

## WOMEN TO WATCH

# Cheryl Clarkson Layers SkinHealth on Singular Premise

Cheryl Clarkson's idea looks simple enough at first brush, but the beauty of her business model is anything but skin deep. There are layers within layers behind her SkinHealth Inc., from target markets to products to services to directions for expansion – the president and CEO's prime objective over the coming year.

Yet SkinHealth's combination of skin care products and medical spa services started out on a single premise – “a very personal reason,” Clarkson says.

When her sister, her only sibling, died a year after being diagnosed at age 39 with malignant melanoma, Clarkson became a self-appointed expert in the disease that annually claims more than 7,000 lives and ranks as the second leading cause of cancer death in women under 40.

“I believe one of the reasons we've become so successful is that I have such a passion for it,” she says.

So dedicated to the notion of staying in contact with melanoma on a daily basis, Clarkson applied her vast medical business background to devise, test and rework models over the next two to three years until she formulated her initial concept.

“I put a lot of things on paper that strategically didn't seem to make sense as I would get to various testing phases until I hit on this one,” she says. “By then I had developed a network of dermatologists for bouncing off ideas, and several doctors said,



*Cheryl Clarkson delves below the surface to create a dominant brand.*

‘Count me in.’ ”

Clarkson launched SkinHealth Centers in 1999 with a venture capital partner to work with patients within dermatologists' offices, providing skin cancer prevention information and SkinHealth-brand sunscreens as well as advanced procedures such as chemical peels.

The model has since evolved to include the free-standing retail store that offers a variety of skin care products, full-service spa and advanced skin care services, and medical procedures performed onsite by affiliated physicians.

SkinHealth products that today range from cleansers to moisturizers to advanced therapies to seven kinds of sunscreens – including one voted Health Magazine's best sunscreen –

are also available on the Web and through mail order.

In 2005, Clarkson bought out her major investor with the intention of expanding SkinHealth's national presence on her own. “It was a very big moment, a frightening moment,” she says. “I dipped into my life savings to do it. I always had control, but now I have most of the shares.”

What gives Clarkson such confidence in the future, other than SkinHealth's burgeoning clientele, is the experience of her one-time Fortune 500 CEO track.

An idealistic college graduate who wanted to combine business and making a difference, Clarkson focused on health care and joined American Hospital Supply as its first woman sales rep in Arizona. Results-oriented and driven, she shattered revenue record after revenue record on a vertical trajectory up the ranks until, by age 30, she was director of national sales out of Chicago, overseeing 700 employees and bringing in \$1.2 billion in revenue.

Next Clarkson answered recruiters' pitches to round out her resume at midsize medical device companies.

Spending time in operating rooms around the globe to bring new medical technology to market, she met her future husband and, rather than continue crisscrossing the country pursuing her Fortune 500 goal, settled in Boston.

After earning a master's in science

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at MIT's Sloan School of Management, Clarkson was president of ABIODENT, an early stage medical device division of Abiomed, until she was recruited by publicly traded Peer Review Analysis to replace the CEO, stabilize the company and then find a buyer.

Exiting at the company's purchase, Clarkson was ready to launch SkinHealth with a plan of differentiating her business on a number of levels.

"What's compelling to me about this space is that we're dealing with three different markets," Clarkson says – spa, cosmeceuticals and cosmetic procedures, each representing a billion-dollar or more market. "No one, that I'm aware of, is doing a little of all three."

In addition, each market is highly fragmented. "So, what I'm looking to do is create a brand, SkinHealth, and emerge as a dominant player," Clarkson says.

In 12 locations today, spa treatments such as facials are complemented by physician-performed procedures that include Botox injections and, more recently, plastic surgery.

"The take-home message is that we are medically oriented and results-oriented. People can come to us in a feel-good mode, but most of our clients come to us results-driven. They want to see improvement."

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Over time, the service side of the business has evolved beyond the doctor's office (though that's still a component) to the freestanding store. Even in operations Clarkson has combined best practices, putting a medical esthetician manager in charge of each location but employing one customer services manager to oversee the collective appointments and client issues.

Leveraging her manufacturing experience, Clarkson began her product line with sunscreens, and even these are not formulaic.

By collaborating with physicians and dermatologists and listening to clients, Clarkson developed products with a higher percentage of quality, active ingredients than found on the typical store shelf, the composition of each accommodating varying scientific opinion.

"I wanted sunscreens to please every dermatologist, each of the three subsets who feel the best ingredient is zinc or titanium dioxide or parsol 3. Of course, a line of effective sunscreens was most important to me."

These days, all of the skin care product lines are receiving considerable play – a result being a Hollywood cult-following after the Screen Actors Guild included SkinHealth in its presenter baskets.

Over the coming year, Clarkson plans to add at least one more flagship SkinHealth Center to the current Wellesley retail/service store, consolidate some locations and expand national distribution.

The mail order business is now taking off on its own.

"It must be word of mouth. We're only advertising in Massachusetts."

Down the road Clarkson sees standalone stores and acquisition of other skin care companies as her means to growth as she crafts a bold, new venture out of hard work and careful, multi-faceted strategy.

"It is complex," she says, "but one of the keys to SkinHealth is that there aren't too many corporate types in this industry."

"I'm looking to create a brand using my corporate experience and my education to offer something that's different and appealing."