

Insider Secrets to Successful Freight Brokering

Nearly 100 Secret Gems – Volume 1

www.freightbrokeringblog.com

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Introduction

The following material is a compilation of my blog posts that were made for a previous year at www.freightbrokeringblog.com. There was some minor editing; but for the most part they are the original posts.

One thing to keep in mind as you read is that some of the information was dealt with in more than one post. It might appear somewhat repetitive. But this is not the case.

With each post, I had a specific point in mind and the information in each post relates to that specific point.

I hope that once you read through this report you will truly see how valuable our comprehensive training is and how it can help you jump-start your freight broker business.

The purpose here is simply to open your eyes to the many different forces and factors that impact your freight broker business. Information and knowledge will give you the necessary tools. But in order to be successful, you need to apply this information and knowledge. We try our best to help you with both – learning and then putting knowledge into action.

In our freight broker training we cover all the necessary details of freight brokering. But we also get into some of the business-related issues that impact freight brokers. Issue like

- Marketing,
- Cash management,
- Planning, and
- Operations

I call these four topics my business fundamentals.

If a company is struggling, it is usually the result of violating one or several of these business fundamentals.

This report and my blog posts are geared towards those who have little or no experience in the freight broker industry as well as experienced freight brokers. While I would like to think of myself as an expert, I find that, in the world of small business development, every day brings new knowledge and new information. So, my expert status will have to be put off until there is no more to learn. Well, at least until I've learned a whole lot more.

You will find that the business concept in freight brokering is quite simple but there are many, many steps and procedures. And many of the steps and procedures need to be done in proper sequence.

Comprehensive training is essential if you are truly serious about freight brokering.

This report and my blog posts are not meant to be substitutes for freight broker training. But they will surely give you a good dose of knowledge that will help you if you should decide to take freight broker training.

Now let's talk a little more about the freight broker business, about freight broker training, about some marketing strategies, about some of the tools of the trade, about getting your broker authority, about the financing requirements and, lastly, about freight brokering versus working as a broker agent.

Section 1 - Freight Broker Business

Freight Brokers and Others Building Trust

I just caught myself doing something unusual. A good part of my time and effort is spent searching for information on the Internet. However, there is one thing that I'm looking for in particular.

I'm looking not only for information but for *credible* sources of information. Over the past several years I've found several individuals who strike me as being very credible. They see the value of giving good information in everything they do and say. They are not afraid of **giving** first rather than expecting to first **receive**. They are rock solid.

So here's the unusual thing I just did.

I'm reading an email from one of my trusted mentors. Normally, at the end of each email he'll have a hyperlink where people can go to get more information or whatever. I'm addicted to some of this stuff so at the end of the email I saw a hyperlink and I clicked on it.

I was taken to a box that had my account information on it - name, address, etc. I thought that he had made an error of some sort (it's always the other person's fault, you know). Then I backed up only to find out that the hyperlink was for those wanting to update their account information. He didn't have a link for getting more information.

Here's the point. I have come to trust this guy so much that I just clicked without really reading what it was for. I feel that no matter where I click on his website, there is nothing bad that could happen. I've never met this individual, I've never talked to him - but I trust him. (And I plan to meet him in Chicago this April 2007 at a conference).

This is one of my primary goals in my business here. To build and establish such trust that **most** people will have no fear whatsoever in working with me. I want to be rock solid.

Your Freight Broker Business: Selecting Your Name

There are absolutely three things that you need before you apply for your broker authority: (1) a form of doing business (corporation, sole proprietorship, etc.), (2) a business address, and (3) a business name. So what's in a name? Find a little more here.

A number of clients know what name they want immediately. But an equal number of people ask me for advice on how to name their freight broker business. Here are a few comments that I provide.

Use your imagination. Something unique is sticky. People will remember it. On the other hand, you don't need to make a super major chore out of selecting a name. I named my freight brokerage "Atex Logistics, Inc." because it was " a Texas" company. So it became "Atex".

I usually tell clients to include the word or words "freight broker", or "freight brokers", or "freight brokerage", or even "logistics". Including "freight brokers" or similar words tells people exactly what you do. Some people ask me what "logistics" means.

Logistics would include freight brokering but could also include other services within the supply chain industry. It's more encompassing.

Including the word "transportation" usually indicates the company is a trucking firm. But some freight brokers include the word "transportation" in their business name. That's okay, but to me, "transportation" indicates owning trucks.

Most of my clients own trucking firms. I tell them to keep the same "root" name when naming their brokerage but add the word or words "freight broker", "freight brokers", "logistics" etc. For example, if you owned a trucking company named "Glory Road Transportation" or "Glory Road Trucking", you could name your freight brokerage something like "Glory Road Freight Brokers" or "Glory Road Logistics".

So, again, use your imagination. Here are some of my previous client names. I think most of these names are pretty cool and if I left any of my clients out, I'm sorry. I couldn't list all of them. But here's a few that show good imagination.

Kris Kross Logistics (this is Yvonne's)
Ace of the Roads
Lightning Speed Freight Brokers
Prygon Logistics
WilsonSee Logistics
Link A Load Logistics
Treasured Transportation Freight Brokers
Always Ready Freight Brokers
No Wait Freight
Brothers In Arms Logistics
Freight Link Logistics
Tradewinds Brokerage
Palm Breeze Brokers
Five Kings Freight Brokerage
Fasthaul Freight
The Transporter
Green Ocean Freight Broker
Infinity Brokerage
Longhorn Logistics
7th Millennium Logistics

So, see what you can come up with. Something unique is something worth remembering.

Freight Broker Business Structures - Part I

In one or several emails in the past, I've mentioned about setting up your business structure. By this I mean, you need to establish a form of doing business whether it's a sole proprietorship, a corporation, a LLC, a sub chapter S corporation or whatever.

And, in my freight broker training, I highly encourage clients to set up their form of doing business outside an existing business. Let me briefly explain ...

Many of my clients already have a trucking business in force. And they want to place their freight broker operation within their trucking business.

This is not the proper way to operate. There are potential legal, accounting and operational problems that can, and most likely will, arise at one time or another.

One of my clients insisted on putting their brokerage within their trucking business. Their trucking insurance company would not allow it. They ended up setting up a separate business and paying another \$300 for another MC#.

But there is another reason to set up your brokerage outside of your trucking business. And the reason actually cuts two ways. You need to know what to look for and what to avoid.

Keep tuned in here for Part II where I'll go into more detail on business structures.

Freight Broker Business Structures - Part II

In Part I, I mentioned: " there is another reason to set up your brokerage outside of your trucking business. And the reason actually cuts two ways. You need to know what to look for and what to avoid."

Read on for more info

Your trucking firm may be under contract with a broker which prevents you from going directly to the shipper to get your own loads. When you set up your brokerage outside of your trucking firm, you may approach any shipper you desire.

This is because your brokerage is not under any such contract. So by setting up your brokerage outside your trucking company, you free yourself up to go directly to a shipper regardless of any contract you might have through your trucking company.

Now, here's what to avoid or here's what you need to be aware of ... here is where it cuts two ways.

If you are a freight broker, you will be requiring carriers to sign and abide by your broker-carrier agreement. You most likely will have a clause that prevents the carrier from going behind your back directly to the shipper to get loads.

BUT, this same carrier that you are using may own a separate brokerage company and this brokerage company may then go directly to which ever shipper they desire.

So, it cuts both ways: (1) you can go directly to shippers to get loads as a broker regardless of whatever agreement your trucking firm has, and (2) others can do the same to you.

So, just be aware of this happening.

Freight Brokering: Revisiting the Business Structure

Several weeks ago I entered a post titled, "Why Carriers Don't Want to Place Their Broker Operations within the Carrier's Business Structure". In that post I mentioned about back-solicitation which generally is a contractual agreement where the carrier agrees NOT to go behind their broker's back to solicit loads.

The article elaborated further on this. And today I had at least three inquiries about this.

So what happens if you set up separate companies which would then more or less safeguard you from carriers you hire going behind your back. I say "more or less safeguard you" because in this day and age people at times will violate an agreement they signed.

One of my callers, a broker/trucker with separate firms, had gotten some loads through another broker for his trucking firm. The broker/trucker was acting on behalf of his trucking firm. Then this person, the broker/trucker, went directly to the shipper to obtain loads - but he did it through his brokerage company.

Naturally the broker who gave him loads for the trucking company wants to sue this broker/trucker now because this broker feels he was illegally infringed upon. Technically any broker can approach any shipper directly for loads (if it is not contrary to any agreed-to clause). So there is no infringement here when the broker goes directly to the shipper through his brokerage.

Did I make myself clear here? And do you see how this can get confusing? The broker who feels he was infringed upon may not have any recourse against the broker/trucker. Why? Because the broker/trucker did not hold himself out as a trucking firm but rather a brokerage.

But a trucker who goes directly to a shipper may be violating his or her agreement if there is a back-solicitation clause that has been breached.

So what do YOU think? I'm sure this is NOT the first time this has occurred. Give us some feedback.

Freight Brokering: Several Ways to Take the Order

Freight brokering is fast-paced at times. Some people thrive on this - others lose their minds. (It's okay to lose your mind if you're having fun). But ...

you also want to make money. Money is not everything but it is essential that you generate cash flow over and above your expenses. By following various procedures and duties with top-notch efficiency you'll be one-up on others who are not so well-organized. So making money IS essential and being proficient is one way how you do it.

One most likely fast-paced scenario is when a freight broker takes an order from the shipper. The shipper often times is extremely busy. He or she will often spit out the information so fast that you need to be razor sharp. And I always encourage my clients to call back if there is any confusion as to exactly what the shipper wants.

Here are a couple of methods for taking the order:

- Use a notebook: if you can write fast, this will be enough to record all the details that the shipper wants to communicate regarding the pick up and delivery of a load.
- Use a check list: this involves less writing and can be very efficient. Leave enough space to write specific notes or instructions.
- Use a tape recorder: is this legal? It depends on your state. Some states disallow taping phone conversations; others allow it if you notify the person first.
- Input directly into software: with a telephone headset you can input directly into whatever software you are using. This eliminates doing it twice - once writing it down and again entering it into your software.
- Take the info and put it onto a chart: I believe in days-gone-by freight brokers used to have enormous chart boards on the wall to record info on each load. I tried this with a smaller-sized chart board and it didn't work too well for me. Just one client had potentially 20-30 loads going out every week to potentially 10-15 different locations. It was too much for a chart board.

Whatever works for you is fine. Just so you get organized somehow. It will not only reflect in a bad way if you come across as being inefficient - it might keep you from generating that extra cash flow that you need.

Why Carriers Don't Want to Place Their Broker Operations within the Carrier's Business Structure

Most of my clients come out of the trucking industry. They either want to supplement their trucking business or they just want off the road for one reason or another. Freight brokering is an excellent alternative for either situation.

However, some trucking business owners think they can easily set up their brokerage within the structure of the trucking business. But there are potential problems here. And there are advantages for setting up a completely separate brokerage entity outside the trucking business.

First, the Federal Carrier Motor Safety Administration (FMCSA) requires that a brokerage company segregate its revenues and expenses from any other entity. While it's legal to set up a DBA brokerage within a trucking corporate structure; and while it's easy to segregate the revenues and expenses, one from the other, there still exist problems of doing consolidated balance sheets and allocating common expenses. The accounting problems could cost more than just setting up a separate business.

Second, if a brokerage is operating within the structure of a trucking firm there are potential legal problems related to a confusion of roles. The FMCSA requires that brokers not hold themselves out as a carrier or any other type of entity. And role confusion can generate a lot of unnecessary problems to say the least. There are other potential legal problems as well that go beyond the scope of this article.

Third, some shippers won't deal directly with a trucking firm. Why won't some deal directly with carriers? Many shippers realize that the trucking firm may be under contract with a broker and brokers which usually "prevents" the trucking firm to "go behind the back" to get their own loads directly from the shipper after initially working with a broker.

Fourth, it's too easy for a carrier to neglect invoicing their brokerage; and if the carrier doesn't invoice the brokerage, the latter won't forward any payment to the carrier. The owners involved might think, "I own both companies and it's a wash out anyway". However, by not invoicing the brokerage and likewise, if the brokerage does not pay the trucking firm, there will be distortions in the financial reporting and other regulatory reports may be distorted as well.

For those who want to supplement their trucking business by setting up their own brokerage, it usually means cutting out the middle man and going directly to the shipper. Why pay another broker when the carrier can put that in their own pocket? Some loads can be given to their own trucks; other loads can be brokered out to other drivers. But this should all be done through the brokerage company which the owner may jointly own with the trucking business.

Are there any real life situations out there? Do any of these problems actually exist? The courts are probably full of cases either disposed or under current legal action. Your comments are welcome.

Freight Broker Success: Just How Do You Get There?

I used to run 5K and four mile races with my step-son back in central Illinois. I'll admit that at times while running - or slogging (slow jog) - at 7 a.m. on a Saturday morning with about 200-400 other people, I felt sort of stupid. I'd think, "Why can't I be normal? I should be home in bed or eating donuts and drinking hot chocolate". Nevertheless, I kept this Saturday routine up for many years. And it actually felt good after each race was over and done.

And one day my step-son told me something I never forgot.

He said, "Dad- I know how to win these races". I said, "How?"

He said, "Take big steps and go real fast".

How true this is. Just take big steps and go real fast. And it's the same way in freight brokering (or any other venture). For freight brokering - you just **get a lot of loads and get big bucks for each load**. That's how you become a top-notch freight broker. Very simple, huh?

Well, you and I both know, this isn't the way life is. There's a "program" involved and a lot of learning and hard work.

In the next few days, I'll be sending out an email to those individuals who have downloaded my free eBook, "Introduction to Freight Brokering".

I'm going to talk about taking short cuts. There's only one way I know that is the best short cut to freight brokering success. (The short cut is – getting properly trained).

Have a nice week end.

P.S. By the way, I did get a 3rd place trophy in my age group once in a 5k race in Chicago. The only problem was, there were only three of us in my age group. But I got a 3rd place trophy and no one can take it away from me.

Freight Broker Training: Selecting a Form of Doing Business

Before anyone begins business as a freight broker, there are three things that need to be defined before the broker authority is issued.

The first item is the business name. You need to find a name that is not used by anyone else in the business. The second item is the form of doing business. We'll talk more about this further down. And the third and final item is a business address. The business address may be your home if you choose to work out of your home.

But let's look at the form of doing business.

You may select to work either as a sole proprietor, get incorporated as a regular C corporation, or an LLC (limited liability company) or a sub chapter S, or you may set up a partnership.

Here's where I can help. I can give you some general guidelines and give you some brief definitions of each type. However, for each client, I encourage them to talk to a local accountant/CPA or attorney - especially if there are potential or real partners involved.

If you begin as a sole proprietor - which is the most simple and least costly method - you may get incorporated rather easily at any point in time later. So you don't necessarily have to forget about incorporating if you choose to begin as a sole proprietor.

You may want to consider incorporating if you have significant personal assets that you wish to protect. However, you would want to review this with an attorney. There may be various requirements that you need to fulfill when you get incorporated; otherwise, if someone is coming at you with a lawsuit, they may attempt to portray you as not really a bona fide corporation. In other words, they may try to "pierce the corporate veil" and your personal assets would then be unprotected.

Let me say that as a beginning freight broker your exposure to liability is not that great. As you grow your business, of course, the exposure grows as well. Before you get all paranoid about a lawsuit, look at the amount of your personal assets that are at risk.

A sub chapter S corporation can be used to give you the benefits of incorporation and it's a good vehicle if you have partners.

A partnership could be set up which is also used if you have partners involved.

If your spouse is involved with the business you may want to talk to an attorney about the necessity of a partnership agreement. A partnership agreement may be used for any form of doing business except a sole proprietorship.

An LLC is a popular form of business because of its flexibility. Partners may choose to pass the income or loss on to their personal tax returns or be taxed at the corporate level. If you talk to an attorney about an LLC be sure to ask them HOW an LLC is different from a C corporation or a sub chapter S or a regular partnership.

It's good to talk to an attorney in some cases to see which form of business is best for you. Attorneys know the various laws and requirements that will give you the needed protection you desire.

If you have a simple situation without partners, filing your own Articles of Incorporation is usually quite simple and you avoid the cost of an attorney. Believe me, it can be quite simple and we can point you to the correct source to obtain the proper filing materials once you decide on your form of doing business.

If all you need is a sole proprietorship, all you need to do is find an available business name and register your business name with the county clerk's office. In a few rare cases, you would register a sole proprietor at the state level.

Your Freight Broker Business: Growing It and Creating Chaos

What do you do when you are starting your broker business and you are overwhelmed with activity and things to do? You are in chaos. You are thinking, "What am I supposed

to do first? How do I know I'm doing the right things? Am I forgetting anything?" Is this familiar to you?

Well, there may be help. First, there is a "good" type of chaos and then there is a "bad" type. In many cases, chaos is good. Let me talk about the "good" chaos first.

If you are just busier than a one-armed wall paper hanger and you know what you need to do but you just don't have enough help or time or maybe you haven't gotten as well organized as you had planned on - this is okay.

I can tell you that with this type of chaos there is hope. Now, here's the "bad" chaos.

If you are busier than a one-armed wall paper hanger BUT you really don't know what to do first and what to do second and third, etc. And you have some help but you don't know how they can help you. It would take you longer to explain and train than to do it yourself. And you don't exactly know if you are forgetting something more important. You don't even know where to go to know what to do, etc., etc. - this is not good.

Now, let me first explain that when starting most businesses there is some degree of "bad" chaos going on. But there are many business owners who have years of experience and they can't pull themselves out of the bad chaos, out of the mire - this is really not good.

The solution is to go back to fundamentals. Know exactly what you are supposed to do, when you are supposed to do it, how you are supposed to do it and, equally important, why you are doing it. Once you fully understand the fundamentals, you then might set up checklists. You can maintain a great deal of control with well-prepared checklists.

And if you have help, prepare some tasks that you can delegate to them. Lay out a clear program of activity for your help and get constant feedback from them as they perform (without standing over their shoulder).

I have had the fortune of working for some extremely talented and successful people who were juggling so many things at the same time all the while remaining totally cool as a cucumber. They had a "system".

So, first know in your head what, when and how to do things. Then prepare several types of checklists. Delegate to others when possible. And keep a cool head.

Probably no one will bother to associate with you if you insist upon having a nervous breakdown.

Staying Afloat: How Do You Do It?

One of the areas of brokering that needs critical attention is in the area of lumber fees. These are the fees charged usually by independent contractors at various unloading destinations. Sometimes the shipper will pay for unloading fees. Other times they don't. So be careful here.

Normally, a broker doesn't want to pass these lumber fees on to the truck. But what happens when you don't know how much these unloading fees are? The shipper or the

receiver should know how much the unloading fees are. But what if they don't know or won't tell you – or even mislead you.

You can sink your boat real fast if you continuously take on lumper fees without knowing up front how much they are. You **HAVE** to know what your costs are - your total costs - in order to charge an amount that covers your total costs and also provides some profit.

Seek income that will cover your cost plus profit in order to keep your boat afloat.

Give us some feedback here on unloading fees. Let's hear from both current brokers or carriers who have had either good or bad experiences with unloading fees. (How can there be "good" experiences with lumper fees other than the shipper paying for them??)

Freight Brokering: What Do You Have to Do to Win?

This past week for a few days, I have been attending a Trader's Expo in Las Vegas. This expo is for investors and active traders in stocks and commodities. I've been attending this quality event for about 6-7 years and the educational benefits for me are fantastic.

Just yesterday, however, I learned a "new" perspective. Here's the scoop

In this expo, there are more than 100 exhibitors who are show-casing their latest investment program or whatever product/service they have developed. There are all sorts of programs that either teach or guide a person in making investment decisions.

(Now, I'm not a fat cat but I do enjoy analyzing stocks and doing some investing when I have the time).

Most of these product/services encourage investors to find good quality investments that go UP. That's really been my mentality for many years. And it's the mentality of most others I believe.

But here's the "new" perspective I learned yesterday.

One trainer (who happens to have about 480 individuals trading stocks for him), says he teaches all his students "How to Lose the Right Way". He doesn't teach them anything initially to try and find those blockbuster stocks that will take you to paradise (or where ever).

His entire focus is to get people in the habit of getting out of a bad situation immediately and by doing so the numbers will take care of themselves. In other words, if you learn how to stop your losses quickly on some investments, you will have others that **WILL** go up and you don't have to do anything to make them go up.

So, what's this got to do with freight brokering? There **IS** a little similarity here.

A new freight broker will spend hours on the phone or otherwise to find customers. You will want to get set up with as many as you can for the first year or longer. It might be 30 or 40. It might be 80 or 90. Once you do get set up, some of the customers won't give you a load for one reason or another.

Or, many of them starting out won't give you good paying loads or they'll give you loads that are hard to cover. So what do you do?

You don't waste a lot of time with deadbeat customers. You cut away from them and get out. You "cut your losses" so to speak and this is one way to "lose the right way".

Before you get set up with a customer you normally don't know how good they will work out. But if they don't for the reasons I mentioned above, you cut and run.

At some point, you WILL fall into customers who ARE winners. And you don't need 50 or 60 to make a good living. You need 5-10 good-paying shippers to make a good living if you are a 1 or 2 person office.

Freight Brokering: How to Structure Your Working Day

In my last post, I mentioned about how important it is to realize that you are the boss. However, there are some constraints each day. You are not entirely free to do as you choose (assuming you are very serious about getting your business off the ground.) So, here's how to structure your day ...

This is how your day might go generally. I say, "generally" because one of the exciting things about freight brokering is, anything can happen at any time. It can get hectic - but in my opinion, it sure beats being bored to death.

So, in general, you'll want to do your search for shippers between 10 am and 2 pm. Why? Shippers are busy giving out loads early in the morning. They go to work very early so they will leave perhaps by 3-4 pm.

So that means, in general, you'll be calling shippers early in the morning to get loads - maybe between 6 - 10 am. This is done once you get set up with them.

After you take your orders from shippers, you'll spend your next effort in finding trucks to cover the loads. It can and will be tedious for a beginning broker. But, once you build relationships, you'll start working "pro actively". That's when things really start to happen - and serious money can be made.

If you haven't read my handout on "Working Pro actively" – go to:
www.atexfreightbrokertraining.com/proactive.shtml

Many evenings can be free unless you are searching hard for trucks. But you are free to roam about the house, the city or your state if you have your cell phone handy. You know - you gotta get out and enjoy life too. Go to a movie, go to dinner, play basketball with the kids. Try to forget about freight brokering. It's hard to do starting out - but it can be refreshing at times to just drop it for awhile.

Then, the weekends - if you want to work weekends, there are shippers and carriers out there who are working. So, it's up to you. Spring, summer and fall are good times to work weekends with produce. But you can find a lot of other cargo during the weekends. Especially after you have already made the time and put in the effort to find these types.

So, I hope this gives a better idea on how to structure your days.

Freight Brokering: On the Road or Stay in the Office?

A number of people ask me about the commitment in freight brokering. Are they going to be tied down? People want to know about taking time off for vacations or whatever. Excellent questions. Here's what you can expect in my opinion ...

The very first thing for a freight broker to remember (or one of the first things) is - YOU are your own boss. YOU make the rules and then you try to abide by them.

People want to know if they can take off for a week or so. Yes, you can. Especially if you are able to keep contact by using a cell phone or Internet telephone and have access to a fax machine and the Internet.

However, most beginners fear losing a good shipper if they take off. It's true. This could happen. But after working with shippers and carriers over time, it should be more easy to call them and say something like this: "Listen, I'll be out of town for 7-8 days beginning next Thursday. Can we work around this?"

Or you can say that you'll have access to communications with no problem. Others might be able to take off and go on the road without really telling anyone. They can continue work without missing a beat. It's all how you structure your operations, your time and your communications.

Freight Brokering: What Is Double Brokering?

I had a call from a former client last week. She was calling from down Alabama way. She said one of her carriers was asking to get a return load - a back haul. She asked me, "Isn't that double brokering?" Here is what I said ...

Double brokering is when you give a load to either another freight broker or a trucking firm who then sells it to another truck driver. The carrier probably thought that my client could search for a load on the loading boards and come up with a return load for the carrier.

However, going into the load boards to find a load is most likely double brokering. This is because most loads are posted by other brokers, not by shippers. And, a freight broker does not want to go through another broker - they want to go directly to the shipper.

Likewise, if you as a freight broker have a load, you want to deal directly with the motor carrier who will be moving the cargo. You don't want to go through a third party.

It's sometimes difficult to know when you are double brokering or when you are not. We go through all this in detail in our freight broker training.

Freight Brokering: Stuck in the Middle

What happens when a motor carrier has damaged cargo or missing pieces upon delivery? What should the broker do and who is responsible? There are many situations revolving around these and other similar questions. Here's a couple of pointers.

First, the freight broker is never legally liable for damaged cargo or missing pieces unless they assume this by contract or if they are negligent in their operations. So, what does he or she do when these problems arise (and they will at one time or another)?

The broker should be ready to talk to the receiver, the shipper and the carrier when these problems arise. But it's up to the shipper to file a claim should they decide to. They often times assess a dollar amount of damage and then deduct it from what they owe the broker. And the broker then turns around and deducts it from the motor carrier.

This is not the right way to do it. But this is the way many shippers choose to do it. And the broker has no control over how the shipper wants to handle this.

Second, there are all kinds of issues that may arise when there is damaged cargo or missing pieces. These issues are usually strictly between the shipper and carrier.

The carrier normally assumes full liability for any damage or missing pieces. But what happens if the carrier says the damage occurred before loading. What happens when there is concealed damage that wasn't apparent during unloading. What happens if the carrier is not allowed to observe the loading. How is he to know what the count is that he picked up. What if, what if, what if.

There may be a lot of "what ifs". But the fortunate thing for brokers is - these issues are between the shipper and carrier. The broker should only play a small, intermediary role when dealing with these problems.

That's not to say that all shippers understand this. This is where it is the broker's responsibility to know where they stand legally in the midst of these problems. Otherwise, a shipper may intimidate the broker either out of ignorance of the law or just sheer ignorance.

Freight Brokering: What Do You Do With a Smart One?

You'll find in the freight brokering business some of the nicest, most congenial people you could ever meet. I can't say there was even one person who ruffled my feathers (I survived raising six teenage step-children – so not too much ruffles my feathers). But that's not to say that you won't encounter some flak and you can read about it here.

Most people - no EVERYONE - is in this business to make money. If they are not, then Niagara Falls is a dried up river bed. So, for one reason or another, you are going to run across a number of people who will either:

- try to intimidate you,
- try to make you feel you don't know jack,
- try to point out your weaknesses,
- try to make you feel they are getting big bucks before they move their truck,
- and so on and so on.

I'm writing primarily about carriers who call in for more information on your loads.

So, what do you do? You don't lie down and let them tramp on you. You have to be absolutely sure that no matter how inexperienced you are you know what you want to do and you even know pretty much how to do it.

EVERYBODY starts out without knowing a whole lot about what they are doing. And if you think you want to wait until you "know it all" before you get into brokering, then you might as well just spend the rest of your life bowling. At least if you get a few gutter balls, you still got a few more tries unless you are at the end of the game.

So, first understand that you, as a freight broker, are in this business to get the most for your carrier. However, you still have to work within the framework of what the shipper is willing to pay.

You don't start out of the gates with good, high-paying shippers. You have to build up to that. You have to "pay your dues" at first. Eventually, you dump those customers who are not willing to pay competitive rates and you stick with those who understand what a competitive rate is.

Some carriers will try to make you think you are working against them. The sharp ones, however, will understand that you are really on their side because without a good loyal carrier, nobody is going anywhere.

Freight Brokering and Making Money

My background and training has been in accounting. During and after accounting school my big passion was to start a new business. I'd spend hours researching the library for information. Then I'd spend hours on my calculator doing cash flow projections.

By nature, most accountants and CPAs are conservative. Not only are we conservative by nature, one of the first accounting principles we learn is to "provide for all potential losses" (or something like this). This means, when we are doing projections, it's better to anticipate potential problems or downturns rather than paint a rosy, uncertain or unrealistic picture.

It's because there are third parties looking at financial statements that accountants prepare. Bankers are most likely to scrutinize financial statements and projections with caution and concern. Insurance companies are another group. They don't want to throw money at a loser.

They want to know the worst case scenarios and if there seems to be a "rosy" outlook, they want the figures "documented": What is the basis for such projections and what assumptions are being made when a business owner makes such projections?

There needs to be clear evidence that good financial projections are more than just wishful thinking.

But, sometimes I'm too conservative in my assumptions when I talk to potential freight broker clients. Why do I say this? Because every so often I get feedback from some of you people and you know others in the industry that are making great money.

I always ask how long these people have been in business or how many contacts did they have starting out. I'm usually told that the business owners have been in business for 5 to 10 years or so or that they had a good number of contacts who immediately gave them loads.

But, by nature, I usually talk about the fact that service businesses take time to get established.

So, if you do have contacts that will help jump start your business or if you work smart and maintain a long term perspective - you could, or you most likely will, be that person who is making a bunch of money.

So, to be fair, let me say this: this is a service-oriented business and it is wise to be prepared to "pay your dues". But, on the other hand, you could be raking in some good money sooner than you think especially if you have some contacts to start with.

Freight Brokering and Taking Risks

Right now I'm listening to an audio interview with Art Linkletter. I thought he kicked the bucket many years ago. Sorry for being so crass - but that's the exact thought that went through my mind when I first saw the CD label. He's 94 years old now. And that's not all

Art has been in 40 businesses. Many of you know of his radio and TV shows. But he's got depth with more than just what meets the eye. Right now he's into solar energy.

One of his personal philosophy gems is "things turn out best for people who make the best of the things that happen to them". I'm not necessarily the type that falls for all these slogans. You'll never see a poster on my wall with that pretty little kitten with both paws outstretched above and it reads, "Hang In There".

But Art's little gems are practical. I like that.

And, the only time you'll need a poster or having someone telling you to "Hang In There" is if you are climbing a tree, maybe, and you are stuck and you are hanging onto a limb and the fire department is on their way. Yes, you can then whip out your "Hang In There" poster.

Art believes you don't necessarily need money to do the things you want. It takes determination more than money. It also takes enthusiasm.

He was a hobo on trains at the age of 16. No money. Too young for college. He was an orphan. He stays away from some legal advice because lawyers always tell you what bad things can happen to you (I'm right with him on this!). But Art went on to great success.

So here's what struck me about this interview. I work with people everyday in helping them start a business. Freight brokering is one of the few businesses where you can get up and running in a matter of weeks or a couple of months.

However, as excited as I get, I know that some may not succeed. It's sobering for me. I'd rather ignore that and watch people have wild success. So, I'm cautious with the advice I give people. This business - and any other business - is not a surefire thing.

But Art talked about taking risk. He says, Yes, it's absolutely necessary to take risk unless people want to be stuck in a "comfortable rut".

I hope this helps you in one way or another.

Freight Broker Jitters

So what do you do when you've just graduated from freight broker training and you immediately hit a shipper that tells you, "I've got a couple of loads I'd like to get moved today"? Do you have a sudden thrill that flashes through your body? Or do you have this dull feeling of dread? Are you confident and do you jump right on it? Or do you just get the jitters? (I hope you don't have a nervous breakdown.)

I spoke with one of our recent agent graduates this morning and she said she was, "scared to death". She had two loads from a shipper and didn't want to screw things up. She really had the jitters.

Guess what? It's normal. Everybody feels awkward or jittery at first.

So what do you do? You just calmly take the order from the shipper, find out what they are paying, calculate the miles, calculate what profit you want, double check to make sure the shipper isn't sticking you with some unknown lumper fees, figure out what you want to offer the truck, post the loads on the loading boards - and then wait for incoming calls while searching the loading boards yourself for available trucks.

Yes, there's a bunch of details - but if you learn how to do the above with ease, the next steps will unfold a little bit easier.

Freight Brokering: the Good, the Bad & the Ugly

Freight brokering is very similar to any other business venture at times. It certainly can be very different - but there are some similarities. For example, every business venture has its share of the Good, the Bad and the Ugly. Here's what I mean.

For the Good, every freight broker can look forward to creating some very interesting and solid business relationships over the telephone. It's a very good feeling to have both shippers and carriers call you repeatedly for loads. Believe me, the feeling of having people rely upon you can be very rewarding socially as well as just for business. Let's face it, many people are bored and a good career in brokering can be the solution.

The Bad can be referred to the little things that unexpectedly go wrong. For example, a late pick up or delivery. Or a driver not giving you his "check-in" call. These "bad" incidents are not devastating but can be annoying.

Then there's the Ugly. This is when things happen to the extent that you sometimes keep asking, "Why is God punishing me?" Here's an example from one of my first clients who called to "check-in". Here's what he experienced.

First - with just one carrier - he had a truck driver drop dead while picking up a load (30 yrs old); second, one driver hooked up to the wrong trailer and drove off without making contact for days; and third, another driver took off 4 bundles of lumber and was selling them off of his truck.

Can you believe this? These were all with just one carrier.

Anyway, EVERY business venture will have its Good, Bad and Ugly incidents. The best you can say for the Ugly things is that they are opportunities to learn. A person seldom learns until they truly go through the fire. That's life, that's learning.

Freight Brokering: Exactly Just When Is the Best Time to Get In?

C.H. Robinson Worldwide is one of the largest freight brokerages in the world. They have seen some robust growth in relatively recent months. However, on March 9, 2007 a Wall Street analyst downgraded the stock to a "sell".

The reason was two-fold. First, the stock has had a nice run up; and second, the shrinking capacity of available trucks does not look good for the firm. So what does this mean?

As far as the stock is concerned, I haven't fully analyzed it (one of my favorite hobbies). While the one analyst has downgraded the stock; there may others who are doing just the opposite. So let's let the Wall Street analysts do their thing.

But what about shrinking truck capacity? And what does this hold for those thinking about entering the freight broker industry?

It's true, the availability of trucks has turned south for several years. It's been difficult for freight brokers.

Here's my take on it. For one thing, this industry is gigantic. The American consumer is demanding products and all sorts of consumer items. Therefore, this industry is driven by a huge demand. Another thing - most freight brokers are small one or two or three-person offices. They don't need 50 or more shippers and corresponding trucks to make a good living. Each successful broker will carve out their niche.

Five to ten good paying shippers are what is needed. When you have good paying loads, especially in lanes that are desirable to trucking firms - brokers will create a "following" if they treat their truckers right and make timely payments.

Lastly, sometimes the best time to get into something is when things seem the most bleak. Nothing is more illustrative of this as the time of each stock market crash. Many just dump their stocks and run. But a few - on the darkest days - jump in and take a position. These few individuals normally reap their investment many times over in a relatively short period of time.

So what do you think? Should brokers be bailing out? Or should they be taking a position? I know what they SHOULD do and I know what many ARE doing.

Freight Brokering: Telephone or Face-to-Face?

Normally the telephone is the most efficient tool when searching for shippers. But is this always true?

Yesterday I went to lunch with Willie Tellez a good friend of mine. He retold his story of how he "broke down" one day and went to lunch with a very persistent caller who had some services to sell.

Willie has been on both sides of the coin. Here, he had been working as a warehouse manager where he received many, many solicitations from various vendors. And he also spent some time calling on others regarding his services.

Willie understands the value of the telephone but he stated emphatically: "John, there is nothing more powerful than a face-to-face meeting". But you have to be persistent.

Can these face-to-face visits be effective for a freight broker? I think so IF you have someone back in the office taking care of business; and IF you make sure you pursue the decision-maker.

Do you have any success stories - with either the telephone or face-to-face? We'd like to hear from you.

Why (Some) Freight Brokers Don't Drive Trucks

A number of people always ask me if I have ever driven a truck. After all, many freight brokers come out of the trucking industry. I usually just say, "No. I never have". But when I got this question from one client, I went into more detail as to why I had never driven a truck.

I love to travel. And it's possible I could have driven had it not been for one thing - just one thing.

One day many years ago, I got stopped on a busy street as a 48' van was in the process of backing into a loading dock. The street was narrow. The traffic was congested. Most people would have gotten irritable having to sit a wait while this big rig was getting parked. But for me - it was a true learning experience.

I watched that trucker back that thing into a very narrow slot. It seemed as if there wasn't more than 8 inches on either side of the truck. He (or she?) put that rig in there and my mouth just dropped. I thought to myself, "He just did something that was humanly impossible". I mean IMPOSSIBLE. I marveled about that all day long. Had I heard this driver had taken his rig to the moon and back, I would not have been any more impressed!

I just could not fathom how any human being could so delicately put that long trailer in the way he did it. And all the while with traffic lines getting backed up on both sides.

So I said to myself right then and there - "there is NO way, I mean NO WAY I could ever hope to be a truck driver"!

The only thing I could think of later (I didn't go to college for nothing) was - Maybe I COULD have driven a truck on one condition. Instead of me backing into a loading dock, I would only take loads where I could park in an empty, 20 acre lot. Then I'd have the receiver move some portable loading docks or conveyor belts out to my truck. No hassle, no fuss, no traffic, no problem.

If there are any such loads as these, I'll consider driving a truck.

Have a nice day!

Freight Brokers and Factors – What's Out There?

In my experience with freight brokering, I never used a factor. I received a line of credit from the local bank and that served me well. Basically, I knew I needed a cushion of funds in order to pay truck drivers in a timely manner. But what if you don't have a cushion of money or are unable to obtain bank financing?

For those brokers who don't have a cushion of money to pay their trucks they could be missing the boat (or truck, I guess, in this case).

There is good news. Many brokers use "factors" that will advance money to the broker and it's based upon the broker's accounts receivable. The bottom line is that the broker then has funds available to get the truck paid.

But here's the hitch. There are many factors out there each with their own set of policies and requirements. It's difficult and time consuming for most people to do a proper "apples-to-apples" comparison.

So what has been YOUR experience?

Are there factors out there that are willing to work with new brokers? Do they have any minimum requirements for monthly volume?

The factor will invoice the shipper after advancing money to the broker. But what happens if the shipper doesn't pay the bill? Or what happens if the shipper takes 90 days or more to pay? Does the factor have recourse to take that money back from the broker?

There are many freight brokers currently using factors. But I wonder how many actually know all the details of how their program works. Give us some input here if you have any good or, perhaps, bad experiences in working with factors.

Section 2 - Freight Broker Training

Freight Broker Training: If You Want to Order Right Now

I'll admit, it's not real easy to find the Order Form on my other website at www.atexfreightbrokertraining.com especially when you are in a hurry. I'm working on making it easier. But it all takes time. Anyway, if you are ready to order right now, here's how to do it.

When you are on the *Home Page*, scroll all the way down toward the bottom and you'll see several "Order Now" hyperlinks. Click on whichever one you want.

It will take you to the *Main Order Page for either Freight Broker Training or for the Module Training*.

You may use your credit card with secure PayPal or you may print out the form at the bottom of the order page to mail in.

If you want to order by snail mail, complete the mail-in form completely before mailing it in.

There will be a hold on personal or business checks. So it goes faster with cashier's checks or money orders.

There you have it. I hope this helps.

Freight Broker Training: Financing Your Training

I have a few clients who have received grants to help finance the training fees or to help finance other parts of the start up expenses. Do YOU have any resources for grants? Here's some tips.

There are several sources where you might check to see if there are any grants. These sources may be from either the federal or state government or from a local university.

A few clients have received disability payments from their insurance companies; but these are not grants. They are some type of disability payment after the client had purchased some type of disability insurance. State Farm Insurance has been at the forefront here.

But for government or college grants - you want to be a research hound. No one is going to knock on your door and say, "Here are eight grants for you. Just take the money and run".

No, you will have to make many phone calls. But here's where to start.

Call your nearest community college or university and find out if they have a department that administers or sponsors work or training grants. Have a pencil and pad of paper on hand because you will be re routed several times at least. Be persistent in following up with all leads.

Sometimes you may go directly to your state government. Again, you need to get on the phone and start calling. Try some local, state or federal agencies like the Small Business Development Centers located in larger metro areas. These SBDCs are sponsored by the federal Small Business Administration; but they may help you in your search.

You will have more success in finding grants if you live in a state or area that is economically depressed. But, if not, you never know what's out there until you try.

I myself don't know "exactly" where you should start or go. But there may be many government or university resources in your state or area where you should start your search.

I hope this helps. Good luck.

Freight Brokering: Learning the Fundamentals

At this time of the year there are a lot of sports on TV. College and high school football are my favorites. But I like to watch St. Louis Cardinal baseball as well when they are on TV. I'm always fascinated in the way players are trained and coached.

In baseball, the objective, of course, is to score runs. However, you don't see a bunch of guys lined up at 3rd base all taking their turns running into home base as if they are scoring a run. No - they learn the fundamentals of hitting singles and doubles. And if a few are talented enough to go for triples or home runs, so much the better.

Likewise, in football practice, you don't see a bunch of guys lined up on the 10 yard line all running toward the goal as if they are scoring a touch down. No - they learn certain running and passing formations as well as various blocking strategies. It's the fundamentals.

Likewise with our freight broker training we don't teach you how to make out a deposit slip and drive on over to your favorite bank to make deposits just to practice watching your pile of money grow and grow. No - we teach some fundamentals.

These fundamentals are:

- Getting your broker authority,
- Finding shippers and getting set up with them,
- Learning how to do certain functions like calculating rates,
- Using certain tools such as the loading boards,
- Searching for carriers and pre qualifying them,
- Learning related business, financial and legal issues that impact freight brokers

Just like baseball and football, freight brokering has its fundamentals. And just like baseball and football, freight brokering has its detailed procedures and strategies.

It sometimes amazes me, but we can set you up in your own freight broker business and give you all the tools you need to succeed. And we can do this in about 30 days.

When you are ready, give us a call. We'd like to work with you.

Freight Broker Training: What's the Straight Scoop?

Some years ago I took freight broker training out of state before I got into freight brokering. It was a training program offered within a freight brokerage company. I had called around - you know - I wanted to find the right program for me. And I thought I was asking all the right questions.

But how do you know you're getting the straight scoop? Read on for some insight.

The freight broker training program that I attended was advertising one could make between \$50K and \$100K THE FIRST YEAR! That was very, very, very appealing to me. In fact, it was sweet music in my ear. And, furthermore, the school also promised that I'd be making money even before leaving school.

Needless to say, the outcome was a rude awakening to me - and I've had a lot of experience working with small business start ups. But things didn't pan out as quickly and easily as I had thought.

To be honest, there is a high profit potential in freight broker TRAINING. Maybe not as high as freight brokering itself. But the money comes in a little faster, I think.

So when this happens and when others see very profitable ventures they jump into Freight Broker Training themselves. This is not bad in itself. Competition, in my opinion, normally is good (as long as you are better than your competition).

But, when a company tells you that you can make a huge amount of money and when they infer or point blank tell you that this huge money can be made rather quickly and easily - BEWARE!

Making big money either quickly or easily just ain't in the cards for a good percentage of most people. It CAN happen. But for the majority, it won't happen this way.

But by offering very, very attractive and appealing money making deals, many companies can sucker in many people - primarily because it tickles your ears and it's what a lot of people want to hear.

If and when some one tells you about making big money quickly or easily, call them and ask them how. Ask them for a proforma cash flow projection. If a company advertises big money, they should be able to back it up and reveal, in detail, how it can be done. You don't want pie-in-the-sky projections. You want realistic projections for beginners if indeed you are a beginner.

In my free eBook, "Introduction to Freight Brokering" I give a simple method to calculate potential income. It isn't real attractive starting out. But if you have any smartz at all, you know that it will take time and it will take hard work.

Any one who is preaching anything else does NOT have you in their best interest. The freight broker training industry doesn't need this type of cheap hype.

Am I wrong? You tell me.

Freight Broker Training: Do You Suffer From 'Purchase Anxiety'?

I know for a fact that purchasing a relatively expensive training package from a total stranger over the Internet is enough to initiate a good dose of anxiety. This is a big step for most individuals and I fully understand it. I go through the same thing at times. Here's what happens to me

When it's something expensive, I'll study and read the promotional materials over and over. Then I'll decide - Well, I really don't need it now. It's just too much for me. I'll do it later or I'll just have to learn it on my own. Nope, I won't do it.

Then several hours later I'll start thinking - Well, it would be really nice if I could just take the leap. It sure would be a lot easier for someone to spoon feed me rather than me chasing a bunch of dead end rabbit trails. Yes, I better do it.

Then several hours later I'm still thinking. But it's so much money. And Christmas is coming. And I'd really rather go on a nice hotel getaway for a few nights with a bubbly jacuzzi - and just kick back. Nope, I'm not going to do it.

So do you see the pattern? It's enough to drive a person crazy.

Here's a couple of things that might help you one way or the other with our training programs. Let me briefly go over them.

1. Testimonials. Take a look at my testimonials on my website. I've collected a bunch of them - more than what are on the website. I don't have the luxury of holding my clients hostage in a room until they complete the evaluation. I send it to them after training and hope they'll return it. Most do. So spend sometime reading these diligently.

2. Features. About half way down or more on my home page, there is a link where you can look at the topics that are covered in the training. Read these and then ask yourself, Are these something that seem to be quickly thrown together? The answer, of course not. And in addition to the topics you also get a well-prepared broker-carrier agreement that you can quickly modify and make your own. You also get templates to help you manage your loads and monitor your progress. You also get a sample business plan that you can modify and make your own. Plus a whole lot more. Get the picture?

3. Is This a Real Opportunity? Just look out the window or while you are out and about. Look at all the trucks on the road. Most or many have been moved by a freight broker. This ain't no fly-by-night business opportunity. It's for REAL!

4. Want to contact me? I've got my phone number plastered right at the top of each website page and elsewhere. All you have to do is give me a call at 888-526-2839. You'll get my answering staff and they'll take your name and number and notify me immediately. Unless I'm on the other line or training, I'll get back with you quickly.

5. Who Am I? The best way to get to know me besides calling me is this blog. I've got a bunch of posts that are all freebies just for you. I hope my humor isn't too bad. But I try.

6. My credentials? On my "Contact" information on my website, you'll find my certificates for my accounting degree and my public accounting certification. These

certificates don't mean anything by themselves. But they do represent all the experience I have had working with small business startups over the past 25 years or so because these certificates "opened doors" for me. And most of my current clients appreciate my business knowledge.

7. How Safe Is Your Privacy? With my order system, your purchases are as safe as anything on the Internet. I never see your credit card info and your email addresses are never abused.

So these are just several things that will hopefully help alleviate your 'Purchase Anxiety'.

I believe my comprehensive telephone and Internet training is the best of its kind in the world.

I hope to get you over your anxiety and on your way to freight broker profits even before this year has ended.

Freight Broker Training: There's a New Trend Occurring

Most people looking for freight broker training will come to me through internet searches and eventually to my website. Over the past several months, however, a new trend has been occurring.

I'm getting a lot of "word-of-mouth" referrals. A number of my clients tell others about my training. Most of these callers then sign up.

My website and blog do a good job in my sales process. But those who come by word-of-mouth make it even easier for me.

Before I created my information-packed website and blog I used to spend a lot of time on the phone. I still do. But most of the time several years ago was spend on answering questions that are now answered on my website or blog.

Most of my telephone time now is spent either getting the applications started for the broker authority or wrapping up the training by going into some of the business related topics – legal, financial, accounting and operational.

Nevertheless, if you still have questions after going through the website and blog, I'm here to try and help. You can call me at 888-526-2839.

The exciting thing for me is that more and more individuals are finding real value in training over the telephone and Internet. It's powerful and intense. And some clients are happy to refer others to me.

I'll have more to say about this later.

Freight Broker Training: How We Wind It Up

We usually begin training with getting the applications going for each person's broker authority. While the paper work is being processed, we then get into the details of brokering. There's a ton of info that we throw at you. But here's how we wind up the formal part of the training.

After we've gone through 35 chapters or so of information plus the related 35 or so "handouts", it's necessary most of the time to help put things into perspective for the client.

I first make sure that each client is finishing up their set-up packages that they'll be sending to shippers and carriers. Second, since it's almost impossible to absorb all of the info at one time, we focus on first things first,

So, the next item is to start calling personal contacts or calling shippers if the client does not have any personal contacts. So each client would then go to the training manual and read through the chapters on "searching for shippers" and "taking the order", etc.

Once the order is taken, the client then should go to the training manual and read up on "calculating rates" and "using the loading boards".

After the client posts their load(s), they should then go to the chapters on "booking the load", "searching for carriers" and "prequalifying the carrier". And so on.

You get the idea. The training manual is presented pretty much in sequence of how you will be conducting daily business whether you are just starting out or whether you have several years experience under your belt.

This is pretty much how we wind up the formal training. And, with our "bottomless" support, we are just a phone call or email away if you have questions, comments or just need some quick feedback.

This approach has been working very well and we try to focus on what each client has on their mind - what are their fears, their concerns and their understanding of how to become successful.

Freight Broker Training Payments

Most everyone is familiar with the Internet. Most everyone knows that payments can be made very safely through the Internet. It took several years for several companies to establish good creditability where a person could order over the Internet. The buyer has to be comfortable with two things - the trustworthiness of both the seller and the company who processes credit cards. But here's another option ...

I have a number of people who want to send a check by mail - the old fashion way. And that is perfectly fine. It is more time consuming - but this is a perfectly acceptable method to order training.

In fact, on the Order Forms on the website, down toward the bottom, there is a link you can click on to print out an order form. You have the option to select whatever training you desire. Most people send cashiers checks because they are faster to process.

Personal or business checks would take another 10 days at least to ensure they have cleared.

But - for whatever reason you have - sending a check with snail mail is perfectly acceptable.

Freight Broker Training: We Are BBB Accredited.

I've been with the Online Better Business Bureau (BBB) now for several years. They actually did a pretty thorough exam of my website. There are some businesses that don't pass their test. But today, I received a letter from the local BBB. Here's what it said

Beginning in October, I will not only be a member - I will be an "Accredited Business". This designation reflects what I have achieved as a business. I have earned this status by meeting BBB's high standards for business conduct. I am part of an elite group with a proven track record for being honest, dependable, and responsive.

Further, "Seven in 10 consumers say they will be more likely to buy from a company designated as a "BBB Accredited Business."

I'm thankful for the BBB where businesses and consumers can meet with confidence.

Freight Broker Training: "I'm Ready - How Do I Start?"

I get calls and emails from people almost every day saying, "I'm ready to start. What should I do?" Here's what I tell them

It's very easy to get started. Most people whip out their plastic. They then go to my website and place their order using PayPal. A few people don't feel comfortable whipping out their plastic and they want to mail in payment.

This is acceptable. In fact, on my Order Page toward the bottom, you can click on a hyperlink and print out the order form. I prefer either Cashier's Checks or Money Orders, but I do accept personal or business checks.

But with a personal or business check, there is some delay until the check clears. Plus, the snail mail here is very, very slow. So when sending checks you can plan on this process taking 10-15 days before you are able to begin training.

For some people, this is okay. So, here are your options:

- Use your credit card with PayPal on my website,
- Print out the Order Form from the Order Page and mail it in with a cashier's check, money order or regular check

Once I receive notice from PayPal or once the checks are cleared, you will receive the emails with all the materials. We then get together on the phone to set up a starting date and time.

We train during most evenings as well as during the day. I hope this helps.

Freight Broker Training: To Order, What Is PayPal & How to Use It

PayPal is one of the most trusted names in Internet eCommerce. Ten years ago, I would have fainted if someone would have told me what I'd be doing right now with my Internet

business. PayPal isn't always a "perfect angel" when it comes to explaining some things. But

for 99.9% of my users, they are simply the best and the most trusted. So how do you use them? If you DO NOT have an account, here's what to do: It's easy.

1. From my website, click on "Order Now" or another link that mentions Ordering, You will then come to a PayPal page.
2. Then, down toward the bottom, it will ask "Don't have a PayPal account? Use your credit card or bank account (where available).
3. Then click on "Continue".

Note: If you sign up with a credit card, your order will be processed almost instantaneously. However, if you sign up with a bank account, it will take 3-4 days for them to verify everything.

4. After you click "Continue", just enter the information requested.
5. You will then be asked to "Review Order and Continue".
6. The order is then processed instantaneously if you use your credit card.

I hope this helps.

Freight Broker Training: It Doesn't Matter Where You Are

Are you from Istanbul, Turkey? Are you from England or Japan or Okinawa? We can train you if you want. Here's how.

Most of my outbound calls are made with my Internet telephone, Skype. I can call just about anywhere in the world for pennies. The cost varies from country to country.

But if you have Skype and call another Skype user, the cost is nothing, zip, nada. Another well-known Internet telephone service provider is Vonnage. But I like Skype.

You can download their software, set up a credit card or bank account - and you are ready for training no matter where you are. That's www.Skype.com

Let me know if you have questions.

Freight Broker Training: What Topics Are Covered?

It took months and months to upgrade my training manual and materials last fall. Not quite as bad as root canal but who knows?? The goal, of course, is to provide the BEST materials in the freight broker training industry. I mean the BEST! Second to none! Period! Here are some topics and how the manual is laid out.

The first 3-4 chapters are general and introductory such as summaries on the industry, on what shippers, carriers and brokers are looking for, etc. Then we get into the heart of freight brokering:

- Getting your authority,

- Getting set up and working with shippers,
- Getting set up and working with carriers,
- Business related topics,
- Templates, handouts and worksheets

1. Getting your authority - in addition to getting your MC#, your surety bond or trust fund and your process agent permit, we also help you get incorporated without using an attorney - if you want to get incorporated. Some states charge less than \$100 for their filing fee.

2. Shippers - we show you how to put together a "set-up package". As soon as shippers receive this, you are ready to do business with them. We show you who to talk to, how to talk to them, what they will expect from you and what you want to expect from them, plus much more. We show you some search strategies. If you are planning to just use shipper directories, you are missing the boat. We teach you how to take the order and how to use the loading boards.

3. Carriers - we show you how to pre-qualify your carriers. Normally, freight brokers are not liable for damage or missing pieces; but if you fail to work properly by not dotting your i's and crossing your t's, you may incur legal liability. We'll show you how to avoid that. We'll show you how to book the load and what pitfalls to look for when getting set up and working with carriers.

4. Business - we help you decide on how to record your accounting transactions and how to do some simple or more complex income and expense projections. We talk more about some legal issues that freight brokers face.

5. Templates, handouts, worksheets - we have templates for you like the 4-page broker-carrier agreement. This in itself is extremely valuable. We have templates for you to monitor your loads from the time you take the order until the time you get paid by the shipper. We'll show you how to monitor your profitability so you know who to pursue for more business and who to dump. We have a 32-page sample business plan. Read it and then create your own.

This only scratches the surface on what our training entails. If you are serious about training to become a freight broker, you won't find any better program. Plus, you have bottomless support. We won't hide from you once formal training is done.

If you have questions, shoot me an email at info@atexfreightbrokertraining.com

Freight Broker Training: Why Do I Do It?

People ask me, Why did you decide to do freight broker training and not stay working as a freight broker? Good question. Here's what I say

There might be more money in freight brokering in the long run. But, I make good money with freight broker training immediately. However, money is not the only tail that wags the dog.

I choose to really focus on freight broker training because I've been working with small business start ups for many years. My passion is to research information and then set up detailed, step-by-step procedures on doing things plus providing other valuable information.

Years ago, I got interested in Direct Response advertising. The idea was to run small classified ads and sell information. So I put together a sample business plan and ran several ads in several newspapers. My price was \$7 for the plan.

There was a one-step and two-step process. With the one-step, you just run an ad, tell them it costs \$7 and hope they'll go for it on the first jump. With the two-step process, you run an ad, ask for them to write or call for some free information. Then you respond with your pitch for the \$7 product along with a free report or whatever.

Well, I had the right idea. But this was back before the Internet and newspaper ads were relatively expensive. I'm NOT real proud of this but, I got one order. Yes, one order for \$7. To top it off, the dude sent it back and ask for a refund.

So I just sat around for a few years waiting for someone to invent the Internet. But also, in the meantime, I continued studying direct response advertising and the emphasis on attracting attention and then providing quality content and information.

So, basically, with my freight broker training I am free to create anything I want. BUT, if it is not quality content or if it is not something the market wants, I'm in trouble. So I spend a lot of time on:

- Creating good content
- Attracting attention
- Delivering the content in a cost effective way

I couldn't do all this experimenting and creating while working just as a freight broker.

And, I'm never finished. In the next six months ?? or so, I'll come up with other product/services hopefully in response to what people really want. And, I'll continue providing the all important comprehensive, one-on-one telephone training. Keep posted to this blog and my website.

Freight Broker Training: I Am Deeply Humbled

Yes, I am deeply humbled and really appreciate the clients that come my way. Every week or more often, I get clients who sign up without ever talking to me beforehand. Why is that?

I pour a lot of time and effort into both my website and my blog. I think they do their work in explaining freight broker training plus there's some good info at no charge. Consequently, at times, it's as if I'm out fishing and the fish just jump in the boat. I don't have to do a thing.

Other times, people view other freight broker training websites and then they come across mine. It's exactly what they are looking for and they jump right on it.

But it really does take a lot of time and effort to work the website and blog. It is NOT as easy as fish jumping on board with no effort on my part.

The best thing for those clients who do sign up is that the website and blog only touch the surface on many topics that are covered in the entire training program. So, the website and blog are the frosting on the cake. And you can have it and eat it too.

Lastly, I know my training isn't the cheapest and it probably never will be. But, think about this.

Just be glad that you aren't hiring me to do some mechanical work like make a repair or put together some furniture. I hate mechanical work and I have to call for help when putting in a light bulb.

It would cost you about \$3,500 to hire me just to put one of those thiggermerboppers inside a toilet tank. You know, the "new" kind without the ball. (I did it several weeks ago).

To put together a frame for a water bed would cost you about \$4,500-\$7,500. Years ago, I nearly jumped out of my two story house with frustration after the salesman said, "It's really easy - a piece of cake."

Yeah, right.

That's like - after asking for directions from someone and they say - "You can't miss it".

When they say that you know you're in for a long, long day (or night).

Anyway, I don't plan on doing any mechanical work for anyone – ever.

Freight Broker Training: I Know Exactly What to Do

In my post yesterday, I mentioned that I'm working on some new "stuff" and that I know exactly what to do. Well, here's what I need to do

My first task is to survey potential clients. Generally, before engaging in any project, it is good to gather information. In college we called it a "needs" and "resources" assessment.

This is a fancy way of saying - first you find out what people's needs are and then find out what resources are available to meet people's needs. And you try to fill the gap. This is actually a good formula that I've used during my adult life - especially after I got married and inherited six step-children.

There was a whole lot of assessing going on in terms of needs and resources. But we always knew the outcome - the needs far outnumbered the resources. So we had to sometimes make some tough decisions just at a time when it was the most difficult time to make them.

We didn't have the luxury to ask, for example, "Listen kids, shall we buy the Lincoln Town Car or the Cadillac El Dorado?" Or, "Should we travel to the French Riviera this summer or do the 3-week canoe trip in Tahiti?" Most people don't get to make decisions like this.

Anyway, you can tell I've got far too much time on my hands today.

To make a point, I'll be asking you what topics interest you most in freight broker training. And which topics don't interest you. Be thinking about this.

Freight Broker Training for Those Already Brokering

In my last post, I mentioned that some of my callers are already in business as freight brokers. However, they are still trying to "put things together". Some have already taken training elsewhere ...

Others have gotten into the business through related work. And they either had some type of on-the-job training or they just haven't had time to take training.

In the past, I really haven't had a program for those already in the business. It's my fault. But I'm not going to berate myself for this.

The truth is, I've been working day and night (I absolutely love the work), researching and putting together the information for the training program and handouts. It's very, very tedious. But it's necessary.

But, I'm working on some new things as well. I want to make my training as accessible as possible to as many people as possible. In reality, I can't be everything to everyone - but I can try. It will take some time - but I know exactly what I want to do.

Keep in tune with my website and my blog.

Freight Broker Training: Different Strokes for Different Folks

My biggest demand for training comes from individuals who want (and need) comprehensive training. They want to know, not only the details of how to broker freight, they want to know more

They want to know where and how to find shippers, they want to know about financing and cash management, and they want to know where they stand legally and they want to know about other things or sources of influence that will or might impact them as they broker freight.

But I also get calls from individuals who already are in the business of freight brokering. Sometimes I sign them up for a couple of hours. Sometimes, to be honest, I tell them to just keep on doing what they are doing.

Many of these individuals, however, are looking for something they really are missing. Many of them want an "easier" way to find shippers. At times, things do go very smoothly in freight brokering. But most of the time, it takes a lot of patience starting out. The only "easy" route is to be different.

The solution is to find a "competitive edge". If my clients are going to the same sources or following exactly the same script, they don't create that "competitive edge".

In my training I provide information that illustrates how to, and encourages clients, where to go where no one else is going. It's the only way to find the "easy" route to success.

It's a combination of marketing, personality, creativity, purpose and maybe a dash of luck.

Sometimes I get too cautious with callers and I end up discouraging them from following through. Others place less emphasis on what I think and they do what burns deep down inside.

Whether you are looking for my opinion or whether you are gung ho to begin right now - give me a call. Together, we can come to a better understanding or get you on your way.

Freight Brokering Training: How Good Are You At Taking Action?

Every day – and I mean EVERY day – I get emails from Internet Marketing people wanting me to jump on board with their information products. Some of these people are making millions. I know this because some of these people are very well known.

The thing is – a lot of these millionaires are young whippersnappers. And when I was their age, I was still going to cowboy movies. But here they are making millions.

Many of them DO have excellent materials and programs. And I'm a sucker for good information. So they like to see me come around.

But here's what I think. These people making millions are the type who take ACTION. They DO things. They put things into PLAY. They have goals and ambitions.

They don't try to be perfect when they start (but, yet, I have never received any bad material).

But I'm convinced that taking action is the single most important ingredient in "getting ahead".

So how are YOU when it comes to taking action?

You don't want to sit around for years wishing and dreaming and thinking you are being cautious and smart.

But you don't want to go off half-cocked and mortgage your house, cat and dog for some fly-by-night chance either.

You have to strike a happy medium.

On the one extreme would be the guys at NASA with their space launches. You would never hear them say,

“Well, let's just get them in orbit and then we can take a look at that leak.”

You wouldn't hear that - not in a million years probably. And there is good reason for this caution.

Then on the other extreme is the drunk swaggering through the fairgrounds when one of his buddies bets him \$1,000 he can't shoot down the moving duck three times in a row. That's just sheer lunacy (for the drunk – not for the “friend”).

Over cautiousness WITHOUT good reason and knee-jerk actions usually prevent people from getting ahead.

You don't even have to be smart to take action. By that I mean you don't need to have a lot of formal education or extensive knowledge.

I'll never forget the day years ago when an individual walked into my small accounting office. I had been putting out a newsletter about personal financial planning. It included normal topics related to investments as well as information on buying silver and gold.

This gentleman was tall, skinny and kind of an older hippy-looking guy with scraggly, slightly balding hair, little grandma-type glasses and he was slightly unshaven. He had with one leg crossed over the other very comfortably and I figured I was in for a long day.

For the next 45 minutes or longer he proceeded to tell me the history on the price of silver. He noted every peak and valley throughout each year. The guy was awesome in his knowledge.

So I'm sitting there thinking – this guy must have millions in silver (maybe he did but I'll never know).

But the problem was – silver prices not only remained flat – they drove lower for years after he spoke with me. I'll never forget this.

So here he was with such a vast knowledge on one subject – but it's quite possible that if he had applied his time, effort and knowledge to freight brokering (or anything else), he would be a millionaire today and doing it a lot faster than investing in silver.

So, you don't have to be smart. But you do have to take action. And probably stay away from silver for awhile.

If you have a specific question or comment, I'd like to hear from you. Have a nice week.

Freight Broker Training: I Can't Help You If I Don't Tell It Like It Is

Every now and then I get people calling in asking about the freight broker industry and they want to start making money pretty fast. I'm upbeat on it - that's for sure. But everyone is going to get a dose of the total picture, I usually point out the bad aspects as well as the good ones. I'm not concerned if I scare someone away. As a consumer myself - I want someone to tell me like it is. Here's what one person thought about our conversation.

This young man called me from the Chicago area and we spoke about the freight broker industry and freight broker training. Later, he sent this email:

john - thanks for getting back to me yesterday. more importantly, thanks for your candid opinions and your genuine honesty about the business. these are rare traits in this internet day and age with its get rich quick schemes and pyramiding scams. i desperately want to get into business for myself, and i realize it takes time to attain success, however, i need to start earning money now..... i do like the freight broker business model. it's low cost, low overhead, work at home, etc. too bad it takes so long to get it off the ground. nevertheless, thanks for not hard selling me or trying to take \$1300 from me without telling me about all the pitfalls. as i said, it's extremely rare these days to find sincere people who are not out there strictly to make a quick buck

m.b.

Freight Broker Training: How Close or Far Do You Need to Be?

I received an email this past Friday morning from a potential client. He is currently living in Okinawa but wants to begin freight broker training. I later received a phone call from him on Skype - the 2 1/2 cents per minute Internet telephone wonder.

He plans to return to the States in several weeks to begin driving again plus get his brokerage established. But he'll be training L O N G distance for several weeks. When he returns, he'll be driving for a company with 16 trucks and he wants them to employ him to establish their freight brokerage.

If the trucking company doesn't want to follow through on setting up an in-house brokerage, he will do it on his own.

So, it doesn't matter where you are - El Paso, Texas or Okinawa. You can learn to broker freight in several weeks time. Over the past 1 1/2 years I've consistently been getting more and more clients from right here in El Paso, Texas. They understand that it's all done over the telephone.

El Paso or Okinawa - it works out great for everyone.

Telephone Freight Broker Training

It's going on five years now since starting my telephone freight broker training. It's been a great success and continues to expand every year. What this means is - I'm filling a need for a very special niche. And, most of my clients are very busy

Most are coming out of the trucking/transportation industry. They don't have time to travel out of town for 1-2 weeks. And when they do travel - they want to get PAID for it - THEY don't want to pay for it themselves. So my telephone training is the real solution for many people. So, I spend a lot of time on the phone. But here's the problem ...

I'm using Internet telephone most of the time for several reasons. And when I place a call, the caller ID on the receiver sees a weird number - because it's not a traditional land-based telephone. So sometimes they hang up on me.

It's a problem for me but I'm stuck with it. To be honest, I DO NOT have any type of love affair with the large telephone companies. They get you locked in at a monthly rate, there are all sorts of regulatory fees on top of that. They might quote you a \$24 monthly fee but when it's all said and done - it turns out to be like \$35 - nearly 50% more. And I have more issues with them - but don't get me worked up here.

I'm on my cell a lot - but being close to the border, the phone gets mixed up with the microwave towers at times. And sometimes I AM in Mexico and the service is not consistent.

I say all this to say ... if you have problems calling me or receiving call from me - I'm sorry. Usually for training, however, I'm okay. The sessions are structured. It's the spontaneous calls that are difficult.

The Internet telephone is turning out to be a real winner despite its drawbacks. Two and one-half cents per minute and you can call most everywhere in the world - for about that rate. Last night there were over 9 million callers on the system at one point.

I plan to be doing telephone training for a long time and I'll just make the best of it with the Internet telephone and my cell phone - and I'll try not to get my blood pressure boiling with these large telephone companies.

Freight Broker Training: What Would It Be Like Without Yvonne?

Many of you are aware that I use Yvonne Natividad to help train. More and more, I'm getting UNsolicited praises from my clients regarding the quality of her training ...

Yvonne has been training with me for nearly two years now. She's my former client and I knew, myself, that she was going to be an ideal student. She had a very mature approach - and she did, and probably still does, worry too much about things.

But she's very well-organized, very thorough, detailed and knowledgeable.

I remember my first meeting with her after training and before she actually started helping me. She sat down and had a huge, 3-ring binder in her arms. She said, John, from

the beginning, I've printed out your materials and have them on my desk for a constant reference. (That's music to my ears).

Yvonne has her own brokerage in El Paso and her husband Chris, drives a truck. She's got two teenage boys and, guess what? She keeps busy. I've always heard that if you want to get something done, give it to a busy mom. They know how to organize and get things done.

So, a big THANK YOU to Yvonne. And for those who have not had the opportunity to train with her - you don't know what you're missing. There's still time and - yes, she's busy - but she'll get the job done and she'll get it done in good fashion!

Freight Broker Training: How Do I Market This? - Part I

I don't know about you - but I'm probably not any different than many people when it comes to searching for which path to go down. Most paths in life and/or business are what I call rabbit trails.

They are obscure and the entrance is strewn with a bunch of weeds and cobwebs. As you peer down that rabbit trail, you can barely see 15 or 20 feet - and then all is dark and murky. There is no huge sign in front of the path that says "Enter Here!" There is no path that is as wide as the salt flats in Utah and is as well-lit as a pre-Christmas night on Chicago's Michigan Avenue, the Magnificent Mile.

As I'm working my business, I'm always thinking that there is a particular thing, or things, I should be doing. And, if I meet the right person, they can lay it all out for me. Step one, do this. Step two do this. Step three do this. I keep thinking there might be someone who can take a quick look at what I'm doing and then reply, "Well, you should do this and this and this".

But you know what. I haven't found too many people or resources like this. There are just crummy old rabbit trails.

Last week I returned from a 3-day conference on internet marketing. It was called "The System Conference". To me, a System is a set of logical procedures where you begin with one thing and you complete the rest of the procedures until you are at your desired destination.

But I was disappointed in this "System" conference. There were a bunch of gurus - some making millions each year - and they were there to educate first and foremost. This was good. The director of the conference goes to great length to ensure that the gurus he hires do not spend a great deal of time hawking their own systems.

But with all that knowledge, here's what I found.

To be continued

Freight Broker Training: How Do I Market This? Part II

Okay, why was I disappointed in a conference that cost me about \$2K plus travel expenses? Nearly everyone will admit that you can't please everyone. But let me explain my disappointment and confusion and how I try to address this problem in my training.

The name of the conference was called "The System". To me, this indicates a number of sequential steps or procedures to accomplish some end goal. Now there were about 25 very good experts at the conference who each had sessions related to their area of expertise. Some of these sessions were all you could expect. However

At the end of the conference in a general closing session, one brave and articulate lady got up to the speaker's microphone and asked that the next conference have some sort of program or set of instructions for people where it is laid out with "Begin Here", "Do This, This and This" and then, "End Here". She wanted a "system" and so did I.

So what's this got to do with freight broker training? As a freight broker, there are a multitude of procedures within a multitude of other procedures. The business concept is very simple. But a person is normally overwhelmed with the details. My training manual and program is laid out with a logical, normal sequence of learning how to do it all just as you will be doing it on a day-to-day basis.

In my training, we start with the applications for the broker authority. While those are being processed, we get into - guess what? We get into a "System".

- The first topic is deals with getting ready to deal with and search for customers,
- then we talk about taking the order (from the customer),
- then we talk about the various ways to calculate rates,
- then we talk about using the loading boards,
- then we talk about dealing with the motor carrier including getting set up with them and prequalifying them,
- then we talk about booking the load with the carrier
- and so on, and so on until we end up covering several topics related to the business, financial and legal aspects of brokering.
- It's all laid out more or less into a normal sequence of how you would operate every day.

And all I can say is, Heaven help the person who thinks they can learn it on their own. It's possible, but it will take months and months plus making some costly mistakes in the process.

Maybe this "system" approach won't work for everyone - but we think we come very, very close to doing just that.

Freight Broker Training Survey

I love doing surveys. Properly worded surveys can provide an immense amount of information. As I said, "properly worded" is important. I have trouble taking the necessary time to properly prepare a survey to make sure there's little confusion on what information I'm seeking. Anyway, I recently did a survey. Maybe you were one who responded.

As you might know, a free eBook is offered from my main website. The free eBook is titled "Introduction to Freight Brokering". In exchange for the free eBook (I've had many, many good comments on it), I ask for the person's email address. A fair exchange in my opinion.

So over the past year or longer, I've compiled a sizeable email list. Some of these go on and order my freight broker training, some do not. And I wanted to know why some did not.

Here's a summary of the survey.

Of those who have *not* taken my training and who responded to the survey, 89% is still considering freight broker training. (This surprised me). Of those 89%, 64% are ready to begin very soon. But of those 64% who are ready to begin very soon, a little over half still need to "get their finances in order".

The survey did not go any deeper than this. But here's my conclusions - only a very few mentioned they were seeking less expensive training. Which leads me to conclude that "getting their finances in order" means getting ready to make the transition from one career to another.

Some of my clients can supplement an existing business with freight brokering. For example, some will have their spouse or son or daughter do the brokering and they'll continue driving. Others, however, don't have another person to help and for them making a career change involves leaving the driving behind and becoming fully sufficient on the freight brokering.

So this is where some of you people are. My business has doubled each year for more than three years so there are many people who are finding a solution to make this work. I hope to hear from you soon if you're one of those who are getting your finances in order.

Freight Broker Training With Atex FBT

I'm always consciously aware that I have competition. In fact, if you are in business or plan to enter business - you will have competition. Some fear it, some dread it, some ignore it - others operate completely unaware of it. But for me

... I thrive on it. Somehow along the way, I bumped into various people or resources that taught me to be competitive. It's challenging and any effort without competition for me would be very boring. It's possible to study and learn from your competition without directing your total focus on them - or without trying to copy them. So how does a business person confront his or her competition?

Here's the core question I ask myself: What sets me apart from my competitors?

First, there are a number of distinctions that can be drawn between my services and those of my competitors. One big distinction is this: Most of us will mention the fact that each individual, each freight broker, needs to have a lot of determination, have a solid knowledge in freight brokering and have super sharp marketing, operational and business skills.

But as far as I know here's something the competition has never dealt with: It's the fact that there are industry constraints that may either prevent or impair an individual from achieving freight broker success. I emphasize to my clients about the determination it takes, etc. But I also emphasize the industry constraints such as the high fuel costs, the low rates paid by shippers and the other difficulties in getting established all of which are reeking havoc not only on motor carriers but on freight brokers as well.

You can work as hard as possible, you can be determined as much as possible, you can have an all encompassing knowledge about everything in brokering, you can have all the latest catchy motivational phrases - and yet you might fail for reasons that are beyond your control.

So what's a freight broker to do. First, you have to acknowledge these uncontrollable constraints and get mentally prepared. Second, you then proceed with every talent and skill that you have. And you work day-by-day.

Various high-ranking military officers time and again have mentioned that those soldiers in captivity who were subject to the constraints of brutal outside forces were more likely to survive if they faced the overpowering odds face-to-face rather than daydreaming about some illusionary escape or rescue. These survivors thought about surviving in 5-10 minute time frames at a time. If you went out further than 15 minutes, you were daydreaming.

I guess sometimes business is like being at war. And it's going to take a lot more than just a lot of determination and catchy little phrases like the little engine that said "I think I can, I think I can".

Attitude is important but it's not enough. You have to face the reality and by doing that you just might survive in this (or any other) difficult venture.

18-Wheelers Have 12 Gears. Do You Know Why?

Now, I'll be the first to admit, I don't know a whole lot about trucks. I wish I did - but I just don't. Like many people, I've always had some type of a thrill and fascination with trucks and the trucking industry. But that's as far as it goes. But here's something I learned.

18-wheelers have 12 gears - 10 forward and 2 reverse. Now that may not surprise a whole lot of people until you just stop and think about it. Why all the gears? Especially 2 reverse gears. What are these? - one for fast backing up and one for slow backing up? Or one for flat ground and one for going up or down an incline while in reverse?

So the most logical answer is that there are so many gears because these are what are necessary in order to negotiate and navigate all types of situations. A car might have only 5 gears. And a car will travel the same roads and situations. So it must be something to do with the rig and its trailer.

Let's say a car might weight 2,000 lbs. Contrast that with a truck and trailer that might weigh 80,000 lbs. Now I'm getting somewhere. There's a world of difference between the two.

So what's the point?

In my freight broker training program, I've put together a ton of information. There are 36 Chapters and about 35 "handouts". Each of these Chapters and handouts are what I consider "gears". They are the necessary and essential elements for a freight broker as he or she negotiates and travels their path to eventual success.

When you go to the laundry mat, you get about a 3 or 4-step approach on how to use the machine. It's relatively simple - much like driving a 4 or 5-speed car. But when you want to master freight brokering, you get an almost overwhelming amount of steps and procedures - much like driving an 18-wheeler.

Big, heavy stuff requires a lot of attention, effort and commitment.

You can get a glimpse of the topics that are covered in my freight broker training program by going to the "Topics" website page. There's a lot of good stuff there. Here's the link <http://www.atexfreightbrokertraining.com/programtopics0905.shtml>

Freight Broker Training Over the Telephone: Why My Clients LOVE it!

There are a few people interested in actual classroom freight broker training. And I don't argue with them. Some just want it that way. But for many people – and especially for my current and previous clients – they love telephone training. Why?

First, it is very intense, one-on-one, over the telephone and internet. And I'm finding out that the real benefit is what I call "free floating". This occurs when either me or my clients just allow our minds to float as we discuss various topics.

Either the client has a quick thought or question – a flash – and they blurt it out. Or, I myself might have a quick comment – a flash – that I blurt out. These flashes of spontaneous thoughts are powerful.

The conversation and thought processes are not interrupted. It's dynamic and real time. You don't have to compete with others when these spontaneous thoughts erupt.

I've always been used to actual classroom settings myself. I'm a veteran of going to educational conferences and seminars. But I'm finding that there is actually more powerful communication on the phone than in a room with 5, 10 or more other people.

Small groups or classroom settings do have value. But don't overlook the power of the telephone. After all, this is exactly the method you'll be using once you actually start conducting your freight broker business.

Consider this as you consider freight broker training. More on this in future posts.

Freight Brokering and Broker-Carrier Agreements

I sometimes don't emphasize the fact as much as I should that our freight broker training includes a 4-page, time-tested broker-carrier agreement. This agreement is provided in MSWord format and each client only has to replace my name, address, etc. with theirs. In my opinion, this agreement in itself is worth easily \$600-\$800. And it's included in our training materials.

It is absolutely essential that each freight broker provides a broker-carrier agreement and have it signed, dated and returned before any business transaction is begun. It's not necessary to have a broker-shipper agreement in place for a number of reasons. Broker-shipper agreements usually evolve out of a long-term relationship already having been established.

But let's look at the essential broker-carrier agreement.

When a shipper relies upon you as a freight broker to move and deliver their precious cargo, you had better be as certain as possible that the carrier you hire is capable and reliable. In addition, however, you want to place yourself in control as much as possible.

An agreement won't necessarily guarantee that each carrier is capable and reliable. But it will put you in the driver's seat to some extent. You have to have structure backed up by a legal agreement. Otherwise, it's wide open and there are some carriers who will do what they want to do, when they want to do it and for no particular reason.

You wouldn't believe some of the horror stories I've heard. We are talking about a minority. But a few bad apples can spoil the entire batch. You don't need that.

I know there are freight brokers and carriers who are double-brokering loads without any type of contract whatsoever. After all, there's no law that requires any such agreement.

But these individuals are only getting ready to pump some money into the pockets of attorneys. Why? Because sooner or later there are going to be problems. When these happen you are going to see all sorts of litigation. This is what attorneys thrive on. They thrive on people who are too stubborn, uninformed or ignorant to be using a well-prepared broker-carrier agreement.

Attorneys don't make their money by helping prepare a freight broker - they make their money in litigation. They make their money in the chaos after problems erupt.

There is no such thing as an air-tight agreement. But our agreement rather clearly lays out the various duties, responsibilities, liabilities and expectations. Many potential problems are simply avoided.

You'll see what I mean when you encounter our agreement with our training.

Freight Broker Training: Getting Good Help

There is NOTHING like having good, solid reliable help when you find yourself in a surge of business. I've spoken with several potential clients who have really put together a good operating plan working with several others - usually family members. And I've got my story to tell too. Read on

While you always need to be careful when putting together a team to work with, it doesn't hurt for me to say it again. I like to caution people about some of the potential pitfalls. But these potential pitfalls can also become key TRIGGERS in exploding your business.

Here's how to avoid potential pitfalls.

The main things are to give people clear instructions on what to do, give them the tools, make sure expectations are in line for both parties, get their feedback - and get out of their way and let them go at it.

Here's my story:

First, I have Yvonne Natividad who does a ton of training for me. She's my former client and she has been with me for two years now. I could not run my business as successfully as it is without her powerful help. We think alike and this is important for me. I am extremely fortunate to have her.

Second, I have my brother. He really doesn't have to work so when we get together, I call them "brain storming" sessions. He loves them (but I love them better because he is one powerhouse of ideas). And he has become a man of action lately, helping me put together various marketing plans of action.

We get together at local restaurants either in El Paso or in Las Cruces where he lives. We do some fine dining (for the most part) and often we head off to another restaurant with WI-FI capability. We have a ton of fun and maybe we don't move as fast as we'd like to - but we have fun. If you can't have fun while working - you shouldn't be working (but then how do the bills get paid???)

My brother just last night pulled out some old videos of my financial planning workshops that he taped many, many years ago with my tax clients. He always encouraged me way back then and he still does to this day.

So, my brother is my main man.

Now recently, I've added on another associate. Her name is Georgie Palafox. She, like Yvonne, is my former client. She's started and sold several successful businesses and more recently is getting into freight brokering. She has plans to put on agents and this will free her up to work on other aspects of her business - as well as help me.

Georgie is my Marketing Rep and will be following up on phone calls. She knows how my training works - so what better way than to have her go out there and talk with other potential clients. It's getting more difficult for me to follow up as fast as I'd like so she will be an immense help.

So that's it. Again, I feel I am extremely lucky in having good people to help me out.

Many people going into freight brokering are going solo. And this is okay especially if you don't have other close by help. But for those who can work well with family or others - it really provides a good backup and helps put your business on overdrive.

Freight Broker Training

I'm thankful for the many questions, comments and responses from everyone regarding the freight broker industry in general and our training in particular. But I always have to be careful

Sometimes I assume that the person calling or emailing understands exactly how the training is conducted. This is because many of you read the web site - word for word - you tell me that. Others scan and read selected portions or paragraphs.

Of course, I know exactly what I offer to clients. But, occasionally I get a question, such as: "John, do you send me the training manual and handouts and then do I read them and then call back if I have questions?"

My immediate reply in my head is No, no, no, no, no ...

Then I tell them that the entire training is done one-on-one, over the telephone. It's very intense. We get together on the phone and go through the training manual and into various web sites. We do this together.

It's powerful, it's dynamic, and it's spontaneous.

So, I hope this clears this up. If you have any uncertainties about any aspect of the training, I'm just an email or phone call away.

Section 3 - Freight Broker Marketing Strategies

Freight Brokering: Finding Shippers

I just had a call from a previous client in New York. He finished his training with us several months ago and is probably one of the most enthusiastic persons you would ever meet. He wanted some reaffirmation on finding shippers.

He said he feels like he's "all over the map". And sometimes this is exactly how you feel when starting out. There is no one right way to begin searching for shippers. And, in our chapter on Finding Shippers there are a lot of resources and some good information on how to structure your search.

But - it's wide open. You can start in any geographic area that you want. You can focus on flatbeds or reefers or whatever. We encourage you to work with everything except the Hazmat stuff and "specialized" cargo. But with your options being wide open, you might sometimes feel like you are "all over the map".

So here's what to do. Create some specific strategies that are narrowly focused. You can even do some testing to see what works best for you.

What works for one may not work for another. That's why we don't have a rigid strategy. You have the tools that we provide, you have some good input based upon practical experience and you then create and test different personal strategies.

Lastly - this is good to know - you are in sales as a freight broker but you don't have to "sell" yourself in the traditional sense. You are basically on a hunting mission trying to identify shippers who use freight brokers.

Freight Broker Strategies

I can well remember my experiences from my freight brokering days. To be honest, it was tough at first. Unless you have contacts already to go with, you are starting from ground zero. And, here are several approaches I took.

First, I did have some realistic goals. I knew from prior experience that most people don't start with a bang. And, yet, you don't want to sit back and wait on things to happen either.

You have to be patient and impatient at the same time. Is this possible? I believe so.

You may want to create some type of strategy for calling potential shippers. You may decide to start locally or you may want to start with some distant geographic region. And, you may want to focus on just dry vans or reefers or flatbeds.

In my opinion, you should be open to working with any of the three I mentioned above. It doesn't matter in which area or which mode of trailer you start with - what really matters

is finding good paying shippers who have loads that are relatively easy to cover and who pay their bills on time.

Clients ask me where they should start. I sometimes tell them, I don't know but just start somewhere. At first, it might seem you are all over the place without any type of strategy. If you feel that way, then come up with some type of systematic, more narrowly focused method of calling on shippers.

In our training, we help you on this and we go into much more detail about this. We give you some sample strategies and, of course, we give you a lot of resources and places for you to start.

Lastly, you want to avoid anything negative. If you hear that such and such is not a good thing, don't necessarily believe it unless you find out yourself. I had heard that El Paso was tough for finding outbound freight and that it would be hard to get drivers wanting to come here.

But I had one driver who had family here and he was my primary driver, hauling produce from the state of Washington down here to El Paso. So, if I had focused on the negative, I would probably not have found this driver and I would have lost \$\$\$.

In this business, you can test numerous strategies without investing a whole lot of money. And you can get as creative as you want. No one will tell you where the best places are to go for work - but with out training we will give you the tools plus a whole lot more and you will create your own goldmine over time.

Freight Brokering: How Does the Little Guy Compete?

I get many calls. and emails from prospective clients. They all want "straight" information. This is sometimes difficult to find on the Internet. But they have come to the right place when they come to me to "tell it like it is". Here's one of their biggest concerns.

Many people think, "How can I compete? How can 'little ol me' get out there and go head to head with all these established brokers?"

Here's the straight scoop. Yes, it is competitive. If it were not competitive, it probably wouldn't be a good deal to get in to. And, yes, you are going head to head with the "big guys".

But, let me digress just a little. I used to "run" 4 mile or 5K races every weekend. Now, I'm not a jock. I run for health primarily. I'm so slow (this is the truth - tellin you like it is) - if someone were to video tape my "races" and then play them backwards, you would see me coming in 2nd or 3rd.

But I was "running" with World Class runners. These guys can do 5 minute miles - unimaginable to me but I witnessed it time and time again. So, here I am - out there pounding the pavement at 7 a.m. running with several hundred others - and not even a one in a hundred million chances to win or even come close.

But I was competing with myself.

When I was brokering I pretended that I was the only person out there doing this. I pretended that the entire industry depended upon me. I didn't care who the competition was or what they were doing. I knew what I needed to do and I went after it with the tenacity of a pit bull.

Here are several things to keep in mind. First, there are potentially thousands and thousands of customers out there. You need to pluck them up one at a time and give them service as if you are their only hope for success.

Second, many shippers have their eyes open for another broker even if they already have one. Why? Maybe their current broker is getting too expensive or just not giving good service. Often times, a shipper will gladly give their loads to another broker. This way, you get your foot in the door. You get to compete with the big guys.

You don't need 50 or 60 shippers to make a good living. You need 5-10 good-paying shippers to do very well. And it's unlimited from there.

Keep these things in mind that I just mentioned. The little guy CAN do it. Maybe not every individual. Freight brokering is NOT for everyone. But the little guy can really make it big if they have the proper freight brokering and business tools, if they have a good understanding of how brokering and business works, if they have the determination and if they have the capital to carry them until they get established.

This is what our country was founded upon and I get emotional and very excited when I see the "little guy" making it big time.

Freight Broker Opportunities & Niches

Right now, as I'm typing this message, I'm listening to a teleconference sponsored by Perry Marshall in Chicago. He's one of the best known experts on using Google AdWords. With Google AdWords, a person can create little ads on the Internet. If the ads are worded correctly, a person has the potential to attract thousands if not millions of potential clients. But, Perry is more than a AdWord expert.

Perry is talking about businesses that focus on a niche versus businesses that try to shotgun it. Now, when you're starting out as a new freight broker, the best, and most likely the only way, is to take the shotgun approach. You want to work with any type of cargo, any where, any time. Except, you want to normally stay away from hazardous materials or "targeted" cargo that might be subject to theft or damage.

But eventually, you'll most likely start working with a small group of shippers and these might be closely related in the types of cargo they ship.

Some of my clients are already doing this right out of the starting gate. They have already got the contacts and they know how to service these customers. For example, I just got off the phone earlier with a former client. He's one of my latest clients from Arkansas.

He is planning to be hauling boats. I don't know what kind but I think he's targeting individuals rather than large companies. But he knows where to go. And he needs his

broker authority in order to bid on these jobs. But he's already on track with a very busy schedule so much so that he hardly has time to train. He primarily wanted to get his authority because he already knows who he is targeting (his niche) and he knows exactly how to move these boats once he gets the deal closed.

So this client is not going to shot gun it. He's got a niche and it's probably going to be very profitable assuming he can follow through with good service and good cash management, etc.

Did I take any part in his success? Well, not really. He is a man on a mission. I just gave him some tools and helped fill in where he was lacking.

You could be like this client too if you know who you can target, if you can reach the decision maker and if you know how to service them like the dickens.

Freight Broker Loads: Where NOT to Go

One of the biggest questions related to finding customers is, "Where do I go to find shippers?" This is an important question and one that a broker needs to master completely.

Many prospective freight brokers ask about going "door-to-door" to find shippers. In my opinion, that's a very, very time consuming effort. You could spend hours in traffic, you could spend another hour just trying to locate the right individual inside the business only to be told that they are out until tomorrow.

The only reason you'd want to make a personal sales call is if some friend or relative tells you to go over and talk to such and such person because they told them they would like to see what you offer.

There are always exceptions to various sales strategies - but in general, you don't need to go "door-to-door".

The best bet is the Internet and telephone to search for shippers. There is so much information on the Internet and so many resources that it's difficult to know where to start. In my training, I do have a very strategic approach but it's still wide open.

Sometimes new or potential clients ask me, "Where should I start". I tell them, "I don't know, but just start somewhere". Actually, as we get into more detail with the training, I do get them focused on how and where to start.

There's one place you DON'T want to go. Never approach a load that is posted by a freight broker's website or by a freight broker on the loading boards. You want to go directly to the shipper yourself. You don't want to take another load from a broker because that would be double brokering. And that's not good except under certain circumstances.

Freight Broker Marketing: Here's a Gem

I get many calls from all sorts and types of individuals. Many of them want to know how to market themselves to customers. Some of my callers are currently mortgage or stock brokers making, I'm guessing, between \$75K-\$150K per year. Some of my callers are currently driving trucks with 20+ years' experience on the road. But do you know what your customers will be looking for?

If you are currently making big bucks. That's fine. If you have current truck driving experience. That's fine. But so what?

What if your customer isn't so impressed by either one? Here's why they might not be so impressed.

When you are marketing your freight broker business, you don't have to "sell" yourself in the traditional sense. You don't have to try to impress potential customers with a lot of huff and puff (unless you have a lot of trucks on hand - then you'll let them know that).

Here's what the customer wants:

- They want someone who is honest,
- They want someone who is effective,
- They want someone who is reliable,
- They want someone who can work hard and smart.

And that's about it. You've just been given part of the secret to freight broker success by learning what shippers want. The other part of the secret to success is to understand and be able to manipulate the external influences in the marketplace.

For example, do you know where to go to find the trucks you need once you have an order. Sometimes it's easy, sometimes it's a bear. Sometimes you think the earth opened a gigantic crack and all the trucks in the country just dropped right into it.

So, in this day and age, you are dealing with scarce commodities and you may have scarce resources. If you can learn to operate your business in such a way to work successfully despite these drawbacks and if you can satisfy your customers' needs and desires, you will succeed.

It isn't easy but it's probably easier than a whole lot of other unrealistic ventures out there.

Freight Brokering: Building Your Business

Believe me, if there was a silver bullet for finding customers, the freight broker industry would collapse due to an overload of even more competition. It IS a competitive industry already; but after the realities set in, there is a wash out to some extent. Many come to find out that it really IS a service business and it will take time to get established. And they move on to something else.

Why am I saying all this? Shouldn't I be telling you how great freight brokering is and how much and how fast you can make some big bucks? Read on for more

The fact is freight brokering (like maybe any other service oriented business) is a two-side coin.

- 1 Yes, you CAN make very good money and sometimes pretty fast if you already have good customers lined up, but
- 2 Along with this profit potential is the requirement that you generally have to work pretty hard in order to start making big bucks.

In my opinion, to build your business you need to be constantly searching and don't let the negative take hold. You want to be open minded and ALWAYS TAKING ACTION (but go to a movie once in awhile). With the Internet, however, it is mind-boggling at what information lies at your finger tips.

For example, I ran across this link that was featured in Yahoo. The story behind this is about the real estate boom in various cities. Now, if you have been paying attention to the news all they talk about is the housing crisis. Yet, this Yahoo link indicates that there may be more to our economy than the housing crisis.

Anyway, they have listed 10 cities where a real estate boom is currently going on. See it here:

http://promo.realestate.yahoo.com/ten_rising_in_value_realestate_markets.html

So, if I were a freight broker right now - I'd start doing research on the many potential opportunities in these 10 cities. I'd find out what other services and niche economies are booming as well.

You can bet that any boom taking place anywhere is going to include trucks moving cargo. And, guess what, there will be many shippers looking for someone to help them search for available trucks.

So, this is just a quick reaction to what I ran across on the Internet. And you need to be of a similar mind-set when brokering and when you are building your business.

Look for those areas that are prospering and don't let negative people persuade you away from potential success. In fact, avoid negative people. Dump them like the plague. You'll be better off.

Competition in Freight Brokering: "How Can I Compete?"

Many callers and emailers ask about the competition. They ask, "How can I, as a small individual, compete with the big guys?" This is a legitimate question and concern. Or should it really be a concern?

In reality there are two fundamental types of competitors: 1) the truly big guys, and 2) the thousands of other smaller freight brokers.

First, let's look at the big guys. Many big freight brokers or 3rd party intermediaries are simply out to get the highest paying customer as possible. They may be only seeking customers who are willing to pay at least \$2.00 per mile minimum. Shippers may be enticed by some of the additional logistic services that a broker can provide. But while

some of the biggest brokerages are seeking these high-paying customers there are literally thousands and thousands of smaller customers who still may pay a decent rate.

In short, there are still thousands and thousands of shippers for the small broker to go after.

Second, what about other smaller freight brokers who make up the competition? It's a fact that this business has a high turnover. There are a number of reasons why. In my opinion one of the major reasons is that there are many people in the freight broker business who are ill-prepared either mentally or technically. They don't know what they are doing. Believe me, I get calls every week from freight brokers already in business and they simply don't know what they are doing. They usually end up quitting.

In short, these short-term competitors do not provide long-term competition. They just make it easier for you if you remain knowledgeable and determined.

So competition is not always going against you. If you know what you are doing and have the proper determination, you will succeed despite the competition.

Freight Brokering: Advertising vs Marketing

With most business start ups, most owners first think of printing up business cards, letterheads, preparing newspaper or magazine ads, doing the yellow pages and even building a website. These are fine if you are in almost anything other than freight brokering. Here's my take

As a freight broker you normally don't need anything of the sort as mentioned above. Why? Most of your effort to gain customers will involve "marketing" not "advertising".

Any freight broker training company that encourages you to spend monies for advertising materials is usually in it for what's in it for them. They may benefit directly or indirectly. Your effort to gain customers should take the form of "marketing" which doesn't necessarily involve spending money on materials.

With marketing you will want to position yourself in the market place and your best tool is very old-fashioned.

Your best marketing tool will be the telephone. You can cover a lot of ground on the phone.

If you have some potential customers in your area and if you ideally can get someone to introduce you to some of the kingpins in these companies - fine, go ahead and prepare a nice but inexpensive brochure or handout along with some business cards. Then set up appointments.

Also, try and make blind calls without setting up an appointment if you want to. See what works best for you.

However, in our training, we focus on Internet and telephone marketing. And this usually means doing a whole lot more than just pushing you off to shipper directories where you probably have thousands of other brokers calling on the same shippers that you are.

Section 4 - Freight Broker Tools of the Trade

Freight Broker Software: Is It Necessary and Helpful? Part I

There are many who think that automating a business with software is the only way to go. In many cases with large or medium-sized businesses this is true. However, with a small business start-up, is it always necessary to get automated with software?

For most of my clients, I tell them, Yes, there are many efficiencies when using computer software. I'll always remember back in the early 80s when PCs, spreadsheets and word processors, etc. were the rage of the time. A person could visualize doing all sorts of tasks and analyses. Unfortunately, some people often forgot about some basic fundamentals regarding financial and operating information.

And the new PC computers were essentially helping people do very stupid things very fast and very efficiently. Don't you want to get the fundamentals established first? Don't you want to learn more about how the business works first and then you will be able to more intelligently analyze and purchase whatever software you need?

I'm not opposed to computer software. I have made much of my living in the past by installing software for both very large companies as well as business start-ups. And I thrived on training individuals in all the various reports and applications.

And, Yes, at some point, computer software is the way to go. Knowing the fundamentals first, however, is the best way to begin your automation.

There are basically two types of software that freight brokers may be working with. I'll discuss these in Part II.

Freight Broker Software: Is It Necessary and Helpful? Part II

As mentioned in the previous post, software is helpful but may not be necessary until the business justifies it. What do I mean when I say, "until the business justifies it?"

The business justifies it by either generating the necessary cash to purchase the software and the related support. Or the business can justify it by generating the necessary activity that makes it necessary to purchase software to help you work more efficiently.

So, starting out, think in terms of getting software when the business justifies it.

Now there are two types of software for freight brokers: 1) General ledger and, 2) Freight Broker (or Dispatch). Your best bet is to think about the general ledger software first. The most popular GL software is QuickBooks. It's powerful and somewhat easy to learn. Yes, it's gotten more complex over the years; but it's because it is so powerful. This might cost several hundred dollars or so.

With QB you can generate monthly financial statements and other reports. You can do your invoicing and accounts payable with QB. It's not necessary to pay an outside accounting firm for this. With some basic knowledge, you can enter the beginning set up

information, and then the financial transactions and then you are ready to generate financial statements to include profit and loss statements as well as the balance sheet.

The second type of software is the Freight Broker (Dispatch) software. It might run anywhere from \$2K to \$12-15K - who knows. This software is powerful as well and while it won't generate financial statements (unless you have an option to purchase this type of module), you'll be able to monitor and track every load that you have. Everything from taking the order to receiving payment from the shipper - plus a whole lot more.

However, again, I caution you - before you think you have to purchase this software to make your business a success - be careful. This software will NOT make you successful. Only YOU will do that. The software will give you efficiencies you need when you want to become more efficient.

In our training, we use some powerful and comprehensive spreadsheets that will provide not only the above mentioned benefits - these probably have several other features that won't be found on expensive freight broker software.

If you're new the business, forget about getting totally automated for awhile. Concentrate on finding good paying shippers and building a good database of reliable motor carriers.

Freight Broker Shipper Boards

A number of people have asked me about the loading boards where shippers post their loads directly to this board. They ask, Isn't this a good deal? Here's what I think

It may sound very attractive and even very easy. After all, if you have a loading board where you can go without having to make all those phone calls - such a deal. Or is it?

It's a fact that these shipper loading boards are also available to truck drivers who are getting their own loads. And if they are getting loads and giving them to other trucking companies, the trucking firm is required to have their broker authority.

But the question here is - can a freight broker effectively use these shipper loading boards? In my opinion, the rates on the loading boards will be too low for a freight broker to get their profit. Why? If shippers have trucking firms in mind for these loads, they are pricing their cargo to go directly to the truck and there is little or no room for the broker to take their profit.

Now, if anyone has had any success on finding decent paying loads on these shipper loading boards, let me know. There may be ways for a freight broker to use these shipper loading boards but I just think it isn't feasible.

Freight Brokering & Software: What Do You Need?

Many individuals ask about the various requirements for starting and operating a freight brokerage. Do you know what? You do NOT need to invest heavily in computer software. Now, let me tell you something

There are some excellent software programs out there in the marketplace that are specifically designed for freight brokers. They have all the bells and whistles you could desire. But there are three problems for beginning freight brokers.

1. A good software package will cost at least \$2,000 plus there may be monthly or annual support fees on top of the purchase price. Most beginning brokers don't want to lay out several thousand dollars on technology unless the return on investment will be immediate which it won't be.
2. There's a learning curve. It does take time to install and learn how to use software. Most freight brokers really need to spend their time upfront contacting shippers and getting loads. Expensive technology won't help much with this. We do recommend a nice, little easy-to-use database package costing \$49 to collect shipper and carrier information. But that's about it to get started.
3. If you are thinking about powerful computer software, you need this technology to not only help monitor your loads - you need this technology to help you make decisions on where you should be focusing your time and efforts.

For example, with our freight broker training, we provide spreadsheet templates that will help you with each of the above problems: One, these spreadsheet tools are included in the training fee - they are not expensive. Two, these spreadsheet tools are very simple to use - you won't be fretting about the time involved to use them. And Three, they will help you not only record and monitor your loads, they will give you essential information on each load and on all your loads for the year. You will be able to monitor your progress and you will know immediately where you should focus your time and effort as far as working with shippers and carriers is concerned.

Don't get duped into thinking you need expensive software for your beginning freight broker business.

Freight Broker Software

I love computer software. There's something addictive about it. And yet, as I've said before, it can help a lot of people do dumb things very fast and efficiently. Here's an interesting article I ran across today.

Annette Petrick has hit the nail on the head here. She says, it's all Confusion. Read it here:

http://transportmarketing.com/businessinsider/guests/May_00/broker_trade_show_screens_software.html

I've attended a good number of money and financial trade shows where everybody is showcasing their latest software package that will take you to peak success faster than any gold-paved road will.

After 20-30 minutes of strolling by a number of booths - it began to set in - confusion I would think to myself - Well I need to attend 2-3 trade shows just to get a good feel for what's being pitched. Then I would need to attend another 2-3 shows to dig a little deeper and focus on the few that seemed to offer some tangible benefits. Then I would need another 2-3 shows to make my final selection.

So now you're looking at 7-8 years later and by then everything is obsolete. In fact, it's probably obsolete soon after my first or second trade show. Can you win at the computer software game? I don't know. You tell me.

Freight Brokering: Working with Your Databases

Are you familiar with databases? Do you use them for your advantage? They are essential if you want to be an effective and efficient freight broker. You want a good database system to build your customer and carrier profiles.

Some of my clients have good experience working with databases. Some use MSExcel which is really far more powerful than what you will ever need.

Your most important functions for using a database will be to:

- have a place to record information about each shipper and motor carrier that you get set up with
- you will also want to use your database as a visually easy source for calling both shippers and carriers.
- you want a database where you can make notes when necessary.
- lastly, you want a database where you can quickly search for shippers and carriers.

You don't need to generate reports necessarily.

One thing for sure, you do NOT need to purchase expensive freight broker software starting out just because it has database capability. It's going to cost several thousand dollars at least plus the learning curve involved.

Sure, these software programs will knock your socks off with their bells and whistles. But it's overkill for most beginning brokers. It's better to focus on getting business first. Take Step One first.

In our training we refer you to a \$49 database package that will knock your socks off too. We also provide templates to manage your loads from the time you take the order until the time you collect your fees. I've also got ways to monitor your progress that I haven't seen in ANY software, no matter how expensive.

So, save your money for awhile unless you just gotta spend it.

Lastly, there are some of you reading this that really need to listen

Freight brokering is simply too important for you to postpone if you want to supplement your trucking operation. The sooner you grab on to it, the better and more prosperous you will be.

Freight Broker Due Diligence

The freight broker will need to complete some due diligence on each carrier to stay out of trouble. For example, the broker does not want to ignore their responsibility when checking out carriers.

There's only two primary reasons why a freight broker would ever be considered liable for damaged cargo or missing pieces. All other times, the motor carrier assumes total responsibility for cargo.

One, if the freight broker is found negligent in its operations, liability could be assessed to this broker. So what does a freight broker need to do to avoid being negligent?

The broker first needs to check out a carrier's authority, insurance and BOC-3. This in itself would probably be enough to keep the broker on safe ground. There's at least one other step a freight broker can take, however.

The broker can go to the FMCSA website and get a snapshot of a carrier's operation which supposedly reveals the carrier's inspections and accidents including any fatalities. This snapshot is free of charge.

To be honest, I haven't used this option to any great extent. But I'm confused why there is such a paucity of information each time I check out a carrier. Has anyone else had this problem? Let us know what your experience is with the FMCSA snapshot. Here's their website:

<http://safer.fmcsa.dot.gov/CompanySnapshot.aspx>

The second option is on the FMCSA website called the Company Safety Profile (CSP). This option costs \$20 and there is a 72 hour turnaround period. I've never used this option. Any input here on the CSP? Let us know.

Two, if the freight broker assumes liability under contract with the customer, they, of course, would be liable. This might happen if the shipper requires that the broker assume liability and the broker wants to ensure getting loads from this shipper.

Personally, I don't think a freight broker should willingly assume liability. It's contrary to the Carmack Amendment.

There are no legal requirements for the broker to assume liability.

Freight Broker Agreements

I had a client ask me the other day about an agreement he received from a motor carrier. He wanted to know if it was necessary to complete it and send it back. It even had room to enter some references. Here's what I said.

You do not want to sign an agreement that a carrier sends. Of course you want to provide the carrier with information related to current and prior payments to carriers. These potential carriers want to know how you pay and how quickly you pay.

But, I repeat, do not sign an agreement that the carrier sends. Why?

First, in my training I provide a detailed but simple, four-page Broker-Carrier Agreement. It has been time-tested and is slanted in the favor of the freight broker. But it is fair.

It would be better to lose a carrier than to complete an agreement that might put you at a disadvantage.

The whole thrust of this is - YOU want to be in control. In my training, I teach and encourage clients to be as honest and fair as the day is long (and it's long). You have to not only take control of each load, you have to approach this entire business with great gusto. Be aggressive. Be assertive. Be a go-getter. You want to compete, beat and outlast your competition.

We try to teach a real tough approach and it's beyond the scope of this article to go into detail. But, you've got to be like a gladiator with two swords: one hand carries honesty and integrity; the other hand carries toughness and assertiveness.

This is our way. And I believe those who are successful in this business will give a nod on this approach.

Loading Boards: the Freight Brokers' Springboard or Demise?

With the advent of the internet, load boards have become one of the dominant methods for freight brokers and motor carriers to get together. Normally, freight brokers locate shippers who have cargo to ship; the broker, then, posts these loads on the loading boards. Carriers and their dispatchers constantly view these loading boards, searching for a load. For the carrier, the load could be either a load going out or a backhaul to the home base.

Without a doubt, loading boards are responsible for making it possible to move a lot of trucks and freight. The fact that all of this occurs "real time" makes it a very powerful way of doing business.

However, at least one individual poses the question of freight brokers being threatened by load boards. Fritz R. Kahn, a lawyer specializing in transportation regulatory issues, states that "they (freight brokers) face a threat from web-based load boards ..."

He also states that "motor carriers can post their trucks looking for freight ... and shippers can post the cargoes they are looking to have transported by highway carriers. If there is a match, the motor carrier and the shipper deal directly with one another ...":

While this may be the case in some instances, it may not be the norm. Most loads on the loading boards are posted by other freight brokers, not shippers. There are a number of reasons why a shipper does not want to deal directly with a carrier and why a carrier does not want to deal directly with a shipper.

While speaking with the marketing departments of two very large and popular load boards, this writer asked the question, "What percentage of shippers as opposed to freight brokers do you have posting loads on the boards?" One answered that at least 80% or more are posted by brokers. The other answered that 99% of all loads are posted by

brokers. Further, both representatives stated that there is no concentrated effort to solicit load postings from shippers. The brokers are their “bread and butter”.

Mr. Kahn summarizes his belief by saying, “Whether the brokers can long survive in a highly competitive environment in which they are disadvantaged in some ways remains to be seen”.

The question is, “Is this true?” It’s this writer’s opinion that freight brokers will use the load boards and will thrive by posting loads and searching for trucks. The quest is not easy and the industry is competitive. But the essence of a freight broker’s problems is normally not from shippers posting their loads on the load boards.

Freight Broker Business & Websites

There are a few beginning freight brokers who prepare websites for their business. However, it is not a priority. While websites have their usefulness, there are other methods to market your services.

As you read above, "websites have their usefulness". In particular, AFTER you get your business somewhat established, you may create a website where your shipper can enter and track their cargo as it is en route.

You may also use a website after you get established to post available loads for your motor carriers. You could set all this up with various passwords for your special customers and carriers.

But BEFORE you get established, you really need to focus on other methods to attract customers. A website will not necessarily attract customers and may only turn them off if the website is not properly prepared to give them whatever services they are looking for.

So, before you get established, your telephone and the Internet will be your best friends. I'm not ruling out personal visits but these can be very time consuming.

In our training, you learn a multitude of search strategies where you can attract and maintain new customers. Believe me, after you build some solid relationships, you will have customers asking you to call them three or four times a day unless they call you first.

Think about using the telephone and Internet to build your business. Think about using a website later to provide some unique services.

Freight Brokering: Finding Lanes

If you are around the freight broker industry for any length of time, you start to quickly pick up some of the terminology or "lingo". One of these phrases is "Finding Lanes". Here's a real general overview.

For a trucking firm, finding lanes simply means they are seeking favorite routes. These routes may involve a trucker finding good paying loads. Or the routes may involve

"preferred" driving areas. For example, some drivers will run Interstate 10 from Los Angeles to Florida. They have no desire to run to much further north. Many drivers avoid inner New York city like the plague. Others know where to deadhead if they have to in order to pick up a good load.

After a period of time, these drivers find themselves pretty much knowing where to go and where not to go. And these become their favorite lanes.

For freight brokers, finding lanes simple means finding certain routes or areas where there are not only good paying shippers but where it is relatively easy to cover a load.

Several of the loading boards help freight brokers find available trucks with various types of finding-lane tools.

Here's some insight. Very rarely does a trucker or freight broker have someone give them this information on where the favorite lanes are. In other words, rarely will someone tell you where the "hot" areas or lanes are. These people who are "in-the-know" are not likely to just give this information out - it's like protecting the favorite family recipe, I guess.

Most likely each driver and freight broker will "create" their own favorite lanes or hot spots. Does this take time? You bet. Again, anything that has some type of pot of gold at the end will involve time, hard work and working smart.

Each person will want to monitor various statistics regarding each and every load. This way you create a valuable asset that will keep pumping money into your bank account every day, every week and every month.

Freight Broker Accounting Alternatives

For freight brokers, there is not a lot of complicated, high volume accounting requirements. Nevertheless, you are running a business and you do need to track your revenues, expenses, and net profits. You also need to send invoices and manage your accounts receivable. Finally, you need to pay your trucks and other vendors and manage your accounts payable. What's the best way to do this?

QuickBooks is by far the most popular accounting software. But over the years, it has gotten more complicated. Why? Because it's gotten more powerful. The two go hand in hand.

If you are currently using QuickBooks in a business, you know the power it holds. If you have never used QuickBooks, all is not lost.

Many larger cities have Small Business Development Centers that operate under the U.S. Small Business Administration. These small business centers provide all sorts of help for their clients.

But here's the point: Currently the El Paso SBDC office is offering 48 hours of QB training that includes the materials and a start up kit. It's all for \$225. This is a bargain, to say the least.

Call you local SBDC office and ask if they are offering any QB classes. You can't go wrong if you intend on using QB.

In summary, not all of our clients want to use or learn any type of accounting software. In this case, we help them get started using a manual system.

Freight Broker Invoicing: Couple of Things

I'll bet a good number of viewers use QuickBooksPro for their accounting. It's probably the most popular accounting software package. While I don't like everything about them (more later on this), I do use them and here's a tip for you when you are invoicing your customers.

I had a client call me with several questions on invoicing. Bear in mind that QB has two functions related to invoicing: one, the regular invoice itself, and two, a month end statement. The invoice is created for each specific transaction. For freight brokering, an invoice would be sent for each load for the agreed upon amount with the shipper. On the other hand, the statement is sent at the **end** of each month and it lists the outstanding invoices that are due to the broker.

Instead of first creating an invoice, my client was creating a **statement** for each load. This went on until one of his customers told him that the normal process was to first create an invoice and **then** send a statement at month end.

This is just a tip for QB users that might be helpful. I'm not an expert on QB at all. But I do find the program to be extremely useful for a number of reasons.

But, as mentioned above, there are several things I don't like about it. One, you can't "close out" each month. By "closing out" a month, you complete all your transactions and then *close it* which prevents you from reentering any transactions for a month that's been closed. What this means in QB is that you can accidentally delete or modify a transaction several months or even several years previous and it will mess up the financial statements like nothing else. You have to be wide awake to work with QB.

Second, in order to get current payroll reports for each respective year, you have to sign up for QB's payroll service. Otherwise, your payroll reports will have the wrong year on it. For just a one-person corporation like mine, I don't *want* to buy their monthly payroll service. It isn't cheap (and I'm cheap!!). So I just use the reports that the government sends me. I print out the reports from QB and then reenter the info by hand and my payroll reports then have the correct year on them.

I hope this helps. Let me know.

Section 5 - Freight Broker Authority & Insurance

What Exactly Do You Need to Get Your Broker Authority .. and What Tests, If Any, Do You Need to Take?

These questions about getting the broker authority are frequently asked questions. Many individuals think for sure that there is a test of some sort at either the state or federal level. Others think you have to purchase expensive insurance or expensive software.

Here's the straight scoop:

You need only three items to become properly licensed as a freight broker:

- 1) A motor carrier number,
- 2) Evidence of a \$10,000 surety bond or trust fund, and
- 3) A process agent permit – BOC-3

That's it. There's no more. No tests are required, no exams, no nothing! Except

You do need to be properly trained or else you may end up coming across as very unprofessional.

Let's look at these legal requirements:

The first item is the motor carrier number and can be obtained from the Federal Motor Carrier Safety Administration. There is a one-time application called the OP-1. Individuals may complete the OP-1 online or they may print the application and mail it in.

The second item is the \$10,000 surety bond or trust fund and it can be obtained through various financial institutions. Some surety bond underwriters know how to protect your funds, others may not be so good at it. We at Atex Freight Broker Training, Inc. use a company who will put up the required \$10K for you. They have a number of different programs and there is no one else in the industry better.

The third item is the Legal Process Permit or the BOC-3. This gives the freight broker legal representation in all 48 states.

Again, after completing the applications for these three items, there is nothing else required except proper training perhaps.

In closely related matters, some people call the surety bond "insurance". But it is not insurance – it's a surety bond or trust fund. There is "contingent cargo" insurance available. However, this is optional and is not required to fulfill the requirements for the broker authority.

Lastly, while there is some very good freight broker software (or dispatch software) available, beginning brokers will find that this is not a necessity until the business justifies it. We at Atex Freight Broker Training, Inc. provide a number of templates one of which includes load manager capability.

So, in terms of the start up requirements for the broker authority (the motor carrier number, the surety bond and the BOC-3) and the other operational needs, the freight broker business start up requirements are quite simple.

Freight Brokers: Who Are They?

There is a lot of confusion around the questions: Who is a freight broker? What makes them a freight broker? When are they legally determined to be a freight broker?

Some people don't understand the process - part of the confusion arises when an individual talks to a number of people without actually reading what the Federal Motor Carrier Safety Administration (FMCSA) has to say.

Read on ...

Here's what the FMCSA has to say in TITLE 49--TRANSPORTATION, CHAPTER III--FEDERAL MOTOR CARRIER SAFETY ADMINISTRATION, DEPARTMENT OF TRANSPORTATION, PART 371 - BROKERS OF PROPERTY:

(a) Broker means a person who, for compensation, arranges, or offers to arrange, the transportation of property by an authorized motor carrier. Motor carriers, or persons who are employees or bona fide agents of carriers, are not brokers within the meaning of this section when they arrange or offer to arrange the transportation

c) Brokerage or brokerage service is the arranging of transportation or the physical movement of a motor vehicle or of property. It can be performed on behalf of a motor carrier, consignor, or consignee.

So, basically, if you plan to broker loads only for your own trucks and, therefore, without compensation, you are NOT a freight broker and you do not need to obtain your broker authority.

However, if you plan to broker loads for your trucks AND to broker loads for other trucking companies for compensation, you are operating as a freight broker and you DO need to obtain your broker authority.

It doesn't matter if the loads that you broker come directly from shippers, from other freight brokers or from motor carriers.

Freight Broker Exams?

People often ask me if there is any state or federal exam in order to become a freight broker. Here's what I tell them

No, there are not any exams. This is both good and bad at the same time. First, the good: you don't need to get-prepared for anybody who will be examining you before you get into brokering. It's easy to *become* a freight broker. You just need your broker authority which consists of a motor carrier number, evidence of a \$10K surety bond or trust fund and a process agent permit. Within these three, the most difficult for some people is the surety bond or trust fund. The cash layout on this depends upon a person's credit.

Now for the bad: When it's so easy to enter this industry, you've got all kinds of people jumping in. Many of them should not be in brokering. Why? Many of them think it's so easy that they'll just give it a try to see what happens. They don't approach this as a serious - very serious - business opportunity and they'll most likely fail. They are not mentally prepared. And they usually try to bypass any type of training.

They'll often fail as well because, if they think it's easy, they'll also think they can learn it themselves. This is a big mistake. There's a lot to learn especially from someone who's "been there and done that".

But in the mean time, these "wannabees" clutter up the industry with all sorts of inefficiencies.

Freight brokering is for serious people who know what they want. They do their homework. They check things out before hand. They learn the nuts and bolts and then proceed with a clear plan of operations.

And the best test, then, becomes actual freight brokering.

Freight Broker Insurance: Contingent Cargo

I had a situation today that will requires some thought regarding contingent cargo insurance. Basically, contingent cargo insurance is offered only to freight brokers. It is not cargo insurance - it is broker insurance "contingent" upon a motor carrier's insurance not paying on a claim. Here's some more detail ...

First, contingent cargo insurance is not required by law. And a freight broker is normally never liable for cargo damage. The two cases where a freight broker is liable is either by contract or by being negligent in their operations.

So today, a shipper asked one of our clients for their "certificate of insurance" naming the shipper as "certificate holder". We at Atex Freight Broker Training encourage clients NOT to purchase contingent cargo insurance. Why?

A freight broker never takes possession of the cargo and can never be legally liable for cargo damage. To me, it is ill-advised for a broker to assume liability when in fact the law imposes liability upon the motor carrier.

Now the shipper has every right to require a freight broker to carry contingent cargo insurance; on the other hand, the freight broker needs to make a decision on whether or not to purchase this insurance.

The only time purchasing this insurance might make any sense at all is if the broker can expect to receive a good number of loads every week or month.

If the freight broker does want to assume some liability for cargo damage and obtain contingent cargo insurance, it is absolutely necessary to read and understand fully what exclusions are in the policy. Most people don't read their insurance policies - they enter into a situation blindly (I'm guilty here).

There are a number of related issues that can get complicated, a couple of which are, Will a certificate of insurance issued to a shipper naming the shipper as certificate holder constitute a contract? By issuing a certificate of insurance, does the freight broker have any "protection" under the Carmack amendment in the event of cargo damage?

I'm not an attorney nor well-tutored in insurance matters - but this is important and I'll strive to enlighten my visitors here as much as possible.

In summary, the shipper can and will at times, require the freight broker to carry contingent cargo insurance. It is then up to the freight broker to determine the cost versus the benefit.

Freight Broker Insurance

Several days ago I received an email from a former client in California. She has a trucker friend who encountered a car that slid under the truck trailer, set the trailer on fire and burned all the cargo. Here's a couple of other facts she offered and her question:

She said the truck driver's insurance company would not pay on the damaged cargo simply because this type of accident was excluded from coverage. She asked if the freight broker should then take partial responsibility to pay for the damaged cargo.

Here's my answer: A freight broker is never legally liable for any damage or missing pieces unless the broker is negligent in their operations or if they assume liability under contract. Many shippers want to push some of the liability off onto the freight broker. In my opinion, this is not right for a number of reasons.

If the trucker's insurance would not cover the accident, it may be unlikely that any freight broker insurance would cover it as well. It all depends on the facts of the situation and what exact coverages or exclusions the broker's insurance has.

Contingent cargo insurance which is offered to freight brokers often has exclusions that are not readily apparent. If a broker thinks they have coverage, they may be shocked to find out that there are particular exclusions. So, sometimes, the contingent cargo insurance may be a waste of money.

I've probably made mention of this in another blog post; but I just wanted to address this again after hearing from my client.

What Is Contingent Cargo Insurance and Do You Need It?

From the many phone calls and emails I receive, some people ask me if they need insurance to become a freight broker. From that question, I need to ask them a few further questions. I ask them if they are talking about cargo insurance or the surety bond.

They usually say "cargo insurance". The surety bond or trust fund that's required by freight brokers is commonly referred to as "insurance". But it's either a "bond" or a "trust fund" neither of which is "insurance" in my opinion. But this is another story.

So, getting back to contingent cargo insurance - my answer is, "No, you don't need cargo insurance. That's the motor carrier's responsibility".

I further explain that, however, there is "contingent" cargo insurance available for freight brokers and it's neither required by law and may not be a "good buy". Contingent cargo insurance is supposed to cover the freight broker in the event the carrier's cargo insurance doesn't cover damage or loss. But can you rely upon it?

To the point, your policy may not pay right when you need them the most. There are just too many requirements that must, or must not, occur before the insurance company pays.

Should you save your money on such policies? In my opinion, yes. There may be, however, some shippers who require a freight broker to have contingent cargo insurance before they do business with the broker.

So it's up to the broker to try to determine if the shipper is going to provide enough loads to justify buying contingent cargo insurance.

Section 6 - Freight Broker Finances

Freight Brokering: What About Profit Margins?

Some of you know that my background is in accounting. I have spent countless hours crunching numbers for either pay or without pay. It's sort of an addiction. If there were no other information or books in the world than telephone books, I would spend hours, days, weeks, etc., calculating all the telephone numbers and categorizing them and analyzing them and so on.

I guess my motto should be "If it's a number, I'll crunch it - if it's two or more numbers, I've died and gone to heaven"!

Fortunately ...

there are more financial data in the real world that does not confine me to just telephone books. Businesses large and small offer all sorts of financial data and results of operations. One useful technique is to analyze two or more different financial numbers. These are called "ratios". One number alone is not sufficient to analyze performance.

One of the most useful business financial ratios is the Profit Margin. It is a percentage after dividing two numbers. You get the Profit Margin by dividing your profit after paying your truck by the amount paid to you by the shipper. So if the shipper is paying you \$1,500 for a load and you are paying the truck \$1,350, your dollar profit is \$150. And your Profit Margin is 10% - $(150 / 1,500)$.

You want to try and average between 10-15% Profit Margin for your loads - some will yield a greater profit margin, some a lesser. But you want to look at the average for the entire year.

Here's the kicker. If you happen to take a 5% Profit Margin on two loads, you would have to get a whooping 20% Profit Margin on the next load in order to average 10% for all three loads. This is why you need to be firm if you are finding yourself "forced" to taking less than 10%. By not getting close to 10%, or more, Profit Margin on your loads, you just might be digging yourself deeper into the hole.

I say this because I had a very large broker tell me they were averaging about 5% on their loads. I did some number crunching (here it comes again), and I determined that the company would go bankrupt in a year or two. Well, today they are no longer in business. I don't know why. I THINK I know why. And I'd be surprised to learn that they just retired with a ton of money and have a 22-room mansion in Hawaii.

Freight Brokering: How Much Money Do You Need to Start With?

I may have touched on this in an earlier post - but I had a caller the other day asking how much money is needed to start a freight broker business. I was totally shocked at what someone told her. And I just received several emails from other potential clients asking the same question.

The caller was told that she would need \$100K to \$300K to start the business. *Where in the world are they coming from?* This is ludicrous especially for someone just starting out. I suppose you *could* start out with that much money. But here's the question I ask myself - do I want someone owing me \$100K or more in a new business venture? Even if you do a credit check with each and every shipper - wouldn't you be a little concerned?

Wouldn't it make more sense to *gradually* work into something like this?

Most freight brokers starting out are one, two or three person offices. Unless they are extremely fortunate, they won't be generating a ton of new business right out of the starting gate. So why have all this cash on hand if you won't need it right away?

It's better to start with a much smaller line of credit or whatever and as business starts to grow, you add to your cash reserves.

I started with a \$10K line of credit from a bank. I could have started with more and I could have started with less. Maybe I'm too conservative, but you definitely don't need \$100K-\$300K to start this business – not even \$50K-\$75K.

Freight Broker Financing: Here's An Option (And a Good One)

Here's a financing option that I can't help but share with you. If you're looking for start-up money, this may be a piece of cake for you ...

Several weeks ago my brother and I went to a large well-known international bank. We were setting up our new checking account for our resurrected freight broker business (Atex Logistics, Inc.). My brother does his personal banking at this particular bank. I won't disclose the name of the bank (unless I can get them to pay me a referral fee :))

We ask about a line of credit. Within 30 seconds (maybe 25 or 26 to be exact), the banker told my brother that he qualified for a \$20,000 line of credit. The rate was prime plus 2 which figures out to be about 12%, I think.

But I was astonished that within seconds my brother knew where he stood. And, there wasn't any need of having it guaranteed with the SBA, no collateral, no nothing. I couldn't believe how fast and efficient this went.

Now let me say, my brother has excellent credit, to say the least - very shrewd with his money management. It was all based upon his excellent credit. So if you are in this situation and you need some seed money, this is an option that might be hard to pass up.

Lastly, you don't need a lot of start-up money as a freight broker. I've heard some callers tell me that they have been told that a person needs \$50,000 to \$100,000 or more to start out. This is not true. My brother and I settled for just \$10,000 on the line of credit and this will give us the start we need. Note: since this blog post appeared we discontinued our effort to resurrect the freight broker business. Doing freight broker training requires so much time. It's hard to spread ourselves too thin.

Why You Need to Take Total Control Over Your Receivables

The freight broker industry has some twists that set it off a little differently from other businesses. About the only common element is the fact that there exists accounts receivable and accounts payable. But let's look how these are dealt with differently both within the freight broker industry and outside of it.

In many industries outside freight brokering, the person handling the accounts payable will wait as long as possible when paying a vendor. Sometimes payments may be paid a little quicker if there is a discount that makes earlier payment worthwhile. Other times, if this person can delay payment far beyond 30-35 days, so much the better.

However, here's a twist when it comes to freight brokering. As brokers work within the trucking industry, they'll want to set a policy of paying the truck within 21 days or sooner. Why? For two reasons: First, motor carriers can't wait 30-40 days or longer for their money. They need to finance their trucks and keep them moving. Second, the broker will build a loyal following of carriers if the broker has various "quick-pay" programs.

The kicker is, however, the broker may have to wait 30-35 days or longer to receive payment from the shipper.

The broker is left with three options to build and maintain carrier loyalty by making timely payments. (1) the broker can build and maintain a cash cushion of money out of which to make timely payments, (2) the broker can use a factor who will buy the account receivable at a discount and advance funds to the broker, or (3) the broker can seek financing through a bank or finance company with either a regular term loan or a line of credit.

Each of these will options will provide the necessary funds to pay carriers. However, the biggest neglected item is the broker's inability or unwillingness to stay on top of their customer receivables. By not creating and applying a strict policy for collections, the broker ends up paying unnecessary fees for this neglect.

Remember, the longer an account receivable is outstanding, the less likely the broker will be able to collect. We're talking about probabilities here.

Don't become a victim of having shippers hold your money much over the standard 30 days. Some will take advantage of your neglect. Create a written collection policy and enforce it when you have to.

Freight Brokering: Control Your Cash

We have a new year rapidly approaching. I used to think it was sort of a negative thing. You know - time flying by so fast, and maybe another year of the same 'o, same 'o. Tough to make a buck, tough to just stay even let alone getting ahead and so on and so on.

But I changed my mind about how I would think about a new year approaching. I wanted to live my life in a positive way. I've got a tip for you for what it's worth. Read on for more.

One way to make more money without really making more money is to really control your cash. Now, I'm talking about freight brokering but this is really applicable to any business. Cash management is one of the most important skills you can develop when growing a business.

It can be very difficult if you don't know exactly where to start or what to do. But it's not that difficult if you take some time and prepare a plan of action to help control your cash.

Here's a plan of action that we teach in our freight broker training.

First, write down a policy for collecting your accounts receivable. Believe me (and I'm not telling you anything here that you probably don't know already), there are plenty of customers who will use YOUR money if you let them.

Your written policy should identify in how many days you want to be paid. Perhaps it's 30 days. Now you might have to allow 2-3 days for your invoice to be sent and processed. And you might want to allow for another 2-3 days for them to mail your check.

So, you are looking at 30 days plus 6 days - for a total of 36 days before the invoice is really over due. But if and when it goes over 36 days, I don't know about you, but I'm on the phone asking "When I can expect payment".

Customers can be very creative in giving all kinds of excuses. You need to persist and pin point when the check was mailed if it was mailed, and if it has been printed but not mailed, ask what check number is on the check. Ask anything appropriate because this is YOUR money, not theirs. As long as you have delivered the goods, the customer is in debt to you.

Don't let them give you the run around. Which leads to

Second, do not give up. Many people find collections a dreaded thing. But you have to train some of your customers. Once an invoice goes over 40 days, I don't know about you but I'd call them again and again and ask about payment. If you feel you are getting the run around, tell them you'll be calling them again the next day. And then do it. In fact do it every day after day 40.

You don't have to be mean or nasty. You just have to pester them to the point where they will understand it is easier to pay you than to try and hide from you each day. If all you get is an answering machine, keep calling who ever you can and eventually you'll have maybe half of the company looking for the accountant who is supposed to be paying the bills.

Third, on each invoice, indicate that your terms are 21 days. This is reasonable. Most customers will ignore this and pay you within their normal cycle. But some will pay you around 21 days if that's what you indicate in your terms. And they won't pay you that soon if you don't indicate 21 days.

Fourth, be sure to thank those who do pay you on a timely basis. Let them know you appreciate it.

So, to summarize, you'll have a written policy for your collections (and you'll stick to it), you'll be persistent and not give up, you'll enter 21 days for your terms, and finally, you'll thank those who are paying on time.

I hope this helps.

Freight Broker Profits: How Do You Track Them?

Many business owners don't have an accounting background. And indeed, formal accounting experience is not necessary to be a successful freight broker. But I would almost wager one thing...

I would almost wager that every successful broker knows how to work some figures. And it takes more than just looking at the dollars. It's a good idea to look at profit margins - at percentages. Not so much for each separate load - but look at the average for the entire year.

The average profit margin is simply the dollar gross profit for the entire year divided by the gross revenues paid by the shipper for the entire year. Gross profit is what you have after you pay the truck.

The industry standard is supposed to be a 10-15% profit margin. Knowing when to pursue particular shippers because of their higher than average profit margins they yield can make or break a freight broker. In my training, I often refer to this habit as knowing when to hold em and when to fold em. That is, you avoid those shippers where you aren't getting your profit margin. And you focus your time and energy on those who do pay decent rates where you can generate above average profit margins.

I once had a large freight brokerage firm tell me that they were averaging only a 5% profit margin. They were doing about 10 loads a day. From my cash flow projections, I had determined that a 5% profit margin would lead to going out of business. So guess what? This particular broker is no longer in business. I don't know the real reason behind this. But I suspect it had to do the trying to get by on a 5% profit margin.

Section 7 - Freight Broker Vs Broker Agent

Freight Broker or Broker Agent?

Many people want to know what the difference is between a freight broker and a broker agent. And they want to know which is the best when starting out.

Here's how I explain it:

A freight broker is totally self-employed and has obtained his or her broker authority. The broker authority consists of a motor carrier number, evidence of a \$10,000 surety bond or trust fund and the Process Agent Permit or BOC-3.

The freight broker, without agents, handles ALL of the related duties of brokering. These include invoicing shippers, paying the trucks, obtaining and managing the cash flow, keeping the required records and so on. These are in addition to finding shippers and trucks and negotiating the transactions.

The broker agent, however, does not obtain their own broker authority but works under the authority of another freight broker. The agent does not have to invoice shippers or pay trucks and they do not do any other duties related to managing the "backroom" requirements.

The broker agent will spend his or her time finding shippers, finding trucks and putting the two together. The agent then receives a commission which is usually some type of split between the broker and the agent.

So there are pros and cons to either way. Brokers take care of ALL the duties and receive 100% of the profits if they work without agents while broker agents perform only partial duties but they take a split on the profits rather than 100% of them.

It is usually not any easier starting as an agent as compared to becoming a full-fledged freight broker. But there is less responsibility in some respects.

There are many successful agents and freight brokers. Likewise, there are perhaps many UNsuccessful agents and freight brokers as well.

Freight Broker & Broker Agent: What's the Difference?

You can train to become a successful business owner whether you choose to become a fully self-employed freight broker or a broker agent.

Many people want to know what the difference is between the two. Click on the link below to find out.

I might add that it is sometimes hard to find a freight broker willing to work with new agents. They want someone with a "following" and they don't want to train their agents.

If you have further questions, either call me at
888-526-ATEX (2839) or send an email to
info@atexfreightbrokertraining.com

Have a nice day!