Ward Ray thrives on problems

Finding the answer has led this Galt, Ont. contractor to satisfaction and success.

EVEN WORKING DAY ABOUT 6 A.M., Ward Ray, an electrical contractor in Galt, Ont., walks three doors down the street from his home and arrives at his office eager for work. Before 8 o’clock and the rest of the staff arrives, his paper work is done and he is ready for the challenge of the day.

For Ray, electrical work is an exciting business. “I like a challenge,” he says. “And I like chasing down problems till I find an answer.”

This attitude has shaped the course of his business in the past ten years. Today, his firm does about 70% of its volume in industrial maintenance, 10% in house wiring and 20% in electric heating.

Ray has been selling electric heating since 1951 — before Ontario Hydro decided the province was ready for it. His firm has become so expert in industrial electronics that manufacturers 200 miles away make rush calls to Ray Electric for emergency trouble-shooting. And if companies in the Galt area have recurring problems with a particular electronic control, Ray will construct an adapted version which works better and integrates better with the plant’s production system.

“Many contractors lose interest if the product they need is not commercially available,” Ray says. “They don’t attempt to supply the item themselves. We do. Sometimes it takes a lot of time and effort, but we find it profitable — and educational. We give the customer an estimate in advance though the billing cost is often higher or lower.”

This pursuit of problems has led Ray Electric into at least three profitable sidelines. Here is how it happened.

1. A crane manufacturer in the Galt area was having difficulty getting suitable electronic controls for his equipment. Ray’s firm produced a custom unit so superior that he has supplied it for the manufacturer ever since.

2. The Galt fire department was having trouble with its electronic control panel that records sprinkler-alarms from a group of factories and stores. Ray Electric installed a new system that works so well that now orders come in from fire departments across the country.

3. Some local manufacturers have a rather limited need for steam generation in their plating operations. When
the use of an electric steam generator is more economical than maintaining a boiler system, Ray Electric is there to suggest it, produce it and install it.

These sidelines are all the more impressive, considering that Ray left high school in his third year to join his father’s firm.

“I grew up in the business,” he says. “I learned a lot from experience and I took any specialized training I could find.”

Ray’s keen interest in new fields has boosted his business as well as his education. In 1951, he introduced radiant heating to the Galt area. Sales had to be limited, of course, to supplementary applications (i.e. only 25% of a building could be heated electrically).

To arouse interest, Ray ran full-page ads once a week in the local paper, advertised on the radio and, for a demonstration, heated a whole building electrically on a lot across the street.

“People actually flocked in,” Ray recalls. “We had glass panels installed on the wall then and we would throw metal chairs against the glass to show that it wouldn’t break or chip. That was always a top attraction.”

The manufacturer gladly made Ray Electric a distributor for the Galt area. It was two years later before other manufacturers and other contractors started supplying some competition for the supplementary heating market.

“By then, though, we were pretty solidly entrenched,” Ray says. “We had become known as the electric heat boys.”

In the years before Ontario Hydro officially approved complete electric heating, Ray Electric did more than 400 supplementary heating jobs.

“Some of our earlier customers went overboard and wanted to heat their whole house with electric heating,” Ray says. “We told them about the $4 a month penalty charge ($4 per kw, imposed by Ontario Hydro) but they said they’d risk it so we installed it.

One man paid the penalty

“The local utility finally clamped down and made an example of about three homeowners by charging them the penalty rates. One man I know had 12 kw installed. But he liked the system so well that he paid the $48 penalty charge every month and kept on using it — and he wasn’t a millionaire either.”

In most cases, however, the penalty charges dissuaded homeowners. In fact, Ray believes, publicity about the
extra high rates at the time has left a lingering impression with some people that electric heating is somehow undesirable.

Since 1958 when complete heating with electricity became permissible in Ontario, Ray Electric has kept to the forefront of the business. Last September, at the local fall fair, the firm set up an electric heating booth with an elaborate display showing all types of equipment on the market. About 6,000 pieces of promotion material were handed out to visitors.

In October, Ray organized a model home display with a just-completed Gold Medallion house. About 5,000 people came to inspect the house and the electric heating installation.

The contractor got the builder and the local utility to co-operate with newspaper ads and a sponsored radio broadcast from the display home.

Ray can't prove that his promotion paid off but this winter his firm has already had about 25 supplementary heating jobs.

"Supplementary heating is a good starter," he says. "If people live with it for a while, they usually learn to like it. Then if they build a new house they are more likely to specify electric heating."

Ray now has four standing orders to install electric heating in homes to be built next spring. All four orders came from people with supplementary electric heating in their present homes.

Back in 1952, Ray took his own advice about living with electric heating in order to learn more about it. He got special permission from the local utility to install radiant heating throughout his house as an experiment.

The experiment proved to be too successful. People visiting the Ray home became first intrigued with the heating system and then jealous. Soon they were demanding that the local utility, which after all is taxpayer-owned, give them the same opportunity granted Ward Ray.

The utility finally withdrew its special permission and in 1954 Ray had to install an oil-fired heating system and disconnect the electric heating units which, nevertheless, remained installed. Now, Ray is in the process of switching back again.

Accepts no job over $100,000

During the in-between years, he admits ruefully, he has had, potentially, the most completely heated house in the country.

Ray Electric has installed electric heating in places 50 or 60 miles away but its normal business area is in South Waterloo County, around Galt, Hespeler, Preston and Ayr. The number of employees is usually between 15 and 20 but has been as high as 24.

"We won't take any job over $100,000," Ray says. "That's all we feel our capital structure allows."

The stockholding officers of the company, like Ray
... he quit school early but never stopped learning

herself, have no academic degrees. They are: Cliff Wardle, vice-president of construction, who has been with the firm for eleven years; Douglas Reeve, vice-president of service and maintenance, who has been with the firm for nine years; and Dennis Johnston, director of manufacturing, who has been with the firm for nine years.

"We believe in having employees develop with the firm," Ray says. "We like to help our men move into the management end of things and help them build up some security by the time they reach retirement age. Besides, none of us lasts forever, and developing good managers ensures the continuing success of the business."

Ray also believes in working for the betterment of the trade generally. He was president of Zone 42, the local branch of the Ontario Electrical Contractors Association, in 1960 and 1961 and continues to take an active part in its affairs.

Electrical contracting has been the Ray family business since 1917 when Ward's father, Lawrence Ray, founded Ray Electric. Ward's mother acted as secretary-treasurer of the firm until last year when she retired at the age of 77.

Ward, now 50, started working with his father after the school in the 1920's. When he quit school, he went to work in the firm's retail outlet downtown (the firm no longer does any retailing). From there, he went into stock control and then became a journeyman electrician and eventually assistant manager.

In 1951, the family decided to incorporate the business to safeguard its future. Just three days later, Lawrence Ray died of a heart attack. Ward Ray was vice-president at the time of incorporation and he became president a month after his father's death.

The firm is well-known in the Galt area and Ray does not have any salesmen calling at manufacturers' plants.

"We deal directly with the maintenance chief or the production manager," he says. "They know us and they know our work. At the same time, we know their work and their production problems."

Fussy about good service

Ray keeps the firm well-known by advertising regularly and by always trying to give better service than any of his competitors.

"We're fussy about the kind of service we give," he says.

The firm has eight trucks available for service calls, including a pole-line truck, useful for handling large motors and transformers. In addition, there are two company cars. This may seem like a generous supply of vehicles for a staff that often numbers no more than 15, but Ray doesn't think he's overdoing it.

"When we have a man on a job, he has his own truck with his own supply box aboard. That way he is independent and our despatcher can direct him to a new location quickly, without wasting the customer's time."

Ray's reputation as a knowledgeable, aggressive con-
tractor with good manufacturer contacts brings him opportunities for many sideline operations. At present, he is a distributor representative for two lines of drive-belts and sheaves, and three lines of motors.

He is a distributor for two lines of electric heaters but carries other lines for variety. And now he is considering an offer to distribute air conditioning equipment.

As other sidelines, Ray Electric does motor rewinding (this department comes in handy for rewinding custom equipment) and specializes in pole-line construction on large industrial properties or on rural premises — jobs that make good use of the pole-line truck.

Since Ray has known the people and the businesses of the area all his life, he is able to minimize credit risks.

"Most of our customers pay regularly," he says. "But I watch the situation very carefully. Our losses from unpaid bills last year was only about a quarter of 1%.

Ray Electric now operates from about 1,248 sq. ft. of office space and 7,050 sq. ft. of shop space. A 10-station intercom set links the office, the shop and Ray's nearby home.

The firm's headquarters was built in four stages, each expansion following an expansion of business volume. The firm now does more than $250,000 worth of business a year and Ray is looking forward to the time when he will be able to extend the headquarters further toward the street and construct a showroom at the front of it.

The man who started out in the stock room has no apparent intention of resting on his present success. "This business is changing all the time," he says, "and to me it's a challenging and exciting way of life."