

HONOR ROLL

Recognizing notable achievements of 2009

By Tina Wojtkiolo Snyder

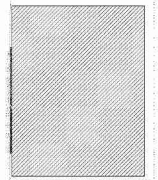


As the *MJSA Journal* editorial team worked closely with our Thinking Ahead Awards judges to finalize their picks for this year's winners, we looked back at a year that has no doubt seen more challenges than victories. But we realized that, despite generally tight budgets and cautious planning, a number of companies made strides in operations, product development, and marketing that deserve recognition.

Many of these efforts were indicative of two jewelry industry trends that everyone—from the one-person shop to the largest manufacturer—should take stock in when preparing for 2010:

- the surge in consumer-driven customization
- the growing desire for ethically and environmentally sound practices

Here you'll find several notable achievements in these two areas. Many were initially recognized in the pages of the *Journal*, and those articles are listed. Together, these achievements show that, despite the current economic challenges, jewelry designers, manufacturers, and suppliers that continue to "think ahead" have a promising future indeed.



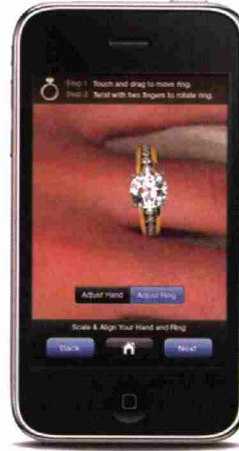
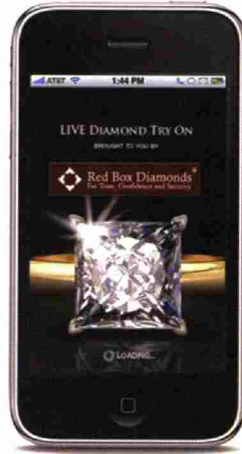
Custom Is King

In "Consumer Reset" (October 2009 *MJSA Journal*, page 15), Peggy Jo Donahue pinpointed customization as one of the four key demands of post-recession consumers. This past year witnessed companies beginning to address that demand in various ways.

By the end of 2009, in a trend indicative of the changing face of retail, two suppliers had launched countertop systems that bring the ability to personalize a CAD design to the consumer's fingertips. In May, the first retail store signed on to carry Lexington, Massachusetts-based Paragon Lake's Virtual Display Case (VDC), a touch-screen monitor for jewelry stores that holds a virtual inventory of designer goods. Working at the VDC, a consumer browses through an ever-growing number of designs, which at presstime totaled 1,500 pieces from 75 international designers. Upon finding a desired piece, the consumer can then use the VDC to make alterations, such as

changing metals or gemstones, to satisfy individual taste.

By presstime in November, almost 50 retailers across the country were on board. One of those retailers, Lee Krombholz of Krombholz Jewelers in Cincinnati, was interviewed by *MJSA Journal* writer Shannon Cournoyer Brown last month. In "Virtually Unlimited" (November 2009 *MJSA Journal*, page 26), Krombholz said that he had found many benefits to using the Paragon Lake system, including extending the reach of his own CAD designs, broadening his virtual inventory dramatically without adding overhead, and giving his customers a fun, interactive experience of which they can take ownership. "The customers feel like they are designing on

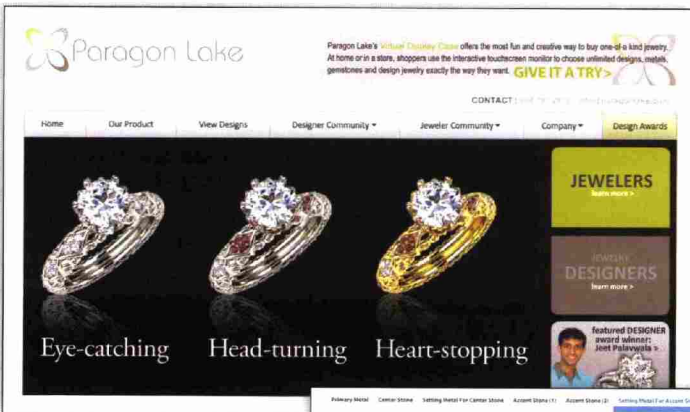


Stuller's "Live Diamond Try On" iPhone application enables the user to choose a diamond and mounting style from various options. Once the ring is designed, the user takes a picture of her hand using the iPhone camera and uses the touch-screen to adjust the position of the ring on the photo for a perfect fit.

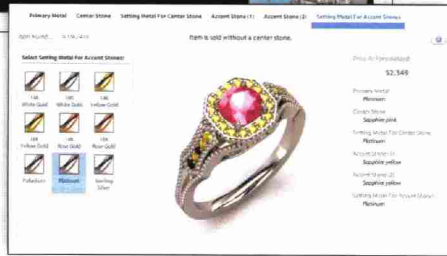
their own," he said. "It gives them the potential of designing, and it keeps them coming back."

Paragon Lake founder and President Matt Lauzon said that, in addition to meeting consumer demands for custom jewelry pieces, one of the main goals of the VDC is to elevate the visibility of jewelry designers. "We'll measure our success in a few years by how many designers we've helped turn into rock stars," he said. "When you ask 10 people on the street to name three great jewelry designers, most of them can't name one. We want to change that."

In another recent development, Stuller Inc. of Lafayette, Louisiana, and its partner, Gemvision of Davenport, Iowa, launched their own countertop system, Countersketch Studio, in October. This CAD/CAM custom design platform allows retailers to use slider controls to alter a pre-loaded inventory of designs. At presstime Stuller reported positive feedback from the 50 retailers that participated in its beta launch.



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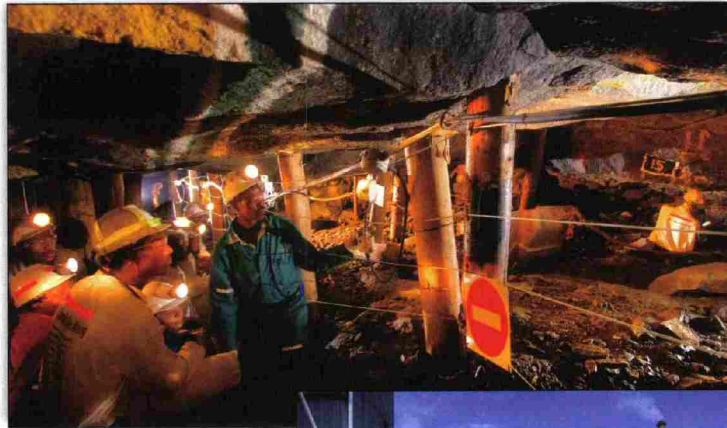
OPPOSITE PAGE: ©STOCKPHOTO.COM/TOP; PHOTOS COURTESY OF STULLER INC. BOTTOM: PARAGON LAKE WEBSITE

One of those retailers, Melinda Kroeger of Keck Jewelers in Belleville, Illinois, praises the program's ease of use. "It's very simple and basic, so it's not intimidating at all to the sales associate," she said. "This is a program for those of us who aren't bench jewelers, but who like to sell pretty, shiny things."

Kroeger says that her store brought in Countersketch Studio as opposed to a 3-D CAD software program because it enables all of her salespeople to sell personalized, custom designs. "Three-dimensional CAD programs are geared toward technicians," she said. "We needed a program that we could use to work with our customers who wanted to make changes to designs. They like the idea of a design being something that they've had a say in—it's not just out of the showcase."

In another notable achievement in 2009 aimed at helping retailers sell more personalized product by embracing technology, Stuller launched its "Live Diamond Try On" iPhone application in August. Described in "iDo" (August 2009 *MJSA Journal*, page 22), the application enables the iPhone user to choose a diamond from various shapes and carat sizes, as well as a mounting style. Once the diamond ring is designed, the user takes a picture of her hand using the iPhone camera and uses the touch-screen to adjust the position of the ring on the photo for a perfect fit. She can then select the "Locate a Jeweler" function, and the GPS on the phone pulls up Google maps and places pins on the nearest Red Box Diamond Moment retailers—leading the consumer to the store to have her personalized design realized.

This trend toward giving the consumer the power to customize his or her own designs can also be found online: Major retailers Zale Corp. and Blue Nile have invested in web pages that enable consumers to put together various com-



"We source from companies that do things in the right way, in their responsibility for the environment, their employees, and the local community," said Johnson Matthey's Mark Danks in regard to the company's primary platinum supplier, Anglo Platinum in South Africa.



ponents to build their own rings, and more suppliers and retailers are focusing on how to create online storefronts that cater to personal tastes. Soon, the days of cases filled with generic product sitting and waiting to be purchased will be gone. In tomorrow's jewelry store, virtual inventory will be adapted to suit a customer's needs. Customization will be king.

Who's Responsible?

As concerned as tomorrow's consumers will be about getting the exact piece of jewelry they want for their hard-earned dollars, they'll also be paying more attention to the story behind the materials and manufacturing practices that go into bringing those pieces to fruition. Two industry suppliers have made substantial efforts in this area over the past year.

Johnson Matthey (JM), the specialty chemicals company that is known to the jewelry industry primarily as a supplier and refiner of platinum group metals, for-

mally introduced the jewelry industry to its Sustainability 2017 program, which was presented in "Doing the Right Thing" (September 2009 *MJSA Journal*, page 32; the article also reported on the continuing efforts of Columbia Gem House in Vancouver, Washington, to enforce its Fair Trade Gems program). The 10-year program has targeted projects that are implemented locally, but all work toward challenging company goals that have been set for 2017 in the areas of environmental, social, and financial performance.

JM stresses its program is not solely about the environment. "It's about making the right decisions for our people, our communities, our shareholders, and, most significant of all, the planet," said Mark Danks, sales and marketing manager for JM's New York jewelry business.

When it comes to JM's precious metal offerings, which come from both freshly mined and recycled sources, the com-

PHOTOS COURTESY OF ANGLO PLATINUM

pany has audited the corporate social responsibility (CSR) program of its primary platinum supplier, Anglo Platinum in South Africa, the world's largest platinum producer.

"We go to great lengths to ensure all our sources match our own standards," said Danks. "Our CSR audit of Anglo Platinum found that it matches best practices and shares our commitment to continuous performance improvement in key areas. We source from companies that do things in the right way, in their responsibility for the environment, their employees, and the local community."

In addition to the steps JM is taking internally and with its suppliers, in the last few months the company has been encouraging its customers to adopt similar core values. JM reports that many have responded positively, including Novell Design Studio of Rahway, New Jersey. (Read Novell President Bruce Pucciarello's letter to the editor on page 7.)

Danks added that in the future there will be more questions about where metal is coming from, but thinks that being environmentally and socially responsible doesn't stop at the metal supplier. "Everybody in the supply chain can get involved, and some of our customers are already discussing this with their own clients."

One way Hoover & Strong in Richmond, Virginia, has decided to tackle these demands is by certifying the claim of its Harmony line of "recycled" metals. As Rachel Katz reported in "Thinking Green" (October 2009 *MJSA Journal*, page 26), this past August Harmony was certified by Scientific Certification Systems (SCS) in Emeryville, California. The certification followed an audit of Hoover & Strong's own facility and research into all the sources of silver, gold, platinum, and palladium that are used for Harmony products. SCS found that Harmony products contain a minimum



Hoover & Strong received third-party certification that its Harmony products contain a minimum of 88 percent recycled materials, the result of using both 100 percent recycled gold, silver, platinum, and palladium, as well as the non-recycled base metals used in the alloys.

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Hoover & Strong chose to pursue certification as a way to back up its claims to customers that it was offering them recycled precious metals, Hoover says. The company's desire to get certified by a third party began in 2007 at a launch meeting of the Madison Dialogue (*madisondialogue.com*), a cross-sector initiative to encourage best practices, sustainable economic development, and verified sources of responsible gold, diamonds, and other minerals. Hoover cites his involvement in this group, as well as requests from customers—especially majors—for assurances that the Harmony line is recycled, as the two major factors influencing his decision to seek certification.

"This continues to be our strongest brand," says Hoover. "As the need to conserve our natural resources continues to be stressed in society, and as it becomes a greater part of the curriculum in our schools, we'll see the consumer demand for recycled products grow."

Consumer demands are clearly dictat-

ing the direction in which the jewelry industry is headed in the coming years. Addressing those demands—especially in the areas of customization and responsible practices—is critical to ensuring your company's role in the industry's future. ♦