

Retail Sales and Inventory Management

Thursday 15th May 2014

Central London

Objectives:

- To explain the principles of inventory management and how to reduce stock levels without impacting sales
- To define Open to Buy and WSSI and how it is used as an inventory management tool
- To show how to reduce lost sales
- To introduce the basics of price management
- To explain the principles of managing sales performance and inventory levels through weekly and monthly reviews.

Course Overview

This class is designed for all retailers who need to manage their stocks more effectively, reduce lost sales and reduce stockholding costs. The class is an intensive one day programme with a combination of lectures, case studies, group discussions and exercises. In addition to the training all delegates receive 3 months access to Martec e-learning sales and inventory management to help them revise topics as they put the knowledge into practice.

Course Leader

Brian Hume, Martec's Managing Director and founder, will serve as lead instructor for this course. He is known and respected in Europe, North America and Asia Pacific as an authority on retailing and retail technology. He is a dynamic and knowledgeable speaker.

Brian has consulted to some of the world's leading retailers in areas such as business strategy, merchandise planning, merchandise management, supply chain, partnering between retailers and vendors, store operations and the use of technology to improve business performance.

Who Should Attend?

The following will benefit:

- Merchandise managers
- Senior merchandisers
- Assistant merchandisers
- Allocators
- Distributors
- IT executives involved in designing or selecting systems for sales and stock management
- Suppliers selling and marketing stock management systems to retailers



Retail Sales and Inventory Management

Thursday 15th May 2014

Agenda

Overview of merchandise and category management

- Summary of the merchandise management and category management processes

Principles of inventory management

- Cost of goods sold
- Average inventory
- Carrying cost of inventory
- Calculating financial impact of inventory reductions

Key Performance Indicators

- ABC analysis
- Stock turn
- Advantages of a high stock turn
- Disadvantages of a low stock turn
- Evaluating a change in stock turn
- Weeks/days of supply
- Margin KPIs
- Gross margin
- Markdowns
- Sell through
- GMROI

Lost sales

- Cost of avoiding a lost sale – 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
- Direct store delivery
- Difference between sales and demand
- Inventory accuracy
- Fast movers vs. slow movers
- Packs
- Ratio packs
- Rounding rules for packs
- Visual merchandising constraints

Not quite so basic

- Halo effect
- Cannibalisation
- Price elasticity curves
- Price optimization data considerations
- Common inventory management errors

Buying

- Contracts and call offs
- Open to buy and WSSI
- How much do you buy?

In-season sales and inventory management

- Typical Monday morning review and finding the variances that matter
- Performance against chain average
- Sales to stock ratio (participations)
- Problem departments
- Monthly reviews
- Exercise on monthly reviews
- Questions to investigate
- Position sheet analysis

Open to Buy Management and WSSI

- Use of Open to Buy/WSSI
- Open to Buy calculations
- Manipulating Open to Buy
- Markdowns
- In season control (WSSI)
- Complicating factors
- Impact of stock ownership on OTB

Mastery test

Companies that Use Martec's Learning Services:

Martec trains retailers all over the world. Clients include:

- Bestseller
- Chicos
- Dressbarn
- Homebase
- Hunkemoller
- Jerome's Furniture
- New Look
- Nuance Retail
- OfficeMax
- Shell
- Stein Mart

Martec International Ltd

Martec House
40 High Street
TAUNTON
Somerset
TA1 3PN, UK

