

Think global, act local: a winning growth concept for outlet markets

For 20 years, Cortem Group has embraced the philosophy of delocalization of commercial and product assembly activities to reach customers from all over the world faster in the face of increased in local content requirements

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Companies of international scope deeply feel the theme of localization or relocation. The production relocation, which consists in a transfer or duplication of production activities in foreign sites in order to obtain advantages, is a very complex phenomenon that fits into the wider context of international trade, which, despite being closely connected to modern society, has its origins as far back as the fifteenth century, or rather with the discovery of America, an event which also marked the birth of the world economic system. International relocation has proved to be a successful economic strategy not only thanks to the ability to develop price containment policies that have allowed the achievement of better performances on international markets, but also thanks to the proximity to the outlet market, the increase in competitiveness business and diversification.

In recent years, there has also been a rapid growth in Local Content Requirements, especially in strategic sectors such as Oil & Gas characterized by large economic revenues. These are policies imposed by governments that require companies to use goods produced or services supplied nationally to operate in each market and thus achieve employment, industrial and technological development objectives.

Cortem is the story of a small Italian company that began operating, initially with just a few people, in a niche sector such as the explosion-proof sector at the end of the 60s and which, over the years, has grown and structured itself as solid basis for diversified activities which led to an inevitable internalisation. Cortem today is a group that boasts 3 Sister Companies located in Singapore, Dubai, and Buenos Aires, 10 distribution hubs, 250 employees and a large sales network and represents one of the main players in the



explosion-proof market with a turnover of approximately 50 million euros.

*Marianna Saragaglia,
Commercial Director
of the Group and
Managing Director of
the UAE branch
Cortem Gulf*

“Cortem was a small Italian company that began operating in the ‘60s in a niche sector such as the explosion-proof markets, and which, over the years, has grown and structured itself on a solid basis for diversified activities - which led to an inevitable internalisation

The concept “think global, act local” has always proved to be the winning model in the Group’s strategies, increasingly dynamic in the creation of branches and in the delocalization of product assembly activities and commercial activities, while maintaining centralized production activity in Italy.

Explosion protection is often a forced choice. It is, in fact, the legislation that requires the application of certain standards of protection. For this, in addition to continuous research for the development of innovative quality products and the process adaptation of the products themselves to international standards, Cortem Group has always paid great attention to customized and engineered solutions in perfect “made in Italy” style.

Cortem’s is the story of an Italian company, similar to that of many other Italian companies, in which the family business model and the managerial approach have amalgamated in a winning way; a story that teaches us that, to obtain the right balance between tradition, growth and innovation, there is a need for diversification and flexibility, in products, markets, production structures, in responses to customer needs.

“I have been working for Cortem for 7 years but I have known the company for much longer and I can say that it is an excellent example of Italian entrepreneurship which presents itself on the world market as a point of reference in the field of explosion-proof equipment, with solid historical roots, important technical skills and a globally recognized and appreciated brand.” – explains Marianna Saragaglia, Commercial Director of the Group and Managing Director of the UAE branch Cortem Gulf - *These will be the key principles that will continue to guide Cortem Group in the future because it certainly has the ability and expertise to increase its presence on the market, both at geographical area, and by entering other product sectors”.*

The relocation of Cortem Group began in the early 2000s with the aim of positioning itself in the heart of the desired markets to benefit from a much wider market, increasing competitiveness and diversification.

In 2003, the Sister Company The Ex Zone was opened in Buenos Aires, Argentina, the Cortem Group’s reference center for the South American market. The Ex Zone spreads over an area of 600 m², of which 500 m² used as a warehouse. The organization, products and production system are checked annually by international laboratories according to the ISO 9001: 2015 quality standards. The management from the Italian headquarters, who has gained thirty years of experience in the Ex-market, and the local staff, who have a deep knowledge of regulations and electrical installations, are able to offer the highest levels of technical and



commercial assistance.

In 2006 Cortem Group arrives in the United Arab Emirates, a key country for the Oil&Gas sector and full of great opportunities for the explosion-proof sector. Since 2015 it has been operating on the UAE market thanks to the Sister Company Cortem Gulf based in the Jabel Ali free zone of Dubai where it occupies an area of 2,000 m² which houses commercial, administrative, and technical offices, an assembly and final control area and a warehouse. In it, Cortem was able to combine the western style of the Italian headquarters with the specific trends of the Emirates. *“Local content is deeply felt in the UAE, governments invest in foreign companies that bring technological value and expertise to the UAE industry for the development of the local productive fabric. – explains Marianna Saragaglia, Managing Director of Cortem Gulf – For this reason, Cortem Gulf joined the ADNOC In-Country Value (ICV) program obtaining the certification in 2019. This important milestone marks Cortem Gulf’s strategic commitment to the market in the Gulf countries, strong ties with local and foreign companies, solid investment plans in the United Arab Emirates, the use of local workers. Furthermore, it represents the long-term investment in the business of this area with important future growth plans.”*

Finally, in 2015, Cortem Group flew overseas and opened its own company in Singapore, Cortem Elfit South East Asia, to support its commitment in Southeast Asian countries and provide high-level design, sales, and assistance services in the whole region. The large headquarters of Cortem Elfit South East Asia consists of offices, a warehouse, and a production plant where mechanical machining and electrical operations are conducted.

Internal control of all production and sales processes, from technical analysis for product selection to drawing preparation, assembly, and after-sales assistance, is the method by which Cortem guarantees quality, safety and the reliability of its



products and services in every company of the Group. Furthermore, Cortem guarantees the production, technical and regulatory standards of the Group both of the Sister Companies and of the Hubs with annual Audits.

The services offered by Cortem Group in all its offices are:

- in-house design of standard solution
- in-house engineering design preparation for customized power & control panel solutions
- in-house assembly of junction boxes, power and control panels meeting IECEx, ATEX and ISO standards



“Today the Cortem Group - one of the main players in the explosion-proof market - has 3 Sister Companies in Singapore, Dubai, and Buenos Aires, 10 distribution hubs, 250 employees and an extensive sales network

- in-house aftersales and back-office support teamwide local stock & spare part depot
- regional training center to keep the customer informed on Cortem products and the explosion-proof legislation, often little known.

Conclusions

The concept “think global, act local” has always been the winning model of Cortem Group strategies, increasingly dynamic in the creation of branches and in the delocalization of product assembly and commercial activities. Cortem today is a group that boasts 3 Sister Companies located in Singapore, Dubai, and Buenos Aires, 10 distribution hubs, 250 employees and an extensive sales network and represents one of the main players in the explosion-proof market with a turnover of around 50 million euros.



Francesca Merola

Francesca Merola has held the role of Communication & Marketing Specialist in Cortem Group since 2008.