to keep your company's future administrative costs down, profits and cash flows up. Sound and efficient administrative support costs are essential to sustain a successful trucking business and increase cash flows. CNGF provides the following Truckwin products and services.

Freight billing, collecting and 24-hour quick pay settlements

Factoring is simply the selling to CNGF your freight bill through an assignment agreement in return for immediate cash flow. The discount fee includes an interest component and a billing, collecting, and settlement component along with additional value-added TCN Truckwin solutions that are designed to increase revenues and reduce overall operating costs. The only legal requirement is that the Freight Bill sold cannot be used as collateral to any other bank, equipment or other financing entity.

Carriernet Group Financial, Inc. uses the same Truckwin Dispatch and Accounting system and Truckwin solutions to assist a trucking company in billing, collecting, and settlement functions with, or without, a 24 hour quick pay settlement. The company provides the following for a single discount fee.

- **Billing, collecting and quick 24 hour quick pay settlements. Fee includes:**
    - Simple interest component
    - Collection service component
    - Administrative support component
    - Shipper and Freight Broker credit checks

    - Fuel Card advances and diesel fuel purchase discount credits
    - Goodyear Tire discount program
    - Truckwin Solutions listed below

- **Billing, collecting services and without quick pay settlements. Fee includes:**

    - No interest component
    - Online freight billing component
    - Collection service component
    - Administrative support component
    - Shipper and Freight Broker credit checks
    - Fuel Card and diesel fuel purchase discount credits
    - Goodyear Tire discount program
    - Truckwin Solutions listed below

- **Truckwin Solutions included:**

- **Revenue Solutions:**

    - Truckwin Revenue Solutions listed at www.transportcarriernetwork.com
    - Spot Market Load Board
    - Participate in the Freight Order Reverse Auction Marketplace (FORAM)
    - Membership in the Transport Carrier Network
    - Listing on the National Transport Carrier Directory

- **Other Truckwin Solutions:**

    - Cost-Per-Mile-Center
    - Online Trip Cost per mile Simulator
    - Online or In-house Truckwin Dispatch and Accounting Software
    - Online Fuel Tax returns and annual licensing preparation
    - Preparation of monthly financial statements on per mile basis
    - Training: Dispatch and Accounting software, managerial accounting, and webinars
    - Website hosting, building, and maintenance
    - ELD device support, backup, and storage services required by FMCSA regulations
    - Document imaging programs

To learn more about increasing your cash flow and the value-added administrative support services included visit www.carriernetgroup.com for contact and more information.