

RAPNET® Case Study

Elegance Diamonds



How a new diamond business became profitable in just 2½ years by using RapNet

Background

Coming from a small town in Haryana, I was always encouraged to explore new opportunities. I always had an eye on gemstones and jewelry and I was attracted to it. I came to Mumbai in 2012 and started off with a GIA course, then I learned about cutting and polishing in a factory, while planning my business idea.

I got my lucky break at Blue Star Diamonds where I gained market knowledge, and shortly I opened my own office in the market. I started buying small and bought a limited amount to make sure I could liquidate it.

Challenge

How to gain trust in the diamond industry

I knew the numbers I needed to reach in order to succeed and that I wouldn't be able to turn a profit in my first or second year. So, I gave myself 1,000 days to reach a break-even point. To achieve that goal, I kept short term targets, like hitting \$10k per month in sales. I always told clients I would get them the diamond they wanted, without worrying whether it would be available because I knew that sales only come when your clients trust you to deliver.

My next goal was to secure at least seven clients by the end of the first year. I wanted these clients to get to the point that when they thought of diamonds, they would think of Saurabh Gupta or Elegance Diamonds. It was not easy to get the seven clients. I never let them leave my store empty handed, until I got them the right goods at the right prices.

“The biggest challenge was to get the sight holders to trust me.”

Saurabh Gupta



The second year, I reset my target to \$25k-\$30k sales per month, and I expected natural growth. Reaching this new goal was difficult as the market was slow but that didn't deter me. There was a time when I was making a loss on my own goods. People weren't ready to buy from me even at lower prices because I was the new guy. In order to gain their trust, I was buying at \$10 and selling at \$9. They were ready to buy from bigger suppliers at higher prices so I wanted to prove to them that I have the capacity to do business with them and they should consider me as a serious professional.

Solution

Gain recognition and connect with larger companies

“50% of the trust between me and the client is already accepted because we met on RapNet. The remaining 50% is for the person to develop.”

The most important step I had to take to build the business was to gain recognition. This is where RapNet was instrumental. It is a gift for people like me. Being on RapNet is like a statement that “I have arrived!” Even as a small business owner, on RapNet I was able to connect with larger companies and more importantly they viewed me as legitimate source to buy from as a verified dealer.

There is strong belief that people who are listed on RapNet will be approachable, trustworthy and knowledgeable about the diamond trade. It was clear in my mind that for doing business and making connections it's RapNet; with over 20 years of trading experience and thousands of members from the diamond trade around the world, no other channel offered this opportunity.

Results

RapNet contributed to the initial 50% of my diamond sourcing. Now, in my 4th year, I'm proud to inform that I achieved my target within 927 days. Elegance Diamonds now has additional offices in Bangalore, Jaipur & Delhi. My key markets are India and Hong Kong. RapNet accounts for 95% of my sales in HK. In India, I sell the goods on my own accord locally but RapNet contributes to the initial 50% of my diamond sourcing and remaining 50% are sourced by me locally in the market.

“If the diamond industry is a sea, then I'm still learning how to swim and RapNet is definitely my life jacket.”

Sourabh Gupta

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