

# Graff Diamonds

## *New Standards for Customs Declarations Processes with Descartes' Electronic Import Customs Solution*

As a leading producer of high end jewellery, Graff Diamonds sources material from throughout the globe. With complex customs-related processes when coordinating shipments from multiple regions, the company required technology to better leverage duty relief options. Graff Diamonds found success by using Descartes' Electronic Import Customs Solution to automate processes, increase efficiency and add visibility as items crossed borders.

**The Challenge** Exclusive British diamond company Graff Diamonds operates at the top end of the jewellery retail market. The company is involved in every step of the jewellery making process—from sourcing rough stones, cutting and setting the gems, and then retailing the finished pieces across 30 stores and concessions globally.

Andrew Petherick, Head of International Shipping and Logistics, Graff Diamonds, explains: “As an organization, we source diamonds and loose gems from a variety of sources worldwide. These gems are imported into our UK-based customs warehouse where they are checked for quality; some might get sent back, some remain in the UK for manufacture, while others are diverted or exported to suppliers outside of the EU under OPR to be manufactured into finished pieces of jewellery.”

Outward Processing Relief (OPR) allows importers to claim duty relief for goods imported from non-European Union (EU) countries where the goods only temporarily left the EU for processing or repair. By integrating the OPR process with Customs Warehouse procedures, Graff Diamonds would be able to accurately track circumstances where duty relief may be available.

Petherick elaborates, “When I started with Graff in late 2013, we were predominantly using spreadsheets to manage and track this inventory. The manual manipulation required to combine the spreadsheets was complicated and significant manual work was required to prevent the risk that diversions could be missed resulting in the full duty and VAT being paid. I recognized that there were both time and significant cost savings that could be achieved through automating elements of the process, and integrating the different systems.”



# G R A F F

THE MOST FABULOUS JEWELS IN THE WORLD

“ Using Descartes' Import Customs Solution, every single gem is itemized so we have complete visibility for each and every item across this process. This allows us to build up an inventory of stock which has been exported under OPR, including all documentation relating to the gem, ensuring that duty is not paid unnecessarily when it returns within an item of jewellery. ”

– Andrew Petherick,  
Head of International Shipping  
and Logistics, Graff Diamonds

### ABOUT GRAFF DIAMONDS

Laurence Graff OBE founded Graff Diamonds in 1960. Today, after more than five decades at the pinnacle of the luxury jewellery industry, Graff continues to push the boundaries of ever-greater innovation and excellence.

## The Solution

With a new, cloud-based electronic import customs solution from Descartes, Graff Diamonds has improved control over its customs declarations process and saved a significant amount in duty by automating and integrating its OPR and Customs Warehouse procedures.

Graff Diamonds began working with Descartes in January 2014 to develop and implement a tailored, automated customs solution to replace its historic reliance on spreadsheets for duty management. By developing a solution that has integrated Graff Diamonds' warehouse and OPR inventory systems, Descartes has saved the jewellery company both time and money, and improved the level of control it has over its import and export processes and inventory.

Initially, Descartes provided Graff Diamonds with a basic customs entry system that would allow it to manage the warehouse diversion reporting itself. Over the ensuing six months, Descartes worked to develop a tailored solution that integrated and automated Graff's warehouse and OPR modules, allowing the retailer to have a clear picture of the duty that was due on each item of jewellery and each gem that it handled.

"Using Descartes' Import Customs Solution every single gem is itemized so we have complete visibility for each and every item across this process," Petherick expands. "This allows us to build up an inventory of stock which has been exported under OPR, including all documentation relating to the gem, ensuring that duty is not paid unnecessarily when it returns within an item of jewellery. In addition, the integration between the systems also means that we know exactly which gems on the system are still available, and we can ensure that all gems exported under OPR are reimported within the two year limit."

The duty management functions within Descartes' Import Customs Solution as used by Graff Diamonds are designed to meet the needs of the larger members of the UK trading community. The solution provides complete customs and warehousing functionality, including full audit trails and comprehensive management information.

## The Results

Petherick concludes, "Descartes' Import Customs Solution has enabled us to move away from our reliance on spreadsheets which in turn has brought about real cost savings from a duty perspective. We recently produced the world's most expensive watch retailing at \$55 million. So if you imagine that duty on jewellery in the UK is 2.5%, then the numbers involved in our process speak for themselves. But it's not just about the fiscal numbers; moving our systems online has given us much more control and allowed us to become far more self-sufficient, and it's not something we could have achieved without the technology or the support of the Descartes' team."

"We're thrilled to help Graff Diamonds achieve greater operational control, streamline its processes and save time and money," said Pól Sweeney, UK Vice President of Sales at Descartes. "Graff Diamonds is an excellent example of how removing manual customs processes and introducing automation and integration of processes and systems can deliver significant supply chain operational efficiency and enhance profitability."



### Reduced Duty Spend

With added insight and control over its customs declarations processes, Graff Diamonds is maximizing duty relief programs and reducing overall duty spend.



### Improved Efficiency

Descartes' Import Customs Solution helped Graff Diamonds transition away from manual spreadsheet-driven processes, which is resulting in substantial savings through added efficiency.



### Added Visibility

With further insight into the actual duties owed at the item level, a clearer picture of the actual landed cost can help the company make better business decisions.



### Increased Customs Compliance

Customs-related procedures can add complexity as goods cross borders. Descartes helps Graff Diamonds maintain the required audit trail and recordkeeping needed for compliance with customs-related regulations.