



Research case study: LESS & TIMBER

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Abstract: The company LESS & TIMBER, a. s. is a company whose main activity falls within the sector of the wood processing industry. The company was established by entry into the commercial register on 7/28/2010, however, as a modern continuation of the long history of five smaller sawmills. Currently, the company is the most modern plant for the processing of reinforced wood not only in the Czech Republic, but also in the whole of Europe. LESS & TIMBER operates two sawmills (in Čáslav and Dlouhá Ves near Sušice) and one plant for the production of glued prisms and furniture semi-finished products. The main products of the company are sawmill products - slats, joinery lumber with relevant by-products (sawdust, chips, bark) and glued prisms with relevant by-products (wood pellets, building prism). The company is also the owner of 100 % of the business share in LESS & ENERGY, p. r. o., managing in Čáslav one of the most modern power plants in Europe with a cogeneration unit, producing electricity and heat from solid wood biomass and a partner with a 50 % share in the subsidiary LESS & BIOMAC PELLETS, p. r. o., where the partner with also a 50 % share is the company BIOMAC s. r. about. The basis of the success of LESS & TIMBER, a. with. are modern technologies in which the company has invested, a certified quality management system (QMS) with a range of quality certificates of international significance, energy independence, historical continuity and an ideal location in the centre of the Czech Republic with excellent accessibility both for securing inputs (wood sources) and for distribution finished products.

Keywords: wood processing industry, reinforced wood, sawmill products, glued prism

Company presentation

LESS & TIMBER, a.s. is a continuation of the previous long history of several independent sawmills.

"We started with five small sawmills in primitive conditions," recalls the current CEO of LESS & TIMBER, Ladislav Prchal, and adds: "Today's Čáslav sawmill grew on hard-earned experience. Step by step, we managed to save the dilapidated sawmill." (LESS & TIMBER, a. s., undated)

In the years 2007-2010, the largest investment in the history of the company was realized in the total volume of 1.65 billion. CZK. Six months after the start of construction, the sawmill was successfully put into operation in June 2009, and since the start of production, it processes up to a thousand cubic meters of wood every day. The investment also included the construction of one of the most modern cogeneration units for burning wood biomass in Europe, which is operated by the subsidiary LESS & ENERGY s. r. about. Although this investment was the beginning of the modern development of the wood processing complex based in Čáslav, the level of indebtedness also contributed to the company's financial problems. The year 2015 was a turning point, not only for the sawmill in Čáslav, but also for other plants of the LESS & TIMBER company (then LESS) in Dlouhá Ves near Sušice and in Klášterec

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nad Orlicí, in which, in connection with economic restructuring, it became LESS & TIMBER part of JET Investment, a private equity fund. At the time of its operation, Jet Investment focused on stabilizing, revitalizing and strengthening the position of the wood processing company on the market, so in less than four years the Čáslav company was not only cleaned of unnecessary assets, but another investment was made, namely in a new hall right on the Čáslav campus. The key sawmill operation and the production of glued prisms were thus concentrated in one place. The year 2018 marked another change in ownership relations for the company. It was bought into his portfolio by a strategic investor with a long-term vision – the Prosperita Holding, a. with. (Silvarium.cz, 2018)

Currently, the company is the most modern plant for the processing of reinforced wood not only in the Czech Republic, but also in the whole of Europe. LESS & TIMBER operates two sawmills. One is situated directly in Čáslav and the other in Dlouhá Ves near Sušice. The main sawmill products are slats and joinery lumber. The total annual sawmill production capacity is around 350,000 m³ of sawn timber.

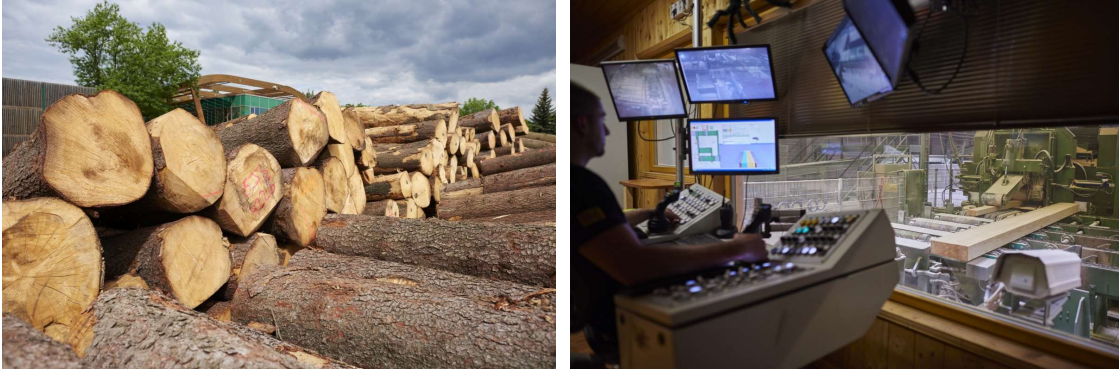
Figure 1: LESS & TIMBER production facilities and their location



Source: (LESS & TIMBER, a. s., undated)

Reinforced logs (spruce 80 %, pine 15 %, larch 5 %) are processed in the Čáslav plant with an annual capacity of 310,000 m³ of logs, for which this sawmill is a specialist. The main products here are joinery lumber and radial lumber for the production of glued window and door prisms. Other products (by-products) are construction lumber, roof battens and pallet blanks. The plant here works in continuous operation and consists of four basic production sections: debarking and sawing of logs, drying, storage and shipment of lumber. Logs are cut using two band saws with subsequent processing using disc technology.

Picture 2: Reinforced logs and sawmill operation in Čáslav



Source: (LESS & TIMBER, a. s., undated)

Picture 3: Band saw in the Čáslav plant



Source: (LESS & TIMBER, a. s., undated)

The combination of the mentioned sections enables the production of joinery and radial lumber with a higher yield compared to aggregate technology. Sawmill in Čáslav is an important supplier of sawmill production both on the domestic and foreign markets. In total, it exports up to 65 % of its products abroad.

The plant in Dlouhá Ves near Sušice is the company's second sawmill operation and its annual cutting capacity is approximately 40,000 m³. Cut-outs of 3, 4 and 5 meters in length are processed here, mainly spruce (approx. 85 %) and pine (approx. 10 %). The rest is made up of larch, oak, and a small proportion

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of other deciduous trees are also represented here. Before the cutting itself, the sections are debarked and free of root growths. The actual cutting takes place on a sawmill equipped with a bandsaw with subsequent storage of lumber or with the option of plastering and sweeping the lumber. The produced lumber is intended for direct sale or is dried. Construction lumber can be impregnated by soaking. (LESS & TIMBER, a. s., undated) The main products of the plant in Dlouhá Ves near Sušice are carpentry (unplastered) lumber, radial and semi-radial lumber intended for the production of construction carpentry elements (window and door prisms), slats, construction lumber and pallet blanks. The location of the sawmill in Dlouhá Ves near Sušice is strategic due to the natural source of strong spruce wood from the Šumava forests, and it is also easily accessible to German and Austrian customers. (LESS & TIMBER, a. s., undated)

Picture 4: Plant in Dlouhá Ves near Sušice



Source: (LESS & TIMBER, a. s., undated)

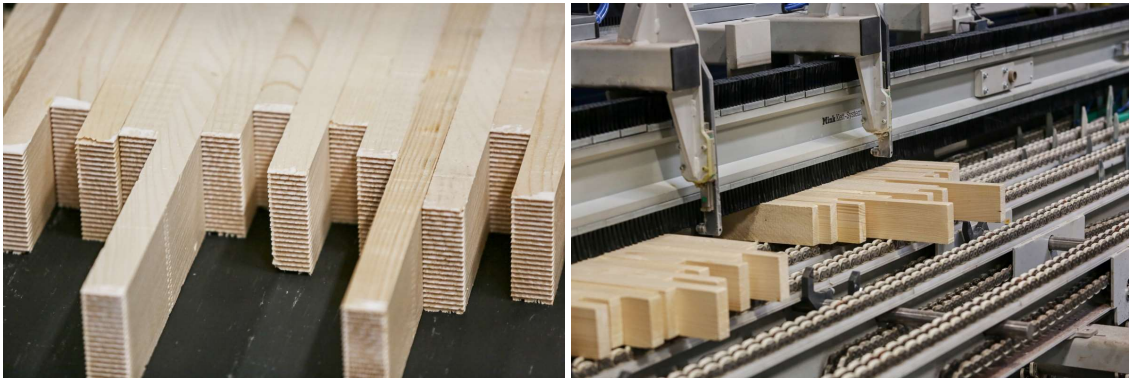
Figure 5: Production of the plant in Dlouhá Ves near Sušice



Source: (LESS & TIMBER, a. s., undated)

In the Čáslav area, next to the sawmill, there is also a glued prism plant. The glued prism plant in Čáslav has an annual capacity of up to 20,000 cubic meters, making it the largest production of carpentry blanks for the production of wooden windows and doors in the Czech Republic and one of the largest in Europe. With its production, the plant follows the sawmill operations of LESS & TIMBER and is also their significant customer of radial and semi-radial lumber (slats). It processes both spruce, pine and larch lumber. Here, the slats are optimized (shortened) and sorted according to quality using a scanner from the WOOD EYE company, where the most modern technology is used to detect defects in wood. Next, the shortened material is joined lengthwise in a tact press using a wedge joint on a galvanizing machine. Subsequently, the slats are planned and after applying the glue, the prism is pressed in a high-frequency press. (LESS & TIMBER, a. s., undated)

Figure 6: Glued prism plant line



Source: (LESS & TIMBER, a. s., undated)

The main product is a laminated longitudinally connected or fixed prism used in the production of windows and doors. Pellets and construction prisms are produced as a by-product. The production program of the plant is under the control of qualified personnel. The products fall under ISO, Rosenheim and STV certification and are exported not only to the European Union, but also to other countries of the world. (LESS & TIMBER, a. s., undated)

Figure 7: Production of glued prism



Source: (LESS & TIMBER, a. s., undated)

Figure 8: Glued prism - final product and its shipment



Source: own photo

An important prerequisite for the production of the entire company is a sufficient source of quality logs. The company LESS & TIMBER has been one of the most important processors of quality and reinforced conifer logs in Europe for the past few years. Spruce has the largest share in the cut, about 70 %, pine and larch reach about 20 and 10 %, respectively. The company's intention is to further increase the share of these types of wood. The sawmill in Dlouhá Ves also processes oak logs.

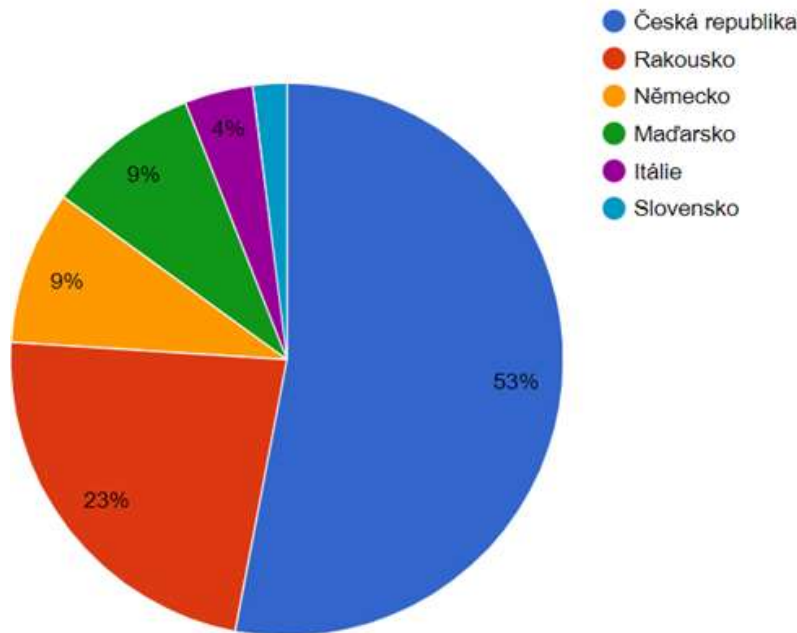
Due to the company's focus on quality, great emphasis is placed on communication with suppliers when purchasing logs. Thanks to building good relations with suppliers, LESS & TIMBER is contractually guaranteed a regular supply of high-quality wood, built on a sophisticated wood purchase system. For

the sawmill in Čáslav, the company buys spruce, pine, fir and larch cuttings, and for the sawmill in Dlouhá Ves then cuts of spruce, pine, fir, larch and oak.

According to the publicly accessible register of contracts of the Czech Republic, among the less important wood suppliers of the company are the Krkonoše National Park Administration, Lesy České republiky, s.p., Vlašimské městě lesy s.r.o., Šumava National Park Administration, Městské lesy Liberec, p.o., Lesy města Písku s.r.o., Forest Office Děčín p.o., Městské lesy Prachatice, s.r.o., Městské lesy Vimperk s.r.o. (Ministry of the Interior of the Czech Republic, 2021)

The focus on quality in the entire process of purchase, processing and production of final products is, in addition to modern technological equipment, an important prerequisite for success on the markets. When it comes to carpentry production, the most important markets here are the Czech Republic (53 %), Austria (23%), Germany (9%), Hungary (9%), Italy (4%) and Slovakia (2%) (see figure no 9).

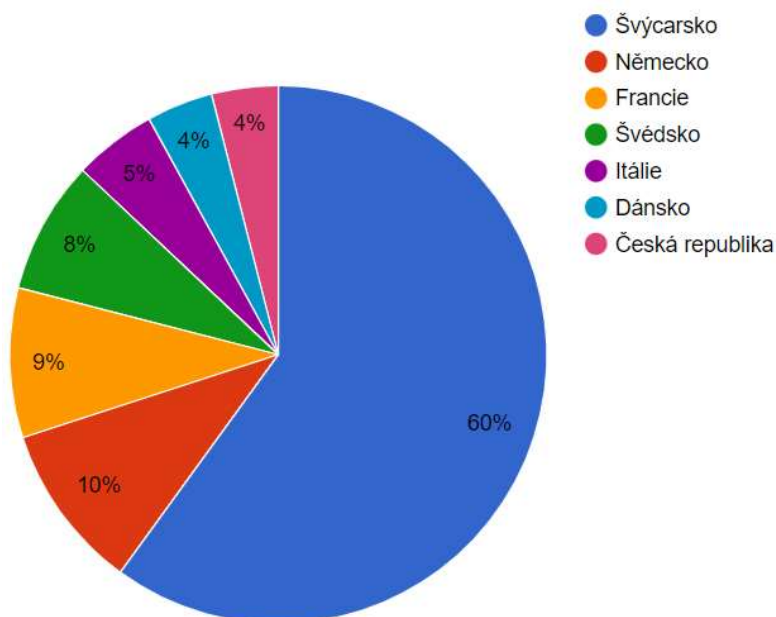
Figure 9: Sales structure of LESS & TIMBER joinery production



Source: (LESS & TIMBER, a. s., undated)

The realization of the production of the glued prism plant has a completely different structure. With the same emphasis on quality, the dominant part of the production produced here is exported (96 %), only about 4 % remains in the Czech Republic (see picture no. 10).

Figure 10: Sales structure of LESS & TIMBER glued prism



Source: (LESS & TIMBER, a. s., undated)

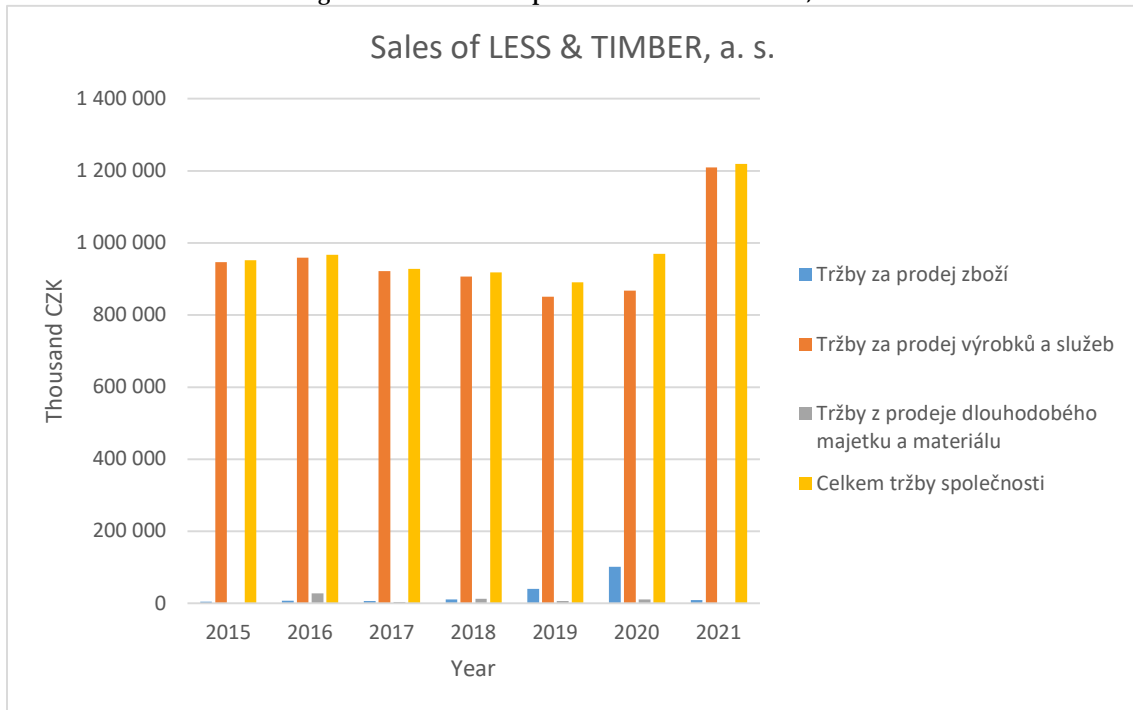
After the economic restructuring in 2015, total sales and profit took a very positive trend, see table no. 1 and pictures no. 11 and 12).

Table 1:

Sales and profit of LESS&TIMBER (in thousands of CZK)	2015	2016	2017	2018	2019	2020	2021
Revenue from the sale of goods	4 911	7 565	6 166	11 536	40 132	101 712	9 650
Revenue from the sale of products and services	947 074	959 636	921 992	907 116	850 857	867 579	1 209 470
Revenues from the sale of fixed assets and materials	1 532	28 113	3 773	13 058	5 952	11 051	1 673
Total sales of the company	951 985	967 201	928 158	918 652	890 989	969 291	1 219 120
Profit	1 818	26 800	143 313	51 989	113 887	78 576	183 108

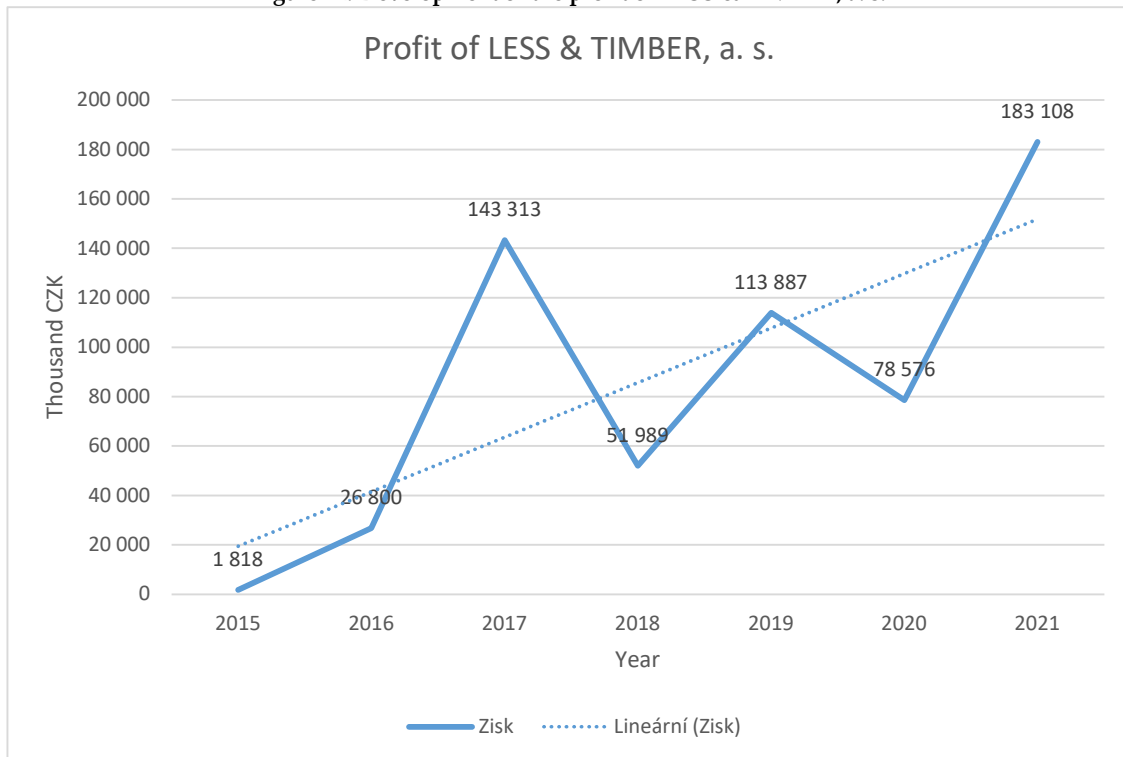
Source: (Annual reports of LESS & TIMBER, a. s. for the years 2015 - 2021, undated)

Figure 11: Sales development of LESS & TIMBER, a.s.



Source: own processing, (Annual reports of LESS & TIMBER, a. s. for the years 2015 - 2021, undated)

Figure 12: Development of the profit of LESS & TIMBER, a. s.



Source: own processing, (Annual reports of LESS & TIMBER, a. s. for the years 2015 - 2021, undated)

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A very significant investment in the years 2007-2010 was the construction of one of the most modern power plants for burning wood biomass in Europe, which is operated by the subsidiary company LESS & ENERGY s. r. o. This subsidiary company produces electricity and heat from solid wood biomass through a cogeneration unit and thus represents a very ecological way of generating energy from renewable sources. This technology, which is unique in the Czech Republic, achieves high efficiency – the electrical output of the generator is 5.5 MW and the maximum thermal output reaches 10 MW. Wärtsilä BIOPOWER 5CEX was the key technology supplier. (LESS & TIMBER, a. s.)

Figure 1: LESS & ENERGY, s. r. o.



Source: (LESS & TIMBER, a. s.)

Nowadays, LESS & TIMBER is an exemplary processor of wood material, not only from an ecological point of view. During the production process, it makes maximum use of all generated waste and the wood biomass obtained in this way is used to produce electricity and own heat for the dryers of the company's products. In addition to the existing technological synergy within the plant, this power plant has great potential, especially for the future. Thanks to considerable variability in the conversion of energy into electrical or thermal energy, optimal management in different modes can significantly improve the economic results of not only the operation itself, but because the owner of 100 % of the business share in the company LESS & ENERGY, s.r.o. is the company LESS & TIMBER, a. s., so this benefit is and will be reflected in the economy of the entire company, belonging to the group PROSPERITA Holding, a.s. Also important for the future development of the company is the fact that even the eventual expansion of the Čáslav complex with new drying facilities or production halls would not pose any problem for the capacity of LESS & ENERGY, as it still has reserves in production. (LESS & TIMBER, a. s.)

"We use the heat from the cogeneration unit to dry our own products, and our production is thus fully self-sufficient. In the Czech Republic, we are pioneers in the construction of such modern and ecological equipment," says Marek Harenczyk, director of LESS & ENERGY.

In 2017, the company LESS & ENERGY started construction of a heating plant on the premises of LESS & TIMBER, a.s. in Dlouhá Ves near Sušice, capable of using waste wood biomass to produce renewable heat that can be used for drying wood. It is also a modern heating plant with an output of 800 kW with automatic cleaning, automatic ash removal, with central monitoring, control and regulation, continuous and automatic feeding and dosing of fuel. The purity of TZL flue gases meets the standards of 2018, i.e.

emission limit 100/mg/Nm³. (LESS & TIMBER, a. s.)

Access to opportunities

Access to opportunities is influenced by a number of aspects. It is important to perceive the role and position of the company within the industry, its history, as well as the current strategy of the company and its owners. Indispensable issues are the nature of management and the approach to identifying opportunities and threats in the market.

Figure 14: Founder of LESS holding, Mr. Jan Mičánek



Source: (Hospodářské noviny, 2012)

In the beginning, Mr. Jan Mičánek was an "enlightened" visionary who created the basis for the technological and product development of the company and created the LESS group. However, failure to manage the economic and financial context led the company to insolvency and subsequent bankruptcy. However, the new investor JET Investment, a private equity fund, took over the company, restructured it and further developed the healthy core using the largest investment in the company in history (in the years 2007-2010 it was 1.65 billion CZK). The foundation laid within the original LESS company was thus used both from the perspective of the vision of its original founder, and from the technological and marketing perspective, i.e. the takeover of the LESS brand.

Figure 15: LESS group



Source: (Dřevařský magazín, 2021)

"We are a softwood processor, the idea that arose many years ago was to fill a niche in the market. we have identified ourselves as the company that wants to process the land, the fat. Because it had several advantages for us, the first advantage - it was beyond the interest of the biggest sawmills and beyond their, let's say, ability to deal with it technologically. And we built a sawmill and equipment that simply has technology and a production program that is built on this high-quality reinforced material, so we are a processor of high-quality reinforced conifer logs."

The company's position in the wood processing industry

The company LESS & TIMBER, a.s. belongs to the industry, which consists of three groups corresponding to the international classification NACE Rev.2 at the second level of breakdown. The largest of them is the group "Working of wood, manufacture of products of wood, cork, wicker and straw, except furniture" (NACE 16): "This division includes the manufacture of wood products such as construction timber, plywood, veneers, wooden containers and containers, lumber (ready for sale), floor coverings, trusses, prefabricated wooden parts of buildings or units. Manufacturing processes include sawing, planning, machining, laminating and assembling wooden products. At the beginning of such a production procedure, the logs are cut into logs or construction timber, which can be further cut or machined with lathes or other shaping machines. Building wood or other processed forms of wood can subsequently be planed or smoothed and assembled into final products such as packaging and wooden containers. With the exception of processing on sawmills, this section is further divided mainly according to specific products. It does not include the manufacture of furniture (31.0), or the assembly of wooden fasteners etc. (43.32, 43.33, 43.39)." (CZ-NACE, undated) Even according to this characteristic, the dependence of the industry on the sector "Forestry and logging" (NACE 02) is evident.

The company LESS & TIMBER operates on the wood market and is a member of the Association of Forestry and Wood Processing Companies (ALDP), which brings together important forestry companies and the largest wood processors in the Czech Republic. Companies associated in ALDP service more than 80 % of complex forestry orders of the state enterprise Lesy ČR and process more than half of the timber harvested in the Czech Republic (see table no. 2).

Table 2: Members of the Association of Forestry and Wood Processing Enterprises – Timber Section

Firm	Annual turnover (million CZK)	Number employees	Annual volume processed firewood (m3)	Annual volume processed wood (% share) originating from Forests of the Czech Republic-estimate (m3)	Location ratio products for home/ foreign market
Biocel Paskov a.s.	5 126	371	1 616 690	808 345 (50 %)	0 % / 100 %
Pfeifer Holz s.r.o.	1 806	450	280 000	140 000 (50 %)	20 % / 80 %
Kronospan CR, spol. s r.o.	9 565	448	3 050 000	915 000 (30 %)	35 % / 65 %
Mayr-Melnhof Holz Paskov s.r.o.	4 311	279	1 271 102	612 671 (48 %)	36 % / 64 %
Mondi Štětí a.s.	8 883	666	2 400 000	1 000 000 (58 %)	20 % / 80 %
Stora Enso Wood Products Ždírec s.r.o.	7 752	842	1 611 786	865 529 (53 %)	50 % / 50 %
Wotan Forest a.s.	1 632	709	304 705	175 500 (65 %)	45 % / 55 %
LESS & TIMBER, a.s.	1 017	288	270 000	175 500 (65 %)	45 % / 55 %
KATR s.r.o.	832	186	103 105	61 957 (60 %)	47 % / 53 %
TOTAL	41 300	4 135	10 807 388	5 072 302 (47 %)	29 % / 71 % average

Source: (Association of Forestry and Wood Processing Enterprises, undated)

From the above table no. 2, it is evident that LESS & TIMBER, a. with. is not the market leader in terms of annual turnover or volume of processed wood. However, it definitely belongs to the ten most important companies in the sector of the wood processing industry in the Czech Republic.

Company management

The company LESS & TIMBER, a.s. in its approach to opportunities, it is based on a long-standing "timber" tradition, which followed the modern, technically and technologically fundamentally innovated through investments in the years 2007-2010 and subsequently in the years 2015-2018 and in 2015, the company was economically restructured by acquiring a strategic owner in 2018 (Prosperita Holding, a. s.), with whom he actively continues to work on development activities. According to the rules adopted from the EU, the company fulfils the characteristics of a medium-sized company both in terms of the number of employees (<250 employees) and in terms of annual turnover (<€50 million).

"We consider ourselves more like a small company because we have 230 employees, which means that we have a relatively flat structure. The closest team has been working together for a very long time, we know each other, so we rather follow informal management methods. However, it has its own limits and rules, and even with us you will find things that are controlled, because we are holders of the ISO certificate and we have to meet various tests, respectively. our products must have certificates etc. and there is not much informality there, because the first

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thing that the certifiers and controllers check are the processes and procedures and their compliance, right. I would say that it has a certain level of formality that we have to observe, and we require it, because it brings us the basic information, and that the rules are followed, however, at the level of decision-making and management, we can also afford a certain informality, because we have been working in the company for a long time, we know each other, and the team is very close.“

The nature of management is a combination of both approaches – formal and informal. The formal approach is given in particular by the long-collaborating team of the company's top management. On the contrary, the informal approach is mainly based on the company management's emphasis on quality.

The company, especially due to customer requirements, applies a certified quality management system (QMS), which is checked annually through external control audits. LESS & TIMBER is also certified for the conformity of the C-o-C (PEFC) forest products consumer chain process and is authorized to use the marking of conformity with the requirements of EU regulations (CE) on its products. Since 2014, it also has a newly introduced certificate for lamellar and galvanized prisms for the production of wooden windows by the German test laboratory in Rosenheim. LESS & TIMBER applies and meets the requirements of the consumer chain of forest products in accordance with the CFCS 2002:2013 directive. (LESS & TIMBER, a. s.)

Figure 16: Selected quality certificates LESS & TIMBER, a.s.





Source: (LESS & TIMBER, a. s.)

The long-term experience of the management team and their good cooperation also create conditions for a healthy combination of intuition and rationality in the management of the company and its subsidiaries (LESS & ENERGY and LESS & Biomac Pellets).

“Well, yes, it will appear, but it’s not just about the intuition that, yes, we are simply a factory and the business has relatively simple rules, something simply enters it and something exits, and the balance must be given, it must simply be on end positive, yes. With the fact that, of course, certain opportunities arise in those markets and that intuition is sometimes needed, when one simply has to estimate when the situation will develop, for example in round wood, whether there will be enough or a shortage of it, how the situation will develop on the lumber market, whether an opportunity will appear somewhere in the world, but it’s not just about that intuition. You have to gather information, be a participant in it, it’s not just that you wake up in the morning and you get the idea that lumber will do well in China tomorrow.”

“But I say that in the lumberyard it is good if people work in it and experience the 4 seasons, repeatedly, because this business simply has its own schemes, we work with natural raw materials, and it behaves differently in summer than in winter, the owner of that forest harvests different wood in different seasons, and we, of course, have to respond to this in some way with our production program and cutting schemes. We have to react to the fact that in a certain part of the year the wood has the potential to spoil and it is necessary to approach it differently. So it’s a combination of experience and sometimes you have to put some intuition into it, but it can’t be purely intuitive... You must not succumb to it, you must not get the feeling that you have already experienced and seen everything.”

“The forest is actually a field, it’s just not harvested once a year, but once every hundred years. And that it’s completely normal.”

Identification and perception of opportunities

The basis of identification and perception of opportunities generated in the external environment of the company is primarily a high-quality team of workers, using system elements (the company’s information system, communication with partners and clients) and not resisting changes. This is also the case of the company LESS & TIMBER.

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"It's, it's not about the companies, it's about the people who sit in them and their nature. If you simply meet people who like challenges and look at things in such a way that change is not a trauma for them, then of course everything is a challenge, both negative and positive. And it is also an opportunity. If you come across people who are unnerved by change, they actually prefer the bright guardrails, well, that's a problem. Because for them that environment simply represents something in which they do not feel comfortable and resist it. Fortunately, we met here in a group where we look at things in such a way that whether they are positive or negative, it always represents an opportunity. Well, the covid pandemic is undoubtedly not good news for society. But I look at it in the way that it gave us a definite impulse to take some steps, that a year ago we decided to digitize the company. We are now completing that project, I dare say that from the point of view of next year we will be able to solve many things remotely."

As a rule, the form of ownership and the owner himself play an important role here. Today, the team is Prosperita holding, a. s., acting in the role of a strategic investor, able to create the necessary suitable conditions for the activities of the management, which in the company LESS & TIMBER is the main bearer of the company's business management in accordance with the owner's requirements. It is the erudition and many years of experience of the company's management team that create good conditions for the further development of business activities.

"Within Prosperity – a completely different business. Therefore, the bearer of business and the demand for change is rather management and partners."

Introduction of new and innovative products

The traditional industry, production and nature of the market in which the company operates – B2B market, size and strength of the company – these are all important parts of the framework of innovation potential. The last significant product innovation was the introduction of glued prism production in addition to sawmill production. At the beginning of 2017, the trial operation of the new hall began, which, with its production program, follows the sawmill operations and is an important customer for them of radial and semi-radial lumber (slats). (Annual reports of LESS & TIMBER, a. s. for the years 2015–2021, undated)

"We are definitely not the leader in the sense that we would invest in research and be innovative and bring new products. Certainly not, we are very small for that and these things cost a lot of money and are really more the domain of the big and strong and/or visionaries. And we don't quite fit in there."

A certain possibility of product innovation is the so-called CLT board (Cross Laminate Timber), which would not disrupt existing relationships with customers and distribution chains. Here, the company estimates its introduction in an interval of about 3-5 years.

Introduction of process innovations

Since the restructuring in 2015, the company has been characterized by continuous investment in processes and modernization of technologies that keep moving it forward. These innovations created and are creating prerequisites for increasing the efficiency of the entire company and for meeting the needs of clients in a better quality.

LESS & TIMBER, a.s. applies and meets the requirements of the consumer chain of forest products in accordance with the CFCS 2002:2013 directive. Quality management activities guarantee an environment for controlled technological growth of the company and the general application of BAT (Best Available Techniques) in the technological field. The company LESS & TIMBER has its own truck transport, which is a key activity in the transport of round timber in the area of Central Europe. Within the market, the company offers truck transport with tarpaulin semi-trailers, transport of loose materials, semi-trailers with a sliding floor, forwarding.

Currently, the company has invested in digitization as a tool for managing and organizing the company's activities, to which it was also guided by the experience of the first lockdowns associated with the Chinese COVID-19 virus pandemic. In the process of implementation, there is also a motivational system to support the innovativeness of employees and the creation of positive "stories", which can be used not only in the production and business activities themselves, but also in the field of marketing communication. The first proposals are expected by the company's management during the first quarter of 2022.

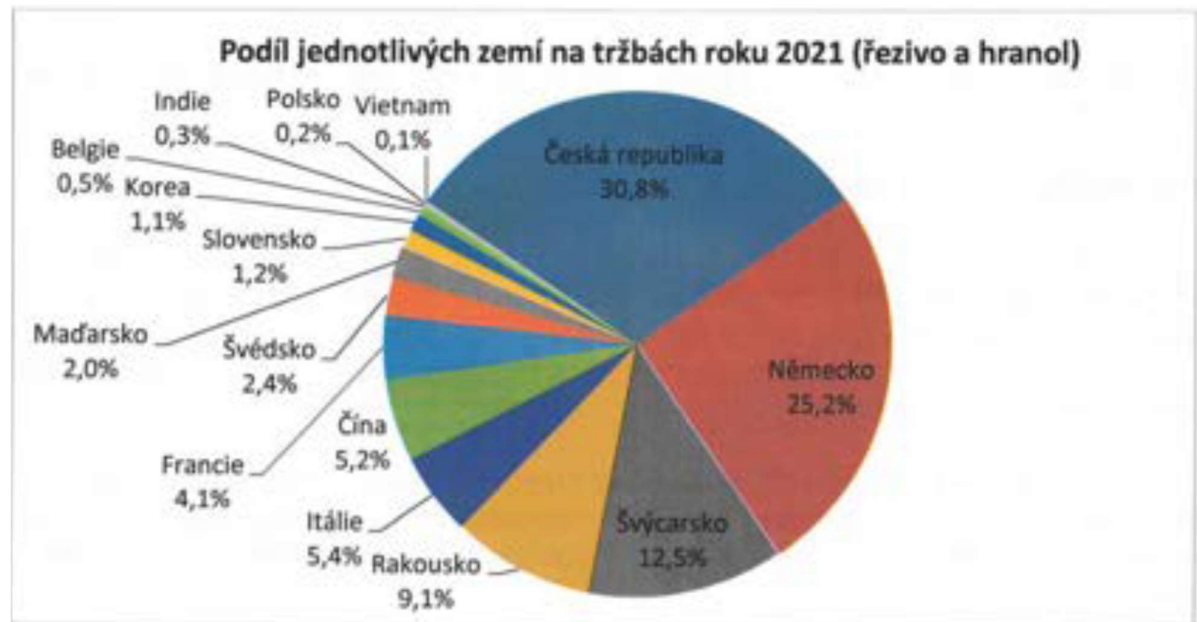
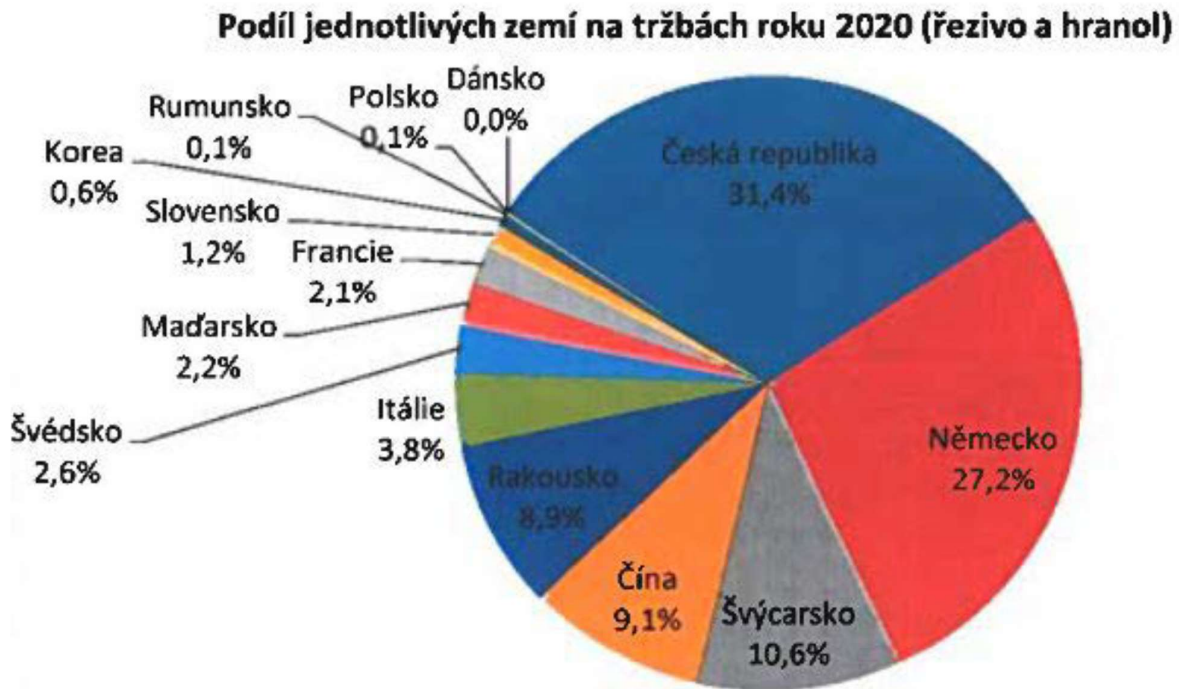
"Nevertheless, I would say that we are among the progressive ones who try to follow trends, use technology, look for the latest technologies, which are among the latest, progressive ones. Of course, in proportion to our size. ... We are not the innovators, but those who try to use what is available at that moment and use it to the fullest."

Operation on international markets

The level of globalization in the world has reached its peak in recent years, and this has manifested itself and is also manifesting itself within the woodworking industry and its markets. The majority of significant wood processing companies in the Czech Republic belong to transnational chains (see table no. 2 - Members of the Association of Forestry and Wood Processing Companies) and therefore the behaviour of companies on the markets in the Czech Republic and abroad, especially in Europe and the EU, which are strategic targets for LESS & TIMBER markets (see picture no. 17), especially for glued prisms, do not differ in any fundamental way.

"Operation on foreign markets is determined by the company's product outputs. If in the field of sawn timber, compared to the competition, we are rather a small company, whose basic market here is the Czech Republic, then in the case of glued prisms, we are rather on the border between a medium and large producer, and our main market is Europe and EU countries. ... It is necessary to say that for us the market is in certain Czech Republic, in certain commodities Europe and in certain the World. We sell roughly 65 % for euros or dollars. That is, abroad."

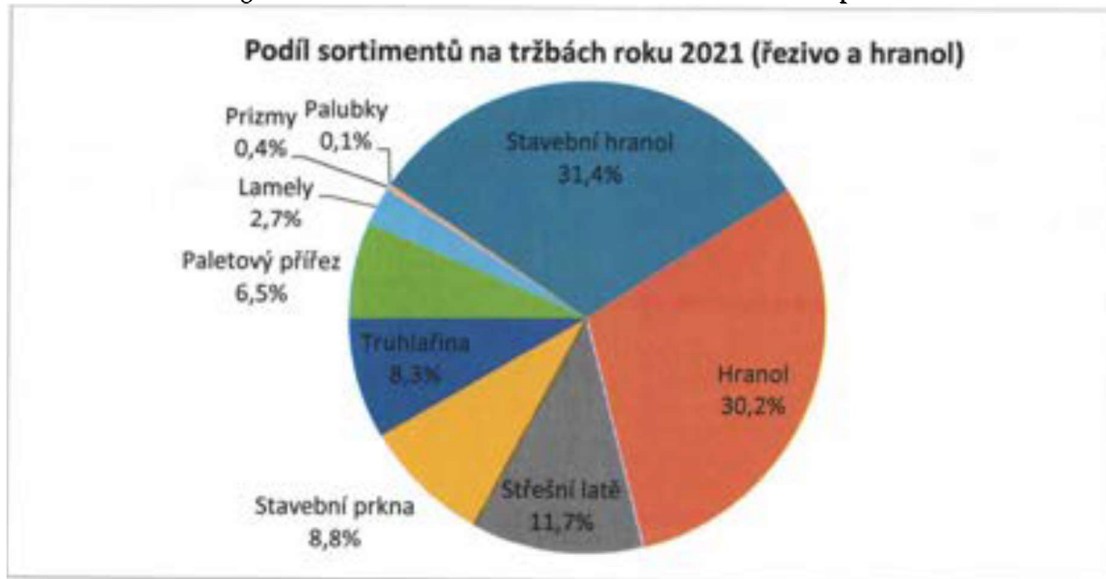
Figure 17: Share of individual countries in sales in 2020 and 2021 (lumber and prism)



Source: (Annual reports of LESS & TIMBER, a. s. for the years 2015–2021, undated)

In 2021, the company worked its way up to deliveries to the Indian market. The Indian client found the company through the Internet and the website of LESS & TIMBER.

Figure 18: Share of assortments in sales in 2021 (lumber and prism)



Source: (Annual reports of LESS & TIMBER, a. s. for the years 2015–2021, undated)

Marketing and marketing communication

LESS & TIMBER is a typical representative of a company operating on the so-called B2B market. That is, a company not selling its products to the final consumer. The company has 2 main target groups of customers:

- processors of semi-finished products (lumber, prisms), i.e. mainly window manufacturers
- merchants – wholesale/retail merchants, distributors, reselling sawmill products (especially roof battens, prisms etc.) to smaller customers.

The company does not carry out retail sales to the final consumer, because it was not effective for it, even in view of past experiences.

The main tools of the company's communication with clients are personal contacts and negotiations, led by businessmen from the department under the section of the company's commercial director. in the sales department - i.e. personal sales, personal contact with clients.

B2B companies did not do very well last year 2020. The decline in the market was also reflected in lower marketing budgets. However, they fell not only due to the savings themselves, but also due to the shift from expensive off-line activities to cheaper online marketing. In this way, tools that are more typical for consumer markets are entering the online mix in B2B.

From the point of view of the field of business, the company maintains a corporate image, which is created mainly by emphasizing the quality of production and reliability of deliveries. It maintains its corporate identity, it is its visual way of identification. According to the type, it ranks among companies with so-called a monolithic identity, because the entire company presents itself visually, as well as

Research case study: LESS & TIMBER

through communication and behaviour. The company LESS & TIMBER is known for its only product category, which is products from processed wood.

The structure of online marketing activities is changing rapidly, and this also applies to B2B markets. While static web presentations and e-mail marketing dominated a few years ago, social media and corporate videos are currently the trend.

The structure of offline B2B marketing activities is relatively stable compared to online marketing. For a long time, personal meetings in the form of personal sales, events, fairs and exhibitions have been in the foreground, and PR also maintains its place. The most significant changes in B2B marketing in 2021 were recorded by the two most expensive activities – ATL advertising (over-the-line communication using media) and active participation in fairs and exhibitions. Approximately 14 % of businesses cancelled these activities in 2021, or 9 % of companies operating in B2B markets.

LESS & TIMBER has regular customers both in the country and abroad. In accordance with its values, it pays attention to building long-term stable business relationships both on the input side – the purchase of raw materials from log suppliers, and on the output side – sales to clients from the ranks of manufacturing companies and traders. Due to the pandemic, the possibility of acquiring new customers was limited in 2020 and 2021. The consequence of the anti-pandemic measures was not only the limitation of personal contacts and thus work meetings, but above all the complete limitation and cancellation of fairs, exhibitions and business events with permanent partners. However, due to the establishment of the company LESS & TIMBER and their long-term ties to suppliers and customers, the company was able to quickly react to the situation and switch to forms of remote communication (telephone, internet – web, e-mail, social media).

Currently, the company's main marketing communication channels are:

- personal dealings of the company's traders;
- the company's website (<https://lesstimber.cz/>);
- video spots (<https://lesstimber.cz/o-spolecnosti/video-spoty>):
 - o Company headquarters in Čáslav,
 - o Pila in Čáslav,
 - o LESS & TIMBER - Glued prism,
 - o Wood biomass power plant - LESS & ENERGY;
- social media:
 - o Facebook (<https://www.facebook.com/Less-Timber-1061849613902958>), see Additional information and documents;
 - o Instagram (https://www.instagram.com/less_timber/?fbclid=IwAR1pxOG5RLcw4wTprEAoPqe_tOqMH aZxc3i5Y28Ph2KHTn-npdiwv0iZp1Q), see Additional information and documents;
 - o LinkedIn (<https://www.linkedin.com/company/less-&-timber/>), see Additional information and documents;
- commercial database:
 - o Kompass (<https://cz.kompass.com/c/less-timber-a-s/cz016999/>);
 - o Info-Bohemia (<https://www.info-cechy.cz/less-a-timber/index.html>);

- Firmy.cz electronic catalogue (<https://www.firmy.cz/detail/12932883-less-timber-caslav-nove-mesto.html>);
- Idatabase (<https://www.idatabase.cz/firma/63677-less-timber-as/>).

On its website, the company shares a code of ethics, which emphasizes the company's basic values associated with good business relations (see <https://lesstimber.cz/o-spolecnosti/eticky-kodex>).

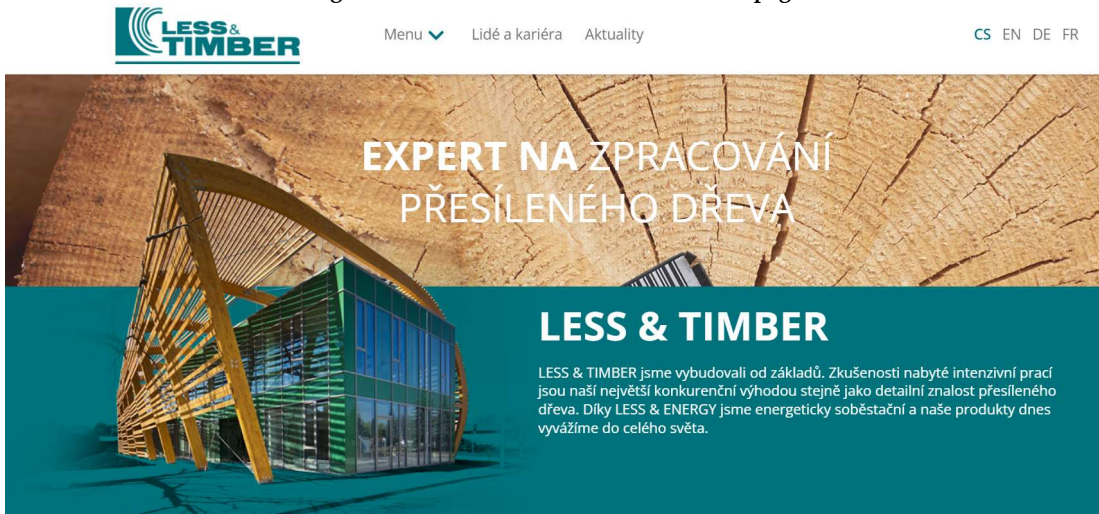
Due to the character and operation of the company, its headquarters, production premises and the entire campus are an unforgettably part of the company's identity. Undoubtedly, a "living advertisement" for the woodworking company is its very successful administrative building at the company's headquarters in Čáslav (see figure no. 19), easily visible from the main access road to the city from the direction of Chrudim and Pardubice and forming an important orientation point at the entrance to the area. Undoubtedly, the organization of the premises is important for visitors to the company, reflecting the main characteristics of the identity and saying something about the focus on quality, organization and work safety. A spectacular photo of the administrative building from the inside of the premises is also used on the company's appropriately designed website (see image no. 20), but also in social media (see figures no. 26 and 27).

Figure 19: Administrative building of the LESS & TIMBER complex in Čáslav – image of a wood processing company



Source: (LESS & TIMBER, a. s., undated)

Figure 20: LESS & TIMBER website - front page



Source: (LESS & TIMBER, a. s., undated)

The purchase of the LESS brand and its subsequent use created a clear link to the LESS & TIMBER logo and brand (see figure no. 21), with use also at the subsidiary LESS & ENERGY (see figure no. 21).

Figure 2: Logo LESS & TIMBER a LESS & ENERGY

	Černobílá verze	Barevná verze
LESS & TIMBER		
LESS & ENERGY		

Source: (LESS & TIMBER, a. s., undated)

Internal company communication and references

The company's management is convinced that a long-term investment in the "education" of regular employees contributes to the company's identity and economic results. They try to appeal to their future employees by offering a recruitment allowance, meal vouchers, an extra week of vacation, career growth opportunities or a contribution to pension savings after a year of service. Among other benefits, we can include the care that, for example, during the pandemic, they showed with a gift for every employee on Christmas Day in the form of a package with vitamins or disinfectants with the company's logo.

On the portal www.atmoskop.cz, reviews of former or current employees are publicly available, from

which it is clear that the company's values include an emphasis on building relationships in the company and caring for employees (see <https://www.atmoskop.cz/opinions-on-employers/3003916/statistics> tabs).

LESS & TIMBER, a. s. gives employees the opportunity to work in an environment in which they can develop and train key skills. Long-term investment in the "education" of regular employees co-determines the economic result of the company. The company has its own personnel department, which can be contacted if necessary – they also have a free telephone line available for both employees and potential clients.

You can't help but notice posts on Facebook that address and thank employees for their hard work. For example, in December, in the run-up to Christmas, a post was published on the website of LESS & TIMBER, a. s., in which photos of Santa Claus packages with vitamins were published with the description "Santa's gift for our employees". Also, in July, in the period before the summer holidays, a post was published here with the description "We wish all our employees a beautiful and safe holiday to recharge their batteries." The photo shows branded bottles with hand sanitizer and gift vouchers worth CZK 1,000 for purchases foods. There is therefore an obvious effort to support employee loyalty to the company and the brand.

Impact of covid-19

As a result of the COVID-19 pandemic, it was assumed that there would be an increase in unemployment in the Czech Republic, especially after the end of compensation programs such as Antivirus, etc. This could be expected in almost all sectors of the Czech economy.

Despite the negative expectations associated with the effects of the Chinese COVID-19 pandemic on the woodworking industry sector, it can be stated that this did not come true in the case of LESS & TIMBER. From the point of view of the volume of realized production, measured in m³ of wood material, on the contrary, the year 2020 showed some of the best results in history (see figure no. 22) and the year 2021 was similar. The economic results associated with sales of own products and services (see figure no. 23), which is mainly due to the global increase in the prices of wood and wood products (see figure no. 24).

Figure 22: Production volume of LESS & TIMBER by individual plants in 2017-2021

v m³	2017	2018	2019	2020	2021
<i>pořez na pilách</i>					
ZZD Čáslav	236 988	237 402	236 494	244 692	236 701
ZZD Dlouhá Ves	33 114	29 270	30 684	32 505	31 479
<i>výroba řeziva</i>					
ZZD Čáslav *	124 180	124 458	122 216	127 504	126 436
ZZD Dlouhá Ves *	18 441	16 325	17 382	18 479	17 614
<i>výroba lepeného hranolu</i>					
Závod Klášterec / ZLH	11 783	14 099	14 153	12 266	16 323

* včetně lamel zpracovávaných následně v Klášterci / ZLH

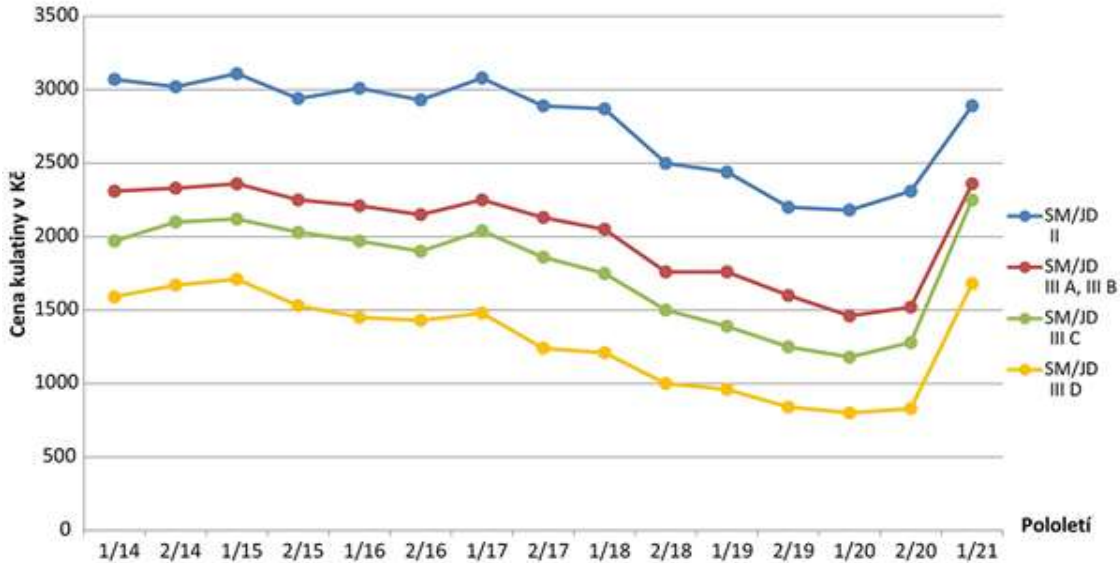
Source: (Annual reports of LESS & TIMBER, a. s. for the years 2015–2021, undated)

Figure 23: Economic results of LESS & TIMBER in 2018-2021

	2018	2019	2020	2021
Tržby za prodej zboží	11 536	40 132	101 712	9 650
Tržby za prodej vlastních výrobků a služeb	907 116	850 857	867 579	1 209 470
Tržby z prodeje dlouh. majetku a materiálu	13 058	5 952	11 051	1 673
Celkem	931 710	896 941	980 342	1 220 793

Source: (Annual reports of LESS & TIMBER, a. s. for the years 2015 - 2021, undated)

Figure 24: Price development of spruce logs in 2014-2021



Source: (Dřevařský magazín, 2021)

"This year (2021) is proof of that. None of us have experienced and not even the 2 generations before us experienced what happened in the markets this year. Never in history has it happened that our product, this commodity, has grown in price two and a half times year-on-year. It has never happened, none of us have the experience of how it will evolve back. So we can only predict, estimate. so, this is exactly the proof that experience is a good thing, however it cannot be used all the time. Because new stories are being developed."

"That's what the wise analysts say, yeah. I would say that the reasons are simply deeper. Globally, the consumption of wood is increasing, and the trends to protect renewable resources are going against it, right? We have the stories of mining in South America, in Africa, of illegal mining, but the conservation principle also spills over into Europe. For example, China banned mining for twenty or thirty years because it decided not to plunder its forests and the like. And it is being built globally. If the pandemic helped it, probably yes. People were more at home and started to invest in themselves and in some kind of restoration, so those things just met and this showed the power of the fact that today lumber or that product is a global commodity. And if the demand grew in the United States and within a few months the price of lumber there quadrupled, then the whole world rushed to supply it to the United States and there were various white spots or feelings that something would not work and that product or product simply went up. The question is whether the price he reached did not cause him a long-term handicap, because for many people he became in a way, I

don't want to say unattainable, but they simply started to consider whether it makes any sense. And there is a need for the whole sector to realize one thing, whether or not there are alternatives. Because if there is an alternative, that consumer will find it and replace him."

Additional information and documents

Figure 3: Facebook profile LESS & TIMBER

i Společnost je významným producentem truhlářského a stavebního řeziva a dále radiálních lamel s navazující výrobou lepeného hranolu, jehož je největším...
Zobrazit víc

👍 317 lidem se to líbí

👤 344 lidí to sleduje

📍 148 lidí tady oznámilo polohu

🌐 <http://www.lesstimber.cz/>

☎ 322 318 068

✉ [Poslat zprávu](#)

✉ info@lesstimber.cz

🏢 Průmyslová společnost · Lesnické služby

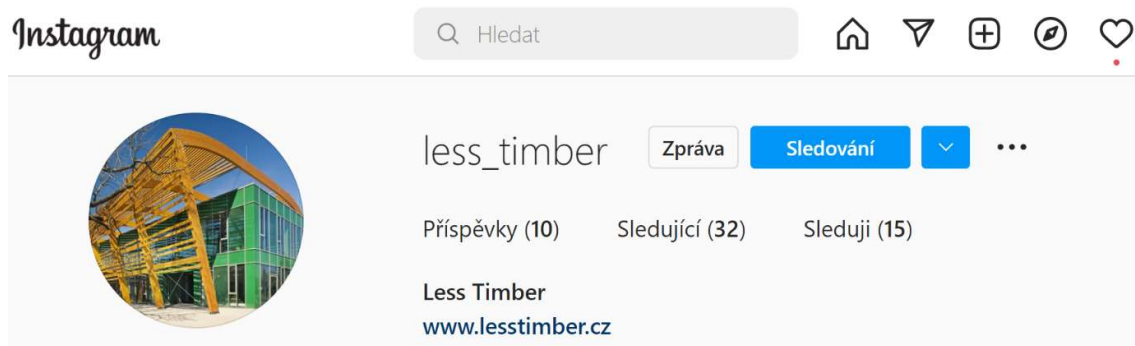
i Obchodní firma: LESS & TIMBER, a. s.
Sídlo firmy: Chrudimská 1882, Čáslav-Nové Město, 286 01 Čáslav
IČ: 292 32 007
DIČ: CZ 292 32 007
[info@lesstimber...](mailto:info@lesstimber.cz) **Zobrazit víc**

🛡 [Zásady ochrany osobních údajů](#)

📷 [less_timber](#)

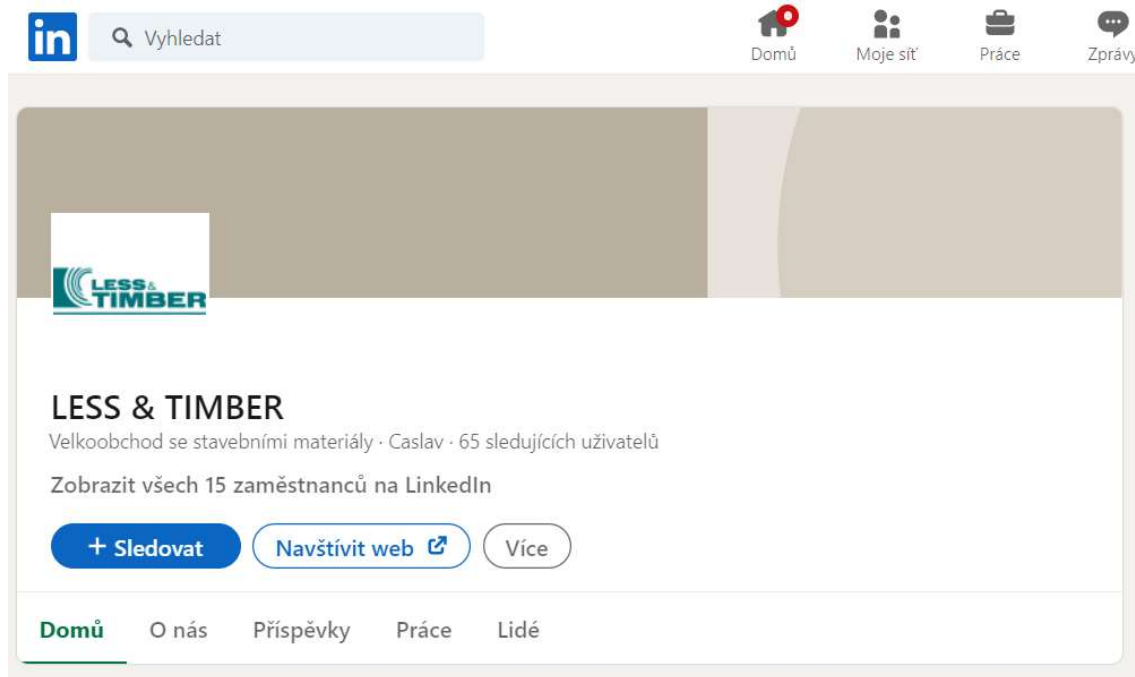
Source: (LESS & TIMBER, a. s.)

Figure 4: Instagram profile LESS & TIMBER



Source: (LESS & TIMBER, a. s.)

Figure 5: LinkedIn profile LESS & TIMBER



Source: (LESS & TIMBER, a. s.)

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