

F. ORGANIZING YOUR OWN TRANSPORTATION

Private Carriage

Deciding on whether to "make" your own transportation rather than "buying" it depends on several factors including:

- 1) the need for highly specialized equipment not generally or economically available from carriers or transportation intermediaries;
- 2) the objective of improving speed, quality and reliability of service to customers;
- 3) the possibility of reducing transportation costs; and,
- 4) the advertising value of having your own trucks on the road.

If you are not already operating your own fleet and are considering purchasing a truck (or trucks) for movements to the Western United States, you should undertake a cost-benefit analysis similar to that which would be necessary if you were considering purchasing a fleet for shipment from Western Canada to other parts of Canada. Such an analysis should start by considering only major movements where conditions exist which are conducive to a successful private trucking operation such as:

- 1) concentration of traffic in relatively few city pairs;
- 2) high traffic volume in those cities;
- 3) availability of return loads for many city pairs;
- 4) estimated empty mileage for the planned private carriage operation no greater than 30 per cent;
- 5) where multiple pick-up^s and delivery movements with a substantial portion of "minimum charge" shipments are necessary; and,
- 6) where there are multiple deliveries, perhaps combined with pick-ups of less than truckload lots in a territory where a truck can operate over a somewhat circular route finishing near the dispatch point. [7]

Information which will help you to conduct a detailed cost study is available from sources listed on pages 77 and 78 of this report. However, it is fair to say that unless you are already in the business of transporting goods in your own vehicles

7. Canadian Institute of Traffic and Transportation, Canadian Traffic and Transportation Vol. 1, Toronto, Ontario, 1981.