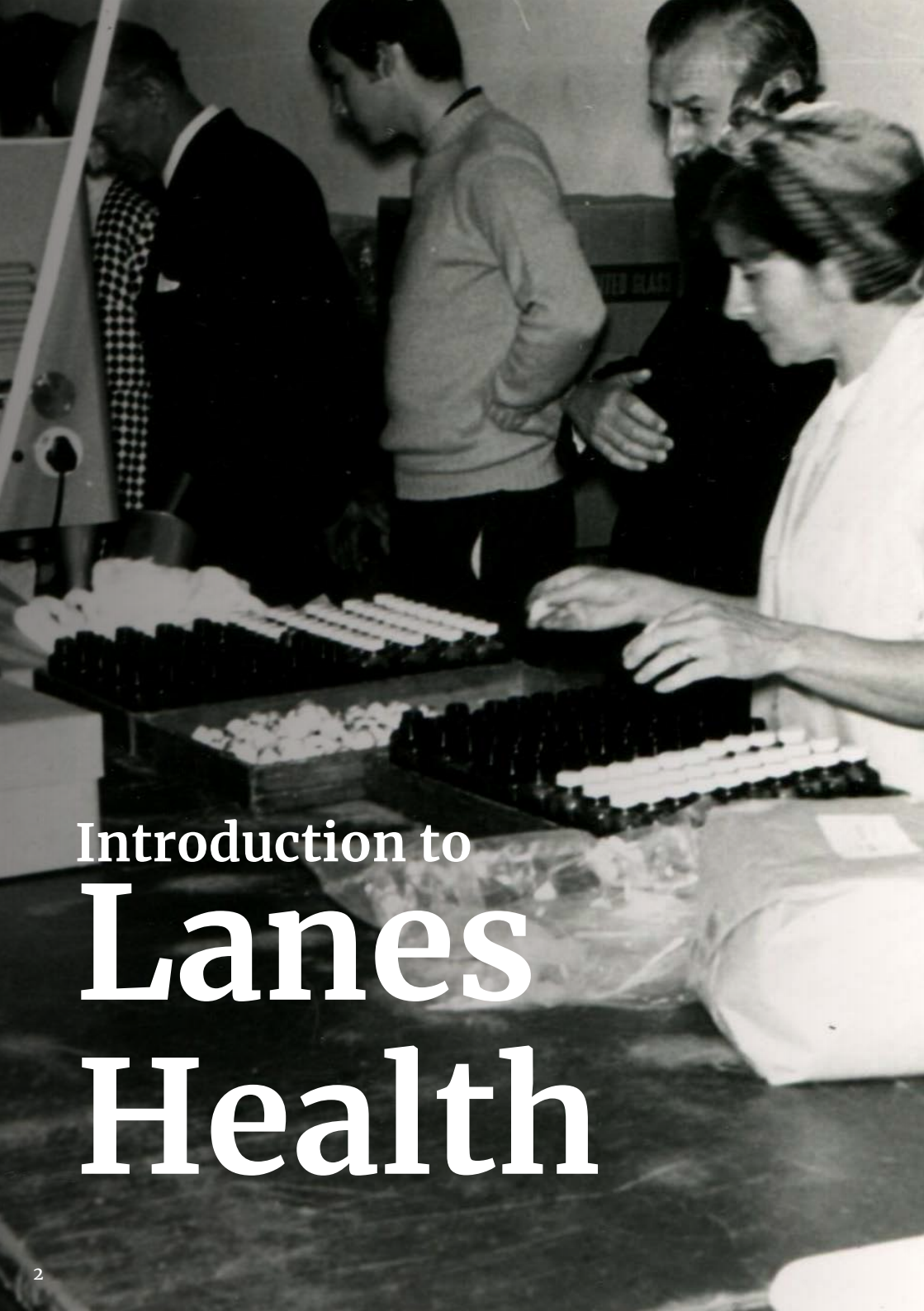




Thought leadership and insight

into the health and wellbeing sector from established family-owned business, Lanes Health





Introduction to **Lanes Health**

Family-owned business, Lanes Health was founded in 1930 and is a renowned and respected company within the natural health and wellbeing sector.

Combining over 90 years' experience of promoting health and wellbeing with state-of-the-art manufacturing capabilities, Lanes Health has a wide range of Over-the-Counter (OTC) medicines, food supplements, natural products and confectionary, including household brands Olbas Oil, Jakemans, Kalms, Pro Plus and BlueIron.

Introduction to **Jonathan Groves,** Lanes Health Executive Chairman



In 2023, Jonathan Groves stepped into the role of Executive Chairman at Lanes Health, marking the fourth generation of his family to lead the business at an exciting time of continued growth and international expansion.

With 20 years of experience working in the company, starting out on the factory production line and delivering different roles within the business across two decades, Jonathan has learnt about the company from the inside out.

Jonathan said;

“It was a real honour to take on the leadership of the company and be part of its progression. Over the last 40 years, we have taken a considered and steady approach to growth with a targeted expansion plan that included developing current international markets and seeking new ones. This has seen us achieve significant market share, and ever-increasing shelf space and position.”

“We believe that two key factors have supported this success, a strong product range that translates across international markets, and great relationships with customers which have been nurtured and grown by our passionate and dedicated sales team.”

Proud of its family ethos, Lanes Health employs over 250 people across the factories and offices in Boston UK and Gloucester UK, and has been a real part of both communities for decades.

“As we embark on our growth plans, it is important that the traditional family values have a place in the future of the company. We work hard to ensure everyone who works here feels part of the business and appreciated, and the senior team feel empowered, listened to and able to implement change that shapes the company.”

“Futureproofing the business and investment in sustainability and the company’s environmental impact is integral to Lanes Health longevity. With ongoing efforts to reduce its carbon impact and be in line with 2030 national targets, the business has implemented several changes to move towards achieving this.”



Thought Leadership

Jonathan Groves discusses some of the key challenges and factors affecting the business world and the natural health sector, including taking over a family business, the changing role of OTC brands and growing a business in the current economic climate.

The changing role of over-the-counter brands

The pandemic changed many aspects of our everyday life. The experience of lockdown, self-isolating, dealing with bouts of COVID-19 and living with all the safety precautions have made a lasting impact on our everyday life. Particularly how we now deal with colds, flu, and other common ailments post-pandemic.



This fundamentally shifted consumer behaviour and how we now prioritise our health and that of our family more than we have ever done before. This, in turn, has changed the face of healthcare and the way in which we use OTC products.



The living room as the new waiting room

The COVID-19 pandemic sparked a new generation of people taking control of their health. Not only is there a newfound autonomy in treating our own ailments but we are also now much more aware of self-testing and diagnosing, rather than seeking advice from a healthcare professional (HCP). This has led to a new wave of empowered consumers managing their own health.

Recently, our own research reinforced this trend, with **71 per cent opting to treat minor ailments at home** rather than visit their GP or pharmacist.¹

This trend's knock-on effect has been highlighted in a recent report by **UK Health Security Agency (UKHSA)** who announced that Flu and COVID-19 hospital admission rates in England were down from 2022 to 2023². This, in part, can be attributed to the lasting effect that Government and NHS messaging – encouraging people to self-care – has had on the public.

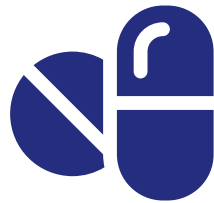


Diagnosis and treatment without HCPs is now commonplace and happening daily amongst homes in the UK. As a result, the public are now using OTCs more than ever to offer relief to symptoms of common ailments.

¹ Research commissioned by Lanes Health and carried out by 3Gem – 2,000 UK respondents – September 2023

² National Influenza and COVID-19 surveillance report Week 44 report (up to week 43 data) 2 November 2023 | UKHSA

This opens the market to healthcare brands who are able to showcase their ability to effectively treat illnesses and clearly highlight the impact of their products.



Regarding this change in behaviour, **Michelle Riddalls**, CEO at PAGB, the consumer healthcare association said:

“As we continue to face growing pressures in primary care, there’s never been a more important time to ensure consumers’ confidence in using OTC medicines to self-care for self-treatable conditions.”

“A recent PAGB report on consumer attitudes found that education is the key to increasing self-care with 83%³ of those surveyed saying we need more health education to encourage consumers to take a more proactive approach.”

“The consumer healthcare industry must continue to maintain its high standards of self-regulation and product promotion to educate consumers and support them with the most effective treatments and advice possible.”

³ PAGB Self-Care Census Report 2024



The rise of the preventative patient

Not only has the pandemic empowered consumers to self-treat symptoms, but it's also given impetus to the autonomy we have over preventing illnesses. This has caused consumers to now look to OTC products not only to treat symptoms, but also to boost their immune system or provide 'extra' health benefits. This, in turn, has given rise to the 'preventative patient'. Our research showed that **70 per cent of consumers** stated that, since the pandemic, they **do their best to prevent the spread of common illnesses**⁴.

OTC brands that can make claims about relieving common ailments, supporting immunity and managing the first symptoms of ailments could look to benefit from this. Lanes Health recognised this as being important to consumers.

⁴ Research commissioned by Lanes Health and carried out by 3Gem – 2,000 UK respondents – September 2023



Martin Last, Director General, Health Food Manufacturers' Association, says:

“Throughout the past few years' healthcare has been at the forefront of the public's minds. This lasting effect has brought many new health habits into people's day to day life and individuals now have a heightened awareness of what they're consuming not just in medicinal products but in health foods as well.

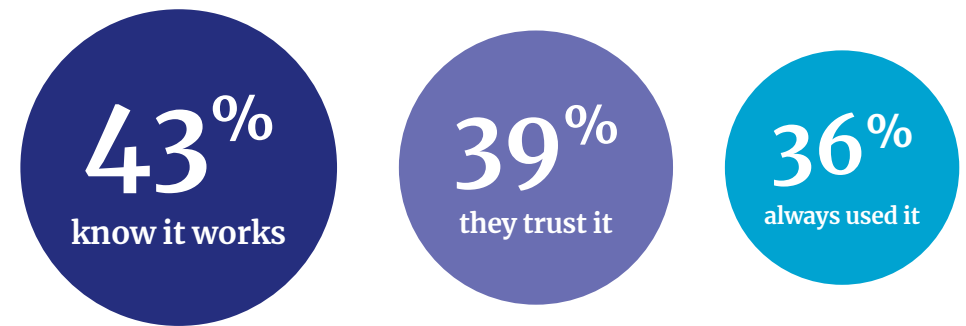
“Therefore, the labelling of these products is of the utmost importance so consumers can clearly see the ingredients of what they're consuming. Health products able to show extra health benefits and that contain natural ingredients, can take real advantage of this new consumer health trend.



The role of OTC products in a post-pandemic world

In an ageing population where new viruses and bugs evolve yearly, providing reliable and effective health products has never been more important. As consumers continue to evaluate their spending habits due to the cost-of-living crisis the pressure and expectation for OTC products and brands is high.

Our research indicates that consumers hold expertise, trust and reputation highly when it comes to choosing branded products. In fact, **the top three reasons** a consumer chooses a product is because **they know it works (43 per cent)**, it's a **product they trust (39 per cent)** or it's a **product they've always used (36 per cent)**⁵.



Familiarity is something particularly important to the 65+ category who stated that the main reason they buy a product is because **they've always used it (48 per cent)** compared to only **24 per cent of 18–24-year-olds**.

Therefore, brands that have a strong reputation and heritage, can reinforce specialist claims, educate and build consumer confidence, and potentially discourage consumers from trading down to own-label alternatives. Brands should also not lose sight of their loyal fan base, particularly in the 65+ age category.



⁵ Research commissioned by Lanes Health and carried out by 3Gem – 2,000 UK respondents – September 2023

At Lanes Health, we have built a trusted and loyal customer following for providing effective and reliable OTC products since 1930. By listening to our customer's needs and adapting in an ever-changing health environment we have ensured we stay at the forefront of their minds by providing them with world-leading products and innovations.

Our continued investment into a portfolio of products has seen our business grow from strength to strength. Similarly, we were proud that our throat lozenge product, **Jakemans**, is the **UK's no.1 cough/throat lozenge brand**⁶. Similarly, our heritage brand, Olbas is regularly declared as the **nation's favourite decongestant oil**⁷. Olbas was also the fastest growing decongestant brand over the winter season in 2023⁸.



Lanes Health also ensures it's responding to our audiences' needs by carrying out customer research and investing in new product developments. We launched a new sugar-free **Jakemans lozenge** in the classic Throat & Chest flavour, in response to those actively looking to reduce their sugar intake. We have also added **Olbas Patches** to the Olbas family, for those seeking natural ingredients to ease congestion at nighttime for children and on the go, as well as Pro Plus Fizz, an effervescent format of the popular energy brand.

⁶ Kantar Purchase Panel | 24 w/e 19th March 2023 | Spend Share | Cough/Throat Lozenges | Jakemans

⁷ Circana Cold & Flu Decongestants, Volume Sales, 52 w/e 2 Sept 23, Total Market

⁸ Olbas grows the fastest out of the top 3 brands (Sudafed, Vicks, Olbas by spend share) in Decongestants over the winter season of 2022-23 (24 w/e 19th March 2023). Source: Kantar Purchase Panel | 24 w/e 19th March 2023 | Spend | Decongestants | Olbas

The lessons for OTC brands and manufacturers

With nearly 100 years of experience adapting to an ever-changing health landscape, Jonathan Groves has five pieces of advice to share with other OTC brands to ensure they remain relevant in the sector.



1

Invest in brands consumers know and love – if you're lucky enough to have a strong and loyal customer following don't take this for granted, make sure you're investing in your products and keeping them at the standard your customers are accustomed to.

2

Listen to your consumers and respond appropriately to their needs – make sure you're carrying out research on your customers and innovating products that respond to new desires and growing markets.

3

Market more than the product features, sell the benefits – consumers are becoming more aware of the ingredients they are consuming with products containing natural ingredients performing particularly well. Sharing the benefits and being clear on ingredients within your product is key.

4

Treat consumers appropriately – the research shows that consumers have become even more aware when it comes to taking care of their health. Communication therefore needs to be tailored appropriately giving consumers who are wanting to take their health seriously as much information as required.

5

Agility – it's clear from the past three years that we cannot predict the future of healthcare. It's incredibly important for brands to move with the landscape and ensure they're innovating in order to continue to grow.

Navigating success through generations

“ At Lanes Health our vision is clear: to become the UK’s leading family-owned supplier of branded household health products. Our mission is to have a Lanes Health product in every bathroom cabinet across the UK and beyond. ”

Jonathan Groves, Lanes Health Executive Chairman



We are committed to expanding our reach and impact while staying true to the principles that have guided us for more than nine decades. Our journey is one of continuous evolution, driven by a deep-seated belief in the power of health and wellbeing to transform lives. And in these many years, we have learnt a lot about running a family business.

Running a family business in today’s dynamic marketplace presents unique challenges and opportunities. Navigating market nuances with import and export legislation, supply chain management, and shifting consumer demands mean that businesses are constantly having to adapt to this ever-changing landscape. It can be tempting to compare oneself to large stakeholder companies and trying to follow their ways of working.



However, family businesses have been shown on average to perform better than non-family businesses⁹, due perhaps to the agility they have, which means they are able to adapt their business quickly to change.

⁹ https://www.ey.com/en_be/family-enterprise/what-makes-family-businesses-so-resilient

Invest in your business



The exciting opportunity within a family business is the ability to build upon the foundations that previous generations have laid.

The retained knowledge and experience passed down provide unrivalled insight which can help mould future decisions, but driving innovation and investment back into the business is key to propel companies forward. Whilst it's important to stay true to your roots – ensuring that your ethics and company values remain the same – embracing change and investing in new technologies to keep up with supply and demand are key.



Don't be scared by change, that's probably what made your business successful in the first place, because you were doing something different.

Additionally, family run businesses can often benefit with added flexibility, an advantage to be able to respond to customer needs and assess products, formats or ways of working to satisfy any change in demands.

We have taken advantage of this ability to adapt our products quickly. For instance, in 2023 we launched a **sugar-free Jakemans** in response to those actively looking to reduce their sugar intake, and we've got some exciting new flavours in the pipeline. We also recently launched our **Pro Plus effervescent** product for those looking for an alternative to tablets.

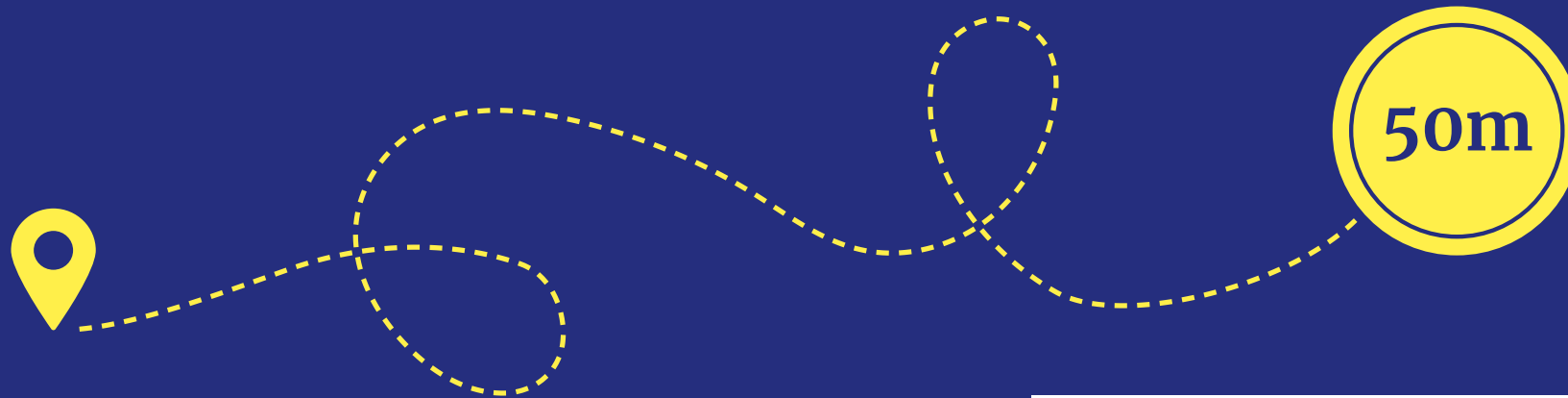




Lizzie Hardy, Marketing and Innovations
Director at Lanes Health said:

Working for a family business offers a unique advantage as we have the ability to quickly and efficiently adapt to the ever-changing landscape of our sector. By closely listening to market trends, we can quickly develop products that meet evolving consumer demands.

By investing in innovative thinking and a growth mindset, we've seen the business go from strength to strength and this dynamic way of working has put us on the path to achieving £50m turnover by 2026.



We're dedicated to innovation and our whole team is constantly exploring new ideas to ensure our offerings not only satisfy customer needs but also drive our business growth. This agility allows us to introduce fresh and exciting innovations under the trusted brand names that UK households have loved for decades.




One example of our innovative thinking is when we launched Pro Plus Fizz as an effervescent format, with added vitamins to provide a boost to energy.

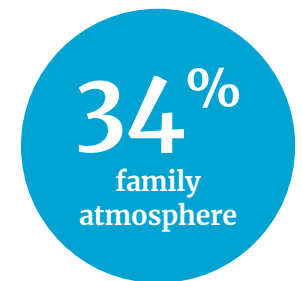
Invest in your team



Central to a family business is always the team around it, those doing the work on the ground and delivering the product or service to the customers. Never underestimate the power of cultivating a strong employer brand, this is how you attract and retain top tier talent who will be crucial to your business.

By fostering a culture of integrity, respect, and teamwork, you will be able to build a team that is not only highly skilled but deeply invested in the success of your business. Family businesses are already at a strong advantage to attract talented employees as new research reveals two thirds (66 per cent) of people who work for a family business would recommend doing so¹⁰. This can be seen within our own workforce, as the average length of employee service being 9.4 years for our Lanes site and 6.6 for our Jakemans site, with several employees being with us for over 30 years.

The top reasons for this include that you're 'not thought of as a number' (44 per cent), there's a more relaxed environment (34 per cent), and there is a real family atmosphere (34 per cent).



¹⁰ Research commissioned by Lanes Health and carried out by 3Gem – 2,000 UK respondents – September 2023

“

For over 90 years, we have been proud to call Gloucestershire our home, and it was joined by Lincoln in 2007 when Jakemans became part of the family. Our team of 250 people across both sites is more than just a group of employees; they are the heart and soul of Lanes Health. A philosophy my family has always shared is the importance of investing in your team as this gives them reason to invest in you. And we've been doing that.

”

Jonathan Groves, Lanes Health Executive Chairman



Through mentorship programs, professional development initiatives, and a supportive work environment, we empower our employees to reach their full potential. By investing in their growth and development, we ensure that Lanes Health remains at the forefront of the industry.

As you look at the future of your business, it's important to ensure that you:



Innovate.

Don't be afraid to innovate. What might have worked for your predecessors may not work for your current business. Adapting your service or product doesn't mean changing your company's ethos. Stay true to your values but embrace change.



Put people first.

Commit to your staff. If you look after them, they will look after you and allow you to retain talent that can take your business into the next phase. Equally, a strong employer brand will help attract new talent who bring strong skills into your business.

Look to the future.

Make sure you have a clear vision that drives the direction of your business. A clear shared goal is crucial to future success.



Invest in your future

Growth through innovation



Jon says, with **nine decades of business under our belts**, it is fair to say we've learnt a lot as a company across those years and one of the resounding principles that has enabled our success is to always strive for better.

We have never rested on our laurels or kept doing things the same way because that's how it's always been done, it is our curiosity, enthusiasm, and commitment to continuous improvement that I believe has helped to make the business what it is today.

From the initial conception of Lanes Health, my family instilled and has maintained a focus on progression, innovation and changing the business for good. This continued innovation and seeking new and better ways of working has come to life over the years in many forms, from launching into new markets, implementing improvements in manufacturing techniques, exploring options for more sustainable processes, and anticipating market trends to offer consumers what they need.



Now it is my turn to steer the ship and help futureproof the business by ensuring the right people and very best team are in place to take Lanes Health forward and continue our growth through innovation. I am fortunate to work with a very talented team that are integral in shaping its future within this overall approach.

International expansion

Over the last 40 years, we have taken a **considered and steady approach to growth**, with a **targeted plan** that has included **developing current international markets** and **seeking new ones**.

This has seen us achieve significant market share, and ever-increasing shelf space and position.



We believe two key factors have supported this success, a strong product range that translates across international markets, and great relationships with customers which have been nurtured and grown by our passionate and dedicated sales team, led by our Sales Director Aden Kelly. When we are looking to expand into new markets, we must consider which products are best suited, the audience opportunity, feasibility, legislation around regulation and importation, and existing category performance – among many other factors.





New international trade opportunities are a core focus for the company's future growth across the next 10 years. We are currently trading in **China**, and this is a market that we can see further potential growth, particularly for our Jakemans brand. Other territories that we're looking to expand in include **India, Indonesia, Australia, New Zealand, France, Italy** and **Turkey**.

Finding the right partner is key to our future growth as is ensuring that their vision and core values align closely with our own across both, our brands and also the wider business.

The Department for Business and Trade has recently recognised our strong vision and values, and our experience and success as an exporter and invited our **Sales Director, Aden Kelly** to volunteer and become an Export Champion for the South West.



*"It's an honour to be considered and asked",
says Aden Kelly, Sales Director at Lanes Health.*

"Providing peer to peer support, inspiring others about our own experiences in navigating international markets and raising awareness of the brilliant services the Department for Business and Trade offers and supports businesses with, is something I am incredibly passionate about. I've learnt a lot from the marvellous people I have met while growing the Lanes Health business internationally and I am thrilled to have an opportunity to pass that experience on."



Innovation and sustainability go hand-in-hand and as a business, we are always looking for new ways to minimise our environmental impact and introduce new processes that support our sustainability focus. As a UK manufacturer, there are many challenges but there also lots of opportunities, and we have some very clear sustainability goals for the future.

In the long term, a key objective for Lanes Health is to progress our company in line with the Environment Agency's road map to net zero, and we are on track to achieve reduced carbon emissions in line with national targets for 2030.



This includes achieving a **75% reduction in net carbon emissions** in line with the national goal of reducing the 2 degrees increase in heat. In the short term, we want to utilise as much clean energy as we can as soon as possible.

Our sustainability focus

Responsibility

Lanes Health, in line with our Visions and Values, take our responsibility for the planet and impact on our local community very seriously.

Work has taken place for several years to reduce our impact on the environment and we will continue to develop and evolve our strategy for generations to come.

Environmental audits are underway at both our Gloucester and Lincolnshire sites. Based on these audits, realistic reductions of our CO2 will become key business objectives and form a key facet of our business strategy.

Mark Elton, Head of Sustainability at Lanes Health said:

“As part of our sustainability journey, we have changed several suppliers over the last few years and completed a project to install solar panels at the company HQ which now means nearly all the electricity we use during the daytime is created by us on site. There has also been some key work to re-evaluate production processes to reduce waste and find new ways to save energy. We are currently working with a company that has enabled us to achieve zero landfill, everything is now either recycled or turned back into energy.”

“Our next focus is transport and how we can reduce carbon emissions linked to this. It is a very challenging aspect of the business, as there are not many current solutions for carbon free transportation of heavy goods, but this is an area that we are investing a lot of research and effort.”

On a smaller scale, Lanes Health has changed all company cars to electric and encourage staff to find the most environmentally friendly modes of transport for commuting such as electric bikes or cars, or public transport where possible. The company is also involved with several local environmental community projects including everything from local tree planting schemes to river clean ups.



In terms of sustainability, we believe we are ahead of the curve for a business our size and have been sharing our success and progress with smaller companies and suppliers looking to implement innovative changes for good and for growth. Sustainable innovation is at the heart of our continued development, not because it has to be, but because we are passionate about it and believe in being part of a better, cleaner and more sustainable world.

Growing your business through innovation

Businesses can't thrive without innovative thinking, Jon says. Here are **three pointers** for putting innovative thinking into practice:

- ✓ **Always look for improvement.**
No process is ever perfect, there are always ways to change, improve, learn and develop. Look for small tweaks, it doesn't have to be whole new approach. The smallest changes can make a big difference.
- ✓ **Don't be afraid to make mistakes.**
You won't always get it right, but it is better to try and learn from mistakes than to just stick to what you know. Sometimes mistakes offer the greatest opportunity to learn and can be the best source of innovation.
- ✓ **Be the change.**
It is our responsibility to care for the planet. We need to do this now. What can you change to minimise your impact on the environment and play your role in a more sustainable world.



www.laneshealth.com

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