

Why I Ended My Relationship with Obagi Medical Products, Inc.

ZO® Dr. Zein Obagi's New Vision for Skin Health.

Dr. Zein Obagi, the world-renowned skin health expert, discusses why he severed his relationship with Obagi Medical Products, Inc. and how he utilized his new skin health philosophy to create ZO Skin Health, Inc. He also provides insight into why skin health science has changed and how ZO Skin Health, Inc. is taking professional skincare to a higher level.

Dr. Obagi's journey into skin health began 35 years ago and today, as the Medical Director of ZO Skin Health, Inc., his energy and enthusiasm for healthy skin is as strong as it was then.

What is your philosophy on skin health?

Dr. Obagi: There is one core principle that drives everything for me – and that is, when treating skin disease, you have to do it within the context of skin health restoration. You can't just focus on the disease because the results will be limited and short-lived. The three skin health restoration principles are Correction (improve the epidermis); Stimulation (improve the dermis); and Bleaching and Blending (correct pigmentation problems). So when targeting a particular disease, say for example acne, you want to target that disease within the larger skin health system. First Correction, then Acne Agents, then Stimulation, and then Bleaching and Blending. My philosophy is all about remedying skin disease by treating it within the entire skin unit, and the reason for this is disease doesn't just impact that one spot on your face that you can see or touch. It impacts all cells and you have to treat every element to get the skin back to being fully healthy again.

What is unique about your approach to skincare? There are so many treatments and products in the market – what is different about ZO Skin Health, Inc.'s products?

Dr. Obagi: Skin health science, like any other science, is not static. Therefore, the need for improvement, expansion, and continuous adjustment is not only essential, but also necessary in obtaining optimal treatment results. What makes ZO Skin Health, Inc. different is our Universal Approach to Skin Health. We provide the original principles I identified 25 years ago when I started (Correction, Stimulation, and Bleaching/Blending), and the newly found principles of today, such as anti-inflammatory agents, DNA repair, barrier function enhancement, and non-hydroquinone pigment control.



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For example, we've recently learned about some drawbacks to hydroquinone. We've learned that your skin builds resistance when hydroquinone is used for more than three to five months in a row, making skin photosensitive and resulting in some pigmentation problems due to loss of melanin. Hydroquinone helps with general repair of certain medical problems (the General Repair approach), but the value is limited as it does not provide the expanded benefits found in my new principles and does not eliminate the inflammation generated by many factors (external, internal, and by certain topical agents).

We've also recently learned that there are some circumstances when tretinoin should not be used. In these situations, the skin may make use of only a portion of the tretinoin that is applied; the unused portion may, itself, cause irritation and inflammation. For that reason, patients should only use tretinoin for three to five months. After that, I advise patients to switch to retinol in proper formulation and concentration for maintenance and prevention.

What makes ZO[®] Skin Health and ZO[®] Medical products different is that we offer expanded benefits, improved treatment protocol results, broadened margins of safety, economical products, and increased patient compliance by offering the concept of prevention. By restricting availability of our products to physicians' offices, we eliminate patient self-treating without medical supervision and, as a result, we restore and strengthen the bonds between physicians and their patients.

What led to your interest in skin health?

Dr. Obagi: I began my career in pathology and was exposed to diseased tissues that not only got me interested in how cells function, but that provided me with a base of knowledge and set of tools that helped me really understand why you can't just treat a disease, but rather have to address the cells where the core of the problem lives. I learned quickly that the skin is not a wall that you can just paint and fix – you have to get to the cells and awaken them. I thought it was fascinating that baby skin was perfect at birth – because all of the cells work exactly how they should in a newborn. I wanted to create that for people of all ages and the way to do that is to address the skin as one unit. One major turning point for me was when a pot of boiling water spilled on my sister's back, which resulted in third-degree burns and a three-month hospital stay. I saw the frustration of the doctors and the scars that were left behind and was determined to prevent this kind of damage from happening again. So skin health science and prevention has been a life-long interest for me.

Explain the beginning of Obagi Medical Products, Inc. ("OMP"). What was your vision for the company when you launched it back in 1988?

Dr. Obagi: OMP's forerunner – WorldWide Products, Inc. – was launched to provide prescription-based skincare products for doctors to dispense to patients in their offices.

I conceived and brought to market prescription-strength products like the original Obagi Nu-Derm[®] System and the Obagi Blue Peel[®] kit. Aggressive, prescription-strength skincare products are an important part of my philosophy and my goal was to provide these products to physicians. In addition to these products, I continued my direct contact with physicians around the country through symposia and system day lectures about treatment protocols. Skin health restoration cannot be accomplished by products alone; the physician needs to know how to use them in the most effective way, through step-by-step treatment protocols. Communicating this was a big part of my vision.

What was your role at Obagi Medical Products?

Dr. Obagi: In 1997, I sold WorldWide Products, Inc. which was renamed Obagi Medical Products by the new owners and I became the medical director. I remained an OMP shareholder and a board member, but was not involved in the day-to-day business operations after I sold the company. The original products remained the economic foundation of the company. My role there began to diminish over time.

What happened to Obagi Medical Products when it went public?

Dr. Obagi: Well, it is pretty simple. The focus for OMP became making shareholders happy and meeting numbers. The company was creating products that were not based on my philosophy of skin health restoration, which was very difficult for me. I became very uncomfortable with that because the products were a deviation from my philosophy.

In addition to that, I wanted to continue evolving my products so that they were relevant to what we were learning about skin health. As I said, skin health science is evolving and we owe it to our patients to constantly improve our products based on what we are learning about skin. I was committed to skin health but once the company went public it became clear that my priorities were not in line with OMP's goals.

Why did you leave Obagi Medical Products? Do you have any connection to Obagi Medical Products now?

Dr. Obagi: Looking back to 1997, I wish that I never sold my original company (WorldWide Products) to the group of investors. I learned later that business tactics and science do not go hand-in-hand all of the time. I was thinking skin health, and the business people were thinking profit. I wanted to continue my teaching and lecturing. I wanted to strengthen the ties with physicians.

As I said, skin health science is always evolving and we owe it to our patients to constantly improve our products based on what we are learning about skin. It became clear that OMP and I had different visions for the future of skincare products and the direction in which they should evolve, so I decided to found a new company based on the newest skin health science.

Today I have absolutely no relationship with Obagi Medical Products.

What was your vision for ZO Skin Health, Inc. when you launched it in 2007?

Dr. Obagi: I wanted to fulfill my dreams of focusing on skin health—to implement my ideas of 25 years ago and expand upon them with the knowledge and new principles of today. Prevention is a big part of skin health. With ZO® Skin Health, I wanted to create principles and products for people who want to have healthy skin, to maintain healthy skin, and to prevent future problems by following a non-medical approach. On the ZO® Medical side, I wanted to stress patient safety by helping doctors and patients forge closer bonds so that the parties could work together to treat unhealthy skin.

What is your vision for ZO Skin Health, Inc. now? Where do you see the company 10 years from now?

Dr. Obagi: We are the future of skincare. We have all of the components—the science, the products, the manuals, the protocols, and the physicians. The combination of my principles from 25 years ago and my newly developed principles of today enable physicians to treat, maintain, prevent, and provide ideal and exceptional skincare to people all over the world. I like to call this the “Universal Approach to Skin Health.”

When you launched ZO Skin Health, Inc., were you still involved with OMP?

Dr. Obagi: I always dreamed of creating a non-prescription line to complete my circle of skin health, but by the mid-2000s OMP had not yet released one. So, with the approval and knowledge of OMP, I founded ZO Skin Health, Inc. to make my dream a reality. I believed that OMP would support the new company; however, that never happened.

What are the differences between ZO Skin Health, Inc.'s products and what Obagi Medical Products offers?

Dr. Obagi: OMP's products were good products for their time, but today I believe that they are outdated. I conceived and brought to market the original Obagi Nu-Derm® System more than 25 years ago based on then-current skin health principles (Correction, Stimulation, and Bleaching and Blending). However these principles, that served physicians and patients very well for many years, are no longer sufficient or suitable for everyone. We have discovered in the last ten years the negative effects of inflammation and glycation, the need to enhance skin strength and increase skin ability to resist the negative effects of many external and internal factors, and the need to enhance our skin's ability to repair damaged skin DNA.

These are our new objectives that need to be incorporated within the old principles to widen the benefits of skin health restoration and expand existing treatment protocols (not only to treat skin problems, but to prevent them). All of these new discoveries and principles are reflected in ZO® Skin Health and ZO® Medical products.

OMP produces the Obagi Nu-Derm® System and disease-specific systems of products (Obagi CLENZIderm®, and Obagi Rosaclear®) and anti-aging products (Obagi ELASTIderm®). But with our ZO® Medical products I have incorporated all of the agents and ingredients necessary to achieve the same results as the disease-specific systems through well-defined and easy to follow protocols while restoring skin health at the same time. This results in a more flexible product line, better treatment, and happier patients.

Are there other new skin health treatments on the horizon that you are excited about?

Dr. Obagi: Yes! I've mentioned anti-inflammation. We've learned that sun, diet, and certain medications can create strong inflammation in skin. This inflammation leads to the disturbance of cell function and causes the skin to self-destruct. We have ingredients in our products that help mitigate inflammation triggers and we will continue to add more of them to both ZO® Medical products and ZO® Skin Health products.

We also know that skin gets thinner and weaker as we age. Essentially, the cells go to sleep, even when there are no medical problems. Older people, for example, experience double and triple the skin damage as younger people do when they are exposed to sun, make-up, irritants, or moisturizers. We've established the concept of “Stabilization”—meaning that we want to increase skin strength with age to make it more tolerant. As we look into the future, we are dedicated to constantly studying skin health and exploring new big ideas like these to help patients and doctors.

You have been in the business for many years and have seen first-hand how technology has impacted the skincare industry. What have you seen happen with the growth of Internet sales over the last decade?

Dr. Obagi: The Internet has really had a negative impact on the quality of care that patients are receiving today.

Let me give you an example: hydroquinone. In the past, you could only obtain hydroquinone with a physician's prescription or under a physician's care. This maintained the physician-patient relationship and allowed the physician to monitor patient progress. But today some companies are allowing hydroquinone products to be sold over the Internet without a prescription, which is potentially dangerous for patients. This happens because many skincare companies want to increase sales regardless of the consequences. As a result, patients stop going to their doctor and instead self-treat using hydroquinone they purchase over the Internet. The FDA is aware of this phenomenon, but can't prevent every improper sale.

At ZO Skin Health, Inc., we don't allow products with hydroquinone to be sold over the Internet—they can only be prescribed by a doctor. In the interest of patient safety, I hope that other companies will follow our lead.

What is your opinion of the skincare industry in general today?

Dr. Obagi: Skin health is my passion, so I am probably a tough critic because I want the industry to be the very best it can be. But the skincare industry faces some serious problems today. When so many skincare patients are treating themselves with products they purchased online and so few are going to a doctor, something is wrong. The industry really needs to address what is going on with the sale of products online so that patients will stop needlessly damaging their skin.

I would also like to see the entire industry come together to stop “quick fix” products and, instead, address the functionality of skin as a whole. I don’t think the other skincare companies are bad, I just think they are using the wrong concept. It is like losing weight – if you want to be fit, you exercise, but you also need to eat healthy, drink water, and take appropriate supplements. Creating healthy skin requires the same approach – the entire body must be “on program.” I wish the industry would adopt this more holistic approach.

Where can consumers, doctors, and other interested parties purchase your products?

Dr. Obagi: ZO® Skin Health and ZO® Medical products are available in physicians’ offices and ZO Skin Health, Inc.’s website at zoskinhealth.com (medical-strength components are only available in physicians’ offices). A physician that wants to carry ZO Skin Health, Inc. products can call us and a sales rep will be there quickly with our training specialist to train them on how to use the products and to keep them informed about my physician training dates, courses, and lectures. I am also available for direct conversations with my physicians regarding my treatments, protocols, and products.

In your current role at ZO Skin Health, Inc., what do you get the most satisfaction from?

Dr. Obagi: I really enjoy interacting with fellow skincare enthusiasts. I feel very fortunate to be able to travel the world and meet with physicians, surgeons, and scientists who are as passionate about skin health as I am. Public speaking is a big part of my life and I love it. I provide training for physicians, speak at medical meetings, lecture at schools, and travel all over the world for symposia and related events. We talk about skin health science, treatment protocols, and the latest findings. Skin health is my passion and I want to share my passion with others. That is one of the reasons I am writing a book about my philosophy on skin health. I want to share everything I have learned – and continue to learn – so that I can help people look younger indefinitely.

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ZO SKIN HEALTH INC

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