

# INTRODUCTION To EXPEDITING

By: *Phil Madsen, Expediter*

**E**xpediting, also known as critical-shipment freight transport, is a wonderful business opportunity for people who are up to the challenge. If you possess basic business skills, are able to spend weeks at a time away from home and can live comfortably on the road, expediting may be worth a look. While many folks have tried and failed, others are earning a great living and enjoying life as expeditors.



## Self-employment Issues

Whether they enter the business as drivers for fleet owners or as owner/operators with a truck of their own, most expeditors are self-employed independent contractors. That means business bookkeeping, quarterly payment of estimated income taxes, business planning, retirement planning, life, health and disability insurance, and other such items are your responsibility. If you don't do it, no one else will. And if you don't do it well, you may look back on your life and rue the day you decided to become an expeditor.

The good news is expediting is not rocket science. The job itself is easy to learn. The work can sometimes be physically challenging but is within range for most able-bodied people. Many expeditors are grandparents who outperform their younger counterparts. The business management skills are a bit more of a challenge, but they too can be acquired.

## Attitude

Expediting is more than hauling freight. Successful expeditors maintain a positive attitude even when having bad days. They are able to wait patiently for freight, sometimes for days at a time. They are professional when dealing with dispatchers and customers. They take full responsibility for the freight they accept and see the job through.

## Self Discipline

Expediting offers more freedom than many other professions. You don't have to take loads you don't want. You can be out of service for weeks, even months at a time if you wish. If a carrier or fleet owner is giving you grief, several others will consider taking you on. While such freedom may be attractive to people considering a career change, that same freedom has been the ruin of many hopeful expeditors.

Successful expeditors have more going for them than hope. They have goals and the discipline to achieve them. That means tending to your business paperwork and



truck maintenance before taking in a tourist attraction. It means deadheading to a freight center instead of home if you've been waiting too long for a load. It means living within your means and saving some of the money you earn, instead of living paycheck to paycheck.

Self discipline also means putting time and effort into the business side of the business. If you don't already have the business management skills successful expeditors use, you can invest some of your time and effort to figure out what those skills are and make them your own.

## Safety

Truck driving is one of America's ten most dangerous professions. People get hurt out there, even killed. Traffic accidents are not the only hazard. A surprising number of drivers are seriously injured by falling out of their own trucks. Slips and falls take a toll. At loading docks and truck stops, drivers have been run over and killed by other drivers who did not see them.

Freight-handling injuries can range from minor cuts and sprains, to broken bones, to a back injury that takes you out of the business and leaves you with sleepless, pain-filled nights for the rest of your life. Expediting takes you to all sorts of neighborhoods, sometimes making street crime a concern.

While many risks can be reduced and even eliminated by being a safety-first expeditor, safety is something you should think long and hard about before jumping in. If you become an expeditor, it won't be long before you hear about fellow expeditors getting hurt on the job. In time, some of the stories will be about people you know. The dangers are up close and personal. It can happen to you.



## Expediting Trucks

Expediting trucks range from cargo vans, to straight trucks, to eighteen-wheelers. Expeditors refer to them as B-units (cargo vans), C and D-units (straight trucks), and E-units (tractor/trailers). Reefer-equipped units are known as CR, DR and ER. A reefer is a refrigeration and heating device that keeps freight at a specified temperature while it is on the truck; such as chemicals that must stay cool in summer, paint that must not freeze in winter, and items like art work or electronics that must be kept at room temperature.

Generally, the bigger the truck, the more gross revenue it can earn; and the more expensive it is to operate. Maneuverability decreases as truck size increases. You can't use drive-thru windows at fast-food restaurants with a tractor/trailer or straight truck, like you can with a cargo van. At certain tourist attractions, restaurants, hotels and malls, big trucks are often banned but straight trucks can park like buses and RVs. In most places, cargo vans park where cars do.

Truck features and equipment vary. Some trucks have reefers, lift gates, and/or generators (auxiliary power units), others do not. Sleepers range from tiny boxes that provide just enough room to lie down, to virtual apartments on wheels with RV-style kitchens, showers, toilets and beds. A variety of equipment for handling and securing freight is used, or not, depending on the expeditor. Such items include load bars, ratchet straps, pallet jacks, hand trucks, appliance carts, furniture pads and more.

Some straight trucks have two axles, others have three. Among three-axle trucks, some have lift axles, others have tandems. E-unit drivers sometimes become B-unit drivers. B-unit drivers sometimes move into bigger trucks. If you ask two or more expeditors about any truck type, feature or brand, a lively discussion will likely ensue.



## Carriers

While some expeditors develop their own customer base and book their own freight (a regulatory arrangement known as having your own authority), most lease their trucks to an expedited freight carrier. Carrier dispatchers then offer loads to the truck, which the drivers may accept or decline (an arrangement known as no forced dispatch). Load offers state the load's pickup and delivery locations, pay, number of miles, weight, and description of the freight.

Numerous expediting carriers are listed on the ExpeditorsOnline.com home page. Each carrier has its own driver qualifications, truck qualifications and lease terms. Carrier web sites or recruiters can tell you what the qualifications are. Upon request, recruiters will send you an information packet and copy of the lease.

## Freight

Expeditors love trading stories about the unusual loads they've hauled; a barrel of chili powder rushed from the east coast to Cincinnati, a single envelope transported in an eighteen-wheeler, a load picked up by driving a truck deep into the cargo hold of an ocean freighter, and even the life's work of a scientist who told the driver he'd commit suicide if the load was lost. More typically, expedited loads consist of freight that moves fast, requires special care, or both.

Fast freight might be something like brake parts going from a supplier to an automobile assembly plant. If the parts don't arrive exactly on time, the assembly line may shut down and idle the workers. By contract, the supplier would then be required to pay a fine to the automobile manufacturer, such as \$25,000 for every hour parts are late. When shippers must choose between paying a steep fine or paying expedite rates to deliver freight on time, the expedite decision is easily made.

Other examples of fast freight include hurricane relief supplies, newspaper inserts that got printed late and contain dated coupons that must soon be distributed, a backup computer server rushed in to replace one that crashed, soft drink flavoring that someone at the soft drink factory forgot to order, an urgently-needed water pump delivered to a remote gold mine, and an ordinary item rushed to a key customer who is threatening to change suppliers.

Examples of special-care freight include electronic components used in outer space, vital legal documents for a high-profile court case, the original recordings of a deceased country music star, medical equipment moved from one hospital's operating room to another to be used on a patient the next day, priceless works of art being shipped from one museum to another, items that must be kept under constant watch, and vaccine flown to the U.S. from Europe that must be immediately transferred from a temperature-controlled jet to a temperature-controlled truck and driven straight-through to a temperature-controlled warehouse.

Some critical-shipment carriers have divisions that specialize in special-care freight. Others avoid special-care freight and focus instead on fast freight. For almost all expedited freight, the entire truck is dedicated to the load, even if the load is just one box. Freight from other shippers is not mixed in.

Expediting trucks usually provide door-to-door service, meaning drivers run directly from the pickup to the delivery. Where loading docks are unavailable, lighter freight is loaded and unloaded by hand, either by the drivers or by workers at the pickup and delivery locations. Heavier freight is delivered by trucks equipped with lift gates and/or other freight-handling equipment.

For example, a lift gate may be used to lower two fireproof file cabinets down from the truck onto the street. Dollies may then be used to wheel them into an office building. At a small factory, the driver may use a pallet jack to move pallets



to the rear of his truck so a forklift on the ground can take them from there. Some liquid nitrogen containers have their own wheels. A lift gate may be used to get them from the truck onto the sidewalk. From there, they may be wheeled by hand into a bustling, inner-city hospital or quiet, suburban clinic.

Whether it's fast freight or special-care, hazmat (hazardous materials) loads are common. All major expediting carriers require their drivers to have hazmat-endorsed CDLs (Commercial Driver's License).

### **Commercial Driver's License**

CDL types and endorsements, and the process of obtaining them, vary with the expediter's state of residence, truck type and carrier requirements. Contact your state officials and carrier recruiters for details.

### **Compliance**

Commercial vehicles and their drivers are regulated by a number of federal, state and local government agencies. In addition to complying with carrier rules, expediters deal every day with a complex web of laws and the officers who enforce them.

Weigh station stops are common for straight truck and tractor/trailer drivers. While most trucks are simply weighed and waved through, drivers are sometimes called inside where licenses, registrations, log books, insurance certificates and permits may be inspected. Expediters who drive nationwide carry dozens of legally-required documents in their trucks. Regional expediters and cargo van drivers have a lower compliance burden and carry fewer documents. Some states require cargo vans to stop at scales, others do not." Thus, the end of the paragraph should read, "Regional expediters and cargo van drivers have a lower compliance burden and carry fewer documents. Some states require cargo vans to stop at scales, others do not.

Truck inspections are a fact of life. At a minimum, your carrier will require a safety inspection once a year. A DOT inspection may be conducted at a weigh station or a truck may be stopped for a roadside inspection. State, county and local police officers sometimes stop, inspect and/or search trucks; as do border patrol, customs, IRS and agriculture officials. Many shippers have security guards at their gates. Some of those inspect and search trucks too.

All major expediting carriers conduct background checks before taking drivers on board. Drivers seeking hazmat-endorsed CDLs are fingerprinted and undergo a government background check too. CDL holders undergo physical exams every two years and can be called into a clinic for a drug test at any time.

### **Working Hours and Conditions**

Unless they place themselves out of service, expediters are on call twenty-four hours a day, seven days a week. Most loads are booked with short notice. When expediters sit and wait for a load, they do not know where their next load will take them. It could be across the street or across the nation. Expediters rarely go to the same place twice in a row. Loads may come one after another; or after a day or two, or even more of waiting.

While expediters try to minimize their waiting time by positioning themselves in busy freight areas, deliveries are not always in busy areas. Freight availability varies by season and even by day of the week. In other words, expedited freight can be slow in certain times and places, and busy in others.

Loads that take you to a busy freight area are easy to accept. Loads that take you to remote areas from which your carrier receives little business can be problematic. While the money for the run itself may be attractive, getting stuck in a slow area is not. A load that delivers before a holiday weekend may leave you sitting with no freight to haul



until shippers in that area return to work three days later. A load that picks up before a holiday weekend may set you up for a lucrative three-day run.

Expediters have different load strategies because they have different carriers, needs and reasons for being in the business. For one expeditor, a load from New Jersey to Arizona may be great because it delivers close to home. For another, the same load would be bad news because his or her carrier seldom books freight out of Arizona. For still another, that delivery may be just fine because that expeditor's carrier has a frequent shipper in Arizona, or the driver has always wanted to see the Grand Canyon and this is a chance to do it.

New expediters often begin by accepting every load, or nearly every load, that is offered. That helps them learn which loads to accept or decline. In time, each expeditor develops a load strategy of his or her own.

Expediting is sometimes called the freight ambulance service of the transportation industry. It is a good description. Load offers are often for immediate pickups and straight-through deliveries. When they are in service, expediters keep their fuel tanks full and themselves and their trucks ready to roll on a moment's notice.

Expediters sometimes walk out of restaurants in the middle of their meals to roll on a load. Some have plucked their still-wet laundry out of a truck stop dryer when dispatch called. Expediters have been known to trot off golf courses in the middle of a game, walk away from showers they were just about to take, and when arriving to visit friends, drive away just two minutes after greeting them because someone had hot freight to move.

Load offers can give you time to spare as well. You might accept a load on Friday that does not pick up until Monday. The weekend can be used to catch up on your business paperwork, take care of your truck and/or enjoy the sports, entertainment or tourist attractions where you happen to be at the time.

It is not at all unusual for expediters to run all night and sleep the next day, and then run the next day and sleep that night. Sleep management is an ongoing challenge and safety issue in expediting. Before you can sleep, you must find a safe and legal place to park, which is also an ongoing challenge.

Some people look up to expediters, others look down on them. Commercial vehicles are welcome in some places and unwelcome in others. Some loads are easy, others require great effort. One day you may be waiting for a load while enjoying yourself on a Florida beach; another day you may be cooped up in your truck in sub-zero Minnesota weather, praying your fuel won't gel and a load offer will come soon.

In short, successful expediters know how to adapt to the new circumstances they encounter several times a day; and they know how to roll with the punches.

## **Drivers**

Whether they are owner/operators leasing their trucks to carriers, or fleet drivers running trucks owned by fleet owners, drivers either drive alone (solo) or with a co-driver (team). Teams have financial advantages over solo drivers. By sleeping and driving in shifts, a team can keep a truck moving longer than a solo driver can. That opens the team up to



longer and higher-paying runs. Solo drivers are free of the relationship issues that rise when team drivers live and work together in a truck. Because their relationships tend to be more stable, married-couple and same-household teams are eagerly sought by carriers and fleet owners.

## **Revenue Potential**

People researching a career change into expediting are sometimes called expediter wannabees. One of the most common wannabee questions is, “How much money can I make?” While it’s a logical and reasonable question, it’s also difficult to answer. That’s because some expediters go bankrupt, some get by, and some do very well. Whatever the industry conditions may be, some people make it and others don’t.

Whether you become a successful expediter or not is partly influenced by general industry conditions and the strength of the nation’s economy. It is far more influenced by your own work ethic, management skills, quality of your industry research, ability to learn from your mistakes and the mistakes of others, and other personal attributes.

## **Performance**

In general, carriers evaluate expediters by load acceptance rate, service percentage, availability, safety, and professionalism. Upon request, carriers will advise you of their specific requirements.

Load acceptance is the percentage of loads you accept of those offered. Expediters are free to decline loads. If your acceptance rate falls below a certain point, carriers will either terminate your contract or simply stop offering loads.

Service means being on time for each pickup and delivery. In expediting, if you are at fault for being late three times in a hundred, your contract may be in jeopardy. A late pickup or delivery may trigger a financial penalty, as agreed in your contract. Traffic jams, bad weather and other factors that are out of your control are not counted against you if you keep your carrier informed. However, if you are late because you overslept, failed to plan ahead, or stopped to do your laundry, a service failure would likely be charged.

Availability is the amount of time your truck is in or out of service (available to consider offers and carry freight). Some carriers require trucks to be in service for a specified percentage of time. Others informally note how available you are. Your usefulness to your carrier rises and falls with your availability. If your availability is too low, carriers will either terminate your contract or simply ignore you when loads come up.

Safety has to do with your driving record and freight-handling ability. Safe driving requirements vary among carriers. Some will immediately terminate you for a serious infraction. Others may give you a second chance. Freight damage due driver to mishandling or failing to secure the load can get you in serious trouble.

Professionalism is expected in expediting. You can have near-perfect load-acceptance, availability, and safety numbers; but an unprofessional outburst or poor choice of words on a shipper’s dock can generate a customer complaint to your carrier and get you fired.

It’s not hard to be a good expediter in your carrier’s eyes. Simply know what your carrier’s requirements are, do your best to fulfill them on every run, and be courteous and patient with your customers. In general, the better your numbers are, the higher your income will be.



## Getting Started

New expeditors begin as owner/operators or fleet drivers. An owner/operator owns and operates his or her own truck. Typically, the owner/operator leases the truck to his or her carrier of choice. Fleet drivers begin by finding a fleet owner. Expediting fleet owners run small businesses and usually own less than ten trucks. They lease their trucks to one or more carriers and recruit drivers.

Expeditors speak of the truck earning money. They may say something like “This load paid \$1,200 to the truck.” or “The truck grossed \$15,000 this month.” Owner/operators receive the full amount. Fleet owners and drivers split the truck’s revenue according to their agreement.

Entering the business as an owner/operator brings the disadvantages of truck ownership, including all truck-related risks and expenses. The advantages include the freedom to make all of your own decisions without a fleet owner’s involvement, and keeping the money that would otherwise go to a fleet owner.

Entering the business as a fleet driver is less risky because you don’t assume the burden of truck ownership. If things don’t work out, you can return the truck to your fleet owner and return to your prior life. Drivers locate fleet owners by carrier referral, word of mouth and by using the Free Classifieds at ExpeditorsOnline.com. Some fleet owners accept drivers with no previous truck driving experience, others require experience.

The majority of new expeditors begin as owner/operators. However, expeditor wannabees should speak with several fleet owners before choosing that path. Good fleet owners provide more than trucks. They help new drivers enter the industry and provide coaching that can be invaluable. Fleet-owner business practices and skill levels vary. It is wise to interview several fleet owners before choosing one.

Soon after entering the business, you’ll meet other expeditors and talk shop. Such conversations begin quite naturally at truck stops, loading docks, and other places expeditors stop. These conversations will enable you to compare your results with the results of others. From other drivers, you can pick up tips and learn of other opportunities in the industry.

If you stick with your first fleet owner for six months to a year and produce a good record with your carrier, other fleet owners will line up to sign you on if your first fleet owner turns out to be a dud. In fairness to fleet owners, a number of drivers turn out to be duds too.

Asking a fleet owner to tell you about the best and worst drivers he or she ever had will tell you a great deal about the fleet owner and the industry. It will also help you understand what fleet owners seek in drivers and how to be a good driver yourself.

## Lifestyle

The expediting lifestyle varies as much as the expeditors themselves. Some drive solo, others team. Some love doing the problem solving of a tricky inside delivery, others boast they never touch the freight they haul. Some stay out on the road for months at a time, others schedule their runs so they’re out three weeks and home one. Some consider expediting a job they go out and do, others view it as paid tourism. Some say the work is hard, others say it’s easy. Some fail and go bankrupt, others barely eek out a living, still others bank thousands of dollars a month after expenses and taxes are paid.



Whatever kind of expediting you do, the more you give yourself over to the industry, and the more you develop your expediting skills, the easier the job will be. Successful expeditors understand that life and work on the road differs dramatically from a nine-to-five job. Nine-to-five employees don't give a second thought to where they will next eat, pee, shower or sleep. Expeditors think about that all the time. Nine-to-five employees don't set money aside for estimated tax payments and monitor their costs per mile; successful expeditors do.

What expediting will be for you, and how well you will do, has a great deal to do with the research you do and choices you make. If you are new to expediting, there is much to learn. It would be wise to treat researching the industry like a part-time job or night-school class. Set aside some time every week to do your homework. Dedicate a hundred hours or more to the task.

As you research the industry, the place to begin is with yourself. The more you know about what kind of expeditor you want to be and what you expect from the industry, the more likely you will be to achieve what you set out to do. In other words, don't jump in until you can describe your expediting business in writing and state your goals.

### **Researching the Industry**

The ExpeditorsOnline.com web site is filled with information about expediting. For expediting wannabees, the Driver Lifestyles and Carrier Profiles sections shown on the home page will be of interest. The Open Forum is a place where you can interact online with expeditors and expeditor wannabees of all stripes. Fleet owners advertise for drivers in the Free Classifieds section. Truck dealers and owners with trucks for sale can be found there too.

Carrier web sites are also a resource. Use internet search engines to find carriers by name.

In print, carrier advertisements and expediting articles appear in the free magazine *Expedite NOW*. Call toll free (888) 862-9831 to subscribe.

Expediting workshops and trade shows are held in various locations through the year. See the ExpeditorsOnline.com web site for the locations, schedules and content. These popular events enable expeditor wannabees to learn more about expediting and visit in person with real-world expeditors, industry experts, truck dealers and carrier recruiters.

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