

BY DR WEE TING · PHD FORMULATOR · 10+ PATENTS & TRADEMARKS

Real Enough to Sell

The **7 honest decisions** before you build a functional-food or skincare brand in Malaysia.

I won't sell you overnight success. There's no such thing in this industry, and anyone promising it has never shipped a product.

What I can give you is the truth: a functional-food or skincare brand can be built — realistically, profitably, and on a foundation that holds up — if you make seven decisions correctly before you spend a single ringgit on stock.



FUNCTIONAL
FOOD



SKINCARE
FORMULATION



SCIENCE
BACKED



BRAND
STRATEGY

WT

FORMULATED WITH SCIENCE. BUILT ON TRUTH. DESIGNED TO SELL.





The Promise — and Who This Is For

I've spent years in the lab and hold more than ten patents and trademarks. I've seen brilliant formulas die because of a contract clause, and mediocre ones win because the founder understood positioning and channel. This isn't a technical guide. It's a strategist's map — the business decisions most first-time brand owners don't even know they're supposed to make.

Most people who enter this industry come with genuine passion. They've found a gap in the market, or they've experienced a problem themselves and believe they can solve it better than what's currently available. That instinct is valuable — but it's not enough. Passion doesn't negotiate OEM contracts. Passion doesn't calculate channel margins. Passion doesn't know which words on a label will trigger an NPRA warning letter. Strategy does. And strategy, unlike a great formula, can be learned.

This is for people willing to learn. If that's you, read on.



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Strategy is what turns potential into a brand people choose — and trust.



New-Brand Founders

First-time entrepreneurs launching their own functional-food or skincare line in Malaysia — and wondering where to actually start beyond the formula.



Pharmacy Owners

Tired of reselling other people's labels. You have the customer trust and the foot traffic — now you want a product line that's actually yours.



Clinic Operators

Running a practice and ready to extend your brand into your own product line. You know what your patients need — now make it under your own name.



Why Most Brands Fail — and It's Not the Formula



The Myth

“I have a great formula, so I have a product.”

This is the single most expensive lie in this industry. A formula is maybe 15% of a sellable brand. The other 85% is everything around it — and it's where almost every first-timer loses money.

The formula is the starting point. It is not the strategy. Confusing the two is how savings disappear.



The Reality

Most brands don't fail because the product was bad. They fail because the founder made critical business errors that had nothing to do with formulation science — errors that were entirely avoidable if someone had simply pointed them out beforehand.

These are strategy problems. Every one of them is learnable. Every one of them is the subject of the seven decisions in this guide.

The five failure modes listed above account for the vast majority of brand collapses in Malaysia's functional-food and skincare space. They share a common thread: none of them are visible until it's too late. A bad formula reveals itself in the lab. A bad contract reveals itself in court.

A bad pricing model reveals itself when you're three months in and can't afford to restock. By then, the money is gone and the lesson is expensive.

The good news is that all five are preventable — not by working harder, but by thinking differently before you commit capital. That's the entire point of this guide. You don't need to make these mistakes yourself. You just need to know they exist, and know how to avoid them.

1



Designed a product nobody specifically needed

Vague targeting creates vague demand. If you can't name your customer and their specific problem, neither can they.

2



Signed an OEM contract that gave away the formula

Ownership clauses buried in standard agreements transfer your most valuable asset to the manufacturer — permanently.

3



Priced without understanding channel margins

Your retail price gets cut by distributors, platforms, and retailers. If you don't model this beforehand, you're losing money on every sale.

4



Bet everything on one sales channel

One algorithm change, one delisting, one bad month — and your entire revenue disappears overnight.

5



Made a label claim that triggered a regulatory warning

In Malaysia, the wrong word on a label is a fineable offence. NPRA doesn't negotiate — and reprinting labels costs thousands.





The 7 Decisions That Determine If Your Product Can Sell

These seven decisions are the foundation of every brand that survives its first two years. They are not optional. They are not 'nice to have once you're bigger.' They are the work you do before you spend a single ringgit on stock — and they determine whether that investment grows or disappears.

Each decision addresses a different layer of risk: product-market fit, formulation integrity, regulatory compliance, legal protection, financial viability, competitive defensibility, and distribution resilience. Miss any one of them and you've built a vulnerability into your business from day one. Get all seven right and you have something most brands in this market don't — a foundation that actually holds.

01



Product Design

Concept before formula. Define the job, the customer, and the gap — before you touch a single ingredient.

02



Formulation Truth

What's actually in the bottle. Demand percentages and third-party Certificates of Analysis on finished product.

03



Regulatory Literacy

Claims and NPRA. Know which words you can and cannot put on a label before you print a single unit.

04



Contracts & Legal

What you must never sign away. Formula ownership, batch liability, and the clauses that cost founders everything.

05



Pricing & Unit Economics

Your price must survive every channel cut between you and the customer. Model margins after the cuts, not before.

06



IP Moat

What's actually defensible. A logo is a trademark. A formula is usually a trade secret. Know the difference.

07



Channel Robustness

Never depend on one. Resilient brands build two or three channels without a single point of failure.



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Strategy is what turns potential into a brand people choose — and trust.



Decisions 1 & 2 — Product Design and Formulation Truth

DECISION 1

Product Design — Concept Before Formula

Don't start with 'what can I make?' Start with 'what specific job does this do, for whom, that they can't easily get elsewhere?' A formula without a position is inventory, not a product.

This is where most founders skip ahead. They have a formula they're excited about, or a manufacturer who's offered them a catalogue to choose from, and they pick the one that sounds most impressive. But impressive isn't the same as needed. The question isn't whether your product is good — it's whether there's a specific person with a specific problem who will pay for it, and whether your product solves that problem better or more credibly than what they're already using.

In Malaysia's crowded functional-food and skincare market, 'good enough' doesn't win. Specific wins. A product designed for 'women in their 30s with hormonal acne who've tried everything at the pharmacy' will outperform a general 'anti-acne serum' every time — because the first one speaks directly to a person, and the second one speaks to everyone and therefore to no one.



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DECISION 2

Formulation Truth — What's Actually in the Bottle



'Contains [hero active]' means nothing without a percentage. Cheap manufacturing underdoses the active to hit a price. Your customer feels nothing and never reorders.

This is one of the most common traps in contract manufacturing. A manufacturer will quote you a compelling price, and the product will look identical to what you requested — but the active ingredient concentration will be cut to the minimum technically allowable, or below it. Your customer uses the product for three weeks, notices no difference, and never buys again. You've spent money on acquisition for a product that doesn't retain.

The fix is straightforward but requires you to ask uncomfortable questions: demand a third-party Certificate of Analysis on the finished product, not just the raw materials. The COA should confirm the concentration of every active ingredient in the final batch. If your manufacturer refuses or hesitates, that's your answer. A manufacturer with nothing to hide will provide it without argument.



Key action

Demand a third-party Certificate of Analysis on the finished product — not raw materials, not a specification sheet. The finished product.

DECISION 3

Regulatory Literacy — Claims and NPRA

In Malaysia, your product needs NPRA notification — an MAL number — and there are claims you legally cannot make. The wrong word on a label is a fineable offence. Know the lines before you print.

The NPRA (National Pharmaceutical Regulatory Agency) governs what you can say about your product, how you can say it, and what evidence you need to support it. Cosmetic products, functional foods, and health supplements each have different notification pathways and different permitted claim categories. What you can say about a moisturiser is not the same as what you can say about a supplement capsule — and the penalties for getting it wrong include product recalls, fines, and in serious cases, criminal liability.

Most founders discover this after they've printed 5,000 labels. Don't be most founders. Understand the claim categories — cosmetic function claims, general health claims, and the prohibited therapeutic claims — before you finalise your packaging copy. The cost of getting it right upfront is a conversation with the right advisor. The cost of getting it wrong is reprinting everything and paying a fine on top.



DON'T LEARN THIS THE HARD WAY.

Regulatory breaches don't just cost money — they destroy trust, damage your brand, and can end your business.



KNOW THE RULES. PROTECT YOUR BRAND.



Get NPRA notification and your MAL number before you sell.



Understand permitted claim categories for your product type.



Have evidence to support every claim you make.



Non-compliance can mean fines, recalls, and criminal liability.

DECISION 4

Contracts & Legal — What You Must Never Sign Away

Who owns the formula — you or the manufacturer? What happens if a batch fails spec? The most expensive mistakes happen in clauses founders skim. Read every line, or have someone read it for you.

Standard OEM contracts are not neutral documents. They are written by the manufacturer's lawyer, and they protect the manufacturer's interests first. The clause that says "all intellectual property developed during the course of this agreement shall belong to the manufacturer" sounds like legal boilerplate — until you realise it means the formula you paid to develop is no longer yours. You cannot take it to another manufacturer. You cannot defend it. You cannot sell the brand without their involvement.

Other clauses to scrutinise: liability for batch failures (who pays when a batch is out of spec?), minimum order quantities and what happens if you can't meet them, exclusivity terms, and termination conditions. None of these are optional reading. Every one of them has cost a founder real money.



Red flag

Any contract that assigns formula ownership to the manufacturer by default.

This is negotiable — but only if you catch it before you sign.



DECISION 5

Pricing & Unit Economics



Your price isn't 'cost + markup.' It has to survive being cut by every channel between you and the customer. If you don't model channel margins before you set price, you'll discover you're losing money on your best-selling channel.

Here's how it typically goes wrong: you calculate your cost of goods at RM8 per unit. You add a 50% margin and set your retail price at RM24. Looks healthy on paper. Then you list on Shopee, which takes 5–8% commission. You run ads through the platform, which costs another 10–15% of revenue. You offer vouchers because the algorithm rewards it, and suddenly your margin is gone. You're selling volume and losing money on every unit.

The correct approach is to work backwards from your target retail price, subtract every channel cut, and see what your cost of goods needs to be. If the numbers don't work, you either need to reduce your cost of goods (without compromising formulation quality) or accept that your price point needs to be higher — and that your positioning needs to support it.

WORK BACKWARDS FROM RETAIL PRICE



DECISION 6

IP Moat — What's Actually Defensible



A logo is a trademark. A formula is usually a trade secret, not a patent. Know the difference, because it decides what a competitor can legally copy — and most small brands have far less protection than they think.

Many founders assume that because they developed a formula, it's automatically protected. It isn't. Patents require disclosure — you publish your formula in exchange for a time-limited monopoly — and they're expensive and slow to obtain. Most functional-food and skincare formulas are protected, if at all, as trade secrets: you keep the formulation confidential and rely on contracts to prevent your manufacturer from sharing it.

Trademarks protect your brand name, logo, and potentially your product name — but not the product itself. A competitor can legally create an identical formula, call it something different, and sell it alongside you. Your IP moat is only as strong as you understand it to be.

THE 3 PILLARS OF IP PROTECTION



Trademark

Protects your brand name, logo, and product name.

Stops copycats from using your identity, not your product.



Trade Secret

Protects your formula, processes, and know-how by keeping them confidential.

Relies on NDAs, contracts, and operational security.



Patent

Protects an invention by disclosing it publicly in exchange for time-limited rights.

Rarely used for formulas due to cost, time, and disclosure requirements.



Decision 7 — Channel Robustness

- ❖ **Never depend on one.** One channel is one algorithm change, one delisting, one bad month from killing your business. Resilient brands build two or three channels that don't share a single point of failure.
- ❖ This is the decision that separates brands that survive from brands that disappear. I've watched founders build their entire revenue on a single Shopee store, only to watch their traffic collapse when the platform changed its search algorithm. I've seen clinic operators put all their energy into in-clinic sales, then lose 60% of revenue when a competitor opened two streets away. Dependency is not a strategy — it's a vulnerability dressed up as focus.
- ❖ The goal isn't to be everywhere at once. It's to have at least two channels that can sustain the business independently, so that if one fails, the other keeps you alive while you recover. The specific channels depend on your product type, your customer, and your capabilities — but the principle is universal: diversification is not optional for a small brand. It's existential.



E-Commerce Platforms

Shopee, Lazada, TikTok Shop. High volume, high competition, algorithm-dependent. Essential for reach — dangerous as a sole channel. Build your own customer list alongside platform sales so you're not entirely at the mercy of their algorithm.



Pharmacy & Retail

Independent pharmacies, chain retailers, health stores. Slower to list, but builds credibility and reaches customers who prefer to buy in person. Margins are tighter but the channel is stable and doesn't disappear overnight.



Clinic & Professional

Direct sales through your own or partner clinics. Highest margin channel, strongest trust signal, most defensible. Ideal for clinic operators and pharmacists who already have the customer relationship and just need the product under their own label.



Direct-to- Consumer

Your own website, WhatsApp commerce, Instagram DMs. You own the customer data and the margin. Slower to build but compounds over time. This is the channel that makes you independent of every other channel.

Your 5-Minute Reality Check

Score yourself honestly. One point for each statement you can confidently say is true. This isn't a test designed to make you feel good — it's a diagnostic tool to show you exactly where your gaps are before they become expensive problems.



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Clarity before capital. Strategy before scale.

POINT	STATEMENT		SCORE (0 OR 1)
1	Product Position	I can name the specific person my product is for, and the job it does better than alternatives.	<input type="checkbox"/>
2	Formulation Integrity	I know the percentage of my hero active — and I've asked for a finished-product COA.	<input type="checkbox"/>
3	Regulatory Compliance	I know whether my product needs NPRA notification and which claims I can legally make.	<input type="checkbox"/>
4	Contract Ownership	I know who owns my formula under my manufacturing contract.	<input type="checkbox"/>
5	Channel Margins	I've modelled my margin after channel cuts, not before.	<input type="checkbox"/>
6	IP Protection	I know what (if anything) actually protects my product from being copied.	<input type="checkbox"/>
7	Channel Diversity	I have more than one viable sales channel.	<input type="checkbox"/>



0–2 Points

You're at the most dangerous stage — confident, unprepared. This is where money gets burned. Pause before spending on stock and work through each gap systematically.



3–5 Points

You've got instincts. The gaps are the expensive ones — each unchecked box is a vulnerability that could cost you thousands. Prioritise closing them before you commit capital.



6–7 Points

You're rare. The foundation is solid. Now it's about execution and making every decision airtight before you scale.

Wherever you scored — every one of these is learnable. None require you to be a scientist. They require clarity, the right information, and the discipline to ask the uncomfortable questions before you spend the money.

This Is a Journey, Not a Shortcut

I built this because I want a better, more honest functional-health market — in Malaysia and beyond. Too many founders get sold hype and lose their savings. Too many good ideas die from avoidable mistakes. The industry doesn't need more products launched on hope and closed on regret. It needs founders who understand the ground they're standing on before they build.

These seven decisions are the foundation. They're not glamorous. They won't feature in your brand story or your social media content. But they're the difference between a brand that survives its first two years and one that becomes a cautionary tale told at founder meetups. Every decision you make before you spend on stock either protects your investment or exposes it. This guide is about making the right ones.

If you want the how behind these seven decisions — the templates, the checklists, the real numbers, the contract red-flags, the pricing models — that's exactly what I teach in my masterclass. It's deliberately small and deliberately affordable (RM199 for the founding 100), because it's a filter: I'd rather work closely with people who are serious than broadcast to people who aren't.



Templates & Checklists

Ready-to-use documents for COA requests, NPRA claim reviews, and OEM contract red-flag audits — so you know exactly what to ask and what to look for.



Real Pricing Models

Worked examples showing how channel margins actually cut into your price, and how to build a retail price that leaves you profitable after every cut.



Contract Red-Flags

The specific clauses that cost founders their formulas, their batches, and their businesses — and the exact language to negotiate instead.

“ No promises. Just a realistic path, taught by someone who's actually walked it.
→ Reply '**JOURNEY**' or join the list — I'll send the next steps and tell you when the founding cohort opens.

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