Conquer the market with alternative preservation

A conversation with Dr. Carsten Dietz, R&D/Quality Director, Cosphatec



Dr. Carsten Dietz

EURO COSMETICS: For more than 10 years, Cosphatec has been one of the leading German companies producing and selling high-quality raw materials for the cosmetics industry. What defines your success?

Dr. Carsten Dietz: Our staff paired with excellent quality, reliability and customer service. These are the most important cornerstones of our success. The best quality is not enough if the products are not explained properly and the different possibilities are not brought closer to the customer. The best professionals do not automatically form a successful team. Our employees fully support the high ideals and the company's philosophy. I think the customer senses whether he is dealing with an ambitious supplier or, as in our case, with a highly motivated team that responds individually to requests and also supports with regard to regulatory and quality-related issues worldwide. Over the years, we have grown with the success of our long-standing customers.

EURO COSMETICS: Alternative preservation is part of your core business. What is the reason for that?

Dr. Carsten Dietz: We are not chemical traders, we produce high-quality products requiring explanation – something that not everyone can do. A large part of our raw materials serves to protect cosmetic products of our customers. Alternative preservation is arguably the most demanding field, as each formulation is different and each customer has individual specifications and aims.

At an early stage, Cosphatec realized the characteristics and potential of alternative preservation. A strong idea and vision that we continue to pursue and expand to this day and which is increasingly coming into focus around the world.

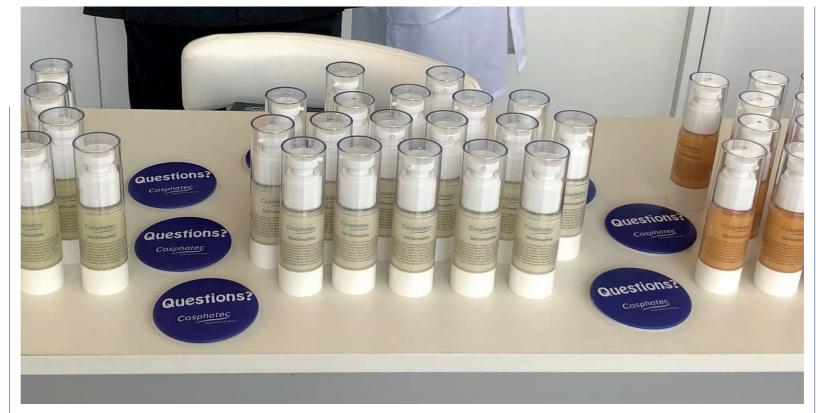
EURO COSMETICS: And what do you call Multifunctionals?

Dr. Carsten Dietz: Multifunctionals are raw materials that bring as many positive qualities as possible with them. One of the positive properties is the antimicrobial effect. Figuratively speaking, a Multifunctional is not a chemical atomic bomb that kills everything. Rather, it is a scalpel that if used correctly has many positive attributes and offers targeted product protection. In short, Multifunctionals make the end product safer and more tolerable.

EURO COSMETICS: How do customers benefit from your research knowledge?

Dr. Carsten Dietz: Medium-sized companies such as Cosphatec are faster and more flexible than large chemical companies. We can therefore take a great deal of individual customer wishes into account and incorporate them into our research. Starting in detail, when we e.g. conduct experiments for a customer in our lab. The customer receives precise answers to his questions or detailed advice on interactions of the raw material – at the same time our experience grows.

Country-specific requirements are another point. Research aimed at the Asian cosmet-



ics market may be of interest to European or American customers of tomorrow. Our many years of experience in product protection are extremely helpful to the customer because we can identify and avoid problems at an early stage. We have very high demands on the quality of our raw materials and are always on the lookout for exciting innovations. Helpful for the rapid implementation of such projects is quick decision-making through flat hierarchies and also a little courage and confidence in the idea.

EURO COSMETICS: With the Cosphaderm®and Cosphagard®-range you have developed a product variety that has a unique selling point. What is the special feature here?

Dr. Carsten Dietz: We want to fulfill the wishes of our customers as comprehensively as possible. This may be comparable to the automotive industry. Not everyone will switch to electric cars overnight. For example, the cosmetics market in Southeast Asia is in a different stage than the European one. We want to improve our customers' cosmetic products without

sacrificing antimicrobial protection. The Cosphagard[®]-range (blend of multifunctional and preservative) targets those customers who want to reduce preservatives but are not yet ready for a complete replacement. Within the Cosphaderm[®]-range there are synthetically produced raw materials that are chemically identical to the natural substances but cheaper. The royal class are the natural certified Multifunctionals.

EURO COSMETICS: How do you manage to spot trends in time and integrate them into your portfolio?

Dr. Carsten Dietz: This is a combination of developed experience, close observation of the different markets, flat corporate hierarchies for quick implementation and, last but not least, close communication with our customers. Collaboration with our global distributors and regular workshops also help us identifying trends and develop market-specific products.

EURO COSMETICS: What recipe for success do you have in order to be able to offer the respective customer outstanding quality

and product-specific advice?

Dr. Carsten Dietz: An outstanding team of people who are committed to the needs of the customer and fight to achieve a variety of goals. The quality control is carried out exclusively in Germany, this also applies to our Chinese subsidiary. Of course, this causes additional costs – but quality comes first at Cosphatec.

EURO COSMETICS: What are you doing to keep your position in the market?

Dr. Carsten Dietz: Success needs freedom and no corset and is also a permanent construction site. Anyone who thinks he has achieved everything is at a standstill or is threatened to move backwards. We know our strengths, develop them further and are convinced that we are far from reaching our goal, we are rather just getting started.

EURO COSMETICS: *In which regions are you especially strong represented?*

Dr. Carsten Dietz: Today, the German and European markets are still the strongest, since we have been active here for the longest time. The sales figures in the

Asia-Pacific region are rising rapidly, not least due to the foundation of our subsidiary in Shanghai. In principle, all markets are of interest to us and we will become increasingly globally active through the expansion of our sales team and strategic partners.

EURO COSMETICS: Which contribution to sustainability do you make?

Dr. Carsten Dietz: Sustainability is an important topic at Cosphatec; it goes without saying that we develop, produce and sell environmentally friendly and resource-saving raw materials of the highest quality. Our strategy is geared towards green and biodegradable raw materials.

Our high-quality products are regularly adapted to the ever-changing needs of our customers and meet the diverse requirements of international markets and legislations. First and foremost, they fulfill our standard of alternative preservation: replacing the high-risk parabens as preservatives with natural substances and renewable raw materials.

With our international portfolio of well-known partners, we are responsible for the certified cultivation and production of high-quality raw materials. Products, e.g. based on palm oil, are available in RSPO quality. With the help of an implementation plan, we are already working intensively together with our partners on a responsible global palm oil procurement policy.

EURO COSMETICS: How do you see the future development in your company?

Dr. Carsten Dietz: Very promising. We still have a lot of ideas that we want to implement and, if possible, patent. We are also convinced that we can optimize many things. Feedback from our customers is great but we do not rest on that. We want to continue to grow, conquer the world and help to make cosmetic products safer and better for the end user. But our growth must never be at the expense of our customers

EURO COSMETICS: Thank you for the interview

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