

Innovation brings competitive edge

Maroon Group's successful strategy proves it pays to build an integrated organisation that is sustainable, scalable and innovative

ANDY BRICE LONDON

Despite continued consolidation within the chemical industry and an increasingly competitive marketplace, Maroon Group has cemented its status as one of the most successful and fastest growing specialty chemical and ingredient distributors in North America.

The supplier of specialty chemicals and ingredients, based in Avon, Ohio, has completed no less than eight acquisitions over the past four years, more than quadrupling its revenues and securing its position as the third largest specialty chemical distributor in the region.

This flurry of activity has afforded the business the opportunity to expand beyond its traditional coatings, adhesives, sealants, and elastomers (CASE) and plastics markets.

It has built upon its existing position, increased its value-add offering and diversified – gaining a significant presence in the personal care, pharmaceuticals, food, household, industrial & institutional (HI&I), and specialty intermediates segments.

“For our business to be successful and sustainable long term, it was critical we proactively looked at growing and diversifying,” says Mike McKenna, chief operating officer.

“Our broad portfolio of products, synergies and infrastructure now gives us a competitive advantage. And now more than ever, we recognise that our customers are counting on us as a supplier to offer innovative solutions.

“Becoming more innovative is not only central to Maroon Group's strategy but it's becoming even more relevant. If you don't do it, you risk being left behind or standing still; you risk your product portfolio becoming commoditised. You have to bring value to your customers, otherwise they will go and buy those products from someone else. Innovation is a differentiator.”

It is for that very reason, says McKenna, that Maroon Group remains a staunch supporter of the ICIS Innovation Awards. This marks the 10th consecutive year it is sponsoring the Innovation with Best Benefit to Environment or Sustainability category.

“We've been a long-term supporter of ICIS and the Innovation Awards via our legacy U.S. Chemicals business. Innovation is driving the growth of our industry so being able to participate in this process is really important.

“It's been amazing to be involved in the judging and see the various types of submissions and technologies that these companies are working on – to see these theoretical ideas being taken to full commercialisation.

“There are so many opportunities with energy savings and new applications – and it's important to support the creation of innovative solutions rather than the conversation that chemicals are bad or harmful to the environment.”

McKenna points to Maroon Group's collaboration with Denmark's Novozymes as an example of how the business itself has benefited by breaking into new growth markets through innovation.

“For the HI&I and beverage markets, we're proud to partner with Novozymes – an incredibly innovative company. We're taking their enzymes and finding new applications for them in North America,” he says. “We've been able to successfully drive the growth of those products – where enzymes can be used in commercial or household laundry applications, detergents and cleaning products, as well as in beverages and distilling. It's now one of the fastest growing parts of our business.

“We strategically looked to partner with them a couple of years ago and have been making significant investments in that business. We've got highly-trained technical experts on our team who are in the labs at the forefront of these formulations and processes. We do all

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Maroon is partnered with Novozymes to bring its enzyme technology to US markets

the application testing and then take them to launch. A lot of this is uncharted waters – but this is what really differentiates us. It's an area that's been extremely successful for us and shows our broad capabilities.”

While Maroon Group's business model has certainly evolved over the years, shifting from being a factory-packed regional distributor to becoming much more diverse with value-add service offerings, its success is testament to a continued focus on the customer and enhancing products and processes through innovation.

The structure of the business, with its various end market verticals, is the perfect environment to encourage R&D, he says. “We're now more heavily involved with custom blending, repackaging, etc, and have very extensive laboratory and formulation capabilities with technical experts who are always working on new products and applications.

It's not outsourced, but a full-blown R&D lab within our portfolio. We recognise the value of bringing innovation to our customers and suppliers, and that's why we're investing to diversify and accelerate growth.” ■