

Letter from the Editor

Sales and Marketing Programs

Recently, I completed a series on how to improve company sales in difficult times.

- I provided my insight in to what makes up a successful sales person.
- I described characteristics that are necessary for a salesperson to become successful.
- I outlined goals and objectives that companies must establish for their sales people;
- I provided various examples on how to increase company sales, and;
- How to sell service rather than “just” price.

After I completed the series, I received a tremendous response asking if there was additional information available to assist companies through this difficult period.

Based upon my readers request; I will be preparing a series of additional Sales & Marketing articles as soon as I complete my series on Successor Planning;

- The next series of Sales & Marketing programs will include:
 1. How to set up a successful sales program.
 2. How to set up goals and objectives for sales people to achieve, and;
 3. How to design compensation programs that are tied directly to profitability.

In my newsletters, I have indicated that;

- The market has not rebounded.
- As a transportation analyst, I do not see the market rebounding the 3rd or 4th quarter of this year.
- I believe that the economy is going to be stagnant for at least the next 12 to 18 months.
- I predict that there are going to be more failures of trucking companies due to the tightening of credit, and;
- Additionally, because of the low freight rates and shipper payment terms.

I have heard from many of my customers that;

- Shippers are extending payment terms from 30-60 to 90 days, and;

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- In some instances, they are not providing a carrier any choice – you either take their terms or you lose the business, and;
- Without referencing specific companies, I can tell you several shippers are requesting over 90 day payment terms

Regardless of the size of your trucking or Logistics Firm you cannot cash flow and service your debt with 60-90 day payment terms. My point, these are increasingly difficult times, and in increasingly difficult times it requires a more creative approach to survive.

For many of my readers, you know that I've been providing the "Ahern Advisory" free of charge since 1998;

- The majority of the items that I discuss are directly related to the trucking and logistics industry.
- Its Ahern's way of assisting the industry through some very difficult challenges, and;
- Ahern continues to provide updates on (our perception) the economic conditions of the economy.

Ahern has discussed the unemployment statistics and the World Economy. I have outlined how it directly affects the Transportation Industry.

- Unemployment is currently at 9.6%;
- It is now predicted to increase to as high as 11%;

Those statistics are staggering; but they are a fact of life. I recognize that when I discussed the economy, it can be very depressing, however, at the same time as Owners, and Managers of trucking and logistics companies, it is important to:

- Understand the dynamics of the financial markets, and;
- Adjust to the dynamics of those markets before you become a statistic.

It is also important to accept the fact that our country is not rebounding financially, as quick as anticipated.

- In order for a trucking company to survive, these very challenging times, they need to be proactive.
- Trucking companies need to think "out of the box".
- They need to change the way they are currently doing business, and;
- They need to re-invent themselves.

It is economically impossible to haul freight at .60¢ a mile and on top of that wait 60,90 or 120 days for payment.

- Shippers are becoming more and more unreasonable, and;
- Shippers are becoming more and more demanding.

Getting upset at the situation will not solve the immediate problem! Adjusting to the market will keep you in business.

Over the last several months, I have focused on:

- **Partnership Programs.**
- I addressed my concerns about the insurance industry increasing rates for truckers;
- I've discussed the tightening of the credit markets.
- **I've stressed my concerns about factoring agreements that require long term commitments, and;**
- Ahern will continue to focus on all of these important issues that directly affect our industry.

In closing, I want to once again, thank you for your support of my newsletter, as well as your comments, in reference to the value it has brought each of you through a very difficult time. Your comments and business is greatly appreciated.

QUOTE OF THE WEEK

“Will is power”