

Should Owner-Operators Use a Truck Dispatch Service?

Working with a truck dispatch service company can be one of the best – or worst – decisions that you ever make. It's a decision you should make carefully. In this article, we discuss:

- Can a truck dispatcher help your company?
- How to select the right dispatcher
- How do they compare to freight brokers?

Does your current dispatcher have the following boxes checked? **Pretty Busy Dispatching, LLC does**

- Have a legitimate Individual/sole proprietor or single-member LLC, C - Corporation, S - Corporation or Partnership (Don't use a **FaceBook** dispatcher)
- Based in the United States
- Registered Dun & Bradstreet D U N S Number
- Have a dedicated support specialist

What is a truck dispatcher? What do they do?

A truck dispatch service helps owner-operators manage many of the back-office aspects of running a trucking company. Some freight dispatchers provide end-to-end services, managing everything from finding the loads to ensuring shippers pay their invoices on time. Other dispatchers specialize in certain services.

Most dispatchers bill for their services in one of two ways. They charge you either a flat rate or a percentage of the load. The billing method is obviously negotiable.

A dispatcher can provide the following services:

1. Finding loads: This service is perhaps the most important one they provide, especially for new owner-operators who are starting out and don't yet have a list of clients.

2. Assigning loads and managing drivers: A dispatch service should be familiar with your drivers (if you have them), their routes, how long they have been home, and their availability. This knowledge helps to match a load with your best resource to deliver it.

3. Maintaining motor carrier compliance: This service is critical to ensure you can stay on the road doing what you do best – pulling loads.

4. Managing weather delays | handling issues: A good dispatcher can help you plan for and deal with weather delays, traffic congestion, and other issues that invariably crop up while you are on the road.

5. Providing customer care: A dispatcher can help you manage relationships with shippers, address issues that arise, and set proper service expectations.

6. Handling billing paperwork and collections: A good dispatch service can also handle the paperwork associated with delivering and billing for a load. This paperwork can include all invoice submissions to the shipper (or a factoring company), collections follow-ups, and payment processing.

Will they help your trucking company?

In short, the right truck dispatch service can be an important partner in helping you run a successful trucking company. They can be especially useful to drivers who are transitioning from being “company drivers” to owner-operators.

One of the major reasons that owner-operators fail in their first year is their inability to find loads while running a trucking company. Managing the back-office tasks of a trucking carrier is very time consuming.

Keep in mind that only the right [dispatch company](#) helps your carrier. The wrong one could put you out of business in a heartbeat.

If you are going to use a dispatch service, consider the following:

1. Get recommendations: Ask your owner-operator colleagues which dispatch service they use and recommend. This approach is the best way to find a service that meets your needs.

2. Determine what services you need: List everything you need to do to successfully operate your trucking company. Be detailed and include everything. Determine which things you can realistically do and which ones you can't (or won't) do. Ensure that the dispatch services you are considering meet all these requirements. Anything that they can't do must be done by someone else – and that's you.

3. Understand all costs: Understand all costs – your costs and the cost of dispatching – before you start running loads. Tally how much it costs you to run the business and how much the dispatcher is charging you. Use this number to determine what is the lowest that you can charge to cover all expenses. This calculation helps you and your dispatcher determine if a load is

profitable enough to be worth pulling. Keep in mind that some dispatchers may ask that you quick-pay them, adding to your financial challenges. In this case, you may be able to finance their payments through factoring.

Freight broker vs. truck dispatcher

There are some overlaps between what a dispatcher and a broker can do for your company. Before moving forward, it's important to understand the advantages and disadvantages of working with these intermediaries.

A freight broker works with shippers and carriers – matching them and making a profit for doing so. Freight brokers can be good resources because they have established relationships with shippers. However, their main incentive is to charge shippers as much as possible and pay carriers as little as possible. This strategy allows them to pocket the difference – their profit. There is nothing wrong with this approach and a good broker is always a great resource. Just keep their incentives in mind when negotiating with them.

A dispatcher, on the other hand, technically works for you, and, thus, should represent your interests. Read the contract you have with them to make sure they do. However, many dispatchers find their loads through freight brokers and load boards. You may end up working with both a freight broker and a dispatcher at the same time. Some dispatchers do have their own list of shippers. Needless to say, they can be a great resource as well. In the long run, it is always best if you can find your own high-paying shippers.