

# Raycap – a Company Based on Innovation and Values

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## **Abstract**

*The case study is based on an interview with Mr. Constantinos Apostolidis, Founder & Chairman of the Board of Raycap Group. The general objective of the case study was to highlight the managerial excellence based on modern methods and explain the main key issues that define the success of an exceptional company with a remarkable performance in the global market. Raycap holds a leading position internationally as it manufactures innovative products due to its intense activity in research and development. During the interview, Mr. Constantinos Apostolidis, highlighted how important it is to believe in the company's supreme values, such as: customers, innovation, quality, talent, excellence, integrity. With an exceptional background, Mr Constantinos Apostolidis impressed us with the power of example, which means: simplicity, respect, trust, flexibility, culture, openness, excellence. Breaking the stereotypes, Mr. Constantinos Apostolidis is the high-performing, talented leader, who values human resources, promotes innovation, puts quality at his heart and has the power to rethink, always improve processes and activities, thus creating the path to the sustainable development of Raycap.*

**Keywords:** *organization strategy and policies, managerial-organizational culture, leadership, managers, management performance.*

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## **1. Raycap presentation- Creating Innovative Solutions Worldwide**

Founded in 1987 and privately held, Raycap has led the way in the development of products that protect and connect the world's critical infrastructure. Raycap has operations in the United States, Germany, Greece, Slovenia, Romania, Cyprus and China. The company has approximately 1500 employees worldwide, boasts strong in-house R&D capabilities and IP creation, state-of-the-art manufacturing facilities and operates with a B2B model, serving industrial OEM customers and large multinational operators. Raycap has experienced strong organic growth that has been augmented by strategic acquisitions in its core surge protection device (SPD) business, as well as in expanding markets such as 5G telecom infrastructure.

Raycap has decades of experience creating products that protect, support and conceal the world's most valuable assets. The company manufactures advanced

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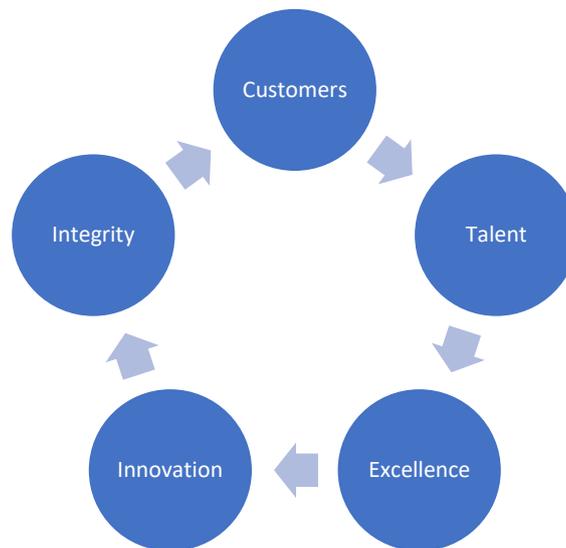
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surge protection solutions for telecommunications, renewable energy, transportation, defense and other applications worldwide.

Raycap believes that the ideal solution requires a deep foundation of knowledge and experience combined with a clear understanding of each client's goals. The team of talented, dedicated, highly experienced staff works together with customers to find the best-fit solutions to meet their needs. As a result, more than 50% of the products delivered are custom built for specific customer applications and to their specifications.

Raycap manufactures innovative products that are based on its intense research and development activity, and because of this it maintains a leading position in the global market. As a result of its focus on constant innovation, the company has garnered more patents in Greece than any other company, for each of the last five years.

Raycap's core values are:



**Figure 1. The values of Raycap**

- Customers: the customer is the number one priority.
- Talent: seek and attract the best talent.
- Excellence: strive for excellence in every aspect.
- Innovation: never rest on past success and continually push the technological barriers.
- Integrity: uncompromising commitment to truth.

From telecommunications to new energy networks, and from transportation to industrial manufacturing facilities, Raycap solutions are in place to ensure equipment uptime in spite of harsh environmental conditions such as

power or lightning surges. The company protects the uninterrupted operation of communication and energy networks by developing tailored innovative products and solutions for customers in mission critical applications and markets. Its industrial surge protection customers are derived from industries where downtime is not an option, such as energy and telecommunications while customers in the telecom infrastructure side of the business include the world's largest telecommunications operators and their ecosystem partners. By leveraging the knowledge provided by its large installation base in a variety of industrial applications worldwide Raycap brings an unprecedented expertise to defining solutions for new or existing customers or partners.

Raycap's components business is a very important part of its structure and controlling the component supply chain for its SPDs enables it to provide customers with high quality products at the best possible cost. The 2015 acquisitions of MOV/GDT component manufacturer VARSIS, and Iskra Zascite, one of Europe's leading suppliers of surge protection products, further strengthened and diversified the company's surge protection product offering. In addition, Raycap's unique patented Strikesorb technology has been paramount in the evolution of the company which has allowed it to quickly become a dominant player in the development of advanced customized solutions for lightning surge protection.

In the telecommunications industry, Raycap has a clear vision of the future network, a result of many years of research and development in the telecommunications field and continuous engagement with the leading companies in this industry including partners, customers, suppliers, current and future stakeholders of the network. Raycap is a proven thought-leader in its area, and its edge is in the design of high throughput, high density and multi-technology passive solutions. Raycap possess a unique capability to quickly turn concepts and innovative ideas into industrialized, cost efficient products, providing realistic solutions and support for any existing or next generation network infrastructure.

Twenty-five years ago, the telecommunications landscape was much different than nowadays – cell phones were larger, smart phones were nonexistent and society was not connected by technology 24 hours a day, seven days a week. The industry has grown immensely with the advancement of new equipment and increased demand from mobile operators for more expanded and hardened networks. The latter necessitates installation of numerous apparatus such as remote radio heads, small cells, antennas and microwave links located even on the street level, which must be concealed. In the area of protection of remote radio heads from lightning, Raycap is second to none, with protection and connection equipment widely installed on cell towers throughout North America and in Europe.

Raycap acquired STEALTH Concealment in June 2018 and APELIO Innovative Industries in January 2020. Together these companies form cornerstones of Raycap's experience in the wireless concealment industry, creating custom enclosures and concealments that are proven to be aesthetically pleasing

and RF friendly. Raycap's STEALTH facility, located in Charleston, South Carolina, USA was the pioneer of the wireless concealment industry and created the first ever RF-transparent concealment system. APELIO Innovative Industries, located in Kearny, New Jersey, USA was formed as a telecom and electrical switchgear manufacturer. It brings expertise in radio concealment shrouds, and customized mounting solutions for wood and metal poles as well as custom equipment enclosures. Today under the Raycap Group the STEALTH concealment product line consists of small cell light poles, rooftop screen walls, cupolas, towers, silos, DAS concealments and many other custom structures, while the APELIO line represents the industry gold standard in custom equipment mounts, shrouds and custom enclosures for wooden and metal poles for the wireless industry. With STEALTH and APELIO now under the Raycap umbrella, the company provides its customers the best design, R&D, engineering, manufacturing and sales support.

Raycap never compromises on quality. From rigorous internal and independent testing to consultative, customer-focused service and superior product guarantees, the company delivers the highest quality solutions with responsiveness, innovation and agility to meet the needs of diverse industries. Raycap can handle large or small concealment product roll outs. Providing the best customer service, product design, engineering, manufacturing, aesthetic requirements, and ease of installation to be a one-stop-shop for telecom carriers.

## 2. Interview

The interviewer thanks Mr. C. Apostolidis for his precious time and kind acceptance of the invitation to be interviewed for the purposes of the book entitled "Relevant Case Studies Regarding Organization Management". The following questions are as precise and concise as possible, focusing on the management options that prevail in the Raycap Group of companies.

Interviewer: *Can you please define "Success" in your company? Please include some keywords describing success and leadership in your company.*

The success of the company is based on our philosophy to manufacture innovative useful products, that will increase customer's effectiveness and profits. We don't make products just for the sake of making products. We manufacture products that are unique. And we know that with these products the customer will make profits, in a big way. We don't want to provide a product that will allow the customer to make 5 -10% on the purchase value, since we believe that this is not an incentive for the customer to use our products. We want the customer to have a substantial profit, making it worthwhile for him to change his practices and use our products. I think this is our success: our company is focused on the customer and his needs.

Many companies believe that they are customer centric, but this is very difficult to do. Why? Because in order to achieve this, you need to give 100% of

yourself to the customer when you face him. If a company is not strong, if it must pay interest and payoff loans, automatically the employees are distracted and can't devote their full attention and efforts on the needs of the customer. At the back of their mind, there will always be issues that hinder a successful customer centric approach. This is the first factor for the success of a company.

The next one is product Quality. We do not ship any products unless we are absolutely sure they are 100% compliant to customer specifications. We do not ship even at 99% compliance. This focus on quality pervades the entire business, reaching every department down to the final shipping and transport. It's extremely important to ensure that the quality of our products is at the highest level. For example, imagine the costs that follow a shipment and delivery of low-quality products. It's absolutely huge! That's why we believe that quality is more important than price. In due course, the customer may not remember the price he paid for a product, but he will remember if he was given a bad product. This will have a long-term effect on the customer, because if he incorporated an inferior component into his product, the quality of his product is itself reduced, and this has serious consequences to his credibility and market share.

For this reason, we do not sacrifice quality and as a result, our customers use our products for critical installations, such as, in wind turbines, or air traffic control radars and aviation systems. Because of the mission critical nature of these operations, failure is NOT an option as it will bring massive costs and jeopardize human lives. We are very proud to say that in the wind energy industry, due to Raycap's products, continuous operation is guaranteed without any failure. More than 30,000 wind turbines in Europe and the Americas in high altitude and lightning sensitive environments, are protected with our products. The same applies for our products used in cellular towers: more than 400,000 wireless base stations are equipped with our products, enabling connectivity without failures. We are well aware that in order to be successful, we must be the best and always strive to be even better.

Interviewer: *Which are the values your company believes in?*

One of our values which is part of our success, is to seek and attract the best people in every field and empower them to perform miracles every day for our customers. We believe that if you hire the top 1% of people, not only in terms of smartness but of character as well, the results for the company will not be 30% more, but 30 times more! So, for example, if somebody suggests to me to hire an individual, who is really outstanding, or hire 300 mechanical engineers, graduated from MIT (same age, same cost etc.) I would hire the first, because this person combines all the virtues that a successful firm requires. If you hire such a person, the results you get are many orders of magnitude higher than otherwise. Of course, it is very difficult to find such people because, as we said, we are talking about the top 1%.

Interviewer: *Obviously, the interview before hiring a person for this kind of job is very important. You not only evaluate the skills in mechanics, let's say, but also the character, the values they believe in. It is very important to establish these from the start, because it is very difficult to change a person's character, even if he is placed in the best working environments. We talk about Emotional Intelligence, these days. What is your opinion about this and its relationship to leadership?*

Exactly. We are talking about an employee who combines all the characteristics that we mentioned above. He has to be emotionally intelligent, but also morally exceptional. This person has to combine a multitude of virtues. In addition, there is no room for individualism. If a person's main concern is to look after himself, he will not make the customer his first priority. This is not acceptable in Raycap. I advise my employees not to look after the company or me. I want them to have the customer in mind and try to find ways for the customer to make more money by using our products. If the company and the employees make money, but the customer does not, then we are far away from our goal. We are dealing with smart and demanding customers, and we want that. They make us better and influence us positively. These people understand whether or not you are unique and believe in what you say. If your priorities revolve around yourself, your company and not their interests, they will naturally move away.

Interviewer: *In your career did you have people that disappointed you? People you trusted and at some point disappointed you?*

Yes, we had some cases. But really it is not a matter of bad judgement. As in life, a company goes through different phases. So, if a company goes to another level, then some people may not be able to reach this new level and in a sense, cannot adapt to the new requirements. This is nature; for example, look at yourself at elementary school. You have some friends, which are not necessarily the same in high school or at the university, because at each stage you have common ground and objectives with some people who become your friends. As one goes through different stages in his life, moving on and changing, so alters the group of friends around him. So, I don't believe that it is a disappointment issue. It's a natural evolution, if they cannot follow the progress of the company and are left behind; you are a bit disappointed, but the pleasant memories and good cooperation remain. A company must always look ahead.

Interviewer: *Do you remember how many people you have managed and influenced in their activities and their life, during your career as the owner of Raycap?*

Well, we have 1,500 people employed in total. I believe that we influence all of them, not because we offer employment, but because we offer them a way of thinking. We teach them not to be selfish, even though most people think that they

will succeed if they take care of themselves. That's not the way we think and we show them this (and they can see it) because we care about the others, which in our case the "others" are the customers.

Raycap employees truly appreciate the fact that we as a company make a living because of our customers. On the other hand, customers understand if a company is quality and customer oriented. They will often seek advice from companies, like ours, because they believe we can help them find a solution to a problem. There are instances when even big companies will face problems that are difficult to solve and there are often few avenues available to companies to ask and receive help because there are few partners willing to react to their problems and take them on as their own in seeking a solution. We try to cultivate this notion that if you are good at your work and believe in improving your customers' business, they will probably seek your advice in solving a problem of their own. They will approach you because they believe that you will listen and try to understand their problem, really spend time and try to provide a solution. We may not always be able to solve the problem, of course, but the fact remains that they feel confident and trust that we will do our best. This can happen with small customers, but big firms are insulated when seeking advice. We want our company and our team to be the first ones they seek for advice, so we stay close to the customer. It's the same in life, we look for the best electrician, the best plumber, etc. Why? Because when a problem arises we want to be sure that we get first priority and get the problem solved.

Interviewer: *It seems that Raycap relies on teamwork. Is this so?*

Yes. We do not want to have "cowboys"! We want to have teams and the way we do it is by having many meetings, so that everybody has the chance to participate, contribute his activities and in this way be informed. However, what is important for us is that if a customer calls and tells us he is facing a problem at his site for example, we can gather a team and be on the spot, and arrive on the customer's site. A recent example of this was in Hawaii, when even before the customer appeared, we sent our experts out. We will send people from wherever it is appropriate and convenient (from the USA, Germany, Greece, etc.). We will do this even if we believe that the problem is not a great one. You can understand that when a team of as many as five Raycap experts arrives, it gives the customer a sense of relief and certainty that the problem will be tackled promptly and in the best way possible through this sizable response. At that point, the customer will feel that his problem is nearly solved, because our experts are on top of it.

One can say that this is very expensive for Raycap. You can understand that sending as many as five people from different parts of the world to a location, is costly. But we believe that Raycap gains, firstly due to the reputation we acquire as an efficient and supportive company, and secondly for our employees, who gain important information and experience onsite and do not just handle this from the office. Also, they work as a team contributing, through their expertise, to the team

effort. They learn from the other members of the team, and from the customer, and feel proud to belong to a company which reacted so quickly and efficiently to the needs of the customer. Upon returning to their base, they will transfer the knowledge gained to their colleagues, so in reality the experience gained will be dissipated throughout the company's many locations, as well to other customers. All the above, has a multiplying effect on the company.

So, on the one hand we have the costs and on the other we have all these benefits. To further emphasize the attention we give to customers and problem solving, it is important to mention that we place no restrictions on such costs. This is another example of how difficult it really is to be customer centric. A lot of people will say they are, not truly appreciating how difficult it is. For example, in order to have such a quick response to customer needs, one must be flexible in decision making in the company. The company operates in a decentralized way, as in the example above, the decision to travel to the customer does not require a lengthy approval process, passing through the owner or their boss. We have done away with these control mechanisms because we realize that in order to be customer centric you must be flexible. For big companies this is not possible, due to rules that have been established concerning expenses, etc. On the other hand, our flexibility gives us a competitive advantage.

*Interviewer: Which are the main challenges and opportunities in this pandemic period. Has something changed in the management of the company? Has your style of management changed due to Coronavirus?*

Well, for us one of the challenges is how to ship products and components, since as you know, the supply chain is not at full capacity. We faced this problem by creating a bigger inventory, that is, a larger inventory than necessary. We managed this in time and thus minimized the repercussions to the company, taking care to have all the components on hand. Even if one single component is missing, you understand that you cannot take care of the customer. Another problem was the actual shipment. We ship our products mainly by air, but during this time the availability of air cargo flights was minimal. There were no commercial aircrafts, which carry a lot of merchandise. This is different for firms like AMAZON, DHL, etc. which have their own planes to carry their products. These firms prefer to carry their own cargo and we could not use them to ship our products. This problem was significant to us, because our policy is to ship the same day and, although we do not promise delivery the next day, we try to be as fast as humanly possible.

Another problem was the contact with the customer. We rely on face-to-face communication and the pandemic hindered this, very much. Nobody really calls you on ZOOM and tells you about the problem he is facing. Direct communication is very important for us. If you meet the customer, you can sense what the problem may be and you stand a much better chance of solving it. Through a PC screen you only have two dimensions and you miss a lot. Due to the pandemic, companies tend to become introverted and solve their problems

internally, thus not looking outward and forward, potentially missing out on new approaches and ideas.

*Interviewer: Your Company is so innovative, and I have seen that your company is in the front line as far as the 5G process is concerned. Isn't the 5G market an opportunity for Raycap in the pandemic?*

In a sense yes, concerning the software. However, the progress towards 5G relies on hardware that must be installed in the field. The big telecommunication companies use installers – installation companies, to go out to the field and install the 5G equipment. The 5G expansion process has decreased dramatically during the pandemic, since the big companies cannot push the installation companies to install, because people are afraid to go out into the field.

*Interviewer: How do you see the company in 5 years?*

We do not make these kind of projections because we really do not know. Everything, at this moment, is very fragile and volatile, especially when taking into account that technology advances so rapidly. Any prediction is difficult and risky. Also, we have no financial reasons that require such estimations. We are close to our customers; we understand which directions they are following and thus plan ahead accordingly. We have the financial flexibility to do whatever we decide and due to the fact that we can react extremely quickly, we can increase production quickly and respond immediately.

Our company does not have to satisfy any shareholders. We only want to satisfy our customers. So really, the key is to be close to your customers and their needs. As an example, we bought a company in Charleston two years ago which at that time had 64 employees. Now, after two years the workforce is up to 250. We knew that the company had potential and could do well, but we did not project this increase. We have good people that sense the direction of progress and Raycap can react ahead of time. Therefore, five-year projections and budgets, etc. are not of any use to us. It is interesting to see where we were five years ago! From that experience, I would say that in five years' time, based on our previous experience, 70% of the products and services in our field will be completely new, nonexistent now.

We want to keep pace with the speed at which new technologies and products develop and not spend time preparing the figures and the paperwork for a five year plan. We thus concentrate on the customer and in this way we study the tendencies of the market and react to them.

*Interviewer: I know that Raycap is involved in Social Activities and actively practices Corporate Social Responsibility. It seems that this is a core philosophy of your firm. There are numerous monuments that Raycap has rebuilt, renovated and maintained over the years. Can you please expand on this social implication that*

*gives extra value to your company? What gives you the impetus to be so active in this field?*

Yes. Our approach is to do things that give pleasure to people and have some importance in culture as a whole. We also try to fund associations that help many people. We don't finance individuals. We believe that by supporting these organizations in their activities more people can benefit. These can be cultural but also educational, research, athletic etc. The idea is that by supporting the budget of one activity in such associations you can give them more fire power (extra momentum) to do other things. We empower these organizations so they can feel not only morally supported but also gain a sense of fulfilment through their actions.

This is our aim, since we believe that it isn't significant for you and the organization to progress nicely. The importance lies in the improvements for the general public. If you are the only one improving, at that point, this is not beneficial for you. We get a lot of pleasure because we think that if we contribute to certain activities, people will be happier and, in the end, the company will be boosted as well. There is an analogy with what I said before about the customers and how we make sure that our products solve problems and increase revenue. By contributing to society, in so many ways, we create the conditions by which individuals can thrive and, in the end, everybody, including us, does better.

*Interviewer: Do you believe in creating an organizational culture in your firm and what are its basic constituents? Are your employees informed of the culture and values of the company?*

As we have said before, the principle of our organization focusses on being customer centric. Also, innovation, not for the sake of it, but in order to give value to the customer. We want to be the first to address novel challenges and future trends. Innovation is not only setting up a good R&D department. Thinking in an innovative way is a culture that must be developed. Imagine if all the employees could spend some time, as they perform their daily tasks, to try to find innovative ways to make their work more interesting to them, more efficient, faster and with less cost to the company. This question must be in their mind: In which way can you make things better and make an incremental change?

An important value to us is intellectual honesty. You must be honest and open about things. We answer all the questions addressed to us. We never hide things and never operate with hidden agendas. Sometimes some mishaps happen, and it is unethical to try to hide it from the customer. With our employees also, we try to be open and always deliver a clear message to them. There was an instance where a customer contacted us two days before Christmas for a vital component. We did not spend time analyzing why it was two days before Christmas. It was a mistake on their part. Our role was not to punish them or force our workforce to work on Christmas. We explained that it was within our customer centric culture to respond, and all our employees understood the reason.

Trust and high standards are part of our culture. We are fortunate to have a chief executive officer (CEO) who is very smart, but also sets high standards for all our facilities. So for example, a dress code operates in all our offices and especially in our manufacturing facilities. This is important because we invite our customers, sometimes even pay their expenses, to visit our facilities. We believe that they will see the high standards and the efficient working environment. Having seen the attention to detail, even the dress code, the customer will be sure that our product is produced to the highest standards and most probably place an order.

*Interviewer: Finally, from your vast experience, what would you propose to our young graduates in management? What are the lessons you have learned and the important issues today.*

Firstly. Do a good job. Sooner or later this will be appreciated. Try to give your best, everything you have. Follow what your boss says. Don't criticize them, so much. Just do what they tell you and, for sure, someone will recognize your efforts. I know it is not obvious from the start and probably it won't be your boss, but others will find a way to reward you for this. The message: Do your best despite what is going on around you. If you excel in what you do, someone will recognize your efforts and you will feel accomplished, because you did something positive instead of criticizing and blaming others. Criticism is necessary, but the important thing is to act, be proactive and come up with proposals and solutions. Everything can be improved. Even an employee whose job is very trivial, can improve things. „Continuous improvement” is, of course, one of the principals of management. I was told a story once about a man working for TOYOTA, who did the same trivial job every day. He was asked whether he was bored and tired of this job and his answer was “No”. He felt that by doing the same job, he would find a way to make the job less trivial. He believed that it was up to him to find a better way to accomplish his task.

Another lesson to a young manager is to find a job in a company that has a good working environment with hard working colleagues that are supportive of teaching skills for personal development. The salary must come in second place.

**Interviewer in acknowledgement:** Thank you very much, Mr. Constantinos Apostolidis for your professionalism!

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## Webography

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