



DOUBLE BROKERING VS. CO-BROKERING

Double brokering can occur in the trucking industry and is both illegal and unethical. In a double broker situation, a broker takes an order from a shipper and brokers it to a carrier. Rather than completing the load, the carrier passes it on to another carrier without consent from the broker. This exposes the shipper, broker, and the carrier that moved the load to various liabilities and challenges, especially in scenarios like lost cargo or a road accident.

Double brokering can also be an intent to commit fraud. For example, a broker takes payment from a shipper and pays the original carrier; the carrier then keeps the funds instead of paying the carrier for the load, effectively stealing the end carrier's pay.

How to spot a double brokering situation?

1. Perform a background check on your broker.

If you suspect something is off, do an assessment. Call the broker. Perform a credit check and verify they are who they state they are. If they are US based, confirm that they are bonded.

2. Confirm the rate you are being offered.

If the rate you are being offered sounds too good to be true, that is likely because it is. If the broker asks to send your POD to a random email right after it has been delivered, that is another red flag.

3. Develop a network of trusted brokers.

Having reliable and trustworthy brokers that you can keep returning to removes the need to do business with

new and unfamiliar brokers.

WHAT IS THE SOLUTION?

Co-brokering is the legal and ethical alternative, and unlike double brokering, it is designed to deliver profits without risk. This is because co-brokering involves clear lines of communication and keeping the shipper informed. Both brokers in this scenario split a commission instead of getting their own.

CO-BROKERING BENEFITS

These are the scenarios in which co-brokering is incredibly beneficial. For example, you can cover loads effectively in the case of tricky logistics. Use in a niche industry that can benefit from specialized certifications and know-how. Or you can apply it in trucking scenarios like border crossings, oversized cargo, etc.

In conclusion, double brokering is a risky and illegal practice creating significant financial losses every year and tarnishing the image of the freight industry.



HOW TO GET PAID FASTER

“Until you value yourself, you won’t value your time. Until you value your time, you will not do anything with it.” ~ M. Scott Peck

For this InfoPays, we list 8 tips for getting paid faster:

1. Keep track of your time.

Stay organized and document your hours accurately to ensure that you get compensated for your efforts fairly. In the end, time is money.

2. Bill early.

After wrapping up a project, try to send out your bills immediately. Avoid moving on to the next task without notifying your client or customer of the payment due.

3. Use simple terminology.

“NET 30/60/90” is a common invoice jargon; however, experience shows that this terminology may, in the end, confuse your clients. Please keep it simple by stating the number of days your invoices become due.

4. Charge an upfront fee or request partial payment.

A retainer fee provides a guarantee and gives your cash flow a boost. During the planning stages, enthusiasm is the driving sentiment, so at this point, sponsors tend to be more flexible about payment terms – if you are asking for a partial payment, this is a perfect time.

5. Set up payment reminders.

Establish a simple system to keep track of overdue accounts and release payment notifications. It is vital to detect potential delinquency sooner rather than later.



6. Make the payment process simple and easy.

If you make bill paying complicated or non-intuitive, you can lose your client’s attention. Try to provide your clients with convenient options for payment, ideally electronic methods.

7. Ensure accurate billing.

Be sure that your bills reflect the correct information, especially the current balance and the appropriate receiving party. Customers are more likely to avoid paying bills that contain errors and discrepancies.

8. Be professional and courteous.

Being courteous is not just the right thing to do – it is a powerful tactic that can help you get paid faster. A simple “please pay your invoice within” or “thank you for your business” can increase your payment success.

Created by the IPS Business Owner Success School (BOSS) 



**Guarantee your
liquidity within
8 business hours**