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26.04.2019

Tags: [France](#), [Dermo-Cosmetics](#), [Asepta](#)

Asepta is medium-sized dermatology company based in Monaco with a 76-year history. Its CEO, Anne Marie Noir, shares the success stories the company has experienced in international markets, the challenges encountered along the way, and gives her advice to young women with ambitions of becoming leaders what is still a male-dominated industry.

What have been the major milestones for Asepta since our last interview three years ago?

Over the last three years, we have been focused on expanding Asepta's footprint in Asia. We found tremendous success in South Korea with our facial skin care brand *Coup d'Eclat* which includes lifting ampoules and other skin care products. In China, we have found more success in the foot and hand care markets with our brands *Akileïne* and *Vita Citral*.

What strategy does a mid-sized family business like Asepta follow to enter Asian markets?

For any business to be successful in a foreign country, it needs to hire local talent with the knowledge and know-how to meet the needs of the market. Asepta does not yet have the

resources to take on this challenge in Asia. While we have opened subsidiaries to penetrate markets geographically and/or culturally closer to France in Germany, Belgium, Switzerland, Canada and Tunisia, in Asia we work exclusively through distributors. In order to find business partners, we participate every two years in the Cosmoprof exhibition in Hong Kong. At the exhibition, we met a Korean distributor interested in the *Coup d'Eclat* lifting ampoules. He now sells other skin care products under this brand. We also established a relationship with a Frenchman working with a Chinese distributor wishing to sell *Akileïne* and *Vita Citral* foot and hand care products.

How are you performing outside of Asia?

Our Canadian subsidiary has been performing well despite a complex regulatory environment. The regulatory environment in Canada is quite different than the one in Europe: there are some things authorized in Europe but prohibited in Canada, and vice versa. Moreover, Canadian authorities tend to turn a blind eye to what local companies are doing and scrutinize imported products.

Regarding Tunisia, our subsidiary is used as a base for the entire North-African region, with Egypt as the main growth driver. Finally, our European operations have been stable. Portugal, in particular, has been developing well.

In each case, the critical success factor is finding the best distributor. For instance, in the United States, we are selling through three distributors that are competing against each other online, which is negatively impacting our sales.

In Latin America, we have not yet found suitable distributors and prices are very low.

In France, every company, including ours, was affected by the political disturbances caused by the yellow vests protests that broke out at the end of 2018. We have seen a net decrease in sales since November. The movement is still going on and nobody knows when it will stop, which creates an uncertain business environment.

Where have you invested resources in order to grow the company?

We have invested significant capital expenditures in order to revamp all our industrial equipment and renew our IT infrastructure to further automate production so as to generate productivity gains. In addition to making our production process run smoother, these changes have also given

our employees the chance to work more autonomously and efficiently.

What are the main challenges you have faced in recent years?

The major problem the industry has faced over the last four years is the regular implementation of new ingredient bans and restrictions by French and European regulators. As a result, instead of allocating resources for new product development, we must constantly reformulate products already on the market. Our R&D team spends about three-quarters of its time changing the formula of our products, which usually takes two years and costs a fortune. We are now required to hire the services of a toxicologist who often takes several months to check if formulations and packaging information are compliant with the law. If not, we need to do everything all over again...

In addition to changing legal requirements, another issue is the media scares about certain ingredients described as 'dangerously unhealthy'. One example are parabens. While there are certain parabens which are banned because of possible endocrine disrupting effects, others are not. However, consumers fear all types of parabens and the media tends to feed this fear. The same goes for aluminium salts.

The press is not the only third party that influences consumer behaviour. Consumers of dermo-cosmetics now rely on apps such as *Yuka* and *Que!Cosmetic* to make purchasing decisions. The problem is the information on these apps is often obsolete as formulations have changed. Moreover, the factors used in their notation system are not transparent.

As a medium-sized company, there is not much we can do to tackle these challenges. We do however work with industry associations such as COSMED which brings together the SMEs in the cosmetic industry.

How has Aseptia adapted to the digital revolution?

At the moment, Aseptia does not have a dedicated online commerce platform. However, our products are available online on pharmacy websites.

Three years ago, *Akileïne* was your flagship brand generating 60 percent of total revenues. Has the situation changed since then?

Akileïne remains our flagship brand but other brands are growing steadily. Asepta is the leader in nail care with *Ecrinal* and holds the second position in hand care with *Vita Citral*. As I mentioned, *Coup d'Eclat* has found success in international markets, especially in Asia. We also sell hair care products under the *Ecrinal* brand that are popular in North African countries.

Consumers of dermo-cosmetics are increasingly attracted towards “natural” and “organic” products. How is Asepta adapting to this trend?

Asepta has been using natural ingredients in its formulations for a long time. For instance, we were one of the first companies in the industry to use shea butter in cosmetics. Today, about 80 percent of the ingredients used in our products are natural. However, we have not been using natural formulations as a selling point. In the future, we wish to develop products using more than 90 percent natural ingredients.

This being said, natural products are not necessarily safer than other products. For instance, essential oils, which have gained in popularity in recent years, are some of the most allergenic substances. Plants have evolved defence mechanisms to keep predators at bay by producing toxic chemicals.

As a female CEO in a male-dominated industry, what would be your advice for the future generation of women aspiring to be leaders?

My first advice to them is to work hard and not take anything for granted. Moreover, they must seize opportunities and not be afraid to take risks. Regarding management, they should communicate clearly and honestly in order to build trust with employees, but most importantly listen to what others have to say before taking a decision. If you make mistakes, acknowledge them to others, correct course and avoid making the same mistake.

What are the main milestones you would like to accomplish in the next five years?

In order to further grow the company, we are following a two-pronged strategy: product innovation and internationalization.

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