## **HOW DO BROKERS MAKE MONEY?**

- 1. Call Shippers
- 2. Submit rates for lanes (loads). Brokers provide shippers with freight lane quotes.
- 3. Shipper tenders a load to you to either accept or reject the offer
- 4. If this is a first time shipper, Broker gets credit approved from shipper. D&B or Factoring.
- 5. Broker posts details of load tender on load board for carriers to see.
- 6. Find a truck to cover the load. <u>Inbound calls</u> are carriers calling you based off loads on Loadboard. <u>Outbound calls</u> are when you search for trucks for the load on the load board. Or you can reach out to your already established network of carriers.
- 7. Send Broker/Carrier agreement packet to carrier
- 8. Carrier returns a signed copy of Broker/Carrier Agreement along with copies of their W9, COI, MC and NOA if they have a factoring company.
- 9. Broker sends a rate confirmation to carrier to sign and send back.
- 10. Carrier signs and returns rate con to Broker.
- 11. Broker dispatches driver into the pickup location on the day of load.
- 12. After pickup is <u>confirmed</u> by driver, Broker does daily check calls on load to make sure driver is on time until delivery.
- 13. Broker is ultimately responsible for load delivery on time, in good condition, and no damage or claims.
- 14. Carrier sends invoice (P.O.D.) after delivery, which includes signed copy of B.O.L., etc.
- 15. Broker invoices the shipper signed B.O.L. to approve payment.
- 16. Broker is responsible for paying on time based on terms (30 days) of the invoice.
- 17. Broker receives payment from the Shipper.

## Spot Market Rate

- -most brokers operate here
- -supply and demand-driven
- -load to truck ratio

## **Contract Rate**

- -period of time
- -carrier direct from shipper