

II. Freight Dispatch Industry Overview

- What Skill Sets Are Required of Freight Dispatchers?
- What Benefits Can Freight Dispatchers Expect?
- Why Are Good Freight Dispatchers in Demand?
- What Are Some of the Challenges That Freight Dispatchers Face?
- The Bottom Line,
- How Do Freight Dispatchers Conduct Business?
- Evaluating Potential Owner Operators - Safety and Compliance Issues
- Required Licenses and Permits That Your Drivers Will Have to Have
- Getting to Know Your Drivers

What Skill Sets Are Required of Freight Dispatchers?

It would be nice to think that anyone can become a freight dispatcher. After all, at first glance, it all seems pretty straight-forward and relatively simple.

But, is this true?

Most vocations require certain skills in order to succeed and dispatching is no different.

Sometimes if a dispatcher lacks just one or two essential skills, that might spell disaster for successful employment.

Dispatching is a "people" business so communications is right there probably at the top of the required skills. Then there is "multi-tasking" where dispatchers are coordinating multiple tasks at the same time. It's a juggling act.

Let's do a recap of partial required skills (not in any particular order):

- Communications,
- Multi-tasking,
- Listening,
- Thinking on your feet,

- Proactive,
- Internet research,
- Using mapping software,
- Negotiating,
- Basic math,
- Organizational

There may be more skill requirements - we'll look at more further along. But again,...

... if you find you do not possess many of these skills listed above or don't think you can fully develop all of them, you might want to rethink your plans to work as a dispatcher.

What Benefits Can Freight Dispatchers Expect?

No industry or trucking experience is required

Even if you are new to the transportation and logistics industries, you can excel in this business.

While a transportation background may be helpful and give you that initial boost, you need not come from a trucking background.

Home based

Here's a great benefit - you can work from home. The internet, telephone, fax and email or messenger is much of what is required. You can succeed without having to invest large sums of money in start-up costs that may include renting office space.

Very little start-up and operating costs

Your start-up and overhead costs are minimal. You don't need to acquire your own broker authority but some think you DO if you plan to dispatch for two or more carriers. Perhaps your biggest expense will be in subscribing to two load boards.

There's a learning curve for learning how to use the load boards, so keep that in mind.

We'll give more detail on your costs further along.

Flexible hours

You might as well know right up front that dispatching is an early morning business. You'll be scouring the internet and talking with brokers until you get loads for your drivers. The early bird gets the worm.

After getting load information from the broker and preparing to dispatch your driver, it could be easy street in the afternoon or even in the mid or late morning.

Potentially, however, you are on-call pretty much around the clock. Many people learn to love this; others may not be well-suited for it.

You especially want to be very alert for incoming messages or calls from your drivers. Sometimes, timely replies are going to spell the difference between success and failure.

But, while your trucks are out and about, plan to spend some evening time planning the next day's agenda.

Telephone & Internet based

A simple working knowledge of working the phones and doing internet searches is something most can adapt to.

It's up to you as a dispatcher to find out if it's more convenient to text your drivers or make a phone call from you cell phone.

I imagine some dispatchers can talk on the phone to one person while texting another person from their cell phone.

With time and experience, you'll develop a working format where you'll be able to cover a lot of ground in just a few short minutes.

Work the entire U.S.A.

Your brokers that provide loads for you may have your truck going to all parts of the country IF your driver is willing to work in that fashion.

Some drivers will give you certain lanes they prefer and then it's up to you to try and secure loads for those lanes. It's up to you to walk the fine line of preferred lanes versus rates.

Sometimes you'll get good rates and preferred lanes; other times, you and your driver may have to settle for one over the other.

Knowing what your driver wants and maintaining great communications are required throughout each and every day. It's not always a piece of cake.

Relocate to anywhere

You can relocate and dispatch trucks from nearly anywhere. A good computer connection and some of the other tools or the trade are all that are needed.

It seems strange that dispatching is a "people" business and, yet, you can run your entire business without talking face-to-face with others.

No employees

You may not want or need employees to help work your business. If anything, you would rely upon agents - independent contractors.

Your owner operators that you work for may have a controlling voice in this matter. So, starting out, just keep it simple, plan to work the business yourself.

Comprehensive, affordable freight dispatch training is available - you have already taken this step

Yes, you can learn how to work as a dispatcher via the internet. There are many sources of help that you may find on YouTube and many of these people have training programs for sale.

Sometimes, however, you get what you pay for and be aware of that fact. If you are serious about succeeding in the freight dispatch business, do your due diligence. As you are exploring this field and

listening to others, see if their words resonate with what you are thinking and feeling?

Take a deeper dive and get a good idea of the training materials. Probably most important, see what kind of support there is after formal training is completed.

You would really like to have someone to talk to long past your formal training. Things come up, sometimes weird things happen - THIS is when you want some support.

Being independent - professionally and financially with an excellent, potentially high income opportunity

Now the good part - you want to know what kind of income you can expect. It all boils down to several factors: first, will you work on commission or a flat rate? What IS the rate whether it's a commission or flat rate? Then ...

... learn how many drivers you'll be working with; learn how many loads your drivers normally deliver each week and then do the math.

How many turns can a driver do in a week? Are there any big obstacles to keep you or your drivers from moving freight smoothly and consistently? You will need to consider how easy is it to find loads for your drivers?

We'll discuss the money aspect in more detail elsewhere in this training manual.

Why Are Good Freight Dispatchers in Demand?

When a motor carrier sends a fleet of trucks on the road no matter how large or small, there is potentially a myriad of problems that can arise. Even without "problems", just managing the fleet requires close attention from someone.

But, from whom?

Well, enter freight dispatchers, also called "truck" dispatchers. These guys and gals keep the trucks rolling and doing it in good fashion as well.

THIS is perhaps the biggest reason why dispatchers are in demand.

Good freight dispatchers are in demand because they free up other people's time. By reaching out to freight brokers for loads, dispatchers build relationships - relationships of trust and reliability. This all takes time.

Owner operators, if they are the drivers AND owners of their company, are focused on picking up and delivering. As owners of the business, they also need to wrap their arms around the entirety of the business not just picking up loads or making deliveries.

Can they drive and manage at the same time? It's tough and maybe almost impossible for many drivers.

Perhaps another important element of value that dispatchers provide is that they allow the people they work for to work ON the business and not always IN the business.

Working ON the business means that the owner operator can now do some marketing. He may be able to make personal calls, face-to-face. This is powerful and a vital element in customer acquisition.

Some dispatchers also deal with the "back room" issues such as billing, factoring, collections and/or compliance, etc. But you can imagine that a couple of the biggest concerns day-to-day are ensuring that there are no (or few) late deliveries.

What Are Some of the Challenges That Freight Dispatchers Face?

Challenges to entering into and working this business are not insurmountable and can be categorized in two ways:

1. Personal challenges
2. External challenges

Personal challenges -

- Lack of contacts,
- Lack of one or several essential skills,
- Not relying on others who CAN help,

- Not knowing WHEN to rely on others,
- Lack of confidence,
- Lack of experience or training, etc.

External challenges are some of the challenges that most dispatchers will encounter; some are what your owner operators may encounter.

- Competition for getting loads,
- Others unwilling to share helpful information,
- Rude, disrespectful or negative perception toward delivery drivers by some receivers,
- The current environment,
- Failure to understand the needs of others,
- Higher operating costs,
- Failure to build good relationships with several good freight brokers,
- Learning how to negotiate,
- Truck repairs and availability,
- The bottom line, etc.

Let's look at some the external challenges in more detail:

Competition for Getting Loads

There is plenty of competition for dispatchers. Any worthwhile endeavor will attract others. The easiest way to compete with others is to try and differentiate yourself or your business from others in the industry.

This sounds simple but it requires a lot of thought. I'm still waiting for someone to advertise "Your load delivered on time or it's free".

Others Unwilling to Share Helpful Information

This may affect your owner operators more than you but you would think there's a lot of camaraderie out there on the road. But what driver sitting in a truck stop is going to start blabbing about where you can get high paying loads?

Or what uncle, aunt, cousin is going to share their secrets of dispatch success with you that has taken them so long to acquire?

They will be tight-lipped - you should do the same.

Rude, Disrespectful or Negative Perception toward Delivery Drivers by Some Receivers

Let's face it - some receivers at the dock just don't respect drivers. This will mainly affect your owner operators that you're working for.

You might experience your owner operator acting a little squirrely, blunt or ticked off on some phone calls with you. Maybe it's just be a bad day driving and unloading.

Don't take it personal unless they tell you they have a personal problem with you.

The Current Environment

The current environment for trucking is and has always been trying to survive within varying degrees of uncertainty and not-so-good rates. As you think about it this is no different than what you'll find in other industries.

The challenges are ever present. Yet many companies are actually thriving, not just surviving. The solution has been to mitigate uncertainties to the best degree as possible.

This means knowing your company drivers - their strengths, weaknesses, capabilities and this includes an honest evaluation of both owners and others working under them.

Failure to Understand the Needs of Others

For a dispatcher, one of the challenges will be two-fold: understanding the needs of your owner operators that you work for; and finding suitable brokers that will supply you with loads you desire.

From there, it's a matter of execution and coordination. It may become routine over time. If so, there's another challenge - to make sure you bring your A-game to the table each and every day.

If you get too sloppy, you'll pay a price. It's vigilance forever.

Failure to Build Good Relationships with Several Good Freight Brokers

Every trucker and dispatcher is looking for the best rate possible. That's a given EXCEPT there ARE drivers who take cheap freight.

Perhaps, they want to get back home or just move their truck on to a different location. They may take whatever rate they can; after all, they may be thinking, taking SOMETHING is better than NOTHING.

Other than getting good rates from brokers, dispatchers like it when the broker actually provides more than one option. This may indicate that the broker is working proactively with you, it may mean that he has cast a wide net when it comes to his having many shippers on hand and it may mean he's learned what your needs are.

Higher Operating Costs

It's no secret that owner operators are faced with increasingly higher operating costs. It's EVERYTHING across the board. This type of work environment forces good owner operators to know their costs - all costs, not just fuel, tires and insurance, etc.

Health insurance, life insurance even vacation time should be factored in. Owner operators should not have to sacrifice personal benefits that other drivers have working as employees elsewhere.

The owner operator and his accountant should come up with an accurate cost per mile of doing business. Then, if you plug in a profit, you'll have your acceptable rate that you will shoot for.

Your owner operator needs to give some indication of preferable and acceptable rates.

When the owner operator is on top of his game and knows what he needs to not only survive but thrive - YOU, in turn, will tell your brokers - "This is what I need."

Anything over and above what the owner operator needs is gravy for both.

Owner operators and dispatchers don't always get the rates they seek and they do need to understand this. The key is to work smart by learning how to negotiate with brokers.

Learning How to Negotiate

It may be that, with the higher overhead costs that large trucking companies have relative to small owner operators, you and your owner operator may act and react more quickly and nimbly as compared to these larger companies. Don't overlook this advantage.

The better a dispatcher can better utilize the owner operator's truck(s), the more valuable the dispatcher becomes.

Better utilization depends not only on rates and negotiations, it also depends on working within other constraints such as hours of service (HOS) and truck maintenance, etc.

Truck Repairs and Availability

Is there a way for you to help your owner operator other than just getting loads? Can you be helpful with repairs and repair services?

Remember, if you have three owner operators under your belt and two of them have breakdowns, now you're operating as though the two rear wheels of your tricycle just fell off.

Your firepower is gone or greatly diminished.

Further, now you have to coordinate this with your brokers who are expecting a delivery, not a breakdown.

Then, getting emergency roadside services and preventive maintenance services may be hampered because of traffic delays and/or supply chain issues.

Hopefully, your owner operator(s) have their rolodexes complete with a number of resources in the event of breakdowns. They may have a good source of services but, are these services available all over geographically? See if they need help here.

The Bottom Line

Making money is one thing; keeping as much of it as you can is another thing. You protect your bottom line by controlling expenses.

You can help your owner operators in this effort in several ways.

One of your top priorities is to keep the trucks moving with proper scheduling for pick-ups and deliveries. When the trucks are moving, they are making money. When they make money, you make money.

I've mentioned a well-stocked rolodex above - maybe there is software that can supplement this rolodex. This may be something to look into = like TMS software.

Software and apps are being increasingly used throughout the industry.

Having a database of vendors and repair services is essential.

How Do Freight Dispatchers Conduct Business?

Dispatchers approach freight brokers to get loads or vice versa, brokers approach carriers and dispatchers. These freight brokers get their loads directly from shippers, wholesalers, distributors, growers, etc.

After a freight broker gets a load from their customer, the broker immediately posts the load to one or several load boards. We'll discuss load boards in detail further along.

Normally, the action takes place early in the morning soon after shippers put their load information together for freight brokers.

Dispatchers are pretty much confined to their office most every day except when they get their cell phones all set up to work from anywhere.

But there are few requirements for the dispatcher to meet with outsiders. The cell phone, email, perhaps a messenger service, faxing capability, computer and the Internet are the necessary tools of the trade.

We'll go into more detail in regard to your tools of the trade in another section of this training manual.

You'll have direct rapport with your company management, your owner operator, and it all depends on how big the company is that you are working for.

Will you be working with just one owner operator or several? Will you be part of a bigger motor carrier with hundreds of trucks and many dispatchers?

There is at least one big issue that differentiates freight dispatchers from freight brokers. It's how they work with drivers.

As mentioned above, a freight dispatcher may have a relatively small group of drivers, perhaps just one or two or three to five or a few more drivers. They work as a team.

A freight broker, on the other hand, has the entire universe of drivers to work with. This universe of drivers most likely is in the U.S.; but they could be working out of either Mexico or Canada as well.

Are you ALWAYS confined to the office?

After hours may be a good time to get out and about. Always have business cards on hand. You may want to focus on brokers in your local area hoping to make

contact with; however, many, if not most, of your brokers that you use will be scattered about.

Lastly, owner operators need to create a vision of where they want to go and try to instill that vision throughout their company including the dispatcher. The better the other worker's (that's YOU) vision coincides with the owner's, the greater the potential of working harmoniously at optimum performance.

It means trying to understand external constraints that impact carriers and grabbing on to opportunities as they may become available to your business.

In general freight has to be picked up, moved and delivered quickly, safely and within operational constraints, meeting or surpassing expectations for all the players involved.

It's a precarious balancing act for sure.

If freight is moved too fast, it may be less safe; if it's moved too slow, there may be empty shelves.

Let's go on to address some requirements that owner operators need to satisfy. Then we'll talk about the safety issues that you may want to consider before working with a particular owner operator

Required Licenses and Permits That Your Drivers Will Have to Have

Whether you are an independent contractor working solo or you are an employee of a transportation company, the trucks that you dispatch will be owner operators.

This means they already have their trucking authority including their DOT#, BOC-3, their UCR and insurance.

For insurance, the carrier needs Bodily Injury and Property Damage (BIPD) coverage of at least \$750 million and cargo insurance generally at \$100,000. The carrier will also have vehicle coverage and possibly reefer break down coverage.

Keeping these up to date will be the respective owner operator's responsibility.

However, the owner operator may want you to assist in tracking these items as well as preparing various periodic reports.

If your drivers are hauling hazardous materials (hazmat), you'll talk to the freight broker to get the specifics. The same holds true for other permits such as a TWIC card and the SCAC report.

As a dispatcher, before you begin working with an owner operator, check them out to make sure they are properly authorized, licensed and insured. You may (and you should) review their status on the FMCSA website. All you need is the owner operator's DOT or MC#.

This is the website to begin your investigation:

[Check Out Your Owner Operator Here](https://li-public.fmcsa.dot.gov/LIVIEW/pkg_carrquery.prc_carrlist)

The screenshot shows a web browser window with the URL https://li-public.fmcsa.dot.gov/LIVIEW/pkg_carrquery.prc_carrlist. The page header includes the U.S. Department of Transportation Federal Motor Carrier Safety Administration logo and the text "Licensing and Insurance Public". Below the header is a search form with the following fields: "USDOT Number:", "Docket Number:" (with a dropdown menu set to "MC"), "Legal Name:", "DBA Name:", and "State:" (with a dropdown menu set to "Select State/Country"). There is also a reCAPTCHA "I'm not a robot" checkbox. Below the form is a note: "New applications will not be reflected in search results for 24 hours after filing". At the bottom of the page, there is a footer with the FMCSA logo, navigation links (FMCSA Home, DOT Home, Feedback, Privacy Policy, USA.gov, Freedom of Information Act (FOIA), Accessibility, OIG Hotline, Web Policies and Important Links, Plug-ins, Related Sites, Help), and contact information: "Federal Motor Carrier Safety Administration, 1200 New Jersey Avenue SE, Washington, DC 20590 - 1-800-832-5660 - TTY: 1-800-877-8339 - Field Office Contacts". The browser's taskbar at the bottom shows the date and time as "January 3, 2023" and "8:18 PM 1/3/2023", along with system icons for weather (46°F Clear) and network connectivity.

Once there, scroll down to Licensing and Insurance in the middle of the page and enter the DOT or MC#.

SAFER WEB

https://safer.fmcsa.dot.gov

U.S. Department of Transportation
Federal Motor Carrier Safety Administration
Safety and Fitness Electronic Records (SAFER) System

****WARNING**WARNING**WARNING**

You are accessing a U.S. Government information system. This information system, including all related equipment, networks, and network devices, is provided for U.S. Government-authorized use only. Unauthorized or improper use of this system is prohibited, and may result in civil and criminal penalties, or administrative disciplinary action. The communications and data stored or transiting this system may be, for any lawful Government purpose, monitored, recorded, and subject to audit or investigation. By using this system, you understand and consent to such terms.

****WARNING**WARNING**WARNING**

WELCOME TO SAFER

The FMCSA Safety and Fitness Electronic Records (SAFER) System offers company safety data and related services to industry and the public over the Internet. Users can search FMCSA databases, register for a USDOT number, pay fines online, order company safety profiles, challenge FMCSA data using the DataQs system, access the Hazardous Material Route registry, obtain National Crash and Out of Service rates for Hazmat Permit Registration, get printable registration forms and find information about other FMCSA Information Systems.

A new SAFER website is coming soon!

Mailing application forms to FMCSA may delay the registration process. Instead, we recommend using these options:

1. Upload forms through our website at: ask.fmcsa.dot.gov (scroll to the bottom of the page, complete the required fields, and upload your documents), you will receive a confirmation

46°F Clear 8:20 PM 1/3/2023

We'll go now to this FMCSA website and view several trucking companies including any in particular that you may have.

Evaluating Potential Owner Operators – Safety and Compliance Issues

So, first, your owner operator does need to be properly licensed, authorized and insured.

Then, before working with an owner operator, it would be wise to check their scores with the Safety Measurement System (SMS).

These scores should not be the ultimate deciders in making a selection to work with a carrier; but they may provide helpful insight.

Why is this important for dispatchers?

The FMCSA was formed in the year 2000 under the Department of Transportation (DOT). In 2010, a rating system, CSA2010, was established. (More on this further along).

The FMCSA administers the Safety Measurement System (SMS) (that came out of the CSA2010 system) which inspects and regulates motor carriers with the ultimate goal to predict and reduce highway accidents.

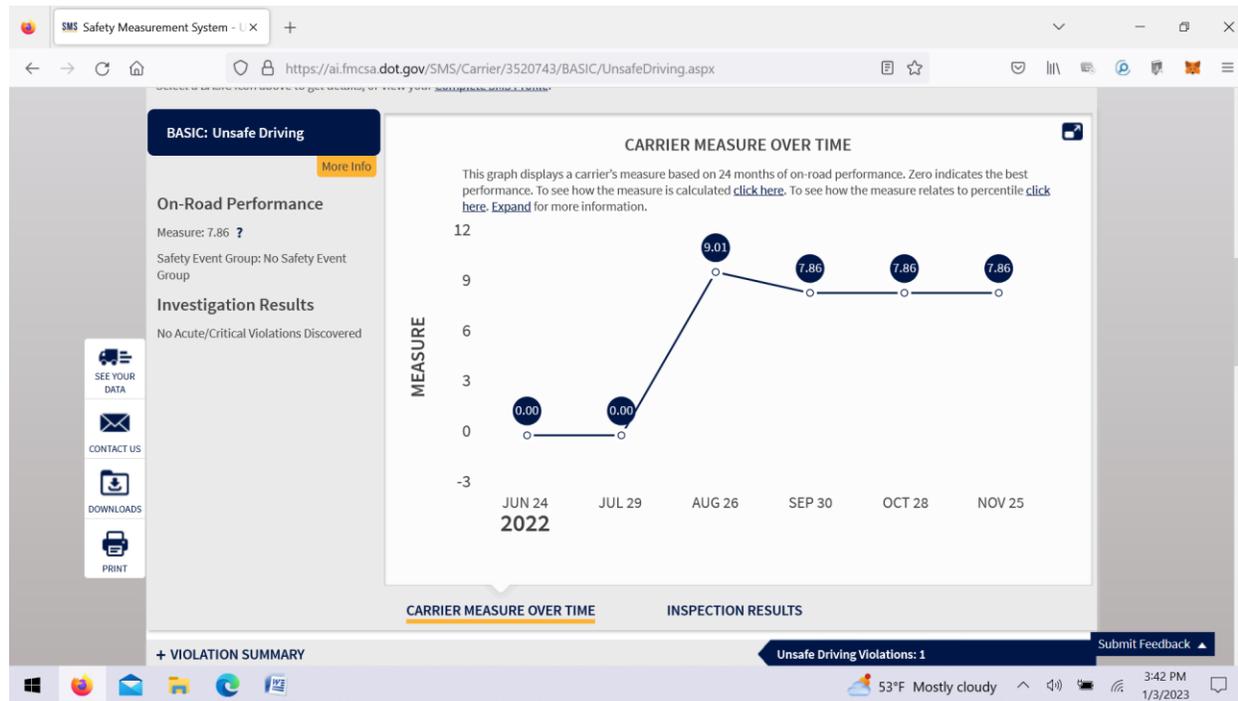
The Safety Measurement System (SMS) provides periodic data on six categories of behavior in the trucking industry called BASICS.

The six categories that are followed and revealed to the public are:

- Unsafe Driving, 0 - 65
- Hours of Service, 0 - 65
- Vehicle Maintenance, 0 - 80
- Controlled Substances and Alcohol and 0 - 80
- Driver Fitness 0 - 80

Note: the higher the score, the worse the carrier. So you're hoping for scores closer to zero - and, indeed, many carriers do have scores just above the zero threshold.

Here's a screen shot on one motor carrier for Unsafe Driving:



There are two categories that are not revealed to the public and can be ignored by dispatchers.

When viewing a carrier's safety ratings, you can see whether scores are trending better or worse for the

most recent six months. Understand that the best score is zero.

Above, looking at the list of categories, you can see the range for each category, 0 - 65, for example.

As you view the chart that has the six months' scores, you can view the detail of what type of infraction occurred plus the severity score. Just scroll down to +Violation Summary.

This scoring system has been very controversial ever since it was enacted in 2010. Several independent organizations have conducted studies and found the methodology to be flawed. Certain trucking advocates want the scores removed from the public because the scores may be misleading.

And perhaps this might be the way to go; after all, the scores were initially meant for the FMCSA's internal use and not for the public.

Make an effort to keep abreast of changes to this scoring system, if any, in upcoming years.

Getting to Know Your Drivers

Like in every profession, workers may have incentives that motivate them to push on.

For some, it's making a consistent income to pay the bills and, hopefully, to either set some money aside or to purchase some nice things.

So, naturally, making money may be the biggest incentive for the drivers you work for. But, there are other factors.

Some drivers don't want to travel too far from their home base.

They may want to get back to family; others either have no family or they accept the fact that hitting the road every week or so is just a part of life.

They may want to run as many new roads as they can.

Many drivers are very personable and friendly; and, yet, they enjoy being alone with their own thoughts as they drive.

As a dispatcher, you need to learn what your driver(s) want. Just ask them what they want. Make note of these. Then, ask what their preferences are if they can't always get what they want?

Make an effort to learn all you can about your drivers.

You want to be of increasing value to your drivers as this is the key to successful dispatching.