

Consumer Goods Industry Suite



Target Audience

This suite is designed for everyone new to the consumer goods industry and those selling or marketing products and services to it. The following will benefit:

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

Objectives of the Suite

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

- Explain what the consumer goods industry is, the different segments in the industry and the different customer segments CG companies serve.
- Explain the key trends and challenges that consumer goods companies face, now and in the future.
- Describe a typical company organization structure, the main functional areas, the key management roles and the primary responsibilities of the senior leadership team members. They will also be able to identify the common challenges those executives face.
- Review a CG company's financial statements, calculate the most important key performance indicators and be able to identify financial strengths and weaknesses which need addressing.
- If you are a service provider to a CG company, be able to formulate key questions to explore with the management team to identify ways in which you can help them improve.
- Coupled with your understanding of the financial statements you will be able to articulate the business value of your solutions or services.



Course Overview

The Consumer Goods Industry Suite is a self-paced web-based training program for all those who need a good understanding of the consumer goods sector. This includes:

- Those working in the sector who need a wider view of the business
- Those just joining or recently joined with no previous work experience in consumer goods companies
- Those working in firms that sell goods or services to consumer goods companies.

The suite contains 6 modules, which can be licenced individually or as a complete package, depending on a learner's needs and individual starting point.

The six modules are:

- Consumer Goods Industry Overview
- Consumer Goods Organization
- Consumer Goods Financials & KPIs
- Consumer Goods & Retail Supply Chain
- Consumer Goods & Retail Channel Interactions
- Consumer Goods Sales & Marketing Operations

Each module also contains links to our Retail and Consumer Goods Industry WIKI and performance support system, which contains additional content, downloadable job aids and tools to enhance your training and provide performance support in your job.

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

CPE Credits

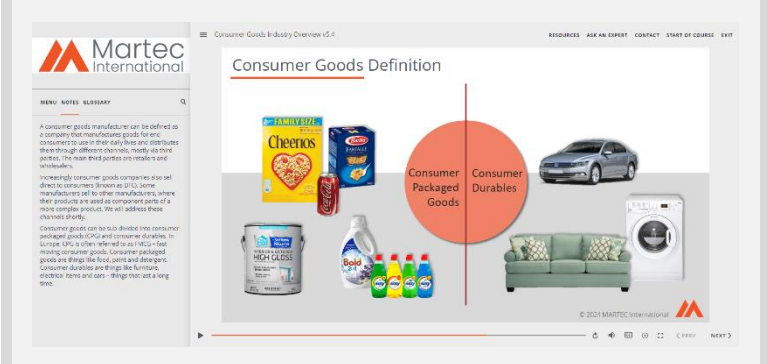
Martec is a NASBA approved sponsor in the USA, so those seeking NASBA CPE credits can earn up to 8.9 credits if you study this suite. See more details near the end of the brochure.



Program Contents

1. Consumer Goods Industry Overview

- Consumer goods definition
- Consumer goods value chain
- The retail players
- Consumer products manufacturers
- Market segments
- Customer drivers
- Key trends
 - Emergence of the connected customer
 - Technology
 - Retail renaissance
 - Growth from emerging markets
 - Changes in supply chain and sourcing
 - Availability issues on the store shelf
 - Growth of retailers' private label
 - Growth of consumer conscience and Government edicts
 - Counterfeiting and grey market distribution
 - Emerging trends and challenges
 - Consumers
- Summary
- Mastery test



Program Contents

2. Consumer Goods Organization

- Typical consumer goods organization structure
- Key job roles and responsibilities
 - CEO
 - Sales and Marketing
 - Category Captains
 - Manufacturing / Operations
 - Supply Chain
 - Research and Development
 - Packaging Engineering
 - Finance
 - IT
 - Human Resources.
- Summary
- Mastery test

3. Consumer Goods Financials & KPIs

- An overview of consumer goods financial statements
- The profit and loss account
- Impact of the product life cycle on gross margins
- SG&A expenses
- The balance sheet
- Formula recap
- Evaluating changes in inventory
- Key performance indicators reviewed so far
- Other key performance indicators (KPIs)
- Reviewing the accounts
- Example analysis
- Questions to ask
- CAPEX
- Summary
- Mastery Test

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Consumer Goods Organization v5.4

Chief Financial Officer (CFO)

Menu: Notes: Glossary

The finance function in a company is run by the Chief Financial Officer (CFO). The CFO is responsible for:

- Production of the company accounts
- Managing the company treasury which includes the company's cash balances, buying or hedging foreign currency and managing any investments the company has
- Carrying out the corporate planning, especially all the financial dimensions of the corporate plan (the senior leadership team as a whole will work on the corporate plan)
- Managing the financial aspects of acquisitions and disposals

The primary accounting areas include:

- Accounts receivable, sometimes known as sales ledger, including managing credit granted to customers
- Accounts payable, sometimes known as purchase ledger. This covers paying suppliers and managing with agreed supplier credit terms

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Consumer Goods Organization v5.4

Category Captains

Menu: Notes: Glossary

A category captain is a senior category manager who is responsible for a specific category of products. They have to optimize the performance of the category as a whole for all the suppliers in that category.

It is a very powerful position for the manufacturer to occupy as it means that they are the selected sales leader for all suppliers in that category and have to give preferences to their own products. However, they have to work a careful line with the retailer, because if they are seen to abuse the position, this retailer can punish them by making another supplier the category captain.

It has been estimated that in the very largest retailers, being appointed category captain can be worth \$120m in extra sales.

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Consumer Goods Financials and KPIs v5.4

Profit and Loss Account

Heading	Amount	Percent	Of which sales
Gross Sales	600	100.0	Gross
Order Size Discount	15	2.5	Gross
Competitive Discount	17	2.8	Gross
Trade Promotions	144	24.0	Gross
Damaged Product Returns	20	3.3	Gross
Net Sales After Trade	404	67.3	Gross
Cost of Goods Sold	238	58.9	Net
Gross Margin	166	41.1	Net
Distribution	33	8.2	Net
Marketing/Advertising	30	7.4	Net
Selling	28	6.9	Net
Customer Service	15	3.7	Net
Profit Before Tax	60	14.9	Net

Menu: Notes: Glossary

Understanding how consumer goods companies make money can help you tailor your sales approach to help you achieve significantly better results.

To become familiar with how these companies make money it's important to understand their sources of revenue and expense. This information is found in a company's Profit & Loss Account (P&L) sometimes called an Income Statement.

This chart provides an overall example of the structure of a consumer goods company P&L.

Gross sales represents the total of all sales without any deductions and excludes any sales or value added taxes.

Trade expenses includes various types of discount, trade promotion expenditure and return of damaged or defective products.

The largest component of trade expenses is trade promotions, sometimes called trade allowances. Trade promotions is money used by promotional activity for the retailers and wholesalers that sell the company's products. Trade promotions may include funding inventory to support certain types of marketing.

If we assume the inventory costs \$20 to build (50% being the finance cost of inventory) and the 50% being the physical cost of warehousing, stock holding, insurance, etc, the extra spending on the consumer goods company is 12% (since \$995m, which is 1.2%).

This extra 1.2% is shown in the Profit and Loss statement as extra cost and thereby reduces profits.

Of the money required to finance the business, an extra \$995m needs to be found to buy the extra inventory. Inventory is viewed by accountants as a current asset (the company can sell it later) and is

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Consumer Goods Financials and KPIs v5.4

Evaluating Changes in Inventory

Can you help?

Year	Amount	Cost of Inventory
2024	\$60,000m	\$40,000m
2023	\$50,000m	\$30,000m

Menu: Notes: Glossary

When analysing a company, it is very helpful to be able to evaluate the financial impact of an increase in inventories on the benefits of a reduction. This chart gives an example based on a real set of numbers.

This company's inventory fell from \$60m in 2024 compared to \$50m in 2023. This is a reduction of \$10m (16.7%). This is a significant improvement in performance. The money that is left in inventory is now \$50m (83.3%) as opposed to \$60m (100%) in 2024.

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Program Contents

4. Consumer Goods & Retail Supply Chain

- Supply chain objectives
- What is supply chain management?
- Key goals for supply chain management
- Example apparel supply chain
- Demand forecasting vs Sales forecasting
- Supply chain verses demand chain
- Lost sales estimation
- Inventory types
- Finished goods inventory types
- Inventory ABC analysis
- Inventory – how much do we need?
- Forecasting
- Parallelism and postponement
- Parallel textile industry supply chain
- Sourcing
- Supply chain challenges
- Product costs, shrinkage and waste
- Supply and demand imbalance (the bullwhip effect)
- Security and counterfeiting
- Sales and operations planning (S&OP)
- Collaborative planning and replenishment (CPFR)
- Global data synchronization network
- Compliance – track and trace
- Key performance indicators
- Supply chain management applications
- Summary
- Mastery test



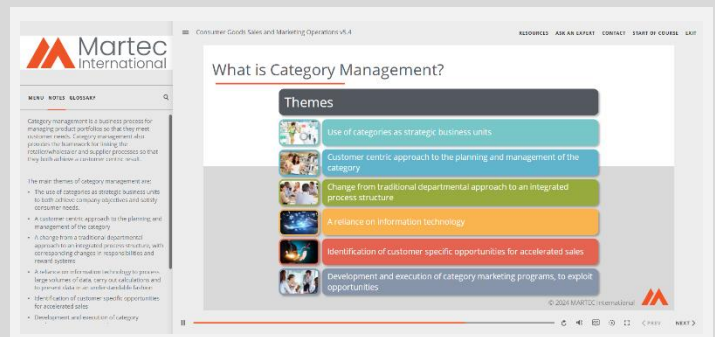
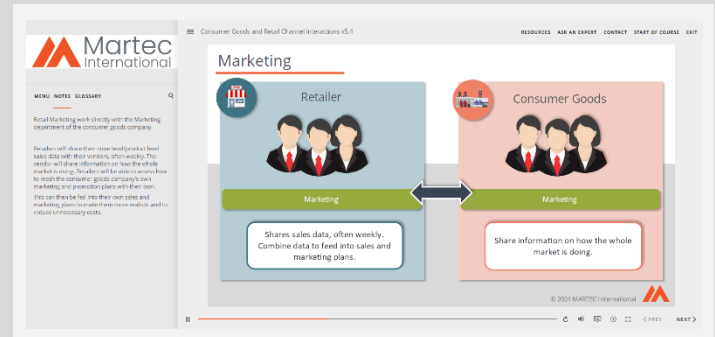
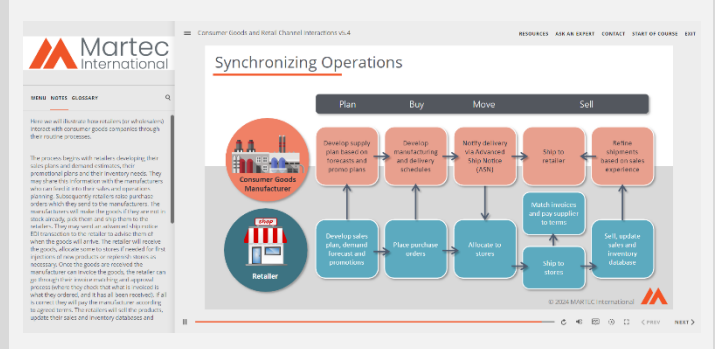
Program Contents

5. Consumer Goods & Retail Channel Interactions

- Objectives
- Synchronizing operations (between CG companies and their direct customers)
- Touch points between retailers and consumer goods companies
 - Buying and merchandising
 - Store operations
 - Marketing
 - Logistics
 - Finance
 - IT
 - E-commerce
- Trade support
- Partnering
- Summary
- Mastery Test

6. Consumer Goods Sales & Marketing Operations

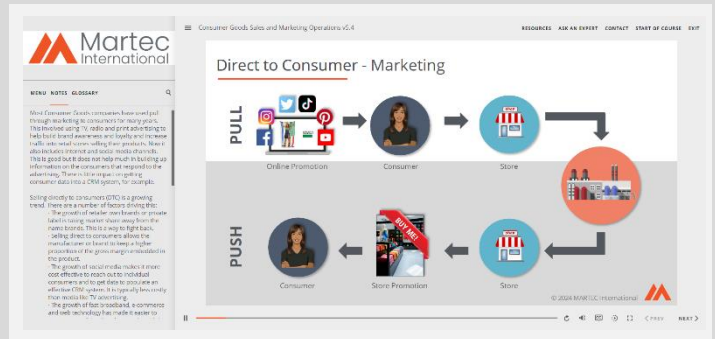
- Objectives
- Customer segments and consumer goods sales and marketing organizations
- Exercise
- Account team responsibilities
- Sales and Marketing
- Pricing
- What is category management?
- What is a category?
- Basic steps in category management
- The 8 stages of category management
- Category management and planogramming
- Promotion planning
- Category captains
- Marketing
- Promotion planning
- Managing trade promotions



Program Contents

6. Consumer Goods Sales & Marketing Operations

- Impediments to effective promotion assessment
- Trade support
- What are your 3 greatest challenges in working with retailers today?
- Direct to consumer sales
- Direct to consumer marketing
- Examples
- Trade promotion planning and management
- 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. At the end of the mastery test, learners are asked to complete a survey, which helps Martec improve its products. Learners who pass the mastery test and then complete the survey will receive a certificate of achievement by email almost immediately. If they used our LMS or their company participates in our digital badge program, they will also receive a digital badge shortly afterwards.

You can learn more about Martec's digital badge program [here](#).

Delivery Options

This program can be delivered in three ways:

- Individuals or companies can order the program for one or more people via our web site at 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.
- 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 tools and job aids to assist learners after the class.

NASBA CPE Credits

CPE Eligibility

If you are a CPA licensed in the United States, you may be eligible for NASBA Continuing Professional Education credit for each of the modules within this suite. To gain CPE credit, you must complete a module and prove successful completion by passing the Assessment Test (with a 70% pass mark or better) within one year from the date of purchase.

NASBA CPE Details for individual modules

The NASBA CPE details for each individual module can be found in the table below. All modules are delivered as QAS Self Study (Traditional).

Module	CPE Credits	Field of Study	Program Level	Pre-requisites	Last Updated
Consumer Goods Industry Overview	1.5	Specialized Knowledge	Basic	None	Dec 2024
Consumer Goods Organization	1.2	Specialized Knowledge	Basic	None	Dec 2024
Consumer Goods Financials & KPIs	1.5	Specialized Knowledge	Intermediate	None	Dec 2024
Consumer Goods & Retail Supply Chain	2.0	Specialized Knowledge	Basic	None	Dec 2024
Consumer Goods & Retail Channel Interactions	1.2	Specialized Knowledge	Basic	None	Dec 2024
Consumer Goods Sales & Marketing Operations	1.5	Specialized Knowledge	Basic	None	Dec 2024

Course Registration

If the course is offered through your employer company, contact your training administrator for registration details. If you purchase a licence personally via our website martec-international.com, you will receive access details via email once you have paid the fee. Your order acknowledgement will be confirmation that you are fully registered.

Also, if you purchase via our web site, you will access the program on our LMS and we will provide you with the information you need on successful completion of the course to demonstrate your completion and the CPE credits earned.

Refund Policy

If you are not completely satisfied with your purchase of this class and you are an individual purchaser, please contact brian.hume@martec-international.com within one week of purchase and explain why you are not satisfied. If the reason is valid and you have not studied a significant proportion of the content, you will receive a refund. If you accessed the program through a corporate licence held by your employer, no refunds are available.



Complaint Resolution Policy

If you wish to complain about some aspect of the course or the service you received, click on the Contact link at the top of any course screen. The display will then give you all the options to contact Martec. We recommend using email as this works better with multiple time zones. We respond to complaints as quickly as possible.

If we get complaints or messages relating to errors or problems running the class, we first try to repeat the error on our LMS. If that test confirms a problem, we fix it rapidly on our LMS and it will then be live to users on our system. We report the fix to our corporate clients and will issue them an updated release immediately, if they are happy to take it. Some clients prefer to have their new releases limited to once or twice a year and we can recommend but we cannot control this. The majority of errors we receive details of are not reproduceable on our system and we advise users to clear their browser cache and try again. If their problem persists, then we advise them to contact their internal IT support desk.



NASBA Registry of Sponsors

Martec International Ltd is registered with the *National Association of State Boards of Accountancy (NASBA)* as a sponsor of continuing professional education on the *National Registry of CPE Sponsors*. State boards of accountancy have final authority on the acceptance of individual courses for CPE credit. Complaints regarding registered sponsors may be submitted to the National Registry of CPE Sponsors through its website: www.nasbaregistry.org.



Martec International

Martec International is a leading provider of industry knowledge and insight to retailers, consumer goods companies and other suppliers to consumer goods companies, including:

- Technology suppliers to consumer goods companies and retailers
- Third party logistics suppliers to these sectors
- Accountants and consulting firms working in these sectors
- Marketing services companies that promote services to retailers and consumer goods companies, and other industry suppliers.

We help clients increase their industry knowledge, develop their skills and grow sales and profitability. Companies from approximately 35 countries across 6 continents come to Martec for skills development and we have learners in 58 countries.

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/UCy9AbIJSWOI0JitqjqWZsDA>.

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 or +1 770 756 8231.

You can register to receive our weekly Martec Minute by email free of charge. The Martec Minutes are very short articles on news items in the retail and consumer goods industries, results of interest from surveys and short guides to industry best practices. You can see many examples at <https://www.martec-international.com/resources/free-content>. Past Minutes are searchable. Use the Contact Us link above to register.

