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Four Ways a Niche Strategy Can Help Freight Brokers Prosper

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It is always a challenge to figure out how to grow your book of business. When we started out, One Horn did mainly construction materials and equipment on flatbed and oversize equipment. Then the Great Recession hit, so we diversified into more recession-proof necessities that people would have to buy and need shipped in dry vans. We also shipped partials for customers who did not have the need for full truckloads. We would try to ship almost anything to survive during the tough times. Then we added refrigerated freight when we started pursuing our independent contractor-based brokerage strategy. It took us a while to identify where our greatest strength lay as a company, but finally focusing on three categories of full truckloads—flatbed, dry van, and temperature-controlled—has helped us leverage our strengths to become more profitable.

Although as a whole, our company focuses on full truckloads, our agents typically pick their own niches. Having a niche helps them prosper in several ways:

1. Becoming an Expert in a Certain Type of Freight or Geographic Region:

Here are two ways freight agents can specialize to add more value to their shippers. If you become intimately knowledgeable about how to load a specific type of freight or how to best deliver to specific receiving destinations, you can leverage that knowledge in growing your shipper base. For example, if you know how certain metal pipes need to be protected, you can find competitors to your shippers and demonstrate that expertise in protecting your shipper's freight. You could become an expert at delivering to all the Home Depots or Wal-Marts in your area, and cultivate a variety of customers who ship products to the same places. Then you can leverage relationships with the receivers. We once knew most of the receiving people at Home Depots in New Jersey by name. If you establish a great reputation as the go-to guy or gal if someone needs to get flatbed freight in and out of New England, you can serve different shippers needing flatbeds in that area. What commonalities can you find in your existing freight base that you can leverage?

2. **Developing a Carrier Base:** When you consistently have attractive loads in a certain type of freight or geographical region, you can reuse the same carriers over and over and develop strong relationships with them. If you treat them well and provide consistent work, they will be more

likely to make it part of their routine as they become more dependent on it. They will get to know the pickup location preferences, how to treat the freight, and many of the drop off location preferences as well. Your loyal carrier base will also be more apt to bail you out when a customer has a last minute request. It is great to get to a point when the carriers call you to ask what they can do for you today. Yes, it happened to us and certain loads became essentially turn-key on both sides. I will delve more deeply into developing a strong carrier base in an upcoming blog. Where do you have a base of loyal carriers?

3. **Providing a Launch Pad for Focused Diversification:** Once you become an expert in a certain type of freight, you can identify similar freight that requires similar skills and knowledge on your part, and a similar carrier base. For example, metal pipes and plastic pipes may be stacked similarly. Or in a specific region of the country, if you have built a good reputation among flatbed carriers you might approach shippers with dry freight and then cultivate dry van carriers in that region as well. In either case, you can remain focused on an area of expertise while you diversify your book of business. What types of freight are similar to those you regularly ship?
4. **Maximizing Profitability:** Your profitability can increase by booking more loads more efficiently and by making higher margins per load. As you get used to booking a certain type of freight, as an agent you spend less time assigning the freight because you could almost do it in your sleep, so you can do more loads per day. Finding an extremely efficient TMS can help here as well. Sometimes loyal carriers are willing to accept a slightly lower rate for reliable, consistent income, so each load can generate a higher margin for you. Also negotiating with carriers with a margin percentage in mind vs. increments of \$25, for example, can help produce a consistent margin percentage. How do you think you can increase profit per load?

It is very tempting to try to be all things to all people when you are trying to grow, but a focused, niche strategy enables you to become an expert and focus your message on your strengths. So when you approach new shippers, you become a much more valuable and credible resource.

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