

AN INDUSTRY OF MISTRUST

HOW SHIPPERS, BROKERS, DISPATCHERS AND DRIVERS SEE LIFE DIFFERENTLY

There is a lot of mistrust in our industry between the various players: shippers, brokers, dispatchers, and drivers. The two main sources of this distrust are opposite goal/needs and the bad apples. We will first look at how the players' opposite needs in regards to detention, check calls, and shipment liability generate misunderstanding if not mistrust. Then we will look at the bad apples, although there are only a few bad apples out there, it is very difficult to know if you are dealing with one when you organize a load for transport. And since one bad apple can cause you to lose a customer or even your job, you just can't trust the random guy/gal that shows up on any given day for a deal.

DETENTION

Detention is where we get a great divide between the groups. The shipper, who works in a just-in-time production system, cannot afford to have a shipment ready to load and no truck on which to load it. On the other hand, a truck that waits four hours for production to catch up or the loading docks to free up costs nothing to this same shipper (the standard is two hours free but most large shippers/receivers never pay detention, think food industry). The driver is supposed to count the hours sitting at the dock doing nothing as working hours, often being paid nothing if on a per mile program. Traditionally these hours would not have been logged against the weekly quota, but now with the new rules and the electronic log books, this

is becoming a thing of the past. So these hours are very expensive to the driver and cost nothing to the shipper. The broker sits in the middle and tries to prod the shipper/receiver in having some decency in the way they treat the driver. On the other hand, the broker that is brutally honest as how bad the detention might be may never move a load.

CHECK CALLS

Brokers and shippers want to know where the truck is, if it's on time, and whether it will get there on time, so they keep nagging the driver as to his/her whereabouts. The driver hates it and cannot understand why he/she needs to be babysat since he/she would never take the load if he/she could not get it done. What the driver does not understand is that there is a certain percentage of drivers/carriers that misrepresent their true situation (see below). Unless the broker has worked with the driver on a regular basis, there is no way to know what kind of driver is on the load hence the nagging. We have tried some cell phone based tracking system but they rely on an assumption that the carrier is not playing games and a good broker would never make that assumption.

SHIPMENT VERIFICATION AND LIABILITY

The law says (broadly) that the driver must inspect the load and sign for what is loaded on the truck. From that point on the driver/carrier is liable for anything that happens to the shipment until delivery. This is somewhat

reasonable in theory. In practice, some large shippers stretch the meaning of the law as much as they can to transfer extra liability to the carrier. So instead of making the driver sign for a load of Wheaties, they make the driver sign for a load of 14,023 boxes of Wheaties or 2,234 Wheaties, 3,453 Alpha-Bits (that is what I grew up on) and so on. There are several problems with this:

1. There is no way the driver can count this.
2. The driver is often not even allowed on the docks
3. On a multi-stop load, the driver is expected to do another precise count at every stop to match the paperwork

The receiver(s) sign for the load with a note "Subject to Final Count" basically telling the driver that we don't give you time or possibility to count, but we are going to take our fine time with this and decide if we back charge you in a month or two when there is absolutely nothing you can do about it. In effect the carrier has taken the liability for the shipper/receiver(s) responsibility to load and unload the truck properly with a blank check pre-signed by the carrier. One of our former customer's loading facility took this to the extreme, they were under so much pressure from corporate to speed up their loading times, that they started to under-load the trucks and then expected us/our carrier to pay for the missing freight.

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ACTUAL LYING

This is the big one. I think I can safely say that most people in our industry are honest, ethical and hardworking decent human beings. The problem with our business is that we deal/entrust our valuables to complete strangers on a daily basis. We have more than 40,000 carriers in our system each with from one to thousands of drivers, and we have tens of thousands of shipper/receivers. Unfortunately there is a certain percentage of dishonest, non-ethical, not-so-hardworking nor very decent people. What the percentage is I don't know, but we all know that it is significant enough that you can't take chances and just trust them. Here are the symptoms:

- Bad Shipper Lies: Load is ready, it is not overweight/oversized, there is no queue at the docks ...

- Bad Broker Lies: Commits verbally to terms without putting them on paper, takes on shipments from customer without having cash flow to pay carriers. Uses cash from customer to buy a Corvette instead of paying carrier.
- Bad Truck Dispatcher Lies: The truck is empty, truck is 5 minutes away, there is nothing else on the truck.
- Bad Driver Lies: I did not hit that dock/bridge/curb. I logged all my hours. I inspected the truck this morning. I did not take a case of Wheaties for myself.

So this is why brokers keep nagging drivers about check calls, drivers don't trust brokers about paying detention, and shippers want drivers to sign for the detailed shipment.

PERCEIVED LYING

This is a story from when I started as a truck company owner. I took three loads going to Pittsburgh from New Jersey from Landstar. I went to the load boards to find return shipments and booked three loads with another large broker (let's call it Broker X). The Landstar loads were crane unload on a Tuesday and the Broker X load was crane load on Wednesday morning. Now in my mind this was the right way to behave. Low and behold, the weather was bad on Tuesday and the crane could not operate and off-load the trucks. They got offloaded Wednesday morning, but by then we missed

the crane appointment for Broker X. Now even though I called Broker X when we saw the problem on Tuesday, I was called a liar and cheat and a bunch of other words. Not only that, I was branded as do not use by Broker X in their entire system and we probably still are 10 years later.

HOW CAN WE RECONCILE ALL OF THESE COMPETING INTERESTS?

At One Horn, we have evolved our freight agent recruitment process over the years to identify those who share our value of "Honesty First." We firmly believe that in the long run we will do better if we put honesty over short term profit. Therefore, most of our recruitment process is centered on making sure that the potential agents are honest and straightforward. The shippers appreciate that our agents tell the truth and offer a proactive solution. The carriers appreciate that we pay on time. Drivers and dispatchers appreciate that our agents are honest about our loads and will go to bat for them. Honesty is our most important core value, as we know that one bad apple could tarnish our whole company. ■



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