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# Raccortubi Group makes customers' life easier

**When it comes to stockholders of stainless steel pipes and fittings, Raccortubi is one of the leading names. The company not only offers a huge product range of all kinds of pipes and fittings from renowned names in the industry and from its own production facility, it has built up an extensive service programme around it as well, which sets it apart from the majority of stockholders. Stainless Steel World introduced the company four years ago to its readers and this year it was time to renew our acquaintance. So we travelled to Arluno, not far from Milan, to speak with Managing Director Luca Pentericci and General Manager Ottavio Carollo, to learn what Raccortubi has been about in the past four years.**

*by Michael van Wijngaarden*

**B**ut first, a little bit of background information. Raccortubi was founded just over 50 years ago as a supplier of malleable iron fittings for hydraulic applications. Mr Pentericci's father, PierGiorgio, was one of the first employees at that time and is, amazingly enough, still active in the company, although his work is now being continued by his son Luca. Mr Luca Pentericci has been working in the company for nearly 16 years after a working period in England and many travels abroad, which gave him a more international background and approach. In the early days of the company the product range consisted mainly of carbon steel. During the '70s, however, the company expanded its product range to stainless steel and later to more advanced materials such as duplex and nickel alloys. Today, Raccortubi is one of the largest European companies and the largest in Italy, specialised in piping components for all kinds of applications. It carries out three main activities: the distribution of a wide range of pipes and fittings, the supply of complete piping packages to engineering companies and the sales of Tecniinox products to stockholders world-wide. All in all, the company stocks over 4.500 tons of material in 20,000 square metres of space. Raccortubi has always provided products from renowned manufacturers only, but felt during the '80s that it could service its customers better if it could be less dependent on those suppliers. Already so many years back, the company had identified a clear need among its customers for more support and service from their suppliers and so in 1988 it was actually decided to start manufacturing fittings through a newly founded, fully owned production facility not far from the warehouse, which became Tecniinox. Tecniinox is the second company in the Raccortubi Group and is specialised in producing seamless and welded butt weld fittings in a wide variety of CRAs, from simple 304 to titanium. Mr Pentericci explained that the company is able to produce any order size, from large packages for projects to small quantities for a one-off request due to the high-tech production machinery, most of which was designed in-house in order to achieve this flexibility. Having its own production facility makes Raccortubi much more independent of its suppliers and offers huge synergetic effects to both companies. Raccortubi has a versatile production facility available just around the corner that is dedicated to making at short notice those products that supplement the already available stock while Tecniinox has easy approach to the market through Raccortubi's extensive sales network. But that's not all. Tecniinox has immediate access to an enormous amount of pipes that are being held in stock by Raccortubi, to serve as raw material for the fittings production and thereby ensures a production launch without any delay.

Obviously, being both a stockholder and manufacturer has tremendous advantages, especially in these days when projects need to be executed ever quicker and time pressure on all parties is growing. Mr Pentericci explained that Raccortubi deals with many engineering companies, which are responsible for almost half of the company's turnover. Mr Pentericci: "We are able to offer a real bonus in supplying so much material from stock or within short delivery time, so engineering companies have a handy solution for quick and easy procurement procedures and therefore they can rely entirely on us. We can supply the service they request and take away their buying worries. Because through our stock we can often deliver over the majority of the average project's materials requirements and through Tecninox we are able to deliver the balance of the order well within the agreed time limit requested for an average project."

**TOTAL COST OF OWNERSHIP**

And that's where Raccortubi sets itself apart in this competitive market, by taking away customers' worries. Although ways of doing business have changed considerably since the early days, the philosophy of the company has not. The key to success, according to Mr Pentericci, still lies in the relationship that the company has with its customers. One of the first things that became clear during the interview is that Raccortubi highly values its customer relations. Mr Pentericci: "Our company probably could have grown far bigger if we had wanted to, but that would have meant undermining our philosophy of customer satisfaction. And that's something that we don't want to happen. Our business is all about making customers' life easier and building up long-term relations by understanding and supporting their needs. That's why we see ourselves as a true service company, not just as "material movers". It takes time and effort but in the end I think it creates a healthy, stable organisation." Adding value and reducing the total cost of owner-

ship for its customers is the key element of doing business for Mr Pentericci. He explained that these are aspects that are getting more and more important to end users in selecting their partners: "Obviously, price is still an important component when buying a product, but we see that our customers are becoming more and more sensitive about the total costs of purchasing a product and its life-cycle costs. We help reducing overall costs by offering a service comprised by market prices, technical support and smooth order

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management and by maintaining that service at a high, reliable level. In short, we sell a service of which material is just a component. The other aspects that go with a sale such as quality, reliability and technical expertise are just as important, so customers can depend on delivery times being met and orders that are always accompanied by the right documents. In practice, our customers can place their orders to us and keep their minds focused on their core business while we take care of the rest. We simply take those worries out of their hands." Mr Carollo illustrates the customer confidence that Raccortubi has built up by mentioning a remarkable fact not frequently encountered elsewhere, but an established pattern at Raccortubi: "In the 27 years that I have been active in this industry there is one thing that I have never seen before but here. It is the fact that we receive orders, almost every day, from customers without a price inquiry! They order from us without asking what the price is going to be. I think that illustrates real customer confidence: they are used to getting the right material at the right price at the right time."

**LATEST DEVELOPMENTS**

But how does Raccortubi keep abreast of changing market needs and ever-higher demands? Mr Pentericci: "In the past few years we have invested considerably in strengthening our company even further by expanding our product range, rationalising our warehouse and attracting new people. Let me go through these one by one. Our product range now covers practically every type and size of fitting and pipe in every type of material, from 304 to titanium. There probably isn't a material that we cannot provide. Other items that we are introducing to our stock are square, rectangular and isometric tubes for our domestic market. The reason for doing this is not so much that we want to conquer these markets but the fact that our customers would certainly buy these kind of tubes from us if we just provide the opportunity. In addition to updating our regular programme, we are also focussing on the piping packages that we offer for complete projects. In this way we can deliver a truly comprehensive range of fittings, pipes, flanges, stud-bolts, gaskets etc., whatever the requirements



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of the customer are. We can even make parts from customers' drawings through Tecniinox!

Because of our extensive stock, we needed to rationalise our warehouse if we wanted to maintain our service level. Therefore we automated the whole system. When an order arrives at our sales department it is immediately entered into the system, then sent to the warehouse. The warehouse staff have computer terminals on site, showing them what kind of order they have to pick and in what sequence, taking into account delivery times, order contracts etc. In that way, an order can be prepared in as little as half an hour after arrival at our sales department." One of the other features of the system, Mr Pentericci said, is that once the order has been prepared, the warehouse staff marks it as such in the order handling system. Customers consequently receive by e-mail all the necessary documents, such as invoice, packing list and test certificate, as well as an advice note to pick up the goods which is also sent to their transport company, if requested. In this way customer are informed in real time about their order status.

The product range expansion and production increase have also had some influence on the company's personnel number. The production staff has grown from 10 people in 1988 to 41 now. Besides this increase, the office premises have seen some new faces as well, in fact so many that Raccortubi had to build new offices in order to give everyone a workplace. Special attention has been paid to the sales side, as Raccortubi expects to further develop its business mainly through export. Mr Carollo explains: "Until recently most of our activities have been focused on the Italian market. Italy has always been a stainless steel-minded country, but the market has very much matured now so there aren't many growth opportunities to be expected. That's why we are maintaining our leadership on the Italian market but shifting our focus to outside markets as well such as India, Scandinavia and the Middle East. Our first objective is to find reliable agents overseas who can positively represent our company."

**CONTACT**

Being able to do what Raccortubi does means that the company must have a feel for what its customers are doing, what their needs and expectations are. This demands close contact between Raccortubi and its customers, which is sometimes not easy when talking to new customers. Mr Pentericci: "To some extent, we need to integrate our activities with that of our clients. This means both companies have to open up a little bit and allow each other a look in the kitchen. That's why we spent, on one side, quite some time visiting our clients explaining our philosophy and, on the other side, inviting them over to visit our premises so that they can see what we are all about." And most visitors will be astonished seeing the warehouse. During a round trip, Mr Pentericci showed the entire stock, which took about half an hour. We saw a well organised, tight and clean operation with huge amounts of material. Forklifts were busily picking orders that had to be shipped the same day, orders were waiting for inspection and the quality control staff were executing their incoming material inspection, including some items from Tecniinox.

By the end of our visit to Raccortubi, it had become clear that here is a company that has made realising customer satisfaction a prime objective. And it works. The company has been around for over 50 years and is now ready to expand towards other regions world-wide, in its own way and pace. Mr Carollo: "We have fantastic relations with our clients that go back years and years, and our customer base is still steadily growing, so we must be doing something right. We now want to spread our wings and take that same philosophy to other markets!" ◀

**FACTS & FIGURES**

**Raccortubi**

stockist and supplier of piping materials in numerous grades of steel and alloys (including 304H, 347H, 904L, duplex UNS N31803, 6moly UNS N31254)  
 year founded: 1949  
 workforce: 53 people  
 ISO 9002 certified by LRQA in 1991

**Tecniinox**

manufacturer of butt weld fittings in stainless steel, duplex, nickel and special alloys  
 year founded: 1988  
 workforce: 41 people  
 quality guaranteed by ISO 9002, Stoomwezen & TÜV

**Markets**

chemical and petrochemical plants  
 power-related industries  
 shipyards  
 offshore platforms