

## GROWTH STRATEGIES

How this high quality skin care line went from a home-based project to Nordstrom



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Linda Stephenson knows her way around the complicated and competitive cosmetic market. Stephenson, who is a chemist and biologist and a consultant by trade, applied her years of training and experience to address a market need in skin care. From her home, she developed Mèreadesso, a line of high quality, one-step skin care offerings suitable for all skin types. Mèreadesso Inc. has since expanded into a much larger retail presence, including a recent deal with Nordstrom Canada. Stephenson tells the Financial Post how the business grew from a home-based project to a nationwide retail and ecommerce success.

### Q What is your background in the industry?

A I spent more than 20 years as a microbiologist with Johnson & Johnson and Mary Kay. I then moved into product development with MAC, which became part of Estée Lauder in the mid-1990s, where I ended up working with other brands, as well. I decided to leave to start a consultancy, where I worked with venture capital companies trying to acquire cosmetic brands. After having done this for everybody else, I thought it was time to try it for myself.

### Q How does this help in building your own business?

A I not only know the science behind products, I also understand the financials and what makes a product a hit or a miss in the market.

### Q How did you get beyond the trial stage?

A The feedback from initial trials was very encouraging. People loved the product and were asking where they could buy it. In 2008, I launched the brand officially online, although I was still doing consulting part time. After three-and-a-half years I moved to our official offices, but continued to contract out services like manufacturing, legal, PR, advertising and design.

### Q What are the unique challenges for anyone in the cosmetics industry?

A There is no such thing as an overnight success. When you get into this market, you have to be prepared for the long haul. It's not like creating an app that can be successful in six months. Sure, I could have thrown a ton of money at it and moved things along a bit faster. But this was all me and my personal savings, so I built my business one product at a time, starting with an all-in-one moisturizer. Each year I added another product and have experienced 100 per cent year-over-year growth ever since.

### Q How hard was it to get financial support for expansion?

A Self-funding can only get you so far, so in 2013 the time came to talk to bank officials. I didn't want to take on an investor or venture capitalist even though I had been approached because they don't really understand this business. I've noticed that banks have been supporting small businesses much more strongly in Canada in the past few years. And the fact we are starting in Canada means we need less capital than if we had been in the U.S.

### Q Why did you feel the market needed a new skin care product line?

A When I became a mom, I realized I had no time to think about complicated skin care regimens. I also saw a marketplace that was very confusing for consumers. There was nothing out there to address a consumer willing to pay for prestige products, but who didn't have time to go through complicated skin care rituals.

### Q How did you start?

A I did a wish list of everything I wanted in a high end product, from detoxifying and skin repair to moisturizing and reducing fine lines and wrinkles. I did my own R&D and prototypes in my kitchen, where I managed to get 60 per cent of what I wanted. I then connected with suppliers and distributors I've worked with in the past 25 years for support. I did a lot of work up front turning over every nickel five times to see if the idea would resonate with consumers. The first production run was tiny, and I pretty much gave the product away. In that way, I could see if it was worth my while to carry on building the brand.

### Q What were your tipping points?

A Two things happened that changed our world. In 2013 we got on the Shopping Channel which created brand awareness and drove a big spike in sales. This led us to work with luxury sampling companies including TOPBOX and BirchBox, where the conversion rate was very high. The other breakthrough was a deal with Nordstrom Canada for their Advanced Skin Care Technology area concept. The idea is to create space for new and emerging brands that aren't big enough yet to have their own counter. The first launch was in Ottawa where we did exceptionally well with Canadian consumers.

### Q What's next?

A So much has to do with the positioning of our brand and how we market ourselves versus other competitors. However, I know that entrepreneurs can't have all their eggs in one basket. We're constantly looking for places where our products will resonate with our target audiences.