



# Quantifying a Business Case & ROI E-learning Course



## 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.

## Background

Many companies have strict requirements for a sound business case before large investments can be approved. Martec's Building a Business Case and ROI Class teaches retailers and technology vendors how to build a financial business case which will be readily understood by Chief Financial Officers and can be used to help the Board of Directors understand and approve an investment recommendation.

It goes much further than conventional financial training because it includes guidance on how to estimate key data for making the case, based on Martec's over 30 years of retail consulting experience and how to remediate the investment if there is difficulty in achieving any of the benefits.

The program is delivered as e-learning, optionally with live instructor webinar support (more details later).

## Target Audience

The course is designed for:

- Project managers, financial analysts and Controllers who need to build a quantified business case that will stand detailed examination, to justify a large investment
- New Finance Directors who need to scrutinise business cases developed by others and provide coaching on how to improve them
- Project or account managers at technology vendors who need to create a realistic business case to help sell an investment proposal.



## Objectives of the Suite

By the end of the program, participants will be able to:

- Describe the overall process for building a robust business case and return on investment analysis
- Create a quantified “before” baseline scenario
- Identify the individual benefits and costs associated with the project
- Model the sales benefits
- Model the gross margin benefits
- Model the impact on inventory levels, stockholding costs, individual expense headings and the impact on cash flow
- Phase the benefits achievement realistically over time
- Show the annual impact on the business over an appropriate number of years
- Conduct sensitivity analyses to help develop a robust case
- Learn how to remediate situations where the benefits are not materialising

## Course Overview

Quantifying a Business Case & ROI is a self-paced web-based training program. The program provides about 3-4 hours of training. We recommend that students study in 30-40 minute segments to maximize learning retention.

The program includes a variety of interest generating features and exercises. The student sees his or her own test scores immediately and can review explanations for the correct answers, as appropriate.

Companies who buy a group of licences will be given access to the reporting facilities in the Learning Management System. This enables management to track which students have started and completed the training and their test scores.

There are three pricing options:

- Induction is suited to new joiners who will complete the complete training suite in a limited time. An induction licence is valid for 3 months.
- Professional is valid for 12 months. This allows those who need to re-visit the classes periodically to refresh their knowledge to do so whenever necessary.
- Performance Enhancer includes access to the complete Retail and Consumer Goods Industry WIKI and performance support system also for a 12 month licence.



You can get a full explanation of the benefits and what is included in each option as explained in our [class pricing options](#) web page.

All a student needs to run the program is access to a PC and a web browser. The program is hosted on Martec International's Learning Management System and is available round the clock.

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

# Program Contents

The program contents include:

- Building the business case and return on investment introduction
- Developing the business case process
- Creating the “before the project” scenario (what happens if you don’t do the project)
- Identifying benefits and costs in retail
- Where the benefits can arise (in the P&L)
- More benefits from the Balance Sheet and Cash Flow
- Modelling the sales benefits
- Modelling the gross margin improvements using intake/initial mark-ups, full price sell through, season sell through and terminal stock clearance
- Modelling the stock impacts, simple and advanced (using cycle time and safety stock changes), physical and financial carrying cost changes and cash generated
- Solution costs, capital and expense
- Time phasing the benefits realistically

Building the Business case and ROI v1.5

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### The Situation Before the Project Starts

Company Profit and Loss Statement

Base Year for Accounts	2015
Sales	249,000,000
Cost of Goods Sold	114,000,000
Gross Profit	135,000,000
GP%	54.2%
Expenses	126,000,000
Expenses % Sales	50.6%
Operating Profit (EBIT)	9,000,000
EBITDA	3.6%
Interest	
Depreciation	
EBT%	3.6%
Average Stock at Cost	25,000,000
NPV Discount Percent	11.0%

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### Modeling the Sales Benefits

Sales = Traffic × Conversion Rate × Average Transaction Size × Returns

- Increasing traffic to the store or the web site
- Increasing the conversion rate - the percentage of people that come in or visit the site and buy something
- Increasing average transaction size by buying a more expensive option or adding another item to the basket
- Reducing the level of returns.

There are many ways to accomplish this, click on [search of the Great For.com](#)

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# Program Contents

- Multi-year P&L impact
- Incremental cash flow impact, resulting internal rate of return on investment
- Conducting sensitivity analysis
- Ensuring benefits are achieved


## Mastery test

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### Example - Sensitivity Analysis

Full price sell through before		Full price sell through after		Sensitivity Analysis		Gross margin % increase		Gross margin \$ increase	
45%	55%	60%	90%	90%	6.8%	5.3%	\$4.8m		
45%	50%	90%	90%	90%	3.8%	4.5%	\$3.7m		
45%	60%	80%	80%	80%	3.0%	3.0%	\$2.1m		
45%	50%	80%	80%	80%	1.5%	1.5%	\$1.1m		



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## Testing

At the end of each module there is a mastery test. If the learner completes this test with a pass mark of 70% or more and also completes our short class survey, they will be issued with a certificate and a digital badge. The digital badge can be shared on social media and has metadata, so anyone clicking on the badge can see what the learner has achieved. We also issue credits for classes completed. For more information on digital badges click [here](#).

## Delivery Options

This program can be delivered in three ways:

- Individuals or companies can order the program for one or more people via the Martec International web site at [www.martec-international.com](http://www.martec-international.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.

## 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/UCy9AbJlSWOIOJitqjqWZsDA>.

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.