



Beauty King

Globalization, workforce diversity, and branding have transformed **L'Oréal** into the largest beauty product company in the world. **Jean-Paul Agon**, CEO of the U.S. division, brings to his post a deep understanding of the multicultural, multifaceted nature of business today.



by **Sharon Shinn**

Agon photo by Chiun Kai Shih



Jean-Paul Agon fell in love

with the world of cosmetics when he joined the L'Oréal Group at age 22. A quarter-century later, he's still infatuated. He has spent his entire career moving up through the ranks of L'Oréal, the Paris-based cosmetics company that's the largest in the world. In 2001, he was named president and CEO of L'Oréal USA, located in New York City. With 7,600 employees and \$4 billion in annual sales, the U.S. division is L'Oréal's largest affiliate.

That's a big step up from one of Agon's first assignments, when he served as a general manager in Greece, overseeing a small division and a staff of about 30. Later assignments brought increasing responsibility and took him to wildly different locales. During his career, he has served in France as Biotherm's International Director and later as general manager of L'Oréal in Germany. In 1997, he was named managing director of the Asia Zone.

It's clear he has enjoyed every minute. In an era when corporate loyalty is almost unheard-of, he never flirted with the idea of leaving L'Oréal. "I stayed because every job I had was exciting—a new adventure, a new challenge," he says. "I had a new mission every few years, and I loved each one. I never even thought about going anywhere else because I had passion for every new assignment."

The international posts have turned him into a citizen of the world, curious about every new country he has a chance to call home. That attitude is a match for L'Oréal's own strategy, which has driven the company to offer beauty brands for all skin types in every part of the globe. For instance, L'Oréal recently opened the Chicago-based Institute for Ethnic Hair and Skin Research to determine the products that work best for people of African descent. L'Oréal also has a partnership with Shu Uemura, a well-known beauty brand in Japan, and is about to launch a skin and hair research facility in China. These complement European brands such as L'Oréal, Lancôme, and Giorgio Armani, and American brands such as Maybelline, Matrix, Redken, Soft Sheen/Carson, and Kiehl's Since 1851.

Agon's exposure to all of L'Oréal's products and his extensive experience with the company have made him a master of key business principles such as marketing, branding, and globalization—topics of great interest at business schools worldwide. Recently, he shared his insights on learning new cultures, nurturing new products, and turning a business education into a successful career.

You once said that every job you've had at L'Oréal was basically the same. It just differed in size and scope. What were some of the biggest mental adjustments you had to make each time you stepped into a more demanding role?

What I meant to say was that whether you're managing a small business unit or a very large business unit, you require the same management skills. You learn a lot from managing a small business unit early in your career. That's why, at L'Oréal, we try to give young people the chance to run a small business unit somewhere in the world. It gives them an opportunity to learn about managing a company and gives us a great way to see what skills they have.



Before taking the job in the U.S., you worked with L'Oréal divisions in Greece, France, Germany, and Asia. How did you prepare yourself for each move?

I'm really passionate about discovering new countries, new people, and new cultures. Every time I went to a new country, I tried to understand it. I read a lot about its history, and I traveled a great deal. When I came to the U.S., I spent the first three months visiting stores. I spent more than 12 weeks traveling to 500 stores from Florida to Chicago, and from California to the Northeast.

I did the same thing when I went to Greece, to Germany, and to Asia. I always try to understand—as much as I can, of course—the tastes of the people, what they like, what they don't like, what they're looking for. Every country is a new experience.

Many of today's business students can also expect to have careers that take them all over the world. Do you think business schools can truly prepare students for working in the global business community?

I think they can, and I think they do. Many schools today offer their students the opportunity to spend six months or one year abroad. They realize it's important for someone to be very open-minded and have the experience of adjusting to another country.



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Hand-in-hand with globalization is the notion of diversity in the workplace. L'Oréal CEO Lindsay Owen-Jones has talked about creating the “United Nations of beauty.” Can you explain what that means?

For us to develop brands and products for the world, we believe we have to be “global from within.” We believe that diverse teams are more clever and more creative. L'Oréal is a fantastic combination of people and talent from different countries, origins, backgrounds, and religions, and they all work together. We are absolutely convinced that the more diverse we are, the better we are.

How can you ensure that these diverse employees work together in harmony, communicating and sharing information effectively?

We have a strong culture, which includes strong values, a clear strategy, and clear objectives. We make it easy for people from different origins and different countries to understand our values.

To reinforce our culture and our fundamental respect for differences, we require mandatory diversity and inclusion training for all managers, and that training soon will be rolled out to all of our employees. More than 1,000 L'Oréal managers and 800 employees already have received diversity awareness training as a part of their employee orientation and leadership development.

How do you communicate your vision and culture, especially to new employees?

We have many training opportunities for new employees. The first training session, which is called “Discovery,” lasts a full week. During that time, all the key executives from L'Oréal talk to the employees and explain what they do. Executives come from every department—marketing, sales, manufacturing, finance, human resources, and R&D.

It also helps that we are an oral company. We don't write too much. Instead, we discuss a lot; we have many meetings. And so, people share. People discuss. This allows new employees to understand quite quickly the way we work.

Your products are as diverse as your employee base. It seems that you want to be the beauty supplier of choice for people of all races, all nationalities, all over the globe. Why is that better than focusing on a particular line or a particular range of products?

From the very beginning, we decided we didn't want to

export the same vision of beauty around the world. We didn't want to export only the European vision of beauty or even the French vision. We wanted to offer consumers the choice between very different options.

L'Oréal's products range from older, established brands to newer lines aimed at specific markets. What can business students learn about managing and branding so many separate lines?

It's extremely important to keep them all separated and make sure each one has its own identity. We are organized by brand and division. Each brand is managed independently from the others and is based in its country of origin. For instance, the French brands are located in Paris, the American brands in New York, the Japanese brands in Tokyo. Each brand is completely independent. L'Oréal is not like a big machine or a big company. It's a combination of many independent business units. That's what makes each brand unique. That's also what gives the employees in each division a strong sense of ownership.

If business students were looking at L'Oréal as a case study, what would they learn about the best way to market an individual product line?

We always try to find the right balance between good immediate results and long-term vision. We have only 17 worldwide brands, and for each one, we have a clear vision with a clear strategy. We know that each brand can be globalized, and so we start with a long-term objective. Year after year, we do our best to extend the brand into different markets around the world. Sometimes it goes fast, sometimes it goes more slowly, but we keep to our vision. Because we have so few brands, we know that each one can be successful. It's a question of how to achieve that over how much time.

Marketing is a key part of the job for a general brand manager at L'Oréal. Do you think that today's business students are learning what they need to know about marketing?

From what I know about the students we see now, what they learn in school is really useful. They might not be learning exactly what we do every day, but what they learn is complementary. Of course, once they join a company, they will learn



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details that are specific to the industry. I think a business school education is a good preparation for a career, but I definitely think graduates must have a good attitude, keep their minds open, and remember that they can learn every day.

That’s especially true in marketing, which is not an exact science. Every day we make decisions about the brands. Some of them are right, some are not so right. We try to learn from the successes as well as the mistakes.

L’Oréal is interested in recruiting top business students, and one way the company finds them is through its e-Strat Challenge and Marketing Award business games. What other benefits have accrued to L’Oréal as a result of these competitions?

The games have reinforced our diversity. They’re played all over the world, so they bring us young candidates from America, Europe, Asia—everywhere. The games have also allowed us to identify, at the very beginning, some of the best talents coming out of business schools. I don’t necessarily mean the most clever people, but those who have an affinity with our industry. Some of them discover they are really made for the beauty industry, and some of them discover they are not.

In addition, playing one of the games gives students a chance to exercise their talents and gain some experience in how a real business works. That ends up being a win-win strategy. It’s good for us, good for students, and good for the schools.

L’Oréal has been actively involved with higher education in other ways. For instance, in 2003, L’Oréal USA launched a fellowship program to encourage young women to pursue scientific research. Does this fellowship program offer a direct benefit to your company?

It’s more a philanthropic gesture. It’s a way to give back, a way to promote women in science. At L’Oréal, we have almost 3,000 scientists, and more than 50 percent of them are women. So we know very well that women can operate in science—we prove it every day in our company.

If you were giving a commencement address at a graduation of a business school class, what would be the primary points you would want to emphasize?

I would tell students to choose a job that is really exciting, a job that makes them want to get up from their beds every morning and feel happy about going to work. I am extremely lucky because I always had this passion for my job. When you find exactly what you are made for, it makes your life absolutely fantastic.

As you look back on your career, is there one moment or experience that you remember as being crucial to your development as a business leader?

Not one, but many. A career is made of great moments, difficult moments, successes, challenges, joys, everything. I think each moment, good or bad, is a step in the journey. There are many, many steps, and they are all important. 