

Simon Mainwaring:

From We First and Goal 17 Media, welcome to Lead With We. I'm Simon Mainwaring. And today I'm speaking with Kareem Gahed, CEO of John Hardy, a final jewelry brand that's deeply committed to ethical production, who will share with us how your brand can embody purposeful values and initiatives that build your business. And, how to be an exemplar within your industry, to transform it for the better.

Simon Mainwaring:

Kareem, welcome to Lead With We.

Kareem Gahed:

Thank you so much for having me, Simon.

Simon Mainwaring:

You know, when I mentioned the brand John Hardy, there was audible gasps from my wife, my daughters and so on. But, for those who don't know what the brand is, tell us a little bit about it and its Balinese heritage.

Kareem Gahed:

Sure. No, that's great that there was resonance there. But, for those who don't know it, we are a fine jewelry brand that started in the '70s out of a vision from a gentleman with the namesake of this brand. And, it's a really special brand. It's a special brand that has richness in purpose, richness in sustainability, again, built from a foundation over 50 years ago.

Kareem Gahed:

It started in Bali and there's a deep connection to community there and a nature that is just baked into the culture. They'll know if you've been there or not, but it's quite grasping when you get there. You are just automatically sucked into the culture. As we've grown over those decades as a business and as a jewelry brand, we continue to just come back to those Balinese roots. It's really important for us to stay very true to that.

Kareem Gahed:

And, at the core of our company it is around artisanship, community, sustainability and activism, again, core to the Balinese heritage. Those pillars really embody everything that we do.

Simon Mainwaring:

I think that's really interesting, what you're saying. Was it a function of the local culture that really informed the brand and why the brand was born? Or, is it something that you've layered on top? Which way has it worked?

Kareem Gahed:

No, it really starts with the culture, it starts with the power and the magic from Bali. John, who was very interested to learn about the culture, and was mystified by these artisans and their jewelry making process. And, not just jewelry making process, just everything that artisans do and how they live their

life on an island. And then, those core values continued, and we just mold and nurture those values throughout that time.

Kareem Gahed:

We, of course, have added some things to some of those pillars, like activism, because we do want to be relevant in changing the world to be a better place. But, the core essence of the brand all started at the beginning, in Bali.

Simon Mainwaring:

I was really excited to talk to you because there's three areas that are all interesting in their own right, but together, it's super interesting. Which is you're a smaller brand, compared to the big, global companies out there, you're rooted in Balinese heritage and so on. But also, you were purposeful and mission driven out of the gate. So the triangulation of those three is really, really interesting.

Simon Mainwaring:

Was it a function of the namesake for the brand, that you started out that way? Was it something that grew over time? Because a lot of the folks listening are younger, smaller brands and they wonder when does that start? And, was it something out of the gate and how has that driven your business?

Kareem Gahed:

I think it's rooted in the communication, and the sharing of those pillars, and of what John found to be so unique in Bali and what is so unique in Bali. And, what is so unique therefore of the company.

Kareem Gahed:

And really, over the past couple of years, there's ways to do it, but what we have done over the past I would say five years, is we have begun to share that story. We have begun to be passionate about sharing that story. And, courageous in the story that we share. In an industry that's a little conservative, to be able to share some of these components around community, and the power of community, and unity and diversity, and sustainability, and how important that is to the brand first and the business second. And then, to be able to help human equality around activist initiatives and supporting less fortunate globally, we also would share that story and that's been something as of recent.

Simon Mainwaring:

I want to push into some of those different initiatives that you're doing, in a second. But, there's an inherent tension in the brand, which I think is fascinating, which is luxury brands typically elevate their brand, the whole strength, and appeal and cache of the brand is how rarefied they are. And yet, at the same time, you're talking about doing something which was very community focused, and purpose driven and sustainability driven. Do you find you're the exception to the rule? Or, do you think that more luxury brands need to be doing this? How do you see that shake out?

Kareem Gahed:

I think it's both. I believe, right now, we are the exception to the rule. And, our mantra has been when you think about these pillars, and you think about what the brand is standing for and what it needs to stand for, we want to be able to share this to everyone. And, we want people to be able to access everything that we offer at John Hardy. And of course, there are price points that may not, but there

certainly are price points that are. And, even if they don't purchase something at John Hardy, to be able to just tell that story and go through that journey with them is really important to us.

Kareem Gahed:

I do really hope, and I'm starting to see brands following in that footsteps, and again being courageous around those types of pillars, to guide their actions as well, as they craft their future strategy and their future roadmap.

Simon Mainwaring:

I think there's a word you've spoken to a couple of times, courageous, which it's easy to skip over but is absolutely critical in terms of your role as CEO, leadership inside the company and how you show up in your marketing. Help us understand not just what courageous means to you from a leadership point of view, but when does that show up, when the rubber hits the road inside the company.

Kareem Gahed:

For me, it means try new things, be open to failure. Be open for people to be critical of some of those actions that you've taken. Especially if they are powerful in my meaning, mean a lot to me or mean a lot to the company, which has happened and which is the case. I think that that's what courageous is and that's what's guided and helped. It's not just about one person. I'm a big team kind of guy. We have courage everywhere in our business. From artisans who are making the product, to the team members in a distribution center during Coronavirus, who have to deal with that, for the stores that are on the front line.

Kareem Gahed:

Everyone's courage is linked up to this excitement around these pillars and just being able, again, to amplify those, and to talk about those. And if somebody says, "Look, we don't agree with your stances," that's okay. As our community and with these beliefs of making the world a better place, we're okay with it.

Simon Mainwaring:

Give us a sense of the size of the company, where you're based, because you have a larger brand perception out there than perhaps the size of the company. So, give us a sense of that.

Kareem Gahed:

We're a vertical business. What that means is that all of our product, this end-to-end relationship of product is owned by us. We have two production facilities. One in Bali, which is really our home and our birthplace, as I mentioned earlier, that houses about 400 to 500 artisans and then, a hospitality group and then, we have some corporate team members there. We have a very similar setup in Bangkok, which is the jewelry capital of the world. There is an expertise in how to craft jewelry in Bangkok, especially around diamonds, and stone work and gold. We have an office in Hong Kong, it's a satellite commercial office.

Kareem Gahed:

And then, in New York, the majority of our leadership team is based in New York. The majority of our business is in the United States, even though it has been much more balanced over the past couple of years, with supporting team members in the field.

Kareem Gahed:

All in all, we're about a 1200 employee organization. And, we are smaller, to your point, than some of our competitors. We don't feel that way, we don't think that way. And, it actually is advantageous to us because we are nimble, flexible, courageous. We can fail, and learn from our failures and move forward to our successes.

Simon Mainwaring:

I really agree with you, there. I think, sometimes people, especially founders or CEOs of young companies, they aspire to be bigger. They're going to be legitimized when they're bigger. But, at no point in time are you limited by the breadth of your ambition. You look at companies that have come out of the gate and they want to solve for climate change, or save planet Earth, there are companies that just really, out of the gate, really just want to take the biggest bite out of the impact that they can have.

Simon Mainwaring:

And, one of the persistent issues in and around the jewelry business, and diamonds and other things as well, is the transparency around supply chain. You mentioned hubs like Bangkok, and so on. It's one thing to control your own little corner of the world, which might be Bali and how you treat people, and so on. But, how do you make sure that, through the entire value chain of the industry, that you don't then dilute your values or compromise what you stand for? Because, in the fashion world, often the tier three, tier four supplier is using child labor or something, and even the auditing and fair trade doesn't catch it. So what do you do?

Kareem Gahed:

So again, I think this goes back to our roots. When we think about how the jewelry is made at John Hardy, and has been made for centuries in Bali, it's ethical in nature. It's all about the hand, the touch.

Simon Mainwaring:

What does that mean, to be an ethical gemstone for example?

Kareem Gahed:

To us, it's about these timeless traditions of purity, natural purity in which it really has not been stained, if you will, by others touching it. Instead, an artisan, and we see this beautiful collective. We have women who weave our classic chain from the silver link to this really long, beautiful woven chain. And then, it gets cut accordingly. We have that transparency, from all of that journey.

Kareem Gahed:

We work closely, directly with suppliers and full transparency on suppliers from our metals, which are all reclaimed silver and gold. And then, same with our stones, ethically sourced stones. We're a part of RJC, which is the Responsible Jewelry Council, which helps specifically in this sector of jewelry and watches, to help brands and we are a part of that, to understand how to be more sustainable, and how to help

this planet. And then, we also follow the Kimberley Process, which relates specifically to stones and making sure they're conflict free.

Kareem Gahed:

Us being a vertical company is more than just this end-to-end component. It's understanding every single mechanism in which our jewelry touches and then, ends up into a client's hand.

Simon Mainwaring:

Do you see the industry improving? And as a subset of that, what does reclaimed metal mean? I clearly don't buy enough jewelry for my wife. I should know what reclaimed metal is. But, what is reclaimed metal? And then, are you working with the industry in interesting ways to level up practices? Because I'm sure it still has a long way to go, right?

Kareem Gahed:

I do believe the industry is moving in this direction. I think the growth within RJC has been immense since its inception. I would say hats off to the RJC and hats off to the organizations that are joining that, because it is a stringent process to become a part of the RJC.

Kareem Gahed:

I think, for reclaimed metals and reclaimed materials, this is about reuse and being able to not take anything again that disrupts the planet. And, that we are able to reuse metals that have been reused. And in our case, specifically, they have been reused, and validated and verified where they're coming, obviously for us it's sterling silver and it's gold. So we know that that has been reused and we continue to do that. Even so far, I've seen in our compound, in our workshops specifically, we use a tree to be able to create all of these items. There might be eight rings on a tree. You re-melt that silver or gold tree down and continue to reuse that, so that there is no waste to the metals.

Kareem Gahed:

I think the other very interesting thing is we utilize a system in Bali. There is water that is used throughout this process. In our Bali compound, we actually have a water waste treatment facility that takes that water, that has obviously been dirtied through the cleaning process. We clean that water, we run it through a fish pond to make sure that that water is crystal clear. It then irrigates the land. The workshop is on 400 acres. It irrigates the lands and the farm crop on that land, that ultimately we use to harvest and then feed the employees in Bali. So again, another route of reuse and nurturing nature.

Simon Mainwaring:

How do you go about executing that? Because I love the idea of really looking at all aspects of the value chain, making sure that all your source materials are responsible. But then, making sure the very process itself is constantly circular and gives back. Is this something you stand backwards and look from a macro point of view, even as a smaller brand out there and say, "Let's be very intentional about that?" Or, is it something that you troubleshoot different areas and you've built it over time? Because this all helps everybody listening, about how they go about it.

Kareem Gahed:

Look, it's probably a blend of those two things. But, how we believe in it is, again, this link of the community to nature. You can even argue that the nature is a part of this community. We want to nurture it. We don't want to negatively impact it. People talk about carbon footprint, we do a couple of initiatives and all of these initiatives do that for us, to become net positive.

Kareem Gahed:

It is driven by us. Of course, there are potentially strategic initiatives that we want to focus on, like the wastewater treatment component. But, there are others in which we have a subak, which is an irrigation system that runs through all of Bali. And, as we built the workshop, we built over that as to not disrupt it. This is strategic components here, that again, it's a thing that gets filtered. We talk about artisanship, sustainability, community and activism, it really does guide everything that we do.

Simon Mainwaring:

Before we go off supply chain, you hear a lot of talk in the industry about the role of blockchain and really helping people get verifiable line-of-sight onto where every source material comes from and how it's moving around the world. Are you seeing an exciting developments in that area?

Kareem Gahed:

I think more and more are moving towards this reclaimed and recycled materials. We used to be one of the only, I think there are more, especially these up-and-coming brands. I think there's a lot of conversations around lab grown diamonds and what that means to the business. I think we're still truly trying to understand the end-to-end there, to make sure that is truly a sustainable initiative.

Kareem Gahed:

But, there is innovation that's happening in this space, which is great to see. Especially as other industries, I think, are slightly ahead. But, the jewelry industry is starting to move in that direction.

Simon Mainwaring:

Coming back to culture, and your people and the artisans, you're the biggest employer on the island, correct?

Kareem Gahed:

We are.

Simon Mainwaring:

That puts a huge onus on you to not only recognize those intrinsic values that make the whole culture so special, but to nurture them, protect them, look after the people. What are some of the things you do there, to make sure that you have that social license to operate, that the artisans want to work with you?

Kareem Gahed:

For us, it is around making sure their working experience is an amazing experience. Not only from a brand component, the team members in Bali are so proud of the work that they do. This is their work. You see in the pictures and the assets that we share, their hands. I'm wearing pieces of jewelry, it's from

someone's hands. And, being able to amplify and share that story makes a proud Balinese artisan even prouder.

Kareem Gahed:

We work through employee engagement programs, being able to take a day away from the process and go and help out communities. I think they are very proud not only about telling their story about the handcrafted nature of the jewelry, but also how we support others within that community, less fortunate. We have programs in which we support Balinese orphans that work in our workshop.

Kareem Gahed:

And, we listen. We have, this past week and we do them every two months, we have an all hands call that brings all four of the entities together. We take questions, and we listen, and we provide surveys and we answer some of the questions, and we provide high level updates. And, I think that that goes back to that team component. We want to hear from the team in Bali. "How do you guys feel? How are you doing during this most recent wave of COVID spike? How can we protect you? How can we help you? How can we make sure that you feel safe and you feel secure?"

Simon Mainwaring:

How do you codify that? Because, on one level, it's a come from where you hire people and everyone who works for you is connected by your values and just approaches things that way, it's another thing to codify it. I know you have the John Hardy workshop. Give us a sense of what that is and what container that is for all of the things you're talking about.

Kareem Gahed:

Yeah. The workshop, it's a special place. It's nestled in a very remote part of the island and it's this oasis, it's lush. There's green, there's nature everywhere. And, it's quite, again, peaceful. To me, it's not really a workshop. When you even think about it, and I used the word and I probably shouldn't use the word, but it is a place where creation happens. All of the product is designed there, hand sketched by a team of designers that are adjacent to where the actual product is made. You get to see that interaction and that sharing. Everybody is sharing within the workshop. It's just, again, quite harmonious with our surroundings, with the community.

Kareem Gahed:

Look, the compound is made out of green materials. Here's something really interesting. If John Hardy decided to move locations in Bali, and close the workshop and the boutique down, and all of the structures, it's made out of bamboo. In three months, it would all be a part of nature, with no impact, no negative impact.

Simon Mainwaring:

Above and beyond the reputation, and you get more followers, and people will stay and work with you longer, is there any other ROI that you can point to? To really help people understand that, when you come from where the business is really grounded in the role that the brand plays in other people's lives, it's actually good for their business. What would you share?

Kareem Gahed:

I think the most important thing for us isn't necessarily about the followers or the immediate gratification and potentially, a purchase. It's a longterm view and a longterm vision. Being able to share the story with multiple generations, especially the younger generation, which isn't something that John Hardy necessarily as a company did, until again, the last few years. And, being able to talk to them and listen to them.

Kareem Gahed:

When you think about followers on Instagram, yeah okay. But, what's interesting are the commentary. It's the commentary from social outlets. It's the commentary when someone visits our workshop in Bali. It's the commentary from somebody having a fantastic experience by shopping online. Or, it's the commentary from how we supported Earth Day or Black History Month. And hearing those, good or bad, is what's really important for us.

Kareem Gahed:

But, all of those components have certainly led to much, much higher engagement, follower growth, the business is strong, and healthy and is growing. And, so we're excited about that.

Simon Mainwaring:

If you could wave a wand and challenge the entire industry to change in one way, in terms of how it's moving and it's getting more positive in terms of its role in the world, what's the big unlock that you're looking to now? That you'd want on behalf of every jewelry brand.

Kareem Gahed:

Take a stand. I think the brands should take stands on the values that we've shared and that are similar to ours. They don't have to be exact, but I think we know that our values have an ultimate purpose. To be able to, again, protect this planet and to protect humans from inequalities. And, do so in a courageous manner. Like I said, take a stand, talk about it. I think that would be the most beneficial for jewelry sector, brands in the jewelry sector.

Simon Mainwaring:

And, you've had the wonderful opportunity and privilege of leading a brand that is so inherently purposeful and so on. One piece of advice that you'd give to founders, CEOs of young companies, multi-national C-suite executives? Just from a leadership point of view, what's a piece of advice you'd give them?

Kareem Gahed:

Listen, respect, reflect. And, I'm going to take a page out of your book, Simon, act as we.

Simon Mainwaring:

Well, it's hard to argue with that.

Simon Mainwaring:

Kareem, thank you so much for sharing what informs these beautiful objects that John Hardy makes. But, also sharing the heart and soul of the brand. And, for the insights, in terms of what leadership needs to look like moving forward. So a real pleasure to have you on Lead With We.



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Kareem Gahed:

The pleasure is all mine. Thank you, Simon.

Simon Mainwaring:

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Simon Mainwaring:

And, I'm super excited to share that my new book, Lead With We, is out now on Amazon, Google Books and Barnes and Noble, so check it out. See you next episode. And until then, let's all lead with we.