



# How to Grow Your Freight Brokerage

The freight brokerage business has never been a straightforward one. Frequent labor shortages, slim profit margins, and tough competition have long made the freight industry a difficult sector for establishing a successful business. With thousands of freight brokerages saturating the market and all offering similar services, it can be hard to stand apart from the crowd. Today's freight conditions further add to the challenges, with rising rates, tight capacity, unprecedented port congestion, and growing instances of severe weather disturbances.

But there is good news. Despite the industry's many challenges, business is booming and won't be slowing down anytime soon. Today, [20 percent of all freight goes through brokerages](#), and estimates from Allied Market Research indicate that the U.S. freight brokerage market will grow from about [\\$48.1 billion in 2020 to nearly \\$90.7 billion by 2028](#). With continued growth like that, there is no better time to evaluate your freight broker operations and what you can do to expand your business.

Not sure how to get started? Here, we share some tips on how to grow your freight brokerage, including knowing who to target, how technology can help you succeed, and how to build strong carrier and shipper relationships.

## Know Who Your Customer Is and How to Serve Them

The first step in growing your freight brokerage involves identifying and understanding your target market. The clearer your perception of your customer, the better you can win them over to beat the competition.

### Building a Customer Persona

Creating that picture of your customer is not always easy because your customers likely have very different backgrounds and needs. Creating a profile or persona of your ideal client can help you target a customer base that aligns with your business goals. Start by asking yourself questions, such as:

### What industries do I want to target?

- What is my ideal geographic location for my customers?
- Do I have unique services or capabilities compared to other freight brokers operating in my target sector?
- Who do I need to talk to at target companies within my industries to open a dialogue?
- What are shippers in these industries looking for from a freight broker?
- What are the specific pain points these businesses are currently experiencing—and how can I help?

During this process, you may need to create multiple customer personas to cover your entire target audience. These personas will become an important part of your growth strategy because your sales and marketing teams can easily use them to identify and pursue potential new customers.

### Outline Their Needs

Once you have a better picture of the customer you want, it is important to outline their needs. In this step, you will need to conduct some research and start asking questions of your current and potential customers. If you can discover where services may be lacking among other brokers in your industries, you can also figure out how to fill those gaps to win over new clients.

### Consider Adding New Services

In the interests of growth, this might also be a good time to consider adding new services to your portfolio based on the results of your research. For example, brokers might expand from truckload (TL) brokerage into less-than-truckload (LTL) brokerage or to a managed transportation service. Expanding your capabilities in this way can help to grow your business within your existing customer base by allowing you to manage more freight on behalf of each customer.

## Attract Top Carriers and Shippers with Deeper Relationships

We've established why understanding your customer is crucial to growth, but it's also important to understand the carriers you choose as partners. Picking the right carrier partners is a key part of achieving your goals for growth, whereas the wrong partners will inhibit your ability to expand. As your freight brokerage expands, you'll find that establishing an efficient, effective, and collaborative relationship between customer, broker, and carrier becomes essential to creating a more efficient operation and [more revenue](#).

### Your carriers should act as an extension of your brand.

---

And once you find carriers that fit within your organization, meet your needs, and present reasonable bids, you don't want to lose them. Nurturing the best carriers to make those relationships a regular part of your network is always a smart move toward future growth.

While this process will take some time, it has never been more important as the industry continues to face a significant shortage in freight. In today's market, freight brokers who fail to [attract and maintain good carriers](#) will find themselves unable to compete—and thus, unable to grow.

### Your carrier network is one of your most vital assets for growth

---

Shippers rely on you to deliver their goods quickly, reliably, and at a reasonable cost. Good relationships with a wide net of carriers ensure you can make good on your promises to the customer, even when capacity gets tight.

In addition, finding your niche market will grant you additional opportunities to improve and strengthen carrier relationships. Building a reputation within your niche will help carriers working in that niche identify you as a must-have partner. Meanwhile, by focusing on the needs of your shipper customers and carrier partners, you can continue to grow and attract high quality carriers.

Not sure what your niche is? [Check out our guide](#) that breaks down why it's important to have a niche market as a freight broker and how to find your niche.

## Grow Your Freight Brokerage with Technology

Competition is fierce in the freight market, and standing apart from the crowd is never easy. As a result, freight brokers should look to technology solutions to attract better shippers and better carrier partners to serve them. Some examples of [must-have freight broker technology](#) may include:



### Payment Technologies

Implementing payment technologies provides a great option for expanding your carrier network and fueling future growth. From freight factoring to QuickPay, the right payment technologies help ensure that carriers are paid on time and without hassle. There is no longer any need to make carriers wait for an old-fashioned 30-day payment window when digital technologies allow immediate payment.

Once you've onboarded efficient payment solutions, arguments about carrier payment timelines will disappear. QuickPay is a win-win for both parties—the carrier gets paid fast, and the broker continues to establish trust in their relationships.

**From freight factoring to QuickPay, the right payment technologies help ensure that carriers are paid on time and without hassle.**



### Digital Freight Matching

As the freight brokerage sector moves toward digitization, your business must keep pace if it intends to grow. Unfortunately, many growing freight brokers still rely on a mix of multiple load boards, phone calls, emails, and spreadsheets to assign available loads to carriers.

By incorporating digital freight matching capabilities, you gain a central solution that provides faster, easier access to your carrier network. Given that many modern shippers now need loads picked up in hours instead of days, this technology can give a freight broker a competitive advantage over brokers who still rely on more manual processes when assigning loads.



### API Software Integration

It isn't easy to compete as a freight broker without the ability to [integrate with customer and carrier software](#). Therefore, using software with application programming interface (API) capabilities has become essential for freight brokers. For example:

- Shippers may expect you to integrate with visibility solutions, supply chain control towers, transportation management systems, electronic data interchange (EDI), and more.
- Carriers may offer the opportunity to integrate with EDI and other carrier systems to help facilitate better visibility and communication.
- Internally, you need the ability to connect your transportation management software (TMS) to your freight payment technology and other back-office solutions.

## Protect Your Data

Technology is an important tool in growing your freight brokerage, but with increased systems implementation comes greater responsibility to protect your customer and personal data. Because freight brokers are responsible for their customers' most sensitive information – often including pricing and payment information – this puts even small to mid-sized companies at risk of a cyberattack and the accompanying financial losses.

Cyberattacks are happening with greater frequency in the trucking industry, as many brokerages and carriers have not kept up with best practices despite increasingly digitizing their operations. Unprepared brokers are susceptible to costly consequences, but those who use technology to their advantage to become a trusted partner focused on customer data security will emerge victorious in a competitive market.

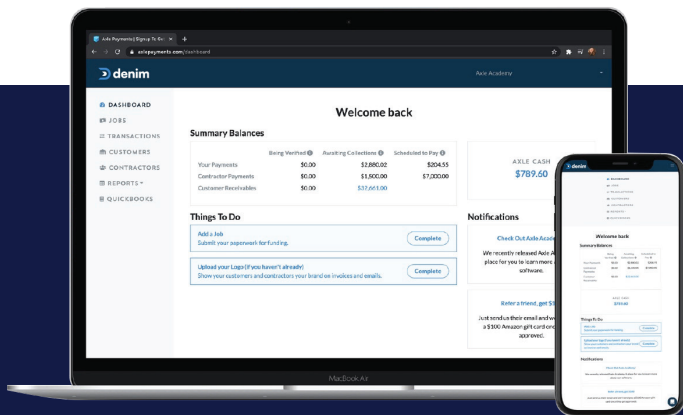
Protecting proprietary, personal, and customer data is essential to the success of your brokerage. Choosing [technology partners that prioritize cybersecurity](#) is a great place to start. Still, it is also the broker's responsibility to ensure they have the right measures and training in place.

Good employee practices start with employee education, one of the most important steps in ensuring cybersecurity. Training should be conducted during the onboarding process for all new employees and revisited regularly throughout the year for current employees. In addition, annual training sessions keep employees updated on the latest practices and ensure they know how to spot cybersecurity red flags, such as suspicious phishing emails.



## How to Grow Your Freight Brokerage with Denim

With thousands of U.S. freight brokerages all fighting for a slice of the pie, growing your business is a tough job. However, those successfully winning over the competition have found a way to set themselves apart by getting to know their customers, expanding their carrier networks, embracing technology, and becoming trusted and secure partners.



## Ready to Learn More?

Ready to learn more about our products and how they can help you grow your freight brokerage?

**Contact us today** or **schedule a demo** to see Denim in action!



[www.denim.com](http://www.denim.com)  
855-250-4142

©2022 Denim. All rights reserved.  
075\_How to Grow Your Freight Brokerage\_110722