Sustainable Growth
Through Higher Competency

SWAS
Specialists in Wellness Association Singapore
新加坡养生专家协会

Presentation ESG Strategic Planning Session, EW 230427

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Sectors & Membership Categories

Beauty	Hair	Nail	Wellness	Solutions	Education

Corporate & Associate			Professional	
Salons	Spas & Mass. Est.	Centres & Studios	Practitioners	Managers
Wellness Clinics	Wellness Academies	Solutions Vendors	Consultants	Trainers
	Retailers & Distributors	Supporting Businesses		

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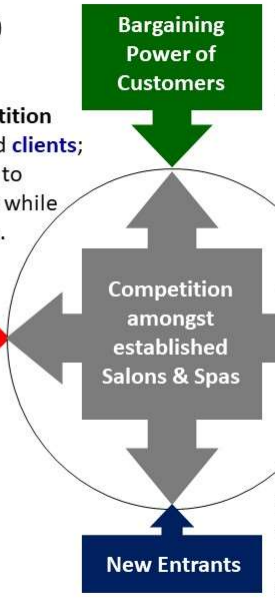
Forces affecting the Wellness Industry in 2019



Customers take advantage of keen competition to bargain. Prices are stagnated if not reduced over last few years.

Intense competition for **workers** and **clients**; forcing entities to increase wages while reducing prices.

Rental, Salaries, Levies, Licensing Fees etc. have all increased. Critical shortage of workers resulted in Revenue loss. Citizens & PRs not motivated to enter industry due lack of image and recognition. Those prepared to work ask for very high wages and benefits.

Traditional businesses being replaced. e.g. Aesthetic Doctors vs Beauticians, TCM physicians vs Spas & Masseurs, Gadgets vs Manual and E-Commerce vs Brick & Mortar etc. Doctors & TCMs are exempted from PLRD & CaseTrust and associated costs.

High turnover of entities as many attracted by the high growth rate and profit margins at face value. Many offer innovative products & services. Some cut price to survive.

Prepared by Edward Wong, July 2019

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SWAS 2022 Manpower Survey (50 Respondents)

Entity Size	No. of Entities	No. of Outlets	Total Jobs offered	Spore C & PR	Unfilled Jobs
1	18	18	181	64	64
2	14	28	191	64	63
3 to 10	15	90	1533	675	260
Over 10	3	140	1023	563	122
Total	50	276	2928	1366	509

Manpower shortage caused

1. Loss of revenue,
2. Customer dissatisfaction,
3. Work stress & lower quality of service in existing staffs,
4. Increase risks in Safety, health & other operational issues due to work pressure/inadequate staffs.
5. **Disruption of business plans and forecasts,**
6. **Business sustainability** issues

67% of feedbacks said positions were vacant for over 6 months.

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Post-COVID19 Report: Facing the Challenges In Singapore's Beauty & Wellness Industry | SWAS

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CaseTrust's Report About Beauty Sector in 2022

Source: Straits Times, 3 February 2023

CaseTrust recorded 1,441 complaints about the Beauty Industry in 2022, including:

1. Use of **pressure sales tactics**
2. Charging for **more expensive treatments** without consent.
3. **Prepayment Losses** due to salons or spa closure totalling $285,000. (No. of salons involved unknown)

   Average Prepayment Loss (assuming 50% of 1441) = $396 per complainant.
4. Misleading and false claim about **efficacies** (**Intentionally or lack of Competency?**)

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Other Challenges in the Beauty & Wellness Industry

2. **Few Skilled Singapore citizens and PRs** apply for vacancies; those willing to work:
   a. demand very high salaries and more benefits like working less hours / days.
   b. seek freelance work (from home) or high hourly rates.
3. **Lack of quota to employ foreign workers** increased FW's bargaining power. FW seeking similar salaries and benefits of Singaporeans.
4. Acute shortage of skilled workers and using part-timers with **inadequate training and competency** result in lower performance, dissatisfaction and higher risk of harm and injury to consumers.
5. **Lack of standards to evaluate competencies of therapists & service providers.**
6. Overall **operation costs** have increased substantially; **imminent price increase**.
7. Need to develop **Competitive Advantage** to sustain business.

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Rationale for an Industry Standard for Beauty & Wellness

1. **Assurance of Satisfaction, Value and Safety** in treatments & services.
2. **Objectively engaging new technologies, protocols and competency development** of technicians and therapists.
3. **Benchmarks for minimal skills, knowledge and responsibilities** of therapists and technicians at different levels.
4. **Basis for training, validation of competencies**, employment and career development of therapists and service providers.
5. **Development of specialisation and competitive advantage** to augment growth within and beyond Singapore
6. **Building the Singapore Brand** in Beauty & Wellness services.

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SWAS-BTEC Qualifications

Pearson

SWAS signed a MOU with Pearson Education in December 2017 to **Develop Competencies for Singapore Beauty & Wellness Industry.** BTEC offers accredited qualifications for various skills in Beauty, Hair, Nail, Health and Complementary Therapy.

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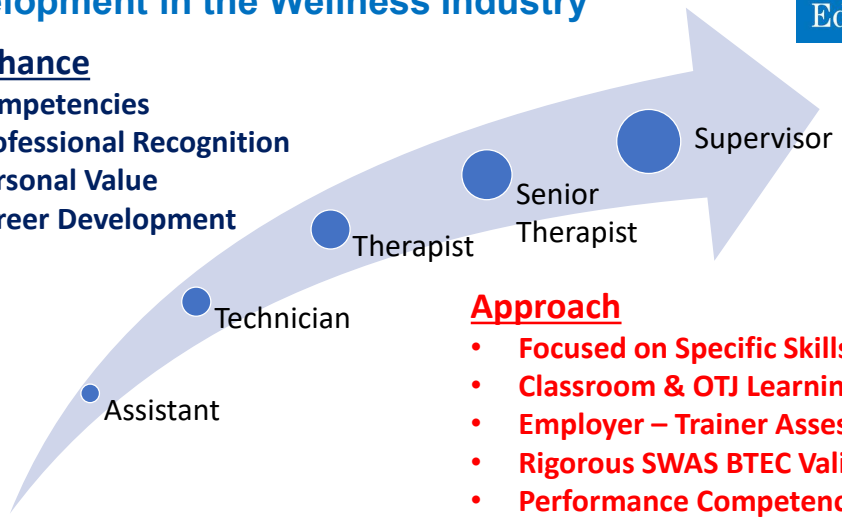
SWAS and Pearson to enable Competency Development in the Wellness Industry

PEARSON Education

To Enhance

- Competencies
- Professional Recognition
- Personal Value
- Career Development



Approach

- Focused on Specific Skills
- Classroom & OTJ Learning
- Employer – Trainer Assessments
- Rigorous SWAS BTEC Validations
- Performance Competency Strategy

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SWAS Registry of Complementary Therapists

SWAS REGISTRY of Complementary Therapists

Be Sure – Be Safe

www.SRCT.sg

Consumers

Decision

- Safety
- Satisfaction
- Value

Specific Treatment

Extract Information

Collate & Sort Information

SWAS REGISTRY of Complementary Therapists

- Identify Knowledge and skills for each treatment
- Benchmark Standards
- Qualification Validation
- Manage CPD
- Regulate Prof. Conduct
- Enhance Competencies

Therapists

Accredited Competencies

- Recognition
- Personal Worth
- Growth
- Accountability

Businesses

- Creditability
- Prestige
- Competitive

Competent Employees

Regulators

- Industry Data
- Assurance
- Consumer Protection
- Visibility & Control

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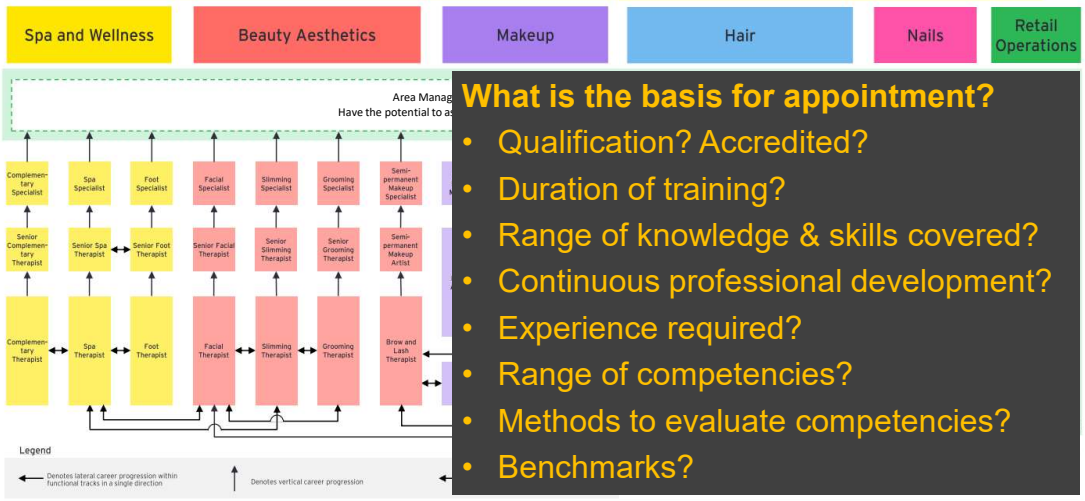
BSA Competency Framework



What is the basis for appointment?

- Qualification? Accredited?
- Duration of training?
- Range of knowledge & skills covered?
- Continuous professional development?
- Experience required?
- Range of competencies?
- Methods to evaluate competencies?
- Benchmarks?

Opportunities for Singapore's Beauty & Wellness Industry

1. Global Wellness Institute reported that Asia-Pacific is the fastest growing region in the Global Wellness Economy contributing over US$1.5 trillion in 2020 and is expected to grow at 9.9% per annum until 2025.

   How can Singapore's Beauty & Wellness entities ride on the trend?

2. To invigorate Singapore Tourism, **what can Singapore's Beauty & Wellness industry offer to attract visitors?**

   What would visitors expect?

3. New technologies and devices, **including digital and AI**, enable more effective and faster Beauty & Wellness treatments, enhancing satisfaction, reducing time, manpower and cost. **Consumers are attracted to these new technologies, seeking services that assure SATISFACTION, VALUE & SAFETY.**

   How can Singapore's industry develop competitive advantage and grow?

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Summary

Critical Issue

1. Overcome manpower shortage

Important Considerations

2. Develop competitive advantage
3. Identify & set industry and/or segment standards
4. Elevate competencies

Expansion Strategies

5. Develop Specializations
6. Identify what appeal to foreign visitors or other markets

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