

Fundamentals of Retail Suite



Target Audience

The course is designed for everyone new to the retail 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 retail company. This is especially true for headquarters-based personnel and new graduate intakes.
- Retail company IT teams who need to understand their business more fully to build effective applications.
- Foundational training for those developing or implementing retail specific business processes.
- Vendors selling and marketing to retail companies.
- Professional services teams working with retail companies.

Course Overview

The Fundamentals of Retail Suite contains 10 modules, which can be bought individually or as a complete package, depending on a learner's needs and individual starting point.

The ten modules are:

- Overview of the Retail Industry
- Overview of Key Retail Processes
- Retail Organization Structures
- Introduction to Retail Financials
- Analyzing Retail Key Performance Indicators
- Retailer IT Applications Overview
- Buying & Merchandising Overview
- Introduction to Store Operations
- E-Commerce & Omni-Channel Retailing
- Retail Marketing

The classes are complemented by our Retail and Consumer Goods Industry WIKI and performance support system, which contains additional detail on topics such as retail processes and retail IT applications, plus a wide range of downloadable job aids, tools and checklists.

CPE Credits

Programs in this suite come in two versions. Martec is a NASBA approved sponsor in the USA, so those seeking NASBA CPE credits should study the NASBA versions. The content is exactly the same, but there are some differences concerned with certification of NASBA CPE credits. More details are included near the end of this brochure.



1. Overview of the Retail Industry

Objectives

Upon completing this course, learners will be able to:

- List the key purposes retailing serves
- Identify the various retail segments and their key characteristics
- List the main trends in the retail industry
- Recognize some of the terminology unique to the sector.

Program Contents

What is retailing? The role it plays in the supply chain.

Differences between Category and Merchandise Management retailers

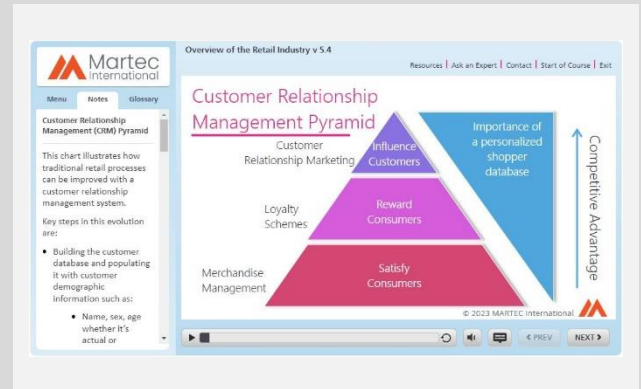
Retail formats

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

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

Objectives

Upon completing this course, learners will be able to:

- Identify the key processes in a retail business and the departments that they impact.
- Answer questions on how the processes fit together across the retail business.

Program Contents

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

Mastery test

The screenshot shows a video player interface for 'Overview of Key Retail Processes v4.7'. The main content is a slide titled 'Retail Merchandising'. On the left, there is a sidebar with a 'Notes' tab selected, containing text about merchandising. The main slide features a flowchart with two columns: 'Pre-Season' and 'In-Season'. The 'Pre-Season' column includes 'Planning' and 'Post Season Summary'. The 'In-Season' column includes 'Initial Allocations', 'Replenishment', and 'Performance Review'. Red arrows indicate a clockwise flow: Planning to Initial Allocations, Initial Allocations to Performance Review, Performance Review to Revised Sales Inventory and Receipt Forecasts, Revised Sales Inventory and Receipt Forecasts to Replenishment, Replenishment to Post Season Summary, and Post Season Summary back to Planning. A woman's headshot is visible in the bottom left corner of the slide. The video player has a progress bar and navigation buttons.

The screenshot shows a video player interface for 'Overview of Key Retail Processes v4.7'. The main content is a slide titled 'Buying Activities'. On the left, there is a sidebar with a 'Notes' tab selected, containing text about buying activities. The main slide features a list of buying activities: 'Sourcing, product selection, negotiations, pricing and contracts', 'Assortment / category management and improvement', 'Branding / private label', 'Promotion planning and management', and 'Spending control and Open-to-Buy'. A woman's headshot is visible in the bottom left corner of the slide. The video player has a progress bar and navigation buttons.

3. Retail Organization Structures

Objectives

Upon completing this course, learners will be able to:

- Identify the organization structure elements in a typical category management retailer
- Identify the organization structure elements in a typical specialty retailer or department store
- List the business pains commonly faced by various executives
- List the most likely items in executives' bonus structures to assess how best to influence them.
- Identify who the most likely influencers, recommenders and decision makers are in any retail decision
- Determine an approach for maximizing success with the Capex committee.

Program Contents

Retail organization structures

CEO's pains

CXO pains

CXO bonuses

Merchandise management retailers

- Buying and merchandising structure

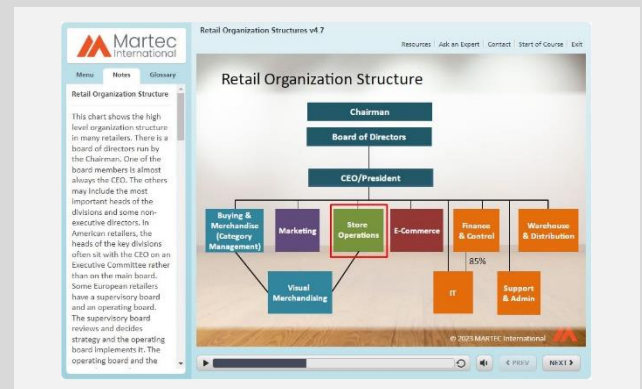
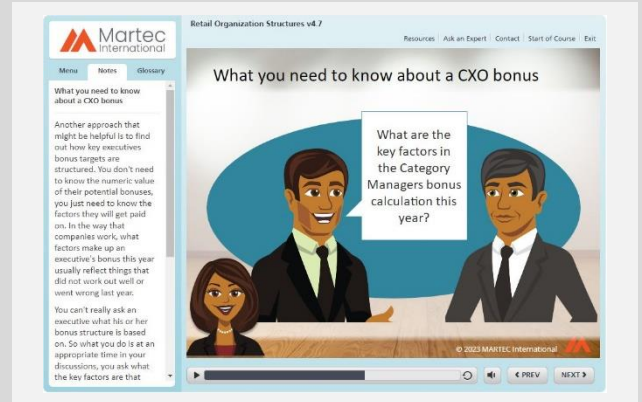
Category management retailers

- 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. Introduction to Retail Financials

Objectives

Upon completing this course, learners will be able to:

- Recognize the different elements that make up the main retail financial statements
- Identify how retailers achieve their profits
- Highlight the major variables retailers can leverage to improve their profits
- Identify the difference between the retail and cost methods of accounting
- Determine the main elements that are impacted in a return on investment calculation.

Program Contents

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

The slide shows a balance sheet for ABC Ltd. as of January 31st. It is divided into Current Assets and Fixed Assets. A woman in a business suit is standing next to a board that says 'Balance Sheet'.

Assets	
Current Assets:	
Cash	\$2,000
Receivables	3,500
Stock	8,000
Work in progress	500
Total current assets	\$14,000
<i>You focus on stock reduction and cash generation</i>	
Fixed Assets:	
Property	\$16,000
Fixtures & Fittings	4,000
Total fixed assets	\$20,000
Total assets	\$34,000
<i>You focus on yield of fixed assets</i>	

The slide lists six types of current assets in a numbered list. A woman in a business suit is standing next to a board that says 'Current Assets'.

- 1 Merchandise inventory
- 2 Cash
- 3 Accounts receivable
- 4 Work in progress
- 5 Other receivables
- 6 Bad debt reserves

5. Analyzing Retail Key Performance Indicators

Objectives

Upon completing this course, learners will be able to:

- Identify the common KPIs used across all sales channels today
- Practice calculating the main retail KPIs
- Recognize how to interpret KPIs and improve them
- Analyze KPIs which are used to improve processes and their execution
- Identify what to look for when preparing to visit a retail account.

Program Contents

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

Gross Margin KPIs

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

Marketing KPIs

- Market share
- Share of the purse / wallet

Average US retail KPIs by retail segment

Average European retail KPIs by retail segment

Using KPIs for account planning

KPI analysis of accounts

Mastery test

Analizing Retail Key Performance Indicators v4.8

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Menu | Notes | Glossary

Same store / comp store sales / like for like

Comp store sales are also known as comparable, same-store or like for like sales. Comp store sales is a ratio that represents the total sales increase or decrease, compared to the previous year, for identical stores.

Comp store sales measures only those stores fully open throughout the present and previous years.

When looking at a comp store sales figure, it is important to know the current level of inflation. If inflation is 3%, comp store sales of plus 2% means that unit volume is actually dropping. If inflation is 1%, comp store sales of plus 2%

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Analizing Retail Key Performance Indicators v4.8

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Menu | Notes | Glossary

Inventory Turn - Retail Method

Stock or inventory turn is the most usual measure of the efficiency of inventory control. It is the number of times within a period, usually one year, which the average inventory is sold. Inventory turn represents the rate at which merchandise moves. Inventory turn varies by product. Produce in US supermarkets turns around 58 times a year. Health and beauty items turn 5 times.

Inventory turn is calculated based on the retailer's accounting method. Many retailers use the Retail Method of Accounting, otherwise known as the Retail Inventory Method. In this approach, inventory

$$\text{Inventory Turn} = \frac{\$ \text{ Net sales}}{\$ \text{ Average stock (at retail)}}$$

Example

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6. Retailer IT Applications Overview

Objectives

Upon completing this course, learners will be able to:

- List the typical portfolio of application systems that retailers use
- Identify the architecture of retail application systems and the implications in terms of technical architecture
- Apply Quadrant Analysis, which is a methodology for identifying development or application systems opportunities in a retailer, and their respective business owners.

Program Contents

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
- Call center
- Merchandise optimization
- Systems implications

Application quadrant analysis concept and use

- Strategic
- Key operational
- High Potential?
- Maintenance

Application quadrant analysis job aid

- Fashion / specialty, department stores and mixed goods retailers
- Grocery and drug stores
- Online retailers

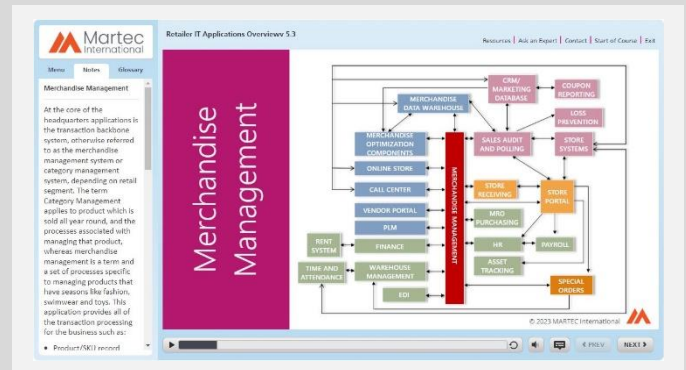
Mastery test

Martec International
Retailer IT Applications Overview 5.3
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Match the quadrant analysis type with the most appropriate example.

Strategic	Key investment priority now
Potential	Pilot project
Key operational	Very important and stable application
Maintenance	Critical but proven application

Review Q8
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NEXT



7. Buying and Merchandising Overview

Objectives

Upon completing this course, learners will be able to:

- Identify the differences between merchandise and category management retailers
- List some key foundational concepts of merchandise and category management
- Identify the key retail buying, merchandising and category management processes
- Recognize key elements of retailers' buying, merchandising and category management organizations
- Identify the KPIs used to measure the performance of buying, merchandising and category management teams
- Separate the weekly and monthly sales and stock review processes
- Recognize the key elements of how retailers forecast sales and replenish products.

Program Contents

Merchandise and category management definitions and differences

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 and timelines
- Merchandise planning
- Assortment / range planning
- Private label products

Key buying, merchandise and category management processes part 2

- Merchandise arrangement/presentation
- 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

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8. Introduction to Store Operations

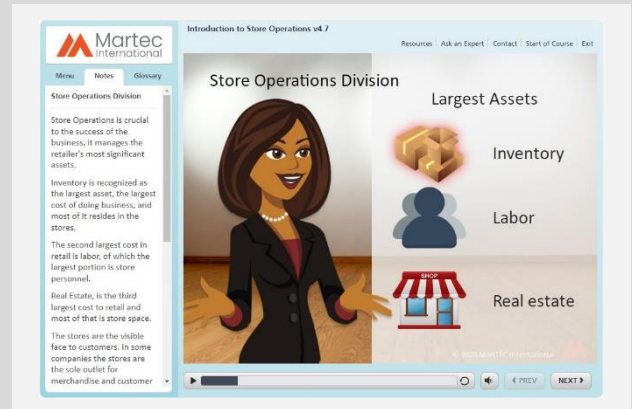
Objectives

Upon completing this course, learners will be able to:

- Identify the importance of the Store Operations division
- List the key functional areas and identify the structure of a typical Store Operations division
- Identify how a Store Operations department's performance is measured
- Itemize the day-to-day tactical responsibilities of field based Store Operations teams
- List the key processes in Store Operations that are managed by headquarters-based functions.

Program Contents

- 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
- Mastery test



9. Ecommerce & Omni-Channel Retailing

Objectives

Upon completing this course, learners will be able to:

- Select the right definition of e-commerce and omni-channel retailing and highlight why it is so important
- List some e-commerce trends
- Recognize examples of e-commerce organizational structures
- Identify how e-commerce success is measured
- Recognize examples of how e-commerce and omni-channel retailing is changing the role of the store
- Identify online inventory management processes and factors affecting how retailers make decisions about their online assortment
- Identify how insights from e-commerce are used to improve performance in other channels and vice-versa
- Categorize differences between the operation of warehousing and distribution for chain store operation and e-commerce operation.

Program Contents

- What is omni-channel retailing?
- Omni-channel objectives
- E-commerce trends and issues
- 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

E-Commerce & Omni-channel Retailing v4.8

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Menu Notes Glossary

How E-Commerce Changes The Role of the Store

	Before Omni-Channel	After Omni-Channel
Inventory	Separate inventory for each channel, duplicated safety stocks, overall bigger stockholding.	Common inventory for the business, smaller total safety stock, visibility of inventory on boats and planes, less stock in stores because of narrower store assortments?
Store Staff	Minimal service desk staffing, minimal returns staffing.	More service staff hours for customer pick up, receiving and returns.
Staff Compensation	Anti-online when only focused on store sales.	Smart retailers credit the store with online sales in the store catchment area, so online does not threaten bonuses.
Store Space	Mainly allocated to selling, stockroom and offices.	Add a bigger returns handling capability, a bigger customer pick up area, display of samples of internet only lines.
Customer Service	Mainly no assisted selling, except in upmarket brands, may not provide consumer web and fine consumer tools to aid shopping.	Internet ordering in store via store tablet or consumer smartphone, recommendations via smartphone, assisted selling from store staff, stock checking from phone, endless aisle support, etc.

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E-Commerce & Omni-channel Retailing v4.8

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Menu Notes Glossary

Endless Aisle - How Feasible Is It?

Item	A SKUs				B SKUs				C SKUs			
	Price	Sales	SMUs	Sales	Price	Sales	SMUs	Sales	Price	Sales	SMUs	Sales
	Units Per \$100 Per Week	Units Per \$100 Per Week	Units Per \$100 Per Week	Units Per \$100 Per Week	Units Per \$100 Per Week	Units Per \$100 Per Week	Units Per \$100 Per Week	Units Per \$100 Per Week	Units Per \$100 Per Week	Units Per \$100 Per Week	Units Per \$100 Per Week	Units Per \$100 Per Week
100.00	84,667	7	0.40	98,267	32	0.15	110,067	37	0.14			
750.00	84,667	2	2.71	98,267	6	0.60	110,067	11	0.71			
100.00	84,667	25	0.30	98,267	75	0.05	110,067	225	0.05			
54.00	377,056	18	0.72	118,189	205	0.17	256,412	462	0.18			
28.00	56,444	15	2.42	39,511	44	0.41	73,378	74	0.68			
90.00	28,222	6	0.69	15,746	19	0.28	36,489	31	0.25			
30.00	28,222	4	4.22	15,756	13	0.98	36,489	21	1.10			
73.00	564,845	357		395,113	614		733,279	791				

Please use the scroll bar below the spreadsheet to navigate across the columns

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10. Retail Marketing

Objectives

Upon completing this course, learners will be able to:

- Identify the key functional areas in a retail marketing department
- Calculate key retail metrics to measure retail marketing performance
- Answer questions on how key marketing processes work.

Program Contents

Marketing organization 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 if they complete the end of class survey. If they studied and passed a NASBA sponsored class, the certificate will include all the mandatory NASBA information, such as the CPE credits earned.

Delivery Options

These programs can be delivered in three ways:

- Individuals or companies can order classes or the suite for one or more people via the Martec International web site at <https://www.martec-international.com/shop>.
- 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.

Larger companies can buy corporate licences including worldwide access and have the classes installed on their own LMS or on ours. The Retail and Consumer Goods Industry WIKI is available on a cloud based server and cannot be installed in house.

Currently, learners in 58 countries study these classes.

Further information and pricing can be provided on request.

Quality

Martec maintains a continuing survey of learner feedback. At the time of writing, learners in over 13,000 survey responses rated Martec's classes as an **average of 86%** in response to two questions:

- Has this class achieved your personal goals?
- To what extent will this class help you do your job better?

37% awarded 100% ratings to these questions.

The text feedback we receive in the survey responses is used to help plan enhancements and upgrades to our classes. You can learn more about our survey process [here](#).

Job Aids

Various classes also have downloadable performance support job aids and checklists to assist students 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
Overview of the Retail Industry	2.0	Specialized Knowledge	Basic	None	July 2023
Overview of Key Retail Processes	1.2	Specialized Knowledge	Basic	If no retail experience, we suggest studying 'Overview of the Retail Industry' first.	July 2023
Retail Organization Structures	1.2	Business Mgmt & Org	Intermediate	If no retail experience, we suggest studying 'Overview of the Retail Industry' first.	July 2023
Introduction to Retail Financials	1.2	Finance	Intermediate	If no retail experience, we suggest studying 'Overview of the Retail Industry' first.	July 2023
Analyzing Retail Key Performance Indicators	1.5	Business Mgmt & Org	Intermediate	If no retail experience, we suggest studying 'Overview of the Retail Industry' first.	July 2023
Retailer IT Applications Overview	1.0	Information Technology	Intermediate	Some basic familiarity with IT concepts is beneficial to completing this module.	July 2023
Buying & Merchandising Overview	2.0	Specialized Knowledge	Intermediate	If no retail experience, we suggest studying 'Overview of the Retail Industry' first.	July 2023
Introduction to Store Operations	0.5	Specialized Knowledge	Basic	If no retail experience, we suggest studying 'Overview of the Retail Industry' first.	July 2023
E-commerce & Omni-channel Retailing	1.2	Specialized Knowledge	Basic	If no retail experience, we suggest studying 'Overview of the Retail Industry' first.	July 2023
Retail Marketing	1.0	Specialized Knowledge	Basic	If no retail experience, we suggest studying 'Overview of the Retail Industry' first.	July 2023



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 on retailers, consumer goods companies and other suppliers to retail.

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 and accounting firms.

We help clients increase their industry knowledge, develop their skills and grow sales.

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 complete the enquiry form on <https://www.martec-international.com/contact-us> or call +44 1823 333469 or +1 770 756 8231.

