

Becoming A Freight Broker or Freight Broker Agent...

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For nearly two decades TALTOA has provided training and consulting services for individuals and companies wishing to begin a career as a freight broker or freight broker agent. TALTOA began strictly by accident from our very own freight brokerage.

In the 90's our freight brokerage was experiencing tremendous growth and out of need we decided to train our own agents. Part of the training for our new agents was a manual that our management created in order to assist our new agents as well as free our time to prospect new accounts, move our loads, and in short make more money.

At the dawn of the Internet age, as we know it today, someone suggested that we make available our manual online for those that might be interested in becoming a freight broker or freight broker agent themselves. After a few adjustments to the manual we provided our staff, in order to make it adaptable to any situation, we did. It didn't take long before we were consulting those wishing to enter the industry as a freight broker or freight broker agent.

As time went by, our consulting services expanded to trucking, hot shot, RV Transport, and transportation marketing. Today we can proudly say that we have assisted thousands in their careers in the transportation industry. Our original manual is still available for purchase, updated regularly, as well as a host of other transportation related products and services from Workshops to Web Design.

In this report we hope to answer questions that you may have about becoming a freight broker or freight broker agent, help you decide which would be best for you, give you a realistic idea about your income potential, introduce you to freight broker tools, discuss your home office set-up (most brokers work from their home), and more.

Freight Broker

A freight broker is one that has their own authority along with their bond, UCR, and BOC-3. One thing we hear quite often about being a freight broker is "I want to get my broker authority so I can find loads for my truck(s)". This is a common misconception as a trucking company that has their carrier authority

are already able to procure their own freight for their own trucks, they just can't broker their freight to other carriers.

A carrier should however obtain their own broker authority in order to broker their "EXCESS" freight as a form of additional revenue. For example, your shipper calls with a load but none of your trucks are currently available. Without the ability to broker the load you have to tell your shipper no. This is money that is now gone forever, and that's really unacceptable. By the carrier having the ability to broker their own freight, instead of saying "no", now they can accept the load and find a truck to move it.

More times than not we've had carriers utilize our services in order to learn how to obtain their own accounts. They learn this plus they acquire the knowledge needed to broker not only their excess freight but new freight as well. Not only does this allow the carrier to never have to tell a shipper "No", but it allows them to benefit from a revenue source previously untouched.

A freight broker with their own authority is the company where-as a freight broker agent is contracted to the freight broker working under their authority. The freight broker is responsible for the financial aspects of the company (i.e.; invoicing shippers, paying carriers, extending credit, claim assistance, paying agents...).

The process for obtaining one's own freight broker authority (license) isn't hard at all. The process can be done online (www.safersys.org) however we don't recommend this to our clients as one mistake can delay the process. Below is what you will need to have before your authority is active and you can begin working as a freight broker;

- 1) Authority - This is your license. Before it is active you will need the additional items listed.
- 2) Bond - A \$10,000.00 Surety Bond must be acquired.
- 3) UCR - Unified Carrier Registration. Although a broker, this is still a must.
- 4) BOC-3 - This is a processing agent that is responsible for forwarding to you all court documents, should you be contacted by such.

There are literally hundreds of companies around the country that can complete this process for you. This will insure that all of the needed paper work is completed correctly, filed correctly, and that you are in fact legal. Prices for this service can range from \$450.00 and up.

We have packages designed specifically for carriers wishing to broker their own freight. In addition to adding an extra stream of revenue you gain the ability to add more accounts to your client base. Below is a link for our Carrier Packages.

<http://taltoa.com/cservices.html>

Freight Broker Agent

The freight broker agent, as mentioned earlier, is one that is contracted to a freight broker working under the freight brokers authority. The agent performs the same duties as the broker minus the financial responsibilities associated with having one's own authority. In short you could say that the freight broker agent concentrates only on making money.

Often we will recommend to our clients that have little to no previous transportation experience to begin their career as a freight broker agent. The reason for this recommendation is so the client can acquire experience before taking on the financial responsibilities as the freight broker. This allows the broker agent to work as a broker (finding accounts, negotiating rates, acquiring carriers, moving loads...) without the burden of the initial expense of obtaining one's own authority or the responsibility of paying carriers (often before the broker is paid by the shipper).

Most freight broker agents work from home, this reduces overhead immensely. To work as a freight broker agent from home you will need some basic equipment;

- 1) Phone - We recommend 2 phone lines. One with call waiting the other a dedicated fax that may also be used as an auxiliary phone line.
- 2) Computer - A must as most of your work will be done via computer.
- 3) High Speed Internet - DSL or Broadband is recommended. If using DSL make sure it is on the fax line.
- 4) Fax & Printer - Separate or All-In-One machines are acceptable

One of the perks of working as a freight broker agent is that you can literally work from anywhere. I can honestly say that I've brokered freight from hotel rooms while on vacation, worked from my boat, worked while camping in my RV. I've also known truck drivers that were able to broker loads while on the road. Needless to say the opportunities are endless.

Freight Broker Agents are independent contractors. In other words, even though you are an agent for an existing freight brokerage, you are your own company. You will receive a 1099 at the end of the year from the brokerage in which you are contracted. This means that you are paid gross monies ---- no taxes withheld. As such you will want to keep receipts for everything. We highly recommend that our clients obtain the services of a good tax preparer in order to keep your tax liability to a minimum.

As a freight broker agent contracted to a freight broker, you will be paid on commission. The average commission paid to a freight broker agent is 60% of load net. Load net is the difference between what your shipper agreed to pay for the load and what you agreed to pay a truck. For example, if the shipper agreed to pay \$1,000.00 to move a load from point "a" to point "b" and you agreed to pay a truck \$700.00, the load net would be \$300.00 ($\$1000.00 - \$700.00 = \300.00), thus your commission would be \$180.00 ($\$300.00 \times .60$).

An average broker agent should be producing approximately \$2,000.00 in load nets per week which translates to \$1,200.00 commission (60% contract). This is not to say that you will be making \$1200.00 a week from day one as a broker agent, but what you can expect to earn as your business builds. Keep in mind also that these amounts are for an average freight broker agent as well, many are able to earn more depending on their amount of business. Remember, this is your business.... your responsibility! No one is going to do the work for you! This is why it's so important to know what you are doing before doing it.

There is a common myth for those seeking to enter the industry that there is a test or certification that one must take or have before being able to work as a freight broker agent. This is just not so! The only licensing requirements are for those wishing to be a freight broker (see Freight Broker section above). One desiring to be a freight broker agent only needs a freight brokerage to contract them. You don't need a school, some type of official certificate, or even a license to work as a freight broker agent.

One favorite feature for our clients choosing any of our FBA Packages (Freight Broker Agent) is the coaching they receive on using our proven methods to obtain a freight broker agent contract on their own. We advise our clients to use our methods and if they are unable to procure a contract to contact

their consultant so that we may intervene and assist them with obtaining a contract. We believe that this is a very important for a new broker agent as it allows them to have that first success in their own career.

Not only does it allow the client to have that first success, it allows them to choose a brokerage that they wish to contract instead of being locked in to a contract that may not be that appealing. Being a freight broker agent is sales and anyone that knows just a little about sales can tell you that having the right attitude is paramount to having success. Allowing clients to obtain their own contract provides that initial first success which, by doing so, creates the attitude of success that propels them on to their next success.

Another aspect of these Packages, which is so important before signing a contract, is what to look for in the contract. What is and is not in the contract can be detrimental to a new agent. The last thing you want to have happen is find out that you can't do something later (i.e.; work for another brokerage, start your own brokerage...) because of a clause in the contract you signed while inexperienced.

Although one does not need to take a test or receive some type of certification to work as a freight broker agent, you can see why it's to one's advantage to know what they are doing before attempting to do it. This greatly increases your chance for success. Not only success but having the proper knowledge allows you to begin with both feet on the ground and running! By hitting the ground running you will find yourself way ahead of the curve which translates into making money faster.

I've seen agents that have used our services be earning \$1,000.00 commission checks with-in 30 days and I've seen others earning only \$500.00 a week commissions a year later. Additionally I've seen those that failed and are now in new careers. Why do some succeed and others fail? The answer to this question is elusive as all were presented the same material and opportunities.

From the information we have obtained from those that have succeeded and have failed, we find that those that succeeded did the little things they were instructed to do while many of the others didn't. One of the biggest downfalls of those who failed was their lack of prospecting new accounts. This will be your own business, as such in order to survive you must be searching for new accounts on a daily basis. This is why we place so much importance on prospecting new customers with all of our services and packages.

We explain in detail how to prospect new accounts. Not only does this include how to find prospects but what to say to them as well. Starting with our Freight Broker eWorkshop Plus Self-Study Package through our full Consulting Packages, our clients are provided a starter Shipper Directory to help them to get on the fast track for prospecting and obtaining accounts. As with any business, prospects are the life-blood of success. Without prospects, no customers, without customers, no business.

Marketing

As with any business, marketing is an important part of the success equation. Oddly enough, this is one of the weakest areas we find with freight brokers and freight broker agents. Often we have brokers and broker agents contact us that are in dire need of assistance due to a basic lack of marketing.

Marketing for a broker or broker agent isn't something that should be so expensive that it is unaffordable for either. In today's "instant information" age, rule #1 is having a website! Think about this for a moment, you are reading this report because you found and downloaded it instantly from our website. Shippers and carriers search the internet constantly looking for someone to transport their freight or looking for freight to transport. You must be able to be found immediately by those seeking carriers or those seeking loads.

A website is not nearly as expensive as it once was. We provide our clients a free website (depending on Package chosen) or a greatly discounted website in order for them to be able to have this marketing tool. This marketing tool cannot be ignored as it is advertising your business 24/7 - 365 days a year!

Not only is a website an important part of your marketing strategy but blogs, forums, ezines and a number of other free tools available on the internet should be included in your marketing efforts. You, as the broker or broker agent, should put to use these free tools in order to draw more attention to your business. As a broker or broker agent, the entire country is your marketing area. As such you need a marketing strategy and marketing tools that are accessible nationwide, not for just one geographic location.

The FB120 and the FBA 120, in addition to providing the A-Z's of freight brokering, includes an entire section on marketing your brokerage or agency. Create the buzz and you create bizz. Yes your business is brokering freight, but you can't ignore the marketing side of your business.

Packages Designed For Your Needs

In order to assist you with choosing the right package we have provided a chart below which includes whom the package is best suited and a link directly to that particular package. Please feel free to contact us at any time if you have any questions. You can contact us via the website "Live Support" Buttons, using the form on our "Contact" Page, or by calling 800.582.4167.

Package	Experience Level	Function As	Link
FB 120	Previous Commercial Transportation Exp. Recommended	Freight Broker	http://taltoa.com/fb120.html
FB 90	Previous Commercial Transportation Exp. Recommended	Freight Broker	http://taltoa.com/fb90.html
FB 60 (no travel)	Previous Commercial Transportation Exp. Recommended	Freight Broker	http://taltoa.com/fb60.html
FB 30 (no travel)	Previous Commercial Transportation Exp. Recommended	Freight Broker	http://taltoa.com/fb30.html
FBA 120	Any	Freight Broker Agent	http://taltoa.com/fba120.html
FBA 90	Any	Freight Broker Agent	http://taltoa.com/fba90.html
FBA 60 (no travel)	Any	Freight Broker Agent	http://taltoa.com/fba60.html
FBA 30 (no travel)	Previous Commercial Transportation Exp. Recommended	Freight Broker Agent	http://taltoa.com/fba30.html
Freight Broker eWorkshop Plus Self-Study Package	Any	Broker or Broker Agent	http://taltoa.com/fbewsp.html

Freight Broker
Training Manual

Any

Broker or
Broker Agent

<http://taltoa.com/fbm.html>

Web Design

Currently Operating

Any

<http://taltoa.com/wdesign.html>