

SKIN DEEP





Applying pharmacy skills and the science of cosmeceutical compounding to create an independent skin care line

*By Chris Linville
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Through the years,

independent pharmacy has mostly been on the outside looking in when it comes to high end skin care products. To Kristen Riddle, PharmD, that wasn't acceptable.

“Even though we're professionals that have knowledge of physiology, most of those lines would not let us sell it because we are in a retail setting,” she says. “But we saw that we need to be able to sell this science to our patients who walk in our store every single day. We are literally leaving money on the table by not having this in our pharmacies.”



So taking matters into her own hands, she sought to incorporate her knowledge of cosmeceutical compounding to create products made by pharmacists for pharmacies. The result is Rx Solutions Skin Therapy (www.rxskintherapy.com), which launched nationwide in June. The line, carried primarily in pharmacies, has 17 products, with day and night creams specific to oily, normal, or dry skin.

For Riddle, her goals are simple. “We want to be able to provide the best quality skin care anywhere through independent pharmacies,” she says. “We also want to increase traffic to their stores, increase upfront sales, and increase their profits. So this is a way for us as pharmacists to have a high end cosmeceutical line that works.”

As a pharmacist, Riddle also wanted to emphasize the science that is integrated into product development.

“We’re definitely trying to base product development on science, and the consumer appreciates that,” she says. “It’s especially important in our setting, because our primary market is pharmacy.”

Riddle wasn’t swayed by those who have questioned having skin care products in independent pharmacy.

“We’ve had so many people tell us that health and beauty is a shrinking market in the pharmacy industry, asking us, ‘Why are you are going with this?’ But we really feel like skin care should be in the pharmacy,” she says. “Who is better to help somebody with their skin care than the pharmacist who’s had the physiology education and training, who knows about skin, compared to a clerk in a department store?”

Compounding Background

Compounding is certainly nothing new for Riddle. Her

Our niches are **bio-identical hormone replacement therapy**, pain management, veterinary compounds, and sterile compounds.

father Eddie Glover, also a pharmacist, purchased College Pharmacy in Conway, Ark., in 1997. The pharmacy dispensed both traditional and compounded prescriptions. About six years ago, with the compounding business steadily growing, Glover and partner Larry Sparks decided to go to compounding only, and moved into a building next door that had become available.

“It was a business decision,” she says. “Do we stay where we’re at, and be happy with what we have, or do we split it out? It was really a step of faith. Would we start a compounding-only business and not be able to grow it any more? Or will the business grow beyond what we have right now? And we did grow.”

With the transition, College Pharmacy became U.S. Compounding. It is now licensed to provide compounds in 46 states. Riddle says the pharmacy does between 150–200 prescriptions per day, though those numbers can vary based by seasons.

Riddle began working with her father after receiving

her degree from the University of Arkansas for Medical Sciences College of Pharmacy in 2002. She is director of clinical services, specializing in women's health.

"Our niches are bio-identical hormone replacement therapy, and a lot of pain management," says Riddle, who serves on the NCPA Compounding Committee. "We work with veterinarians around the nation and provide a lot of vet compounds. We do sterile compounding too. So we work in all areas of compounding, but those are our four main areas."

US Compounding and US CosmeCeuticals (incorporated as the parent of Rx Solutions Skin Therapy) employ about 50 people, including those who work in a product manufacturing facility a short distance away from the main location in Conway. There are nine full-time pharmacists and one part-timer, 12 technicians, and two clerks. The rest of the staff fills a variety of roles, from customer service, shipping, logistics, and bookkeeping.

'Just Kind of Happened'

Riddle, who has received training through cosmeceutical symposiums, offered by PCCA, formerly the Professional Compounding Centers of America, says she never intended to create a skin care line. About four years ago the pharmacy sensed a greater need for custom cosmeceutical compounding. So she and the staff began working with formulas in their compounding lab, and consulted with physicians on troubleshooting.

"They were telling us what type of needs they had," she says. "The current products that were available to

them did not solve these needs, so they would tell us and we would work with a formula and create something for them. It was the same thing for patients. We talked to ladies who had skin problems, so we would make something to address those issues. Through doing that, we ended up developing our line. It just kind of happened over time."

In those early days, it was almost a mom and pop method of business. Not only did they create the products, but they also made the labels. Riddle soon realized that multitasking probably wasn't the way to go.

"We had good products, but we didn't have a professional label and professional packaging," Riddle says. "That was a challenge for us in the beginning. When we developed our professional packaging, we were really able to start selling the clinical products."

Riddle soon began working with a graphic designer. After going back and forth a bit, they had a logo.

"We have a medicinal line and we wanted a medicinal look—a very clean look with clean lines," she says. "Eventually we came up with something we liked."

Promoting the products also was a learning experience. "We started out marketing ourselves," Riddle says. "Our products have such a science base to them, so we were marketing all of the science. We would go to shows, and wouldn't get much of a response."

So, about 1-1/2 years ago, she decided to contact an advertising agency in Little Rock to help them plot a strategy.

"They looked at everything we have, which we thought was absolutely beautiful, and basically picked



it apart,” Riddle says with a laugh. “They explained that we were selling science, but the consumer wanted to buy beauty. So we had to figure out how to mesh beauty and science, and our ad agency is helping to do that. When we got them involved, it really took it to the next level. They have been essential for us.”

Coming up with an effective name was also important.

“When you are developing cosmeceutical line, you have to decide what your market is going to be,” Riddle says. “It might be physician’s offices, or spas. We really felt like this was something that pharmacy needed, so instead of it being Rx Solutions Skin Care, it’s a therapy. Because it is the professional offering the therapy to the patient. I define cosmeceutical compounding as using botanicals, vitamins, and medicinal agents topically to increase the health of the skin. So with that in mind, it’s not just a skin care line, it truly is a therapy.”

Getting the Right Mix

Riddle says it’s a balancing act to create a quality product. She says that you can have a nice ingredient, “but you have

to make sure that the end product is very aesthetically pleasing. It has to have a very good look, a very good feel, and so that part of cosmeceutical compounding is an art.”

Riddle credits technician Tonya Brannon for helping find the right mix.

If we had a problem from a physician that needed to be solved, I would take it to [Brannon] and say, **‘Here's the science that I want. Let's see what kind of product we can make.’ ...**

“She’s my right arm, she’s absolutely amazing,” Riddle says. “From the very beginning, she had a passion and a desire, she loved being able to do this. If we had a problem from a physician that needed to be

Helping Customers and the Bottom Line Through Cosmeceuticals

Wynne Medical Pharmacy is an independent business in Wynne, Arkansas, with a population of about 10,000. It’s a small store located in a physician’s building with limited space for niche marketing.

“About two years ago, we started offering compounding and that portion of our business has grown,” says pharmacy CEO Stephanie Goodart O’Neal. “When I heard about the product line Rx Solutions Skin Therapy being launched, I knew immediately that I wanted to offer those products in our pharmacy. We have all female pharmacists and employees and I knew that our staff would be perfect to promote a skin care line. Additionally, the products augmented my compounding niche. Most importantly, the product display was compact and it would actually ‘fit’ into our limited space.”

Goodart O’Neal says she has done a full-court press to promote the line, especially one created by a fellow independent pharmacist. “We have radio advertising, refer-a-friend programs, and have even

hosted a special pharmacy event and displayed Rx Solutions products at a ‘Healthy Woman’ event in a neighboring town. Our customers are very enthusiastic about the products.”

Beyond the bottom line, Wynne and Rx Solutions were able to bring relief to Gloria Boeckmann, a patient with a persistent skin condition.

“I have suffered with red bumps and major skin problems for many years. I have been to several dermatologists, had tons of creams and different medicines prescribed to me, and none of them worked or even helped the problem,” says Boeckmann. “I applied the clarifying cream and within a matter of 30 minutes you could see a difference, I purchased the rest of the products and started using them. My face has remained clear with no break-outs, something I never thought I would have again.”

Goodart O’Neal says that product lines such as Rx Solutions are an ideal way to generate increased revenues in smaller independent pharmacies.

“We are seeing increasing sales as satisfied customers share their testimony with their friends,” she says. “It’s been a great addition to our pharmacy.”

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solved, I would take it to her and say, ‘Here’s the science that I want. Let’s see what kind of product we can make.’ I can think of a certain science that might be great for the skin, but if you have an end product that doesn’t feel good, then you really don’t have a good product. So there is such an importance on being able to combine the science of the ingredient to make a nice end product.”

As an example, Riddle describes how Rx Solutions developed its popular clarifying cream.

“It has benzoyl peroxide and tea tree oil as the primary ingredients. It’s also in a gel base, so for somebody who has blemishes it doesn’t have a comedogenic cream base,” she says. “It would cause them to have more breakouts. So the base of the product is very important. First, you want the tea tree oil to kill the bacteria on the skin, and the benzoyl peroxide to keep their pores from clogging.

“Once we identify a formula, the science, we need to know: will it be stable in as a finished product? Once it’s stable for a month to two months, you can start working with it. There’s a small group of people in house who will work through the feel of it on your skin, and find out if it causes irritation. If it

passes that, then you go into testing. Once testing is complete, and it’s stable as a finished product, you can release it to test it on a consumer level. It takes many months or as long as a year to really know that you have a product that’s going to work, that you can release to a larger population.”

The product line has been a “huge success” since its release, says Riddle. “It’s very much a problem-solving product. It’s effective for someone such as a 16-year-old, or a 45-year-old woman who has adult onset acne and blemishes.”

Riddle says that Rx Solutions won’t try to develop a product just to have a product. “We’re not going to introduce anything that’s just the most popular product or ingredient that’s being talked about right now,” she says. “We want to introduce products that aren’t just about hype, but that are all about the science. So that’s where we’re going to go after. We want ingredients that are very scientific, that truly create results for the skin, and get positive feedback. That plays a lot into the research and development.”

At the moment Rx Solutions is working on a serum specific to the eye that has increased peptides (which relax the skin). “The skin firming serum originally was our

eye serum, but now we use it all over the face, including under the eye,” Riddle says. “We have several other products in the pipeline as well.”

Business Structure

Setting up US CosmeCeuticals was fairly straightforward, Riddle says. It obtained a bank loan to assist with start up costs, and received additional support from US Compounding and the company owners (Riddle and her father, along with Larry Sparks). The nearby manufacturing facility allows them to meet demand.

“It has kind of been a snowball, and we’re still in the snowball,” she says jokingly. “There can be challenges, such as logistics. You really have to manage inventory carefully, just to make sure it doesn’t create a cash flow issue. In the beginning, that was something we faced, just trying to get it off the ground. But it took off very quickly and we were able to overcome that.”

In terms of product restrictions or legalities, Riddle says cosmeceuticals don’t require Food and Drug Ad-

ministration approval on the front end, but the FDA does regulate them.

To test the waters, in early 2010 Riddle arranged a three-month pilot program in Arkansas, putting Rx Solutions in small and large pharmacies, in rural areas and in bigger cities, and in varying demographic settings. She says there were a couple of critical questions she needed answered.

“First of all, is it going to be able to sell in a pharmacy? Second, what does it require to sell it?” she says.

As the pilot program progressed, Riddle says that they developed a “formula for success.” It consists of handing out samples, training staff on the cosmeceutical science, having a “ladies event” in the store, and advertising.

“We determined that if they do those four things, that this can succeed in their pharmacy,” she says.

The pilot program wrapped up in March, followed by a statewide launch in April, and the national rollout in June. “It’s really gone fast,” Riddle says with almost a sense of disbelief.

Interactive Website Tells The Rx Solutions Story

A key component of the Rx Solutions Skin Therapy marketing program is the company website (www.rxskintherapy.com). When the site opens, founder and creator Kristen Riddle, PharmD, literally “walks” on to the site and provides a detailed overview of the line, its philosophy, how the products are made, and the science that forms the foundation for product development.

If you click on to the section on “treating your skin type” (normal skin, oily skin, and dry skin, along with anti-aging and blemishes), Riddle again appears on the screen to describe the various characteristics of each, while the information on the site lists different products that might be the most effective based on skin type.

Riddle says that when the site was being created, she was filmed in front of a green screen, and the website was inserted behind her afterward. She thought it would add to the site’s overall impact if she appeared on the screen to discuss the various products.

“We worked hard on conveying the science behind each one of the therapies to the consumers,” she says. “If you click on ‘blemish therapy’ and then I walk out and talk about it, I can explain the science behind it. The interactive part of the website has been something that’s really helped both the pharmacies and the consumers. It’s also been helpful to the pharmacies for educational purposes. It’s worked well for what we wanted, and we’re glad we did it.”



The Rx Solutions retail package price range is \$3,500 to \$4,800 and includes a product display, 102 products (six of each), staff training and support, comprehensive marketing materials, customized advertisements, representation on the Rx Solutions website, along with product testers and ongoing support, depending on the needs and desires of the pharmacy. The average retail product price is \$50, with individual products ranging from \$30 to \$68. Riddle says that those carrying the line are not required to sign any sort of long-term contract.

“We look at it as a true partnership opportunity,” she says. “Stores invest in our products and we succeed only when they do. Participating businesses sign an agreement as to specific procedures our company follows for day to day operations, but they are not required to sign on for a specified time period.”

By the end of 2010, Riddle says her goal is to have Rx Solutions in 100 stores, with distribution goals of 250 stores by the end of 2011.

“Our sales goals for the stores are to average selling five products a day, which would be a profit of \$3,000

Sales training does make a difference. The techs and clerks are the primary ones that are selling.

per month for the store. This is based on an average profit per product of \$25 and a 24-day working month. At this level both the pharmacy and US CosmeCeuticals are profitable.”

To cover Rx Solutions’ expanding geographic reach (it’s now selling in stores as distant from Conway as Seattle), the company has begun hiring sales representatives to cover various territories and train personnel.

“Sales training does make a difference,” she says. “The techs and clerks are the primary ones that are selling. Even though it works best when the pharmacist supports this, they don’t have time to sell these products. So we want their technicians to be savvy and be able to sell. Whenever we can have a rep or somebody on our staff to go in and encourage that pharmacy’s staff, it definitely helps.”



Riddle hopes that Rx Solutions’ early success deters some of the skeptics. “I think it just goes to show that there’s a need for this in pharmacy,” she says. “We’ve seen pharmacies have financial success, and clinically there have been success stories as well, and that has been so much fun.” **ap**

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