

# **Freight Broker Training Manual**

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# Freight Broker Training Manual

The Freight Broker Training Manual is the same manual provided to our freight broker and freight broker agent consulting clients to use before, during, and as a reference tool after their initial live training.

Originally developed for our own agents in the 90's, it has become the manual of choice for many new and experienced freight brokers and freight broker agents.

Focused on the day-to-day functions, and how to perform these functions, of working as a freight broker or freight broker agent.

The index is split into three parts 1) Main 2) Topic 3) Forms. We felt that having it split this way would assist those using this manual for their first read and then when using as a reference guide.

The manual allows the user to take notes using the Your Notes area that is found on most pages. Although a notes section is provided, it is recommended that users also employ such aids as high-lighters in order to enhance their notes.

The suggested use of this manual is to first read the entire manual, then begin taking notes on the second and subsequent reads.

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Freight Brokers  
Freight Broker Agents  
Trucking Companies  
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# History

In the original FBT Manual it was stated that you actually have two customers, the shipper (your account) and the carrier (the truck). We still hold to this statement because without either you have no business. You can have all the loads in the world, but without a truck to carry the loads you make no money. On the flip side, you can have all the trucks in the world available, but without a load you still make nothing. This is something to remember as you start your career as a freight broker. If you fail to take care or provide service to either, you will have difficult time making money.

In order to fully understand your job as a freight broker we need to share with you some history of the business. As there are no true historic accounts of the exact when and how of the origins of brokering, there is evidence that it was a profitable business in the 1800's. By examining this known history we find the true nature of the business, providing backhauls.

A backhaul is a shipment that provides the carrier a means of earning money to return to an area in which they service, or where their accounts may be located. If a carrier were unable to procure a backhaul they would have to return empty thus creating a higher operating expense, or less profit.

One can safely say, even without documented history, freight brokers have been around since shortly after the beginning of the transportation/logistics industry. Perhaps an entrepreneurial spirit immediately saw the need when the first ship pulled into port. The goods were off loaded leaving empty cargo holds. Perhaps the Captain of the vessel had to be a salesman as well and find his own customers. How long the ship stayed in port depended on how long it took to find enough cargo. Perhaps they were only able to find enough cargo to fill half the ship. They would have to find another port in the hopes of filling their holds.

Even then time was money, and more. You had sailors wishing to return home that were not sailing while awaiting cargo. Keep in mind that often it would take weeks or months once the ship set sail for home to arrive. Every day that passed meant another delay in what had already be a long journey.

I can envision a person thinking that if they were able to find customers that wished to ship their goods before a ship arrived, the ship would be more than happy to move it at a lesser rate. They would be able to unload and have a load waiting in which to reload. This would allow the ship to make more money, as they would be able to return quicker. Not only would the ship make more money but also the moral of the crew would be higher.

Fast forward several hundred years and you'll find that not too long ago, before computers, fax machines, and other modern day office tools that freight brokers were still around

# Section Hot Points

- **History of freight brokering**
- **Freight broker provides back hauls**  
*A backhaul is a shipment that provides the carrier a means of earning money to return to an area in which they service, or where their accounts may be located.*
- **Shipper and carrier are the customer**

# Your Notes

providing loads for big trucks. Generally the freight brokers of yesteryear were set-up at truck stops. The truck would deliver to Your Town, USA and then make a beeline to the truckstop. The driver would park and walk into the broker's office where there was a broker behind the desk and twenty chairs lined up in the room, almost all occupied by other truck drivers seeking loads. The driver would sign-in stating his desired destination, check the loads that were available, and wait till their name was called or a load became available that was acceptable to them.

Often carriers that had longstanding relationships with a broker would call in advance so that a load would be waiting when they arrived. Over the last several decades' technology has made the truck stop broker nearly obsolete. Now freight brokers can operate from home. In a room they converted into an office.

## The Office

The basic tools needed to work as a freight broker is a computer, printer, fax machine, internet, and a telephone.

Although one can get by today without a fax machine, you'll still need the ability to fax documents. With a simple search, you will find many fax services on the internet. These are more affordable than purchasing a fax machine.

A freight broker today can actually broker from anywhere they have a computer, phone service, and internet access. With cell phones and wireless internet, brokers can work while on vacation, on the road, at airports, virtually anywhere. If you have been seeking a career that you could do from any location, then congratulations are in order, you've found it.

In order to get to the point where you can work from anywhere, you must first have the right equipment. As mentioned earlier a computer, internet access, and a phone are the essentials.

A computer will be one of your most important tools for working as a freight broker. The computer you choose should have a large amount of memory and a fairly large hard drive. Choosing a laptop or desktop type computer will be up to you.

One word of caution though, although Apple Computers are of high quality, they seldom work well for this type of business. The reason is that most transportation software is not capable of working on an Apple.

As you begin your new career you must keep in mind that you are your own business, no matter if you are obtaining your own authority or beginning as a broker/agent. The number one rule in the beginning is to keep your overhead low. You could possibly have an initial chunk of cash outlay that could put a dent on you're bank account or credit card, but let's keep this in check as well.

This is not a business that you will open on Monday

## Your Notes

## Section Hot Points

- **Equipment to work as a freight broker**
- **Freight broker can work from anywhere**
- **Choosing A Computer**
- **Internet Service**
- **Phone System**
- **Printers**

## Your Notes

## Your Notes

and have a check on Friday. It will take time for you to build your business, as you will be building it from scratch. It may take up to 3 months for you to have a regular paycheck. Much of what will determine if you succeed is having the reserve monies to survive while building your business. Before buying anything you should decide if you are prepared to make the commitment that is required, if not you should wait until you are.

Now for the other side of that coin, the rewards available to you from making the commitment, financially and professionally, are huge! There are brokers that are earning 6 digit incomes every year. Every single one started exactly where you are now, the beginning. There are no shortcuts, just hard work that must be done.

The brokers that are highly successful are doing the same things today they were doing when they first started. Of the brokers that fail, the number one reason is that they became complacent! Complacency is a brokers worst enemy.

Another important tool for working as a broker will be your internet. This is something you shouldn't try to pinch pennies with.

The faster and more stable your internet connection the better for your business. Choose the fastest internet speed you can afford. Today nearly all internet service providers have speed options. Remember you can always upgrade later so it's important now to choose the option available that best fits your budget today.

As a broker, time is money! If your competitor can access their internet tools quicker than you, you will always be behind. Speed is important.

When working from remote locations that offer no Wi-Fi service, then you may choose to use an air card. These are available from your cell phone service provider.

Air cards are never as fast as broadband or DSL type internet connections, but will allow you to work from anywhere you have cell phone access. An air card, although great for when not in your office, should never be used as your primary internet service provider as they are too slow.

If you are working from a hotel and the hotel offers Wi-Fi, opt for the hotels Wi-Fi as it will probably be faster than your air card.

Next on the list is your telephone. Obviously without a telephone you won't be able to work. There are numerous choices today for choosing your telephone service. From using a standard land line from Ma Bell, your cell phone, your cable provider, or even Voice Over Internet Protocol (VOIP) phones.

Several years ago our offices upgraded our phone system to a VOIP service. Everyone was skeptical of the new system as we weren't sure what to expect. We all feared dropped calls, terrible audio, service failures and more.

## Your Notes

We also expected the phones to be of lesser quality than what we had been using. The day came for the change and to all of our surprise, the phones were as good as any business phone system available. The quality of the calls was excellent. So good that today when we tell a client about our phone system they are generally amazed.

We found that the cost of using these phones was much more affordable than the business lines we were using from the telephone company. We had more features, great phones, and excellent call service and quality.

When making a decision on your phone system it would do you well to shop around and consider using a VOIP service. Please note though, although Skype is a VOIP service, it should not be considered for your business. The quality of a Skype call is not near what is needed for working as a freight broker.

Your office will also need a printer. If you are dead set on having a fax machine, choose a printer that has one built in. These are the all-in-one type printer. Regardless of the printer type you wish to have for your office, choose a laser printer.

A laser printer takes a toner cartridge that will print several thousand pages as opposed to a printer that use an ink cartridge that will print a few hundred. There is no need for a color printer unless you plan on using your printer for other purposes.

Some office supplies you will need are basic pens, pencils, paper, staples and paper clips. Don't forget printer/copy paper. Buy a case. You'll save money and time by not having to go back to the office supply store every couple-of-days to restock. One last thing is a desktop calculator. Get one that you like and that you'll be able to use easily.

Now that you're set-up I must remind you; DO NOT attempt to set-up customers or broker a load until your authority is active or you have a broker/agent contract in place.

# Making The Sale

## Sales Training

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# Types Of Equipment

There are three basic types of trailers with differing variations in which to haul all loads. The three would be flatbed, dry van, and refrigerated (reefer). It's important that you have a basic understanding of each and their purpose.

## Flatbed

Flatbed loads consist of freight that is too big, heavy, bulky, or practical to load on a dry van or reefer. Often flatbed loads are delivered to job sites where large fork lifts or cranes are used for unloading. Loads that regularly go on a flatbed are lumber, roofing, steel, and large machinery. Pictured to the right is a standard flatbed..



## Flatbed Variations

### Stepdeck

Loads that go on a stepdeck are often too tall to fit on a standard flatbed trailer. Notice how the trailer drops behind the drive axels of the truck. This allows the stepdeck to carry loads that would be oversize in height (13'6") on a regular flatbed.



### Stepdeck With Risers (load leveler)

Carriers that have stepdeck equipment may call you for regular flatbed freight. Before agreeing to load their truck be sure that your shipper will load stepdecks. Often the reason a shipper won't load a stepdeck is that they are not able to haul as much freight or that the step on the deck presents a loading problem. To get around this problem many stepdecks carry "risers" (load levelers). These are steel frames that insert into the bed of the stepdeck that will allow for level loading.



### Lowboy

A lowboy is designed to carry extremely heavy equipment as well as loads that are too tall. Notice the three axels on the rear of the trailer. As you can tell there are many types of flatbed trailers each with a specific purpose.



### Curtain Side

A curtain side flatbed trailer is designed to work as a van trailer as well. With the ability to haul typical flatbed loads it may also haul general dry freight. Curtain side trailers may be loaded from the side or from the rear if loading at a dock. If using a curtain side be sure the shipper approves this type of trailer before loading as a curtain side trailer has a solid roof.





# Types Of Equipment (cont)

## Dry Van

The most popular trailer on the road is the Dry Van. Dry vans typically haul anything that would need to stay protected from the elements via an enclosed trailer. Some items that are transported in a dry van are automobile parts, computers, paper products, and furniture. Dry vans typically concentrate on full truckloads with some LTL (less than truckload) if room avails itself.



## Refrigerated (Reefer)

Exactly as the name implies, a refrigerator on wheels. Meats, seafood, produce, and even flowers are transported on these type trailers. Similar to a dry van in appearance, notice the large black and white box on the nose of the trailer. This is the actual reefer unit. The reefer unit is powered by diesel fuel which is fed from the fuel tank located just behind the landing gear.



It is advised that if you have no trucking or transportation experience to avoid reefer loads for at least 6 months. Many things can go wrong with a reefer load that can cost you money, should you not have the experience.

For instance many shippers require a pallet exchange. A pallet is used to place the freight on to be transported. A pallet allows a forklift to easily move the freight between the loading dock and the truck.

If your shipper told you that the truck needs 24 pallets for exchange and the truck has none, there is a real possibility that you will be charged for the pallets that the truck didn't have for exchange. Pallet costs are set by the shipper, plus, for a pallet to be exchanged it must be in good condition.

This is just one example of something that can go wrong with a reefer load. This is why we advise you not to work any reefer loads until you have at least 6 months experience as a broker. During those 6 months you should be learning all that you can about refrigerated freight.

Occasionally you will receive calls from reefer carriers that may want to haul your dry van freight. Before contracting a carrier with a reefer trailer to haul your dry load, get the ok from your shipper first.

Many shippers will not load a reefer trailer. Reefers may appear to be the same size as a dry van on the outside but are smaller on the inside. This is due to the insulation and the cool air shoots which take up room on the inside of a reefer trailer. Check with your shipper first.



## Your Notes