

Shippers

Basic Shipper Phone Script

Hello, May I Speak With Your Traffic Manager,

Hi, my name is **Your Name** with **Freight Brokerage Name**. I represent a National Premier Truck Brokerage and 3PL that specializes in motor carrier acquisition services for shippers across the country. We easily facilitate any type of freight movement for all your shipping needs.

TIPS. You should give your customer time to respond to whatever questions you are asking; I would suggest using a **Two Second Pause** in between questions...

Sample Questions

- ❖ Have you ever used a freight broker before?
- ❖ What is your process for me to start moving freight for your company?
- ❖ What is the frequency of shipping for your company?
- ❖ What do you require when you ship Truckload or LTL services or both?
- ❖ Do you have any dedicated lanes in which you require quotes on?
- ❖ Do you have any loads moving today, I could possibly get you a quote on?
- ❖ Do you have a suggested rate on this load?

Send Him Your Info

You have completed the initial cold call regarding your services to the shipper. You should ask his permission to send him your information. I would suggest some type of a marketing sheet in PDF format. You can either fax or email it to him.

Data Collections

I also would suggest you collect as much data on the shipper as possible for future marketing efforts. Data to be collected is:

- ❖ Company and Contact Name
- ❖ Direct Phone
- ❖ Email Address

Ask For The Order. You should continuously promote your services as the dialogue progresses with the prospect...You might just close the deal.

Follow Up: Once you have sent him your information package, you should follow up with him a few days afterward to continue the dialogue you have started and to reinforce you as a salesperson.

Consistency: Shippers like consistency. Stay positive and aggressive on every call to let the traffic manager know you are hungry for his business. If you follow this pattern, he will eventually give you a shot at his freight.

Shippers

Shipper Rate Negotiations

Every freight broker agent will eventually encounter the following situation:

1. You Need Customers.
2. You Want To Move The Load.
3. You're Unsure about Freight Rates.

So what do you do? You start lowering your freight rates rather than negotiate with the customer. Many freight broker agents are afraid to stand by their rates because of a single mistaken assumption: **"I'll Lose All My Customers If I Do Not Concede the Freight Rate"**.

In reality just the opposite will happen. The customer will since a sign of weakness and continuously work you on prices from here on out.



Here's How to Keep the Freight Rate Up!

❖ You're Entitled To Make Money

You are entitled to make money for the service. A big mistake a lot of freight broker agents make is believing they should provide their services for little or no compensation. They either have this mindset for fear of losing or not gaining the customer. What is reasonable percentage of profit to make? Whatever you can convince your shipper that your service is worth. Your service has **"Value"**.

❖ Confidence

If you want to make a good profit on the loads, you have to believe the services you are performing are worth the cost. Lack of confidence in yourself, your services or your freight rates will come across as a sign of weakness to the customer.

❖ No Apologies and No Excuses

Never apologize for your price structure. If you believe your freight rates are good to go, assume the sale! You have to portray a mentality to your customer of **"It is what it is!"** Freight Rates are determined by numerous factors of which you do not control. Obtain the best rate from the carrier for the freight transport, add your profit in and present the freight rate to the customer.

Shippers

Shipper Rate Negotiations

❖ Walk Away From The Deal

Even if it's the shipper of your dreams, if the shipper won't agree to the freight rate you have assigned in order to be profitable to the freight brokerage, walk away from the deal. This position more often than not will get you the freight rate you're looking for, as the shipper doesn't want to lose out on the rate.

❖ Negotiation Time

The exception to the rules. You want to leave yourself an "Out" of negotiating a lower price but only if it's in your best interest. In other words, you will lower your price only if you discover there is a change in the marketplace.

What Are Those Exceptions?

For Example, I will lower my freight rates when I find that there is an abundance of carriers in the market area of the customer. You might consider offering a discount freight rate if the customer will assign more loads or dedicated lanes to you.



❖ Don't Give Away The Farm

If you appear too eager to negotiate a reduced freight rate the shipper will view your services of no value or reduced value. One of my favorite negotiations that actually happens quite frequently in this industry is from a shipper who received a freight rate from a competitor of who wanted his business that they offered to transport his freight with a much cheaper freight rate. My customer tried to convince me that I should lower my fee, but I refused due the rate being so low, I was convinced my competitor would not be able to provide a motor carrier for him. At the end of the day it was I thought my competitor could not produce a motor carrier to transport the freight and he went with my price.

❖ Lighten Up

You never want to let negotiations become too tense. Always feel free to smile and inject some humor in the conversation. Lightening up the mood can ingratiate you with your shipper while also conveying your negotiating strength. If you do not appear to be taking the negotiation extremely seriously, your opponent may conclude that you are ready to move on if you don't get the price you want.

Shippers

Negotiating Freight Rates

Negotiating freight rates as a freight broker is very similar to that of an asset-based carrier. Many freight brokers assume that a motor carrier has more negotiating advantage than a 3PL will have. This would be true if motor carrier capacity was not an issue:

Freight Broker (Advantages)

- ❖ Ability to offered negotiated rates with motor carriers.
- ❖ Personal contact and relationship management of shipper accounts.
- ❖ Knowledge of freight lanes and rates nationally by equipment type.
- ❖ The ability to provide a shipper discounts during peak market periods through negotiations.

Considerations

It is the responsibility of any freight broker to keep the market prices stable for your shippers. This does not mean you move the freight for cost or that you have to make small profit margins. It means that you have to provide your customer with freight rates based upon what your carrier network will transport the goods for and still return a profit.

You have to understand the true cost of moving your freight. You must know how you need for expenses such as operating cost, surety bond, agent percentage, collections and profit. There is always a chance that your customer will not pay the freight bill, this would cause you to be upside down with the load. This means you have to make up those cost in other places or on other loads.

The bottom line is you must understand the **“Risk Vs. Reward”** that exist on every load, so that when you are negotiating a freight rate you know when to refuse services to a potential customer because there is simply no profit in the load.

Customer Relationships

Any successful business relationship is one that benefits both parties. It must be a **“Win-Win”** for the potential customer and you the freight broker too. If you have worked at creating a good logistics relationship with the shipper, and they refuse to respect the value of the services you provide then you have to move on to other customers.

From the initial phone call to the prospective shipper, you have to set the ground rules with him regarding the expectations on both sides. Letting him know exactly what you expect up front will help you when proposing a freight rate, ultimately more of your freight quotes are accepted in the end if you initially provide a **“Service Value”** to the customer.



Shippers

Negotiation Tips and Tricks

Strategy # 1 (The Flinch)

Customer: "What! How much!! \$ 2950! I've already got a better rate than that." This is one of the negotiation tips working for the shipper. Here the customer acts as if he has not heard the price correctly, but a new benchmark is set that will now act as the basis of the negotiating to follow. A concession typically follows from the sales person. Something like **"I Have a Carrier Today for Your Freight."** The freight broker agent will stress that his carrier is available now for the freight rate.

Freight Broker Agent: "I have a guaranteed carrier whereas you have received a freight rate only from my competition. I have a solution!"

Customer: "It is still more than the other freight rate than I have currently".

Freight Broker Agent: "I can approach my carrier again for a better freight rate if you are ready to move on this project right now!"

Strategy # 2 (Set Aside)

You are in a meeting where the purchasing manager is talking to the representative of an automotive parts manufacturer.

Customer: "Look, we only do business with companies that give us sixty (60) days terms. If you cannot, why are we wasting our time?"

The **Freight Broker Agent** is in danger that the negotiation will collapse before it has begun, before a relationship is built, before all the facts are out in the open. An inexperienced negotiator will either now give a concession or allow the negotiation to collapse.

Now, some negotiation tips work better than others but in the end the success lies in the skill used to apply them. A skilled freight broker agent will respond by saying: **"Let's put that aside for a moment and first see if I can provide a solution for your transportation needs"**.

Strategy # 3 (Splitting the Difference)

Get the other party to suggest that you split the difference. What tips to use?

Customer: "You want \$5900.00 for this load while I only have a budget of \$5400.00 It's a shame that we cannot do business with only \$500.00 separating us. Is there anything we can do?"

Freight Broker Agent: "I really would like to move the load. Why don't we split the difference?"

Customer: "How do you mean? Are you saying that we can agree on \$5650.00 we can get this load moved?"

Freight Broker Agent: Absolutely! I will schedule the truck.