Contractor Management Services (CMS) is the nation's full-service leader in Independent Contractor Management (ICM); assisting clients across the country to properly document and manage the Independent Contractor (IC) relationship. CMS has a very simple business philosophy that drives every decision we make regarding the product we build and the service we provide:

IT'S NOT IF, BUT WHEN!

Staying abreast of legal challenges and navigating the troubled IC waters is both timely and costly and brings with it significant expense. Over the last 12 years, CMS has stood alongside its clients and has seen the malicious and direct attacks on the use of ICs and recognizes that success is a moving target. If a company rightfully chooses to use the Independent Contractor Model, one of the key success factors is to ensure a fully documented, detailed and distant relationship that lines up with industry best practices as well as agency tendencies in ALL states.

CMS is proud to present our solution to this problem, ICM Power™!
Overview

Where the Rubber Meets the Road

- Best Practices
  - Industry
  - Company
- Q & A

Industry Best Practices
**Industry Best Practices**

**Associations / Organizations**

- National / State Trucking Associations
  - Get others involved
- Associations working together
  - Strength in numbers
- National Federation of Independent Business (NFIB)
  - State Chapters

**Industry Best Practices**

**Local Representatives / Senators**

- Lack of Industry Knowledge
  - They only know what they know
- Other Industries
  - May taint the model
- Committee Based Concerns
  - Each Committee has a focus
Industry Best Practices

Visit The Capitol

• State / Federal
  o Call on Washington
  o Day at the Capitol
• Congressional Hearings
  o Committee Meetings
• Register to Testify / Speak
  o Senate
  o House of Representatives

Industry Best Practices

Educate Others

• Other Business Owners
  o In your State
  o Surrounding States
• Employees
  o Explain the issue
• Government
  o The affect on your business
• IC Grassroots Efforts
  o Identify the Champions
Industry Best Practices

Identify Trusted Advisors

Licensed Transportation Counsel
Understand the law

Stay Plugged In

Accountant
Financial Affects

Insurance Agents
Risks

Company Best Practices
Company Best Practices

Legal Review

- Independent Contractor Owner-Operator Agreement (ICOA)
- Equipment Lease
- Don’t Cut & Paste
- Current Trends / Legislation
- Involve Operations
- Check “The Story”
- Free In Contract
- Free in Fact
- Termination Process

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Company Best Practices

Length of Contract

- Regular Renewals
  - Beware Evergreen Clauses
  - Semi-Annual / Annual
- Results Based
  - Expectation and Quality
- Bid Process
  - Create a competitive environment
Company Best Practices

Compliance

- Regulations
  - FMCSA
  - DEA
- Client Requirements
  - Timelines
  - Delivery Requirements
- Contract Terms
  - Include Regulations

Company Best Practices

Operational Review

- Regular Basis
  - Set a Schedule
  - Stick to it
- In Contract & In Fact
  - Make sure they Line Up
- Listen
  - Management By Walking Around
Company Best Practices

Business to Business

- Advertising to the General Public
- Working for Others
- Business Entity
- Operating Authority
- Equipment Ownership
- Profit & Loss
- Taxes
- Independently Established Business

Company Best Practices

Negotiations

- Prior to ICOA Execution
  - Incorporate the Negotiated Terms
- Documentation
  - Burden of Proof
- Make it Real
  - Not Everyone is the Same
Company Best Practices

Insurance

- Occupational Accident Insurance
  - Company Sponsored Programs
  - Option vs. Requirement
  - Contractual Requirement
- Non-Trucking Liability / Physical Damage
  - Company Equipment

Company Best Practices

Accounting

- Deductions
  - What is the Process
  - Types of Deductions
  - Authorization
- New Hire Reporting
  - Garnishments
- 1099s / B-Notices
- Payment Types
  - Check
  - Direct Deposit
Company Best Practices

Screening

Pre-Employment Screening Program
  Background Check
  Driving Record
  Drug Testing

What is your process?
Are the files protected?
Does it mirror your employee operation?
Does it line up with regulations / client requirements?

Company Best Practices

Document…Document…Document

All Documentation is not created equal
  • On-Boarding
  • Contracts (Original / Renewal)
  • Negotiation
  • Compliance
  • Expiration Tracking
  • Contract Termination
  • Reproduction
  • Screening
  • Burden of Proof
Company Best Practices

Listen to Trusted Advisors

Licensed Transportation Counsel
Understand the law

Mitigate Risk

Accountant
Financial Affects

Insurance Agents
Risks

Company Best Practices

Encourage an Entrepreneurial Culture

Top Down
Encourage Expansion
Treat Workers Like Business Owners
Company Best Practices

Educate Your Staff

• Do's & Don’ts
• Not “one and done”
• Understand the State / Federal Environment
• What not to say…
• Embrace the Model

Company Best Practices

Inform ICs

Educate
Loss of Freedom
This Affects Them
Encourage Interaction with Government
Company Best Practices

Worker Classification Claims

- Take a Claim Seriously
- Respond Promptly
- Thoroughly, Accurately and Completely Represent the Facts
- Use Trusted Advisors

Company Best Practices

Proactive Approach with Agencies

- Face to Face Meetings
- Educate their Staff
- Ask for Guidance
- Scary but Powerful
Operational Best Practices

Best Practices vs. Risk Tolerance

- What makes sense…
- Based on State

Q & A
Follow the Annual Convention at #2013TCA