

Takeaways from Fashion Group International’s “The Making of a Beauty Entrepreneur” Panel



KEY POINTS

This week, the Coresight Research team attended Fashion Group International’s “The Making of a Beauty Entrepreneur” panel in New York City. The event was sponsored by Cosmoprof North America and featured a panel of four beauty industry leaders who spoke candidly about their personal and professional entrepreneurial journeys. Here, we share our takeaways from the event.

- ▶ **The right time to launch a brand is when the entrepreneur has a story, passion and an opportunity. Timing is a personal choice and there will never be a perfect time to launch, so the panelists advise that entrepreneurs organize, prepare and plan, but also operate with agility.**
- ▶ **Product transparency is not a choice for beauty brands today—consumers now demand it.**
- ▶ **Brands should distribute through a variety of channels, but all decisions should be driven by a focused and strategic mind-set.**

This week, the Coresight Research team attended Fashion Group International’s “The Making of a Beauty Entrepreneur” panel in New York City. The event was sponsored by Cosmoprof North America and featured a panel of four beauty industry leaders who spoke candidly about their personal and professional entrepreneurial journeys. The panelists were Frédéric Fekkai, Cofounder and CEO, Bastide; Matthew Malin, Cofounder, Malin + Goetz; Jamie O’Banion, CEO and Founder, Beauty Bioscience; and Nancy Twine, Founder, Briogeo. Elana Drell-Szyfer, CEO, ReVive, moderated the discussion. Here, we share our top takeaways from the event.

- The right time to launch a brand is when the entrepreneur has a story, passion and an opportunity. Timing is a personal choice and there will never be a perfect time to launch, so the panelists advise that entrepreneurs organize, prepare and plan, but also operate with agility.

Frédéric Fekkai, renowned celebrity hairstylist and beauty industry entrepreneur, said that the right time to launch a brand is when an entrepreneur has a story, an idea he or she is passionate about and an opportunity. Fekkai is Cofounder and CEO of Bastide, a natural hair beauty collection made in Aix-en-Provence, France. He said that he had wanted to rebrand Bastide for a long time and was presented with the opportunity to relaunch it as a “family brand,” one that would retain its authentic Provencal roots while launching on a global scale.



Frédéric Fekkai, Co-founder and CEO, Bastide, and Nancy Twine, Founder, Briogeo
 Source: Coresight Research

Briogeo Founder Nancy Twine said that the launch of her natural haircare brand involved much planning. She shared that when she was considering launching her brand in 2013, she had a secure job in finance on Wall Street, and so decided to wait until she had definite product placement with Sephora before taking the final leap and quitting her finance job. Twine said that she personally needed that security before devoting herself fully to the brand launch.

Matthew Malin, Co-founder of Malin + Goetz, said that his approach was shaped by his upbringing in a traditional, Midwestern conservative environment, whereas his business and life partner, Andrew Goetz, is more entrepreneurial and comfortable with risk. Malin said that their differences provide the inspiration for the brand's balance. He and Goetz talked about the idea of launching the brand with Malin's family first, and convinced them it was a good idea and got their support. But when they shared the idea with Goetz's family of entrepreneurs, they asked, "Why haven't you done this yet?" Malin said that his initial fear of launching propelled him and drove him to work like a dog.

Regarding timing a launch, Jamie O'Banion, CEO and Co-founder of Beauty Bioscience, said, "Is there ever a right time? It's like giving birth. We're all here though." She suggested that entrepreneurs should define what success looks like to them individually, because opportunities will present themselves, but none of them will be perfect. O'Banion advised entrepreneurs to organize, prepare and plan—and to be agile—because things will always change along the way and successful entrepreneurs are the ones who can adapt.

- Product transparency is not a choice for beauty brands today—consumers now demand it.

Fekkai said that companies today do not have a choice as to whether to be transparent about products and he suggested that one could not successfully launch a non-natural product in today's market. The demand for natural products goes beyond just beauty, he said, and is now a way of life that includes living better, sleeping better and eating better.

Twine said that she created Briogeo as a kind of tribute to her grandmother's and mother's heritage of using natural, at-home haircare products. She said that she also noticed a void in the market in terms of natural, high-performing, clean haircare products that worked well on an array of hair textures. Briogeo prides itself on being "6-Free," which means that every product is free of sulfates, parabens, phthalates, silicones, DEAs and artificial dyes. Customers do not need to scan the label on Briogeo products because they know the products are 90%–100% naturally derived. Twine said that the other ingredients are included for stability and that they are nontoxic and do not pose a risk to the body. The company was just certified as vegan and cruelty free, attributes that are important to customers, and the brand is currently the #2 digital haircare brand on Sephora.com.

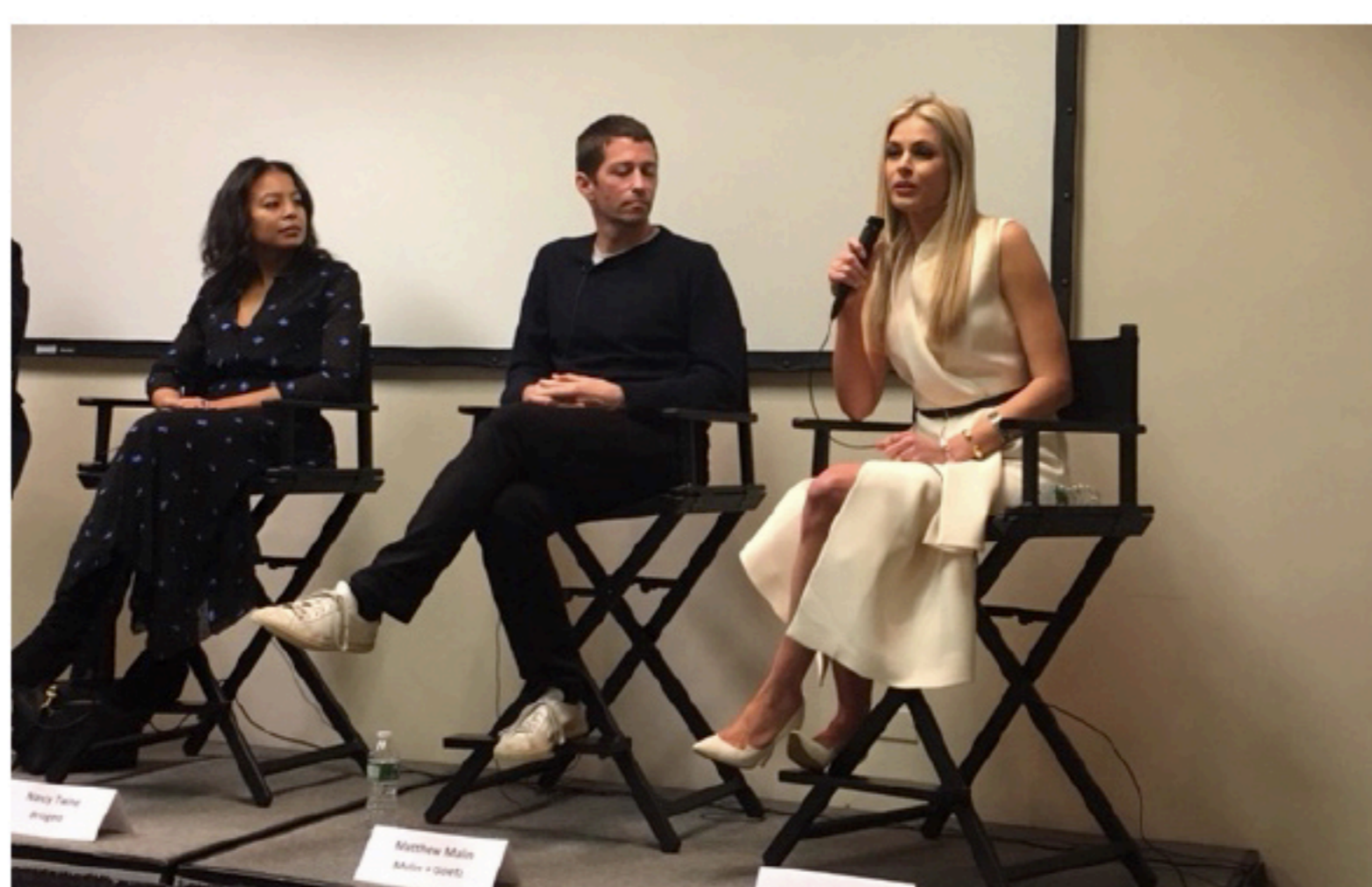
Malin said that he and Goetz also founded their company to fill a void in the marketplace: beauty care with great design and architecture. Malin + Goetz sought to simplify beauty shopping, harking back to the days when customers could walk into an apothecary shop and order a prescription from a chemist. That concept is the inspiration for the brand's simple ingredients and labeling. Malin also said that he suffered from rosacea, eczema and fragrance allergies and, so, wanted to focus on products for sensitive skin.

Consumers are feeling empowered by understanding what is in, and what is not in, the products they buy, according to O'Banion. She said that, whether shopping at Sephora or Nordstrom, customers are seeking out this information and that they are well educated. O'Banion noted that Beauty Bioscience's topicals have become very popular and that the company has seen a tenfold increase in sales of its natural products.

- Brands should distribute through a variety of channels, but all decisions should be driven by a focused and strategic mind-set.

O'Banion suggested that in today's market, brands cannot just focus on the digital channel to reach customers; they must use a combination of all channels. She said that entrepreneurs should begin by focusing on "the low-hanging fruit," or the most obvious channel for reaching the target customer, but that they must have a strategy for expanding into other channels. For Beauty Bioscience, the obvious channel was HSN and QVC. Today, the company's products are also available online and in retail locations, which require a higher touch. O'Banion suggested that brands should "begin with the end in mind and brand building in mind" and be deliberate and strategic about getting into many channels.

Malin said that his company was also both focused and diversified with its distribution plan. Malin + Goetz first focused on store locations, establishing its own freestanding store in New York's Chelsea neighborhood before launching an e-commerce website. The company's distribution network has now grown to include 11 stores, two websites and a larger retailer network.



Left to right: Nancy Twine, Founder, Briogeo; Matthew Malin, Co-founder, Malin + Goetz; and Jamie O'Banion, CEO and Co-founder, Beauty Bioscience
 Source: Coresight Research