

La Bell Blue Ocean Journey:

To inspire and nurture the human spirit – one person, one store and one neighbor at a time

**La Bell Blue Ocean Strategy: Discover the Undiscovered
Vision: La Bell Evolution**

Blue Ocean Solution: Challenge the Status Quo

Blue Ocean Leap: Surf, Served, Save

Blue Ocean Alliance: Claim the Uncontested Market Space

“Why” La Bell BO Strategy?

The diamond jewelry business as we now know it predominantly takes the form of commodity trading, whereby the quality standards and the low-price profit margins are set forth, traditional market boundaries are defined and accepted and the competitive rules of the game are known. This is called a classic **“Red Ocean” market** wherein companies try to outperform their rivals to grab a greater share of product sales and service demand. As the market place gets more crowded, prospects for profits and growth are reduced, fine diamond jewelry and loose diamonds then become commodities and cut throat competition suffocates the industry turning the ocean bloody.

Instead of being drawn further into this unhealthy market maelstrom, ideally one should try and find a way to create a marketplace that isn't bloodied by the competition, in fact is free of competitors where the uncontested market space is ripe for growth. One would be better off looking for ways in which to compete against no one but oneself.

This is known as La Bell Blue Ocean Leap; a visionary quantum leap that will redefine the terms of competition and move the innovators into the **“Blue Ocean,”** where you have the ocean to yourself. The goal is not just to beat the competition, but to make the competition irrelevant.

Some examples of companies that may have created new market spaces:

- Cirque du Soleil: Blending opera and ballet with a circus format while eliminating star performers and animals.
- Netjets: fractional ownership of jets.
- Southwest Airlines: offering the flexibility of bus travel at the speed of air travel.
- Dyson: Cyclonic Vacuum Cleaners.
- Diamond5STARs.com: Surf, Served, Save – the world's most perfect “Click to Brick” jewelry evolution.



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“How”?

Blue Ocean Solution (BOS) is the first part of the La Bell Blue Ocean Strategy where members will be provided with Product Portfolio Management Supply Chain solutions in preparation for moving away from the current over-crowded “Red Ocean” market place into the new uncontested “Blue Ocean” market space. There’s more flexibility, choice and opportunity in the calm Blue Ocean than in the rough Red Ocean but one cannot discover it unless one has the courage to lose sight of the shore.

“United we stand, divided we fall” - this adage has been with us for generations. As competitive boundaries become more diffused in this ever more centralized business world, unity becomes even more necessary. Only when we unite in spirit can we truly cope with the challenges we face. The teachings say: “If you want to make the most out of yourself then weave these two words into the fabric of your approach to life: ‘Challenge Yourself’ - you will never fulfil even a fraction of your potential by sticking to the safe and comfortable.”

Why? Because the safe and comfortable never forces you to rise to the occasion. It never offers the resistance that strengthens muscles you didn’t know you had. The ultimate measure of a man is not where he stands in moments of comfort and convenience, but where he stands at times of challenge and controversy.

Coming on board the La Bell Blue Ocean Solution is a no brainer. Quantum leaping together with La Bell Blue Ocean Leap is a self-challenge. Working together within La Bell Alliance is an ultimate true measure of success.

La Bell BOS is the simultaneous pursuit of differentiation and lower cost, not just to outperform in the existing industry, but to create a new market space making the competition irrelevant. It is said that: “The early bird catches the worm.” You must embrace this opportunity while the market place is still ripe for growth because we will only allow a maximum of three Merchant Members (MM) to service each incremental End User Member (EUM).

Separating from the Competition with Diamond5STARs.com

This is where Diamond5STARs.com comes in. We plan for this website to go above and beyond anything currently offered by the brick and mortar industry’s biggest competitor, Blue Nile (BN). By fully utilizing this site we will sail away from the red ocean and into the blue ocean.

We encourage you to surf BN (and any other online website) to gather all the information you need about diamonds. Then when you have all the facts in hand you will be professionally and personally served by your designated local community independent jeweler who will assist you in finding the absolutely best matched diamond for your unique personal characteristics by surfing D5STAR.com along with you before closing the sale. D5STAR.com is the part of La Bell Blue Ocean Solution that can challenge what BN does, yet differentiate itself from it, taking a quantum leap above and beyond them by creating a new “Surf, Served, Save” market space. Only when you have full confidence in your final choice, will you then close the sale with the merchant online to save and be given the choice of either having the item shipped to you directly, or shipped indirectly to your merchant server to be mounted by your jeweler.

How will Diamond5STARs Blue Ocean work and what are the benefits to the EUM and the MM?

Blue Nile charges sales tax for online transactions in both their home base Washington State and New York; these are also the two states that BN is testing a Click and Brick model with Nordstrom. In comparison, D5STAR can go above and beyond BN’s physical presence in two states, by having independently owned main warehouses located in New York and California or a national network of independent jewelers from the “La Bell Merchant Member Distributors” organization.

It’s all about “Surf, Served, Save.” D5STAR.com allows EUM to purchase loose diamonds online and then be served locally offline by their local Blue Ocean MM who will be entitled to a profit sharing program. As you can see, D5STAR.com goes beyond the Blue Nile shopping experience with its multi-local “click to bricks” “OO” (offline/online) advantage. Only through D5STAR.com can you surf online at your leisure then get served by your local jeweler purchasing experience AND also be able to save while benefitting from both.

Separating from the Competition with StarVinci®

With StarVinci® a new star is born. There is nothing quite like it as a transformative opportunity in the world of jewelry. Think of your jewelry not just as a limited quality line but as “Treasure-Art”

in a broader sense and the lasting beauty and pleasure it evokes. This is what the artist Vladamir Kush has done so successfully in the gallery world – taking an artwork’s inspiration and extending (accessorizing it) into various related items including jewelry. StarVinci® “brand” is based on a Star, an extraordinary visual American-European artist called Platine Da Vinci. Platine has taken her uniquely personal allegorical style of painting and expanded it into an integrated environment of products inspired by her artworks – originals, reprints, jewelry, fragrance, scarves...and more. This is what we term “Art Couture” - this is Blue Ocean territory. What makes StarVinci different (and substantially broadens the retail opportunity) is that it is a hybrid of three integrated business sectors, all based on a collection of original art – art, jewelry and lifestyle, with a common theme, “Treasure-Art.”

StarVinci® is a classic Blue Ocean product to be presented in a Blue Ocean environment of heightened senses attracting incremental new customers to share the unique moment and treasure it forever though a purchase of a unique StarVinci® collectable piece of Art Couture. As such, StarVinci® is a true crossover brand appealing equally to both the jewelry and art industries. StarVinci® is the life of an artist dying to come out of the Red and paint the Blue world in whatever way he or she sees fit.

Why challenge the inventory Status Quo?

T2B2C is our “One man’s trash can be another man’s treasure” digital trading platform; your inventory should not be restricted to remaining in a private store or safe room. MM is able to post their unwanted aging products over the T2B trading platform where the entire MM universe will be notified and a trade can take place with the out-trading MM paying the shipping and handling fees. If the online posting exceeds 30 days and “no bird has eaten the worm”, then MM can access the T2C “Make a Deal” platform and make any mutually agreeable deal directly with EUM. To do this the T2C posting on the “Make a Deal” platform will suggest the MSRP, the EUM can then directly and privately complete the deal by posting back to the MM. The terms and conditions for the T2B2C must be accepted beforehand by MM in order for the trading platform to be activated.

WHY Super Bell?

On a personal note, every day I go to work with three things uppermost in my mind: to strive my hardest to be successful by going “above and beyond;” to share with friends and associates; to help the world become just a little bit better. This was true when Golden Bell opened in 1987 and it’s just as meaningful today as when its successor Super Bell was started in 1992.

Way back at the beginning, Golden Bell was only a small one booth retail/wholesale “store” of no more than 30 sqft retail space in the downtown Los Angeles Diamond District. At that time the diamond jewelry industry was considered to be a fast growing new “Blue Ocean” market space; the traders were beginning to gather momentum and congregated together for the first national JCK trade show when it launched at the Sands Convention Center in Las Vegas in 1992.

At that same time Super Bell charted its own future, sensed the strength and direction of the growing trade wind and set sail from a small JCK single booth it could barely afford.

Twenty years later (two years ago) I was forced by the catastrophic economy to ponder the future of our segment of the industry once again. I could see that it was no longer a Blue Ocean. As the trade shows expanded and our costs of operation sky rocketed, profits were being squeezed with more competitors fighting for survival in an over-crowded market space. I realized that our Blue Ocean had turned into a classic bloody Red Ocean.

At this point in time and with today’s market place, we must once again strive to find the next trade wind. This new determination of our future direction has taken us the last two years of painstaking strategy planning which culminated in publishing last year a new vision for our segment of the jewelry industry in my booklet “The Power of Why.” One year later comes the sequel – “[La Bell Blue Ocean Strategy Journey](#)”. It will provide you with the first of a series of three upbeat solutions to begin our new mission together.

Today, there are more than 20,000 independent jewelry stores in the Continental USA and all Diamond District’s loose diamond DVI will be made available through D5STAR.com for those who are willing to challenge themselves. Our back-end manufacturers from around the world are waiting to partner with all those who embark on the La Bell Blue Ocean Journey with us. Every website and every store creates its own ecosystem incorporating and manifesting the heritage of its local community wherein the customer feels a sense of personal belonging. It becomes a visceral experience, an artistically stimulating environment where one can meet and make friends. It’s about the fusion of modern technology and an exceptional customer experience.



The La Bell Blue Ocean D5STAR Kiosk will be the in-store vehicle where website and brick and mortar conjoin, where special treasures will get unlocked by EUM and MM surfing online together and being served simultaneously. This is the ultimate new marketplace solution – and experience. This is our new trade wind which will fill our sails and propel us into establishing a new century Blue Ocean integrated community of local jewelers, on-line websites, digital platforms, diamond merchants, manufacturers, designers, artists, and marketers all working as one. La Bell Blue Ocean will be the new unstoppable force in the jewelry industry.

La Bell future Gamification Programs – ticket to brand loyalty

Brand loyalty is waning in the modern marketplace. Some customers are clamping down on their spending; opting for cheaper products and retailers they deem to be of acceptable quality. Others are growing tired of something they've always had, instead opting for change. In the case of the millennial market, they just don't feel engaged with your brand anymore. But how can such a situation be remedied? Well, gamification could be that golden goose egg your business has been looking for. Gamification is all about giving and receiving good feedback.

StarVinci® B2B gamification is all about T2D - trading this branded PP between dealers with ease; or T2G - trading privately among the group with non-branded PP. The commissions of the trade are very minimal and can be offset through the point redemption program. The point redemption program is limited to the TPG and higher (M3,4,5) only. The details of the redemption program will be available in the future. As for the consumer, the point redemption program is only available for the StarVinci® and La Bell Signature series and house Brands but can be redeemed for any La Bell PP.

For more information please visit www.labellblueocean.com



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