



THE SPARKLING
DIAMOND
INDUSTRY OF INDIA

Business Case Study of INDIAN DIAMOND INDUSTRY

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Indian Diamond Market

- Surat, Gujarat is the diamond capital of India.
- Mostly belongs to Jain community in India.
- 93% cutting and polishing market of world.
- Exported USD 23 billion annually, 10% of total merchandise export of India.

Diamond Producing Process



Diamond Industry



Why were Jews unbeatable?

- Jews of Belgium controlled the diamond market got persecuted during Holocaust.
- They had the control over whole supply chain.
- Protective of their trade and identity.
- Supportive of each other.
- Giving loans to a Jewish business starter as a community.
- Jewish arbitrator to solve the disputes.

Jains Found The Gap in the Market

- Small diamond market.
- Difficult to cut and polish small diamond.
- Not financially viable to spend time and labour.
- Jews called these as 'Diamond Dusts'.
- Jews sold those to Jains at a very cheap price.
- Jains build a strong workforce to cut and polish in the most economic matter.

Small Diamonds



Why Jews didn't stop them?

- Small margin.
- Low cost.
- Insignificant market.
- Not as established and demanded as large diamonds.
- Jews didn't feel threatened.

Jain Strategy

- Developed high cost low quality manufacturing process.
- High skilled workforce in Surat with the collective contribution from many individuals.
- Entire community learned from each other.
- Powerful distribution network among themselves.

Jain Value in Business

- Honesty, family bonding, long standing relationships.
- Community bond, economical security of families ensured.
- Collaborated within the community to compete outside the community in international market.

Revolution in Small Diamond Market

- Small diamonds affordable to middle class families.
- Rising middle class, changing taste in jewelry bring small diamond into the market.
- Geographic location of Surat and the infrastructure of diamond industry.
- 18.6 billion USD market, 8 lakh people earned their livelihood.

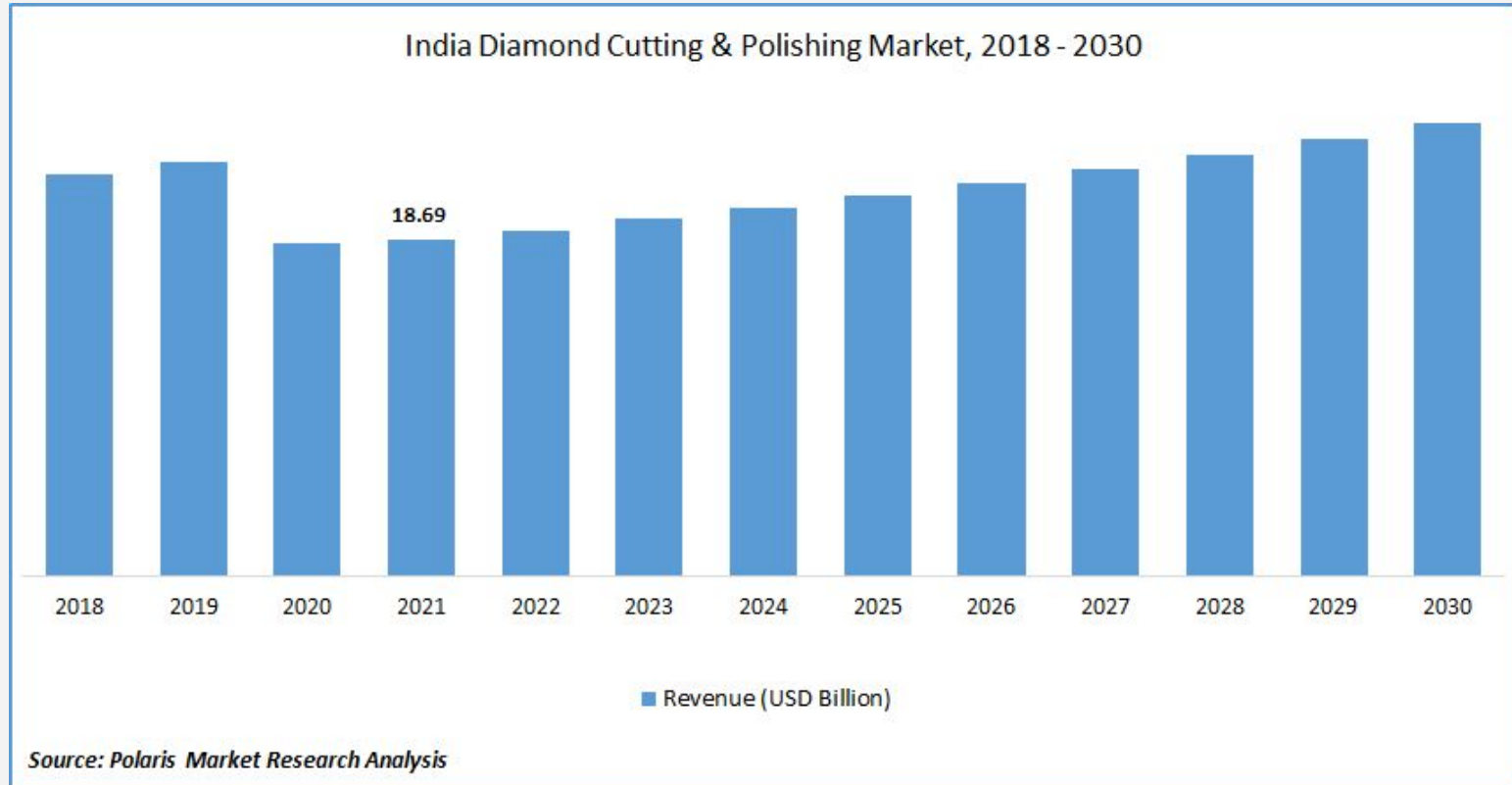
Indian Diamond Industry



Indian Diamond Industry



Indian Diamond Market Revenue



Business Lessons

- Collaborate within community and compete in the bigger market to become the formidable force in the market.
- Culture and family value extremely critical in nurturing business acumen in children.
- Solving for trust important attribute to any community and business.