

Securing raw materials for the beauty and cosmetics industry

A procurement professional's checklist

Beauty and cosmetics products necessitate supply chains incorporating a wide range of global commodities and suppliers – and complexity makes them sensitive to sudden changes, with the smallest disruption capable of affecting the entire supply chain.

Access to market-reflective price data, industry trends, forecasts and insights can help companies optimize their procurement decisions, operational costs, supplier portfolios, and prepare for price fluctuations in unstable market conditions.

The following checklist aims to help you consolidate your supply chain and secure it against volatility.

01

Are you well-informed on market dynamics and pricing trends to identify and leverage short-term opportunities?



How does today's market influence your purchasing decisions? Is your strategy primarily based on engaging with Tier 1 suppliers, or simply amassing inventory to negate future supply disruptions?

Understand the pricing mechanisms and benchmarks governing materials critical in the beauty and cosmetics industry. This knowledge is essential when deciding on short-term purchases. With the increasing prevalence of indexing in trade, understanding these pricing methods allows you to calibrate your purchasing strategy.

02

Can you set accurate cost expectations by staying informed of price changes?



Are you equipped with historical pricing insights? Are you on top of the latest cost dynamics of essential components used? How does this drive your procurement strategies for critical raw materials? Do you have access to market-reflective price data to refine your tactical approach?

Receiving timely updates on pricing trends enables you to grasp the current valuation of raw materials, giving you a solid foundation for strategic procurement decisions. The relationship between raw material costs and profitability is difficult to comprehend without reliable data. This lack of clarity can impact your buying strategy, potentially creating handicaps in negotiations when securing the supply of critical components.

03

Is your supply chain secured against supplier-related shocks?



Diverse cosmetics commodities make for highly complex supply chains. Over-reliance on a limited vendor portfolio can leave you sensitive to price shocks and unpredictable supply cost drivers beyond your control, and weaken your negotiating position with new suppliers.

Reliable market-reflective data can help identify suitable alternative sources for raw materials and set fair pricing with other vendors, strengthening resilience against supplier disruptions.

04

How well do you understand your suppliers' cost structures?



How do you know if your suppliers are overcharging you? Are their prices the industry standard?

With reliable price data and a firm grasp on market dynamics, market participants will be able to compare cost inflation against industry standards. A better understanding of costs also allows you to evaluate suppliers better, giving your organization the leverage to challenge the suppliers' price-increase logic or negotiate for price decreases.

05

Is your supply chain strategy designed to protect against price risks?



Procurement professionals can minimize cost exposure and avoid costly errors when aligning with Fastmarkets benchmark prices. Furthermore, increased transparency over the prices, market dynamics and the regulatory environment can help the organization identify potential risks and vulnerabilities in the supply chain, allowing for more effective scenario planning.

By utilizing Fastmarkets' forecasts and insights, you streamline the laborious task of researching price and supply, empowering you to focus on more strategic tasks. At the same time, you transfer the risk of liability from your own internal forecasts to an external source.

06

Are you monitoring the macroeconomic factors driving commodity pricing?



Macroeconomic factors exert increasing influence on vital commodity prices as geopolitical volatility continues to constrict global supply chains. Without vision of upstream supply factors, businesses can't know what to look for and are left at the mercy of sudden fluctuations.

Detailed market trend analysis can cut through the noise and identify connections between current events and procurement challenges, providing the clarity to set budgets and long-term strategy effectively.

07

Are you sourcing sustainable and ethical commodities?



The beauty and cosmetics industry is a key proving ground for the procurement and use of ethical and sustainable materials. It is critical for businesses to source commodities from ethical and eco-friendly suppliers to avoid reputational and financial damage.

Deep supply chain visibility, market analysis, reliable price data enable you to source vendors committed to reducing reliance on paper and plastic packaging and track eco-friendly alternatives for product development.

Looking to fill the gaps?

With over 100 years of price reporting experience and several decades of reporting on commodities that now comprise raw materials critical in the beauty and cosmetics industry, our range of outlooks and forecasts will provide you with the data and expert analysis you need to assess the market effectively.

Our insights and forecasts are designed to address the needs of procurement professionals within this space.

Discover:

Price data and news	<input checked="" type="checkbox"/> Global price coverage for pulp, paper, packaging and agricultural commodities
Short-term forecasts	<input checked="" type="checkbox"/> Two-year forecasts for paper packaging, recovered paper, pulp, nonwovens, wood products, aluminum and agricultural commodities
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Fastmarkets dashboard	<input checked="" type="checkbox"/> Personalized view of markets most relevant to you through our fully customizable dashboard, with an easy-to-understand view of price data, price trends and news

Why choose Fastmarkets?



Trusted data

Price data is market-reflective and backed by IOSCO- compliant methodologies



Expert analysis

Gain access to experts, from price reporters on the ground in key markets to analysts researching shifting market dynamics



Extensive coverage

We assess over 5,500 prices on a daily to weekly basis covering key materials like pulp, recovered paper, carton board, vegetable oils and meals and many more



Asset analysis

Cost and performance benchmarking covering more than 4,500 companies and 16,500 projects

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