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HELLO

AS YOUR BEAUTY BRAND GROWS, SO WILL YOUR MANUFACTURING PROCESSES.

And it's probably going to get more complicated.

If you own or work at a beauty brand, then you already have a good understanding of your manufacturing process. There are a ton of decisions you need to make, from product design and formulation to packaging and shipping. Without structured decision making, it would be nearly impossible for beauty brands to succeed and grow.

You've gotten this far. But as you look to scale, you probably have some questions about how your manufacturing process scales with you. That's what we're here to help you with.

In this guide, we will walk through four key areas and a number of decisions you have to make within each – and the impact those decisions will have on the future of your brand.

Before you can move to manufacturing steps, you need to create a solid product.

The following product decisions are at the core of your beauty brand. Each one of these product decisions depends on what your specific beauty brand offers and how you want to appeal to consumers.



#1. FORMULAS

Your formulas are a huge part of your brand identity. They are essentially the bare bones of your products, without the packaging and design.

So, what decisions do you have to make about your formulas? A bunch:

- What skincare benefits do you want to claim? This could be anti-aging, brightening, etc.
- How will you differentiate your formula from similar products?
- Do you need to improve an existing formula or create something completely new?
- Do you have in-house R&D or do you need to work with a partner?
- What ingredients will you include?

The composition and benefits of your formula are entirely up to you. But if you need help innovating so you can continue to fuel growth, working with an R&D partner is a great idea.



#2. INGREDIENTS

As you develop your formula, you also have to think about what ingredients are needed in order to make the skincare claims you are targeting. There are many of ingredients you can use to truly define each formula.

Ingredients like hyaluronic acid, plant extracts, and vitamins serve specific purposes and are attractive to consumers.

While most people probably won't recognize an ingredient like titanium dioxide, they will recognize vitamin C and how that ingredient can benefit their skin.

Also, keep in mind that [some ingredients are blacklisted](#) and considered toxic for human consumption.

Before finalizing your ingredient list, make sure you haven't landed on a restricted ingredient by mistake. Additionally, your brand should develop a list of blacklisted items that you can refer to when creating any new product.

Examples of Basic Skincare Formula Ingredients:

- Water
- Iron oxides
- Titanium dioxides

Examples of blacklisted cosmetic ingredients:

- Formaldehyde
- Mercury
- Methylene glycol



#3. TESTING

Whenever you develop something people will ingest or, in this case, apply to their skin (a sensitive thing), testing is critical to ensure it's safe and effective for human use. Important questions here include:

- Are you going to perform that testing? If yes, does your budget account for all the testing you need in order to validate the product?
- Are you partnered with a manufacturer who has already tested their stock formulations?

If you are responsible for your own testing, there are a few things to keep in mind.

All non-special use cosmetics in the U.S. must undergo microbiological testing, which can be a lengthy process. Depending on the claims, some beauty products may require testing to adhere to [FDA regulations](#) and other requirements; this can take several months to more than a year. This can delay your product launch, so take note of this when planning your product schedule.

Product testing is expensive, and many beauty brands opt to use a third-party testing company to complete the process. While completing your own testing is possible, it's more complicated, time consuming, and expensive to attempt to do it yourself than to hire an experienced team. However, if you do hire a third-party testing company, be sure to ask them about their processes. The number one question to ask is whether or not the company tests on animals. Many beauty brands across the globe are staying away from companies that do so to avoid any association with animal cruelty.

#4. DEFINING PRODUCT QUANTITIES

Now that you've dreamed up product formulas, selected ingredients, and tested the resulting solution, it's time to define how much you will need. As a growing beauty brand, you have probably sold a lot of products already, and you can use that sales data to inform any new decisions.

If you don't have any sales data to rely on, begin with small quantities and build up from there. Financially, it's better to sell out and alert consumers about a restock than to manufacture a very high quantity and have leftover product. You can always create more products, but you can't return already-made products to your manufacturer.

#5. PRODUCT CERTIFICATIONS & CLAIMS

There are a number of product certifications and claims that beauty brands can make based on formulations and ingredients. These statements can attract your target audience and set your products apart.

Each one of these claims has different requirements, but note that a claim and certification are two separate things. For example, if you want to label your products as organic, you can

make a simple claim on your packaging that you can back up with relevant ingredients and the elimination of chemicals. Or, you can go one step further and seek certification by the U.S. Department of Agriculture to display a "Certified

Organic" label on your products. If you want to label your products as certified cruelty-free, you need approval from the Coalition for Consumer Information on Cosmetics (CCIC). Some other certifications have requirements from the FDA

The bottom line is, if you want to label your products with these claims, make sure to do your research so you meet the regulations.

#6. ALWAYS CONSIDER YOUR TARGET AUDIENCE

As mentioned above, every product decision you make should keep your customers in mind. How can your brand bring more value to them? What beauty products are currently unavailable that they might want or need? When you make product decisions with your customers in mind, you will always make the right decision.

In order to bring these product decisions to life and deliver them at your growing scale, you need manufacturing support — next, we will discuss what to consider when selecting a partner.

Popular Beauty Product Claims & Certifications:

- Plant-based
- Vegan
- [Sephora Clean](#)
- Organic
- Hypoallergenic
- [Sustainable](#)
- Cruelty-Free

Manufacturing Partner Decisions

The right manufacturer is going to bring your ideas to life – but not all are created equal.

As a growing beauty brand, you may already have a manufacturer – but that doesn't mean that partnership should last forever. While manufacturing contracts may constrain making immediate changes, when contract renewal comes around, make sure to review the entire manufacturing process to ensure the partnership is truly driving your brand to success. If not, it could be time to make a change.

When choosing a manufacturer for your beauty brand, ask yourself these **five questions**:

1. Where is my manufacturer located and how will that impact my budget and demand costs?

2. Can my manufacturer create the specific formulas and products that I need?

3. Does my manufacturer care about its environmental footprint?

4. Can I meet my manufacturer's minimum order quantities?

5. Can my manufacturer grow with my brand?

#7 LOCATION

The location of your manufacturer can drastically change how the manufacturing process happens.

For example, if your manufacturer is not within the same country as your brand, there are certain import laws and costs you will have to consider. This could drive up expenses, which means the budget you've allotted for manufacturing will need to increase accordingly. Can your beauty brand afford to make this happen?

#8 CAPABILITIES

Not all manufacturers have the ability to create the formulas and products that you need.

For example, you may want to create skincare cosmetics and over-the-counter (OTC) products, but your manufacturer cannot do both. Whatever the scenario may be, it's crucial that you take a deep dive into your manufacturer's formula and product capabilities to ensure that you're making the right decisions.

#9 SUSTAINABILITY

Sustainability is becoming more and more important for brands at a global scale, and consumers are rewarding brands that demonstrate care about their environmental impact.

Make sure your manufacturing partner agrees with this. Formula and design capabilities are important, but so is sustainability. Look for a partner that leads with efficacious, eco-friendly solutions, ethical sourcing, and clean manufacturing processes.

#10 MOQs

Minimum order quantities (MOQs) are different for every manufacturer and product group. They can greatly impact your brand's budget.

In many cases, manufacturers will work with brands to land on an attainable MOQ for everyone involved. When quantities need to be very high, volume discount pricing is often an option.



#11 GROWTH

As time goes on, your beauty brand is going to gain traction, appeal to more consumers and become more successful. This is going to bring growth to your company, and you are going to need a manufacturer who can support that growth. Can your manufacturer meet demand? Can they grow as you grow?

The answer is "yes" if they:

- Have years of experience supporting other brands similar to yours
- Offer a wide range of beauty solutions
- Don't shy away from your new ideas (and have new ideas of their own)
- Provide full-service support, from design to manufacturing

Now that you know how to choose the right partner, we can touch on the next crucial steps: packaging and shipping.

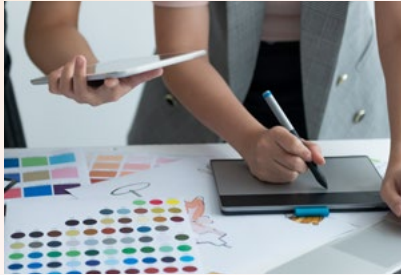


Packaging & Shipping Decisions

Your product isn't done with the formula. Now, it's time to package it luxuriously to attract customers - and efficiently and safely ship it to where they are shopping.

Packaging and shipping decisions are often shared between you and your manufacturing partner. However, it is still your responsibility to establish your design vision, shipping needs, and guidelines. Here are some of the decisions you need to be aware of:

#12



DESIGN

To capture brand loyalty, you first have to capture attention. This starts with the design of your beauty solution's packaging. Every decision you make about colors, graphics, word choice, and other design elements needs to speak to your target audience.

For example, if you are creating beauty products for mature women, then you would include mature models on your packaging. If you're creating a skincare product that both women and men can use, that should be reflected in your packaging design.

Also, explore alternative and functional packaging ideas - such as integrated applicators.

#13



QUALITY

Anyone who has used a beauty product knows that there is high- and low-quality packaging. The materials used in internal and external product packaging both make a statement to consumers.

For example, a branded skincare product in a glass container and wrapped in recycled tissue paper that arrives in the mail in an appropriately sized and neatly packed box looks much nicer than a product that comes in cheap plastic with no wrapping or branding. High-quality packaging stands out and leaves a lasting impression on consumers, subconsciously indicating that they purchased a valuable beauty item.

#14



SHIPPING DETAILS

Shipping your finished product to retailers and consumers is the final step in fulfillment that you should get excited about - the process is almost complete!

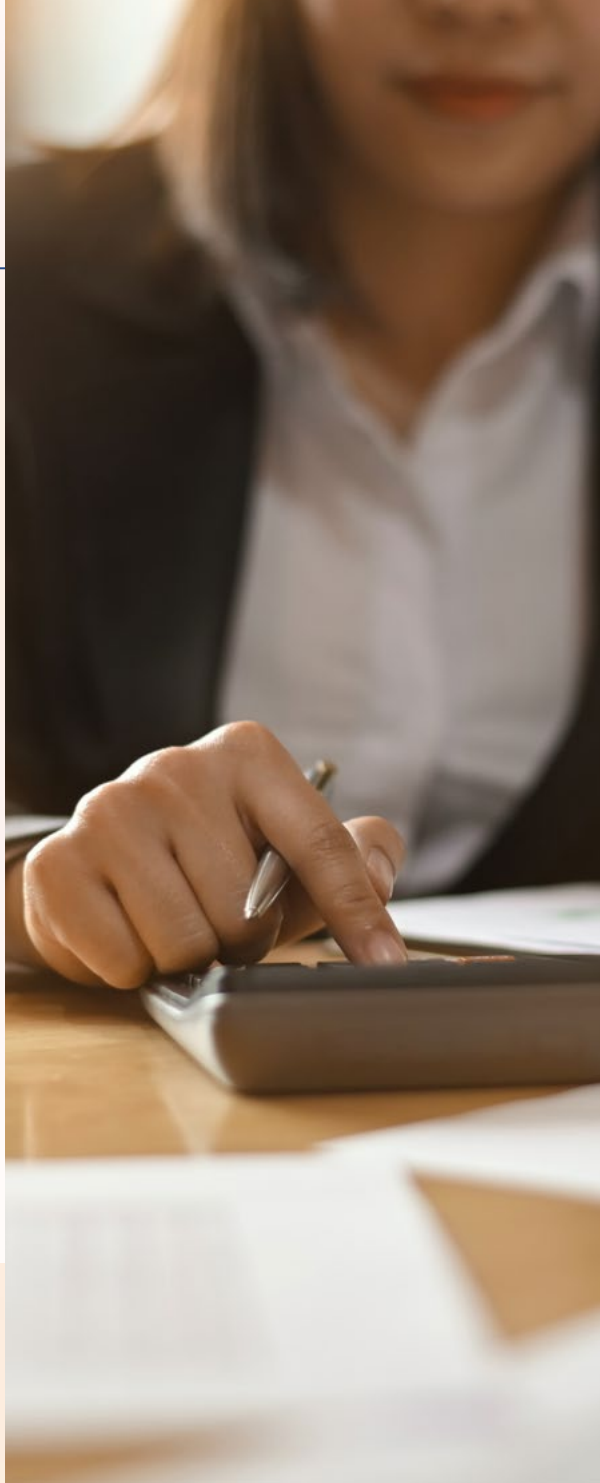
The first decision you have to make here is what shipping company you're going to work with, or if you're going to work with a third-party logistics provider to help you get the right rate. The rate will depend on the size, weight, distance, and quantity of your products.

If you are located in the U.S., some common options include:

- USPS
- FedEx
- UPS
- Third-party shipping and fulfillment services

If you are going global, you might need to consider ocean versus air shipping. The [International Forwarding Association](#) (IFA) has outlined international shipping specifics for beauty products, so when things get complicated, you can refer back to them for guidance.

Packaging and shipping are some of the final steps of the product creation and distribution process. But all of the decisions and steps we've mentioned so far rest on a crucial factor: your beauty brand's budget.



Budget Decisions

Now you may be wondering how to financially support everything discussed so far. Let's go over the factors that will dictate your budget.

While budget decisions may not be considered a glamorous part of beauty manufacturing, they are instrumental in success. Outlining a detailed budget will help your brand stay on target so at the end of each month, there is a growing profit. Here are factors to consider as you plan your budget.

#15. COST OF PRODUCT

The manufacturing cost of your product has the biggest impact on your budget. This is a combination of the cost of:

- Formulas
- Ingredients
- Packaging material

The cost of your product impacts how you price for your customers so you can make a profit.

#16. LEAD TIMES

Lead time is the amount of time it takes to get a final product after signing a contract with a manufacturer. This is more than just manufacturing time, though. It takes time to customize and produce high-quality products that will build a solid reputation for your brand.

Lead times are typically between 8 and 16 weeks for beauty products, although they can be longer.

Lead time will directly affect your total inventory level and can tie up cash that you could be using for other business functions, like marketing. Reducing lead times should always be a high priority.

#17. IMPORTING COSTS

As mentioned earlier, your brand may face import costs depending on where your manufacturer is located. These costs are an addition to any budget, but they aren't necessarily a bad thing. A valuable partnership between you and your manufacturer is often worth the additional cost, but it's still important to recognize how this will impact your budget. If you are located in the U.S. and importing beauty products into the country, there are a few things to keep in mind.

- **Customs bonds** – this is required for anything valued over \$2500.
- **FDA regulations** – these regulations differ depending on the claims you are making for a beauty product and for each type of product, but all of them [require a display label and declaration of ingredients](#).
- **Harmonized tariffs** – these are the codes that classify cosmetics in the U.S.

No matter what country your brand is located in, you need to prioritize import costs and regulations. While importing products will impact your budget, they also affect your brand's reputation. If your brand doesn't comply with import laws, you may be fined or even banned from importing in the future.

Now that you've finalized your budget – let's bring everything together.

Conclusion

A lot goes into bringing your dream beauty product to life - especially for growing brands that are facing more decisions than ever. With this detailed guide to all the decisions you have to make, your beauty brand will be empowered to make the best choices that will lead to success.



About TaikiUSA

TaikiUSA is a contract manufacturer for beauty brands that partners with you during the entire product creation process – formulas, testing, design, packaging, shipping, and so much more. We work with beauty brands of all sizes to create and deliver products that solve beauty and skincare application challenges.

Where do you
want to take
your brand?

