

NORTHEAST PENNSYLVANIA BUSINESS JOURNAL



Dempsey Uniform and Linen Supply opens new \$14 million facility

Laundry has evolved to high-tech, environmentally-friendly operation

The new Jessup facility



By Dave Gardner

Dempsey Uniform and Linen Supply, in operation since 1959, has opened a new facility within Jessup's Mid-Valley Industrial Park. The \$14 million operation, with a 132,000-square-foot high-tech building, sits on a 10.38 acre site.

The company currently serves 6,000 customers in Pennsylvania, New Jersey, New York and Maryland via three different facilities. As an example of the market niche it fills, Dempsey provides businesses with a wide variety of uniform styles.

Other Dempsey services include delivery of table and bed linens, plus utility towels for the hospitality industry. The company also offers a wide variety of mats and mops, along with hygienic, low-maintenance restroom services.

The task facing Dempsey's personnel is formidable. The company processes 600,000 pounds of laundry per week, amounting to 30 million pounds annually.

Patrick J. Dempsey and Richard J. Dempsey founded the company. Richard Dempsey retired in 1999, while Patrick Dempsey still remains active as chair.

Patrick Dempsey's son, P.J. Dempsey joined the company in 1996 and now serves as president. His sister, Kristin Dempsey came aboard in 1998 and now serves as vice president of sales and marketing.

"Our new plant in Jessup is the most technologically advanced facility of its kind in Pennsylvania," says P.J. Dempsey. "It's extremely energy efficient and environmentally compliant."

In addition to the Jessup facility, Dempsey also operates a plant in Sunbury and a Harrisburg distribution service center. The company employs a total workforce of 350 people, with one-half in Jessup and the other half divided between the Sunbury and Harrisburg facilities.

Business strategy

Dempsey's roots stem from its home laundry business, started by the grandfather of P.J. and Kristin Dempsey.

"We still have some great old pictures of laundry bundles with Kraft paper, and my father and uncle in some real vintage uniforms," says P.J. Dempsey.

As Dempsey evolved, the company's method of operation has remained somewhat traditional.

"Our business plan is to place a high value on long-term customer relationships," explains Kristin Dempsey. "We're the last of the independents left due to national competition, and this makes it vital to maintain personal relationships with our customers."

While Dempsey makes life easier for both the self-employed and businesses via the products it provides, the business is actually functioning in the specialty arena of image and branding. This includes a concentration on safety concerns for the workforce.

"Modern social trends, such as employee image, are increasingly important as markets for businesses become more competitive," says Kristin Dempsey. "Through our products, we help a company manage its image. It can be difficult to

take care of an image or to form one for a business, and these trends work in our favor."

One of the trends that Dempsey addresses concerns companies struggling with employee compliance of professional dress standards. Modern uniform suppliers must also be attentive to women in the workforce, and provide proper uniforms for these personnel.

Dempsey's growth has experienced a few obstacles over the years. Kristin Dempsey says that large portions of the northeastern Pennsylvania business community still believe in doing business within the region, and that most family businesses strive to reciprocate business back and forth.

However, this trend has been changing, as buy-outs of local customers by national firms led to a loss of business.

"A related problem is that capital investment for this industry is huge, with a relatively low rate of return," says P.J. Dempsey. "This encourages national competition."

Modern technology

The new Dempsey facility uses high-tech garment-sorting technology. A monorail material handling system is employed for organizing uniforms and linens.

While Dempsey began using a bar-coded garment-tracking system and handheld computers in 1998, today's technology features a fully automated garment-sorting system. A key technology for this is the addition of radio frequency identification chips (RFID), which are sewn directly into the uniforms.

The RFID system not only identifies the customer, but the employee who wears a specific garment. This allows Dempsey to return each garment to the proper employee, cleaned and repaired if necessary, with exceptional compliance.

Another technology in Jessup is Dempsey's SmartScan. This system is capable of processing and sorting more

than 200,000 garments per week. Advanced washing technologies include a computer controlled, liquid-chemical-injection system and tunnel washer.

Water conservation is a big achievement of the new plant. The tunnel washers reduce water consumption by 50 percent over conventional washer, while wastewater treatment systems allow water re-use that reduces fresh water consumption by 20 percent.

A \$500,000 wastewater treatment system allows Dempsey to comply with strict federal and local discharge limits, and to reduce water consumption through water re-use. Heat reclamation systems capture heat from outgoing wastewater, and use it to heat the clean, incoming water.

“Water that has been discharged can be used to wet and rinse new loads,” explains P.J. Dempsey. “A common fear in any community is that a large laundry will pollute the overall water supply. We are conscious of this, and our new facility uses 30 percent less water than the old plant in Dunmore.”

Capacity utilization for the new facility is just over 50 percent at the current time. This metric is almost a fixed cost, in part due to energy costs.

When natural gas rates spiked, Dempsey was financially taxed due to the energy consumption required by its operation. Today, they're part of a buyer's group, which allows scheduling of gas prices in the future, with some price controls.

Electricity usage is also a major factor. To help conserve electric use, skylights and windows are in abundance along with white walls. This creates an environment with plenty of natural - hence economical - light.



“Our business plan is to place a high value on long-term customer relationships,” says Kristin Dempsey. It’s a formula that has worked for the company for a very long time.

Dempsey also recycles the hangers, plastic and cardboard generated by its operation.

Integral workforce

Kristin Dempsey declares that the Jessup workforce is integral to the company's operation. The entire workforce was retained during the move from Dunmore to Jessup, and has been augmented with five-day-a-week shifts favorable to many working mothers.

New technology now allows the company to redeploy its personnel to more vital processes, such as computer work, grading and inspection. Virtually all of the company's staff is employed full-time, with no minimum-wage jobs, and the company offers a strong benefits package.

Dempsey has also witnessed changing workforce needs over the decades. P.J. Dempsey says the strong health benefits are a competitive advantage in the marketplace.

“Ten years ago, job applicants at an interview asked what the hourly rate was,” says P.J. Dempsey. “Today, they all ask questions about health insurance, such as co-payments and dental coverage.”

Regarding the future, Kristin Dempsey simply says that the company hopes to continue growing. This includes the addition of customers outside of its current geographical area.

“The need for employee image is getting more keen as markets become more competitive,” she says. “Competition is a key to this.”