



CLAUDE LESAGE

receives the **Maestria**
reconnaissance
award

Dimensioning of drinking
water systems

Beware of cleaning products !

Drinking water for heating
and cooling



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BY MARTIN LESSARD

Claude Lesage, president of Giant Factories Inc., has been awarded the Maestria reconnaissance as a tribute to his remarkable contributions to the building mechanicals industry.

From the onset, Claude Lesage warns us. “The history of Giant has highs and lows. We started building electrical elements in grandma’s basement.”

At the end of the second world war, Claude Lesage’s father, Lucien, and his uncle, Jean, are trying to buy a 100 ft x 100 ft lot at the corner of Dorchester and De Lorimier. Not willing to help out a “poor family business”, the City of Montréal refuses to sell the lot. They end up buying a building without a roof on their current lot (Lesage street, in Montréal-East for \$10. “My father had \$7 left to start the business, Giant Electric Manufacturing Co”, Clause Lesage tells us.

In 1947, the company begins producing irons, toasters, and heating plates. After its first day, it sells 60 000 irons when it can only produce 60 per day. “At the end of the war, the demand for consumer goods was enormous”, he remembers.

The company tackles its first challenge in the early 1950s when Canada starts importing the same products Giant manufactures from Asia. “We turned to water heaters because we needed to make something lightweight, but large enough to discourage Asians from manufacturing it and sending it over for a cheaper price”, he explains. “We didn’t know anything about water

“My wedding to my wife Lise was pushed back 6 months so I could start the company. We prepared everything only three weeks in advance. However, I had to cut my honeymoon short due to an emergency.”



Claude Lesage receives the Maestria reconnaissance award from Marc Gendron, president of the CMMTQ

heaters, we didn’t build our own tanks. We would buy them from Rheem and John Wood. Also, even though it now had a roof, the 10 000 ft² building was too small for the company’s activities. We did everything we could outside. When it rained, we would put up tarps.”

In 1956, at age 16, he accompanies his father to a meeting in Ontario where the heads of more than thirty energy companies, electrical element manufacturers, and water heater manufacturers are drawing up a device that would reduce peak power demands.” It’s not a new idea. Back then we were already talking about peak periods.”

In 1967, Claude Lesage, now a graduate electrical engineer from Polytechnique Montréal, buys his father and uncle’s company. A short time later, he purchases element production equipment from Ontario-based Westinghouse and moves it to the Montréal-East facility. He is implementing new strategies and innovative processes that increase the company’s productivity.

Starting in 1970, Giant redefines its positioning on the Canadian market and becomes a leader in the manufacture of immersion heating elements. While it is producing 50 000 water heaters a year, the business faces a steel crisis in 1973. “In a letter, Rheem informs us that our quota was changing from 25 000 tanks to 12 000. The next day, John Wood sent us the same letter with the same words.”

Claude Lesage must source the necessary steel to maintain production in his factory. With the help of Jean-Paul Gignac, CEO of

When he received the Maestria reconnaissance award, Mr. Lesage felt emotional and didn't make a speech. "I would have liked to say that I don't deserve this award. You should give it to my wife and children who suffered from my absence, to Mario, my foreman, who supported me my whole life, to my employees, and to all those who purchased Giant water heaters throughout the years. Together, we created a strong movement. Around 300 people work for Giant all over the country, which means around 3 000 spin-off jobs."



heaters. "Ordering a new one would have tipped off our tank suppliers. The Wheelabrator toured the United States on a train for months until I needed it."

Through his network, he also acquires plans for a glass-lining firing kiln, which increases the quality and lifespans of tanks. "We built the kiln on Friday evenings until midnight, and over full weekends for five months. The pit for the Wheelabrator, which measures 25 ft x 25 ft x 15 ft deep, was dug with shovels. After 14 feet, you dig a little slower. We didn't have a choice; we didn't have any money. When our tank suppliers would visit, we would hide our progress behind a wall of cardboard boxes. We needed tanks to save our jobs."

Whether by coincidence or as a mark of corporate independence, the first completely Giant-built tank was produced on June 23rd, 1977. "We were crying tears of joy. We only built 50 per day, but we were autonomous", he says with much pride and emotion.

A few years later, John Wood decides to cut prices in Québec only. In response, distributors that never ordered Giant water heaters show solidarity and make their first order.

A major fire destroys the factory on November 2nd, 1982. "We thought we wouldn't be able to make water heaters for a year. The cleanup started the next day; business operations resumed two weeks later, thanks to the collaboration of our 160 employees."

Soon after, the company changes its name to Giant Factories Inc. This turning point coincides with two new lines of water heaters: residential natural gaz and propane models (1984) and commercial electric models (1986).

Under the leadership of Mr. Lesage, the company invests in more modern production equipment. The first robot is installed in 1987 to eliminate some repetitive tasks and to increase production quality and capacity. "We had no robotics knowledge, but for \$3000, I couldn't pass it up. I waited five years to use it since we had other projects, but it still works today. We now have 75, and 14 more will be installed this year."

In 1995, Giant is granted ISO 9002 certification and becomes the first manufacturer to offer its customers eco-friendly water heaters with water-based insulation foam.



Claude Lesage and his son, Jean-Claude, vice-president of Giant Factories Inc.

Sidbec, Mr. Lesage gets the 2000 tons of steel he needs. "What then? What happens during the next shortage?", asks Mr. Gignac.

Claude Lesage commits to producing his own tanks in his factory within three years. With a \$25000 budget, Mr. Lesage gets a call from Walter Haas on December 23rd, 1973. Mr. Haas invites him to Chattanooga, Tennessee the next day for an anonymous visit to a factory that was closing down. Under an assumed identity, he purchases everything he needs at a discount, including a Wheelabrator, made by a single manufacturer in the world and necessary for producing water

Giant constantly invests in research and development to offer products that are highly energy efficient, safe for the environment, and built to last. “Research and development are not over. We will not let energy producers down. Our next models will yield significant energy savings.”

Social involvement

Mr. Lesage has always believed in getting socially involved. After a factory closes in Montréal-East, he hires six workers who lost their jobs.

Experiencing the hazards of flooding at age 6, he donated \$250 000 to the Red Cross last year to help the people affected by floods in Québec and Ontario. “I know how they feel. They don’t have anything, not even a hat. It needed to hurt my wallet” he states, filled with emotion.

Finally, Claude Lesage participated in the implementation of the Deschênes – Molson – Lesage – HEC Montréal Family Business Centre. The company’s transfer to his son Jean-Claude is 90% complete. “Our children will live through the same things we did, only bigger. It’s important to share our experience so they are prepared.”

Today, Giant employs 300 workers and the company ranks at #1 of the 300 largest SMEs in Québec. An expansion to the 20 000 ft² warehouse is also planned. Not bad for a man that started with a screwdriver and a pair of pliers...

This interview has been translated with the authorization of the Corporation des maîtres mécaniciens en tuyauterie du Québec (CMMTQ). The original version is available at <http://www.cmmtq.org/fr/IMB/Accueil-IMB/>.

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