



Like the big guys

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How to package like the big guys...

BY KAREN SAAD

in today’s market we are seeing the emergence of many boutique skincare labels, most with quality product, clever advertising campaigns and beautifully presented packaging. It is common knowledge that the modern skincare label competes on all levels with the well-established, ever-popular and respected global brands, the ‘big guys’, and offers the consumer a wide range of choice in product quality and price.

With the coming of the new millennium we began to adopt the attitudes that led to today’s common terms of “sea change”, “home office” and “health and wellness”. These are widely accepted thoughts and actions that comprise value systems emphasising personal growth, all things organic and the increasingly important work/life balance. Such terms have not only translated to a broader acceptance of this fresh take on popular culture, but fostered an enviable admiration for budding entrepreneurs who have dared to take a risk, commit to their visions and build their own businesses in the hope for a better lifestyle. The aesthetics industry has witnessed an enormous growth in this area with many boutique skincare labels competing effectively and successfully with the perennial players in the industry.

Add to this an ever-growing global conscience focusing on weighty moral and environmental issues such as waste disposal, global warming, conservation, and health and preservation issues concerning mankind and animals alike. It is no wonder that both old and new skincare labels have also adopted these global values and are promoting their brands to be “eco friendly with biodegradable packaging, free from animal testing (and cruelty), full of vital sun factor protections and rich in organic ingredients”. The rise of these modern reassurances certainly adds to the consumer’s power for choice of product.

A new parochial awareness and an ever-conscious global society has generated a wave of responsible and innovative skincare labels, a movement showing no signs of slowing down. These new beauty industry businesses have the opportunity to benefit from popular opinion and beliefs and now more than

ever have access to an array of external business supports with many like-minded entrepreneurs, across all business sectors, having adopted the same attitudes and value systems. The many specialised businesses emerging in support and service capacities are competing on an even playing field with their larger, more established counterparts, enabling small businesses to become successful competitors in a market place once dominated by well established multinational or global companies.

Today, small business has access to all the elements that form part of a large company; in the beauty industry it means that boutique skincare labels have access to independent businesses providing services such as product formulators, manufacturers, graphic designers, marketing and brand creators. These skincare labels can now produce and package like the big guys. By outsourcing specialised skills and services to other businesses, they are engaging in a new style of business method - utilising cost-effective resources that are traditionally found within the infrastructure of global companies - and are benefitting with the same net result.

A major aspect of any successful skincare label is the creation of brand awareness and a professional image which provides the consumer with brand confidence. This is partly created through advertising and marketing campaigns, but most importantly it is the end product, namely its presentation or packaging, that is key to a label's longevity. Boutique skincare brands must compete on all levels with their rivals. Without a doubt the most capital-intensive aspect of any skincare label is the purchasing or leasing of production equipment (manufacturing and packaging machines). This kind of equipment is simply not an affordable option for new businesses as expensive assets and start-up costs can often overwhelm small budgets. In turn it may affect great skincare products from ever seeing the light of day. This is where the big guys have the advantage; global companies are equipped with in-house production facilities, staffing resources and working capital. Thankfully this capital-intensive cost can now be eliminated altogether with packaging solutions businesses offering professional equipment for hire.

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Nathan Wardell, founder and managing director of Packserv Pty Ltd explains that “the best solution for new skincare labels is to hire the packaging equipment and pack their products in-house until they grow to a point where they have the ability to afford to lease or purchase a complete in-house packaging facility”. Wardell worked in the packaging industry for many years and founded Packserv to support and help small businesses compete with their larger counterparts. His aim was to provide them with a cost effective way to access the same equipment and use the same packaging methods as larger companies at affordable weekly rental rates.

“I am constantly impressed by the quality of the product my clients are manufacturing; to be able to provide them with professional induction sealers, ink jet coders, filling, capping and labelling systems is a real thrill for me. The equipment is so simple to use and the end result is a flawless product presentation and packaging that rivals any global company.”

Wardell can relate to today's popular attitudes. “One of my clients, an organic skincare label, has just completed a major sea change, relocating from America, and they have been able to move their business with them. They continue to manufacture their product overseas, but most importantly have retained the

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control and cost of packaging by sourcing their containers locally and hiring our equipment to package the product. This has allowed them to continue their business without interruption, delay or the expense of purchasing packaging equipment in a new country,” he says.

Packaging is an unavoidable process in the manufacturing of skincare products. Until now, most skincare labels that could not afford to lease or purchase their own equipment had to engage the services of a contract packer to package their product. Normally a contract packer would be part of the manufacturing plant that produces the product in bulk. This does allow the label to have access to expensive equipment and professionally packaged product, but the cost per unit can be quite expensive, especially if the product runs are small. The most cost-effective option for a budget-savvy business is to hire the equipment and pack in-house. Hiring the equipment gives the business the ability to schedule their production runs based on the commitments they have with the retailers. It allows them the freedom to pack when they need to; they can do large or small runs depending on their orders, and they retain full quality control. Hiring equipment also provides the business with no further commitments, no repair and maintenance costs, no asset insurance or technical staff and can save a small business enormous amounts on financial responsibility. Wardell points out that most skincare labels only require a bench-top operated production system, one that includes a filler, capper, labeller, coder and/or sealer and the equipment is so compact it can be set up on a bench table or space of around two meters in length.

In such a highly competitive industry where appearance counts for so much and consumers are continually being presented with the newest, the latest and the greatest, they are also being introduced to a new breed of entrepreneur who, with clever outsourcing and access to “do it yourself” packaging solutions and brilliant skincare label, is paving the way for the future and reinventing the traditional business model. **PB**

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