

# Free, next-day carrier payments with QuickPay+

## The Challenge

Cash flow is a common problem in the trucking industry. Trucking companies typically get paid on net-30 or net-60 terms, which means they often wait 30-60 days to get paid, or more if their customers are late on payments. This creates a problem for carriers that need those funds to cover ongoing operating expenses like fuel, maintenance, and overhead.

David M., Chief of Operations at an Illinois-based trucking company, explains that he might have to pay 10 drivers \$5,000 each for a week of work, which adds up to \$200,000 in on-hand cash needed just to cover a month of driver pay. Like many carrier operations, David's team uses a freight factoring company to avoid the 30-60 day delay on incoming payments.

Factoring companies provide carriers their payments due within one to two days in exchange for a two to three percent fee. This provides the cashflow carriers need to cover their ongoing expenses.

The problem, however, is the fee. For a company like David's that does over \$1 million in business annually, that two to three percent fee adds up to a sizeable amount of lost revenue.

## The Solution

Capstone reached out to David about QuickPay+ when the program launched in late 2019 since David's team met the volume and visibility requirements. The terms were as follows:

**Free, one-day payments in exchange for consistent volume (7+ loads hauled for Capstone over the past 30 days) and visibility compliance (active visibility integration and/or an average of 90% compliance over the past 30 days.)**

For David, next-day payments with a zero percent fee was an easy decision.


### Customer Profile:

The subject is an Illinois-based carrier with over 20 trucks. The company offers temperature-controlled shipping, dry van, and flatbed services. They haul everything from fresh and frozen foods to steel and metal beams.

### Project Snapshot:

By enrolling in Capstone's free, next-day carrier payment program, QuickPay+, the carrier saved over \$20K in just one year.

## Solution at a Glance




Next-Day Payments



No Hassles



Zero Fees

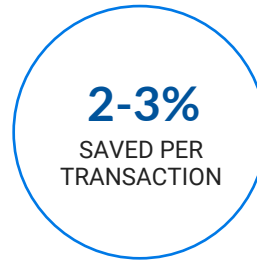


Easy Application

## The Results

In their first year using QuickPay+, David and his team did approximately \$1 million in business with Capstone, amounting to more than \$20,000 in saved fees.

The extra capital was then available for the company to invest back into the business (purchase additional equipment, add office space, purchase advertising, etc.).



**“We prefer to book as much business as possible with Capstone. We book 30-40 loads per week, save money, and get paid faster. It's simple.” – David M., Chief of Operations, Illinois-based carrier**

In addition to the benefits of QuickPay+, David notes the ease of booking loads with their Capstone representative as another key benefit in the partnership. “She knows my drivers’ preferences—the lanes, times, rates, etc.—and is always looking for reload opportunities. It's a lot faster than having to go on the load board, search for each truck, and call all those brokers. There are days when I have nothing to do, because she has all my trucks covered.”

### A Financial Comparison: Traditional Methods vs QuickPay+

Even the most established trucking companies experience problems with uneven cash flows. Clients tend to pay net 30 or net 60 terms, which means weeks or months pass before the carriers receive full payment.

Freight factoring companies help get money to carriers faster, but that service comes at a cost (typically two to three percent per transaction). For companies like David's, doing over \$1 million in business with Capstone annually, that two to three percent adds up to tens of thousands of dollars.

### Net-30 Payment Terms vs. QuickPay+

	Net-30	QuickPay+
Starting sum of cash in the bank	\$50,000	\$50,000
Monthly earnings (\$140,000 invoiced)	\$0	\$140,000
Monthly operating expenses	-\$127,400	-\$127,400
<b>Cash in the bank at the end of month</b>	<b>-\$77,400</b>	<b>\$62,600</b>

### Freight Factoring vs. QuickPay+

	Freight Factoring (2.5% fee)	QuickPay+ (No fee)
Rate per load	\$1,400	\$1,400
Earnings per load (after factoring fee)	\$1,365	\$1,400
<b>Earnings per month (100 loads)</b>	<b>\$136,500</b>	<b>\$140,000</b>

\*Carrier financials in the tables above are hypothetical.

### Free, 1-Day Payments with QuickPay+

QuickPay+ is one of the industry's fastest ways for carriers to get paid. Qualifying carriers receive free one-day payments in exchange for consistent volume and visibility compliance.

Learn more and apply:

[capstonelogistics.com/quickpay-plus](http://capstonelogistics.com/quickpay-plus)