



# Raccortubi Group: 70 years of flexibility and reliability

*Petrol Raccord acquisition in 2014 boosted the manufacturing capacity of Raccortubi Group, both in terms of production range and dimensions.*

Since its foundation in Italy in 1949, Raccortubi has expanded to become a leading manufacturer, stockist and supplier of pipes, fittings and flanges for critical applications. This unique combination allows the company to offer customers flexible, tailor-made solutions. Throughout the decades Raccortubi has embraced a leadership philosophy focused on flexibility and reliability. Stainless Steel World talked to company President Mr. Luca Pentericci to learn about some of the key milestones that have led to its 70 years of success.

*By Joanne McIntyre*

## **The evolution of a family-owned business**

Raccortubi is, first and foremost, a family story: that of the Pentericci family. It was Mr. Piergiorgio Pentericci who had the inspired idea of giving the company a double identity, that of both manufacturer and stockist. He had always believed that in order to provide the best possible service

to customers, it was essential to have a deep understanding of the product, both its characteristics and technical features, while offering maximum flexibility. In 1988 he realised that simply being a stockist wasn't enough and purchased specialised forming equipment which allowed him to set up the Tecninox Srl branch of the business as a producer of cold-formed

butt weld fittings from ½" to 16". This provided and guaranteed internal, flexible and reliable production aimed at the constant replenishment of Raccortubi's stocks.

"This was a key turning point; once we could manufacture our own products we became a unique combination of stockist and manufacturer," explains Luca Pentericci. "My father's



*Welding of a barred tee in Petrol Raccord.*

“The staff in the technical department and manufacturing plant at Petrol Raccord were already highly skilled, so the acquisition was a fantastic opportunity to enlarge our manufacturing program. We were able to capitalise very quickly on the purchase by improving the manufacturing range and adding new products such as welded elbows in two halves. It was a natural continuation of the Tecninox production line, so it created a lot of value for the entire Group”.

2015 saw another strategic move with the acquisition of Norsk Alloys, an Aberdeen based facility (now Raccortubi Norsk). “The Aberdeen market is 99% oil and gas, and end-users appreciate having a local entity with available stock for immediate shipment backed up by manufacturing technical expertise.”

### Tailor made solutions

Raccortubi is of course a manufacturer, stockholder and supplier of pipes, fittings and flanges for critical applications, but more importantly it can develop unique solutions for clients, stresses Mr. Pentericci. “We offer a complete range of butt weld fittings from ½” to 56” with practically no limitations on wall thickness, allowing us to offer customers flexible, tailor-made solutions. For example, we can provide fittings in a huge variety of dimensions, wall thicknesses and shapes, in a wide range of steel grades in any quantity – including small orders – right up to complete piping packages for mega-projects: no order is too small or too big for us!”

successful formula paved the way for steady growth.”

Another important chapter in the company’s history started seven years ago with a series of investments that have led to unprecedented growth. In 2012 Mr. Luca Pentericci decided that a new approach was needed to navigate the challenging market of that time. While other companies took austerity measures during the economic crisis and the subsequent period of low oil and gas prices, Raccortubi instigated growth by opening new distribution warehouses: Raccortubi do Brasil, Raccortubi Middle East, and Raccortubi Singapore.

In 2014 the bold acquisition of Petrol Raccord ensured the Group would make a significant leap in both product range and dimension. Mr. Pentericci:



*Power is one of the many applications the Group is expanding on.*

## [ COVER STORY ]

Mr. Pentericci is justifiably pleased with how the company has flourished: "In the past seven years, we have achieved what other companies have taken 25 to achieve, both in terms of the products and the technology we have developed. When a company grows very rapidly it is imperative to maintain control of your core business. We, therefore, maintained a rigorous focus on our main values: flexibility and reliability. We instilled our business culture and mentality into our new colleagues, raising efficiency and productivity in a very limited time."

"Raccortubi is in a unique position as the investments and acquisitions of the past few years are all fully operational," explains Mr. Pentericci. "We have integrated our new acquisitions to meet market needs, and as a group, our combined activities as both stockist and manufacturer mean we are well-positioned to grow further."

### Growing field of applications

Historically Raccortubi's core business has focused on the oil and gas industry, and while this remains an important sector, the company continues to expand into other areas of application. "For example in recent years we have stocked specific material grades destined for the fertiliser industry and have a well-established partnership



Luca Pentericci, President of Raccortubi Group, during a periodical meeting with employees.

with Mannesmann for this. We offer our solutions also to desalination plants and we are working closely with shipyards, which use more or less the same type of material as the oil and gas industry. There are great synergies to be found in these types of applications because we can supply them efficiently and flexibly. Another area in which we see significant growth is renewable energy, which offers interesting possibilities for us." By developing new markets, Raccortubi has been able to strengthen its ability to accommodate fluctuations in the hydrocarbon sector, continues Mr. Pentericci. "Currently, oil and gas prices are very volatile, and even the

largest players have used the last few years to rethink about their vision and internal costs within their core business. By focusing on better materials selection and cutting down costs where feasible, they have been able to lower the break-even point to below USD 30 from the original USD 60-70 per barrel. While this should have kick-started a new wave of investment in the industry, geopolitical problems and social uncertainty have so far prevented this to a large scale. In this very unstable situation, it makes sense to spread the risk by investigating other applications to get ahead of the curve."

### Rewards of investment

Following its intense period of investment over the past seven years, Raccortubi is now reaping the rewards of an expanded product range and global footprint. The Group has reached a level of efficiency that it considers essential to respond rapidly and flexibly to the market. "A good example is our move into manufacturing elbows in two halves from sheet and plates at Petrol Raccord. At the beginning this was a relatively new material for them to work with, but today it's a very significant part of Petrol Raccord's turnover. This is a typical example of how we have been able to understand the needs of the market by expanding our internal production using material which already fitted exactly in our portfolio. It was a win-win situation" Mr. Pentericci explains. Another example is the investments in its plant in Brazil, which replicates the business model of the Italian headquarters, which now means it can meet all piping needs of South-American clients directly from its distribution center in Sao Paulo as well as its fittings production. "Raccortubi

### Raccortubi at a glance



**Raccortubi S.p.A.:** the Group's headquarters near Milan, Italy manages and directs the entire global distribution network and projects supplies. Stocks over 6,000 items of pipes, fittings and flanges in stainless steel and special alloys.

**Tecnox** (Piacenza, Italy) manufactures cold-formed butt weld fittings from 1/2" to 16".

**Petrol Raccord** (Piacenza, Italy) uses hot-forming to produce seamless and welded fittings up to 56" with no thickness limitations.

**Tecnox do Brasil** (São Paulo) manufactures butt-weld fittings in the Tecnox range.

**Raccortubi do Brasil** (São Paulo) stocks and supplies pipes, fittings and flanges and actively manages local projects.

**Raccortubi Middle East** (Dubai) stocks and supplies pipes, fittings and flanges and actively manages local projects.

**Raccortubi Norsk** (Aberdeen, Scotland) stocks and supplies pipes, fittings and flanges, and actively manages local projects.

**Raccortubi Singapore** stocks and supplies pipes, fittings and flanges and actively manages local projects.

Products from stock are available in austenitic stainless steel, duplex, super duplex, 6Mo, nickel alloys, and titanium.



*Tecninox manufactures fittings from 1/2" to 16".*

Do Brasil is working with Petrobras CRC approval, supplying locally produced material as well as imported ones. We benefit from our local manufacturing activities in Brazil to maximise flexibility and efficiency. It is important to take into account different regional market needs; if we have the opportunity to provide a local solution, we will." The Group has long been recognised as a quality partner by its customers around the globe. "Customers appreciate that we maintain our company philosophy throughout all of our branches. Each one is successful in its own right, and once a customer places an order we know they will come back again. That loyalty has been created over time by our dedication to service."

"Throughout the process, flexibility remains our flagship, together with the reliability we've been able to build on with our suppliers and customers. Apart from our high level of quality and service, they appreciate our



*Members of the different branches of the Group all together during a team building initiative.*

transparency and availability to support them through their challenges."

### Steel alliance against counterfeiting

Raccortubi Group is a member of the Steel Alliance Against Counterfeiting (SAAC) to help tackle this serious problem around the world. "We see a lot of counterfeit materials being sold as genuine materials, particularly in the Middle East. Through improved vigilance by end-users and EPCs, and organisations such as SAAC, we hope to combat this serious problem," explains Mr. Pentericci. "We are absolutely in favour of stringent auditing systems from end users/EPCs or from dedicated authorities: by doing so, unfair competition is less likely to endanger added-value supply chains with materials of dubious origin and poor quality which pose a threat to the environment and to human beings. The inspection and auditing of manufacturers and suppliers are crucial to fight counterfeiting. Our customers are welcome to visit unannounced to inspect our facilities."

### Social responsibilities

From its earliest beginnings, Raccortubi has appreciated the essential role of its staff in ensuring the company's success. It has an ongoing program of investment in its people and the local community as a way of paying back some of this success. "As a Group we invest both time and resources on social and environmental issues," explains Mr. Pentericci. "We strongly believe that we should share our resources to make a difference. While the company donates to large causes such as the society for the prevention of cancer, many examples of its social responsibilities can be seen in its local area, such as the purchase

of a defibrillator in its home town. "Last year we also participated in an education project at a local primary school to encourage water conservation and discourage the use of plastic bottles," explains Mr. Pentericci. The company invests directly in its employees, both through training and team building initiatives and providing free annual medical checks in addition to the legally required ones.

### *"Flexibility remains our flagship"*

2018 registered an average of 24 hours per person invested on training and for 2019 the amount is even foreseen to increase. The Company also promotes health through prevention targeted annual campaigns: "We choose a different theme each year, such as prostate cancer, cardio health, breast cancer, etc. People are one of our most important resources, and they are responsible for where we are today." As a show of appreciation, the Raccortubi team will celebrate the Group's 70<sup>th</sup> birthday with a gathering of its employees aimed at honouring those who have been behind its sustained growth. "We are here to celebrate our anniversary because of certain strategic choices we made and the people who have stood with us. We want to take this opportunity to say thank you and show our genuine appreciation to all those, both past and present, who have contributed to our success."

### Facts & Figures

- Founded:** 1949
- Key activities:** Manufacturing, stocking, and supplying piping materials such as pipes, butt weld fittings, and flanges for projects.
- Production:** Tecninox and Petrol Raccord plants in Italy, Tecninox do Brasil in São Paulo.
- Grades:** Austenitic stainless steel, duplex, super duplex, 6Mo, nickel alloys, titanium, UREA, low alloy steels, and high yield steels.
- Main focus:** For critical applications, such as chemical and petrochemical plants, power plants, nuclear plants, shipyards, fertilizer and desalination plants, offshore platforms.
- Distribution:** Stocking distribution points in Italy, Brazil, Dubai, Singapore, and the U.K.