



Acquiring the Warehouse of the Future

For a company with growth in mind, the wrong physical facilities can be stifling.

It's a lesson well learned by Earl and Janis Derstine of Derstine's Inc., a food wholesaler based in southeastern Pennsylvania. Earl has been president and Janis secretary/treasurer of the company since they purchased it in September of 1983.

Derstine's succeeded the former Alderfer Foods, Inc., a 47-year-old butcher shop and frozen foods distribution firm in the Philadelphia suburb of Lansdale. The Alderfer family had operated their business out of a converted residence. With the new owners planning for substantial growth, the old building imposed obstacles at every turn.

Old and In the Way

"We began with our office in the basement, then moved to the second floor," says Earl Derstine. "The warehouse building itself was wearing out, and because of zoning restrictions, we couldn't grow. It was set up like a maze, with each box handled individually. Nothing was palletized, and that was a big disadvantage.

"After eight years of struggling along in that place, we were maxed out. The choice was either to stay the same size or move away."

As the Derstines began to weigh new building options, they were also working through strategic changes. Where the Alderfers had sold their frozen foods and meats at considerable distances from the Lansdale headquarters, Earl and Janis saw opportunity closer to home, in the suburban

markets of Bucks and Montgomery counties.

To exploit those opportunities, the Derstines were changing their product mix. Though they retained a broad-based frozen food line, they had begun to emphasize foodservice and institutional offerings, groceries, lunchmeats and cheeses. Most of all, they wanted to make fresh produce their specialty. And the old building seemed to be in the way of every plan they made.

"Earl was thinking about building new from the first day we took over in Lansdale," Janis recalls. By the early '90s, the couple had begun to discuss construction details with other area businesses who relied on temperature-controlled warehousing. And the name they heard again and again was Perley-Halladay. "In the end, we didn't shop around. Perley-Halladay gave us exactly what we needed," Earl says.

Efficiency by Design

Perley-Halladay Associates, Inc., of Malvern, Pa., is one of the country's most experienced design/build firms for large refrigerated structures. For 40 years, the company has planned and managed the construction of hundreds of warehouses and refrigerated processing buildings.

Their design for a new distribution center near Sellersville, Pa. incorporated most of the ideas that the Derstines had been formulating through the long years in their cramped Lansdale quarters. The facility would have five product storage areas: a -10°F freezer, a 36°F cooler, a 55°F controlled-temperature ripening room for bananas and tomatoes, a 62°F dry storage room, and a special cooler for fresh wet goods, such as fresh chicken, fresh fish, and ice-packed fresh vegetables such as broccoli and parsley.

The structure would also include a spacious, contemporary office and a



A new warehouse from Perley-Halladay keys Derstine's breakthrough growth.



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Janis Derstine
Secretary/Treasurer of Derstine’s Inc

convenient staging area to serve four loading docks and a ramp dock. Perley-Halladay’s design included a complete roof and floor system for all the warehouse sections, as well as the refrigeration plant. Overall dimensions of the warehouse were 117’x81’x23’.

The building would be assembled of factory-insulated panels supported by a steel structure, a design that imposed very few obstructions to the available floor space.

“In our business, time is everything,” Earl says. “And this building is designed to save time. The floor plan is wide open, so we palletize all our stock and handle it with forklifts and electric jacks. We couldn’t do that in Lansdale. The staging area lets us unload and load at the same time – quickly and neatly.”

A Birthday to Remember

In 1994, the Derstines celebrated Earl’s birthday, November 7, by breaking ground for the installation. Thanks to the modular design of the panels used to create the building, construction proceeded right through the winter, and the company was able to move in by June.

According to Janis, the help provided by Perley-Halladay throughout the construction phase was one of the most satisfactory parts of the whole experience. “We couldn’t stop our business to start up at this site,” she says. “Perley-Halladay made that work. When we needed to meet with lawyers or architects, they were right there with us. When we had some trouble with the steel supplier, they took care of it. They were willing to adjust to our needs, and didn’t desert us after our final payment to them.”

From the day of its completion, the Derstines say, their new warehouse has made their 22-person workforce more productive. As expected, all their operations began to function better at the Sellersville location. Inventory turns over every 10 days and goods move through the building much more smoothly with the elimination of manual handling. What was unexpected was the difference insulated panel construction made in daily operating costs.

With space for 2,000 pallets, the new facility is about 10 times the size of the old one. But Derstine’s, Inc. actually pays less for electricity than it did in Lansdale – partly a result of lower rates in the new area, but mostly because of the insulating qualities of the building. “With better handling and refrigeration equipment we can rely on,” Earl adds, “we all but eliminated our losses from waste.”

Building for the Future

The structure was built to accommodate triple-tiered storage racks that stack product high, conserving ground space for future expansion. The lot covers four acres, so there’s ample room; what’s more, the modular panel system is ideally suited to growth whenever it should become necessary.

Further expansion may not be far away. In the Sellersville warehouse, Derstine’s broke sales



Earl Derstine in the Sellersville warehouse

records every month for the first year, and volume continues to grow steadily. The new facility can accommodate four times the current sales volume, but the next stage of expansion is already under consideration.

Regardless of when that happens, it’s clear that the first call will go to Perley-Halladay.

“We get compliments on this building every day,” says Earl Derstine. “The whole image of our business has changed since we came here. That part of it alone enhanced our customer base. No question we’d use Perley-Halladay again.”

Put Perley-Halladay’s design/build professionals to work on your next project.



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