

Summer job turns into profitable career

BY FRANÇOIS SHALOM, THE GAZETTE DECEMBER 8, 2010



Delastek president Claude Lessard helps Quebec minister Julie Boulet into the airplane autoclave at the company's facility in Grand Mère on Monday after a press conference to announce \$2.115 million in grants to the company.

Photograph by: Bryanna Bradley, The Gazette

All summer jobs should turn out so well.

Claude Lessard was a 24-year-old electrical engineering student in 1986 when he started working part-time at Delastek Inc. in this forestry sector town just north of Shawinigan.

Now 48, he is Delastek president and co-shareholder with vice-president Lucie McCutcheon, his spouse. And they run with a select pack; Bombardier Inc., Pratt & Whitney Canada, Bell Helicopter Textron Canada, CAE Inc., CMC Electronics, and Labrie Environmental Group.

In fact, Lessard first bought into the firm in 1987 with \$10,000 borrowed from his father-in-law, and was joined in 1988 by McCutcheon, a chartered accountant.

Founded in 1984 by Réjean Gilbert to serve the local pulp and paper industry, Gilbert lost his main contract in 1986, just two years later, and switched to electrical-wiring and dashboard assemblies for the watercraft industry.

“But the boating industry also basically sank in 1990,” said Lessard in an interview Monday at Delastek’s facilities in Grand Mère’s industrial park. So we went from 40 employees to six, all of them in R&D.”

Twenty years on, things are definitely looking up. The firm now employs about 110 people here and in Valcourt, and has annual sales of about \$10 million, 60 per cent in aerospace and the rest in the automotive sector.

But the crowning glory so far in Delastek’s story has come about in the last couple of months.

In September, it was picked by Bombardier to produce all of the CSeries’ cockpit metallic, composite and plastic parts, including the glare-shield, the top part of the dashboard which houses all the dials, boxes and switches.

“A dream we’ve had for the last 10 years,” has just been realized with our acceptance on the CSeries,” Lessard beamed.

And on Monday, Delastek announced the biggest investment in its 26-year history, \$9 million to buy state-of-the-art equipment and upgrade its facilities.

Quebec and Ottawa contributed

\$4 million in loans, but Lessard noted that the other \$5 million is no small gamble for Delastek, representing half of its annual sales.

“And it will create 60 jobs within five years,” said Lessard, adding to his 85 employees in Grand Mère and another 26 in Valcourt, which serves BRP (Bombardier Recreational Products) and Labrie.

How a small moulded injection firm came to this point could serve as a template for many other small aviation firms, industry sources said.

Despite its small size, Delastek understood early on the need to become an integrator, offering large firms drastically reducing their supplier base a series of goods and services.

Living or dying by build-to-print orders – always banging out the same parts as they are ordered by a mainframer – is a dead end, replaced by design-to-build – researching, designing and producing unique, proprietary parts and offering services like certifying and integrating them for end-users.

Aside from fostering a profitable dependence on the part of their large customers, integrators can also trumpet their expertise worldwide, leveraging it even more lucratively.

Claire Auroi, director of supply chain for Bombardier Aerospace, agreed that Delastek grasped her company's needs.

"We've been working with them for a number of years," said Auroi, "and we sensed that they were ready to go to the next level. They have become an integrator, they understood the challenge of (delivering) bigger packages."

As a reward, Bombardier picked Delastek to produce "the biggest contract Bombardier has ever given for a cockpit package," Auroi noted.

"And that's for the life of the CSeries program," added Lessard.

The firm did not get the cockpit wiring-harness integration contract it wanted as well, Auroi added, but that was because the wiring-harness deal for the CSeries came as one contract for the whole plane – and had already been awarded.

Undeterred, Lessard said he will keep trying for the electrical integration portion, something it already does for CAE Inc. simulators.

Under Lessard and McCutcheon, Delastek diversified into aerospace and automotive, and survived because it followed closely technological advances — and invested at least 10 per cent of annual revenues into R&D, in good years and bad.

Parts that started out as plastic migrated to fibreglass, and now to carbon fibre — like bumpers and fenders for Volvo and Prevost buses, overhead bins for Bombardier's CRJ-700 70-seat jets and CRJ-900 90-sweaters, or all the components for the CSeries.

But Delastek also has constant ambitions – one of its first aerospace contracts in 1995 came after a friend at Bell Helicopter Textron Canada mentioned the firm was looking to replace a U.S. maker of helicopter jackshafts (a torque shaft) and cyclic sticks (the chopper pilot's controls stick).

“I bid and offered to develop 12 parts within eight weeks – if the quality wasn’t there, well, forget it, I’d swallow the loss. It was a bit of a gamble.”

“We delivered the 12 parts in 8 weeks and we’ve worked for Bell ever since.”

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