

Think innovation's expensive? Think again.

Sheehy Mail Contractors leases trailers to achieve its CNG goal.

Cost control is at the top of every carrier's list. It's even more critical for carriers working within fixed bid contracts. And if those contracts are for the United States Postal Service (USPS), they come with other stringent requirements.

A company the size of Sheehy Mail Contractors has to be nimble and innovative to compete. Their decision to lease new, low-maintenance, aerodynamic dry vans from XTRA Lease is helping them put one of their most innovative ideas into action: going CNG.

Here are the moving pieces they integrate to be successful in such a time-sensitive, demanding marketplace.

Measure and improve your operations

About 60% of Sheehy's freight comes from the USPS. The company hauls first class and priority mail and parcels between postal facilities. At any given time, they have about 20 postal contracts in effect, all on different terms and with different end dates—but all requiring close control and real-time updates.

Sheehy provides truckload and line haul services for general freight shippers, too. "Postal freight leaves at a certain time and arrives at a certain

time," says John Sheehy, President and CEO of Sheehy Enterprises, Inc. "We've carried that philosophy over to our general freight side. We know how to do time-definite business well."

"There's something moving every minute," says Bob Sheehy, President of Sheehy Mail Contractors. "We dispatch 24/7/365—including holidays. It's a constant; there's no stop and start."

From ELDs to LoadTrek

To keep those hauls on track and profitable, the company has been using their own electronic logging devices (ELDs) since the 1990s. Today they measure all aspects of their business using LoadTrek, software they developed from their ELDs to manage shipments in real time. LoadTrek enables them to provide real-time updates to the USPS and supplies very robust analytics on operating and maintenance costs.



Sample LoadTrek data displays



Headquarters:
Waterloo, WI

Terminals:
Milwaukee WI,
Green Bay WI,
Chicago IL,
Des Moines IA,
Omaha NE

Specialty:
Time-definite
freight that
requires real-time
location reports

Tractors:
96—all owned, 90%
CNG-powered

Trailers:
167—21% leased,
79% owned

Take pride in your equipment

Sheehy takes seriously the requirement laid out in all USPS contracts: "Equipment used on the contract must at all times be maintained in a condition that reflects favorably on the Postal Service..."

The company runs state-of-the-art Freightliner Cascadia day cabs with 12-liter natural gas engines. "We spec 'em out like I've never seen," says Jon Tilp, COO. "Drivers don't need to bring anything into the cab because everything they need is already there!" Their on-site maintenance facility keeps the tractors running efficiently.

From diesel to CNG

In 2013, a review of the maintenance for their tractors and trailers brought Sheehy to a crossroads. After examining the costs and downtime that diesel regenerations had exacted, the company decided to change their fuel from diesel to compressed natural gas (CNG.)

Leasing trailers from XTRA Lease enabled them to speed up the process.



Sheehy's owned fleet was aging and they needed new tractors they could fit with CNG tanks. As they began to flip their old equipment, they began to lease trailers as a means to free up capital they could invest in their tractors.

"Our fleet is now about 90% CNG-powered," says Jon. "Our goal is to get to 100%."

Keeping an open mind

For busy season—October through December—Sheehy leases brand-new spring-ride trailers with robust specs,

like crossmembers on 10" centers. These trailers also meet the USPS requirement for roll doors and the biggest cube possible.

The Sheehys weren't proponents of spring-ride suspension when their XTRA Lease account manager first suggested it. They don't haul a lot of weight and wondered how a low-weight payload would hold up to leaf spring suspension. After a demo of the benefits, they decided to try a few.

They now believe spring ride is far superior to air ride.

"We love these spring-rides! There's practically no maintenance," says Bob. "And drivers don't notice a difference between air-ride and spring-ride trailers when they're loaded."

The company also approves of the fuel-saving side skirts and low rolling-resistance tires on XTRA's trailers. "Throw the green trailer on the back of the green tractor and it's just a complete package," Bob says.



(from left) John Sheehy, President and CEO of Sheehy Enterprises, Inc. and Bob Sheehy, President of Sheehy Mail Contractors

Help people succeed

Sheehy Mail Contractors has always been family-oriented.

Gerald Sheehy founded the company, then called Gerald Sheehy & Sons, in 1952. His son, Jim Sheehy, retired as president in 2012. Jim's sons, John and Bob, started at the company in 1981 and 1983, respectively. John's oldest son, Jonathan, now runs the maintenance shop, assisted by his younger brother, Mathew.

Every member of the Sheehy team is dedicated to delivering exceptional customer satisfaction. Much of that responsibility rests in the capable hands of the company's drivers.

Sheehy employs 175 drivers on average; 99.9% of them are company employees.

Driver training is intense and ongoing. On the job, a driver's route, speed, stops and braking are monitored via LoadTrek.

"Before we hire a driver, he or she



Pete Sheehy, head tractor emeritus

Cost & downtime of diesel regens motivated Sheehy to change to CNG. Leasing trailers sped the transition.

understands what we're about," says John. "When you run 'pony express', you have to think about more than yourself because other drivers on your route are depending on you to get the rig to them. How good your team is determines how well you do."

The company pays for a hotel room for their pony express drivers who are on the road overnight, so they can get good rest. "We make an effort to do things right," Bob says, "because we support a lot of families."

Exceed expectations

Rather than offer a one-size-fits-all solution, Sheehy customizes their services to meet whatever logistics requirements a customer may have. "Each customer presents their own complexities," says Bob. "We love a challenge!"

Besides resulting in new business, Sheehy's customer-centric processes have earned the company other types of rewards.

The USPS has recognized the company with many awards, most recently in 2014 for Innovation of the Year for their CNG initiative. And Sheehy consistently ranks among the top 150 USPS suppliers.

In 2015, the Wisconsin Clean Cities organization recognized Sheehy Mail Contractors with a Forward Fleet Award for being the second-cleanest fleet operating out of Wisconsin. "We'll be #1 in 2016 because we added 26 CNG tractors to our fleet," John says playfully.

With a track record like Sheehy's, there's no doubt this innovative company is up to the challenge.

Working with the USPS

The USPS awards contracts via bid system. They look for the best value, not just the lowest price. Some contracts have "set" routes and some have "dynamic" routes. A carrier has between 4- and 18-hours notice on dynamic routes. "You can't say no," says John. "It's like a chess game—we start shuffling things to get it done."

The USPS operates with about 12,500 tractor trailers—70% of them supplied by contractors. By 2020, USPS wants their contract carriers to reduce their use of petroleum products by 20%, and, by 2021, to improve their MPG by 24%.

A group of companies called National Star Route Mail Contractors Association serves the USPS. John Sheehy is the president of the association.