



Starting from January 2016 RES PHARMA as a result of a new strategy of DSM for the distribution of their products in Italy, has been appointed as distributor also for the DSM Skin Care functional products (ex Pentapharm). We took the opportunity to ask to Mr. Agostino Facchini, President of Res Pharma and Mr. Wilfrid Gambade, President & Business Unit Director, Personal Care in DSM their comments on this new development and on the actual scenario in the Italian market and the international one as well.



Agostino Facchini  
President of Res Pharma



**Mr. Facchini, what does the partnership agreement with DSM mean for Res Pharma as in terms of services and innovation perspectives?**

Firstly let us recall that we have been partners with DSM for over 50 years, basically from the very beginning of Res Pharma's existence, with what was then Roche Vitamins. The recent addition of DSM's Skin Care range has further enhanced our partnership with what is one of the most prestigious and innovative chemical companies in the world. DSM is widely recognised as the expert company for Sun Filters and Vitamins, but there is much more. This new range of products offers us the possibility to improve the service we can offer our customers, giving them the opportunity to have one reference point for the entire DSM product range. It also gives us more space for innovation thanks to the new synergies that are now available between these new products and those we already supply. These are exciting times for our partnership and we look forward to developing our business further thanks to this further enhancement of our services and innovation.

**Res Pharma has been active in the market for more than 50 years. It started as a pharmaceutical supplier to gradually become more and more involved in the Cosmetics & Personal Care industry. Where is the company heading to, and what are its strengths nowadays?**

Res Pharma has indeed evolved over the years. Our name doesn't really tell the whole story. Today our core business is the Cosmetic industry, although I will underline that we also represent DSM's HNH Division (Human Nutrition & Health) along with other ingredients for the nutraceutical and Pharmaceutical Industries. As many may already know, Res Pharma also has a manufacturing division called Res Pharma Industriale which supplies products across the world. Our plans for the future involve a more defined split between the 2 companies allowing each to concentrate on the business model relevant to its

specific activity – Distribution for Res Pharma Srl, Manufacturing for Res Pharma Industriale. We believe this division will allow each of the companies to be more focused and specialised at what they do. This is the direction we are taking and we are sure it will further develop our current strengths in terms of partnership, innovation and commitment to sustainability.

**The role of a distributor for ingredients in the Cosmetics and Personal Care in the Italian market is evolving in a partnership with the client. What is the approach of Res Pharma on this matter?**

Partnership has always been one of our core values. Not just with our customers, but also with our suppliers and even laterally towards parallel products and services that supply the same customers where we seek technical synergies that will further benefit them. The addition of the DSM Skin Care range to our portfolio of products will further enhance our possibilities with regards to partnership with our customers thanks to the increased synergies between these new products and the products we already supply. We plan to build on that value and offer our customers an even broader and in-depth choice of products. Furthermore, from 2016 we will enhance the knowledge we can offer our partners thanks to the addition of Product/Category specialists to assist customers technically in specific areas. In fact we have taken on a Skin Care specialist who will be available to offer customers a focused assistance in that area. Other areas of specialisation will be Sun Care, Hair Care and Pharma/Neutraceutical.

**What are your expectations on the market, given the uncertainty of the global economic environment? There is still some room for a further growth?**

There is no denying that the economy is tough and uncertain right now, and we believe we will have to learn to live with this uncertainty in the long term. To do so a company will need to be dynamic, flexible and ready to react at the drop

of a hat to any market situation if it wants to survive. We believe that we have what it takes to do so. We are a strong team and as a group we are extremely dynamic and very quick to react to assist customers with changing product demands with regards to specifications, regulatory aspects, legislation (ReACH) but also with regards to environmental

and sustainability issues such as RSPO, Fairtrade and Natural certifications. Although the market is slow we believe that Res Pharma has space for growth both in Italy and Internationally. For certain we are sure that this enhanced partnership with a world leading company like DSM can only increase our prospects for success.



## Wilfrid Gambade

President & Business Unit Director,  
Personal Care in DSM



### **Mr. Gambade, can you tell us something about the relationship between DSM and Res Pharma, and what led to the current developments?**

Our collaboration with Res Pharma goes back a long way, to 1962. But until now we had two distributors in the Italian market. Res Pharma was responsible for sales and distribution of our vitamin, sun filter and hair care product portfolios, while another distributor marketed our skin care products. As of 1 January this year all our Personal Care ingredients, products and services in Italy will be delivered through Res Pharma. Having one distribution partner for the full Personal Care portfolio makes sense, because our customers often need a combination of ingredients for their products, for instance sun filters plus skin care ingredients. This arrangement therefore creates the potential for new portfolio synergies. Through our long collaboration we know that Res Pharma is a great fit for us in terms of culture and values. This has led to a relationship based on a high level of trust and transparency. Indeed, we almost consider the Res Pharma team as an extension of our own Sales team and are very pleased to have them on board as our representatives in Italy.

### **DSM is globally active with a range of hi-tech products. Given the new deal with Res Pharma, let's consider the European and – more specifically – the Italian market for DSM.**

Compared with other markets in Europe, the Italian personal care market is much more fragmented. You have much smaller players compared to other cosmetic industries and markets in Europe. This makes it even more important to have a great distribution partner on the ground with an in-depth knowledge of all facets of the Italian market. Res Pharma enjoys a high level of customer intimacy in the Italian market, with great regional representation.

### **Your company philosophy has always been focused on innovation and sustainability. This is a very wide issue, but perhaps you could tell us something more about this?**

Our innovation strategy is built on two pillars. On one hand, our internal R&D focuses on strategic areas such as synthetic peptides, lipids, or vitamins, as an example, while also making maximum use of DSM's internal competences. But we understand no matter how good we are at what we do, we recognize and embrace that there will always be an abundance of great ideas outside DSM, that is why we open

up ourselves to new collaborations and licensing projects. Overall, we have been accelerating our innovation drive and that sets a very good base for even faster growth. Of course, innovation is important, but not all. Other factors, like regulatory, supply chain AND customer relationships are also very important. That's why with the cooperation of partners like Res Pharma in Italy we can improve our levels of customer service even more. Sustainability at DSM quickly evolved from adhering to corporate social responsibility to being one of the four business drivers. At DSM we define sustainability by meeting the needs of the present generation without compromising the ability of future generations to meet their own needs. We continuously invest in our sustainability efforts. As an example, just few months ago DSM was proud to be selected as the winner of the environment category at the 2015 CEFIC European Responsible Care Awards. The award recognized DSM's success in implementing a sustainability program at its Dalry facility in Scotland. We were frontrunners in the industry by establishing our own sustainability programs. For example, The People+ program is designed to reduce the impact of product manufacture on consumers, employees and communities. Our ALPAFLOR range is a perfect example.

### **Finally, how was 2015 for DSM in Personal Care, and what are your expectations for the new year?**

2015 was a strong year for Personal Care. We took a number of measures that resulted in strong organic growth, i.e.:

1. We continued in our efforts in strengthening customer relationships, providing expertise and support they need;
2. We have been building scale with a production shift of the synthetic peptides to Village-Neuf site;
3. Accelerated our innovation drive in all key segments

Expectations for 2016 - growth – we will be focusing on execution of our innovation plan for 2016.

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