

# With contract ending in June, Dematic Corp. tells union workers it is considering moving their jobs to Memphis

by Chris Knape | The Grand Rapids Press

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GRAND RAPIDS -- [Dematic Corp.](#) on Friday told its union workforce it was considering moving its local manufacturing operations to Memphis.

The letter from the material handling systems maker, 507 Plymouth Ave. NE, to the United Auto Workers Local 1485 comes as the union's five-year contract is set to expire in June.

"We've asked them to show us how moving the plant would not improve our competitiveness," said Steven Fishman, a Troy-based labor attorney hired by Dematic to manage the situation.

Union officials could not be reached for comment.

A move would not affect most of the 646 salaried employees at Dematic, formerly known as Rapistan and Siemens-Dematic, Fishman said.

The company has about 118 hourly employees represented by the UAW at its Plymouth complex.

Last year, it closed one of its local plants, consolidating into a larger 368,000-square-foot plant at its Plymouth complex to adapt to current market demands.

Dematic has steadily reduced its workforce during the economic downturn as many of its primary customers have scaled back expansion and modernization investments.

Fishman said a Memphis move "is a contemplation, not a decision."

"Relocation is being considered because a Memphis location would be closer to Dematic's existing customer service parts warehouse, more central to customers, and provide manufacturing costs that are more competitive in the marketplace," Fishman read from a statement.

Economic development officials with the city of Grand Rapids and The Right Place Inc. were not available for comment.

Dematic's Memphis warehouse opened in 2006. Asked how much the company thought it could save by moving and what it may give up if it did so, Fishman demurred.

"It seems like the union ought to have an opportunity to respond to the letter," Fishman said. "They have not had a chance to process and discuss the letter."

E-mail Chris Knape: [cknape@grpress.com](mailto:cknape@grpress.com)