

Frédéric Le Moigne – Managing Director Middle East, Africa & India, Laboratoires Expanscience



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With the corporate objective of having 75 percent of the company's revenue coming from international markets by 2020, Laboratoires Expanscience is betting on the Middle East and Africa region. Frédéric Le Moigne, managing director for the MEA region, explains the main challenges presented by the political instability affecting the region, his journey establishing the Dubai office from zero and how Expanscience plans to conquer the region's dermo-cosmetics market.

Since you started the Dubai office to oversee the region, could you walk us through that process and your main achievements so far?

As a marketing office, we deal with distributors. I joined Expanscience in June 2011, eight years ago, and it was only for Mustela in the Middle East. At that time, the Group decided to focus more on the export markets, where we detected growth opportunities. The company established the goal of having 75 percent of the total revenue coming from the international markets by 2020; that meant investing resources on the export markets. I was appointed to oversee our operations in the Middle East and came to Dubai to set up an office. As the turnover from this region continued to grow, so did our personnel. Two years ago, I was tasked with overseeing Piascladine 300, our osteoarthritis

products, and the Africa region.

In terms of portfolio, our Mustela brand is the market leader for baby skin health in many countries, but not all yet and we are working on developing our presence in various territories. The situation is almost the same for Piascl dine 300, having a high market share in most of the countries we cover but still with several markets to enter.

What have been your main priorities since becoming managing director of the region?

The priority, in the beginning, was to understand where the areas of opportunity were. We already had an established business in the United Arab Emirates (UAE), with a long-lasting partnership with a distributor that has been ongoing for almost 30 years. It is a reflection of our loyalty and commitment to any partnership that delivers results. The priority was to know which markets we could enter that would allow us to grow fast.

In terms of challenges, I had the advantage of having previous experience in the Middle East between 2006 and 2009. I was ready because I was already familiar with the traditions, habits, weather, etc. The main challenge was to know the distributors and I already knew half of them from my previous role in the region. The economic landscape was different, the area was much more stable than today, so it was easier in a sense.

How has the region contributed to the goal of having 75 percent of the turnover coming from international markets by 2020?

When Jean Paul Berthom , CEO of Laboratoires Expanscience, fixed the global objective of reaching 75 percent of the revenue coming from outside of France by 2020, everything accelerated. Two teams were built up for each area: one for the Middle East located in Dubai, and the other one for Africa based in Paris. Expanscience is a very dynamic company, and I am happy to say that we are currently at 71 percent of the 75 percent established goal. The export markets are currently the most profitable branch of the Group and are growing very fast; the Middle East and Africa are one of the main pillars of that growth.

Could you highlight the performance of Expanscience Middle East in terms of growth, revenues, footprint and positioning?

Two years ago, like most other companies, we lost the Iranian market, which represented an important source of turnover for our brands Mustela and Piascl dine 300. As a result, our overall performance in the Middle East is not the same as two years ago, but we have continued to grow in all other territories. All of the Gulf region is growing and Africa, even more.

The main challenge in the region is its instability. In addition to the pain and difficulties for the people living in these countries, it brings volatility for business, as most of the time the issues cannot be predicted and have huge consequences. Nevertheless, 2019 was rather good and next year should be positive as well.

A key learning, directly linked to the instability of the area, is not to put all your eggs in the same basket. If a country represents 50 percent of your global business and you lose it, it can put

your structure at risk. As a consequence, you'd better push several potential markets at the same time.

What is the strategy you have established in order to continue growing the company's footprint in the market and remain competitive?

We reached 12 countries in the Middle East and roughly 15 in Africa. Each country requires time and energy to be supported correctly, that means that the more countries you open, the less you can dedicate to each country. So, we only open new countries when it makes complete sense. For instance, we opened India for Mustela last year, which is very different from the Middle East but has incredible potential.

The main challenge for Mustela is to communicate the value of the brand. In many Middle East countries, we began selling just 5-10 years ago and we had to establish the brand from nothing. We started by the expertise point of view, working closely with doctors and pharmacies. Last year, while analyzing the usage of our products and habits of consumers, we found that Mustela is considered a scientific brand with expertise in skin health for babies. Professionals know the brand, but are still unaware of our corporate social responsibility, for example. There is much more we can communicate that will help us catch new customers.

Piascl dine 300 has even more opportunities in terms of opening new territories in the Middle East and Africa. In the countries we are in, we usually have a high market share; it is common to have 40-50 percent of the market.

What are the main trends driving the dermo-cosmetics markets in the Middle East?

The specificity of the Middle East is that you must go through doctors, something that is not very common in other regions. We have to contact doctors directly and visit pharmacies. Prescriptions are mandatory, as many parents would not accept to purchase your product without it, especially when your brand is not popular, and pharmacies will not store your product if there are not a couple of prescriptions coming. Again, we have to go beyond that. Today, consumers want to know and understand the brands better, they are not only buying a product but are acquiring an image attached to the product. We have the advantage of being a respected French brand with more than 60 years of dermatological expertise, values, and a proven commitment to develop our products with respect for mankind and its environment.

What about the United Arab Emirates in particular?

Since I first came to Dubai in November 2005, I have seen the local government investing constantly in the healthcare system for the benefit of its people. As medical insurance is mandatory for all employees, many clinics and hospitals have been built up to the point that Dubai became a regional major destination for health tourism. When a decision is taken in the UAE, it is implemented very fast. The quality of the health sector is one of the main criteria considered when choosing a country to live in or set a subsidiary.

When it comes to the dermo-cosmetics market, the main issue when launching new products is the registration process. One way to improve the situation is to work on a unified system at the national

level, and then at the Gulf area level for both medicines and dermo-cosmetics. The UAE could lead this project and become the main point of contact for pharmaceutical companies. Another thing to improve is the R&D footprint of multinational companies. With its vast international population, the UAE has the potential to become a world leader in clinical studies.

The company does not hide its pride in being French, stating that the “Made in France” stamp is a central element of its development and strategy. To what degree do you perceive it as an advantage for the company in the region?

It is definitively a plus, something that is even requested by consumers; it is why the flag will be present in the new packaging. Consumers in the region trust what is made in France and Europe in general. Another important element for us is that we are very careful with the ingredients we use in all our products: our Mustela products contain, on average, 95 percent of natural ingredients, some of them even 100 percent. Being a socially responsible company is also a demand from consumers. We are proud to be the first pharmaceutical and dermo-cosmetics laboratory in the world certified B Corporation. B Corp is a pioneering and rigorous international certification granted to corporations that promote threefold economic, social and environmental performances, and companies that develop their activities with a positive impact on the society and the environment.

How does Expanscience differentiate in this competitive landscape?

We are extremely careful with the safety and efficacy of the products. The company is transparent with consumers and they appreciate it. We make our commitments clear to everyone: to produce safe, responsible and natural products to advance research in dermatology, to preserve the planet through our eco-designed products and to always have a close relationship with customers. For example, 100 percent of our supply chain of plant raw materials for our cosmetic active ingredients are responsible, using 100 percent of renewable energy sources in our production site.

After more than a decade working with Expanscience, what motivates you to continue working for the company?

First of all, I love the products and have used them for many years. It is very interesting to work for babies and mothers because they are “sensitive” populations. I am always eager to take on new challenges and the company has allowed me to do it. I do not have the chance to get bored. I am confident that there will be more challenges ahead, with more staff and new responsibilities. The UAE is the number one market in the region for us, which means that countries like Saudi Arabia present great opportunities and room to grow. India is just at the beginning and we are working hard to take the correct approach in the world’s second most populated country. Our plans for the future are ambitious in this region.

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