ROLE OF PERKOSMI
AS SERVICE PROVIDER TO INCREASE
SUSTAINABLE COMPETITIVENESS ADVANTAGE
OF INDONESIAN SMEs

By
Nuning S. Barwa
President of Perkosmi
(Indonesia Cosmetic Association)

Presented at Global Services Forum Beijing Summit
InterContinental Hotel, 28 – 29 May 2013
• Introduction
• Sustainable value chain to increase competitive advantages
• Perkosmi strategy
Over the past decade, sustainability has moved from the fringes of the business world to the top of shareholders agenda.

As well known Indonesian cosmetic association which called Perkosmi, we took important roles in ASEAN cosmetic harmonisation since the beginning.

The new cosmetic regulation has been implemented in 2008 and it has changed the paradigm from “pre market approval” to “post market surveillance”.

To support the development of the cosmetics business in Indonesia and increase the competitiveness of the members in local, regional and global market
SUSTAINABLE VALUE CHAIN
TO INCREASE
COMPETITIVE ADVANTAGES
GLOBAL COSMETIC TREND

• Impacted by the global economic condition, growth in Asian market has slowed down. Home to China and India, Asia continues to be the main driver of retail growth globally.

• The expending middle class consumers in China, India, Indonesia and Vietnam will be a substantial force in driving demands of cosmetic products.

• With a population of 230 million, Indonesia provides a potential large domestic market. Traditionally, personal and beauty care preparations are deeply rooted and gaining more popularity among domestic and international consumers in view of the popular trend of “back to East”.

• The potential vast domestic market has not only attracted major foreign companies to invest in Indonesia, also local producers have expanded into international markets.

• The potential vast domestic market has not only attracted major foreign companies to invest in Indonesia, also local producers have expanded into international markets.
SUSTAINABLE VALUE CHAIN

• ‘Sustain’ demands are emerging from consumers, retailers, other stakeholders, along with national and international regulations.

• Sustainable value chain analysis follows a product from sustainable and biodegradable resources of incoming materials, manufacturing processes, safe and effective products and services, distribution to retailers to objectively assess how well all the businesses involved in making and delivering the product to consumers worked and together, and what activities added value in the eyes of consumers.

• The outcome is a clear direction to maximise opportunities for adding value in line with what consumers want and reduce the environmental impacts that effectively balance their customer needs without compromising the resilience of present and future generations.
SWIFT PARADIGM PRINCIPLE

BEFORE

Traditional supply chain
‘Supply push’

Not understand the market

AFTER

Sustainable value chain
‘Consumer demand pull’

Working together to reach consumers

PERKOSMI STRATEGY
There are three critical elements to sustainable value chains:

- working together with the other businesses in the chain
- understanding consumers and
- being environmentally sustainable.

While businesses might be working on one or all of these elements, the real benefit and sustainable competitive advantage is realised when all three are considered be implemented by all related stakeholders for mutual benefits.
CREATE VALUE CHAIN

• In today’s marketplace, companies no longer compete one-on-one; their supply chains do. To compete successfully, all members of supply chains should strive to provide value to their customers by eliminate wastes, thus they create a “value chain’.

• By streamlining work processes, developing stronger relationships with suppliers, create and develop better network, then using technology, the company can significantly increase their profitability.

• As service provider, Perkosmi helps to transform the supply chain into a value chain by discover the opportunities and the challenges that emerge when we can improve and integrate the business processes of manufacturers, suppliers and independent service laboratories to create better product quality that safe and effective to meet the consumer

**PERKOSMI AS SERVICES PROVIDER**
**BOOSTER GLOBAL SUPPLY CHAIN**

**Perkosmi Services**

**Benefits to Company Members**
- **Regional & Global Reach**
  - Improves connection to business partners and customers
  - Promotes global awareness

- **Global connectivity**
- **Regulatory know-how**
  - Improves knowledge regarding regulation, and standard,
  - Gets input & knowledge for production, sales and trading

- **Assists technical industrial matters**
  - Global sourcing of RM/PM
  - Improves notification, GMP & PIF knowledge
  - Meet cosmetic standard quality safety & efficacy

- **Provide market access**
  - Enlarge and strengthen market network
  - Boost branding
  - Strengthen customer chain

**Opportunities for Advantage**
- **Comply to standard & regulation**
- **Enhance customer satisfaction**
- **Meet global consumer demand**
THANK YOU