

Authenticity and Emotion



An Interview with Frédéric de Narp,
President and Chief Executive Officer, Harry Winston, Inc.

EDITORS' NOTE Prior to assuming his current post in January of 2010, Frédéric de Narp served as the President and CEO of Cartier North America. He began his career in luxury retail nearly 20 years ago at Cartier in Japan and worked in various positions with the company in Tokyo, Switzerland, and Italy, before moving to New York in 2005 to oversee Cartier North America.



Frédéric de Narp

COMPANY BRIEF Harry Winston Diamond Corporation (www.harrywinston.com) supplies rough diamonds to the global market from the Diavik Diamond Mine, in which it has a 40 percent ownership interest. Harry Winston, Inc., the company's luxury brand business, is a premier diamond jeweler and luxury watchmaker with salons in key locations including New York, Paris, London, Beijing, Tokyo, and Beverly Hills.

Despite the volatile global economy, many suggest the luxury segment is coming back. How has the business been for Harry Winston and where will the growth come from?

At Harry Winston, we see opportunities for growth all over the world. Part of this stems from two things: first, is the rapid development of new pockets of wealth in emerging luxury markets, such as China. Individuals there now have more immediate access to luxury goods that symbolize their own success. They want to celebrate this success with pure, authentic luxury products; second, the digital age has helped bring a better awareness of luxury goods to people who previously didn't have access to this type of product. In the BRIC countries, for example, we are seeing new clients who have a very sophisticated knowledge of our products thanks to the access and availability of information online.

In many of these markets, individuals have gone from a modest living to being extremely wealthy in a short period of time, and are entering into the most sophisticated segment of the luxury world for the first time. They want their purchases to stand for something. They aren't interested in products that do not stand for timelessness or high quality, and want something unique, exclusive, and rare. So it leaves tremendous room for a brand like Harry Winston, which is today considered the most exclusive jewelry and watch brand in the world.

For a brand like Harry Winston with such heritage and tradition, is it tough to get the message out about what true luxury is and does it still have the same meaning?

The word luxury has become a little overused and confusing to today's consumer. Almost anything that is a little bit expensive can be classified as "luxury" – from the spa to cars, even cooking utensils. So for Harry Winston, we are not focused on being "luxury;" we are focused on being the ultimate, the rarest. We are committed to main-

taining exclusivity for our clients, and stand behind the uniqueness and high quality of our products. We use only D, E, F color diamonds in our jewelry creations, which is the highest quality you can find in the industry, and top quality materials – we don't use ceramic or plastic but, platinum, gold, and Zanium, a zirconium-alloy exclusive to our timepieces.

Will most of the growth come from the emerging nations or in the U.S.?

I see huge opportunities for growth in the U.S. today. In China, there are around 1.3 million millionaire households and in 10 years from now, they expect to have 2.5 million millionaires. Today, in America, you have 10.5 million millionaires and you will have 20.5 million millionaire households in America 10 years from now. For Harry Winston, there is also an opportunity for growth in Latin America. We recently took back primary control of our offices in Latin America and are now finalizing a team in Miami to oversee operations there, which will eventually include the development of our first salons in the region. So there is huge potential for growth that we are just beginning to tap into.

The name Harry Winston brings to mind beautiful jewelry, but there has also been a heavy focus on timepieces. Is there an effective understanding of your offering in that category?

Harry Winston is positioned at the highest level in the minds of collectors. We only produce and sell about 6,000 watches a year. In four to five years, I believe we will bring this number to 15,000 units from our Manufacture in Geneva, which will still make us among the most exclusive in the industry.

A lot of what has fostered the growth and credibility of our timepiece division, which was only started in 1989, is The Opus Story. Opus

was created 12 years ago as an innovative challenge to redefine the art of telling time. Each year it begins with Harry Winston finding one of the finest and most creative independent watchmakers and working with our teams to develop the most incredible watches, often limited to 120 units or fewer every year. And these often sell out in three days during BaselWorld, the world's leading timepiece fair.

This platform exemplifies Harry Winston at its core, which is about fearless creativity and unimagined innovation, and working to perfect this art with each watch we create.

How has the Harry Winston brand focused on giving back?

In addition to embodying beauty and elegance, Harry Winston embodies generosity, which is a truly American value that stems directly from our founder. In 1958, Harry Winston performed one of the most generous acts in the history of the industry when he gave hope to the world by giving the Hope Diamond – the rarest and most precious gem on earth – to the Smithsonian Institution in Washington, D.C. He did it so that people who could not afford their own could appreciate the beauty and wonder of diamonds. He used to say, "I want the public to learn more about precious gems," and began many incredible traditions to make that happen.

As the world's second largest collector of gems during his lifetime – after the Royal Court of England – Mr. Winston put together a collection of his most important jewels, which he called "The Court of Jewels." From 1949 to 1953, he sent the collection around to major cities in America, charging his clients a fee to view the exhibition, with 100 percent of the profits given to local charitable organizations.

Two years ago, when we celebrated the 50th anniversary of the Hope Diamond donation to the Smithsonian, we launched the next chapter in our legacy of giving back by initiating The Harry Winston Brilliant Futures Charitable Program. People trust Harry Winston every day to help them celebrate something truly meaningful in their lives. And as a brand, it is important that we maintain our own meaningful values with meaningful people who are knowledgeable and passionate about what they do. We're in a business of beauty and emotion – but for me there can truly be no emotion without compassion. ●

Diamond cluster earrings (center); iconic emerald-cut diamond ring (right)