

## Retaining Your Best Agents and Recruiting New Ones

By: Joe Tutino, Vice President of Agent Development for Network F.O.B.

**Editor's Note:** *Network F.O.B, is an Eagan, Minnesota-based freight Brokerage Company that is growing rapidly. In the first six months of 2009, Mr. Tutino has recruited 26 new agents for the firm for a total of 80 nationwide. Because of this growth, Network F.O.B. has projected 2009 earnings to exceed 2008 levels. In the following, Mr. Tutino provides insights into how brokerage firms can best retain agents and recruit new ones.*

The game has changed. The brokerage business will never be quite the same again. Ever. That's no exaggeration.

Brokerage companies that continue to do "business as usual" -- in the face of what could be the worst economic slump in memory -- hoping for a quick fix in the economy, are whistling in the dark. It's no secret; a lot of good agents are already looking for new opportunities.

There are two choices: hunker down, do nothing and hope for a quick fix or, streamline your business, make it as efficient as possible and above all, responsive to the fast-changing market. You must be on your toes and be proactive, as well as creative.

--more--

We're finding a ripe field of available successful agents who are very disenchanted (that's putting it mildly) because they have lost loads, and in some cases long-time customers, because of slow and inefficient agent support. It's by far their biggest complaint. Competition for loads has become intense. Mediocre agent support just won't "cut it" any longer.

I hear it ever day from agents who contact me, looking for greener pastures. They've made a simple request for a credit approval and it took two days, sometimes longer. By the time they got an approval, the load was long gone and the shipper was having lunch with a competitor.

So the question becomes: "How do I keep my best agents, recruit new ones and maximize efficiencies?"

My best advice: listen to your agents and get your agent support in gear.

At Network F.O.B. we use an exclusive "ticket system". When an agent makes a request, a "ticket" is generated and tracked throughout the system. It's a production-based method that works for the staff, the company and most important, for agents in the field. Members of the support staff are paid based on their verifiable performance. It may be bragging, but I don't know of a better system in the industry.

--more--

Paying agents as quickly as possible is as important as the timely payment of carriers. Especially in tough times-- for agents who have mortgage and car payments coming due -- a week or even a few days can be critical.

If you're losing agents, find out why.

Early this week a prospective agent was presented to me by a recruiting firm. She is a real hard-working proactive agent; as good as they come. When I explained that she would be able to pay herself commissions on a daily basis with the click of a mouse -- and not have to wait for carrier invoices to be paid -- she said, "You're kidding, right"?

I explained, "No, it's for real". It was at that point she asked me what she needed to do to come on board. Her primary reason for leaving was simply due to the fact the she always had to wait and "fight" for her commissions. Her company waited for carrier invoices to be paid first and then, as she put it, "...always found something to deduct". With a large family and one child already in college, it was a no-brainer for her.

--more—

Our agents can go on line any time, day or night, any day of the week and electronically transfer commissions to their bank accounts. It is a great service and relatively easy to set up with financial institutions. The fact that we provide a 70/30 commission split is a real plus. In addition, we reward outstanding performance with an exclusive bonus program for high-volume agents interested in Network's Agent Program

Recruiting needs to be done the old fashion way with hard investigative work. A recruiter needs to be on the phone all day working leads and asking for referrals rather than just relying on the Internet for leads or purchasing resumes. I've personally recruited more than a few outstanding agents in '09 by just asking for referrals. Consider using professional recruiting firms that specialize in freight brokerage agents. We've found that they can be very helpful.

When screening prospective agents, due diligence is a high priority. We've all heard of the agent who talks a good game, receives draws against future commissions but produces few if any loads, leaving the brokerage holding the bag.

--more--

Get three solid business references, preferably from existing customers as well as proof of revenue and proof of income. These documents should include monthly statements showing as least 2009 figures year-to-date. Save yourself a lot of grief by getting background and criminal record checks, especially if a draw is negotiated. And be sure to check TIA's *Watchdog* for any reports regarding prospective agents or their former employers.

If you think the competition for loads is tough – the competition for good agents is getting tougher. But tough times always bring great opportunities for those willing to look for them.

-0-