

The Collaboration of Marketing and R&D

The Critical Path to Success

Society of Cosmetic Chemists

California Chapter

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The Roles of Marketing and R&D

Marketing: Identifies what the consumer wants or needs and how to position a product in the marketplace so that it can be discovered, purchased and cherished.

R&D: Develops a safe, stable, effective product that exceeds the expectations of marketing's product profile and dazzles them with your technical genius.

Marketing/R&D Collaboration

Mutually develop and agree on a detailed plan to clearly establish all essential project parameters and timetables

Critical Path

SALES

SCALE UP

PRODUCT TESTING

PROTOTYPE EVALUATION

PROTOTYPE DEVELOPMENT

FORMULATION RESEARCH

ESTABLISH PRODUCT/PACKAGE PROFILE

Step One: Marketing Creates a Product Profile

- Product type, description
- Form/appearance
- Ingredient story
- Scent
- Features/benefits
- Product claims

Marketing Creates a Product Profile

- Cost/price
- Special requirements
- Product testing/protocol/responsibility
- Project timeline
- Production requirements
- Competitive products

Product Profile – “Glowtox”

- Product Story – “Glowtox” – non-invasive skin care
Diminishes muscle contractions as an effective non-invasive treatment for “frown lines”. Reduces number of wrinkles and overall wrinkle depth.
- Form/Appearance: White, translucent emulsion
- Ingredient Story: Use acetyl dipeptide-1, hexapeptide, boswellia serrata extract, saccharomyces lysate extract, tetrahexyldecyl ascorbate, sens’hyal, hyaluronic filling spheres.

Do not use TEA, DEA, DMAE, PEG, AHA, BHA, BHT, propylene glycol, parabens, formaldehyde donors, cyclomethicone, animal-derived ingredients

Product Profile – “Glowtox”

- Scent: Light, floral, natural, allergy-free
- Features/Benefits: Absorbs quickly with matte, silky after feel. Instantly reduces the appearance of wrinkles and expression lines with immediate skin tightening effect
- Product Claims: Dramatically reduces appearance of expression lines, reduces depth of wrinkles by 50+% in 4 weeks. Increases skin firmness/elasticity. Clinically tested, dermatologist tested, allergy tested
- Directions: Apply twice daily after cleansing

Product Profile – “Glowtox”

- Cost: Raw Materials - Maximum - \$1.10 per ounce
- Special Requirements: Launch in United States, EU, Japan and Canada. Will also sell on QVC
- Product Testing: 12-week stability, 8-week clinical (claims), RIPT, AET (USP, EP, JP)
- Project Timeline: - Initial prototypes: 5/2/07, Formula approval: 7/2/07, Launch date: 10/2/07
- Production Requirements: Initial run – 50,000 units
Projected annual requirements – 200,000 units
- Competitive Products: Anew Clinical Deep Crease Concentrate, Olay Regenerist

Marketing Identifies Packaging

- Container Size
- Container Form
- Container Material
- Container Dimensions
- Closure Type
- Closure Material
- Orifice size
- Output
- Graphics
- Unit Carton/Inserts

Packaging Profile - Glowtox

- Container Size: 30 ml
- Container Form: airless pump
- Container Material: polypropylene
- Dimensions: 19mm x 75mm
- Closure Type: dispensing pump
- Closure Material: polypropylene, metallic
- Orifice Size: 0.090
- Output: 0.20ml
- Graphics: silk screen, hot stamp
- Unit Carton: printed white paperboard with production information insert

Marketing and R&D Meet to Discuss Product Profile

- Review and Finalize Product and Package Characteristics

P & G

OLAY - Regenerist



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NEED NOT REQUIRE DRASTIC MEASURES.

If you're thinking of a chemical peel, laser surgery or Botox® (and even if you're not), we think you should know about this new approach.

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love the skin you're in™

- Instead of a chemical peel, laser surgery or Botox® ...new approach REGENERIST
- Amino peptides, naturally regenerate damaged skin
- Wrinkle reduction
- Firms and gives your skin a lift

Botox®, is a registered trademark of Allergan, Inc

GLOW INTERNATIONAL GLOWTOX ANTIAGING SERUM



- Non-invasive Pepti-Fill Complex
- Reduces wrinkles by 50%
- Instantly firms and tightens
- Increases skin's elasticity
- Dramatically reduces the appearance of expression lines

What NOT to say to R&D

- No artificial “anything”, no “chemicals”
- This product should be highly effective - and our cost target is 10 cents per ounce.
- Put in a lot of “good” botanically-based, clinically proven actives and other “goodies” - and our cost target is 10 cents per ounce.
- We want you to use these ingredients at highly functional levels – but cost no more than 10 cents per ounce.

More of what NOT to say to R&D

- We need a highly sophisticated, allergen-free fragrance. Use essential oils only
- Use no preservatives
- The product should feel “dreamy”
- I want to match this product exactly, ingredient by ingredient and we need completion in two weeks!

Step Two: Lab Begins Secondary Research

- Establish formulation parameters according to product and packaging profile
- Review secondary references
- Set practical targets
- Select ingredients
- Regulatory considerations
- Production considerations
- “Dry lab” formulation

R&D Submits “Dry Lab” Formulation to Marketing for Approval

- R&D submits “dry lab” ingredient listing
- Marketing reviews
- Other departmental reviews (regulatory)
- Marketing gives R&D feedback
- Prototype preparation process begins

Step Three: Lab Produces Prototype

- Trial and error
- Functionality & safety evaluation
(lab technicians as guinea pigs)
- Container compatibility evaluation
- Product stability evaluation - stability testing should be performed during R&D process
- Submit initial prototype to marketing

Step Four: R&D Submits Prototype for Marketing Review

- In-house testers perform sight/smell/feel review (IHOPP)
- If acceptable, in-house testers perform more extensive evaluation
- Prototype samples submitted to consumer testing group, salon testing, etc.

Marketing Reviews Prototype

- Test panel evaluation – focus group
- Marketing gives feedback to R&D – if feedback indicates more development is required, R&D will make revisions and resubmit samples
- Marketing approves prototype – proceed to Step Five

Step Five: Testing/Product Release

- Long-term stability, microbiological, package compatibility, SPF, actives stability assay
- Independent laboratory testing for efficacy, claims substantiation and safety
- OTC, regulatory requirements
- Confirm fill capacity
- Verify production schedule

Marketing/R&D Prepares for Product Release

- Containers Ordered
 - ✓ Pending results of compatibility studies
- Package Copy to Marketing/R&D
 - ✓ Final artwork with ingredient list, claims, directions, warnings, net contents submitted to R&D for final approval, pending product testing
- Formula Submitted for final price costing/quote and CM bench samples
- Manufacturing Approval
 - ✓ Marketing/R&D gives approval to manufacturing to produce pilot batch

Step Six: Scale-Up

- Process development - Manufacturing selects equipment and establishes initial manufacturing and packaging protocol
- Prepare and approve pilot batch record
- Production of pilot batch
- Pilot batch/lab batch comparison
- Formula adjustments...hopefully minor
- Finalize and approve master manufacturing batch record
- Manufacture and fill

Product Sales

The Sweet Smell Of Success!



THANK YOU!

John Garruto

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