

-- Speaker 0 00:04 Make it right. The manufacturing podcast. How do you take a new brand, launch it in a new country to a brand new market and then grow it from a great idea to a \$700 million company with 8,000 employees stores across the continent and achieve best place to work status multiple times. Welcome to the maker ride podcast. I'm Janet Eastman and this week on the show I continue my conversation with Graham Brown, director of product at lush cosmetics North America. Last week on the show we talked about the evolution and growth of this handmade cosmetics company in North America. This week on the show, Graham shares some insights on some of the innovative ideas that company is working on as it approaches its 25th year and we'll jump into the conversation. Looking at how he sees his role as a leader in this unique corporate structure. How do you see your role as a leader? What do you believe your main job, what value do you bring as a one of the leaders in this organization or what do you hope the value is you bring?

Speaker 1 01:12 Well, I, I am not the same person as when I started 24 years ago. I mean by that it's obviously, I mean I'm not getting any younger, that's for sure. But I did start quite young. I personally think leadership is, it starts from within. You have to do a bunch of interior work as a leader and say, okay, Oh that was interesting. I was just activated by something somebody said in this meeting, like, I'm, I'm, I'm feeling angry or put off or misunderstood. You know, I, I've really worked hard to work on myself. Do that interior work and say, okay, how am I showing up? Where am I at? Where am I out of alignment with my own values and where, what does the business trying to achieve? And I've always tried to line the two things up. Okay, I'm all in. So it's like I'm playing the long game here.

Speaker 1 02:01 I'm committed to lush and I want people to trust that I am trying to support the business. But more importantly, I'm trying to support everyone's own individual journey just as much because I really believe that that's what, that's what business is. It's amazing. Um, playground to work on development. So I think it's like what's possible is what I get excited about. It's like, well what's possible from a growth perspective for the business and for the individual. And how, how incredible is that when those two things are, are in sync and they're not always, you know, things are seasonal in terms of literal seasons. You know, as you go through the different seasons of the, of the year and the weather and all that. But it's there also seasons in her own engagements, seasons around development. You have to, you have to, you have to really enjoy the process and know know that I'm, when you do that and you really go for, and you try to live your life, which I believe work is work is not separate from, from personal life.

Speaker 1 03:06 I personally leave. It's all all just living to really be grabbed gratitude and works, work hard on doing your best and, and providing value to others being kind. And, and what I mean by value is literally caring about what that person is dealing with right now in the context of their, their, their experience. And, um, so I'm, I'm hoping that that's my role as a leader is to hold that high and try, I try to lead by example in that area and I hope that, but that has played a part of our role in our success at lush. Um, in terms of, you know, really

Speaker 0 03:42 okay.

Speaker 1 03:43 Really being present with people and trying to add value and grow myself in the spirit of adding value to the business and to everybody else that I interact with every day.

Speaker 0 03:53 I think I'm at the offset. We said that there's somewhere like 8,000 people that work for the company at any given time. And I know you're a seasonable seasonal business where you know, you have to ramp up for the Christmas season and the gift giving season and whatnot. But can you give me a, like an idea of what the demographics of your employees are and how long they actually stay with you because you just said it right in, in that last comment was you're in it for the long game and you want to grow as a person and you want people to be involved and to grow within the companies. So, so tell me a little bit about the demographics of the company and and how they, how long they stay and how far they can go within lush.

Speaker 1 04:37 --

-- That's a great question. I'll, I'll try to answer that from a bit of a department streaming perspective. So on retail, retail tends to have slightly higher turnover just as a general industry. Uh, I think we are a better than industry average as far as retail turnover, the age category, it really is a type of job, especially if you have part time, hours and retail where it's a great beginning career for people as they're either completing their schooling or looking for augmenting other things they're doing. So we take a lot of people on, as you say, as a seasonal hire. And then what we do is we try to encourage people as core positions open up in retail and other parts of the business for them to stay on. Um, and so we try to expose them to as much of the business as they can when they're, when they're in the seasonal part of the hiring and working curve that they can see what the opportunities are and where we always post every job internally.

Speaker 1 05:32 And you know, on our internal, um, we call our, our, we call it the hive before we post tolerable emissions. Yeah. And so <inaudible> I don't know what the <inaudible> average tenure is in retail off the top of my head, I apologize. Manufacturing started out the same way. So when we were growing a lot of our core staff that we have now, and we have people anywhere from, I mean, I was not, not to, not like I'm bragging about it, but I am proud I was employee one 24 years ago and so I have the longest tenure. But there are lots of other folks, any, anywhere from, I would say the average tenure in manufacturing. Um, from a leadership perspective is anywhere from five up to we have at least four or five people that are 20 years plus in, in the manufacturing business. Some people have moved on to other areas of the business, but we have lots of tenure.

Speaker 1 06:20 The average is closer to eight years, uh, of, of tenure. Um, and that's quite something because we have about a core staff of 1200 people in manufacturing, but we have to, um, in practice double the amount of bodies we have between July and January, just to make all the seasonal products who have a huge influx of seasonal, ah, or first for the busy season <inaudible> kind of thing. And, and the great thing about that is it creates a, a pool of people if they're interested, resonating with them to monitor what the core jobs or are coming up afterwards. So the age, you know, we've gotten longer in the tooth, but we all started out a lot of us that are in that <inaudible> that, you know, 15, 20 years plus we started in our early twenties. Um, not in all cases. Some of us were younger, some of us are older. Um, so there isn't a particular demographic we go after.

Speaker 1 07:14 However, with the retail business that tends to be a younger staff, but there are also um, people that aren't in that part of their life cycle in terms of school and all that. And manufacturing has a wide range of, of people. We have, we have some father son connections in the manufacturing business. Um, I'm won't mention their names right now, but uh, we have, uh, we have at least two examples of mother, daughter and father son type of type working together in, in the, in the business. So that's, that's pretty cool. We have the whole gamut of, of, of ages. Um, but I would say on average we are, we are whatever generation that is where I would say early twenties to mid, mid thirties in manufacturing at this point. Seasonal seasonal staff is an interesting, an interesting engine of, of getting people. We actually have a, we have hiring fairs and we have talent specialists that do, um, that run the hiring fairs. And we actually have people try pressing bath bombs as an example to give it a go before they decide whether they're going to work with us. Um, so we have ways for people to try, try, see if it's something they'd like.

Speaker 0 08:23 Okay. That sounds like kind of fun. That would be like a really good job. Fair to go to and then come and try and make a bath bomb. That's cool. So Graham, tell me what do you think is next for lush? Like what's, what do you see on the horizon for the company? You're coming into your 25th year pretty soon.

Speaker 1 08:42 Yes, we are. Well, the UK group, it's been a long time and they formulated and manufactured a lot of the bestsellers for the body shop in the, in the heyday, in the body shop in the 80s. And they did a business between that called cosme --

-- tics to go, coming up with all sorts of innovation, um, incredible innovation. And then when that, when lush started, they, they carry that forward. What, what we're up to next as a business is we're looking at a lot of concepts. So we're taking the idea of product ranges a little bit further and we're coming up with concept shops, so full on, um, shops dedicated to different topics. For example, a lot of our products are unpackaged have no, no packaging bottle box, any of them, any kind of either the product is the packaging itself or it's just unwrapped what we call naked. Speaker 1 09:34 So we're opening up what we call naked shops where none of the products in the shops come into any kind of container. And so that's one idea of a concept shop. We're doing a fresh shop, so that's where all our products are self preserved. Self-preserving there's no artificial preservatives and it's all made, um, by hand, fresh and shipped every week and it's got a shelf life on it. So that's a fresh shop. We're doing a fragrance or perfume shop and we're doing flagship stores as well, um, at strategic locations that we have one in Oxford street in the UK. We have one in Liverpool that's close to 30,000 square feet where, where you'll have a whole floor that's a hair lab, you know, where you can get um, hard or soft water and PR and specific treatments for the type of hair that you have seen.

Speaker 1 10:21 It's basically almost like a store in store. You have a hair lab section in our lush shop in Liverpool. And then you go to another section and as a spa there Harijuku in Japan has only bath bombs, um, where there's no signage. So we use like a Google lens, we call it lush lens technology. We take your, your smartphone and you open up the application and you put the product in the frame of your camera photo of your camera and it will then recognize it and give you all the ingredients and how to use it. And you can buy it right then and there and you're, and put it in your cart if you want as well. So, you know the, so we're making some wonderful products, but we're also really ramping up the, the idea of concept shops. So we're specializing in different locations as well.

Speaker 1 11:13 So you can buy the whole compliment of products online, but if you want to get a real immersive experience, and we're starting to open up these unique concept shops partly as a test, partly as just to reinforce what we're all about at our values. Um, so that's one thing. We're also creating innovation hubs on a manufacturing perspective. So one of the things that he's gonna imagine is with rapid innovation. So we turn over like 25% of our product line every year. Everything's got short shelf life and we're changing the product line all the time. So you have to be nimble with your inventory and your sourcing and your whole supply chain. And so to roll out the concepts, the manufacturing units across the globe. So where we, manufacturers in Japan, Australia, Canada, UK, Croatia, <inaudible>, Germany, Australia, I think I already mentioned Australia, then you can't really be, um, figuring out how to make it on the fly, which we sort of done as best we can in the past.

Speaker 1 12:13 What we're doing is we're doing an innovation hub where all the production methodologies and that are being perfected really rapidly. And we're sending people to that innovation hub to learn it early and then bringing it back almost like a container concept and say go, here's the equipment, the methodology, the formulas and you almost, we don't literally do this yet, but you could get to that stage where you'd almost ship a container of a department over to the manufacturing units across the globe and they'll already have a headstart, um, with getting the manufacturing going versus the other way, which is long drawn out plans of capital expenditures, waiting for the annual budget. Do we need more physical space? Do we need to build out a new room? So it's always a tough game of, yeah, cause then you can end up end up with a lot of redundancy in equipment or staff or products.

Speaker 1 13:01 Not staff, sorry, but product or way you've structured yourselves as far as staff in a particular room. If you have to, you have to be fluid and flexible with how you're doing that in order to stay innovative. So that's what I think lush is all about, is trying to come up with the best products in every category for every need. And then trying to d --

-- elight everybody with the quantity and the quality of innovation that's coming out and getting to everybody quick. Because what we find is that the engagement with the customers, um, is really enhanced when you're coming out with lovely new things all the time. And then the great thing was the internet. And with the website, part of it is you can discontinue products that were people's favorites, uh, in the shop cause there's a fixed amount of space in the retail brick and mortar locations.

Speaker 1 13:45 But you can almost have a long tail, infinite number of products on your digital channel. So we, we, we'd love to keep growing our digital channel. Not, not only to keep up with the quote unquote Amazon and Alibaba type of effects, but that's why we want to shop however we want our customers be able to shop however they want to. And so we're trying to just match our digital offering. You know, there's lots of buzz phrases about omnichannel and things like that, but the, in reality it's just about being shopping, having people, they all shop however they want to shop and be responsive to that. So that's really helped us as far as inventory levels as well as instead of having everything, even just getting a minimum amount of display of inventory out to every shop is a big undertaking. So sometimes reduced select releases online only and then and then later added to the storage.

Speaker 1 14:33 So that whole innovation thing I think is one of our competitive advantages and I challenge any other, any other brands? Try to keep up with SS. I am, you know, there's plenty of room. We're a small player in the global cosmetics industry with global health and beauty market. We like being that way. We certainly want to grow our brand, but we want to grow it just for the sake of growing as well. You know, the part that we talked about just briefly, we've done a lot of good work with our charitable givings and our regenerative practices as well. So we go beyond sustainability. We want to do regeneration. So we've done a lot of work in that space. We did, we've got to dedicate large percentage of our, um, um, sales and profit to these initiatives. And I don't know if we'll have time to go into them.

Speaker 1 15:16 Right now it's all on our websites or different programs, but charity pot is one example. It's a really great program where 100% of the sales revenue minus the tax, the sales tax, the government takes their piece of course, but not just profits, but 100% of the revenues go into a, it's the product's called charity pot. And then literally the funds go into a pot and we have literally thousands of grassroots or that we donate small amounts of grants to doing all sorts of wonderful things in the, in the space, usually around human rights, animal welfare and environmental stewardship and those domains. So I would encourage anybody to take a look at that. Again, as far as just advice for people listening, I would encourage people to think of it not as a tactic. Like, Oh, I'm going to, I should have a charitable givings program in order to show up a certain way. I think it's more about commerce with a conscience and trying to, that's how always we've operated as how can we best make an impact, um, by voting with our own dollars and how we purchase things, but also having the customers be able to vote with their, their dollars and go to all sorts of great causes that they believe in as well. And I think that's helped with staff, staff engagement as well as customer engagement. So we're just going to keep on doing that. That's what's next.

Speaker 0 16:30 Oh, it sounds busy. We're almost done at time, Graham, and I just wondered if you had any final key takeaways that you would like to share perhaps as your experience as a business leader or just being in business. Um, any final key takeaways?

Speaker 1 16:51 Wow. How would I wrap that up? Um, well, let's see. For the, for the listeners, I don't know. I don't want to sound like we've got everything all figured out. And so listen to my parting words of wisdom and everything will be okay. What I would say though is you have to keep going. You know, like there's sometimes where you feel like, wow, this is just hard. And, and, and it's almost like when you can afford to quit is exactly when you can't afford to quit, you know, it's gotta be bigger than yourself and it's gotta be bigger than them. The company itself as well. Like what is being --

-- really connected to the purpose of what you're doing and sticking with it and trying to do your best. Like we've had all sorts of challenges in supply chain, whether it's, um, currency fluctuations and we've had some, some scary stories of getting it wrong as far as trying to hedge currencies, things like that.

Speaker 1 17:43 But what we've done is we've developed policies over the, over the course of learning from those mistakes and mistakes are, are going to happen. And I think the key there is to, is just to learn from it as rapidly as possible and incorporate that into your business. I actually think some of the best things have come from difficult times, both in how we've organized ourselves and, and uh, and really I think all the growth as a company but also as an individual comes right on the back of the darkest days. So maybe, maybe that's what I'll leave everybody with is, you know, thank you for your service to your families, your communities, what you're up to matters and just stick with it. Um, that doesn't mean never, never changing course, but it just means run. You know, you'll know if you trust your instincts, um, run, you know, run, run as best you can with it and really stick with it.

Speaker 1 18:35 And, uh, it's amazing things. Like that's basically what I want to say is I'll leave everybody with is it's all fine in hindsight, but as I said, we started with three shops and there was no guarantee of success. It sounds, sounds like, sounds like while we're so successful globally now, but, but I tell you that, um, it's hard to describe to people, but there's lots of times, and I remember specifically saying this in year 19 of lush, like I remember announcing it on my social media platforms at that time. Today I just feel like a 19 year overnight success because every little cliché that like, that has some real truth behind that is like, often what I find is there is, there is really no such thing as that overnight success. There's many, many years of hard work and stick to illness behind it and, and uh, yeah, just be connected with it and go for it.

Speaker 1 19:24 And, uh, I wish everybody a lot, best of luck and if there's anything that I can ever do to, to answer questions or provide any perspective of what I have gone through, that's, that's why I was so honored to be asked to talk today. Like I'm, I'm so committed to being contribution to service to any of that, that I can potentially help, um, with any perspective. So, uh, I will, I'll leave it to Jana and Kevin to, to, um, to decide how to do that. But I'm, I'm totally open to answering any questions anytime that anybody might have. It doesn't mean I'll get back to her straight away, but I'll get back to you as soon as I, as soon as I can.

Speaker 0 20:03 That's really generous of you Graham, because you know what, there are a lot of people out there, you know, we run into problems all the time trying to figure it out and it's always nice to have somebody here to bounce it off of and get some feedback. So I really appreciate your time and I know that, um, I have to let you go, but thank you so much for your insights and being part of makeup, right. Really valuable. Thank you so much. Thank you. Kevin Graham Brown is the director of product at lush cosmetics in North America. He is based in Vancouver and that's our show this week. Please check out our Twitter and LinkedIn feeds that are on our podcast page. Subscribe and share the podcast with your friends and colleagues through iTunes, Google play, Stitcher, Spotify, and YouTube. And the make it right podcast is brought to you by Snoop leadership advisor and author of the best selling book naked, right five steps to align your manufacturing business from a front line to the bottom line. Until next time, I'm Janet <inaudible>. Thanks for listening to the makeup rife podcast.

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