

servisbal**o**blog

Bulletin of the company servisbal^o Bulletin #1 – 2021



We won an award
Czech Best Managed
Companies

We are a member
of PackSynergy

#nejsem prase initiative

Is the epidemic over? Who knows? Whether or not it is so, Servisbal is ready

Coronavirus really tested our company. When a wave of infection peaked in the Rychnov district, Servisbal was also affected. At one point, nearly a quarter of the staff were absent due to illness and quarantine. Still, we did not close even for a single day. The entire company was able to pull together. Colleagues from offices and company management went to the warehouses and production to help. We could mention more such cases. Thanks to Coronavirus, we could check that the company has sound foundations and that we are also able to work in difficult conditions.

We managed to handle a difficult situation. There are many things behind this - strategic management, technological readiness, process flexibility and, last but not least, the enormous commitment of all colleagues. Our long-term presence in on-line world via e-shop Eobaly.cz has brought the desired benefits. Not only because of that Servisbal has grown dynamically throughout the entire pandemics.

We are surely aware that the level of our service, to which you have become accustomed, has declined in the short run. Delivery of goods from e-shop took longer. The availability of goods was limited. Today, however, we are almost at the pre-crisis level. With regard to custom manufacturing, some of you are experiencing extended terms; the global shortage of production materials is mainly to blame here.

To obtain the most objective feedback on the level of our service, we contracted a reputable marketing agency to conduct market and satisfaction survey among you, our customers. We are very curious about the results and will be happy to share them with you.

We are already working on measures to improve our services again in the second half of the year. We are building a new warehouse to significantly increase our quantities of standard and custom packaging. We have already rented external premises to manage to cover a large amount of orders in the Czech Republic and Slovakia. Warehouse capacities have already been almost doubled.

Dear customers, thank you very much for your loyalty, which you have showed in these difficult times and we look forward to further cooperation.

Jiří Štěpán
Marketing manager



We won an award

CZECH BEST MANAGED COMPANIES

We were awarded a prize as one of the best managed companies in the Czech Republic.

We see this award as an independent confirmation that our long-term direction is correct. After a generational change two years ago, when Lukáš J. Horčíčka succeeded his father in the company's management, the continuity is ensured and Servisbal successfully continues in its business activities.

As one of the awarded companies, we were invited to the award ceremony, which took place on 10 June 2021 in the Old Town Hall in Prague. The award was accepted by the management representatives Andrea Kubičková a Lukáš J. Horčíčka.

In Servisbal, we carefully manage the firm's strategy and devote a lot of time and effort to the creation thereof. Advisory firm Deloitte has

a well-developed method of evaluating companies; if a company meets the evaluated criteria (far from just financial), there is a high probability that it will prosper and further grow in the future.

About the programme

Best Managed Companies is a recognised global programme that supports the development and recognises the quality and success of leading privately owned and managed companies. It is based on the Deloitte's time-tested methodology, which assesses the quality of corporate governance and management in the following areas: strategic direction, productivity and innovation, corporate culture, and management structure and financial performance.



CZECH BEST MANAGED COMPANIES

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The programme was founded in 1993 in Canada and since then has represented the most significant entrepreneurial award of its kind. Today the Best Managed award is aside from Canada granted to companies in the Czech Republic, Germany, USA, China and other countries.

The assessment focuses on the overall business performance and sustainable growth of the company, but it measures more than just financial performance. It appreciates the efforts of the entire organisation and its management.

Awards for Servisbal and quality of its management

Participation in the programme involves quite a lot of work and is not a mere formality. Deloitte with Servisbal first implemented workshop, in which the entire company's top management participated. Deloitte representatives already obtained an idea of the inner functioning of the company, while providing feedback to Servisbal as to weaknesses and strengths in relation to the programme methodology. This was followed by a comprehensive application to





the programme. This document is structured according to the programme's methodology and focuses primarily on the aforementioned basic criteria that indicate a successful company with high growth potential.

Evaluation followed based on the workshop and the processed application form. The awarded companies were selected by an independent expert jury composed of senior representatives from leading institutions in accordance with the rules of the global programme Best Managed Companies.

This is a very prestigious award. Servisbal is thus in the company of recognised firms. From last year let us name on behalf of all, for example, Zásilkovna, Pilulka Lékárna or LIKO-S. We perceive the award as a confirmation that our (business) direction is right.

It is certainly no coincidence that the most important criteria for success in the competition are also very important in the Servisbal's corporate strategy. Our company has long been known for its highly developed and maintained corporate culture, emphasis on innovation, and strong financial stability.

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Situation on the market of packaging materials

What is going on in the packaging market; why is everyone getting more expensive? Quite the contrary, shouldn't it get cheaper when part of the economy has stalled? Let's try to uncover what the current market looks like and why this is so.

Even paper and plastics are getting more expensive.

The fact is that paper and plastics are becoming more expensive, especially in the European market, is a reality. In our industry, this is reflected in the increase in corrugated board packaging prices since the beginning of the year in the range of 20 - 30 % and in case of plastic packaging a few percent more. Packaging manufacturers have been forced to increase the price of corrugated board and granulate for the production of plastic packaging.

Is COVID to blame?

At the most general level, COVID is really to blame for the increase in the price of both raw materials. Raw material markets are now truly global and the measures against coronavirus have gradually disrupted logistics chains in different parts of the world. This has become particularly evident, for example, in a shortage of transport tankers, leading to delayed deliveries and consequent significant transport costs.

There are more factors, however, affecting plastics getting more expensive. We must not forget that 40% of all plastics produced are used for plastics packaging manufacturing; the rest is for other purposes. The demand for plastics for hygiene and medical supplies has increased enormously with the epidemic.





This has been multiplied by an uncertainty over oil prices (from a very low price of \$30 per barrel in the first half of 2020 there has been a rapid rise to the current \$70 per barrel) and adverse weather conditions in the USA. Yes, even the weather has still a big impact on the prices. In the USA, there has been significant hurricane damage caused to refineries and production disruptions due to an unusually severe, cold winter.

Together with the terrorist attack on oil bunkers in Saudi Arabia, the result has been a severe shortage of polyethylene in Europe and a high increase in its price.

Shortage of corrugated cardboard on the market

Corrugated board is also in short supply on the market. Cardboard producers and packaging manufacturers have experienced turbulent times

with an advent of coronavirus. Fear of a lack of orders has been replaced by concerns about having enough to produce. With the growth of sales on e-shops during lock-down, the demand for packaging increased enormously, but it is not easy to obtain the material from suppliers on time - corrugated cardboard, the price of which is logically constantly rising.

Paper is currently produced mainly from recycled materials, mostly from used paper, but there is less of it on the market than the demand requires. Its growth was mainly driven by the purchases of recycled substance from China and the USA.

Some corrugated board suppliers have, therefore, introduced quotas setting a maximum quantity of corrugated board that can be supplied. Servisbal was also affected by this quota. We solve this by not relying on merely one but several sheet suppliers. In addition, we also cooperate with foreign suppliers.

What does that mean?

We definitely recommend ordering packaging well in advance than you are used to. If you can't find the exact packaging you need, you'll have plenty of time to choose an alternative.

You can use the current situation as an opportunity to improve your packaging. We definitely recommend trying the quick-close packaging, which saves a lot of time when packing. Look for ways to reduce material consumption and help the environment.

What development we expect

Many factors contribute to the high demand for packaging. Even if the coronavirus situation is managed well, we cannot expect any dramatic improvement in their availability or reduction in price.

In the case of plastic granulates, a strong demand from China and emerging markets will certainly continue.

As far as paper, the price forecasts confirm further price increases in the summer by additional 20%.

We also expect an increasing trend towards replacing plastic packaging with paper (which we consider desirable) and the question is how suppliers will manage to supply the market with materials for paper production.

Increase of an average price of LDPE plastics (low density polyethylene)



Sources:

<http://emagazin.packagingherald.cz/2021-03-04/index.html#p=30>

<https://www.plasticportal.eu/en/ceny-polymerov/lm/1/price/3510/>

<https://archiv.ihned.cz/c1-66909660-pandemie-a-mrazy-vyhna-ly-ceny-plastu-vzhuru-vyroby-z-nich-zdrazi-take>

With packing table everything is **within reach**

Easy integration of filling systems

How to contribute to the health of your employees while increasing their work productivity?

Equip your expedition with a thorough packing table. Our packing tables are affordable even for small businesses and are proven to make your packing faster and more efficient. Packing workplace equipment is often underestimated; many companies pack manually without such an equipment, even large companies that ship hundreds of orders per day. The efficiency of such a packaging process is usually poor and it takes a lot of time. Solution is really easy. Contact us and we will customise our standardized table to suit your needs. Quickly, cheaply, and easily.

Why to obtain packing table?

Ergonomic workplace = healthier employees

Thanks to the packing table, everything at the workplace is within reach. Bending, unnecessary walking back and forth and uncomfortable movements are significantly reduced. Your employees will appreciate it and you will deal with less absenteeism.

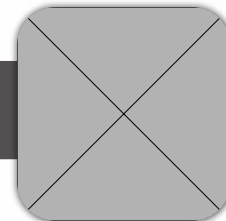
Everything is within reach = quicker packaging

Thanks to the packing table and its accessories, you will no longer have to search again and again for a suitable box or foil cutter. The workplace can be easily adapted so that everything is literally within reach.

Easy connection to transporters, filling machines, and other technology

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contact person:

Josef Mervart

phone:

+420 604 207 970

+420 731 464 534

email:

automatizace@servisbal.cz



We belong to the prestigious packaging club. Customers, in particular, benefit from it.

The European Packaging Association internationally connects successful packaging companies from more than 21 countries. The purpose of our partnership is based on shared values that promote cooperation and interaction between members. We combine experience from our local markets with joint innovative ideas that can be applied internationally.

The packaging network has its own strong brand, a clear growth strategy and firmly established values. An active support and encouragement is provided to partners from Packsynergy to meet all the challenges the future holds for the packaging industry.

Benefits for you thanks to PackSynergy: Products with benefits

1. PRODUCTS

Thanks to our favourable purchasing conditions and close cooperation with leading global manufacturers, we provide high product quality and system solutions at attractive prices.

2. INNOVATIONS

We set trends thanks to our knowledge

Technology, materials, sustainability conducting business in "packaging" is becoming increasingly difficult. Innovations have never before been so important. Through a knowledge base shared with vendors and suppliers, you can be sure to stay on top of packaging trends with Packsynergy.

3. PARTNERSHIP

Personal approach

Packsynergy enables medium-size enterprises, which are managed by their founders and owners, to successfully compete with large multinational suppliers. Our customers benefit from the same advantages - purchasing power, flexibility, and the ability to deliver across Europe.

servisbal 

je členem

PACK  SYNERGY

THE EUROPEAN PACKAGING NETWORK

> 20 LÍDRŮ
V BALENÍ

> 10
STÁTŮ

> 20 LET
NA TRHU

sdílíme péči na porčích pou





We care about the environment, where we live!





Thus, we got involved in the initiative called **#nejsem prase**. It is based on a simple idea. "What we bring to nature, we take away." It explains to the public how to behave during trips through our beautiful countryside. It provides tips on how to handle rubbish properly so that it does not look just like in a pigsty around here.

The initiative **#nejsem prase** often calls for actions to clean up litter along hiking trails, in forests, and in cities. And because we live in the age of social media, all participants are encouraged to show off their clean-up by sharing a photo or video.

We decided to support the "initiative **#nejsem prase** for more reasons. The idea of the project takes the words right out of my and my colleagues' mouth. Moreover, Servisbal has had environmental protection in its values since it has been formed. And it doesn't just want to proclaim it, it really wants to live it. That's why we do not shy away from picking up litter along the roads here in the

foothills of the Orlické Mountains or planting trees. We believe that with the initiative's team, by the way, very nice people, we will be able to think of other ways to cultivate a positive relationship with nature in people, whether children or adults. "It's normal to be nice to nature and not to litter, every little child knows that", says Renata Danielisová, head of marketing in Servisbal.

Servisbal became the initiative's main partner. And to set an example, since spring it has already managed to collect several dozen bags of garbage along the roads and in the forests, clean up the surroundings of the Rozkoš reservoir, make several birdhouses or clean up a site where the protected spotted newt lives.

My colleagues and I let each other know about our activities. We have created a wall in the company where we pin photos from our events. You can see the result yourselves.



#nejsemprase



Servisbal participates at nice projects in the region

To diversify spring walkways through Opočno **Poštouna u Maxmiliána**, members of ABAKUS Association, and senior inhabitants from Opočensko in collaboration with municipalities of František Kupka birth region and **under the support of the company SERVISBAL, exhibition of enlarged stamps and postcards of illustrators from our region..** There were also cardboard illustrated mailboxes, which were created on the occasion of the celebration of 150 years of the post office in Sedloňov. The exhibition was on display in the windows of retailers and service providers.



Photo: archive of ABAKUS Association and ZŠ Františka Kupky in Dobruška



Another nice event comprised **Maxmillian's kids day** associated with celebrating **550 years** following the award of the sign of the city of Opočno.

Servisbal that has its seat in Dobruška, Orlické hory foothills, is involved in social and cultural events in the region all year round. After all, contributing to its development and protecting the local cultural and natural wealth is written in its corporate values.

We support young talents

Oba
2020
FOK U



*Tomáš Musil
accepted the award
Packaging of the year 2020*

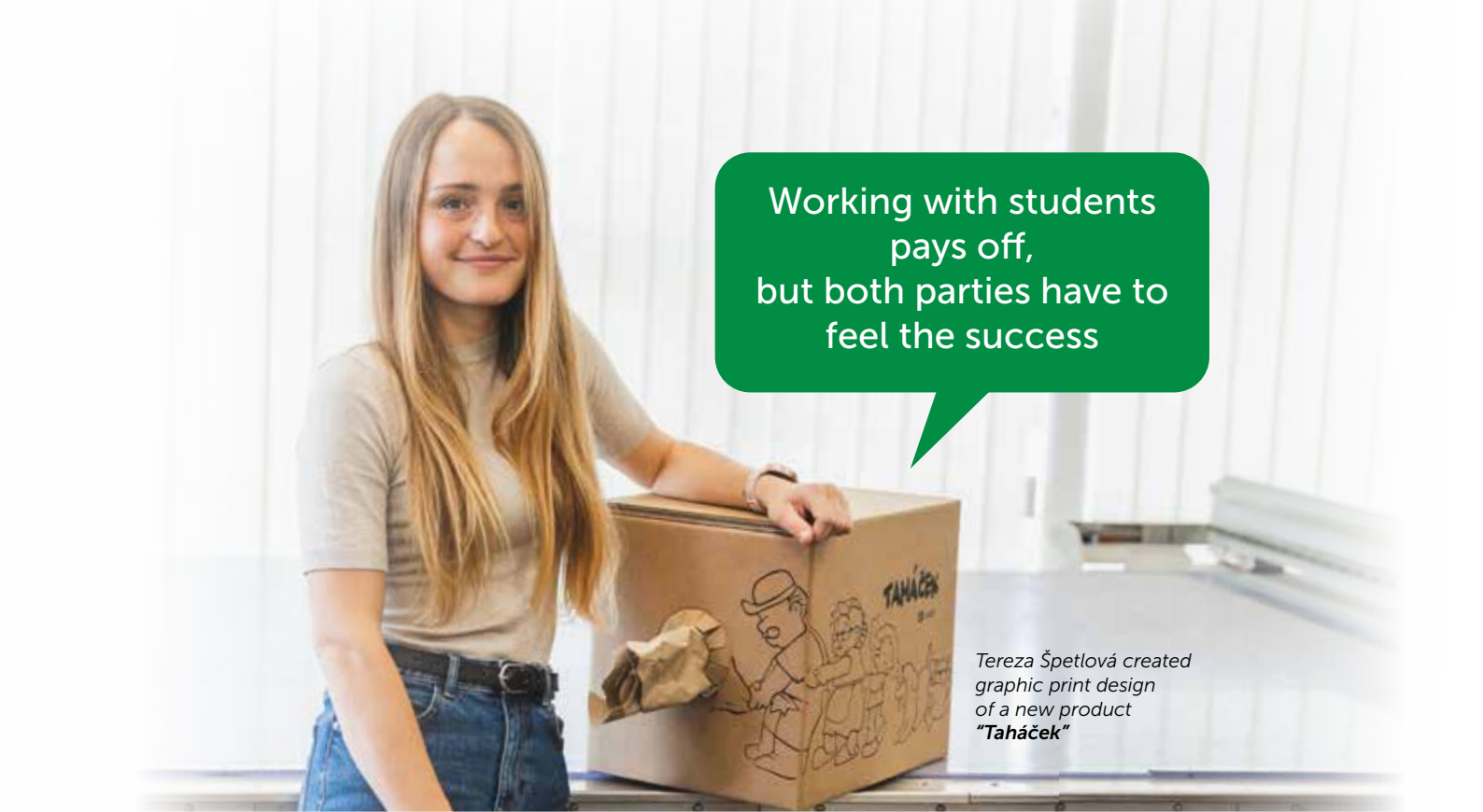
In the structural (design) department, we rely on young talent. Why? Because it pays off and we enjoy their success.

Nowadays, it's not easy to find a quality technician for your team, and if you're trying to find an engineer in a relatively specific field - packaging - it comprises a classic "looking for a needle in a haystack". We take pride in our openness and friendliness, which helps us to find new colleagues directly from schools. We regularly welcome school excursions in our company and provide opportunities for professional practice. The positions are then often filled by graduates with whom we have already "tested" each other in this way.

It comes with certain risks, but it pays off. It is important to have a sophisticated system of internal training and mutual transfer of experience.

*Tomáš Musil
graduation work
Robotic arm*





Working with students
pays off,
but both parties have to
feel the success

*Tereza Špetlová created
graphic print design
of a new product
"Taháček"*

Young ideas and ideals are hard to find anywhere other than among young colleagues.

We will demonstrate by means of one example. Even our colleague, constructor, Tomáš Musil, attended excursion in Servisbal with Higher Professional School in Štětí...

"The excursion through the company convinced me that I would like to do my internship in the second year here and after the agreement between the school and the company it was not a problem. While working in the company, I was able to experience theory in practice and I gained my first work experience. After completing my internship, I arranged to collaborate in my third year, thanks to a grad-

uate thesis assignment from Servisbal, in the form of Robotic hand from corrugated card board, on which I could work without limitation. My graduation thesis was a success and after graduation the company offered me a position as a junior engineer. The work in Servisbal allowed me to build on my school knowledge, acquire the practical skills of the engineering profession and experience my first professional success – award Packaging of the year 2020."

And where is the profile for the company? This story is an answer. For a colleague, it is the feeling of being able to experience their first professional success shortly after school. And we gladly share it with him.

**CZECH BEST
MANAGED
COMPANIES**



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