

Atex

Freight Broker Training

Summary & Quick Start

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Introduction

Be more than a Freight Broker - be a **business owner** using good cash management skills, creating effective marketing strategies, setting up operations to suit your needs and conducting periodic planning sessions.

Industry Overview

While brokering LTL may be lucrative, it is not recommended for new freight brokers. Why? You need to have a big database of LTL shippers and you need to calculate rates in a way different manner than for FT.

1.0 Getting Organized & Getting Your Broker Authority

1.1 Before You Begin

Choosing a business name, a business structure and getting your federal employment number (FEIN)

1.2 Licensing Requirements

1.2.1 Getting your broker authority

MC # OP-1
Trust fund application
BOC-3

1.2.2 Motor carrier number

1.2.3 Trust fund (surety bond)

1.2.4 BOC-3 - Legal process permit

1.2.5 Contingent cargo insurance

1.2.6 Unified Carrier Registration (UCR)

2.0 Essential Tools of the Trade

2.1 Routing, Mileage & Mapping Resources

- 2.1.1 Why you need to calculate miles
- 2.1.2 Practical miles versus short miles
- 2.1.3 Mapping resources

2.2 Calculating Rates

- 2.2.1 Negotiated rates
- 2.2.2 Who sets HOW the rates are paid?
- 2.2.3 Payment methods

- Flat rate
- Rate per mile
- Piece rate
- 100 or 50 wt
- Tons

Payments over and above the base rate

Fuel surcharge, reimbursement for
lumper fees, extra stops, etc.

- 2.2.4 How much profit do you want?
- 2.2.5 How much are you offering the truck?
- 2.2.6 How much per mile is the truck getting?
- 2.2.7 How much with a fuel surcharge?
- 2.2.8 If the shipper is paying by the 100 or 50 wt
- 2.2.9 What can you make per load?
- 2.2.10 Calculating a flat commission for yourself

2.2.11 Resources for finding the "going rates"

2.3 Using Load Boards

2.3.1 Word of caution starting out

2.3.2 Types of load boards

2.3.3 Posting options

2.3.4 Posting loads, searching for trucks

2.3.5 Posting loads

2.3.6 Searching for trucks using "radius" searches

2.3.7 Looking for "Desired destination or direction"

2.3.8 Explore "Zip Zones"

2.3.9 When your search comes up empty

2.3.10 Using the "Find lanes" option when necessary

2.3.11 Final thoughts on truck searches

2.4 Managing Your Loads for Maximum Profits

2.4.1 Creating tools to monitor performance

2.4.2 What tools do freight broker use?

Gross profit margins

Accounts receivable collection

How many loads are given to you, and

How easy are the loads to cover?

2.5 Load Manager Spreadsheets

2.5.1 Shipper & carrier load manager spreadsheets

2.5.2 Here is where you make decisions

2.6 Shipper and Carrier Databases

2.6.1 Why do you need databases?

2.6.2 Data base options

2.6.3 Sample databases using MyDatabase

3.0 Finding & Working with Shippers

3.1 Getting Set-up with the Shipper

3.1.1 Set-up package for the shipper

3.1.2 Sending your set-up package

3.2 Finding and Working with Shippers

3.2.1 Using the telephone and Internet

3.2.2 Seven steps in searching for shippers

3.2.3 Just a numbers game?

3.2.4 Shipper, grower and manufacturer directories

3.2.5 More resources \$\$\$

3.3 Marketing Success Strategies

3.3.1 Where do you start?

3.3.2 Here is the way most beginning freight brokers start

3.3.3 Be alert in your local area

3.4 Using Buying Trends to Find Customers

3.4.1 Going where the money is

3.4.2 - 3.4.6 - Mega power sources

3.5 Using Census / NAICS Data

3.5.1 Why use census data?

3.5.2 How to use census information

3.5.3 What about the NAICS number system?

3.5.4 How to use the NAICS information

3.5.5 The secret to uncovering "ready-to-go" customers who are "hungry" to work with you

3.5.6 Using Google Adwords keyword tool

3.6 Giving quotes

3.6.1 Why the shipper is asking for a quote

3.6.2 One method of how you should respond

3.6.3 Another method

3.7 Taking the Order

3.7.1 Using a checklist

3.7.2 Pick-ups and deliveries

3.7.3 Extra picks or drops

3.7.4 Types of equipment

3.7.5 Pallet exchanges

3.7.6 Lumper fees

3.7.7 Driver unloading

3.7.8 Specific requirements

3.7.9 How much product is normally loaded

3.7.10 Fuel surcharges

3.7.11 Lastly, how much does the shipper want to pay

3.7.12 Posting the rate or not

3.7.13 Shipper order form

3.8 Example Niche

4.0 Pre-qualifying & Working with Motor Carriers

4.1 Getting Set-up with the Motor Carrier

- 4.1.1 Set-up package for the motor carrier
- 4.1.2 Permanent information
- 4.1.3 Each individual load
- 4.1.4 When the carrier sends their contract
- 4.1.5 You want to work with a particular carrier
- 4.1.6 The carrier database

4.2 Pre-qualifying the Carrier and Booking the Load

- 4.2.1 First step in pre-qualifying the carrier
- 4.2.2 Get call back number, contact name and MC#
- 4.2.3 Check with shipper on availability
- 4.2.4 Second step - check FMCSA website for carrier authority, insurance and BOC-3
- 4.2.5 Other checks
- 4.2.6 Notify the carrier about the load
- 4.2.7 Immediately call the shipper back
- 4.2.8 Send carrier set-up package
- 4.2.9 Broker-Carrier Agreement
- 4.2.10 Confirmation - motor carrier
- 4.2.11 Contact driver

- 4.2.12 Instruction to truck driver
- 4.2.13 Get named as certificate holder

- 4.2.14 Questions for motor carriers

4.3 Confirmations

- 4.3.1 What purpose do confirmations serve?
- 4.3.2 Shipper's confirmation - sent to you
- 4.3.3 Carrier's confirmation - sent to carrier
- 4.3.4 Carrier's confirmation - if it is NOT returned to you

4.4 Load versus Truck Capacity

Create your OWN hot spots

4.5 Potential Problems

5.0 Financial, Business & Legal Issues

5.1 Financing Your Business

- 5.1.1 Costs to start and operate your business
- 5.1.2 Money sources for starting and operating your business
- 5.1.3 Other
- 5.1.4 Reasons for not getting financing

5.2 Using Factors

- 5.2.1 What IS a factor?
- 5.2.2 Which factor should you work with?
- 5.2.3 A list of questions to ask the factor
- 5.2.4 Factor resources
- 5.2.5 Example of using a factor

5.3 Establishing Good Creditworthiness

- 5.3.1 Paying trucks a top priority
- 5.3.2 Brokers' methods for making payments
- 5.3.3 Payment history goes on record
- 5.3.4 To begin establishing and maintaining good creditworthiness
- 5.3.5 Using "com" checks
- 5.3.6 Com check resources

5.4 Understanding Your Broker-Carrier Agreement

5.5 Filing Claims & Other Legal Resources

- 5.5.1 Filing claims - whose responsibility?
- 5.5.2 Brokers' responsibility
- 5.5.3 The Carmack Amendment
- 5.5.4 Filing claims governed by Code of Federal Regulations (CFR) Part 370
- 5.5.5 Additional resources

5.6 Credit Checks and Cash Management Skills

- 5.6.1 What is your credit policy?
- 5.6.2 Invoicing your shipper
- 5.6.3 Credit services

5.7 Accounting, Recordkeeping & Paper Processing

- 5.7.1 FMCSA accounting requirements
- 5.7.2 Specific "line items" for invoicing and paying the truck
- 5.7.3 Chart of Accounts when using software
- 5.7.4 Monthly or quarterly financial reports
- 5.7.5 Using accounting software
- 5.7.6 Software for invoicing
- 5.7.7 Using accountants
- 5.7.8 Corporations versus sole proprietorships
- 5.7.9 The paper flow

5.7.10 Start-up costs

5.7.11 Accounting resources

5.8 Cash Flow Projections / Statements

5.8.1 What ARE cash flow projections?

5.8.2 When to best use cash flow projections

5.8.3 Twelve-month and five-year cash flow handouts

5.8.4 How to do a "quick" cash flow projection

5.9 Developing a Written Business Plan

5.9.1 Business plans mean serious business

5.9.2 Three major elements of a business plan

5.9.3 Why you need a business plan

5.9.4 Business plan resources

5.9.5 Sample business plan handout

5.10 The Newest Money Source - Peer-to-Peer Lending

5.10.1 What IS peer-to-peer lending

5.10.2 What about regulation?

5.10.3 Resources for more information

Summary

Your Action Plan

Glossary

