



Martec International

Martec International is a leading consulting and training firm specializing in the retail industry. Its client base includes retailers from around the globe, technology suppliers to retail and manufacturers of consumer packaged goods and consumer durables.

Martec's professional staff are all former retailers with at least 10 years retail experience and have held at least one management position in a significant retailer.

Martec's training portfolio includes instructor-led classes, e-learning programs and blended learning solutions.

Sales & Inventory Management E-Learning Course



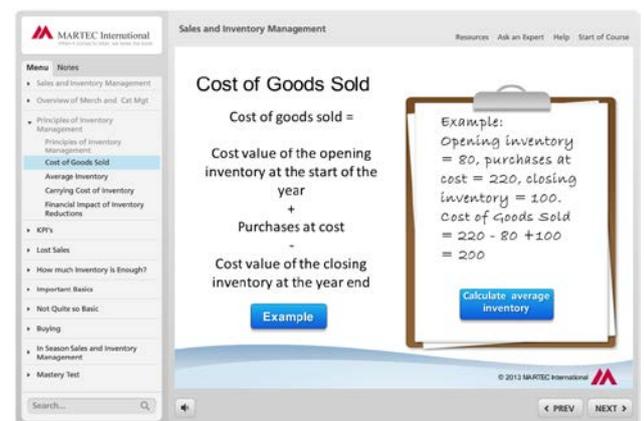
Target Audience

Martec's sales and inventory management e-learning course is designed for everyone involved in sales and inventory management including merchandisers, buyers, supply chain managers and their teams. IT departments and vendors supplying and selling inventory management systems will benefit from a better understanding of the key processes and KPIs.

Objectives of the Program

The course provides a thorough grounding in key sales and stock management principles and concepts. It is suitable for retailers operating in both category management and merchandise management environments. By the end of the program, students will be able to do the following:

- Explain the theory, principles and practice of sales and inventory management
- Describe best practice sales and inventory management processes
- Prepare for and participate effectively in Monday morning and monthly reviews



Course Overview

Sales and inventory management is a self-paced web-based training program. All the student needs to run the program is access to a PC and web browser. The program provides about 5 hours of training and access is valid for 1 year. We recommend that students study in 30-40 minute segments to maximize learning retention. Within the purchased period, students can revisit the material as often as they wish.

The program includes a variety of interest generating features and mastery tests for each module. The student sees his or her own test scores immediately. As an option, we can supply company management with the students' test scores so that progress can be tracked.

Study Time

5 hours



Program Contents

Course Introduction

- How to use this Course

Overview of merchandise and category management

- Merchandise management definition
- Category management definition
- Category management vs. inventory management
- Retail merchandising

Principles of inventory management fundamentals

- Cost of goods sold
- Average inventory
- Carrying costs of inventory
- Financial impact of inventory reductions

Key Performance Indicators (KPIs)

- ABC analysis
- Example ABC analysis and in stock service levels
- Inventory or stock turn
- Evaluating a change in turn
- Weeks of supply
- Markdowns
- Sell through
- Gross Margin Return on Investment (GMROI)
- Maximizing GMROI

Lost sales

- Cost of avoiding a lost sale
- Lost sales estimation – continuity and fashion items
- Profit impact of lost sales recovery
- Using lost sales in practice

How much inventory is enough?

- How much inventory do you need?
- Safety stock
- Considerations for reducing inventory
- Which comes first – reducing stocks or reducing lost sales?

Important basics

- Breaking stock and terminal stock
- Types of stock ownership
- Consignment stock
- Vendor Managed Inventory (VMI)
- Direct Store Delivery (DSD)
- Difference between sales and demand
- Inventory accuracy
- Fast movers vs. slow movers
- Packs
- Ratio packs
- Rounding rules
- Visual merchandising constraints

Not quite so basic

- Halo effect
- Cannibalization
- Price elasticity curves and cannibalization
- Price optimization data considerations
- Price optimization – example strategies
- Common inventory management errors

Buying

- Buying differences – merchandise management vs. category management
- How much do you buy?

In-season sales and inventory management

- Summary of the merchandise management process
- A typical Monday morning review
- Performance against chain average
- Sales to stock ratio (participations)
- A problem department?
- Last n weeks trend
- Example monthly review
- Questions to investigate
- Position sheet analysis
- Open to Buy management
- Open to Buy example
- In season control
- Complicating factors
- Impact of stock ownership on OTB

Mastery Test

MARTEC International
Sales and Inventory Management

Menu Notes
Halo Effect

The first is the HALO effect. When you put an item on promotion, its sales should go up. Some associated products will also experience an increase as well. For example, if you put a laptop on promotion, it is quite likely that you will sell some extra laptop bags. It is important to understand these relationships and not put laptops and bags on sale at the same time. If you do, you will just give margin away. Some of these relationships are obvious, like Apple Pie and Ice Cream, but some are not so obvious. A basket analysis report can be very helpful in identifying these relationships.

Some retailers find it difficult to estimate HALO when planning a promotion. One way to do it is to run a test in a small group of stores and compare them with a control group. Adjust the

Halo Effect

Customers who buy promoted items often buy other related items at full price.

- A customer may purchase a promoted printer at a 10% discount and then buy related items such as paper, additional ink cartridges, or cables at regular price.
- Apple pie and ice cream
- Need good basket analysis so you don't mistakenly promote two products with high affinity - it's a waste of margin.

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PREV NEXT





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Weekly Group Tutoring Sessions for E-Learning Courses

A new approach to e-learning that leverages the flexibility of individual self-paced course work together with team collaboration and live tutor interaction.

For companies training a group of 10 people or more Martec offers a new hybrid technique:

- Each week your training group tackles one module within the e-learning course. Because learning material is accessed electronically everyone can focus on the content at a time that works best for their schedule. As questions and comments arise, your team emails queries to our tutorial staff.
- A group tutoring session is conducted weekly, one per main lesson, (or at intervals set by you), maybe a “lunch and learn” approach, with a webinar or conference call. This session completes a learning module by reviewing questions that arose from the material. Our experts furnish complete answers to make sure your team has not just digested the content, but understands the lessons and knows how to apply them. Sometimes students don't realize they have a question – because they are unable to frame it – until they hear a peer articulate the question for them. This type of team learning encourages a collaborative culture that continues long after training concludes.

Price (based on 10 students): £3,005 + VAT (£3,606), \$4,615, €4,055

It's less expensive than traditional classroom training but doesn't sacrifice the one-to-one instructor contact.

