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How to Build a Book of Business

By Tim Taylor, President of Network F.O.B.

Editors Note: This is the first in a two-part series designed to help TIA members prosper in tough economic times. Network F.O.B. is a coast-to-coast freight brokerage firm growing rapidly despite unfavorable economic conditions. Thirty-six new agents, with established books of business, joined the firm during the first nine months of 2009. Tim Taylor is the author of numerous articles for transportation publications and is a frequent speaker at national trade association meetings.

Tighten Your Targeting

Too many brokers cast too wide a net when prospecting. Trying to be all things to all people makes you just another “broke” freight solicitor. If you go fishing with the intent of catching just anything chances are you’ll come up with either nothing or nothing you would care to eat. It’s simply not a good use of your time. Instead of calling 100 companies, think about the kind of clients you service well, why you think you service them well

and what a stable full of clients like them would look like; from there, you reverse-engineer the outcome.

The Ideal Customer

Don't know who your ideal customer is? Actually you probably do. Review your existing clients. Who generates high revenue with high profit margins? Who is fun and easy to deal with? What problems do they have that you solve? Why do your clients do business with you and not your competitor? If you don't know, it is not only OK to ask; it is very important that you ask. It will help you learn your strengths and weaknesses.

The usual answer to the question regarding why clients do business with you is: "My relationship with my client." But it isn't really an answer because that expectation is a "given". It is kind of like the presumption that a car is supposed to start when you turn the key.

There are plenty of brokers who had good relationships with clients who are now former clients. Dig deeper. Frankly, "price" is not the answer because the expectation that your prices are competitive is also a "given".

Don't Say, "I'll Haul for Anyone"

You must be a master at doing the transportation work of those you want to serve -- and those we all most want to serve are the clients who are

satisfying to deal with. Satisfaction in our business is usually defined monetarily but it is plain drudgery to deal with a chronic malcontent everyday for a living. Take all the fun out of this business and you will be de-motivated. If you find your job spoiled daily by a client who can only make his dog happy, find another client.

You're the Expert

Your time is not unlimited unless you're going to add staff -- and even then eventually it will be limited due to managing that staff -- so choose your clients and prospective clients wisely. If you need to expand your client list, as most do in this economic environment, it is more effective, efficient and fiscally rewarding to become an expert and to be recognized as an authority.

Gathering knowledge starts by talking with your clients and asking questions. You already have an "in" with your clients so get to know what they know. Talk to others in the firm to find out even more. Sales people within your client's company realize that the fallout from shipping problems directly affects their pocketbook. Get to know them and you'll gain valuable insights into the company's operational problems.

So Who You Gonna' Call?

Start with clients whose business you know something about, provided you enjoy the business and are ready to exert the effort necessary to develop your expertise. Perception is reality. Be convinced that you are an expert in this field of hauling who knows the “ins” and “outs”. Let your clients know you're an expert.

Some Questions

If you've hauled a shipment to a manufacturing plant, have you talked to anyone at the plant? How about the shipping personnel on an inbound shipment? What other product components are shipped to the plant? If you're short on freight could it be a bad thing to talk to the receiving people for five minutes? Of course you'll have already visited their website. By doing these things on every shipment you'll begin to understand the other end of the sale and find new opportunities. This is the beginning of expertise. Become professionally interested; you'll acquire the expertise.

Once you're educated enough to make a call to the control point at the other end of the shipment – whether it's a purchasing department or a

sales department -- you can talk specifics. If you're really good, you'll know the names of vendors, competitors and other players in the arena, how often shipments move and the names of the companies currently hauling them. If you're even better, you'll find out about any plant shutdowns or other calamities caused by late deliveries. It's a huge piece of information. And if you're even better, you've gotten the top brass at the company to refer you to the control point.

Part-2 of this two part series on "How to Build a Book of Business", will appear in next month's issue of Logistics Journal. Mr. Taylor will discuss prospecting for new clients and how to narrow your focus to improve results by pinpointing target accounts. He will also discuss how becoming an expert and problem-solver in your clients' business will ensure profitable long-term relationships and open doors to numerous opportunities in related businesses.

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