

RTS is celebrating 30 years of activity. Partisani Gastone, President and co-founder of the company, traces the milestones of his business and information technology in Italy...

RTS, A PASSION THAT HAS LASTED 30 YEARS!



Gastone Partisani with Valentina Ghetti, Annabella Partisani, Stefania Picchi, Sandra Baldassari, Fabio Faggi, Alessandra Ghetti, Massimo Partisani, Mauro Mercadante, Robertino Piazza

In 1976, I was 30 years old and working in the family business, which for generations had produced different types of flour. In the '60s we decided to build a plant to start producing animal feed. One of my tasks in the company was to "optimize" the hundreds of formulas for producing feed for the various animals: chickens, pigs, rabbits and so on. Optimizing meant changing its composition, so that it had the same nutritional value at the lowest cost - all in tune with changes in the price of raw materials. It was a slow and frustrating job: one that the larger producers carried out by using powerful (for that time) and expensive (mainframe) IBM computers.

When I learned that the U.S. Texas Instruments was offering a new mini-computer at a high but accessible price, I did the maths and decided to buy it immediately. It cost 40 million lire, nowadays about €200,000! But considering that we produced about 250,000 tons of feed annually, by making a saving of only 3% on our costs, the investment would be repaid in just 12 months. **But my inexperience led me to make a serious mistake.**

At that time I thought that computers were like calculators, i.e. to make them work, you just had to plug them in and turn them on. I soon realized that this was not so. The few programs that did exist were totally inadequate and did not work, even though the programmer, that

the supplier had made available to me, did everything in his power to help. Shortly after, this supplier, a small software house based in Trieste, went bankrupt and I ended up with a pile of junk which I'd paid €200,000 for and which was worthless.

My family obviously held me responsible for this short-sighted purchase.

Those were very difficult months. I tried to find various solutions, including reaching an agreement with the programmer. He agreed to continue helping me. **Thus we started out on a path of painstaking analysis, writing and testing programs for various ends: as well as the optimization of feed formulation, for the company's accounts management, sales management and production management.** The programmer was called Mauro Mercadante. He had meanwhile found another job in Trieste, which meant that we could only work on our project during weekends and holidays.

For four years, from 1977 to 1980, all our free time was dedicated to improving the computer system. I had already been running a company for 10 years, so I knew what it entailed and could define our needs and objectives. Mauro Mercadante then transformed these into efficient and functional procedures.

One Sunday afternoon in January 1981, we were as usual working on expanding and improving the procedures. We made a

brief assessment of what we had achieved over the previous four years.: We had programs that were managing both the accounts as well as the sales and production side. We had vast knowledge of how the system worked and we also had suppliers, such as Texas Instruments, who guaranteed technical support. At that point we wondered whether there was the possibility of us offering our knowhow and IT system to a few friends who ran their own businesses. I picked up the phone and called two of them. The first, Franco Casadei, who ran a business selling and distributing fuel. The second, Iliano Romagnoli, who dealt in medicines and supplements for animals. We suggested to them that we could install simple video terminals and printers on their premises which in turn were connected to our computers via dedicated telephone lines. They could use the programs that we had developed and if they were satisfied, they would pay us a monthly fee. Both eagerly accepted our proposal, so Mauro and I decided to form a company and embark on this new enterprise, a fully blown software house!

The first seeds were sown. RTS Remote Terminal System was born. Mauro Mercadante moved to Forlì with his family. We bought a 100 m² office on Forlì's via Consolare, and started to offer our solutions to local companies in Forlì. We put all our energy into our new venture. We were eager to grow and although we only had a few clients, we allowed ourselves the luxury of taking on Sandra Baldassari as our first employee. Since then, the faithful and efficient Sandra has been in charge of the RTS administration.

We realized straight away that there were several competitors in the field. One of these, Data Service in Faenza, at one point found itself in deep waters as it failed to provide its customers with what it had promised. We were very surprised when they proposed a merger with us; it was not easy for us to accept. The risks were very high because the project involved us taking over the other company, employing their staff and taking on their commit-

ments with existing customers. But we took the plunge and, in effect, overnight our company tripled in size. Everything went well and after some years we had a dozen major customers, guaranteeing us a satisfactory monthly turnover all through the Eighties.

An event, which looking back turned out to be fundamental to our growth, took place in '81. The company known then as Ondulato Imolese (today Smurfitkappa Massa Lombarda), was interested in modernizing its management system and that's how we met.

Mauro Mercadante went to them for a first meeting and, when on his return I asked him how it had gone and if our programs were able to meet their needs his reply was the following: "They make corrugated cardboard boxes. I think that we'll have to make some changes in our programs, but we can do it." So we ended up selling a turnkey solution to them at what turned out to be a very low price. Mauro Mercadante worked hard on the project for three whole years!

We decided to invest all that time and energy in the project not only to help us to satisfy our customer but also to help us in the long run. In fact, late in '83, we were contacted by the then Poligrafico Buitoni (now Europoligrafico) who were looking for an IT system for packaging. They really liked our solutions, which were already very innovative, and paid a good price for our software, giving us the opportunity to obtain returns on the investments already made.

In addition to our fees we obtained something even more precious, i.e. the ability to improve our programs by following the suggestions and requests of the highly trained consultants at Poligrafico Buitoni.

It was then that we developed cost accounting and bookkeeping programs.

Mauro Mercadante worked on the project for two whole years, visiting Perugia every week. Again, our efforts were rewarded when in 1986, we opened negotiations with Ondulati Panaro (now Smurfitkappa).

The meeting with Fiano Setti, who was then the owner and with Luigi Polimeni (in charge of their computerization project), set the ball rolling. That meeting quickly spawned a friendship that lasts to this day.

The checks and negotiations were very thorough and intense, and eventually ended positively. For another two years, Mauro Mercadante made weekly visits to the headquarters of Ondulati Panaro, near Modena. Again, working with Mr. Polimeni brought a significant enrichment to RTS procedures.

In 1986 I left all my previous business activities to devote myself exclusively to RTS. The company was doing well, I was director and head of the sales section, while Mauro was in charge of all technical matters. At that point, it was clear that what 10 years earlier had seemed to be a terrible disaster, always referring to the faux pas I thought I had made in buying a computer which did not work, actually proved to be a blessing in disguise.

It's true, every cloud does have a silver lining especially if you are able to turn a dilemma into an opportunity.

Our system, meanwhile, had grown considerably and began to be reasonably well known and respected in the corrugated cardboard and packaging industries. In 1988, we provided IT solutions for Tifernate and Santerno and in 1989, Ondulati Icom. Their IT systems were launched successfully, but the fact of always having to go to the customer for any service operation, however small, made it very difficult to grow on a national scale.

The 1980s, which saw us charging monthly fees to our local customers, who were connected to our computer service, and providing solutions to many different industries, were over. Things were changing.

In the early 1990's, prices of computers were falling and the first personal computers (such as the Olivetti M20) were beginning to become widespread.

The dedicated telephone lines that connected us to our service customers continued to be very costly and were proving to be less

competitive. Realization dawned upon us. We could risk being priced out of the market and losing all our clients connected to our own IT service. In those years it was very difficult to compete, mainly because customers set great store by hardware and little or none by software which by the way was sometimes even offered for free.

The important thing for our customers was to own an IBM or a Honeywell system. I remember a deal that we lost to Olivetti. Their salesman showed a business owner a program made to launch a missile. When I pointed out to the customer that he needed accounting software and not a rocket, he said (I quote): "If it can launch a missile, it must know how to do accounts, right?"

It was finally time to create our own niche. An area in which we could show our expertise and expand without being suffocated by our competitors. The corrugated cardboard and packaging industry had great potential. The surprise was great when we discovered that the total number of large and small companies in this sector far exceeded a thousand, and lent itself well to targeted company growth and a niche market policy.

Of course, these potential customers were scattered throughout Italy, especially in the North, so we were presented with the problem of distances. Here we were helped by the spread of the new modem technology, the first apparatus through which it was possible to connect to customers' computers while sitting in our office. The problem of being tied down to Texas Instruments' hardware was resolved when we migrated to the new 'Unix' operating system that allowed us to use and resell whichever computer the customer wanted, including IBM machines.

We re-launched the company in 1992 through an ad campaign in the industry magazine "Converter e Cartotecnica" and our official debut was at the Milan Converflex92 show.

One important measure to differentiate ourselves from the myriad software companies that offered standard solutions was the collaboration agreement with the Castaldini sales network. This was a prestigious engineering company which was also involved in the corrugated cardboard and paper sector. Our success was immediate and we signed contracts with our first customers in Lombardy. I was a little concerned for Mauro Mercadante who once again had to get in his car and now go even further. Even if the modem facilitated normal customer service, starting the system up had to take place on site.

In the spring of '93, luck was again on our side. Together with IBM, we organized a presen-



The staff of RTS

tation at their research centre on Lake Como. I still remember my excitement when I received a call from Mauro Boatin, then EDP manager of the SISA - Saint Gobain Group (now Smurfitkappa) asking me for a meeting in Asti. He was looking for a new IT system for all the Group's sites. There was a great feeling of compatibility from the start, and within days we signed a contract that would provide computerization for their establishments in Asti, Vercelli, Tezze, Monza and Foggia. We had at least 2 years' of experience in this sector. There were 15 of us and we were growing fast, and above all we had virtually no competitors.

Thanks to our friend Fiano Setti, a man I'm indebted to for his unflinching support and trust, in May 1994 I attended my first GIFCO conference that took place in Capri. I was so impressed by that event that subsequently it became an event not to be missed.

Being able to share - even if only for a few minutes - our knowhow and breakthroughs to an appreciative audience full of business people in the corrugated cardboard sector, has been an exceptionally unmissable opportunity. We also felt the need to participate in Gifasp packaging industry conferences.

With our undying enthusiasm we introduced ourselves to new clients at the Corrugated '94 trade fair in Paris. That too was a success and in the following years many customers honoured us with their trust, including Ondulati Ghelfi, Zetacarton, Euroscatola, Corsonna, Ondulkart and Ondulor, to name a few.

Soon after came the acquisition of Sisa by Smurfit and things changed for us: Smurfit used its own IT system developed partly in-house and partly by a competitor of ours. We lost the collaboration of Mauro Boatin who, for personal reasons, decided to leave the newly-formed Smurfit Sisa and was hired by Rainer Neugebauer, creator and owner of Pctopp, the program to optimize slitter-scoring changes (which was already one of the most commonly used world-wide). Mauro Boatin was very familiar with this system because he had translated it into Italian and installed it in all Sisa establishments a few years earlier. When in 1996 Mauro Boatin got tired of travelling the world and decided to leave Neugebauer and return to Italy, he joined the RTS team. In those years, our system lacked tools for the optimization of slitter-scoring changes. We were undecided whether to develop a system internally or not. The fact was that Pctopp is and was one of the best programs to optimize slitter-sco-

rer changes. It had been installed in over a hundred sites around the world and in Italy it had already been used by Smurfit-Sisa.

Thanks to Mauro Boatin joining our company, it was easy for us to enter into a distribution agreement for Italy.

Despite these successes, we knew we could not even dream of stopping our constant research and striving for constant renewal - in our industry you cannot stop even for a moment. If you do, you just step out of the race! In those years, Windows was rapidly gaining ground, supplanting the old DOS system; personal computers were becoming popular and there was ardent competition between these and "mainframe" computers. In fact our first competitors appeared in that context. They began to offer programs written in a Windows environment, using the icons and

Obviously there was silence. Then the speaker told us that the hunters take a coconut, make a hole in it to pour out the water, fill it with rice, then tie it to a tree and wait. The monkey, who is curious and always on the look-out for food, squeezes his hand into the hole. Once he has the rice in his fist, he won't let go of it, clenching it so tightly that he cannot get his hand out of the coconut. In practice, he becomes a victim of his desire "not to give up the rice" and so is caught by the hunter.

"So", added the speaker, "the moral is that in some cases you are not ready to 'give up' your peace of mind and your routine; if you do not decide to invest energy and money in innovation and research, you are inevitably destined to fail".

The message could not be clearer and, for me, it was a springboard to take action. When I returned to Forlì, I had already de-



Rts Management: Massimo Partisani, Mauro Mercadante, Gastone Partisani, Annabella Partisani, Robertino Piazza

mice we all know today. Our programs were written in a language derived from Cobol and our screens still showed green characters on them. Then began the endless discussions between Mauro Mercadante and I about rewriting all our programs. The reasons for the conflict were clear: on the one hand we had proven ourselves over and over with effective programs that continued to sell well. Rewriting them all and especially testing them one by one would require a considerable amount of time, effort and money. On the other hand, we were running the risk of falling behind and losing our competitive edge.

In June 1997, as usual, I attended the Gifasp conference in Taormina. Its theme was the introduction of new technologies into a "mature" sector such as that of the packaging industry. The speaker, a professor at Bocconi University (whose name I can't remember), began his speech with a question: "Do you know how hunters in India catch monkeys?"

decided that we would rewrite our whole system to guarantee our customers Windows graphical interfaces and support the use of the mouse. But as usual, it is a lot easier said than done. It was very difficult to take this step and change our product, because the programmers had to be trained to use new tools and new techniques.

The solution was found by recruiting new people specialized in the use of the new language. It was a true injection of new blood that enabled the company to make an important technological leap and to rewrite all our programs.

Shortly after, we realized the strategic importance of that choice. We were on the threshold of the year 2000 and the millennium bug forced almost all companies to update or to change their IT systems. If we had not presented the market with our new version with a graphical interface, our system would have been considered obsolete and we would have been eliminated from the race once and for all.

A situation of relative "monopoly" such as the one we had been in until the mid-90s was comfortable, but also very dangerous. **We were now ready to seize a unique moment in the history of computing such as the transition to the year 2000 which, as we all know, carried the risk of blocking almost all systems.**

We were the industry leaders. We gained the trust of many important new customers such as Ondulati Sada and Cartonstrong. Smurfit-Sisa, now led by Roberto Villaquiran, decided to use our systems not only in the ex-Sisa plants, but also at all other Italian sites of the Group.

Even in the packaging sector, our customers were very satisfied. These included prestigious companies such as Arti Grafiche Reggiane and Cartografica Veneta. Until that point, i.e. 2001, despite the "transition to 2000", we had been able to keep all our "old and faithful" customers from several varying sectors.

But when we were forced, once again, to radically change all our programs in preparation for the arrival of the Euro, planned for January 1st 2002, we realized that maybe we did not have the time and energy to make all our programs for the various sectors Euro-friendly.

Once again, we had to make a choice: either to undertake all that needed to be changed at the risk of not being ready for the arrival of the Euro, or just focus on our programs for the cardboard and packaging industries, and let all the others go.

We decided to let the others go. It was a painful but necessary choice and we did everything possible to help out those old customers who were often also friends. We were able to make agreements with certain software companies on their behalf. They pledged to provide free programs, just charging customers for training and of course, technical support fees.

The timing of the 2000 phenomenon and the arrival of the Euro in 2002 was an absolutely extraordinary coincidence that brought us a lot of work. With more than 140 customers, we were still firmly number one in the industry.

In 2006, at the GIFCO conference in Catania, we were so delighted to receive a special certificate of recognition.

The Chairman Piero Attoma awarded this to us "for 25 years of active cooperation and the valuable support provided to the companies in the sector, thanks to the development of many solutions and ideas."

Once again, we could have rested on our

laurels, but that is not in keeping with our philosophy. After a brief period of consolidation, we decided once again to "let go of the rice" and prepare for another leap forward, that of internationalization.

We commissioned a prestigious communications agency in Milan, Baum Communication, to study a new image and an effective course of marketing for us.

Then we hired Robertino Piazza, who was appointed to reorganize and plan all RTS's technical activities so as to adapt its structure to tackle the new tasks ahead.

All programs were once again rewritten to become "multilingual" and we created English and Spanish versions.

Not only that - we also decided to kick start a new, intense season of research and development, both I must admit very ambitious and challenging such as the Oracle database, the RTSv8 IT system on virtual servers, printing in Crystal Reports, the Business Intelligence system, to name but a few. We chose to focus on Spain for the obvious reasons of not only geographical proximity but also a shared linguistic and cultural heritage.

We began to take important initiatives, including taking part in the FEFECO conference in Nice, searching for a Spanish software company with which we in fact made a partnership agreement, the hiring of Roberto Chicote, a Spaniard specialized in software for corrugated cardboard and we finally reached an agreement to be represented in Spain by Victor Garcia, then chairman of AFCO. All the necessary conditions were in place and, once again, we were blessed with luck in finding our first important Spanish clients straight away. On June 28th, 2007, I signed a contract with José Romani, Andopack's CEO, whom I had met during my visit to Hispack in Barcelona. On July 4th, 2007, I signed a contract with Rafael Martinez, shareholder and CEO of the Hinojosa group. I had met him, almost by chance, during a trip to Valencia. The contract was to computerize two companies in his group: Vegabaja in Ali-



Mauro Mercadante, Piero Attoma (President Gifco) e Gastone Partisani



Massimo Partisani, executive director

cante and Ondulembalaje in Madrid.

A few months later the financial crisis had come to stay, a very difficult period where any new investment in equipment was blocked and the worst was yet to come. Notwithstanding all of this the above mentioned contracts kept us afloat.

Throughout 2008 and 2009, Mauro Mercadante and Mauro Boatin successfully launched the three projects, learning Spanish, using low cost travel and communicating via Skype.

Without exaggerating, I think I can say that nowadays Boatin and Mercadante and are among the leading experts in the sector in Europe.

Today, in 2011 we are experiencing an exciting time, not just due to the fact that we have not been overwhelmed by the crisis, but because RTS still continues to grow both in Italy and in the Spanish market, thanks to the great marketing work that has been carried out over the last years.

This year, RTS is also celebrating its 30 years in business. This is an important anniversary for a software company bearing in mind how volatile the computer industry is and the changes we have had to adapt to throughout the years. I am very confident about the future because I can count on my children Massimo and Annabella, who have been working alongside me for years. They share my passion and will take my projects with them into the future for posterity. In a few months I'll be 65 years old, but I have no intention of going into retirement! In any case I do not need to retire because I am one of those people fortunate enough to have chosen a job I love. Quoting Confucius, I admit that I have never had to work a single day of my life!

Gastone Partisani
Forlì, January 2011