



The Development Process made easy with IPCS

Formulation development is the development of samples and a formula to meet the needs of your specific brief. IPCS formulations are developed to be premium quality depending on the needs of your specific brief. Where organic and/or strict natural compliance is required, there may be some limitations to performance, aesthetics and/or skin feel. Using semi-natural or no natural restrictions options will give us greater formulation flexibility. If you require us to copy a product you currently have but don't have the formula for, you will need to ask us about our Reverse Engineering services.

We can confirm limitations, costs and possibilities with you on all enquiries once we have received your brief and a benchmark sample of a product you like (preferably with ingredient list). We use the benchmark product as a guide to how you want the product to look, feel and perform, but we will not be matching it exactly unless you are getting a Reverse engineering service. The extent to how similar the product will be will depend on other elements of your brief, how organic or natural you want it to be and/or ingredient restrictions or specifications you list. We will be able to discuss this better with you once we have received a benchmark sample and your brief.



**Institute of
Personal Care Science**

Preliminary answers you should have before Development!

■ What should you be prepared to invest on Development?

Successful cosmetic companies should be looking to invest up to 10% of their anticipated 3 years sales on R&D per product, which includes formulation and sample development, stability testing, pilot batches and regulatory checks including claims and label compliance. If you are not prepared to invest in your brand, don't expect the sales results! For therapeutic goods, be prepared to invest 15% to cover additional regulatory checks/components. This is what a suitable budget looks like based on conservative sales of a Cosmeceutical Face Cream with anticipated annual sales = \$35,000 x 3 = \$105,000/3 years.

R&D Activity	Price
Formulation Development	\$2,495.00
Lab batch (for stability, PET, evaluation and other purposes)	\$800.00
Label compliance	\$350.00
Claims support	\$500.00
Stability (9 mths accelerated + 30 months real time)	\$2,500.00
PET (through external lab)	\$700.00
Total R&D	\$7,345.00

*****This represents 7% of anticipated sales = GOOD INVESTMENT*****

This budget also allows a further \$3,155 to be allocated toward pilot batch and scale up costs, and could have a small portion allocated to Project Management if you need assistance in this area.

If you are not prepared to invest in good R&D for your brand, you are not serious about it succeeding in the market.

■ What is included in development costs?

- Formulation samples (up to 3 rounds of samples in sample size 30 – 50mL each round)
- Ingredient list, formula, method of manufacture and supplier details
- Indicative preliminary stability: 2 weeks high temperature and freeze/thaw (report not issued)



■ What is not included in development costs?

While IPCS carries an extensive range of raw materials that will not be charged for, if raw materials must be purchased specific to your developments, these will be charged at cost – you will be advised of cost before we purchase for you to confirm. Express courier costs are as per the below table (up to 500g):

Aus	NZ	Asia Pacific Eg China, India, Indonesia, Japan, Malaysia, Singapore, South Korea	US/Canada	EU/UK/Middle East/Russia/ South Africa/South America
\$20	\$30	\$40	\$50	\$60

Additional services which are optional but available after completion include:

- Lab batches and multiple or larger samples
- Prolonged accelerated or real time stability
- Project management such as, but not limited to: coordinating batches, raw material supplier discussions or discussions with your manufacturer
- Claims support and marketing story, label compliance
- PIFs or Dossiers

Full costings on these services are provided later in this information sheet.

■ Why should you use IPCS for your Development?

There are multiple reasons to use IPCS for your Development – here are the most obvious ones!

- Complete transparency on what you get as part of the development service – this document provides detailed information so you can make an informed choice before proceeding
- Complete transparency on what your product does/does not contain
- You get full ownership on payment/completion
- We are world leaders in teaching formulation skills – we are experts at what we do
- Strong history of professional service and innovative formulations
- Outstanding contacts with raw material suppliers and manufacturers
- We NEVER sell the same formula twice! What you ask for in your brief will be an original formula, specific to your company needs, created only for your company
- We understand the commercial implications of your development and can provide additional training to help your products and brand be more successful if you need assistance – just ask us how!



info@personalcarescience.com.au
<https://personalcarescience.com.au>

■ What do IPCS need to get started?

To get started on your development we need you to provide us with:

- Signed Confidentiality and Development Agreement
- Completed Product Development Brief for each product you want created and ideally, benchmark sample/s with ingredient list/s
- 50% deposit – we can confirm pricing once we have your brief; prices based on Standard Pricing

Standard Pricing

Product Type	Price for Development (AUD)
Face and body products (non cosmeceutical) <ul style="list-style-type: none"> • To suit a variety of skin types and/or eye area; please specify in brief • Examples include: serums; toners; lotions; light, medium and rich creams; body butters; crème cleansers, foaming cleansers, chemical and/or abrasive cleansers; abrasive crème cleansers 	\$1995inc GST
Cosmeceutical and SPF15 products <ul style="list-style-type: none"> • With clinically proven claims/actives • Examples include: whitening, anti-ageing, skin firming products in various forms • SPF testing costs additional; please refer to APTF or Dermatest for testing costs • Products with SPF >15: P.O.A, please submit brief for quoting 	\$2495inc GST
Tanning products <ul style="list-style-type: none"> • Can be colour free or standard light, medium or dark bronzers • Examples include: tanning spray; tanning lotion; tanning cream 	\$2495inc GST for first product (includes colour match) + \$995inc GST per DHA/bronzer variant thereafter
Hair products – cleansing and conditioning <ul style="list-style-type: none"> • To suit a variety of hair types; please specify in brief • Examples include: shampoos; conditioners; spray in or leave in conditioners • Does not include styling products – please refer below 	\$1995inc GST
Hair products – styling <ul style="list-style-type: none"> • Examples include: gels, waxes, pomades, hairsprays, mousses 	\$2495inc GST
Hair perming and colourants <ul style="list-style-type: none"> • We need your brief to be able to quote on these products as product needs can vary greatly 	P.O.A
Coloured make-up <ul style="list-style-type: none"> • Includes all types: loose and pressed powders, bronzers and eyeshadows; BB/CC creams; tinted moisturisers; liquid foundations; concealers; lipgloss; lipsticks; eyeliner; mascara 	\$2495inc GST for first product (includes colour match) + \$700inc GST per colour matched variant thereafter

Want a product not mentioned above? Please submit your brief so we can quote on it for you!

■ The Development Process – How it Works at IPCS

Stage	Typical Time Required	What Happens
1	<i>No development started until deposit received</i>	<ul style="list-style-type: none"> • Confidentiality agreement • Product development agreement • Product development brief • Discussions to confirm brief (if required) • Benchmark product & samples of your packaging required (if applicable)
50% Deposit required		
2	2 - 4wks	<ul style="list-style-type: none"> • We source raw materials and technical information <ul style="list-style-type: none"> o Please allow 2-4wks for raw materials and information to arrive specific to your development o Please send raw materials specific to your development if you have them o Materials are charged to the client at cost price (inc. delivery) if payment by the supplier is required
3 Final payment required at 30 days from commencement	1 – 2wks once all materials arrived (typically 30 days from commencement)	<ul style="list-style-type: none"> • Sample development • Samples sent for evaluation & feedback by you <ul style="list-style-type: none"> o Please be prompt and detailed with changes required
4	1 – 2wks; <i>longer may be required if additional materials required</i>	<ul style="list-style-type: none"> • Changes made, further samples developed and sent for feedback/approvals • Samples sent for evaluation & feedback by you <ul style="list-style-type: none"> o Please be prompt with sign off
5	Within 2 business days	<ul style="list-style-type: none"> • Approvals received • Ingredient list, formulation, method of manufacture and supplier details sent to you (full payment required before sending if not already paid)

Typical time frame for development: 2 – 3 months depending on revisions required



■ What happens after Development?

Assistance after development is optional although stability is highly recommended. All Post Development Options are available as additional steps at additional cost. Please contact us if you would like to proceed with any of these items once your development has been completed. If you want to know more about what these are, please refer to the FAQs following this section.

Post Development Options
<ul style="list-style-type: none">• Lab batch preparation for evaluation/stability purposes<ul style="list-style-type: none">o Up to 2kg of product = \$800inc GSTo Purchase of raw materials to be covered at cost price if requiredo Please provide packaging for product to be filled into
<ul style="list-style-type: none">• Label compliance<ul style="list-style-type: none">o Compliance to AU/EU/US = \$350inc GSTo Multi-country compliance not possible for products with SPF claims
<ul style="list-style-type: none">• Claims support and marketing story<ul style="list-style-type: none">o Includes list of permitted claims, evidence table and supporting evidenceo \$350inc GST for non-cosmeceutical productso \$500inc GST for cosmeceutical products (clinically proven efficacy or claims)
<ul style="list-style-type: none">• Product Evaluation services<ul style="list-style-type: none">o Testing for skin elasticity, irritation, TEWL, hydration, sebum etc – specific to your product performance and can include competitor evaluationso Contact us for more information; costs will be specific to the needs of your evaluation
<ul style="list-style-type: none">• PIF/Dossier (required when exporting)<ul style="list-style-type: none">o Prepared to EU requirements = \$800inc GST<ul style="list-style-type: none">- EU registration still required; payment required direct to EU agent. Allow approx. 70Euro/product for initial registration + 100Euro monthly per 10SKUso Prepared to Chinese requirements = \$175inc GST once EU PIF preparedo We require packaging details, PET (refer below) and stability data to complete
<ul style="list-style-type: none">• Preservative Efficacy Testing – confirms preservative efficacy<ul style="list-style-type: none">o Must be outsourced; please refer to Silliker or your preferred test facilityo Normally around \$700inc GST – please refer to test facility for exact quoteo 100g of product will need to be provided - we can prepare for \$350inc GST OR have this prepared with the lab batch (quoted above) at no additional charge



- Stability Testing – confirms shelf life
 - o Required for EU, ASEAN and Asia
 - o Required for products with SPF claims anywhere in world
 - o Please provide sufficient product in your specific packaging to complete program or have us prepare a lab batch (quoted above, your packaging required). We will need 15 x 50g packs of product for testing.
 - o 9 months accelerated program = \$1600inc GST, payable in 4 x \$400 monthly instalments; includes:
 - Stability protocol (at start) + report (on completion)
 - Testing (5 time points; t = 0, 1, 3, 6 and 9mths) = viscosity, specific gravity, pH, appearance, form, aroma
 - Storage: 4°C (3 months); ambient (9 months); 40°C (9 months); 55°C (1 month)
 - Freeze/thaw (6 cycles)
 - o Extend accelerated program to 30 months real time = \$900inc GST, payable in 3 x \$300 monthly instalments after completion of accelerated program
 - Stability protocol (at start) + report (on completion)
 - Testing (4 additional time points; t = 12, 18, 24 and 36mths) = viscosity, specific gravity, pH, appearance, form, aroma
 - Storage at ambient (21 additional months)
 - We will need 6 x 50g packs of product for testing.
 - o PET still required – please see PET costs
- Project Management
 - o Includes assistance with coordinating upscale, pilots and full scale manufacture
 - o Discussions with your manufacturer if there are formulation, supply or quality issues on scale up
 - o Problem solving including R&D time if required
 - o Standard service = \$495inc GST; additional time and charges may be required



■ Frequently Asked Questions (FAQs)

We hope these FAQs help you understand the process – IPCS are here to help you get the most success out of your brand and these essential items are things you should know!

- **Do I need a lab batch?**

If you want to conduct evaluations of your product larger than the small samples we send you (for example, performance or stability evaluations) then yes, you should have a lab batch made.

- **Can my manufacturer make the lab batch? Why do I have to pay for a lab batch if IPCS make it?**

If we make it, it helps prove the formula will work in the first stage of scale up. We charge based on time as we do not sell you units of product. Your manufacturer will charge you based on units made, so may be able to incorporate the costs of a lab batch into the per unit price when you get product manufactured. We are however usually able to prepare the lab batch much quicker, so it depends how urgently you need the lab batch made.

- **Do I need label, claims support and marketing compliance checks?**

Unless you have someone that can do this for you, you should get us to assist you with this. You can also learn how to do this for yourself – just \$350 for the unit (once off payment, includes label, claims support and marketing compliance learning). We are happy to teach you; but if you want us to help you with this, you need to pay for our time, which is a per product cost each time.

- **Do I need preservative efficacy testing (PET)?**

While we are responsible for ensuring we select a preservative that in theory will provide suitable long term preservation of your product, the only sure way to know if it is actually effective is to conduct PET. PET is a way of ensuring your product is suitably preserved using practical methods. Is something likely to go wrong? Not in theory. Can something go wrong? In practice, unexpected results can occur. We can't know this without it being tested. Ensuring preservative efficacy in practice is your responsibility, so you should get this test done on all water based products.

- **Do I need stability testing?**

While we are responsible for ensuring we prepare a formulation that will be theoretically stable over 2-3 years, the only sure way to know if it is actually stable is to conduct stability testing to at least 30 months real time. Stability testing is a way of ensuring your product will have the anticipated shelf life using practical methods. Is something likely to go wrong? Not in theory. Can something go wrong? In practice, unexpected results can occur. We can't know this without it being tested.

Ensuring stability in practice is your responsibility, so you should get this done on all formulations. It should be part of your planned R&D investment and helps prevent product recalls, which would be your responsibility. If you are planning to export product or have a secondary sunscreen product (i.e. foundation or moisturiser with SPF) you will need to conduct stability testing as the shelf life justification for these products is required.



- **Do I need project management?**

If you have quality issues with your manufacturer or don't understand upscale and pilot batching, you will need to pay for additional consulting time with us. If you know how to take care of these needs for yourself, you don't need us to help you with this step.

- **IPCS have finished development – now what?**

Once we have provided you with the formulation, method and supplier details, you will need to approach manufacturers to get quotes on the product based on your batch size. You should ensure you get a "pre-production sample" from the manufacturer prior to manufacture being done, and this should be EXACTLY like we have prepared you. We cannot emphasise this strongly enough. If it is not exactly the same, you need to ask your manufacturer if they have used the same suppliers we have listed, and if they have followed our method. If they have, it should match. If they say they have and it doesn't match, we can investigate what has happened but we will need to charge project management fees. Our formulas have always worked in scale up EXCEPT where manufacturers use materials from a different supplier for 1 or more of the ingredients (and don't tell you) or use a slightly different method. Get them to check these things first before coming to us as we will need to charge for our time to investigate if something has gone wrong, and it is usually one of these two things.

- **My manufacturer wants to change part of the formula, should I let them?**

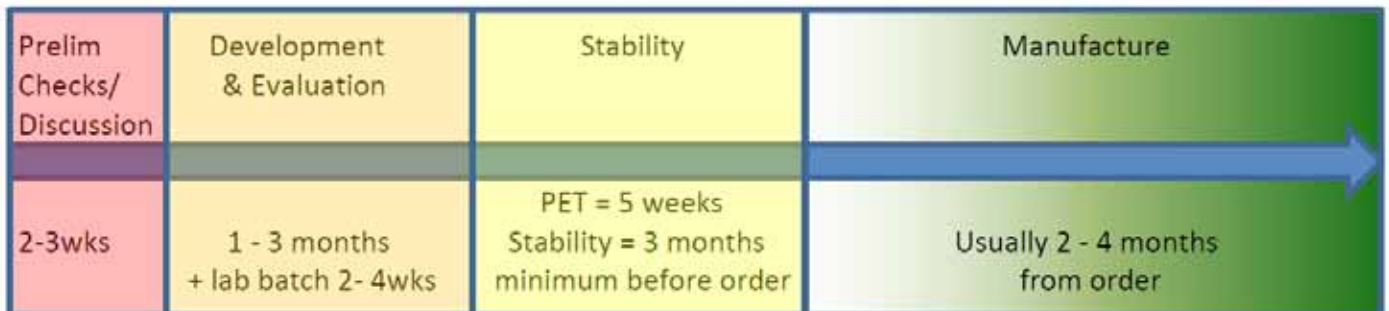
No. There are 2 big reasons for this.

- o if they change any aspect of the formula they often won't provide you with the changes if they make them, and this will leave you without the formula you take to market.
- o if they change it and something goes wrong and you have authorised the change, you could be left with a failed batch that you have technically authorised without knowing what or why changes have occurred.

- **How long does all of this take?**

All going well, it will take 2 - 3 months to finalise your development from first discussions to sample approvals. All going well it will usually take an additional 9 months for most cosmetic products to move through accelerated stability and manufacture to be ready for launch. Short cutting the process is not only unprofessional, but can lead to product quality issues and at worst, product recalls. Please see the timeline below for a guide on how this works in practice:

Prelim Checks/ Discussion	Development & Evaluation	Stability	Manufacture
2-3wks	1 - 3 months + lab batch 2- 4wks	PET = 5 weeks Stability = 3 months minimum before order	Usually 2 - 4 months from order





Company:	Product:	Referral Source:
Contact:		
Phone no:	Address:	
Mobile no:	Email:	

Type of product (e.g. baby shampoo, moisturiser for the face etc.)	
Form required (e.g. serum, lotion, cream)	
Type of Product	<input type="checkbox"/> Can be completely synthetic to achieve purpose if required <input type="checkbox"/> Mostly natural/naturally derived but some partially synthetic ingredients okay <input type="checkbox"/> Must be natural/naturally derived with some organic (besides preservative) <input type="checkbox"/> NaTrue or Cosmos 'natural' and 'natural with organic ingredients' compliant <input type="checkbox"/> Cosmos or Ecocert 'organic' compliant
Target market & marketing message	
Key ingredients	
Ingredients to avoid	
Proposed retail pricing and pack size	
Ideal cost to manufacture & production quantity	
Other considerations/notes	



THESE AGREEMENTS are made with effect from the ____ day of _____, 2019

BETWEEN:

The Institute of Personal Care Science, of 14/2 Focal Avenue, Coolum Beach, QLD, Australia (hereinafter referred to as IPCS) and

.....of Australia
(hereinafter referred to as THE CLIENT).

CONFIDENTIALITY AGREEMENT

The parties agree to the following:

1. in this agreement, “confidential information” means and includes, but is not limited to, information, documentation, compositions and combination of ingredients, experience and technical information whether or not marked as confidential, provided by IPCS and THE CLIENT to each other, relating to THE CLIENT formulations, rights and products and includes all existing and future information.
2. IPCS acknowledges the rights of THE CLIENT to the confidentiality of all information and the protection of THE CLIENT products.
3. IPCS covenants with THE CLIENT that they will not knowingly disclose any confidential information to any person, or use any of the confidential information in respect of THE CLIENT products in any form, except only as expressly authorised in writing by THE CLIENT regardless of whom and how IPCS becomes acquainted with the confidential information.
4. IPCS will to the best of its endeavours, prevent the unauthorised disclosure of the confidential information to, or use of the confidential information by, any person, business or company that may by any means become aware of such information through IPCS.
5. IPCS commits themselves as well as their employees to treat confidential at all times the information and compositions which will be made available by THE CLIENT in connection with the registration, listing and marketing of THE CLIENT products in Australia and anywhere in the world and not to use the received information, composition, experience and technical knowledge for other purposes or based on this, to apply for legal protection as intellectual property.



6. THE CLIENT covenants that they will not knowingly disclose any confidential information regarding formulation processes, manufacturing processes, techniques, methods or technology that are revealed during visits to IPCS or throughout business dealings.
7. For the purpose of this agreement, information shall not be considered confidential if such information is:
 - a. available to the public or is general knowledge in the personal care industry;
 - b. acquired by IPCS from a third party;
 - c. already in use by IPCS in the manufacture or formulation of existing products.

DEVELOPMENT AGREEMENT

The parties agree to the following:

1. IPCS has been contracted by THE CLIENT to prepare formulations and product samples in accordance with agreed product development brief(s).
2. IPCS and THE CLIENT have in place a confidentiality agreement which covers all aspects of their business agreement including, but not limited to, the development of formulations.
3. No changes will be made to the product development brief(s) without written confirmation by both parties.
4. IPCS is responsible for providing theoretically safe, effective formulations that comply with Australian regulations and overseas regulations where indicated in the relevant product development brief(s). Justification for the theoretical safety and effectiveness must be provided to THE CLIENT if requested.
5. THE CLIENT is responsible for testing the practical safety and effectiveness of the formulation. THE CLIENT is responsible for ensuring the regulatory compliance of all marketing material.
6. IPCS is responsible for determining a theoretically effective preservative system for the product and is responsible for organising preservative efficacy testing where requested by THE CLIENT. Justification for the theoretical effectiveness of the preservative system must be provided to THE CLIENT if requested.
7. THE CLIENT is responsible for covering the costs of preservative efficacy testing and is ultimately responsible for ensuring the preservative system works in practice.



8. Charges and payment methods for formulation work will be agreed to by both parties in writing prior to the commencement of samples and formulations. IPCS should, before formulation work commences, make THE CLIENT aware of additional charges that may be required to meet Australian regulatory compliance of the product.
9. On receipt of final payment, full rights to ownership of the formulation, method of manufacture and associated intellectual property become that of THE CLIENT.
10. For the purpose of this agreement, intellectual property does not include:
 - a. formulating techniques that are available to the public or is general knowledge in the personal care industry;
 - b. information and techniques acquired by IPCS from a third party;
 - c. information and techniques already in use by IPCS in the formulation and manufacture of existing products;
 - d. formulating techniques which would be considered trade secrets and/or technical know-how of IPCS; and
 - e. formulating techniques already covered by patents owned by IPCS.
11. IPCS warrants to the best of their knowledge that the formulation and method of manufacture does not infringe any patent rights, however patent searches are the responsibility of THE CLIENT and are to be carried out at their expense.
12. Should the formulation and/or formulating techniques be applicable for a patent and not considered trade secrets and/or technical know-how of IPCS, this may be applied for at the expense of THE CLIENT; however IPCS agrees to cooperate with THE CLIENT in order to enable them to obtain suitable patent protection as or when such an application is made.
13. IPCS warrants to THE CLIENT that they will not formulate the same or substantially similar products for another party within the scope of the product development brief, until such time as that information is accessible within the public domain unless such development meets the requirements as per clause 14.
14. Techniques and formulating methods that are required in the development of products with a similar scope for other parties shall not be unfairly restricted from use by IPCS in such



developments, however differentiation should be introduced to the formulation where possible to comply with clause 13.

15. THE CLIENT permits IPCS to discuss their development with raw material suppliers and/or contract manufacturers as required to ensure successful completion of development on an as needs basis only.

These agreements are binding on both parties and shall be conclusive evidence for all the covenants and undertakings regarding confidentiality and intellectual property ownership as agreed between the parties and is governed by the laws of Queensland, Australia.

Authorised, agreed to and signed by the parties on the dates as written:

.....
Belinda Carli, Director, IPCS Date

In the presence of:

.....
Witness Signature & Name Date

AND

.....
For and on behalf of (company name):

Signed:
.....
Date

In the presence of:

.....
Witness Signature & Name Date