
INDUSTRIES 3R



ISSUE: Building on local entrepreneurship

ITINERARY 6B

Date: Wednesday, September 11, 2013

Location: Mante du Carré public market

PROMOTER

Francis Chaîné, Industries 3R | E-mail: chainef@industries3r.com

Presentation of the issue:

The company founded in 1978 specialized in manufacturing high-temperature resistant products, and used mainly asbestos as their raw material. Since 2002, the company has been faced with crises:

- the global asbestos crisis in 2002;
- the closing of the Magnola company in 2003, a major customer;
- the same year, Health Canada banned the use of asbestos in the manufacturing of products.

Follows, in 2003-2004, a significant decrease in revenues for the company.

Project description:

Industries 3R presents an interesting business model that has succeeded, facing a major crisis, in taking a turn to modernize its business model and production.

The key elements according to the promoter:

When the company was losing a significant portion of its revenues, different strategies were used to deal with this crisis:

- the company invested in its workforce. To avoid losing their experienced workers, they offered them shared work time combined with continuing education and training;
- the owners decided to develop new markets and hired an additional sales representative to do so;
- rather than focusing on mass production for a sole customer, they moved towards the diversification of their products and custom manufacturing.

RESEARCHER

Johanne Queenton, University of Sherbrooke | E-mail: johanne.queenton@usherbrooke.ca

Summary of the researcher's presentation:

For Johanne Queenton, there is no doubt that Industries 3R is an innovative company, since it combines several innovation characteristics: long-term vision, labor force training, research and development directly to the customer, risk acceptance, employee involvement, promotion of successes, establishing a creative climate and a problem-solving process.

The key elements to remember according to the researcher:

The key factor for Industries 3R has been its ability to innovate in terms of human-resource management, product development and manufacturing processes.

QUESTION PERIOD

Q.: Are the transport costs an additional difficulty for businesses located in rural areas?

A. (Francis Chaîné): The manpower challenge is more critical. Sometimes, we try to attract workers, but we must not forget that they will settle with their spouse or family. The spouse must then also be able to find a job, which can be challenging in a rural setting.

Q.: We asked Mr. Chaîné to share an anecdote about his father, one of the founders of the company.

A. (Francis Chaîné): Mr. Chaîné recounts a story that expresses the spirit of innovation that drives the company. His father was known to act quickly enough, even impulsively. At some point, he decided to bid for a contract that seemed interesting. The company won the bid, but did not have the machinery to manufacture the product. So they had to build the machinery to meet the requirements of the contract.

Q.: How does the company, a family business, plan for the succession?

A. (Francis Chaîné): One of Mr. Chaîné's daughters is now working in the company; his brother's (co-owner) children are still in school. However, it is an issue that will require attention in the near future, in order to prepare a smooth transition.