Staying at the Forefront of the Luxury Market With Advanced SRM DEK

One of the **world's top five fine jewelers** cements its place at the top with attention to detail in its supply chain

TESI SQUARE
WHERE IT HAPPENS

Glittering parties, celebrity spokespeople, artistic expression — and supplier relationship management **(SRM)**: They're all integral to luxury brands. The producers and retailers of high-end products such as watches and fine jewelry must deliver uncompromising quality, authenticity and exclusivity to their discerning customers. Their brand reputations depend on it. Intense public scrutiny of sustainability and social responsibility has only added to the pressure on luxury supply chains. Operational efficiency, reliability, and quality need to be baked into supply chains from end to end, which demands control and transparency from end to end.

All of which explains why one of the world's **top five jewelers** digitized and automated its **SRM** with the help of Tesisquare. Considering the high stakes in U.S. supply chains today, we are sharing this global customer's story to demonstrate how advanced SRM can help American companies meet even the most challenging business objectives.

CUSTOMER STORY:
WORLD RENOWNED BRAND

This Tesisquare customer has attained global market reach and leadership in the markets for jewelry and other luxury goods, including:
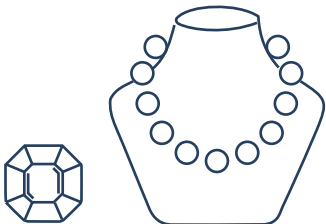
DIVERSIFICATION INTO LEATHER GOODS, WATCHES, FRAGRANCES, AND ACCESSORIES.

300 STORES AND HUNDREDS OF SUPPLIERS WORLDWIDE.

BILLIONS OF DOLLARS IN ANNUAL SALES.

CERTIFIED REPUTATION IN ENVIRONMENTAL SUSTAINABILITY.

FACING CHALLENGES:
FROM COUNTERFEITING TO CLIMATE CHANGE

"Luxury is in each detail," a famous designer once said. In a luxury brand's supply chain, adhering to this lofty principle requires transparent collaborations with suppliers, and the pressure to work closely with vendors has only increased in recent times. No longer is "detail" just about craftsmanship and customer service. Amid concerns about counterfeiting, worker exploitation, and climate change, key stakeholders ranging from consumers to regulators to advocacy groups have joined in the chorus for more information on the sourcing and handling of luxury goods.

Before our customer upgraded its SRM, though, details were missed in the supply chain. Manual, decentralized processes stymied attempts to monitor and manage operations end to end. Because systems were not integrated, communications broke down, hindering contract management and supplier collaboration. And the lack of advanced planning tools made it difficult to coordinate purchasing department activities, often delaying orders to impatient customers.

Conditions like these are untenable in today's luxury market, especially as regulatory requirements proliferate, including the introduction of digital product passports (DPPs). A DPP uses a QR code or similar scannable technology (like RFID) attached to a product. Integrated with supply chain management systems, DPPs convey information about a product's sourcing, including its sustainability. European authorities will begin requiring them by law in 2026, in what is expected to become a global standard impacting U.S. companies. The first product category to require them legally in 2026 is batteries, under European Union rules, soon followed by other goods. One business benefit of this regulation is that DPPs also address consumers' mounting concerns about ethic sourcing.

| CHALLENGES	BENEFITS
Lack of systems integration hindered visibility.	Integrated data collection enhances supply chain compliance.
Poor planning delayed deliveries.	Company now has full control over its replenishment cycle.
Manual, decentralized processes impeded efficiency.	Consolidation and automation mean less staff time spent on low-value, repetitive tasks.

DIGITIZING SUPPLIER RELATIONS:
LUXURY MARKET DEMANDS TRANSFORMATION

"The luxury sector's ongoing transformation promises to redefine the industry, enhance customer experiences, and promote sustainability," according to the Deloitte management consultancy. "As technology and luxury converge, the possibilities seem limitless."

For example, our customer's intellectual property and brand protection team implants chips in high-priced leather bags for traceability and proof of authenticity, accessible to customers on a smartphone app. Databases of certificates from diamond suppliers prove legitimate sourcing, with digital guarantees issued to customers upon purchase. The company's perfume business relies on a digitally integrated design tool that optimizes fragrance designs at the source, analyzing dozens of data points on each supplier's impact on nature, people, and the community.

As an active member of the Aura Blockchain Consortium, the company uses cloud-based distributed ledger technology to enhance transparency, traceability, and service to customers. Its preparations for DPP regulation are also designed to achieve business benefits in combating counterfeiting and addressing consumer sentiments.

The foundation for such transformational steps is an integrated, advanced SRM platform that consolidates and continually updates all relevant information to support operations, monitoring, and decision-making. For instance, our customer's advanced SRM system is integrated so thar it can not only collect data but also notarize the details on the Aura Blockchain.
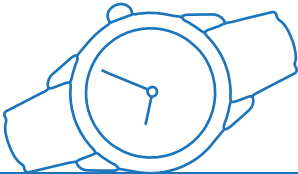
ACHIEVING RESULTS:
CONTROL, COLLABORATION, COMPLIANCE

With advanced SRM, our customer achieved several important supply chain goals, including:

COMPLETE CONTROL OF THE REPLENISHMENT PROCESS:

With central monitoring and managing of every stage of the process, from initial order to final delivery, the company achieved greater accuracy in demand forecasting and reduced both inventory shortages and overstocking.

REAL-TIME SUPPLIER INTERACTION:

A vendor portal lets suppliers INPUT UPDATES, UPLOAD DOCUMENTS, and communicate directly with our customer's team, reducing misunderstandings, noncompliance, and delays while strengthening relationships with key partners.

TRACEABILITY AND COMPLIANCE:

Integrating SRM with loGISTICS management enables the tracing of each component or material in the supply chain, along with supplier interaction on delivery times, material qualities, and compliance. The results: stricter control, regulatory risk management, and collaborative problem-solving.

POTENTIAL FOR THE U.S. LUXURY BRANDS

SRM delivers for luxury brands at every level, from operational resilience to business performance. As this case study shows, a big priority today involves tightening supplier interactions to meet customers' growing demands for authenticity, sustainability, and other intangible qualities in high-end goods. The next few years will see dramatic changes in the U.S. luxury industry, powered by a digital transformation of supplier relationships.

tesisquare.com