

How Private Labeling Can Improve Your Profits!

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“I want to sell products with my name on them or I want to sell my own brand, but I don’t know where to start”

The future of Physician Branded Skin Care lines in aesthetic medical practices is growing not only because savvy owners recognize a burgeoning and lucrative market, but also because they want to offer specialty products that meet the unique needs of their patients, the men and women seeking cosmetic procedures.

Carrying existing, well-known lines is profitable to your practice but is also very limiting, and your local competition is most likely selling it also. By adding this new profit center, your Physician Branded product line can offer an even greater return on investment. It isn't only your profit margin that benefits, your patients will benefit by the quality of YOUR products. Physicians report that their patients also express a new level of trust for their knowledge of the industry, which increases their demand for aesthetic treatments as well as home maintenance cosmeceutical programs. The luxury skincare market is rapidly growing due to the baby boomers and our aging population.

The never-ending battle against aging skin makes room for even more sales of products and aesthetic services packaged together. According to Transparency Market Research, *the global physician dispensed cosmeceuticals market was \$560 million in 2011 and this market is projected to reach \$1.8 billion by 2018. The market will grow with the compound annual growth rate of 18.15% from now – 2018.*

Market research also shows that the annual average revenue of a MedSpa tops \$1.5 million. Of that, the annual gross sales account for up to \$120,000, 15% of which is accounted for in retail sales. That's significant – but it can be even higher if you offer your own Physician Branded Skin Care.

The physician dispensed cosmeceutical market is categorized into product segments such as daily use skincare and specialty products. The demand for this market will spur due to factors such as product innovations, rise in surgical procedures, increase in consumer spending and the growing number of dispensing physicians.

Patients can actually enhance the treatments they receive in your office with your Physician Branded product line. They will have the benefit

of higher grade, more potent products with a higher percentage of active ingredients than they can find in a drug store or department store, and it will be your brand, with your name on it.

Even doing just one “Hero” product can start to make you a skincare authority...and can be a good way to get your feet wet...especially if it is a specialty product, which can retail for up to \$250 or whatever your market will pay!

However, you can't expect a lab, or product supplier, to come up with a name, logo, design, marketing and sales strategy. You must invest in a strategy and a plan to create your vision. That's where we come in, together, Beautiful Forever and The Design Spot collaborate, and together can help create, position and build your brand or even rebrand since most physician practices have brands that “just happened,” without any conscious planning. If you first identify the brand you want, then create actions and images which reflect that brand, you will succeed in branding yourself and your practice. We source and connect you to everything necessary to simplify the process, we can also design and build your website (provide SEO and SEM), create and maintain a social media campaign, design all of your packaging, marketing materials brochures, travel or starter kits, shopping bags, etc.

Set the Stage

Whether you choose to begin the process of developing a Physician Branded product line on your own or with our assistance, here are some of things you will need to do:

- Acquire thorough assessments of the market, competition and demographics
- Develop a business and marketing plan, with financial projections to gauge capital and cash flow needs for labeling (hot stamping or silk screening), packaging, marketing and advertising, and collateral materials, such as brochures
- Research, identify and procure a physician-grade product line, and name your products

- Review internal reports on products currently sold in your practice and used in your treatment rooms to identify categories that are most popular, as well as the types of products your (patients) need or are requesting

You will also need to create a timeline to determine how long it will take to move from inception to implementation. Generally, you can expect the process to take a minimum of two months. For those opting to create proprietary lines, it can take up to nine months to create and approve formulations, complete product safety testing, choose packaging, design labels and develop collateral materials.

By combining our years of experience and most importantly our skills and resources, Beautiful Forever and The Design Spot can help you add a profit center to your practice and help you create your own branded products.



Recipe For Success

According to case studies, entering the Physician Branded Skin Care market isn't just about profit. Physicians and MedSpa owners are determined to provide products that perform at the highest level and deliver above and beyond the results their patients expect. They report being more than pleased to have found exactly that and are impressed by the amount of research, testing and regulated studies that go into developing the products they choose for their practices. However, not all Physician Branded product contenders are equal. It is vital to evaluate the vendors and choose one that meets your needs.

How do you determine what you want to do? We guide you through that process and explain the differences and benefits of several different options, including your target market, sales distribution and budget:

• BASIC

Private Label companies offer existing lines that allow you to choose from a variety of products that meet your specifications. The manufacturer does not alter the formula, but simply places your existing name and logo onto their stock packaging. This is the least expensive option and usually runs around \$5,000 and can include a line of 6-10 products.

• CUSTOM

When creating a custom line, we help you source the right "partner" in a lab that is best suited for the type of products you're looking for. We assist you in determining specific ingredients right for your personal formulation or can recommend minor tweaks to an existing formulation. We will also design the graphics for the label on your packaging. Fee's for this option run from \$10,000 and up, depending on the number of products and packaging.

• PROPRIETARY

Developing a proprietary line ensures that you have unique products or ingredients that no other physician or MedSpa has. We source and work directly with you and a chemist and through research and development, help you create your products from base formulation to completion. This is the most expensive option, starting at \$30,000+ for formulations and also requiring packaging, design and fulfillment.

Once you're ready to get started, you will need to decide on the number of products you want to carry. You may choose to offer one specialty product targeting a specific condition or expand to a full retail line of skin and body products. Types of products you might want to consider are to protect from UV damage (sunscreen), reduce free radical formation (antioxidants) improve skin lipid barrier (moisturizers), brighten and unify color and tone (bleaching agents and antioxidants), and smooth texture, reduce pore size and

decrease fine lines and wrinkles (retinoids and collagen stimulators).

Other options to consider include highly touted ingredients, such as collagen stimulating peptides, growth factors, acids or cutting-edge product delivery systems. Combining key active ingredients will be more effective than one ingredient alone.

"Working with us at The Design Spot makes the process easier, which saves time and money and is more seamless ("one voice" project management, ensures that the message is clear and decisive). By taking you through the R&D process and acting as a liaison between you and the labs, chemist or package suppliers, we create a unique experience, which is productive and enjoyable but most importantly, ends with a beautiful branded product or entire skincare line worthy of representing you and your name. We literally help you create a new retail business within your office."

Regardless of the type of product line you choose, the mark-up is entirely up to you, based on your wholesale, development and marketing costs. (For example, your Physician Branded eye cream may cost \$15 per item from production line to shelf. If you mark it up to \$90 and give a 10% commission to your staff, you still net \$66). The mark-up on these products can be 300% or more, depending on what the market will support.



Patient Loyalty

Marketing physician-dispensed products to patients who may be cutting back on more invasive procedures might be the best way to keep them involved with your practice. You may be able to retain your patient base by marketing products. When executed properly, this approach can help you to continue patient conversations about surgery, facial injectables, and laser services. Keep in mind, that they can only buy your products from YOU!

Make Your Products Work For You

Create a "retail zone" near your reception desk with testers and informative materials. Make your products visually appealing by keeping them clean and fully stocked. Don't be afraid to become an expert! Display your product in an eye-catching way since half the "sell" is in the "seeing." Depending on your budget and taste, your display space can be quite elaborate or tastefully simple. Displays should be in every room for patients to start conversations about what they are currently using at home. Every patient should leave with at least one product no matter the reason for his or her visit.

At Beautiful Forever, we specialize in helping you train your staff to treat the entire patient using a questionnaire and treatment plan. Your staff should be capable of discussing all of your products with patients rather than just focusing on one procedure during an aesthetic patient consultation. Using a questionnaire at check-in can be a valuable way to identify patient needs, especially as they relate to

your particular menu of services. A patient questionnaire can offer valuable information to use later in discussions with your patients. By training staff to consult with patients through a total treatment plan, you can easily discuss the patient's short- and long-term aesthetic goals. Implementing an overall protocol allows all staff to discuss a patient's long term aesthetic needs rather than only focusing on a single patient procedure. Additionally your staff members should have a strong closing statement. Example: "I know this procedure was a large investment. Using this product will help to keep your skin in great condition and increase the amount of time before your next treatment." An aesthetician can do skin consults and can sell Skincare programs tied into your laser programs. In addition, by offering kits or sets of products for specific skin types, such as acneic skin or mature skin, and treatment packages for follow-up care after procedures, such as laser treatment or micro-dermabrasion, your staff need only assess a client's unique needs to finalize the product grouping. Don't forget to send them home with samples and brochures.

With products lasting anywhere from 30-60 days, patients will need to purchase products even when they aren't in your office. But if the patient does come in for a scheduled visit to purchase refills it gives you and your staff the opportunity to promote additional services.

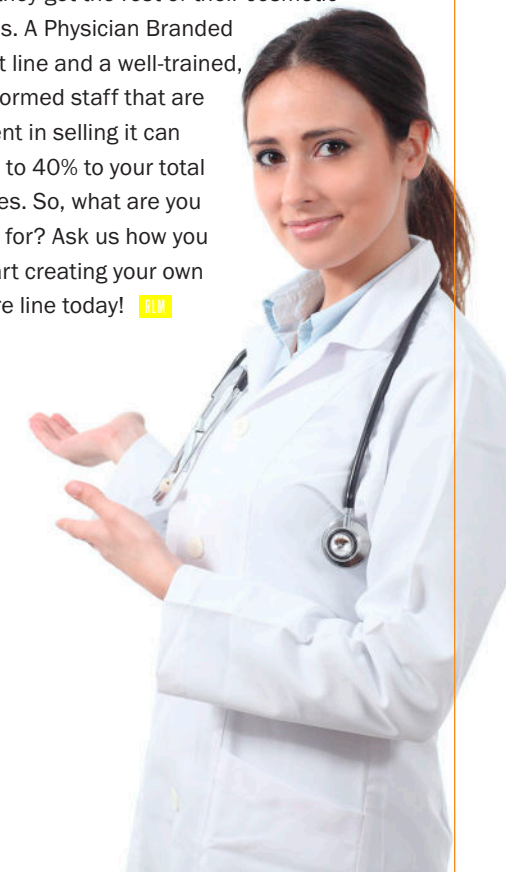
By offering special promotions as a follow-up to certain procedures you can cross-sell patients into additional services. Newsletters, E-mail "blasts" and marketing pieces also can be a great way to introduce patients to products that may compliment their procedure pre- or post-consult. Let them know that you are an innovative practice, with an eye on "what's new and exciting."

Investing In YOUR Name

As an established specialist, your name has become your brand. An investment in a Physician Branded Skincare line is a logical extension of your practice's offerings – and one of the hottest and most obvious revenue sources in the business. Take advantage of technology, we can help you create a video for your product training for staff to have a training and sales library on hand.

According to the American Academy of Dermatology, at-home skin care products – including Physician Branded Product Lines – are responsible for up to a billion dollars in sales per year. You are in the perfect position to take advantage of the benefits this industry has to offer, which includes increased revenue and a stronger relationship of trust with your patients.

The bottom line is that most clients are more than willing to spend their skin care money where they get the rest of their cosmetic services. A Physician Branded product line and a well-trained, well-informed staff that are proficient in selling it can add 30 to 40% to your total revenues. So, what are you waiting for? Ask us how you can start creating your own skincare line today! **RFM**



Contact us, we look forward to working with you and are happy to answer any questions that you might have!

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Experts in aesthetic consulting and creating new profit centers.

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