

# WE'RE BUILDING A DEMAND-CREATION MACHINE

16 Oct 2024

Healthcare COPY LINK



## Balancing the best parts of DCC's entrepreneurial spirit and the benefits of scale: new CEO Michael Hughes joins HBI Health & Beauty Innovations and reveals his vision for the business

"I've worked for large public companies where you have the stability, systems and tools, but taking decisions can be as slow as molasses. And I've worked on the private equity side where we made decisions in an instant daily and we were off to the races, but those companies would rarely invest in the longer term because of the goal to be sold in five years," says Michael Hughes, CEO at HBI Health & Beauty Innovations.

"We have the best of both worlds at DCC," he says. "We not only have stability and the benefits of scale, we also have leaders who run their businesses with an entrepreneurial spirit. It's challenging to keep those two things alive. That's part of the job - I'm learning to balance the best parts of both," says Michael, who stepped up to his new role at HBI Health & Beauty Innovations this April after a 25-year career in personal care manufacturing, mostly in the US.

He's enthusiastic about the investment in new processes, ingredients and formats that DCC's financial heft enables. "I like to think of us as an innovation company first, that just happens to manufacture exceptional products afterwards" he says. The backing of a leading sales, marketing and support services group means the HBI Health & Beauty Innovations team can focus on high quality and service, and work as a trusted partner for some of today's most successful health and beauty brands. And the scale of the group means they can take the long view on investing to build capability in areas like sustainability.

### How DCC uses sustainability to stand out

One of the HBI Health & Beauty Innovations businesses, **HBI Thompson & Capper** in Runcorn, recently tackled its Scope 3 emissions, for example, figuring out the amount of carbon embodied in its upstream and downstream supply chain.

"We funded an extensive study to calculate the carbon footprint of every ingredient in all the products we make on behalf of our customers at HBI Thompson & Capper. Now we're pooling that data to learn across the business so, at some point in the future, when a customer briefs us on a new product, instead of going back to them with 'Here's the formula and here's the price,' we can also tell them: 'Here's the carbon footprint. And here are two or three alternatives that provide the same benefit to the end consumer but with lower carbon,'" says Michael. "They can use this as a selling point, and hit their sustainability targets," he adds. "It will be a driver of our growth in years to come."



## MICHAEL HUGHES INTRODUCES HBI

HBI Health & Beauty Innovations CEO Michael Hughes shares how the business is becoming more customer-centric and how he is tapping into the entrepreneurial spirit of DCC's leaders to drive organic growth.

### "We're cost-conscious, while offering the highest quality"

HBI Health & Beauty Innovations also offers kaizen events - kaizen is a Japanese term that can be loosely translated as 'continuous improvement'. "We invite the customer on site and tell them about opportunities we've pre-identified for them to modify their packaging, modify their formula, or do things that we think would have zero impact on their offering in the marketplace but would save them money," explains Michael. "These could be things that they don't even realise they're paying for because of choices they might have made 10 years ago in some cases. And customers really appreciate that we're thinking about them in this way. So, we are cost-conscious, while offering the highest quality."

He's emphatic about quality standards - whether for medicated products, which are regulated, or nutritional products like health supplements. DCC facilities make both for their customers and, as Michael says: "All of the products we manufacture benefit from being made in our licensed Good Manufacturing Practice facilities, regulated by agencies such as the FDA in the US or MHRA in the UK."

Michael describes the DCC facilities with high-end, precision equipment, pristine manufacturing environments and dedicated workforces. "Discipline, rigour, honesty, integrity, all that has to be built into your DNA when you work in the regulated segment. When you make those investments, it's like a tide that raises all boats," he says.

## IMPORTANT FIGURES



### The strategy for becoming a supplier of choice

The backing of a large organisation like DCC makes such investments possible. "Our leadership doesn't turn over at a fast rate: we have many people working for years at DCC," Michael says. "It gives us great stability and it gives the customer the security of knowing that we're able to produce for them for the long term."

This leads to collaborative relationships. "We'll share what trends we're seeing with customers and they'll do the same," says Michael. "They're eager for us to be proactive. We'll give our opinion on getting more into, say, mushroom supplements to support cognitive function or identify the growth in sports hydration and they may suggest putting a new ingredient into a particular format that works for their brand equity. There's a bouncing of ideas. You see the dots connecting and the light bulbs going off. I love being witness to the energy in these innovation sessions," he says.

Nutritional product providers have come down from what Michael calls the Covid sugar-high when consumers stocked up on every immunity-boosting product they could lay their hands on. "Demand outstripped supply capacity, enabling significant growth during this period. The subsequent period of destocking was challenging for all players in the sector but the market is projected to revert to more normal growth patterns," says Michael.

"Having invested to build capacity, a big part of our job now is to help the organisation become a demand-creation machine," he says.

**Discipline, rigour, honesty, integrity, all that has to be built into your DNA when you work in the regulated segment. When you make those investments, it's like a tide that raises all boats**

**Michael Hughes**  
CEO, HBI Health & Beauty Innovations

This involves tuning into the user experience and staying constantly one step ahead of fast-changing trends. "Can we offer magnesium in different formats - a pillow spray to help you sleep through the night? Or day packs of supplements in different formats you can easily carry around? We also offer something we call white space analysis, where we'll look at everything our customer or potential customer is offering and see 'Hey, you're not playing in the menopause space,' as an example of a huge growth area that we could help them move into fast," Michael explains. "When a customer has a number of other suppliers, being able to differentiate yourself like this is important."

"One of the things I've been most impressed about is the calibre of our people. The ownership of their jobs, the ownership of the relationship with customers, and ownership of the quality of the product is spectacularly good," he says. He sees further opportunities to develop young leaders and enable them to move around the businesses to grow their careers.

And what next for DCC's growth? "Believe it or not, I think the biggest thing for our growth is to better tell the story of who we are, what we stand for and the services we offer," Michael says. "How we are different to our competitors. Customers may know us from one product we make for them but we're part of this much bigger group. That's what I see for us in the coming year - getting out there, growing our share of wallet and telling our story better so we become the supplier of choice."

## HEALTHCARE NEWS

SEE ALL HEALTHCARE NEWS

22 Apr 2025

### Disposal of DCC Healthcare

This morning we announce that DCC has entered into a definitive agreement for the sale of DCC...

20 May 2024

### 30 YEARS OF DCC - DOING WHAT THE WORLD NEEDS

On its milestone anniversary, CEO Donal Murphy talks about the key strategies that'll ensure DCC...

20 Sep 2023

### DCC Healthcare Safety Stand Down

In October DCC Healthcare businesses held a Safety Stand Down event which covered all employees and...

18 Aug 2023

### Ion Nutritional Labs Announces Major Expansion of Gummy Production Capacity

Ion Nutritional Labs, a DCC Healthcare business, announces the completion of a \$30 million...



DCC House  
Leopardstown Road  
Foxrock  
Dublin 18  
D18 PK00  
Ireland

Tel: +353 1 2799 400  
Email: info@dcc.ie



About

Energy

Healthcare

Technology

Sustainability

Investors

Careers

News

Contact

Media

Popular pages

2025 Annual Report  
Cleaner Energy in your power  
30 Years of DCC - Doing What The World Needs

Keep in touch

Alerts sign-up  
Regulatory news  
Financial calendar