

More Than a Pretty Face

The Dermalogica vision has been clear from its founding 20 years ago – a skin care product line free of common irritants and loaded with ingredients that improve skin health, and are only available from qualified skin therapy professionals trained at The International Dermal Institute. (IDI)

dermalogica[®]
a skin care system researched and developed by The International Dermal Institute

As a brand, Dermalogica immediately upset the prevailing paradigm of beauty and glamour by

classifying skin care as a health issue as opposed to a cosmetic concern. Dermalogica also introduced a powerful new element into the brand identity: the specialized expertise of the professional skin therapist. Also, because of values related to animal testing and keeping its corporate identity and jobs in the US, all products continue to be manufactured in the US and the company has never taken part in animal testing. Dermalogica is sold only where treatments can be performed by trained skin therapists. Despite these challenging founder-driven operating principles, Dermalogica has become the number one choice of skin care professionals worldwide, *prescribed* more often than any other product.

Dermalogica is not owned by a beauty conglomerate, held by a company, or controlled by a group of financiers. The company is driven first and foremost by education and research. They take pride in being true pioneers in the industry, growing from a modest store-front in Marina del Rey to the now 145,000 square foot Corporate Headquarters in Los Angeles with locations worldwide in close to 50 countries. In 2006, **Dermalogica's two founders recognized that they needed to change their organization design to take the company to the "next level" of growth and success.** The strategy was to find a President/COO, build and strengthen the



management team, and untangle the founders from day-to-day operational issues, so they could focus on their passion, science and education.

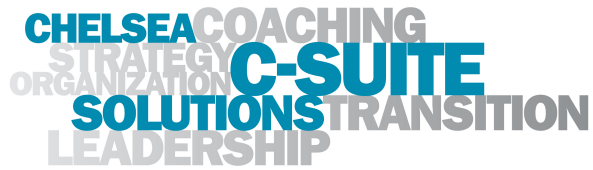
When Jerry Wenker was hired as Dermalogica's President/COO he thought that the skin care phenom would be much less complex to operate than the biopharma world in which he had

excelled as a chief marketer. Fortunately, he was a skilled systems thinker so he was able to appreciate the organizations complexity by zooming out and looking at all its parts and their relationships before using the insights he had gathered to develop a game plan for the business. “This has been much more complex than I could have imagined”, says Wenker. “It took a while to simply take stock of all the moving pieces and their starting and stopping points.”

In seeking to understand the relationships that exist among people, processes and organizations, it became very clear some new connections had taken hold and some of the old interdependencies had diminished. For example, the social demographics associated with their earliest distribution model shifted and they had to rethink many of the assumptions that had allowed them to dominate the market in their earlier years of operation. **“Wellness had become ubiquitous and we needed to work extra hard at differentiating ourselves from everyone else claiming to be in the healthy skin care market.”** Once again Wenker remained true to his valuing of the Systems Lens in demonstrating his interest in industry trends and pending changes that would likely impact the way the business operated, sooner than later.

Also, early on Dermalogica made a decision to expand to other markets, even before the model was fully proven in the US. This geographical expansion through rights controlled markets (US, Germany, UK, Australia, Canada) and exclusive distributorships in 50 other markets has been challenging. Over time the company has been concerned about being too US-centric, rather than operating as a “corporate” entity serving all the distinct markets and businesses. In response, Wenker and his team have had to develop a global-local structure to better align organization design with the businesses and unique markets, a big change for the everyone, but one that is proving to be effective. Using the Systems Lens helped Wenker learn about the relationships among various parts of the business by looking inside and outside, vertically and horizontally. Wenker’s ability to get the big picture, without allowing assumptions to hijack planning, contributed to a well thought through and supported strategy for improved operational effectiveness.

“Dermalogica is operating in a very different world from our beginnings, and a lot of exciting initiatives have been taken on in the midst of a market changing due to the increased technology sophistication and mobility of the consumer,” shares Wenker. This has added significant complexity to the distribution channels, i.e. emergence of the internet, home shopping, specialty retailers – versus the simple paradigm of mass (drug store); prestige (department store); and, professional aesthetician of the past. **“We have been deliberate in communicating two-way through the use of strategy forums, round tables, and dialogues every step of our journey. We all learn together and we end up making better decisions**



because we keep discovering new truths” says Wenker demonstrating how much he values diversity of opinion and fresh insight, the hallmark Systems Lens users.

Wenker’s leadership acumen, particularly his valuing of the Systems Lens is one more reason why beauty is more than skin deep at Dermalogica.

Source: [Shockproof: How to Hardwire Your Business for Lasting Success](#) (Deb Jacobs Hamby, Garrett Sheridan and Juan Pablo Gonzáles)