

History of Groupe Savoie

By Louise McLaughlin Duguay

Groupe Savoie celebrated its twenty-fifth anniversary this year (2003). The company was founded in 1978 by Mr. Hector Savoie and his son, Jean-Claude. At the start of the sixties, Hector Savoie was working for Southampton Contractor Ltd. when he was named manager of the Hardwood Industries Ltd sawmill.¹ At first, the company was located in Woodstock. Later, Mr. Hector Savoie and four other men went to Woodstock to move the small mill to Saint Quentin. There it was re-built and put back in operation on January 9th, 1962.² The company was very satisfied with the productivity of Mr. Hector Savoie and its employees. A decision was made to expand the sawmill and to add new machines.

After having worked for Southampton Contractor Ltd for almost twenty years, Mr. Savoie decided he wanted to start his own company. He realized that he had the potential to become his own boss. Mr. Hector Savoie approached the management of Southampton Contractor Ltd to buy their company.

At first, the directors of Southampton refused to listen. So, Mr. Savoie turned to a distant cousin who was looking for a buyer for his sawmill, which he had to sell for health reasons. They came to an agreement for the purchase of the mill. His former bosses, who were getting older, came to realize that Mr. Savoie was serious and so, also agreed to sell their mill.³

All this was happened in 1978; at the same time Mr. Jean-Claude Savoie decided to join his father to create Groupe Savoie. The first years were difficult. Mr. Jean-Claude had left a successful and financially secure teaching career to undertake a costly adventure. There was considerable financial risk in acquiring the cousin's sawmill. They had to mortgage their own houses.⁴ The new owners now controlled two companies: Cèdre Restigouche Ltée, the mill formerly owned by the cousin and Hardwood Industries Ltd that would soon change its name to Bois Franc Restigouche Ltée.⁵

Since its creation in 1978, Groupe Savoie has continued to expand. Today, twenty-five years after its founding, Groupe Savoie owns several mills. In 1989, they built a mill to manufacture pallets made with wood of less quality. Previously, that wood had been used as heating wood. They undertook to convert this manufacturing into a profitable operation. Also, they took advantage of the need of pulp and paper mills, like the one in

Atholville, for wood chips. In this way, no part of the tree was lost.

The use we make of trees has changed. In the old days, only high quality timber was marketed. Today, the whole tree is useful. Before, if a tree was discovered to have a defect after it was cut, it was left on the ground. Nowadays, all the wood from trees is used efficiently. No part is wasted.⁶

In 1994, the business expanded with the addition of drying rooms. Those dryers make it possible for Groupe Savoie to produce components for the manufacturing of furniture and kitchens cabinets. Groupe Savoie grew gradually year after year, always aiming to improve its products and to confront competition.

Challenges for the enterprise

Groupe Savoie did not only know good moments. Two fires clouded its history. The first fire, in 1979, destroyed a considerable quantity of the cedar inventory of Cèdre Restigouche Ltée. The following year, in July, the old Hardwood Industries Ltd. mill burned down. That mill was not rebuilt. It was a very trying ordeal for the owners.

As it had been only two years since the start-up of their business, banks insisted on being reimbursed. After a few weeks, Groupe Savoie was forced to stop operations. For a whole year, they tried, by all means, to reimburse the banks until the province came to their rescue and granted them a loan guarantee.⁷

Those fires made them aware of the importance of taking safety precautions. First, a small fire brigade was created. Then, the new buildings were built to conform to the fire marshal standards and regulations. Training in emergency measures was also given to company employees.⁸

Another challenge for Groupe Savoie was the competition. The main competitors were from Asia and Eastern Europe. To stand out and beat that competition, Groupe Savoie put all of its efforts on total quality. Now, about 55% of its production is destined to the international market and the remaining 45% is sold on the Canadian market.

A company always in expansion

In its beginnings, Groupe Savoie hired only about twenty employees. Now, more than 400 employees work for the company. An important

fact is that there are as many women as men employed in the business. That huge increase in its workforce is due to the ever-increasing demand of the market.

In the past, Groupe Savoie hired its own lumbermen for all its wood supply. Today, they still have their own lumbermen but the demand for raw material has increased so much that they must buy their wood supply from other suppliers coming from outside the region.⁹

Groupe Savoie, with more than 400 employees, is one of the main industries in the town of Saint-Quentin. Many employees come from out of town—a plus for the local economy. Since those employees from outside often have children of school age, they use all the community facilities such as the arena, the library, etc..

With a market that is continuously growing, Groupe Savoie has no choice but to invest in technology. In past years, new equipment such as a scanner, an optimiser and software for filing and sorting by computer have been important acquisitions. These additions have been brought in so in the company can maximize the quality of products, detect wood defects and knots, help reduce losses and finally, remain a leader in its field.

How the company helps its people

In memory of his father, who died on January 20, 1989, Mr. Jean-Claude Savoie created the Hector Savoie Foundation.

That Foundation provides assistance to local people who encounter unexpected financial difficulties due to sickness, accidents, etc. The Foundation also distributes hot meals to children in need, in elementary schools.¹⁰

During 2002-2003, the Foundation handed out nearly 10,000\$ in direct assistance to families who, during that year, met with severe financial difficulties, and for hot meals at the Mgr Martin elementary school of Saint-Quentin.¹¹

Groupe Savoie contributes, on a consistent basis, to the local community. It supports sport teams, the “Festival western”, and non-profit organizations. Mr. Jean-Claude Savoie is proud to help young people to pursue their post-secondary education. “ In addition, the children of employees receive scholarships. Employees who upgrade their education are also eligible”.¹²

Conclusion

To conclude, Groupe Savoie has been a cutting-edge business. Its directors stayed ahead of the game with innovative solutions. After the fires that twice destroyed the mill and led to considerable financial loss, the owners could have despaired and abandoned the business, but Jean-Claude

and Hector Savoie preferred pulling together and trusting in the future. Mr. Hector Savoie died just before the mill, as we know it today, was put back in operation. He would certainly be proud of his son. We must not forget that Mr. Jean-Claude Savoie had been a good teacher before becoming an entrepreneur.

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Interview conducted by phone with Mrs Line Simon, director of Human Resources, Groupe Savoie, October 8, 2003.

Notes