

Roundy's Transportation – Super Single Tires

Challenge

Roundy's Supermarkets, Inc. (Roundy's) is a leading grocer in the Midwest with nearly \$4 billion in sales and 18,000 employees. Its warehouse distribution facility in Oconomowoc serves grocery stores under the Pick 'n Save, Copps, Rainbow, Metro Market and Mariano's Fresh Market banners in Wisconsin, Minnesota and Illinois.

Roundy's Transportation is constantly looking to increase the fuel efficiency of its transportation fleet, especially as the company's overall transportation mileage is increasing in line with the growth of the company as a whole.

Strategy

In 2009, Roundy's Transportation conducted an internal evaluation of the viability of "Super Single" tires (or wide-base tires) on its tractors. Compared to standard dual tires, super singles have been shown to improve fuel efficiency thanks to reduced weight, lower rolling resistance, and lower aerodynamic drag. In addition to switching out the tires, Roundy's also evaluated replacing the existing steel rims with aluminum ones. The lighter aluminum rims are intended to add a minor improvement to the fuel efficiency and provide a cosmetic benefit over the older, often rusted steel rims.

Roundy's outfitted two of its tractors with the super single tires and aluminum rims and proceeded to monitor the performance of these tractors based upon comparisons of each tractor's monthly average miles per gallon (mpg). At the end of 2010, the two tractors averaged 7.13 and 7.15 mpg, as compared to 6.75 and 6.56 mpg before the conversion, an improvement of nearly 0.5 mpg.

Based on these positive results, Roundy's decided that it would start retrofitting its entire tractor fleet. By mid-2011, the company had converted eight tractors out of ninety-four. At a cost of \$5040.00 per retrofit, the overall conversion is expected to cost \$473,760.00.

Results

The fuel savings for the two tractors tested in 2010 alone amounted to more than 1000 gallons of fuel. The payback period for an upgraded tractor is fourteen months.

After retrofitting its tractors, Roundy's is planning to experiment with installing super single tires and aluminum rims on trailers, though there are no previous industry case studies on the topic.

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