

PALLETBIZ PANDEMICS AND PACKAGING



WHEN WE LAST SPOKE WITH PALLETBIZ THEY WERE JUST PUTTING THEIR LONG-TERM STRATEGY INTO PLACE, BUT THE COVID PANDEMIC HAS AFFECTED EVERYBODY'S PLANS.

When we last spoke with Thomas Gents, Managing Director and COO of PalletBiz, the company had just started laying the cornerstone of what would be their new corporate five-year strategy from 2020 to 2024. Since then those plans have begun coming to fruition. **K** S ome of the highlights since we spoke last include that we managed to build on our existing footprint, expanded regionally using synergies across the PalletBiz network," Gents recalls. "Our GCC (Gulf Corporation Council) Region has seen a new master franchise set up in Abu Dhabi and operations commenced in Bahrain. It's been going well. We've managed to do a lot of what we wanted to do."

LAYING DOWN THE STRATEGY

It's not hard to see that Gents is proud of what PalletBiz has achieved since our last conversation.

"Our biggest achievement has to be the finalisation of our corporate strategy which became the central piece in our search for capital injection. It has helped us to realise our further broad plan," he says. "We've agreed on a capital increase, and even with one of our existing regional partners in the network who can also contribute greatly not only as shareholders but as part of our global board bringing great value into the company. That's our biggest achievement."

The thing about a strategy is it's no use if it only exists in the heads of company leadership, and Gents is keen to emphasise the work his team has done to spread the word throughout PalletBiz. "Our team has realised the immense importance of communicating strategy within the whole company," he says. "Only just recently we launched some of the new initiatives on communicating the corporate strategy, which until then wasn't clear. So that's been the biggest challenge we needed to overcome."

To make his point, Gents tells us an anecdote from a conference he went to in Copenhagen, back when we were all still going to conferences.

"The CEO of Lego, Niels B. Christiansen, was the guest speaker and it was the day after it had been revealed that Lego had been named the world's most powerful brand. He was almost like a small child, he couldn't wait to tell the audience," Gents recalls. "But the main message of the day was really, from such an experienced and innovative CEO, that communication of strategy is so essential. He >>







kept coming back to that fact. It shouldn't be too complex. It needs to go through the whole organisation and be well understood at all levels.'

This is certainly a lesson that PalletBiz has learned.

strategy "Previously the at PalletBiz was kept at the managerial or CXO level. Now it's communicated more business or network-wide," Gents points out. "Everyone should have access to our corporate strategy, which is a long, detailed, document. It's heavy reading but everyone needs to understand. Then we have our Operating Plans, which is making sure the strategy is implemented all the way through the organisation - ultimately leaving our international crossborder clients with the same professional approach and results, whether being served in Europe, Middle East or Africa."

At the same time, PalletBiz has just launched a new intranet called My PalletBiz, which is also the platform for hosting a bimonthly event they call "BizTime".

"There is a countdown on the intranet now every 2-3 months, and this is the first widespread conference call in PalletBiz," Gents says. "We will have some special features and guest speakers but it is also a forum where we can meet & greet new colleagues, give praise, and of course communicate strategy."

THE FIRST TO FEEL A RECESSION

As I tell Gents, PalletBiz has picked an excellent time to get into conference calls.

"Like we said it's difficult to get around the COVID-19 pandemic. We in the packaging industry, and particularly pallet and packaging manufacturers, are the first to feel when a recession comes around because we're early in the supply chain of a company," Gents tells us. "Due to our widespread footprint, we've been able to pick up the trends

and impact of COVID-19 unlike other packaging companies, and have been able to prepare our regions and respond in a timely & sequential manner."

The first priority, for Gents and the management teams, was the protection of PalletBiz's people.

"So like most other companies we've implemented safety precautions for our employees," Gents says. "The safety of our people is our number one priority. Our second priority is to ensure constant deliveries to our clients which include companies in the FMCG and Pharmaceutical sectors. Here we have a responsibility, and I am proud that we have managed to navigate through the pandemic, ensuring no





sudden supply interruptions for our clients. We're used to virtual meetings and conference calls, so luckily not too much adjusting has been necessary there."

A literally world-changing crisis on the level of COVID-19 is obviously a spanner in the works of anyone who has just set out a grand five-year plan for their business, but Gents suggests that in many ways it has helped to clarify the company's vision and priorities. "We've come through the first phase of COVID-19 acceptably. We're quite a way off the organisational growth necessary for our vision, which is to be among the Top-10 providers of quality handling and packaging materials and

related consulting services with a solid footprint in EMEA and emerging footprint in North America – by 2024. It's ambitious but we are on solid starting ground," he points out. "We managed to finalise from a capital increase that really positions us in a comfortable and interesting spot heading into Covid-19, and we will continue this aggressive approach to realise our longer-termed goals. I would definitely say as part of the strategy and part of what we have planned we have also realised the importance of things like digitalisation and sustainability and how that has become of higher relevance and luckily also focus. It wasn't deliberate, we didn't plan for >> that but it reemphasised the importance of not relying on global supply chains."

SUSTAINABLE FUTURES

At the beginning of this year, PalletBiz launched the first version of its sustainability strategy. As we covered in our last feature, PalletBiz is that takes the a company impact it has cross-culturally. deforestation. preventing management, waste but also its social impact, verv The company is seriously. working hard Gents explains on visualizing how much and where PalletBiz is impacting sustainability. This is done by developing a sustainability balanced scorecard in order to ensure, that development must be translated into actionable, measurable and monitorable steps having its roots in selected UN 17 SDGs.

"One of the things that will be interesting is how we should pursue our supply chain looking

"WHAT WE'VE GOT IN STORE THE COMING YEARS IS TRULY EXCITING."

ahead," Gents points out. "We've managed as part of our strategy looking at options for vertical integration into more sawmilling units regionally - entering into more control and thereby responsibility of the raw material we use in the wooden packaging sector. One of the interesting initiatives that could be highlighted has been engaging state-owned forest companies where there is an option to face challenges and overcome those in a context that respects a longer-termed vision - for both parties, naturally. We're working in South Africa with a company called SAFCOL to develop our regional supply chain in a different way. We're looking at how to utilize an

otherwise challenged industry in a way that will insist on bringing value locally while doing so in an overall more sustainable way than existing supply-chains. Dealing with government entities has to work in a certain way, however, one can hope that initiatives taken by private entrepreneurs can actually lead to gaining the masses, rather than the few. The specific case mentioned was speaking to exporting lumber from within the Southern African Development Community to PalletBiz Network in the Middle Eastern region."

This is only the beginning of their strategy, as Gents hints, "What we've got in store the coming years is truly exciting. Next time we speak we'd like to have an improved footprint in our existing regions – be in Mozambique, Botswana Zimbabwe in Africa, Oman in the Middle East as well as Germany, Slovakia and Bulgaria for the European continent." ⊙

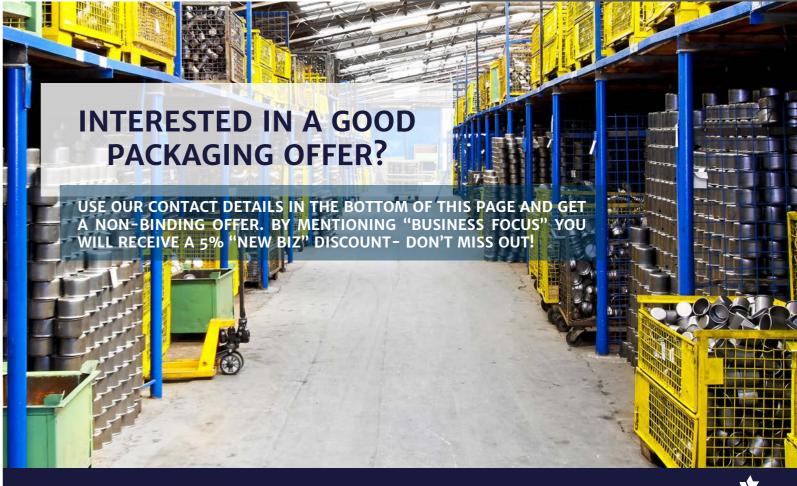


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