timber

Pfeifer Group Company Magazine

PFEIFER

ISSUE 8 | 2022

Shaping the future – with wood

Pfeifer CLT on the rise

Energy management

Innovation Hub

STRAIGHT FROM THE HEART OF EUROPE **TO THE REST OF THE WORLD**

PASSION FOR TIMBER

© Gerhard Berger, Title page: Uwe Mühlhäusser

Opportunities through change

"The only constant in the universe is change." This insight by Greek philosopher Heraclitus also applies to the timber industry. After a long phase of stable prices and a relatively balanced market, the Covid-19 pandemic and its economic consequences brought unexpected turmoil to our industry. When the war in Ukraine broke out in spring 2022, it has had an additional exacerbating effect on the supply of raw materials and the flow of goods. Massive delivery delays, volatile prices, container and driver shortages will therefore remain with us for some time to come.

If a company is to come out of this roller-coaster ride unscathed, it needs solid economic foundations, a future-oriented product range and a high degree of passion among all players along the value chain. The Pfeifer Group has been combining all of these for more than seven decades. Mastering the balancing act between continuity and flexibility and building on several strong pillars are things that are firmly embedded in our company DNA and allow us to safely cope with exceptional situations.

Our biggest challenges for 2022 concern the entire timber industry. Like all manufacturing companies, the Pfeifer Group is increasingly facing problems in areas such as personnel, raw materials, procurement and logistics. Other things to look out for include reliable supplier and customer relationships as well as even more intensive cooperation between our departments. Only together can we blaze a path towards growth and success.

In this light, it is and will remain our aim to satisfy our customer base with high service and product quality. We want Pfeifer customers to experience our values every time they come into contact with us and derive concrete benefits from our partnership. To this end, we continuously improve our production lines and invest in the know-how of our employees. This issue of timber 8, for instance, shows you how digitalisation is transforming our company on many levels.

The latest showcase project of the Pfeifer Group is its Innovation Hub in Innsbruck. At this new location, we aim to actively research and help shape the future of the timber industry. In an increasingly interconnected world, this works best through cross-fertilisation and synergies spanning several sectors. New revenue streams are of course part of what motivated us. Beyond that, however, it is important to exploit the full potential of wood as a raw material in order to drive the necessary climate transformation. The future belongs to wood. Let's work together to keep this promise.

Michael Pfeifer, CEO **Ewald Franzoi,** CFO **Clemens Pfeifer,** CTO
Managing Directors of the Pfeifer Holding GmbH

Products

10 – 17 Pfeifer CLT

Second expansion stage produces successful outcome

18 – 19 Pfeifer white papers

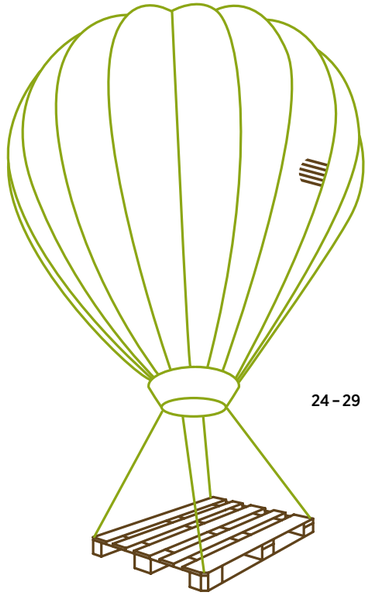
Expert timber construction information to download

20 – 23 Optimisation with a vision

Insights into the Energy Management & Environmental Department

24 – 29 A success model with a “family tree” and a bright future

Up close and personal with the wood pallet: Celebrating the Euro Pallet and EPAL anniversary



24 – 29

10 – 17

Locations/ Infrastructure

30 – 33 Secure supply as a vested interest

An interview with CTO Clemens Pfeifer about the commitment to constant improvement

34 – 37 Pfeifer heads into the future on multiple tracks

Obstacles and challenges in logistics

38 – 45 New Innovation Hub

We visit the Trend Scouting Team in Innsbruck

46 – 47 Focus on locations

The most important investments and current projects at a glance

© Photos: PFEIFER GROUP - Anna Tiefenbrunner | Graphic: west Werbeagentur

© Photos: PFEIFER GROUP - Anna Tiefenbrunner, PFEIFER GROUP - Gerhard Berger

Customer Relations

49 Trade fairs 2022–2023

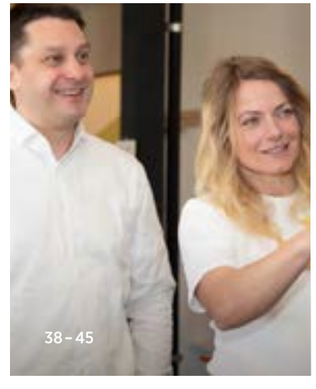
When and where Pfeifer presents itself to the industry

50 – 53 Digitalisation in Marketing & Sales

Aiming for a win-win situation for customers and companies

8 – 9

50 – 53



38 – 45

Employees/ partners

54 – 58 Together towards a Working World 4.0

Innovative tools for passing on knowledge & communication

59 – 60 Introduction of SAP S/4HANA

For standardised processes and increased transparency

Basics

4 – 5 Editorial

8 – 9 Spotlight on our locations

63 Imprint

SPOTLIGHT ON OUR LOCATIONS

Chanovice

The origins of the timber industry in the Czech municipality of Chanovice date back to 1919. In 2016, the Pfeifer Group took over the plant in the heart of the Bavarian-Bohemian Forest and expanded it into a state-of-the-art production site with an investment package of 100 million Euros. There, the high-quality spruce sourced in the region is completely processed into sawn timber, solid wood panels, shuttering panels, green power and wood pellets. The planing mill, which will go into operation in 2021, will herald in a further development boost.

1 Office building
2 Production hall
3 Metal, electrical and car shop
4 Central storage
5 Solid wood panel storage
6 Solid wood panel production
7 Warehouse with sharpening room
8 Cogeneration system, boiler house
9 Fuel storage
10 Wood chip silo
11 Interim storage for dry sawn timber
12 Wood chip belt dryer
13 Planing mill
14 Fire brigade base
15 Pellet packaging system
16 Pellet silo
17 Pellet production
18 Sawn timber storage
19 Drying kilns
20 Planing mill
21 Warehouse
22 Shuttering panel production
23 Spare parts storage
24 Sawn timber storage
25 Truck access ramp, scale
26 Truck loading area, sawn timber storage
27 Grading system
28 Wood chip silo for fresh chips
29 Saw mill
30 Round log feed, debarking system
31 Grading line
32 Round log receipt
33 Round log site

© Graphic: west Werbeagentur

PFEIFER CLT proves itself on the market

Official sales of CLT at the Schlitz plant started in early 2020 and with the completion of the second expansion stage in June 2021, production capacities was doubled to 100,000 m³. Due to increasing demand for Pfeifer CLT, plans are already being made for the site's further development.

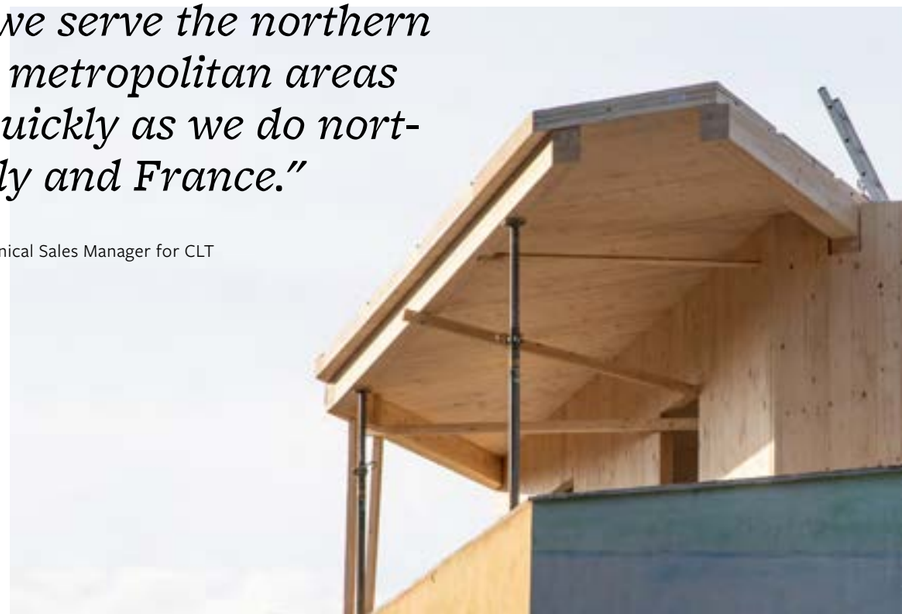
With the installation of an additional finger-jointing system and a state-of-the-art joinery line, the course was set for even better performance and quality all around. "Our CLT plant is state of the art. The latest system upgrades and conversions not only improve our output but also the working conditions of our skilled workers in production," says a happy Plant Manager Sebastian Eggel. A total of 6 million Euros were invested in the second expansion phase. The two high-performance and flexible Hundegger PBA Industry systems, in combination with the Hundegger UFA installed in the course of expansion stage I take care of cutting the CLT panels. This will enable the plant to meet growing demands for cross laminated timber in the future: "The new joinery centre allows for faster, automated processes and optimises the material flow in the hall. Among other things, this is made possible by the integrated panel cosmetics system, which processes the entire panel to the desired quality in a single step downstream from the press."

Optimised processes

Completely automatically, the panels are transported from the warehouse to the two gantry processing plants by crane, each of which comprises a multifunctional unit. Cut-outs are being made directly in the plant at high speed and can thus be disposed of more easily. The system is conveniently operated from a cockpit in which several control screens provide a full overview, even from a distance. Spatially separating man and machine ensures improved safety and an optimised workflow, as Eggel reports: "Thanks to the joinery plant's high degree of automation, we only need a single person

"As we had hoped, the plant's central location has proven to be an advantage. From Schlitz, we serve the northern German metropolitan areas just as quickly as we do northern Italy and France."

Bernd Gusinde, Technical Sales Manager for CLT



© Photo: PFEIFER GROUP- Anna Tiefenbrunner

© Photo: PFEIFER GROUP- Anna Tiefenbrunner

“Our CLT plant is state of the art. We are now prepared for all market challenges.“

Sebastian Eggel

In the heart of Milan, a multi-storey residential complex is being built as a solid timber construction, exclusively using Pfeifer CLT.

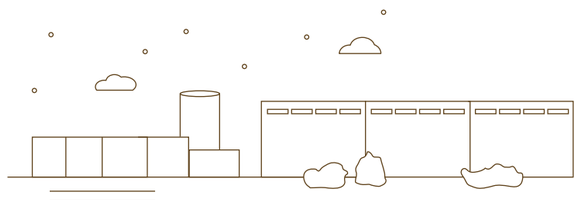
controlling it, while the other employees can optimise the data on the PC and use them to feed the systems.”

Focus on improvements

No chip is left unused: In line with this corporate philosophy, Schlitz is currently working on solutions for the utilisation of residual wood. Implementation is planned for the end of 2023. According to Eggel, however, the work doesn’t stop in Schlitz: “Issues such as our heating system or the construction of a new representative administration building will inevitably affect us in the next few years.” Optimisations are also to be made to internal processes and the service areas such as quotation preparation, logistics and short-term delivery capability. “In addition, we aim to address special market areas and customer groups with targeted offers and product variations,” says Bernd Gusinde, Technical Sales Manager for CLT. When it comes to digitalisation, a separate B2B platform with an automated enquiry portal will be set up, which will offer the possibility to order raw panels (CLT without any joinery)

© Photos: PFEIFER GROUP - Anna Tiefenbrunner

Facts about the Schlitz location

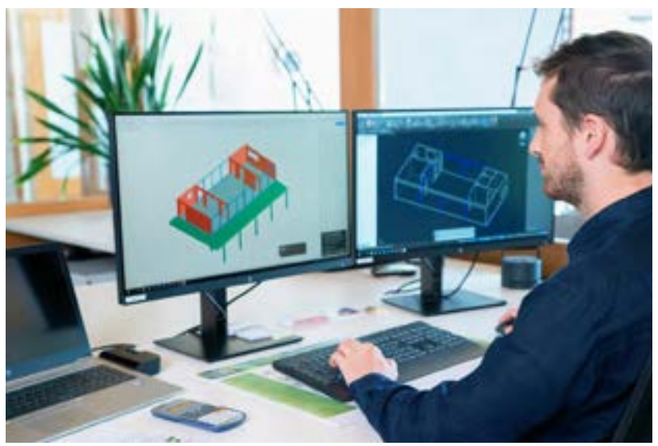


2019
Trial operation in
the new CLT plant

03/2020
CE labelling and official
sales launch Production
capacity: 50,000 m³/year

06/2021
Second expansion phase
complete Production capa-
city: 100,000 m³/year

Employees
90 in Production &
12 in the Technical Office



The technical office as a contact point for customers and the state-of-the-art production interlock neatly.

online. A consulting offer including services in early project stages is also on the agenda.

Close to the market and customers
With these measures, Pfeifer is positioning itself as a customer-oriented manufacturer with its finger on the pulse of the market. Gusinde's interim conclusion is a positive one: "Following the completion of the second expansion stage, we now run one of the most efficient CLT production facilities in the industry. Thanks to our central location in our core sales area and secure supply from our sawmill in Lauterbach, we can look to the future with confidence. We are in a position to cover the main part of the market requirements and to set an example in terms of industrial CLT production and standardisation." Despite a turbulent 2021, Gusinde retains a positive attitude about the future for timber construction and thus for CLT: "After a certain consolidation phase, these volatile circumstances will ultimately boost the further development of timber construction as well as CLT and also bring new innovations."

In demand around the world
With its CLT production capabilities, Pfeifer has entered an enormously dynamic market with lots of international potential apart from deepening activities on the core DACH markets and Italy.

© Photos: PFEIFER GROUP - Hoch 3 GmbH

© Photos: PFEIFER GROUP - Hoch 3 GmbH

A 3-star hotel with some 170 rooms on four floors is being built in the direct vicinity of Frankfurt Airport. Opening is scheduled for winter 2022/23.

With its CLT production, Pfeifer has tapped into an enormously dynamic market which, in addition to strengthening the core markets in the DACH region and Italy, still leaves plenty of room for international expansion.

© Photos: PFEIFER GROUP - Anna Tiefenbrunner | Mühlenbaustein

© Photo: PFEIFER GROUP - Anna Tiefenbrunner

In the autumn of 2021, Pfeifer CLT was officially approved in France, one of the fastest growing timber construction markets in Europe. Order intake from the Benelux countries is also rising steadily. Pfeifer's solid panels are also sought after among private, commercial and public clients. Schlitz has also proven to be equipped for large-scale projects, as the successful completion of a student residence in Frankfurt has shown. With a total of 3,000 m³ of CLT installed, the hall of residence on the Riedberg campus is one of the largest CLT projects ever completed in Germany.

High degree of prefabrication, fast to set up, dry, ecological: Timber construction has a lot going for it.

For the new Fuchshofschule, the city of Ludwigsburg is relying on timber construction with a high degree of prefabrication. It is scheduled for completion just in time for the new school year 2022/2023.

Pfeifer regularly has high-quality white papers written and offers them for free download on its website. The publications, written by industry journalists, provide attractively prepared, solution-oriented insights into the present and future of timber construction.

Expert texts on the topic of timber construction

To the download:
www.pfeifergroup.com/whitepaper

Two white papers in 2021 and a third at the beginning of 2022 are the prelude to a more in-depth examination of relevant timber construction topics. “1000 gute Gründe für das Bauen mit Holz” (1000 Good Reasons for Building with Wood) explains what led to the boom in timber construction, analyses current trends and lets experts from research and practice have their say. “Holz als Klimaretter mit starken Bauqualitäten” (Wood as a Climate Saver with Strong Building Qualities) elaborates on the advantages of timber construction in the face of the political, economic and social upheavals of our time - with examples from (engineering) timber construction from around the world, multi-storey buildings and urban redensification. White paper No. 3 highlights modular construction with CLT and its possibilities, challenges and opportunities.

Expertise, just a click away

Pfeifer makes these expert-written technical texts available free of charge on its website. After straightforward registration, all interested parties receive a link and can download the professionally designed PDF file. New white papers are added continuously and are announced on the company’s social media channels, among others.

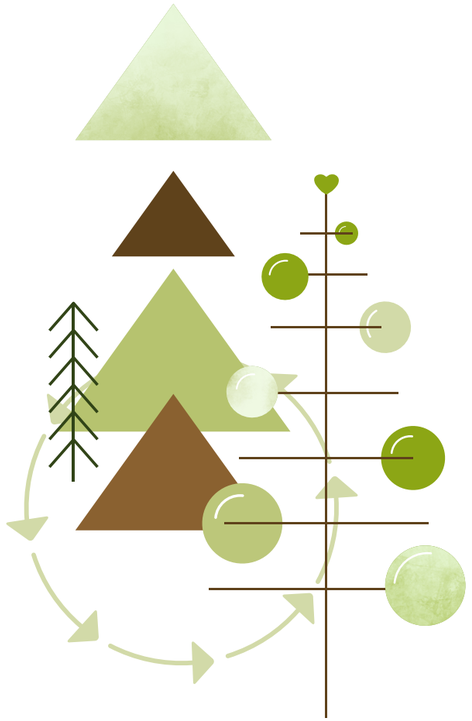
© Graphicwest Werbeagentur

MEASURABLE RESULTS THROUGH ACTIVE ENERGY MANAGEMENT

Optimisation with A VISION

Today, Pfeifer covers 80 percent of its own energy demands with the help of renewable energies. But that's not all: Especially in such an energy-intensive one as the timber industry, it is important to use energy as efficiently as possible or to save it altogether. This is the responsibility of the Energy and Environmental Management Department, which is part of the Power Plants/Energy and Environmental Management staff unit headed by Yüksel Kodaman.

What's indispensable so that production never comes to a standstill? The latest technology? Manpower? The correct answer is: Heat and power. Nothing works without energy, in the truest sense of the word. But energy is expensive and pollutes the environment. That's why "optimisation potential" is a word that Bastian Schrems uses regularly. Responsible for energy management and the environment at Pfeifer, Schrems turns the knobs to minimise the environmental impact of production and maximise the added value per unit of energy consumed. This is an important task, because in times of climate change, global competition and advancing digitalisation, the areas of energy efficiency, sustainability and data-based optimisation are rapidly gaining in importance. With its Green Deal, the EU has already set the course for sustainability and thus presents companies with some risks – and many more opportunities – in the coming years. In order to be at the forefront in this context, Pfeifer is already involved in energy efficiency networks and association groups. For example, the Unterbernbach location has been participating in the EnBW Energy Efficiency Bavaria 4.0 network since 1 January 2018, contributing to the achievement of Germany's and Europe's climate and energy policy goals.



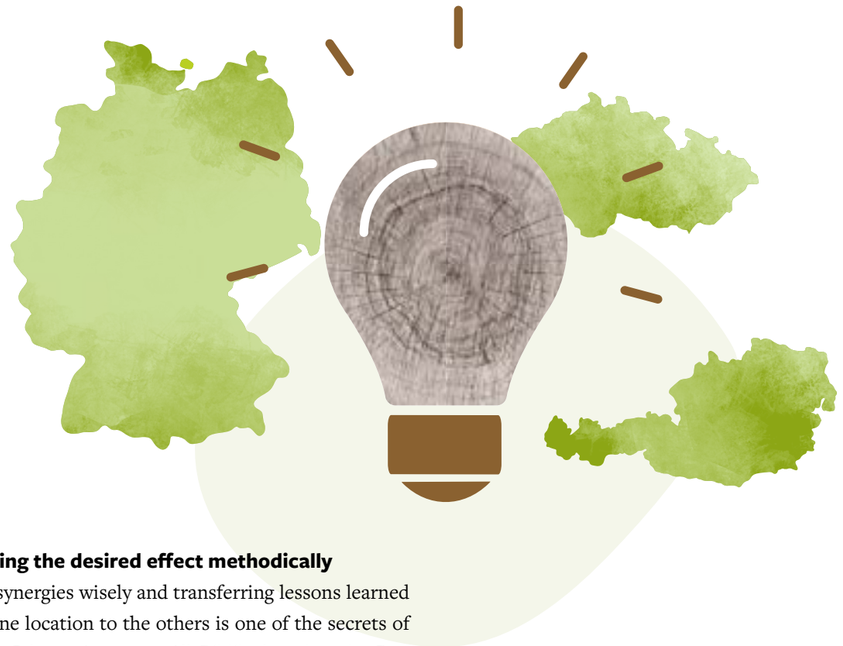
© Graphic: werst Werbeagentur

The value chain is deliberately kept closed with 100 per cent processing of round timber on site.

Energy efficiency top on the list of priorities

From new investments to maintenance issues and process optimisation, Pfeifer involves its internal energy experts in all energy-relevant projects. "Optimisation has a high priority within the group," says Bastian Schrems who is pleased about generous investment leeway to identify energy efficiency potential: "As an owner-managed family business, Pfeifer can and wants to embed sustainable investment policies in the company strategy. This is increasingly turning out to be a competitive advantage. After all, sustainability is also a feature that sets us apart."

The most important result of this strategic orientation is integrated production at the company's locations. This means that the value chain is deliberately kept closed with 100 per cent processing of round timber on site. The advantages of the zero-waste principle are clear: The company's own biomass cogeneration plants supply carbon neutral heat and electricity primarily for the company's own needs, but also feed it into the public supply network. Refining the wood into various wood products on site also reduces the number of truck trips coming from and going to the plants. Another signal representing sustainability in action is the promotion of rail transport. Four Pfeifer locations are already connected to (inter)national freight traffic via company tracks. In 2020/2021 Pfeifer has invested approx. 16 million Euros into Lauterbach's railway connection alone to secure the location in the long term. The volume of goods moved by freight trains and intermodal transport has been steadily increasing within the group for years, saving considerable amounts of carbon emissions.



Reaching the desired effect methodically

Using synergies wisely and transferring lessons learned from one location to the others is one of the secrets of Bastian Schrems' success. All Pfeifer locations in Germany are ISO 50001 certified (a globally valid standard of the International Organization for Standardization intended to support organisations and companies in establishing systematic energy management). The knowledge and experience gained from this process also benefit the Austrian and Czech locations. In energy audits, the benefits are transferred in a targeted manner, Schrems reports: "Through a systematic and uniform approach across all locations, we achieve a high degree of transparency and support the locations on their way to using energy even more efficiently and in a more environmentally friendly way."

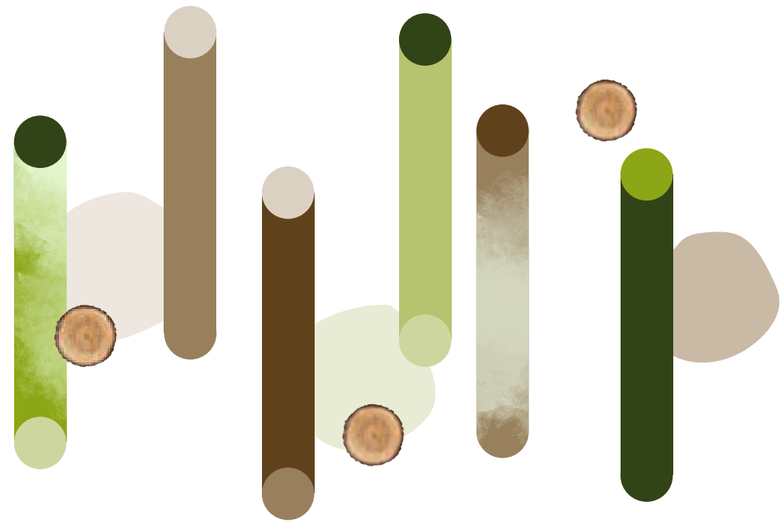
Using synergies wisely and transferring lessons learned from one location to the others is one of the secrets of Bastian Schrems' success.

Bastian Schrems

obtained his diploma in Environmental Technology from the Technical University of Central Hesse and a Master's degree in Sustainable Energy Policy from Carleton University in Ottawa (Canada). After several years as an environmental manager at a large Swedish consumer goods company, he moved to Pfeifer in 2014 and has since contributed his know-how to the company as an energy manager and immission control officer. Since March 2020, Bastian Schrems has been fully dedicated to the areas of energy management and the environment as part of the Staff Unit for Power Plants, Energy and Environmental Management (Head: Yüksel Kodaman) and is responsible for all 8 Pfeifer Group locations in Austria, Germany and the Czech Republic. His motto: Show respect, but don't be afraid of the far-reaching changes that are coming.

© Graphic: west Werbeagentur

© Graphic: west Werbeagentur



Up to 70% less energy loss

This approach is already bearing fruit. In Unterbernbach and Lauterbach, for example, a new technology is currently being implemented that has already had a resounding effect in Uelzen and could be optimised even further. It is capable of preventing up to 70 % of energy losses, i.e. effectively only 30 % energy is consumed compared to before. This optimisation of a single system alone saves Uelzen 3 gigawatt hours per year. And the energy expert identifies savings potential almost everywhere. This can involve seemingly simple measures such as regular machine maintenance, replacing certain components or the use of innovative technologies. It's a win-win situation for the environment and the company, as energy costs are the third-largest cost item in wood-processing companies. Identifying optimisation potential therefore remains a top priority at Pfeifer. And following the top-down principle, sustainability as a strategic corporate goal should also become even more firmly established in the minds of the workforce: "All departments and thus all employees are called upon to deal with energy and the environment responsibly – every day."

A newly implemented technology can reduce up to 70 % of energy losses. This optimisation of a single system alone saves Uelzen 3 gigawatt hours annually.

A success model with a “family tree” and a bright future

© Photo: PFEIFER GROUP- Uwe Mühlhäuser

Wooden pallets have become an integral part of global transport. For 60 years, standardised Euro Pallets have enabled efficient loading and for 30 years, the open exchange system EPAL has perfected the cycle of load carriers. Benefits such as a positive carbon footprint will continue to make the wooden pallet the first choice in the future.

The Covid-19 pandemic, lockdowns, backlogs – none of it slowed the European pallet industry down. Despite the fact that the global markets have slid into a recession in the meantime and pallet sales are traditionally considered an economic indicator. The industry's astonishing resilience can be explained, among other things, by shifts in consumer habits. Losses among automotive suppliers were offset by increased demand in the food, hygiene and DIY sectors. Due to panic buying at the start of the pandemic, pallets were even in above-average demand and the wood packaging industry underpinned its status as a system-relevant one. "Without pallets, packaging and cable drums made of wood, there would be no food, no medicine, no medical equipment and also no spare parts for machinery and equipment that ensure the supply of drinking water and energy," recalled the managing director of the German Bundesverbandes Holzpackmittel, Paletten, Exportverpackung (HPE) e.V. ("Association of Wood Packaging, Pallets, Export Packaging"), Marcus Kirschner, in March 2020.

Returning to where it all started

The triumphant advance of the Euro Pallet began six decades ago. Its dimensions of 800 x 1200 mm have been the measure of all things in transport since 1961. Behind the standardisation at that time was the desire for optimal use of space and efficiency through uniform sizes. Given the chaos that reigned on the loading docks of European railways in the 1950s, this was a more than understandable concern. In 1961, the most important European railways signed an agreement on a standardised, exchangeable pallet called the Euro Pallet, which was supposed to save the logistics sector up to 90 percent in time.

"Without pallets, packaging and cable drums made of wood, there would be no food and no medicine, among others."

Leonhard Scherer, Managing Director of Euroblock

© Photo: PFEIFER GROUP, Uwe Mühlhäuser

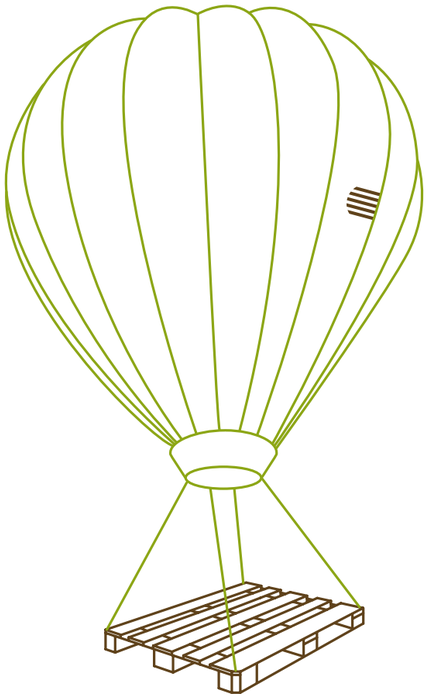
© Graphic: west Werbeagentur

Loading, unloading, loading ...

With currently around 600 million Euro pallets and 20 million pallet cages in the world's largest open exchange pool, EPAL guarantees the flow of goods in the logistics world. As a registered association, it does not pursue any commercial interests and is exclusively oriented towards the needs of industry, trade and logistics partners. EPAL is represented in over 30 countries by 14 national committees, which are committed to the national implementation of EPAL's objectives. Since 1 August 2013, EPAL has had Euro Pallets produced and repaired under exclusive licence with the branding "EPAL im Oval" (EPAL in the oval) on four corner blocks.

EPAL as the keeper of the standard

The high, tested quality of the Euro Pallet is ensured by the European Pallet Association e.V. (EPAL). Founded in 1991 as the umbrella organisation of licensed manufacturers and repairers of EPAL/EUR pallets and pallet cages, EPAL is responsible around the world for standardisation, quality assurance and legal prosecution of pallet counterfeiters. EPAL owes its success above all to the open exchange pool it set up in the early 1990s. The circular economy of the load carriers reduces empty kilometres and thus the volume of traffic, carbon emissions and transport costs.



Protecting the climate on the roads

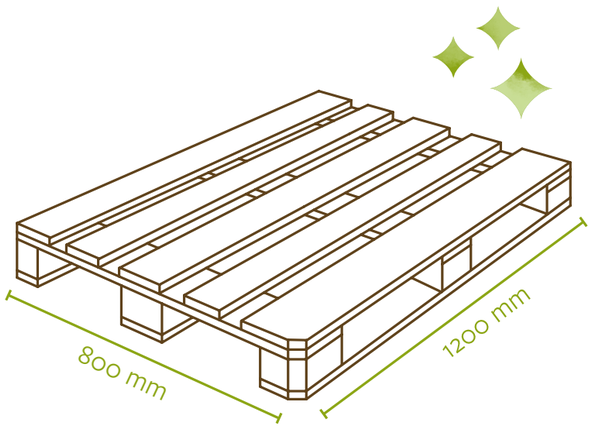
A single wooden pallet has a carbon footprint of -27.5 kilograms. The negative value indicates that, by reducing carbon emissions, wooden pallets actually have a positive environmental impact. 27.5 kg of carbon, by the way, is almost equivalent to the volume of a hot air balloon. Extrapolated, the use of 1,000 pallets improves one's own carbon footprint by by 27.5 tonnes!

Source: Pallet Carbon Calculator by ECCM/Camco Group, Skogs Industrierna and timcon

EUROBLOCK supplies components

EPAL's long-standing partner and fellow campaigner is EUROBLOCK Verpackungsholz GmbH, a sales company for packaging wood and pressboard pallet blocks founded in 1998 and a joint venture between the Pfeifer Group and Presswood International. As a market-leading supplier to the European pallet industry, EUROBLOCK meets the highest quality criteria which are monitored internally and externally. Due to the convincing product and application advantages, EUROBLOCK pallet blocks have the approval of EPAL, other rental pools as well as many large end users.

At the locations Unterbernbach, Lauterbach, Uelzen (Germany) and Ermelo (Netherlands) EUROBLOCK blocks are produced for pallet manufacturers who affix their own branding stamp with the licence number on the centre block. This makes it possible to identify the company that manufactured the Euro Pallet. In Unterbernbach and Ermelo, EUROBLOCK also produces the "repair blocks with a dot" for licensed EPAL repair companies. The dot marks only repaired pallets and makes them distinguishable from new pallets at a glance. By the way, all markings are essential for a Euro Pallet of the EPAL system - even an absolutely dimensionally identical pallet without branding is considered a one-way pallet and cannot be exchanged.



Introducing the EUR 1 Euro Pallet

Made of precisely 11 boards, 9 pressboard blocks and 78 nails. Its dimensions are 1200 mm x 800 mm x 144 mm and it covers 0.96 square metres (0.4 loading metres). Depending on wood humidity, a Euro Pallet weighs between 20 and 25 kilograms and can carry loads of up to 1,500 kg. On average, Euro Pallets remain in service for 6 years.

© Photo: PFEIFER GROUP - Uwe Mühlhäuser | Graphic: west Werbeagentur

© Photo: PFEIFER GROUP - Uwe Mühlhäuser

Benefits without a best-before date

"60 years after their invention, wooden pallets still play a significant role in almost all fields of modern warehouse and transport logistics. Many of our customers produce pallets and wooden crates that are used in highly hygienically sensitive areas such as food production or the pharmaceutical industry", – Managing Director Leonhard Scherer comments on the unbroken popularity of wooden pallets. Apart from the hygienic benefits mentioned, factors such as great ecological performance, sustainability, reusability and cost efficiency are deciding aspects. "Wooden pallets are high-tech load carriers made of regrowing resources and are perfect for our times",.

Make way for the digital pallet

The mega-trend of digitalisation is leaving its mark on the pallet industry. In recent years, scientists at the Fraunhofer Institute for Material Flow and Logistics IML have developed the classic Euro Pallet into the intelligent iPAL pallet with a QR code on the blocks on behalf of EPAL. This 2D code serves as proof of authenticity for EPAL load carriers (e.g. Euro Pallets) and replaces labelling by linking the pallet ID to the goods or consignment. The vision for the future includes a simple track-and-trace system in combination with the iPAL app and iPAL platform. The aim of this development is to digitise the open pallet pool in order to create intelligent logistics networks and offer customers sustainable added value. Thus equipped for the future, the Euro Pallet and EPAL are set to celebrate many more dual anniversaries!

„Wooden pallets are high-tech load carriers made of regrowing resources and are perfect for our times."

Leonhard Scherer, Managing Director of Euroblock

INTERVIEW

“It is in our interest to ensure supply reliability”.

An interview with Clemens Pfeifer, CTO of the Pfeifer Group: About raw material bottlenecks, business sense, improvisation and the commitment to constant improvement.

Mr Pfeifer, let me ask you a rather obligatory question first: What lessons have you drawn from the pandemic and its economic impact?

C.P. I am convinced that the economy in general will fundamentally rethink the principle of just-in-time. The challenge in many areas has been to compensate for an abrupt shortage of raw materials, materials or simply labour through alternatives and improvisation. Today, an organisation must be able to implement well thought-out alternative strategies quickly. I deliberately emphasise the word “implement”.

Is the time of medium- to long-term concepts and planning finally over?

C.P. Strategies and processes still require preliminary considerations at a high intellectual level. But practical implementation is more important than ever. The ability to pragmatically adapt to new realities determines success or failure. If supply chains are interrupted all of a sudden or entire production facilities are no longer available at short notice, then improvisation is simply necessary to survive.

In your view, how can this ability be guaranteed at the level of a large organisation?

C.P. We need to encourage leaders to develop and practise skills on how to act in a business sense. This is exactly what our staff did in the course of the pandemic. I have great respect for them, because they also had no time to prepare for a scenario that seemed unthinkable before. Our teams were not only able to cope with this challenge. They also ensured production performance the likes of which we have never seen before. We were lucky in that we, as an industry, were hardly affected by the pandemic in terms of sales.

© Photos: PFEIFER GROUP- Uwe Mühlhäuser, PFEIFER GROUP- Gerhard Berger

“Today, an organisation must be able to implement well thought-out alternative strategies quickly.“

Clemens Pfeifer, CTO of the Pfeifer Group

Our own sawmills and good supplier relationships ensure raw material supply in the long term.

All the more the timber industry faced the problem of scarce raw material availability. In addition to round timber, essential components of your production such as glue or film were also affected. Did the industry pay too little attention to the availability of its key raw materials?

C.P. As far as materials such as glue and the like are concerned, we have to position ourselves even more broadly and diversify our sources of supply so that flows of goods remain intact and production can be upheld. The volatile availability of round timber has shaped our business for many years. The big unknown in the equation is the natural factor in terms of calamitous events. Windthrow and drought have a massive impact on the volume offered on the market. In addition, the economies of China and the USA recently picked up strongly about half a year before Europe's. This has led to this problematic situation.

The timber industry was confronted with criticism and anger in the course of the shortages.

C.P. In the light of massive price fluctuations, I do understand the uproar. But markets will return to normal pricing. Supply bottlenecks due to asynchronous economic upswings of large nations and economic sanctions were the result of the global health crisis and its effects. Not the expression of a fundamental supply insecurity concerning the raw material wood. Wood will continue to be available in sufficient quantities in the future.

What makes you so sure about that?

C.P. It is not like we are running out of raw material. Some have drawn this distorted picture. Wood is a treasure of mankind that grows back continuously and must be cared for. In the sustainably managed forestry of our catchment areas, more trees grow back than are removed through regular logging. The recent market exaggerations were partly homemade, for example induced by panic purchases among individual market participants. The industry neither caused nor supported this development. It is in our own best interest to ensure supply reliability for our long-term partners. This was also the case during the recent boom. Due to its ability to sequester carbon, wood will play a decisive role in achieving the necessary climate targets. In any case, we will continue to do our part to make climate-neutral construction possible.

“Wood is a treasure of mankind that grows back continuously and must be cared for.“

Clemens Pfeifer, CTO of the Pfeifer Group

Many private builders have suffered from high material prices in recent times. Even businesspeople were confronted with large price fluctuations. How does that impact our investments?

C.P. Pfeifer has made enormous investments in recent years. Some 100 million Euros between 2017 and 2020 alone. Thanks to these investments, we can face the overheated technology and machine supplier market in a somewhat more relaxed manner. We are currently exhausting the available reserves from our existing resources. The current focus is on keeping our operating units running optimally.

You have established your own staff units in the Group to specifically ensure process optimisation and the implementation of investment projects. Which operational areas are targeted by this initiative?

C.P. Numerous projects are being realised right now. We are currently focusing on the product area. In 2021, for example, this meant CLT, the production of press blocks and the efficiency of our sawmills. The plant managers do not have sufficient resources and time in their daily schedules to devote to optimisation efforts and large investment projects. It is in the nature of things that disruptive factors and daily challenges prevent them from dealing with fundamental process development. Our Asset Management Team sees itself as external reinforcement and as an offer for the top performers in the locations.

So we're not talking about a rapid response team deployed from the corporate headquarters whose arrival is awaited anxiously?

C.P. On the contrary. The entire asset team is primarily intended to be a coaching and sparring partner on site. A group of experts with whom one can exchange ideas in order to improve one's own performance. I think that this goal unites all our managers. One thing that characterises our company is that we all strive to better ourselves. 100 % performance will never be realistically achievable for any process. But we can still work together to gain a few percentage points that make the difference at the end of the day.

© Photo: PFEIFER GROUP - Uwe Mühlhäußer

Pfeifer heads into the future on multiple tracks

The question is not rail or truck, but rather: How can the respective logistics processes be shaped in an optimal manner? We spoke with Thomas Staudinger, Head of Logistics at the Pfeifer Group, about current trends and permanent challenges in his industry.

© Graphic west Webagentur

The Covid-19 pandemic has exposed the Achilles' heels of global logistics chains. Container shortages, delays and delivery bottlenecks coupled with increased demand also put logistical strains on the timber industry. Adding to this are perennial issues such as the required reduction of carbon emissions or - which is extremely noticeable – the shortage of truck drivers, which threatens to slow down economy and trade and whose manifold causes Covid-19 only exacerbated. Bang in the middle of these turbulent times, Thomas Staudinger took the helm of the Pfeifer Logistics Department in August 2021. His goal: to continue on the successful path taken so far, to locate future potential and to bring new dynamics into processes and partnerships.

Rail is top priority

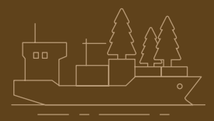
Pfeifer now transports about 1 million tonnes of wood (products) per year by rail. Environmentally friendly rail transport will continue to be promoted, with the company aiming to double it to 2 million tonnes in the next three to four years. Important partners for this are private railway companies such as Salzburger Eisenbahn-TransportLogistik GmbH (SETG), with whom Pfeifer has been working successfully for around ten years. Their biggest advantage: flexibly designed rail logistics that meet Pfeifer's time- and product-related requirements and a company that doesn't shy away from investing. For example, the SETG team developed a solution to transport 2.5 m logs for the production of packag-

“We are the last ones that hold our product in our hands. To a large extent, the handover process to our customers shapes the image of Pfeifer.“

Thomas Staudinger, Logistics Manager at the Pfeifer Group

750

Partner to carriers



1

Location with round timber receipt via boat (Uelzen)

1,000,000 t

Rail transport 2020

100 %

Increase in rail transport planned by 2025

approx. **350**

Block trains annually running for Pfeifer

ing timber or logs twice as long equally well.

Of the 1. million tonnes moved so far the majority is accounted for by supply to the plants in Uelzen, Unterbernbach and Kundl. From April 2022, the site in Lauterbach (see info box at the end of the article) will be connected to the rail network. In addition to this major investment in Hesse, Pfeifer is currently also involved in a station project in Pajeov in the Czech Republic, some 10 kilometres from the Chanovice site. Intermodal transport to Southern Europe is also receiving increased attention. By rail, Pfeifer products are being transported to the Spanish border via Luxembourg. Depending on availability, freight train connections from Germany to northern Italy are also used. Staudinger wants to shift “as much as possible” to rail in an environmentally friendly way.

Open to innovation

Despite the increasing volume of goods transported by rail, Pfeifer will continue to handle part of its procurement and shipping traffic by truck. This is because not all locations or routes (the keyword here is last mile) qualify for a complete transfer to rail. “We won’t be able to do without trucks for the foreseeable future. Especially for long distances, I don’t see any adequate alternatives to diesel trucks at the moment,” Staudinger realistically comments on the possibilities of e-mobility in his industry. Pfeifer is naturally following developments in hydrogen technology closely, as well as progress in autonomous driving. “We want to be at the forefront if a system change is initiated by politics. However, logistics companies can already act efficiently and thus sustainably today, for example by fully loading the trucks, intelligent route planning and avoiding empty runs.

CLT – a special case

The logistics experts at the Schlitz location shoulder special, product-related requirements. Unlike sawn timber or pellets, the cross laminated timber elements have to be loaded in the correct order, often transported on special trucks due to their considerable dimensions and arrive at the construction site just-in-time. Precise load planning and a solid network of (local) hauliers are essential to achieve this feat. The partnerships established with the start of sales in spring 2020 are to be continuously expanded and optimised. This is where great potential in digitalisation to be able to map the flow of goods internally and externally even more precisely can be found. In line with the frequently mentioned desire for transport tracking, Pfeifer customers will be able to view the status of their orders via the service portal in the medium term, including the time of loading and estimated time of arrival.

Respect for carriers

“We are the last ones that hold our product in our hands. The way the handover process to the customer is organised has a significant impact on Pfeifer’s image,” Staudinger comments, knowing that his department carries a big responsibility. Therefore, we need reliable transport partners, but we also have to be equal partners to our carriers. For example, by processing the drivers quickly and treating them with respect at the loading terminals. “Ideally, we want the carriers to be happy when they receive an order from Pfeifer. That’s why we will continue to work on our existing, very good relationships,” says Staudinger, actively seeking discussions with transport companies in order to develop profitable solutions for both sides. Despite all the challenges, the logistics professional is confident. Close cooperation with Pfeifer can also open up new opportunities for carriers. And the acute shortage of containers and drivers should also peak at some point: “I expect the situation to ease again by mid-2022.”

Lighthouse project: Lauterbach (Hesse) location connected to rail

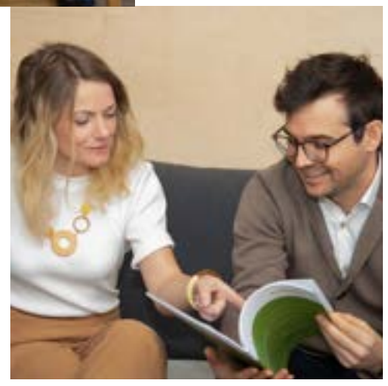
Since the construction of the plant in 2008/09, the Pfeifer Group has always wanted to secure the largest of its eight locations in the long term by connecting it to the railway system. The ground-breaking ceremony finally took place in December 2019 and, despite Covid, the complex construction work went according to schedule. The 1.7 km long railway line in the direction of Wallenrod will start operations in spring 2022 with an annual capacity of 400,000 tonnes. Up to one third of the round timber for the sawing line will be delivered by rail in the future. In the final stage, Pfeifer is aiming for closed-loop operation, i.e. transport to and from the site without empty cars. Pfeifer is covering the construction costs of 16 million Euros with the help of subsidies from the Federal Railway Authority and the state of Hesse.

© Photo: Karsten Gottschalk/PFEIFER GROUP; Anna Tiefenbrunner | Graphic: west Werbeagentur

© Graphic: west Werbeagentur

INNOVATION
IN THE SPOTLIGHT

Innovation is an integral part of Pfeifer's overall strategy. The Innovation Hub founded in Innsbruck in June 2021 is a clear sign for that. With it, Pfeifer intends to further expand innovation in the timber industry in the coming years.



© Photos: PFEIFER GROUP- Anna Tiefenbrunner

© Graphic: west Werbeagentur

The Innovation Hub sees itself as a new Pfeifer location deliberately set up in a different place away from Pfeifer's day-to-day business in order to promote engagement with innovative topics.
Operating at an address it shares with the Tyrolean family-owned company MPreis, both companies drive their innovation activities forward. Its door is wide open for other network partners, start-ups and explicitly all Pfeifer employees. "At the hub, we as Pfeifer want to engage with new technologies, start-ups and trends and in doing so identify potential for Pfeifer and pursue it with determination. We cannot achieve this goal alone. Rather, we want to build bridges and embody innovation together with all employees," CFO Ewald Franzoi and Innovation Manager Johannes Oberdanner explain the reasons behind the project.

Professional trend scouting

Anchored in the organisational chart as a new staff unit serving under the CFO, the topic of innovation takes on an important role in the company, both organisationally and strategically. The Innovation Hub itself is also based on clear processes with a defined mission: As an ear and eye to the world, it identifies trends in the various markets, technologies and customers and evaluates them together with experts from the entire company. Together with a constantly growing network of partners, the most promising projects are then implemented jointly by interdisciplinary teams. The aim of the hub is to create long-term and sustainable added value for all current and future customers and society. This is achieved by creating new, customer-centric products and services, which in turn ensure profitable business models for long-term economic success. Ewald Franzoi elaborates: "Pfeifer wants innovation to be visible, tangible and consolidated within the company. As the first company in the timber industry operating its own innovation hub, we are establishing a platform for interdisciplinary exchange on the potential of wood as a raw material in the context of the climate crisis."

VOICES FROM THE **INNOVATION HUB**

Ewald Franzoi
CFO of the Pfeifer Group

"We want to leverage the huge potential of wood as a raw material and carbon storage medium with courage, innovative strength and entrepreneurial spirit together with all our employees and partners. The Innovation Hub provides the necessary space and is a growth zone for new approaches and ideas."

Linda Wawrzyniak,
Innovation Manager

"I want to see wood become omnipresent in all areas of everyday life in the future. New products and areas of application for this carbon-neutral miracle material will allow wood to evolve further from traditional functions to wood 2.0. The Pfeifer Innovation Hub represents this evolution and gives me the opportunity to actively shape it."

"Wood offers a wide range of applications and this renewable raw material will continue to become more and more important. Through close cooperation with universities, start-ups and partners, we are developing new applications and innovations for our customers and the company in the Pfeifer Innovation Hub. I am looking forward to actively shaping this development."

Robert Eller,
Innovation Manager

"Cosiness, performance and versatility combined with long-term CO_2 storage fascinate me about wood as a material. I am looking forward to contributing my product development and innovation methodology to jointly enable ecological building and living for everyone."

Karolin Riedel,
Innovation Manager

© Photos: PFEIFER GROUP- Anna Tiefenbrunner | Graphic: west Werbeagentur

© Photos: PFEIFER GROUP- Anna Tiefenbrunner | Graphic: west Werbeagentur

Michael Fink,
Innovation Manager

"I am convinced that wood as a raw material will continue to gain in importance in the coming years. I am looking forward to combining existing expertise in the company with innovative ideas and inputs, thereby generating value-added products and services for our customers."

INTERVIEW

“Establishing a ‘Timber Valley’ is our great mission“

Johannes Oberdanner, Head of the Pfeifer Innovation Hub, introduces the new location in more detail and remains optimistic about the future, not only because of the enormous potential of wood as a raw material.

What does the team at the Innovation Hub look like and what topics is it concerned with?

J.O. Including myself, the team currently consists of five employees. The innovation managers cover a wide range of areas and competences, ranging from product development, product management and marketing to process and project management to digitalisation and sales, which establishes a flexible and versatile basis for the innovation tasks of the future at Pfeifer. When implementing projects, they fulfil different roles, from methodological and moderation tasks to project collaboration as an expert and responsibility as a project manager. The team works hand in hand with other departments of the Pfeifer Group as well as with external partners. The focal topics of “Future building and living” and “Wood as a raw material and carbon storage” defined in the course of the strategy work and in consultation with the management provide the decision-making framework for the selection and prioritisation of the large number of topics.

The co-working space in Innsbruck promotes exchange of ideas and networked thinking.

„The Hub and the HIT are both integral components of everything that is created in the innovation sector.“

Johannes Oberdanner, Head of the Pfeifer Innovation Hub

Do you need a background in the timber industry to do this?

J.O. As already mentioned, the team members in the Innovation Hub cover a wide variety of hard (technical expertise) and soft (moderation, coaching, presentation) areas of competence. In addition to these competences, the Pfeifer Group also has a large number of experts in the field of wood, especially in the context of large-scale industry. Experts for purchasing, markets and marketing, the raw material itself, production and logistics as well as IT in the industrial context, to name just a few of these valuable competences. When all these skills come together in an environment of courage, vision and business sense, the basic conditions for innovation are in place. The role of the Innovation Team is to channel these skills accordingly and thereby enable innovation. This is precisely why its constant exchange of ideas with all areas of the Pfeifer Group is a central component of our innovation process.

Wherein lies the greatest innovation potential in the industry?

J.O. Not so much in the manufacturing sector. A lot of expertise already exists in this area. To me, more opportunities can be found at the interfaces to the value chain located upstream – i.e. in the forest, as well as downstream in the markets. The key topics are services for new ecological products, the circular economy, prefabrication for construction and more.

What does the hub mean for the Hybrid Innovation Team (HIT)?

J.O. The HIT consists of Pfeifer employees and serves as the network into the organisation and locations. Employees from different departments and locations are involved in this network and contribute their expertise and knowledge in a wide variety of formats and thus make a significant contribution to the innovative strength of the Pfeifer Group. With the Innovation Hub, this network now has a central office for all matters relating to the innovation process, methods, innovation management and support in and with the projects. The new premises are also used for regular off site meetings and various events. In short: The Hub and the HIT are both integral components of everything that is created in the innovation sector.

“We want to create an ecosystem to which many other organisations can connect.“

Johannes Oberdanner, Head of the Pfeifer Innovation Hub

© Photo: PFEIFER GROUP- Anna Tiefenbrunner

© Photo: PFEIFER GROUP- Anna Tiefenbrunner

“We want to think innovation in the system, think openly, think together.”

Johannes Oberdanner, Head of the Pfeifer Innovation Hub

Let’s get it started: The Innovation Hub Team is already working on its first concrete ideas.

What goals is the Innovation Hub pursuing in terms of networking?

J.O. Our vision aims at establishing a ‘Timber Valley’ right here in Tyrol. We want to create an ecosystem with the Hub as its centre in Innsbruck, to which many other organisations can connect. That’s why we deliberately chose an office that is not exclusively to Pfeifer. We want to think innovation in the system, think openly, think together to build sustainable networks with universities, start-ups, accelerators, incubators and corporate ventures. At the same time, we offer the space to Pfeifer employees to work or attend events there. By inviting experts from a wide range of industries we will make the Hub even more widely known within the company, organise the Pfeifer Future Days and much more.

© Photo: PFEIFER GROUP- Anna Tiefenbrunner

Where do you think the Hub will be in three years’ time?

J.O. For many, this place will stand for business spirit, courage and innovative strength. Where open and respectful exchange takes place surrounding the topic of wood in the broadest sense. Where all those who believe, as I do, that with wood and companies like Pfeifer the future can be good despite all the challenges. Let’s come together to shape the future. And for me, what’s important is what will have noticeably arrived in the Pfeifer organisation. I continue to see reflective and open strategy work, taking into account technological trends and market developments, innovation gaps and fields of investigation derived from these, and a fully integrated process to close these gaps together. As an organisational unit, we will have implemented exciting projects, engage in co-creation, collaborate with a wide range of research institutions and partners and create sustainable value. We will have invested in courageous young entrepreneurs (start-ups) and together we will shape the future and of course underpin all this with sustainable and profitable sales as an economic contribution to the success of the company. In short: It is a good place to make the future happen now!

© Photo: PFEIFER GROUP- Anna Tiefenbrunner

Johannes Oberdanner

has been heading the Innovation Hub since January 2022. Prior to that, he worked for the Swarovski Group for more than 20 years in various roles, most recently as Managing Director of several subsidiaries. During this time, he gained valuable experience in general management, project management, global supply chain management and sales, as well as extensive knowledge in leadership and organisational development. Oberdanner brings this practical knowledge, his hands-on mentality and his global network to his leadership role at Pfeifer.

“For many, this place will stand for business spirit, courage and innovative strength.”

Johannes Oberdanner, Head of the Pfeifer Innovation Hub

Focal topics at the locations 2021

1

UELZEN, Tobias Keller

In recent years, we have continuously invested in improving the quality and performance of our location. In order to increase the capacity for drying sawn timber, for instance, we put into operation a new progressive kiln and a new storage hall as well as a restacking facility. We also focus highly to the promotion and further development of our 190 employees. In order to facilitate stress-free and trouble-free work, 5S workplaces have been implemented. Environmental protection and sustainability are also very important to us. This is reflected in our professional energy management, the use of green electricity and projects such as our own beehive.

2

LAUTERBACH, Andreas Schmid

Building a new progressive kiln last year significantly contributed to the further development and safeguarding of our location last year. Not only because of the increase in capacity for drying sawn timber, higher flexibility and the faster response time – it has also significantly improved energy efficiency. In the summer, we also invested in two new quality panel scanners. Another improvement was made by adding a fully automatic sawn timber package wrapping system. Moreover, we are particularly happy about the fact that the factory's own railway connection is more or less "on track" despite hurdles caused by Covid and is scheduled to start in April as planned.

3

SCHLITZ, Sebastian Eggel

Our cross laminated timber plant was put into operation only at the beginning of last year. With the second expansion stage, the production capacity increased to 100,000 m³ annually as planned. Our CLT plant is state of the art. The enormously efficient joinery plant allows for faster, automated processes and thus enables us to meet the strongly increasing demand for cross laminated timber. Additionally, we installed a second finger-jointing line. We have also switched to a less noisy solution for the disposal of waste wood. Since the completion of expansion stage 2, optimisation and smaller projects are now being implemented for the time being. In the medium term, however, the signs point to growth and expansion of our timber construction capacities.

4

UNTERBERNBACH, Uwe Herold

In 2021, we were able to continuously improve quality and performance in every individual subsection of our plant. The optimised truck and car entrance and exit ramps, a considerable noise reduction and increased storage capacities are the results of the successful further development of our logistics area. Even at peak times, trucks are no longer jamming up at the factory entrance. In order to meet the high market demand, we also had to switch to 3-shift operation in the sawmill in spring, which ran successfully until September thanks to the great commitment of our employees. In the summer, the last of three new silos was also put into operation. This infrastructure measure has had a very positive effect on the block and pelletising production processes. In addition, the prototype block cross-cut saw was successfully put into operation and its goal of ensuring more efficiency with improved quality was achieved.

5

TRAHNOV, Thomas Wille

The heavy wave of Coronavirus cases that hit us at the beginning of last year meant that we had to cancel individual shifts for a short time. However, thanks to extensive safety measures, we were able to quickly get the situation under control and once again prove our crisis resistance. We also used the pandemic period for comprehensive optimisation and modernisation measures. We completely renovated a warehouse for instance, creating 800 m² of additional storage space directly at the site. This proves to be a huge advantage, especially during production peaks. The newly occupied office building, which has significantly optimised administrative processes, has proven its worth. We were also able to further optimise the wood cycle at both Czech sites and can now also process semi-finished products across plants. This allows us to better control our stocks (sawn timber/semi-finished products and finished products).

6

CHANOVICE, Radek Pecka

Thanks to our new, extremely efficient planing line with adjacent grading system, which was put into operation early last year, we can offer our customers strength-graded planed timber in homogeneous quality. In addition, we put six newly constructed drying kilns into operation and thus increased the capacities in the area of sawn timber drying. Thanks to the new system, we were able to reduce power consumption by 12 %/m³ of sawn timber and heat consumption by 30 %/m³. Step by step, the old drying kilns will be replaced by new ones to enable us to dry up to 500,000 m³ of sawn timber annually in the final stage and, last but not least, to meet the latest requirements in terms of energy efficiency. Sustainability and energy efficiency have a very high priority for us. The residual heat produced by our new belt dryer for sawmill by-products, for example, can be used to produce electricity. We also aim to convert our vehicles to electric drive. Only recently, the first electric forklift truck was launched at our location. We will continue this trend in 2022!

© Portraits: west Werbeagentur

© Portraits: west Werbeagentur

7

KUNDL, Georg Walcher

Since the middle of last year, we've been running one of the most powerful sawn timber grading plants based on AI and equipped with state-of-the-art robot technology in operation. With this system, all the sawn timber produced in the company can be further processed. In addition, work continued on our sawing line. With the completion of the last construction phase, the sawing line has now been completely renewed and is working with state-of-the-art technology. Part of the investment project at that time was also the renewal of the log yard and the grading line. With a daily handling volume of more than 4,000 cubic metres of wood on a 10-hectare site, this has quite the impact and our employees and suppliers have since benefited from the more efficient and, above all, safe processes. Currently, the site is being converted in the sense of sustainable management. The diesel forklifts are currently being replaced by electric ones.

8

IMST, Dietmar Seelos

Our ongoing investments will ensure that our product portfolio meets market requirements in terms of quality and quantity and that we remain competitive. At the turn of 2020/21, for example, our glulam plant was brought up to the latest technical standard with a new finger-jointing system. The plant lives up to its reputation as one of the most modern of its kind in Europe. The optimised plant has been in full operation since February. Substantial sums were also invested in the solid wood panel plant. The renovation of the middle layer production line started in the middle of 2021 and went into full operation in December 2021.

© Portraits: west Werbeagentur

TRADE FAIR DATES **2022–2023**

Dach + Holz | *05.07 – 08.07.2022* **Cologne** / Germany

NAWLA Traders Market | *09.11 – 11.11.2022* **Phoenix** / USA

FACHPACK | *27.09 – 29.09.2022* **Nuremberg** / Germany

BAU (Commercial Register, Department B) 2023 | *09.01 – 14.01.2023* **Munich** / Germany

Batimat | *03.10 – 06.10.2022* **Paris** / France

Ligna | *15.05 – 19.05.2023* **Hanover** / Germany

Bauma | *24.10 – 30.10.2022* **Munich** / Germany

You can find updated dates at

www.pfeifergroup.com/de/newsroom/termine-messen

There, you can also schedule an appointment for a personal meeting and, for some trade fairs, request tickets.

DIGITALISATION in Marketing and Sales

AIMING FOR GENUINE PURPOSE AND ADDED VALUE

Customers and companies alike benefit from automated processes in Marketing and Sales, which Pfeifer is initiating and developing at a fast pace according to a clear strategy. Prime example: With its continuously optimised service portal, Pfeifer is transferring the B2C advantages to the B2B sector.

Pfeifer Sales Team members can thus simply record and qualify the data of customers and interested parties using the Sales App.

© Photo: PFEIFER GROUP · Gerhard Berger | Graphic: west Werbeagentur

© Photo: PFEIFER GROUP · Gerhard Berger | Graphic: west Werbeagentur

As a result of more and more digitalisation, the purchasing behaviour of customers is also becoming increasingly digital in the B2B sector. The change in sales itself is closely linked to this development. Especially with interchangeable products such as wood products, the sales concept and service quality play an increasingly important role when it comes to competing for customers. In light of this, Pfeifer is pushing the automation of the two departments of Marketing and Sales, which work closely together and still remain flexible. The aim of the digitalisation strategy: to win new customers, increase loyalty among existing customers, provide customers and interested parties with optimal information and enable the best possible order processing. Michael Pfeifer, CEO of the Pfeifer Group, sets the course: "Establishing contemporary digital communication and sales channels in a traditional environment is a major challenge. We want to use this to create concrete benefits and real added value for our customers and the company."

Analogue & digital sales presence

Despite the digitalisation offensive, personal exchange between customers, interested parties and the Pfeifer Sales Team remains a central component of work in Sales. Individual contact persons and face-to-face communication make it possible to exploit the potential of existing customers, convert interested parties into customers and boost the image of the Pfeifer Group on the market. "We also use these conversations specifically to learn more about the wishes and needs of our customers and subsequently tailor the digital offer to them," says Florian Singer, Head of Digital Sales & Marketing, explaining the firm's strategy. Introduced in 2020, the B2B Service Portal, for instance, will be continuously upgraded with services and functions. Availability as an app and truck tracking are just two examples of how Pfeifer is responding directly to customer demands and transferring familiar advantages from the B2C to the B2B sector. "Our 'road map' records all important development steps over the coming years. As a pioneer in the industry, we want to keep improving – it's basically a never-ending process," Singer emphasises.

Online orders with added value

In addition to analogue order processing, Pfeifer customers can order a growing range of products online via the service

Florian Singer

Studied Timber Technology at the Salzburg University of Applied Sciences and Marketing at MCI Innsbruck. After heading the Marketing Department at another large timber industry company, he took over this role at Pfeifer in 2012. Since 2020, he has also been spearheading Digital Sales at Pfeifer.

„We want to provide our customers with the right information at the right time at the best possible quality – and we want to do it automatically."

Florian Singer

portal. The SAP system guarantees the requirements regarding data quality are met – Singer describes the connection of the portal to SAP as a "milestone in putting service ideas into practice". Via interfaces the platform now communicates with the Pfeifer merchandise management system live, providing customers with all the information they need in real time (product prices, availability by location). After order placement, the customer can download all relevant documents and – in the future – even track their delivery in real time. If desired, Pfeifer also wants to offer the option of connecting the Pfeifer platform to the customer's merchandise management system in the next expansion stage. Orders that the customer initiates in his own system will then be transferred directly to the platform and on to the Pfeifer system. This automated order process massively reduces the time required for all parties involved. "Everything has to happen quickly nowadays. With our services, we effectively and sustainably help our customers save time in their daily business," Singer emphasises and continues: "The platform is already an integral component of Pfeifer's sales work and we are creating internal resources to constantly develop it further." After establishing the platform in the DACH region and Italy, it is scheduled to launch on the French market in 2022.

Currently, pellets, formwork products as well as Euroblock pallet blocks and packaging timber are available online. Our goal is to expand the service offering to the entire product portfolio.

Tailored marketing

There is also a clear motivation behind marketing automation. "We want to provide our customers with the right information at the right time at the best possible quality – and we want to do it automatically," Florian Singer sums up the basic idea. In marketing automation, lead and customer contact data is stored. Then, they are continuously provided with relevant information via e-mail. In addition to information on events and company news, interested customers also receive information on product availability and promotions in compliance with data protection regulations. This type of demand-oriented information is controlled by algorithms and artificial intelligence. Another example of how the human element and digitalisation can work together to lead to success.

© Photo: PFEIFER GROUP- Gerhard Berger | PFEIFER GROUP- Anna Tiefenbrunner | Graphics: west Werbeagentur
© Graphics: west Werbeagentur

How the Service Portal works

CLEAR, PRACTICAL, FAST

From first contact to electronic invoice

1. On shop.pfeifergroup.com existing and new customers get access to a secure customer section using a user name and password

Request help & demo videos at shop@pfeifergroup.com

2. There, they use a few clicks to obtain detailed information on Pfeifer products and can view all communication media such as brochures, product data, photos, videos and more and can also order samples, for instance.

3. More services such as information on availability, prices and shipping costs facilitate the ordering process.

4. Common shop navigation, similar to B2C solutions, as well as a visually appealing user interface guide the user through the entire shopping process.

5. Customers can also view the status of and track their orders at any time (order receipt, shipped, estimated time of arrival at the delivery location).

6. Once the order has been placed and/or the goods delivered, the customer can trace the order history in the self-service area or place a follow-up order.

7. All order processing documents – from delivery note to invoice – can be viewed and downloaded.

8. Inquiries and appointment requests can also be sent via this platform.

PFEIFER AS AN ATTRACTIVE AND INNOVATIVE EMPLOYER

Together towards a Working World 4.0

© Photos: Matthias Bolsetz

Collaborate, learn, develop: These processes are key when it comes to success in the new, digital working world. As an international group with a staff of more than 2,000 in a wide variety of professional fields, Pfeifer faces special challenges in this regard. And relies on innovative knowledge transfer and communication tools – from e-learning to its own employee app.

For years, Pfeifer has been driving the comprehensive digitalisation of the Group, with such important milestones creating the online career portal or the e-learning project Pfeifer Learn. As a leading player, Günther Jaritz, Group Human Resources Manager at the Pfeifer Group, aims to initiate change without being disruptive: “Every new format sees itself as a bridge between the traditional and the future. They are based on fundamental values such as transparency, employee self-responsibility and collaborative work in networks.” A good example of this is Pfeifer Connect, a network of Confluence and Jira software that offers basic information about the company in addition to the functions of a classic intranet and serves as an important means to document knowledge. Pfeifer Connect meets contemporary requirements regarding agile project management, is available at all desktop workstations and connects teams across departments and countries.

The digital offers are intended as a continuation and deepening of the personal conversation.

© Photos: Matthias Bolsetz

Growing together with Pfeifer Learn

Digitalisation fundamentally changes the field of further education. Thanks to interactive learning formats, personnel development is now more individualised than ever before. However, what kind of knowledge we transfer is just as important as how we transfer it. Pfeifer’s commitment is to prepare knowledge in such a way that every employee can under-

stand it. “Since mid-2021, Pfeifer Learn has been making knowledge accessible to everyone – from Production to Administration. We want to grow together,” is how Sarah Kathrein, Head of Human Resources Development, sums up the mission of this e-learning project. The digital format allows employees to learn at any time and any place and to access an expanded range of courses in addition to compulsory training. “Each production employee is assigned a short compulsory course once a month. The courses are intended to prevent accidents at work, improve quality or provide general information about the company. Therefore, employees can take them during their work hours,” Kathrein specifies. After consultation with their supervisor, the employees complete the course on their own during the month in the adequately equipped studying rooms that have been set up at all locations. They can also complete training voluntarily on an app. A very wide range of courses is available to the administrative staff, covering various topics: Communication, Presentation, IT, Health etc. Some of the content is used to prepare themselves or follow up on trainings and seminars.

“The e-learning courses can be completed in dedicated study rooms in Production, at the work station or via the app.”

Sarah Kathrein, Head of Personnel Development

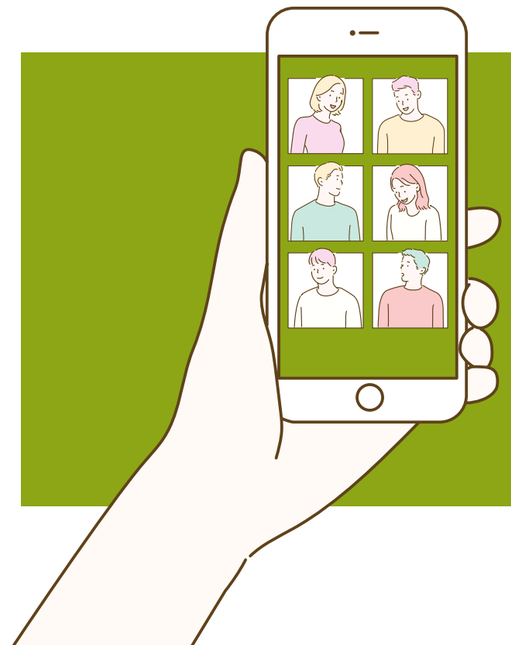
One app for jobs and more

When, in the course of its digitalisation campaign, Pfeifer was looking for a means of communication that would connect people and be equally available to administrative and production staff, the idea for a dedicated app was born. It was to deliver important information and news directly to the employees’ smartphones – with the great advantage that the app is mobile and accessible around the clock, regardless of the area of operation and working hours, and allows for targeted, authentic communication with the employees. After its launch in March 2021, ‘myPfeifer’ was successively rolled out at all eight Pfeifer Group locations and deliberately offers a broad range of topics: There’s a place for everything regarding ‘Jobs & more’ in the app. For one, editors at the locations regularly update the feed with relevant news. Secondly, it offers registered users important items such as shift schedules, information on occupational safety, a way to quickly connect with the HR Department, an employee directory, calendar and much more. “myPfeifer enables us to quickly inform all employees about news from

What’s going on in the Pfeifer Group?

Answers can be found on your smart phone, tablet, laptop or desktop computer.

- Pfeifer Group news
- Information on the respective location
- Quickly connect with colleagues
- Important contacts for every situation
- Regional offers and promotions
- Surveys & competitions



myPFEIFER

The app is available for iOS and Android devices and free to download from the respective stores. Customers, partners and interested partners can use the app’s public area (among others, to access product information, media & social media activities, events and career options). Using their personal access data, Pfeifer employees can access the exclusive internal section.

© Photo: PFEIFER GROUP · Christian Walch | Graphic: west Werbeagentur

© Photo: PFEIFER GROUP | Graphic: west Werbeagentur

“myPfeifer promotes dialogue with employees and boosts a sense of community.”

Alexander Sedlak, myPfeifer Project Manager

headquarters or their own location. A meeting place with classifieds serves as a platform to network with colleagues outside of work-related topics," Alexander Sedlak, myPfeifer Project Manager, explains. The app thus makes for an interactive tool that invites people to participate in discussions. Feedback can be obtained via surveys or in the comments on the articles. Discounts, promotions and competitions round off the attractiveness of myPfeifer.

Comprehensible for all

Compared to the info terminals in Production, the voluntary app offers considerable added value, which is actively communicated to existing and new employees during the onboarding process. To keep the access barrier as low as possible and to really reach the entire workforce, the app offers an automatic translation function into several languages. For less online-savvy employees, Pfeifer is also happy to provide initial assistance and thus promotes digitalisation even on a small scale. This way, everyone gradually becomes familiar with the Working World 4.0.

"Every new format sees itself as a bridge between the traditional and the future."

Günther Jaritz, Head of Human Resources

SAP Quality Award for Pfeifer Learn

In November 2021, Sarah Kathrein and Simon Traxl, representing the Pfeifer Learn project team, received a prize for reaching the finals of the SAP Quality Award in the Business Transformation Success Factors category at Palais Coburg in Vienna. The prize is awarded annually to selected projects that stand out due to excellent project management and innovations. The expert panel particularly praised the holistic approach, the customised content, the creation of learning spaces and the accompanying marketing campaign for Pfeifer Learn. "We would like to thank not only the project team, led by Sarah Kathrein, Simon Traxl and Sigrun Lunger, but all employees at the locations who have contributed significantly to the successful implementation of Pfeifer Learn. They deserve this award," said Günther Jaritz, Head of Human Resources.

Simon Traxl and Sarah Kathrein with the prestigious award.

© Photos: Mathias Brabec Photography; CURT THEMESSL
© Graphic: west Werbeagentur

Identical processes for identical facts. To ensure this throughout the group, Pfeifer is transforming the entire organisation and introduces SAP as a platform that represents or abstracts every business process. This is an important step in the company's digitalisation and growth strategy, which is once again forging ahead as a pioneer in the wood industry.

To standardised processes and more transparency with SAP S/4HANA

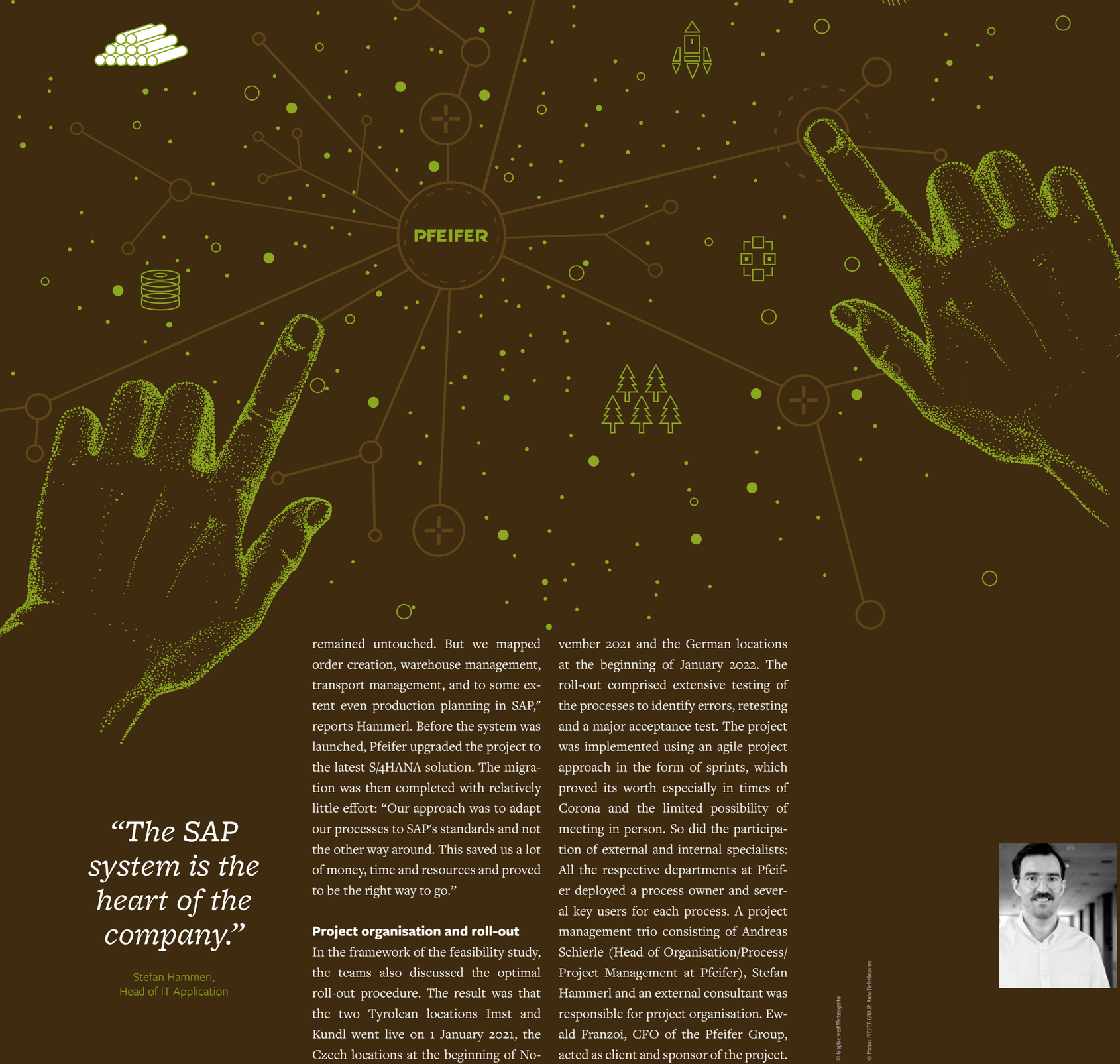
It was and still is a huge organisational project that Pfeifer is tackling with the implementation of SAP S/4HANA. The motives and goals for this virtually coincide: To standardise processes, to stabilise them and to increase their transparency. It is about increasing information and process security of information and minimising risk through internal know-how and a large network of consultants in the background. But it is also about supporting growth. Because only scalable systems make it possible to implement the expansion-oriented corporate strategy at an operational level. The new platform makes all this possible. "The SAP system is the heart of the company," Stefan Hammerl, Head of IT Applications at Pfeifer, sums it up.

Implementation where it makes sense

Pfeifer decided to introduce SAP as early as 2016, initially to the areas of Financial Accounting and Controlling. In 2017, the entire HR processes were also mapped in SAP. In 2019, it was decided to replace the old ERP system. Smaller projects in Technical Purchasing proved that the standard SAP processes worked for Pfeifer. Thus, a feasibility study was launched in summer 2019. It was intended to ascertain whether all logistical processes throughout the group could be mapped and define the scope as well as the costs. "Pfeifer has established SAP where it makes specific sense. For payment transactions, for example, we already had a functioning solution that

"The advantages of SAP affect the entire organisation."

Andreas Schierle, Head of Organisation/ Process/Project Management



“We can use it to make processes leaner, automate them and reduce potential errors.“

Stefan Hammerl, Head of IT Application

“The SAP system is the heart of the company.”

Stefan Hammerl,
Head of IT Application

remained untouched. But we mapped order creation, warehouse management, transport management, and to some extent even production planning in SAP," reports Hammerl. Before the system was launched, Pfeifer upgraded the project to the latest S/4HANA solution. The migration was then completed with relatively little effort: “Our approach was to adapt our processes to SAP's standards and not the other way around. This saved us a lot of money, time and resources and proved to be the right way to go.”

Project organisation and roll-out

In the framework of the feasibility study, the teams also discussed the optimal roll-out procedure. The result was that the two Tyrolean locations Imst and Kundl went live on 1 January 2021, the Czech locations at the beginning of November 2021 and the German locations at the beginning of January 2022. The roll-out comprised extensive testing of the processes to identify errors, retesting and a major acceptance test. The project was implemented using an agile project approach in the form of sprints, which proved its worth especially in times of Corona and the limited possibility of meeting in person. So did the participation of external and internal specialists: All the respective departments at Pfeifer deployed a process owner and several key users for each process. A project management trio consisting of Andreas Schierle (Head of Organisation/Process/Project Management at Pfeifer), Stefan Hammerl and an external consultant was responsible for project organisation. Ewald Franzoi, CFO of the Pfeifer Group, acted as client and sponsor of the project.

© Graphic:west-Werbeagentur
© Photos: PFEIFER GROUP, Anna Tiefenbrunner

Leaner, more flexible & more secure

The advantages of SAP affect the entire organisation. “We can use it to make processes leaner, automate them and reduce potential errors. As a platform and modern system, SAP supports many interface technologies and a large ecosystem of partners and consultants. For example, SAP is a prerequisite for our B2B online shop with self-service experience and takes significant strain off our employees there,” explains Hammerl. In addition to SAP S/4HANA, Pfeifer has also introduced the SAP BW/4HANA reporting platform as well as the SAP Analytics Cloud in order to be able to evaluate the accumulating information and derive measures from it. In addition, linking a CRM is already being evaluated.

Challenges and success factors

As expected, the biggest challenges did not lie in the technology, but in its acceptance and adoption. “Transforming large organisations is not that easy and takes time. Change management is central and we want to push it further in the future. On a positive note, some existing employees have taken on a leading role in the project and a lot of responsibility,” Hammerl reports. Naturally, the introduction of SAP will impact certain jobs. Traditional clerks, for instance, will receive new tasks. In general, interdepartmental work is gaining in importance. Hammerl once again points out the advantages: “SAP helps raise our team's qualification, which is the right way to go from the Group's point of view. “From a personnel marketing point of view, SAP as a modern ERP standard also makes Pfeifer attractive to new employees. The IT applications department alone has grown from 4 to 12 extremely experienced employees. And those will not be getting bored any time soon in our innovative company.

Stefan Hammerl

has been with Pfeifer since June of 2018. In 2019 he took over the field of IT Application to advance digitalisation at Pfeifer together with a team of 12. Hammerl has been heading the IT Department since January 1, 2022, and, in this role, is responsible for implementing and developing the firm's information and technology strategy.

LEGAL NOTICE

Publisher:
Pfeifer Holding GmbH,
Fabrikstraße 54, A-6460 Imst

Design & Layout:
West Werbeagentur,
A-6460 Imst

Editor:
Agentur Polak,
A-6460 Imst

Pfeifer Holding GmbH

Fabrikstraße 54 · A-6460 Imst
Tel.: +43 5412 6960 0
Fax: +43 5412 6960 200
info@pfeifergroup.com

www.pfeifergroup.com