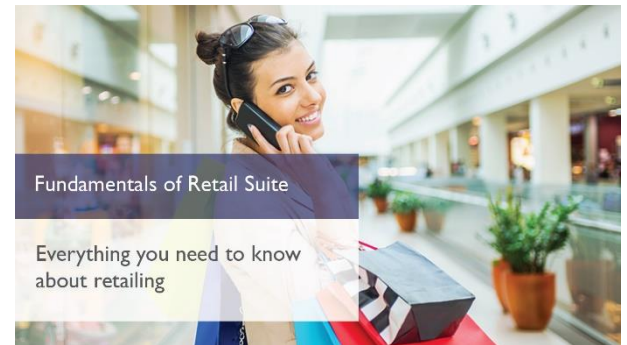




Fundamentals of Retail E-learning Suite

Background

Whether sales, marketing, consulting, development or implementation, the vendors whose people know their customer's industry achieve better results than those that don't. It can take years for new staff to absorb the required level of knowledge when learning on a project by project basis. Martec designed this program to help technology companies accelerate this process. Retail Fundamentals started life as an instructor-led program nearly 30 years ago and was first delivered as e-learning in 1999. Since then it has been polished and refined every year to become the most used retail industry training program in the world. Over 8,000 people have studied this program and used it to improve their sales, marketing or delivery performance.



Why do this as an e-learning class?

There are several reasons:

- An individual can be trained when they join the company rather than wait for enough new hires to justify the cost of an instructor-led program. It's cost effective to train one person at a time.
- Employees do not need to take time away from their primary responsibilities to attend training. They can study in short sessions and work it around day to day commitments.
- There are no associated travel and lodging expenses.
- Participants receive a one year licence. Hence they can re-visit the content as often as they like to refresh key points whenever the knowledge is most timely.
- They have an "Ask the Expert" help facility supported by Martec's subject matter experts. This allows participants to ask questions and receive answers or advice by email, which can include clarification of content or how to apply the knowledge in a particular situation they are facing.
- There are companion classes to teach a comprehensive understanding of retailing and how to use that retail

Target Audience

The course is designed for everyone selling or marketing products to the retail industry as well as those new to the retail industry. The following will benefit:

- Vendors selling and marketing to retail companies.
- Professional services teams working with retail companies.
- Retail company IT teams who need to understand their business more fully.
- New hires with no previous experience of working in a retail company. This is especially true for headquarters based personnel and new graduate intakes.
- Foundational training for those developing or implementing retail specific business processes.





Objectives of the Suite

By the end of this program participants will be able:

- To explain the key retail trends and retail formats
- To describe the key processes in a retail business and how they fit together
- To describe a typical retail organization structure and the likely business pains for each executive
- To calculate and interpret all the main retail Key Performance Indicators
- To explain how retailers make their money and the main elements that are impacted in a return on investment calculation
- To explain the architecture of retail applications and use techniques such as quadrant analysis to identify opportunities in a retail business
- To explain the main business processes in each main area of the business, namely buying and merchandising, store operations, supply chain management, e-commerce, marketing, finance and human resources.

Course Overview

The Fundamentals of Retail Suite is a self-paced set of 10 web-based training programs. All a student needs to run the program is access to a PC and a web browser. The suite is hosted on the Retail Development Academy's Learning Management System and offered at a one-time fee of \$405 (£324 and €373) per student. Upon payment, an account number and password are issued, which is valid for 1 year. The program takes about 10 to 12 hours to study depending on the student and their diligence. Individual study sessions are recommended to last no longer than 30 minutes. Within the purchased period, students can re-visit the material as often as they wish and make use of the "Ask the Expert" facility. Each module can be purchased separately at a cost ranging from \$45 to \$68 per student (depending on module) for 1 year's access. Individual modules take about 1 hour each to study.

Companies may also purchase a corporate licence which provides unlimited access within the company's own organization. Prices are available on request.

Program Contents

1. Retail Background and Trends

What is retailing?

Retail formats

- Department stores
- Mass merchants
- Large format specialty
- Small format specialty
- Food and drug
- Home shopping

Key retail trends

- Omni-channel retailing
- International expansion
- Customer engagement
- Customer Relationship Management
- Brands and private label
- Supply chain
- Summary

Mastery test

2. Overview of Key Retail Processes

Overview of key retail processes

Merchandise and category management

- Planning flow
- Merchandise and category management differences
- Retail merchandising
- Category definition
- Category management

Buying

- Buying activities
- Open to Buy Management

Marketing

- Marketing activities
- Customer Relationship Management
- Supply chain management
- What is supply chain management?
- The merchandise flow
- Vendor collaboration

Store operations activities

E-commerce activities

Summary

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3. Retail Organization

Retail organization structure

CEO's pains

CXO pains

CXO bonuses

Merchandise management retailers

- Buying and merchandising structure

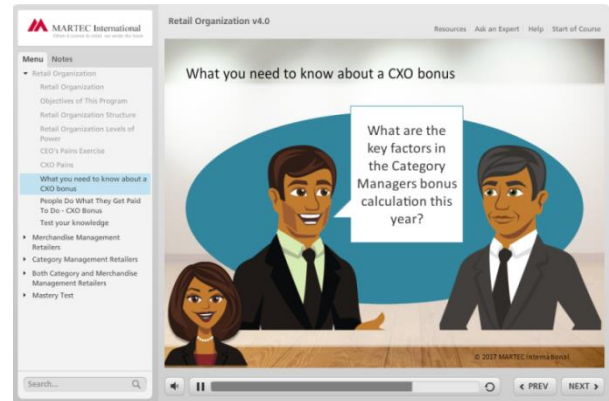
Category management retailers

- Category management structure

Both merchandise management and category management retailers

- Store operations
- Finance
- Marketing
- E-commerce
- Warehouse and distribution
- IT structure
- Capex decision making structure

Mastery test



4. Retail Key Performance Indicators

Introduction to retail KPIs

Sales KPIs

- Sales vs last year
- Sales vs plan
- Comp store / same store sales / like for like
- Sales per square foot / metre
- Sales per linear foot / metre
- Sell through

Inventory KPIs

- Inventory turn
- Availability / in stock %
- Fresh stock percent
- Weeks of supply
- Shrinkage

Margin KPIs

- Gross margin
- Gross margin %
- Markdowns
- Markup
- GMROI

Marketing KPIs

- Market share
- Share of the purse / wallet

KPIs for omni-channel retailing

- Gross margin return on channel - GMROCH and net margin return on channel - NMROCH
- Gross margin return on customer segment - GMROCu and net margin return on customer segment - NMROCu

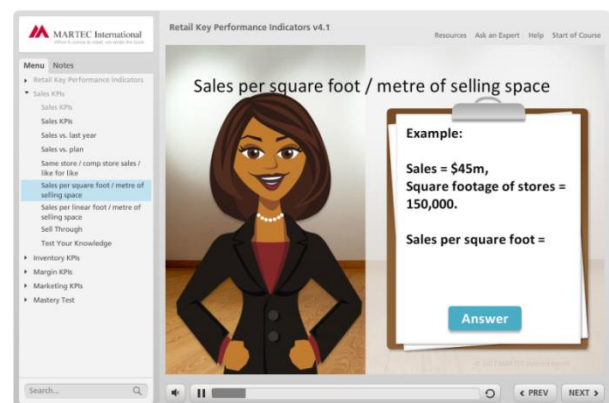
Average US retail KPIs by retail segment

Average European retail KPIs by retail segment

Using KPIs for account planning

KPI analysis of accounts

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5. Retail Financials

Retail profit model

- Retail profit and loss account
- Average retail profit before tax
- Retail profit model
- Operating expenses

Balance sheet

- Balance sheet essentials
- Current assets
- Fixed assets
- Liabilities
- Equity and retained profits
- Return on Net Assets
- Asset utilization

Industry profitability drivers

- Building retail sales and profitability
- Maximizing cash flow and profits
- Balancing gross margins, payment terms and inventory turns

Retail and cost methods of accounting

- Definitions
- Advantages and disadvantages of the retail method
- Advantages and disadvantages of the cost method

Summary

Mastery test

6. Retail IT Architecture

High level application architecture

- Headquarters
- Store systems
- Sales audit and polling
- CRM / marketing database
- Loss prevention
- Logistics
- Finance
- Human resources
- Store portal
- Product lifecycle management
- Warehouse management
- Finance
- HR
- Store Portals
- PLM
- Vendor Portals
- Call Center
- Merchandise Optimization
- System Implications

Application quadrant analysis

- Strategic
- Key operational
- Potential?
- Maintenance

Application quadrant analysis

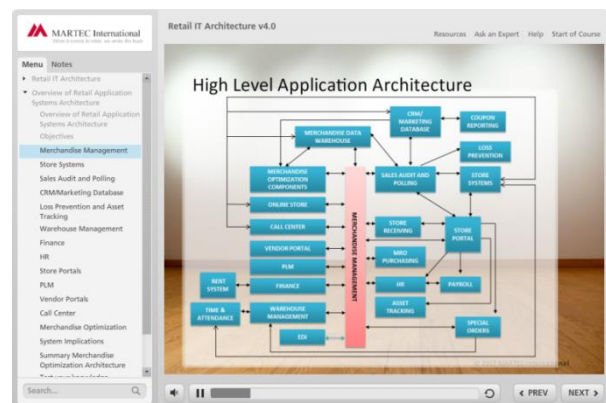
- Grocery
- Mixed goods
- Fashion / specialty
- Department stores

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Retail Profit Model

There are four major ways a retailer can increase profits: Increase sales - either by increasing actual sales or reducing markdowns. Reduce cost of goods - by improving sourcing, better negotiation and/or supply chain efficiencies. Reduce expenses - through more automation and other types of efficiency improvement. Reduce interest charges through efficient use of inventory. The biggest single expense in the expense category is labor, so investments that improve labor productivity are especially important.

Simplified Profit & Loss		
Food		Non-food
105	Gross sales	120
5	Refunds etc.	20
100	Net sales	100
80	Cost of goods sold	50
20	Gross margin	50
17	Operating expenses	41
3	Operating profit	9
0	Interest	2
3	Net profit before tax	7





7. Buying, Category and Merchandise Management

Merchandise and category management

- Merchandise and category management differences
- Retail merchandising
- Category definition
- Category management

Merchandise and category management organization structures

- Merchandise management organization structure
- Category management organization structure
- Key Performance Indicators

Key buying, merchandise and category management processes part 1

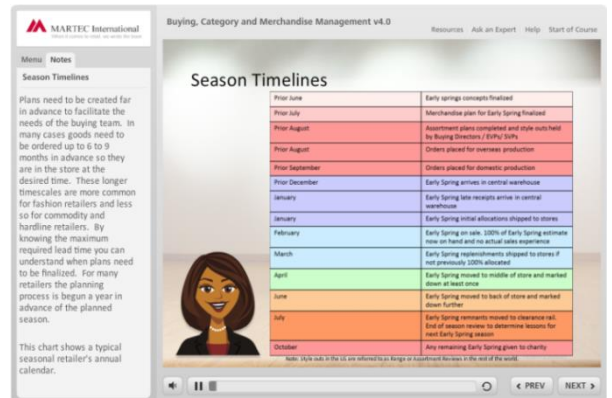
- Merchandise types
- Merchandise hierarchy
- Retail seasons
- Season timelines
- Planning flow
- Merchandise planning
- Assortment / range planning
- Private label
- Linear supply chain
- The wedge – store size vs assortment composition

Key buying, merchandise and category management processes part 2

- Merchandise arrangement
- Open to Buy
- How much stock is needed?
- Replenishment basic model
- Demand forecasting
- Forecasting methods
- Sales and stock management
- Omni-channel buying, merchandising and category management

Summary

Mastery test



8. Introduction to Store Operations

Store operations division

Organization structure

KPIs used for store operations

Store operations strategy and tactics

Space management

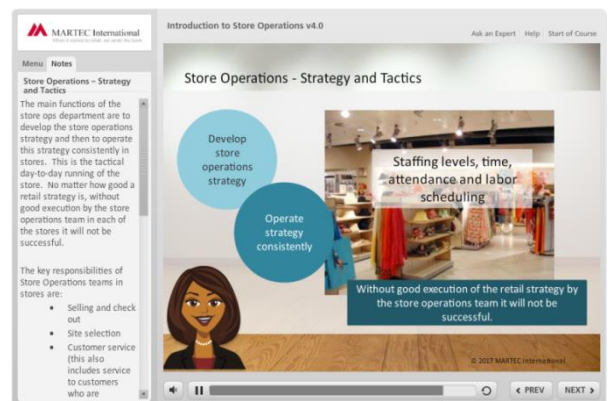
Store administration and physical plant maintenance

Loss prevention

Store operations and human resources

Summary

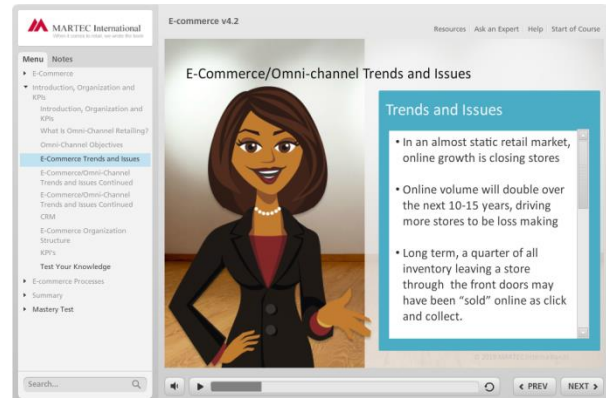
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9. E-Commerce

What is omni-channel retailing?
Omni-channel objectives
E-commerce trends and issues
E-commerce organization structure
Organizational issues
KPIs
E-commerce performance management
How e-commerce changes the role of the store
Inventory management online
Endless aisle - how feasible is it?
Using omni-channel insights
Omni-channel warehouse functions
Summary
Mastery test

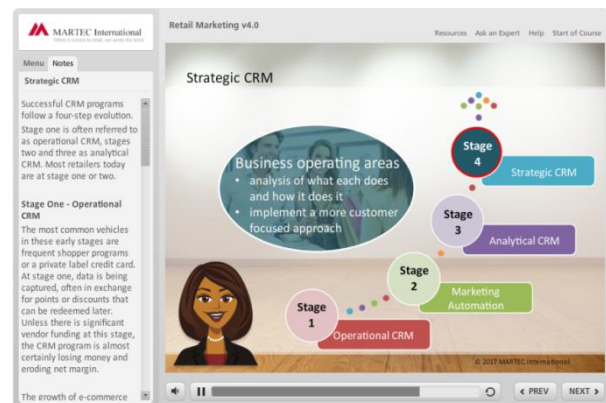


10. Retail Marketing

Marketing structure
Marketing KPIs
Marketing activities
Customer Relationship Management

- Loyalty vs retention
- Customers are not created equal
- Spending by decile
- Strategic CRM
- Segmentation by customer
- Customer analysis

Summary
Mastery test



Testing

At the end of each module there is a test of the participant's knowledge. Test scores are recorded in the Learning Management System and are available to management to review achievement. Certificates are awarded based on satisfactory pass marks.

Students can print their own certificate and if they complete the end of class survey, Martec International will mail them a formal signed certificate of achievement.

Delivery Options

This program can be delivered in three ways:

- Individuals or companies can order the program for one or more people via the Retail Development Academy web site at www.retaildevelopmentacademy.com.
- If a company wants to train batches of students, the e-learning program can be studied to a group time schedule and live web-based instructor-led sessions can be provided to allow for interaction with a subject matter expert. There is an extra charge for this for smaller size groups.
- Live instructor-led classes can be presented using the same material. This is relevant when there are 20 or more people to train at the same time.

Further information and pricing can be provided on request.





Job Aids

Various classes also have downloadable performance support job aids and checklists to assist students after the class.

Martec International

Martec International is a leading provider of data, industry knowledge and insight on retailers, consumer goods companies and other suppliers to retail, especially technology companies.

Our customers include:

- Retailers
- Consumer Goods companies
- Technology suppliers to retailers and consumer goods companies
- Marketing services companies that promote services to retailers and consumer goods companies
- Other service providers, such as logistics companies.

We help clients increase their industry knowledge, develop their skills and grow sales. Companies from approximately 35 countries across 6 continents come to Martec for assistance and insight.

More Information

You can learn more about Martec at the following locations:

<https://www.martec-international.com>

Our YouTube channel at <https://www.youtube.com/channel/UCy9AbIJSWOIOJitqjqWZsDA>.

If you have an enquiry you would like to make of Martec, you can use the Enquire Further button on <https://www.martec-international.com/contact-us> or call +44 1823 333469.

