



THE
AESTHETIC
GUIDE®

The Leading Aesthetic Practice Resource™

Ongoing Corporate Acquisitions Ultimately Benefit Physicians

The seemingly non-stop consolidation of various manufacturers in the medical aesthetic industry has started to reveal tangible benefits for practitioners. In particular, the acquisition activities of Valeant Pharmaceuticals International, Inc. (Montreal, Quebec, Canada), have helped to initiate the next stage of evolution in the industry, which has involved acquiring smaller developers in this space and transforming that consolidation into a wide-ranging, coherent portfolio of product and service offerings.

continued on page 3

Advances in Body Enhancements Industry Leader Market Insight THE Aesthetic Academy 2014

September/October 2014
Circulation 25,000
www.miiinews.com

Technological Advances Create Expanded Portfolio of Body Enhancements

By Jeffrey Frentzen, Executive Editor

Rapid advancements in cutting edge technology and novel applications of existing modalities have led to an increasingly wide-range of body shaping enhancements practitioners can offer patients. While liposuction and other surgical solutions are still considered the gold standard for sculpting the body, non-surgical approaches are quickly gaining traction among consumers.

Technological Advances Create Expanded Portfolio of Body Enhancements

Sciton (Palo Alto, Calif.) offers CelluSmooth™, an application that works with the company's JOULE™ multiplatform system. This handpiece offers a minimally invasive treatment for cutting fibrous septae, emulsifying fat and tightening the dermis to improve the appearance of dimpled skin. Proprietary M3 technology enables delivery of the 1319 nm laser wavelength in three distinct modes for maximum versatility, allowing physicians to treat the underlying causes of cellulite on the thighs, buttocks, stomach and other areas of the body.

One of the more unique approaches to fighting cellulite is the Transcutaneous Mesodermic Therapy (tmt) System™ from Mesoestetic USA (North Hollywood, Calif.). Based on electroporation, a synergistic combination of electroporation and

electrophoresis technologies that transports active substances deep into the skin, this device non-invasively reduces cellulite.

Electroporation occurs when medium frequency currents modulated in low ranges are applied to the treatment area, generating a transitory opening of micro-pores in the skin and permitting the penetration of substances – regardless of their molecular size and weight – at a dermal level. Electrophoresis is caused by applying continuous high intensity currents to tissues, thus permitting the transfer of ionic substances through the skin by means of electro-repulsion. Electro-repulsion is triggered by applying a pole to the skin with the same polarity as the charge of the substance, allowing the penetration of active substances. When these techniques are used simultaneously, the result is electroporation. In addition to a new anti-cellulite program, the tmt System addresses multiple issues, including stretch marks, skin laxity, sun damage, overall body rejuvenation and skin tightening.

InMode, formerly Invasix Ltd. (Richmond Hill, Ontario, Canada), offers BodyFX, a bi-polar radiofrequency (RF)-based device that also features negative pressure and high amplitude nanosecond pulses for the treatment of cellulite and uneven fat irregularities, as well as body contouring. When treating cellulite, these energies work cohesively to smooth out dimpled connective tissue while RF tightens the skin in its deeper layers and reduces the volume of fat cells, thus shrinking the overall amount of fat under the skin. The

BodyFX high amplitude nanosecond pulses create an electroporation effect causing apoptosis or permanent cellular death resulting in a noticeable decrease in fat and a restored youthful contour.



Before Tx



After ten tmt System treatments
Photos courtesy of Mesoestetic



Before Tx



After BodyFX Tx

Photos courtesy of Stephen Mulholland, M.D.



Before Tx



After BodyFX Tx

Photos courtesy of Stephen Mulholland, M.D.



Visit our Booth:

ASPS Booth # 1163 | ASDS Booth # 237



BodyFX™

by InMode



Newly Released Peer Reviewed Article in Lasers in Surgery & Medicine Journal Showing Apoptosis of 30%



Article: A Clinical and Biological Evaluation of a Novel, Noninvasive Radiofrequency Device for the Long-Term Reduction of Adipose Tissue
Authors: Drs. Sylvie Boisnic, Marc Divaris, Andrew A. Nelson, Nima M. Gharavi, and Gary P. Lask.

21 subjects underwent BodyFX and reported an average **2.7 cm abdominal circumference reduction**. Furthermore, histologies show **20% adipocyte cells staining positive for APAF-1**, a validated marker of apoptosis after 6 weeks. At day 14 of culture, **fat cell apoptosis increased to 30%** of adipocytes staining positive for APAF-1. Collagen synthesis (neocollagenesis) of **13.7%** was reported.



Dr. S. Mulholland



Dr. D. Duncan



Dr. S. Mulholland

BodyFX is just one of the many in demand aesthetic devices available by InMode Aesthetic Solutions.

Contact us and receive a link to view our BodyFX eSeminar
Cellulite, Fat Reduction & Contraction in a Single Session

To get a copy of the clinical study, eSeminar, or book an in-office demonstration please contact InMode at:

info@inmodemd.com



1.855.411.2639



www.inmodemd.com

Industry Leaders Discuss Aesthetic Market Chaos

By Michael Moretti, Editor

The medical aesthetic industry has entered a new era of maturity, with overall solid expansion in many segments worldwide. Recent market research also suggests that in terms of growth we are seeing only a tip of the iceberg. Major manufacturers have rebounded strongly post-recession and consumer demand for all types of cosmetic or aesthetic procedures is experiencing a healthy increase.

Industry Leaders Discuss Aesthetic Market Chaos



Robert E. Grant
CEO
ALPHAION Corp.
Newport Beach, CA



Curtis Cluff
CEO
Envy Medical, Inc.
Westlake Village, CA



Nicholas L. Teti, Jr.
President and CEO
Suneva Medical
Santa Barbara, CA



Brian Ludwig
President
InMode Aesthetic Solutions, Inc.
Toronto, Ontario, Canada



Humberto C. Antunes
President and CEO
Galderma S.A.
Lausanne, Switzerland



Joel Schlessinger, M.D.
Dermatologist
Cosmetic Surgeon
Omaha, NE



Brett Coldiron, M.D., F.A.C.P., F.A.A.D.
Dermatologist
Current President
American Academy of Dermatology
Cincinnati, OH



Dennis Condon
Sr. Aesthetic Market Executive
San Francisco, CA

Our market is witnessing the most dramatic advances within the energy-based device, body shaping and skin tightening segments. According to the *Global Aesthetic Market XII* market study published in April 2014 by Medical Insight, Inc. (Aliso Viejo, Calif.), total worldwide sales of aesthetic products are expected to expand by 11.5% per year to reach almost \$10.2 billion in 2018. In North America, CAGR will hold steady at overall annual growth of 9.4% per year with total sales reaching \$1 billion in 2018.

In addition, as Robert E. Grant, CEO of ALPHAION Corp., LLC (Newport Beach, Calif.) pointed out, the industry is going through a period of significant change. "In medical aesthetics only change is constant," he said. "There's a struggle for industry leadership, which we are watching between Allergan and Valeant. We will also see more new technologies and important products appear. We're witnessing this with the growth of Voluma, which has been significant for volumizing, as well as with neurotoxins and the popularity of CoolSculpting, which has gained some traction."

Prompting this is a consumer trend that demands maximum affect with minimum downtime and risk of side effects, expressed Curtis Cluff, CEO of Envy Medical, Inc. (Westlake Village, Calif.). "This is an area that was underserved, and the demand wasn't as developed a few years ago. A number of products and technologies have set this expectation, leading to increased demand. It is creating a nice surge in the aesthetic medical space."

Consumers are no longer waiting until their later years to begin aesthetic treatments, since they now understand that early, non-surgical intervention is the key to preserving their youth and postponing or avoiding surgery.

According to Nicholas L. Teti, Jr., president and CEO of Suneva Medical (Santa Barbara, Calif.), "there are a number of people who are now in the pool who perhaps were not there five or ten years ago. So, I think the industry has become quite healthy, and will be for a long time."

"Increased demand in non-surgical aesthetic enhancements is a given," expressed Brian Ludwig, president of InMode Aesthetic Solutions, Inc. (Toronto, Ontario, Canada). "With higher demand comes a significant price pressure in all aspects of aesthetic offerings due to expanded competition, Groupon, Living Social and the growing emergence of non-core physicians and medspas within the space. As price pressure increases, technology acquisition and consumable expenses play a major role in maintaining margins. As a result, physicians are becoming wary of technologies that offer limited revenue streams and more in favor of acquiring platforms that offer versatility with high performance."

Multi-modality platforms allow physicians to attract patients by providing an array of enhancements, and the ability to bundle these services in order to retain and cross sell to the fullest extent. "Physicians with limited offerings are vulnerable to operations that deliver a full suite of treatments, as many patients have multiple concerns that they wish to address and prefer a one-stop approach," Mr. Ludwig advised. "In addition, physicians are looking for ways to enhance their profit margins by improving treatment speed and efficiency. Unfortunately, some recent device advancements have enhanced speed, but at the cost of efficacy."

The practitioner and manufacturer must also do business in a digital era, added Humberto C. Antunes, president and CEO of Galderma S.A. (Lausanne, Switzerland). "This is an environment where information on treatment types, risks, benefits and complications is readily available to new customers, who may also self-diagnose. People with skin needs will become even more aware and better educated about medical solutions, and technologies will advance to help physicians provide superior treatments."

Pushing along all of these trends is what some in the industry describe as a long overdue consolidation of the field. Mergers and acquisitions (M&A) activity among major players in the field is rampant, perhaps best realized in the efforts being marshaled by Cynosure and Merz, along with large pharmaceutical companies such as Allergan and Valeant.

"With the consolidation and merger activity involving several companies, there will undoubtedly be significant changes over the next year or so," said Joel Schlessinger, M.D., a dermatologist and cosmetic surgeon in Omaha, Neb. "Having said that, the overall health of the dermatology and cosmetic surgery fields is excellent, and we're clearly the most important when it comes to the specialty that companies want and need to take seriously."

Mergers and acquisitions are going to be a long-term trend, noted Mr. Grant. "I don't believe that consolidation is necessarily the best driver of new innovation. You could make an argument that it is good for venture capital. The kind of activity that we've seen so far revolves around firms absorbing new ideas from companies that they acquire. Then they will search for hard synergies, which are often people synergies, and remove them from the equation. You get a scenario whereby many employees leave the companies that are acquired, and this becomes part of a never-ending cycle."

Some companies are benefitting from that cycle, said Mr. Teti. "Out of the Valeant acquisition of Medicis and the possible Valeant-Allergan consolidation, talented people would potentially become available to other companies in the market. Industry consolidation is a classic evolutionary outcome of successful business sectors."

For practitioners, the current consolidations may mean more opportunity instead of less, especially as resources for development of new technologies and treatments can be combined, stated Brett Coldiron, M.D., F.A.C.P., F.A.A.D., a dermatologist in Cincinnati, Ohio, and current president of the *American Academy of Dermatology* (AAD). "However, what is controlled by industry will leave us unchanged as health-care professionals, no matter what occurs in the business climate. What is in our control is maintaining professionalism, dignity and patient trust as the world we know is rearranged, as well as the hope that advances in technology and medicine will be a positive result of these changes."

One of the strings of positives resulting from this evolving industry is in purchasing capital equipment, such as energy-based aesthetic systems. Recently, a few manufacturers have offered physicians more affordable subscription or annuity-based purchase plans as a relief to the often exorbitant lease arrangements that proliferate in the industry, stated Dennis Condon, a senior aesthetic market executive and former CEO and president of Merz Aesthetics, Inc. (Greensboro, North Carolina, U.S.). "It makes sense for manufacturers to make it easier for the physician to acquire their systems. If you are going to sell razor blades then you want to make it easier for the physician to obtain razors."

Change is also a constant at the practice level, where definable trends in dermatology and medical aesthetics reveal a mixed bag of positives and negatives. "At the procedure volume level, data seems to be pretty robust and we are experiencing quite decent growth," stated Mr. Grant, adding that some practice consolidation is taking place in the field, as well. "We're not seeing a lot of merging yet in plastic surgery, but we are seeing quite a bit of it in dermatology, where there is still a significant reimbursement component to their businesses."

Dr. Coldiron concurred, adding that there are fewer solo practices among dermatologists, for instance. "They are moving into larger group practices and systems,"

"With the consolidation and merger activity involving several companies, there will undoubtedly be significant changes over the next year or so. Having said that, the overall health of the dermatology and cosmetic surgery fields is excellent."



Industry Leaders Discuss Aesthetic Market Chaos

“We are working to better understand the biological mechanisms leading to aging, which will help develop innovative targeted therapies. The future will be one of a convergence of technologies.”

he pointed out. “There is definitely a trend toward reduced variation in care, greater accountability through process and outcome measurements, decreased fee-for-service and more global and episodic payments for services. We are also seeing greater use of team-based care and non-physician clinicians in dermatology practices. All of these factors add pressure to the current model of care for dermatology.”

In practice consolidation, challenges include increased efficiency and cost cutting, rather than expansion and growth, noted Mr. Grant. “When it happens, you end up losing a lot of choices. Physicians need a solution that takes advantage of the opportunity to create synergy across multiple practices without being required to become employees of a group practice organization. Creating a cooperative approach is optimum and with the trend moving towards developing concierge medicine, I see a big opportunity to create a consolidation effect without having to force physicians to become employees.”

To manage these changes, practices are evolving, Mr. Cluff noted. “They have to provide a full, 360° view of how they care for patient needs,” he began. “This involves creating a complete patient management outline so that younger consumers can come in, have their needs taken care of for longer, and postpone the more invasive treatments until later in life when there is a need. Patients will be encouraged to stay with a single set of professionals working out of one practice, rather than going to numerous clinics where physicians specialize in different products and services.”

In spite of these challenges, patient volume is on the rise, the number of new patients is increasing, and the industry has been producing a steady stream of product and technology advancements.

“Speaking from a technology standpoint, the ability to kill fat without surgery has been one of the biggest milestones in recent history,” Mr. Lodwig expressed. “The clear leader in this segment is ZELTIQ, with Syneron now pushing UltraShape after a lengthy FDA review and approval process. I think Syneron’s approach of bundling VelaShape shows us that the market knows there is a need for adjunct skin tightening and additional contouring when we talk in terms of permanent fat reduction and destruction.”

Mr. Condon has also observed considerable innovation in energy-based devices. “Five years ago there was really nothing in the way of non-invasive liposuction, and today we see a number of such devices in the marketplace. Companies that are still not part of larger conglomerates are developing and inventing rapidly.”

When asked where the industry is headed, Mr. Antunes answered that while the current clinical objective is to mask the signs of aging, tomorrow it will be to reverse the aging process. “We are working to better understand the biological mechanisms leading to aging, which will help develop innovative targeted therapies. The future will be one of a convergence of technologies: drugs, energy-based devices and diagnostic tools, among many other things.”

Overall, the future of medical aesthetics is very bright, Mr. Lodwig concluded. “More technologies are now addressing patient concerns without the need for excisional surgery, and there is a greater number of practitioners offering these services. Also, media, the Internet and a reduction in prices have all made this industry more mainstream. Today, people talk openly about having IPL, laser hair removal, tightening, contouring, neuromodulators and fillers, whereas in the past it was kept secret. I see this trend continuing to grow as more individuals having these enhancements change the paradigm of what it means to ‘look your age.’” ■