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2018 FLEET INNOVATORS

MEET SOME OF TRUCKING'S BEST AND BRIGHTEST LEADERS

The only way ahead is to find the smart way

If you want to succeed or even just survive, Tom Schilli says you have no choice but to innovate.

The secret sauce that's been moving Schilli Transportation Services forward over the last 50 years is simple to state. "The need to succeed drives innovation," says CEO Tom Schilli. "You have to see challenges as opportunities to get ahead."

Schilli began working for Schilli Motor Lines in the mid-'1960s. The company was founded in 1961 by his father, Ben, who purchased two ICC-regulated carriers that had started up in the mid-'40s.

"I started out helping my father after school and in the summers," Schilli recalls. "In 1968, when I was 22, I came aboard." A few years later, after his father passed away at age 51, Schilli purchased the company. He then set out to build the operation up.

"I had no support network to lean on but went ahead with what I had learned from my father and what I had gained from a Jesuit education at St. Louis University," Schilli says with a smile.

Under its early operating authority, Schilli Motor Lines focused on hauling dry and liquid bulk fertilizer and building materials. When Tom took over, the carrier relied on a handful of owner-operators and company trailers and had only about a half dozen employees.

"In the early '70s, we started to come of age," Schilli says. His great leap forward was landing two major-league customers: roofing maker GAF, and U.S. Gypsum, the largest distributor of wallboard in the U.S. Schilli won over the drywall king by coming up with an innovative "upside down" deck trailer design to secure wallboard more efficiently. The two manufacturers, still Schilli customers today, became the bedrock of the carrier's flatbed operation.



Owner-operators were critical in the early days, simply because Schilli could not get equipment financing. "The banks just weren't interested in loaning money to a 28-year-old." But by the early 1980s, Schilli was bankable enough to start buying its own power units. At that point the fleet began to branch out further, offering dry van services to building materials customers.

Today, the four businesses under the Schilli brand run the gamut from a specialized motor carrier to a third-party logistics provider with EDI dispatch. Then there are the Schilli outfits that provide warehousing and distribution, through six warehouses and distribution centers, along with export packaging; and tractor

and trailer sales, leasing and repair services. Schilli's NationaLease franchise operates 10 locations in five states. A particular pitch the organization makes to private fleets is its specification consultation and equipment utilization review services.

A key engine of growth is Schilli's warehousing logistic opportunities. It began in 1993 when Schilli invested \$6 million in a state-of-the-art warehouse with cranes to handle engines manufactured by Caterpillar. "It was a great opportunity," he says. "Our warehouse gave us a base from which we could consolidate various sizes of Caterpillar engines for delivery to customers across the country, as well as to Cat dealers in the U.S. and around the world." ▶



The Schilli fleet fields 365 power units and 750 trailers. Trailer types run from dry vans to highly specialized units, including flatbeds spec'ed to be lightweight to boost payload capacity, van trailers equipped with cranes, and dump trailers. Schilli says that 20 years ago his company was one of the first carriers to offer drivers "a guarantee that we would get them home every weekend. We know home time is important, and we stay true to that philosophy."



The Caterpillar operation started in Lafayette, Indiana, with one warehouse. By 2011, Schilli Distribution was managing shipping for three plants. "Now, at the Port of Savannah, we run a 156,000-square-foot facility," Schilli notes.

As for the current fleet operation, it fields 365 power units and 750 trailers. Trailer types run from dry vans to highly specialized units, including flatbeds spec'ed to be lightweight to boost payload capacity, van trailers equipped with cranes, and dump trailers.

Last August, Schilli took his namesake enterprise in a new direction by merging it with the Daseke group of open-deck specialized carriers. According to Schilli, a key factor in making the deal was that he recognized


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that Daseke favors "investing in great people and providing them the resources they need to succeed." He says that, likewise, it is Schilli's employees who have "allowed us to achieve the many successes we've had." He describes the merger as a "great match" that will help drive growth while allowing the Schilli Companies to "continue to stand autonomously to best support our customers and team members."

Speaking of those team members, Schilli points out that his company was one of the first carriers to offer drivers "a guarantee that we would get them home every weekend. We know home time is important, and we stay true to that philosophy. We plan our driver routes so they can be home with their families on weekends. That was more than 20 years ago, and now it seems home time is more important than ever for drivers."

Schilli is also paying close attention to what it will take to find and keep technicians, as those workers continue to gray right along with truck drivers. Toward that end, Schilli NationalLease offers a "tiered" training program for newly hired technicians.

And mindful that many of the leasing operation's nearly 80 techs are nearing retirement, the company has come up with a way to start restocking this labor pool from the bottom up. Now, individuals with little to no diesel technology experience can take advantage of an entry-level program that allows them to work for several months as mechanic's helpers.

The helpers assist with documentation, chasing down parts, shop cleanup, and handling some basic maintenance tasks. The idea is to give them a sense of what a career as a mechanic would involve. The program has been pulling in candidates from high schools and vo-tech trade schools as well as by word of mouth. According to Schilli, the program is good for the company, but also for the industry as a whole. 



Tom Schilli
CEO

Schilli Transportation Services
Remington, Indiana

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