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What's next for Nad's?

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Amanda Gome

Today on Lunch with an Entrepreneur Amanda Gome talks to the new "face" of Nad's. Daughter Nadine Ismiel, head of research and development, has developed a new product: a treatment for acne that she hopes will be as successful as their hair removal business.

And she hopes to employ the same marketing techniques that shot Nad's to prominence. However, instead of her sister on national television demonstrating how Nad's products solved her hairy leg problem, Nadine will share her battle with acne.

So which one of the daughters are you?

I'm the eldest daughter and I've got two younger sisters.

And how old are you Nadine?

I'm 30.

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So you're quite young. Sue a few years ago hired a CEO so that she could step back and that didn't work out so she's running Nad's again. Is it likely that you would take over as CEO?

That's an interesting question. I can't see my mum ever retiring. She's such an energetic person that's always looking for the next opportunity. But obviously I'm very closely involved with the business. I sit on the management team, I sit on the board, so I am involved in many aspects of the company and have a lot of input with a lot of the strategic direction of where the company is going.

How big is your company now? How much revenue have you got?

We are aiming for around \$50 million turnover.

So in 2004-05 you had \$28 million so you've pretty much doubled since then.

Oh well this is what we're aiming for.

So where are you at now?

Gee, I don't have those figures off the top of my head. But yes, for next financial year we are aiming around the \$50 million.

Is that a big jump? Would you be around \$40 million?

Yes, we have very high expectations.

In 2004-05 you launched into laser hair removal, started a clinic in Parramatta and were planning on expanding those. How have they gone?

We were in the hair removal field and laser hair removal was something that was gaining a lot of momentum. I do a lot of researching into new areas and new technologies, so this was something that I went and researched for about three years before we decided to enter that market. In early 2007 we opened our first store and since then we've opened three others and plan to roll out many more in NSW and eventually into the other states of Australia.

What have been the challenges in rolling those out?

It's a different business model for us. We've always been retail, direct to consumer, so going into the service field was something different for us. But we have a very, very good team and an experienced retail operations manager who has had a lot of experience in service areas. It's been very, very successful and that's why we've rolled out four and are planning on opening up many more.

And what have you personally learnt on how to get retail model right?

Customer service is very, very important, so for us it's about training and the staff that we hire. Also being a family business, culture fit is very important. You mentioned a few years ago Sue stepped out of the business and how that all changed and I think that was the prime example of it. When you don't have the culture fit within the staff in your organisation, it just doesn't work out. So for us it's really important that the people that we have in our business all are following the same vision, all down the same path.

What ways do you have to ensure that they do that?

There aren't those strict levels that you might find in bigger corporate companies. We have a very close-knit, very open plan working environment. There's no problem for people to knock on Sue's door and just come in and have a quick chat about something. It's that kind of environment that people are comfortable in.

Know your cash flow position: The more cash available to you, the more flexible your business is.



A lot of people's input is taken onboard. We have monthly catch ups where everybody can just voice their opinions on what they think, new ideas, it's just bringing all that among the environment that enables people to be able to communicate freely.

With the research and development, how much of your revenue would you spend on that? You spend a fair bit of time and money on coming up with new ideas?

Yes. Obviously in the research and development, we have a very small group. It's myself and my colleague and obviously we have a network of people outside of the business too that we deal with and communicate to get products from concept to finished product.

The latest innovation is a product called PuraSkin and it's an acne treatment product.

I was actually an acne sufferer for over 15 years. I suffered from acne from the age of 12 and tested everything that was available out there.

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Including medicine?

Yes, so it started off with your pharmacy products, supermarket products, they didn't work, I visited the doctor, I was put on certain prescription medications and they didn't work. And eventually I was referred to a dermatologist and he couldn't help out either, so in the end I basically resorted to applying a 10% benzoyl peroxide cream to my face every night thinking that was the only option I had. Until that is I came across a clinical paper during my undergraduate studies and that's what started the path to PuraSkin.

So what did you do then?

The clinical paper showed that vitamin B3 applied topically was as effective as some pharmaceutical products. So I ran into my laboratory and started experimenting with different vitamin B3 formulas and I started experimenting on myself. I would apply my gel to the right side of my face and continued to use the benzoyl peroxide on the left, just to compare how they worked and I found that they worked in a very similar way to reduce the acne but the difference was that the gel that I was applying, that I created, was resulting in soft and smooth skin where as the benzoyl peroxide side was still dry and irritated. So for me that was a great first step to finding a great solution.

And then what did you do?

And then I went on and studied a Masters of Herbal Medicine and came to realise that to treat acne effectively you can't just focus externally, you really have to look internally and really understand what's going on with the body mechanisms and how you can take things internally to assist with clear skin.

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And again I used myself as the guinea pig and started consuming individual ingredients to see what effects they had on skin. And it was only then when I started the internal/external products system together that my skin completely transformed and nothing could clear my skin the way that these products did.

What was it that you were taking that helped the internal system?

I did some research and found which vitamins, which minerals were really good at promoting healthy skin. So it was things like zinc, vitamin C, vitamin B6, vitamin A, also flaxseed oil which is really good because it contains omegas 3, 6 and 9 which is great for skin texture and appearance.

So is there something to take as well?

It's a three step process. So step one is a cleanser. I had to develop a cleanser as well because everything I used out in the marketplace was either not effective or was overly drying on the skin. Step two is the topical gel that I mentioned that contains vitamin B3 and Australian sandalwood oil as active ingredients, which are fantastic ingredients for reducing inflammation and killing bacteria that cause acne. And the third step is this oral capsule: you take two capsules a day and you do that daily and then you see your skin clearing.

And what hurdles did you have to get over in terms of getting these approved?

It's taken me about five years to complete the research and development for PuraSkin and trial and error trying to get the products to be stable and getting all the formulations right. From there we obviously embarked on some clinical testing and listing with the Therapeutic Goods Administration.

How are you marketing this, are you going to be using yourself as the person who's demonstrating this?

Yes, yes definitely. If you remember back in the early days when we first launched with Nad's it was always telling the story, about why we created these products. And I guess it's just history repeating itself but in this case rather than my sister having an unwanted hair problem it's myself having an acne problem.

What's the third sister got?

I was actually having this conversation with her the other day. I said we've both had these problems told to the world. What are you going to have?


Now last time around TV was very effective. Are you going to be using any social media or online video? How are you going to use the new marketing techniques available these days to spread the word?

We have a website that we'll be doing a lot of online communication with. We are going on television as well, so people can get to see the product and understand how it works and why it was created and then link back to our website where they can order online or call a number and order over the phone.

And will you be setting up any kind of skin care clinics? Or will you incorporate the two (hair removal clinics) in the one retail presence?

That's something that we are looking at but I think at this point in time our clinics are Nad's hair removal clinics and Nad's will always be about hair removal. PuraSkin, while it's under the Sue Ismiel & Daughters umbrella, is a separate brand. So if we were to roll out with skincare clinics down the track, they'd have to be separate from Nad's so that we don't confuse people.

You could always go under "troubled skin" or some brand that combines the two. Don't forget women have

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no time and might like a one stop shop. Do you do much exporting overseas?

Yes we do. For our Nad's products we certainly do. We export to the US, the UK, to Canada and to the Middle East.

And are you expanding your retail shops overseas?

Yes. PuraSkin will be direct to consumer though. So we will use a similar strategy as Nad's when it was direct to the consumer by television infomercials. But in this case there will be online sales as well.

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