



Keys to Hitting Your Profit Target

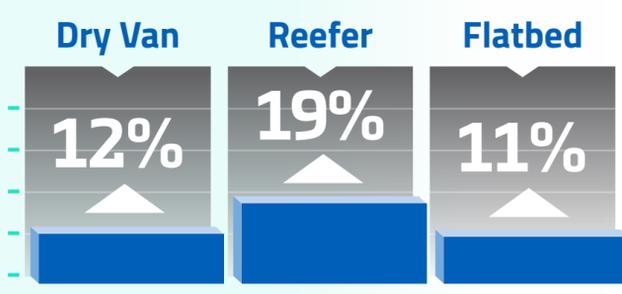
When aiming for lane profitability, **3PLs typically set their strike zone at 14% to 16% of gross revenue.** This general tactic rarely accounts for the cost differences of using repeat versus new carriers.

Using repeat carriers is by far the most profitable trajectory. **Do you have all the necessary tools to be a preferred 3PL and keep transactions within profit range?**

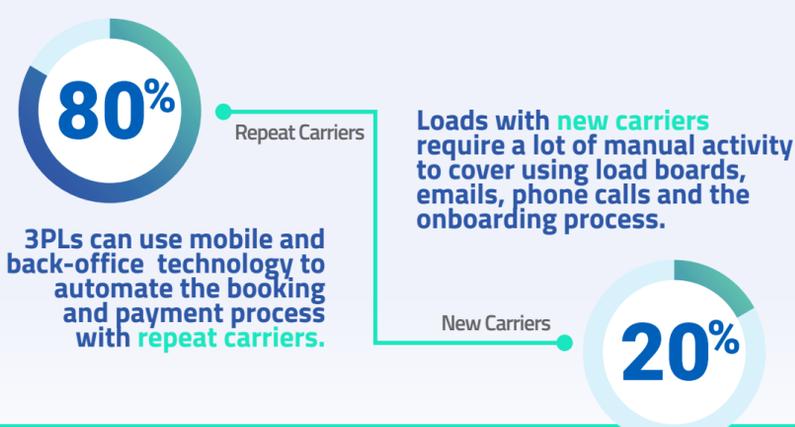


See the Runaway Spot Market

Truckload pricing has significantly **increased** this year. To protect margins, 3PLs must find ways to increase efficiencies and move more loads with repeat carriers.



Leverage the 80-20 Rule



The 80-20 rule applies to many areas of business where **80% of an output comes from 20% of the inputs.** For instance, 3PLs generally move 80% of their loads using 20% of the total number of carriers in their networks.

Conversely, the rule also can mean **80 percent of the waste comes from 20% of the inputs.** As an example, on any given day, a 3PL may have 80% of its loads pre-booked with carriers, and spend most — if not all — of its time and resources to cover the remaining 20% of loads.

Don't Miss Your Mark

You set your sights on a load with revenue of **\$2,000** and with a **target of a 15% net margin.** As the following analysis shows, the load will be marginally profitable, or possibly a loss, if you can't cover it with a repeat carrier.

*In this example, the 3PL moves **500 loads per week** and **uses new carriers for 20% of its loads,** and has a cost of labor with overhead of \$100 per hour.



	Existing Carrier	Cost	New Carrier	Cost
Net Margin	\$300		\$300	
Pricing	Pre-negotiated	\$0	Negotiated	10 minutes = \$16.67
Freight Matching	Private network	\$0	Load boards	\$5 per load \$500 per month in subscriptions
Booking	3PL automatically presents available loads with pricing to carrier for acceptance and confirmation with a single click	\$0	Phone calls and emails	2 hours per load = \$200
Onboarding to Verify Insurance and Safety Credentials	Carrier already in system	\$0	Uses an onboarding software subscription	\$10 per load \$1,000 per month in subscriptions
Dispatch Communications	Carrier has done same load before	\$0	Phone calls and email communications	30 minutes = \$50
Invoicing and Payment	Carrier already in system	\$0	Setup and verification	10 minutes = \$16.67
Total Cost	\$0		Total Cost	\$298.34
Total Profit	\$300		Total Profit	\$1.66

Use These Rules of Engagement



Speed

The profitability of a load depends on how quickly it moves from the time of order entry to the timing of a carrier. To keep the margin, brokers generally need to move loads in one hour or less.



Automation

Doing business with repeat carriers is the key for broker profitability. With repeat carriers, investments to eliminate phone calls, e-mails, and other manual steps and automatically secure loads, provide shipment updates and process freight payments.



Quick Pay

Quick Pay programs create stickiness in broker-carrier relationships and elevate brokers to a preferred status. Brokers can use Transflo's integrated program to give carriers a seamless experience for invoicing and payment.

Now, let's run your numbers. Use this [simple calculator](#) to see how a Quick Pay solution from Transflo will deliver immediate ROI by making you a preferred 3PL for carriers.

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