

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. Inbound calls are carriers calling you based off loads on Loadboard. Outbound calls 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 confirmed 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