



Fundamentals of the Consumer Goods Business

Background

Whether you are a supplier too, or employee of a consumer goods manufacturer, you can do your job much more effectively if you understand the industry sector you are working in.

Martec's Fundamentals of Consumer Goods Business program has been developed specifically to help people understand a new industry or business sector, so they can perform at maximum potential.

The program can be delivered in several ways (more detail later) but is most often delivered via e-learning. It involves about 10 hours of study and, in e-learning delivery, we recommend this should be accomplished in approximately half hour sessions over a month or so.

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.

Target Audience:

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

- Vendors selling and marketing to consumer goods companies.
- Professional services teams working with CG companies.
- CG company IT teams who need to understand their business more fully.
- 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.
- Foundational training for those providing merchandising or category management services to the retailers and wholesalers the CG company services.

Objectives of the Program

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 Fundamentals of Consumer Goods Suite is a self-paced web-based training program. All a student needs to run the program is access to a PC and a web browser. The program is hosted on the Retail Development Academy's Learning Management System and offered at a one-time fee of \$365 (£292 and €336) per student. Upon payment, an account number and password are issued, which is valid for 1 year. The program takes about 10 hours to study depending on the student and their diligence. Individual study sessions are recommended to last no longer than 30 minutes. Within the 12 months of purchase, students can re-visit the material as often as they wish and make use of the "Ask the Expert" facility.

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. Overview of the Consumer Goods Industry

- Consumer goods value chain
- The retail players
- Consumer Products Manufacturers
- Market segments
- Customer drivers
- Key trends
 - Emergence of the connected customer
 - 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
 - Other emerging trends and challenges
 - Consumers
- Summary
- Mastery test



2. Consumer Goods Organization Structure

- 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 and Key Performance Indicators

- 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
- Vendor questions to ask
- CAPEX process
- Summary
- Mastery Test



4. Supply Chain

- Supply chain objectives
- What is supply chain management?
- Key goals for supply chain management
- Example apparel supply chain
- Supply chain versus demand chain
- Lost sales estimation
- Inventory types
- Finished goods inventory types
- Inventory ABC analysis
- Inventory – how much do you really 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





5. Touch Points

- 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
 - Trade support
- Partnering
- Summary
- Mastery Test



6. Sales and Marketing

- Objectives
- Customer segments and consumer goods sales and marketing organizations
- Exercise
- Account team responsibilities
- Marketing
- What is category management?
- What is a category?
- Basic steps in category management
- The 8 stages of category management
- The need for data
- Promotion planning
- Managing trade promotions
- 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
- 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.

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:

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

<http://www.retaildevelopmentacademy.com>

Our YouTube channel at <https://www.youtube.com/channel/UCy9AbIJSWOI0JitqjWZsDA>.

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/services/31/retail-market-information> or call +44 1823 333469.