Alban Muller – Founder and CEO, Alban Muller, France



A circular economy is not a hippy fantasy, but good business, as it helps cutting costs while bringing extra benefits

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Since 1978, Alban Muller has been a point of reference for natural ingredients in cosmetics, pharma and nutraceuticals. In this interview, Mr. Muller, founder and CEO, explains the strategic role of the company's ecologically-responsible production in the competitive international arena.

2018 is a very important year for Alban Muller, as it marks the company's 40-year anniversary. Could you please introduce the Group to our international audience?

I have always been passionate about renewable resources. Plants are among them. This is why I decided to create Alban Muller: to make the sustainable production of plant ingredients a reality. Our vertically integrated supply chain starts from planting the seeds to post-harvest treatments and terminates with the extraction of elements destined to pharmaceutical products, nutraceutical and cosmetics. In these forty years of operation, we have become a company that strives on the "Made in France" label and that specializes in producing its products in an eco-responsible production. Alban Muller has been able to apply a circular economy approach; we compost all of our vegetable waste, clean the used water, use energy efficiently and only from renewable sources. On top of that, we are committed to the creation of substitution crops, for two reasons. The first is to avoid the use of fertilizers, one of the main causes of water pollution. The second is to initiate a local production of otherwise imported crops (such as hazelnut oil, currently shipped from Turkey). This means a reduction in the carbon footprint, an increase in local employment and more biodiversity around ourselves.

Our production philosophy reflects on the quality of our products. We, at Alban Muller bring something that is new and rather unique, and we boast a 40-years-long track record and evolution in plant extraction.

Would it be possible to define this attention to sustainability as a strategic tool?

A circular economy is not visionary, it is just logical and it makes sense. A circular economy is not a hippy fantasy, but good business, as it helps cutting costs while bringing extra benefits. With local cheaper raw materials, thanks to our eco-sustainable methods of production, we consume less energy, water is recycled locally and naturally. To give you an idea of the cost-saving, purifying water would cost EUR two or three per ton of water, meaning EUR 100,000 or 200,000 (USD 115.990- 231.980) for the whole production. It is good for us and for the community we are in, as the municipality of the small Fontenay-sur-Eure village where we are located will not have to build a water treatment plant using taxpayers' money. Green is the future: we have to look at the world the way it is and not the way we want it to be.

You often refer to the traceability of your products. What does the term mean and why is it so important for Alban Muller?

Traceability means bringing phytotherapy from the "green wave stage", basically plant infusions, to a "clinical" stage, where the exact concentration of active ingredients is known. In this way, consumers can take an exact daily dose, just like it happens with a chemical medicine. Traceability allows predicting the effects of the plant extract, then sold with the status of a medicine. At the same time, it implies a very scientific and standardized approach to production. Indeed, planning happens to be "backwards": we start from knowing the amount of active molecules that we want and, from that, we deduct the quantity and the species of plants needed, to maximize our yield.

The Chartres region where you have your production unit, is known for being France's "Cosmetic Valley". Why is this so?

It started with two men, Jean-Paul Guerlain and Jean-Luc Ansel. Back in the 80s, Mr. Guerlain decided to move his factory outside of Paris and he was welcomed with bells and whistles from the municipality of Chartres, which at that time wanted to launch an industrial zone. Jean-Luc Ansel

was the person in charge of the local development of the area, and in collaboration with Mr. Guerlain, their vision was to attract companies and create a true and unique ecosystem, which they successfully managed to do as in 2005, the area was officially recognized as a competitive cluster. After Jean-Paul Guerlain retired, I was elected to develop the cluster together with Mr. Ansel and in just 13 years, the companies in the cluster increased from 45 to 800.

We could say that the main aim of the Cosmetic Valley is to develop a locally-sourced, 100% Made in France, industry to capture the potential of foreign markets, namely Asia. In this context, due to the direct selling boom, French companies have the opportunity to deliver their goods with almost no limitation. In the past, exporting to Asia was complicated and lengthy (it would require from one year to 18 months), distribution channels were inadequate. Today the situation has changed dramatically.

How would you say France compares to Switzerland, a country with a strong image in natural products (and that is heavily capitalizing on it)?

At the end of next week, we will participate to the Cosmetic 360 trade show, an exhibition organized by the French Cosmetic Valley. Swiss companies are invited as well. We truly believe in the concept of a sustainable integrated value chain starting from the plants, grown in the mountains, arriving to the final product. That’s the reason why we are working together, as our production system enables us to offer them a technology they do not have, good quality and standardized extracts.

Alban Muller has essentially been working for third parties, but you recently decided to launch your own brand of cosmetics. Why did you make this strategic choice?

For different reasons. The first is that we needed to gain expertise, at different levels. We first had to perfect plant extraction and invent adequate machines, which we successfully did. We then needed to substitute synthetic ingredients in cosmetics with natural products. For example, we are committed to the substitution of silicons, as they cause great environmental damage. Similarly, we have been working on natural preservatives and on substitutes of polyacrylate gels. We have hence been providing this expertise to our third party partners for decades, until the right moment for the launch of our own brand arrived, and that was very simply put: the internet revolution and this ability to do direct sales to consumers. The internet has indeed enabled us to communicate

directly with our public and to sell products online.

On top of these reasons, the creation of our brand is related to showing that natural, eco-sustainable products are attractive. Well educated researchers have an excellent level of knowledge using synthetics – they still need to see naturals performances to believe natural works. By launching our own brand, we want to show the efficacy of these natural synergies. Although 90% of our business is still directed at third parties, developing our brand is one of our key strategic priorities for the future.

The Asian market is experiencing a double-digit growth in natural products. Africa could also be the next frontier…. Could you tell us more on Alban Muller's international footprint?

We are already targeting Asia. In Japan we are collaborating with a Japanese cluster of 120 companies I happen to preside. In China, we just did a major launch, and we have been very successful: we expect substantial growth from the nation, also considering the similar success experienced by cosmetics giants. Africa is another story: we have never been very active, but it is probably the one with most potential. Similarly, to what already happened in China, the adoption of new technology will enable Africa to have technologic leapfrogging: they never had the landline phone but they will have mobile shopping. As the adoption will be fast, we will need to be ready for the challenge. I believe that we should not reject technology just because we are in the natural products field: we need to take advantage of these tools in a way that does not threaten the future.

Is it easier to be an entrepreneur in France today or forty years ago?

Entrepreneurship is a state of mind. To be an entrepreneur it is necessary to have the mentality of a survivor, to love solving problems and face them every day. In reality, bosses are, by nature, problem solvers: this is how they became bosses in the first place! You have freedom but at the same time you need to look for consensus with all the stakeholders, from customers, to employees and suppliers. All in all you need to be a solver and an arbitrator, and this has not changed in time.

Where do you want to take the group in five years' time?

I think the company will go automatically where it is meant to go. We understood the importance of natural, probably too early. Sometimes being right too early is not a good thing neither: you might have the satisfaction of being called “visionary” forty years later, but the start was certainly not easy. Now that we are considered “right”, we have to further develop our own way of doing things, our originality. As an entrepreneur, it is important to be different and have a unique selling proposition. Ours is natural, “Made in France”, quality. This is our way and we are planning to stick with it.

A few words to conclude on France that you would like to send to our international audience?

In France, we have brilliant minds and good technology. The international demand for organic and ethically produced cosmetic is growing. We truly believe that “Made in France” is a sign of excellence and quality: it’s an expanding sector, especially for the global natural and organic beauty market.

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