



CREATIVE JEWELRY INDUSTRY SOLUTIONS

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Welcome to my first newsletter!

I hope to provide some opinions and insights into our industry that will be relevant to you. I would love to hear your thoughts - please contact me through my website!



Consulting Services Offered

Product Development is the Key

I read an article recently written by Nicholas White for the Gerson Lehrman Group that really resonated with me. Those of you who know me will not be surprised. The article was primarily about the demise of Finlay, but I felt that he expressed some opinions that apply to our industry in general.



He writes "Friedman and Whitehall...just two examples where hedge fund models haven't worked. Part of the problem is the jewelry business is very different from other types of retailing. For instance, unlike in the department store business that is driven by national branded merchandise. *There are few national jewelry brands, which means in-house product development is a much bigger part of the management process.*"

He goes on to describe some other aspects, like the lack of economies of scale. He then writes "Still, *investors, Wall Street analysts, board members, and recruiters insist on filling jewelry companies with big box executives with little or no experience in specialty jewelry retailing.* Perhaps that's because they view jewelry retailing as mostly an administrative exercise, perhaps it's because there are a lot more unemployed department store executives."

White closes with, "Finlay's carefully orchestrated pre-filing liquidation was a skillful example of what good administrators and strong financial management can accomplish. *But it also illustrates the fundamental company weakness which was the lack of a jewelry merchant's mentality. Regrettably that problem isn't exclusive to Finlay.*"



It is vital to have a true merchant in your organization, or as a resource – someone who understands how to develop product, source product, create concepts and programs. I believe that today product

- Merchandising Strategy
- Assortment Analysis
- Product Development
- Program Development
- Inventory Management
- Brand Message Continuity

development is more crucial than ever. Filling your stores with designer lines which are readily available elsewhere is not the answer. *Today, you need to differentiate yourself through your product offerings. If you don't have that talent in-house or a resource, you need to find it, and soon!*

Next Newsletter - What Makes a Buyer Great?