



Ten Questions for Interviewing Freight Brokers

By Brandy McMullen, CTB

Will the bad news ever end? This seems to be the mantra as Americans look hopefully to the future, battle weary from today's economy and the impact of rising fuel prices, rising costs of raw materials, and the increase in unemployment. Even the most experienced market leaders have felt the impact of the compounding factors, which leaves most business leaders wondering where they can find cost savings in order to combat the erosion of profit margins. More and more, companies are dissecting their expense reports in order to discover hidden profits within their logistics expense! One method being employed to trim the amounts spent on transportation of goods along the supply chain is to build a relationship with a freight broker, commonly referred to as "3PL's", or "Third-Party Logistics" firms.

By working with a freight broker, you are borrowing their expertise that often takes several decades to build in order to generate significant cost savings in your logistics budget. A good broker (like Trinity) will be able to be on the front line of trends in not only their industry, but other main industries depending on their core competencies. Brokers are able to quickly ascertain which mode of transportation is best for your freight, and can offer recommendations based on seasonality, capacity, and even the weather to guide you to attaining your logistic goals. Depending on their size, you can benefit from their buying power, commanding far better rates based on their volume. These are only a few advantages to working with a 3PL, so for those of you who are starting to nod their heads in agreement, I want to point out the top 10 questions to ask when you're choosing freight broker to suit your needs. These are critical to making sure that you will maximize your savings while minimizing your risk!

1. **May I have a copy of your brokerage authority?** Always verify the broker is operating under legal authority given by the FMCSA (Federal Motor Carrier Safety Administration), whom licenses all transportation intermediaries. Don't be fooled by motor carriers who are offering to broker your freight without proper authority to do so. Trinity's authority is available online for customers to download at www.trinitytransport.com, click on forms library.

2. **How many years have you been in business?** This is an indicator for the longevity of the business, and shows a measure of the type of experience and expertise you can expect from them. For example, Trinity is celebrating its 30th year in 2009, offering three decades of knowledge and service to customers and carriers.
3. **What is your dispatch process like?** Be weary of brokers that just fax carriers the details of your load. At Trinity, our dispatchers are communicating over the phone as well, speaking directly with the drivers to dispatch them to your facility and following up to make sure they loaded and delivered on time. We are managing the load and ensuring customer service!
4. **How many employees do you have and how many offices?** Be weary of the “one man operation”, you want to make sure they have the resources to properly service your account. Additionally, even if your freight is regional, you should look for a broker with nationwide presence. In doing so, you’ll ensure that as your company grows, you won’t have to wait for the broker to “catch up” when you begin to move loads outside of their region. Trinity has over 50 offices nationwide and over 200 team members to give customers the advantage of our expansive network in all areas of the country.
5. **What are your carrier pay terms?** They should share information on how quickly they pay the carriers, and their financial strength, but you should always run your own credit check to ensure their claims. The last thing you want to have to do is explain why you had to pay a freight bill twice to your superiors. Trinity offers its carriers fast pay and direct deposit, allowing them to choose for themselves how quickly they’d like to be paid, between 3-17 days.
6. **What steps do you take to ensure carrier compliance?** Make sure they are checking each carrier for proper authority, insurance, and that they have contracts with the providers. Good brokers that perform due diligence protect you against potential lawsuits. Trinity has an entire team of professionals to facilitate this process, it’s that important!
7. **What associations do you belong to?** First and foremost, you want to make sure they are members of the ethical Transportation Intermediaries Association (TIA). Other associations, such as the Better Business Bureau, are icing on the cake! You want to work with a freight brokerage firm that’s committed to marketplace ethics as a reflection of your company’s image. Trinity is a member of TIA’s and it’s P3 Program, along with many other reputable associations. In 2008, we were awarded the DE Better Business Bureau Torch Award for Marketplace Ethics!

8. **What types of services do you offer?** Say no to one trick pony, you need a freight broker that you can call whether you're moving a truckload, a pallet, or an ocean container. When you can make that one call and forget about it, you're able to get back to your business! Trinity offers a wide scope of services so our clients can make one toll free call to get their freight delivered, no matter which mode required.
9. **May I have your shipper and carrier references?** Think back to your last job interview, when you were asked to provide references. You put your best ammunition out there, didn't you? Freight brokers will too, of course, but when you call the reference, make sure to ask about their best and worst experiences with the broker. If you can deal with the worst and are excited by the best, you've found a good match!
10. **May I have a copy of your surety bond and insurance certificates?** You should have these in hand before working with any freight broker. The \$10,000 surety bond is required by law for all brokers, providing protection for carriers in the event that a broker fails to pay freight charges. Most brokers carry contingent cargo as an added layer of protection for shippers, and some even carry liability insurance. Trinity recently increased our surety bond to \$100,000 for additional customer security! We're also believers in insurance policies, carrying a million in general liability, auto liability, five million in excess liability, as well as \$500,000 in worker's compensation. Needless to say, when it comes to freight, we've got it covered!

Most likely, each question considered individually won't provide a healthy indicator of the strength of the freight broker, but when grouped together in the set of ten, you begin to gain a healthy image of the broker. Creating an alliance with a freight broker can help achieve lower costs, higher profit margins, and an ally in the fight for survival in the tough economic market we're facing. When chosen carefully, a good freight broker can be your greatest competitive advantage, and I promise you, your customers will feel the difference.

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