

# Retail Management

“Make merchandise accessible for the customers”

## CUSTOMERS HAVE A PROBLEM:

They need **RIGHT** merchandise,  
on **RIGHT** place, at **RIGHT** time, at  
**RIGHT** price!

**Four retail companies are competing for customers in a highly competitive, rapidly changing marketplace.** Participants take on the role of the management team – comprised of finance, sales, logistics, marketing and corporate intelligence. Their challenge is to make the right purchases at the right time – to meet customer needs, and create required return.



## CAN YOU SOLVE THEIR PROBLEM?

**Teams manage strategic, operational and financial variables that will help capture higher percentage of the markets and lower costs.**

Tough decisions challenge the teams:

- Purchase now...or later?
- Pursue all markets segments... or just a few?
- Take the lead... or be an early follower?
- Borrow money... or earn it first?
- Stick to the basics... or pursue the cutting edge?
- Focus on Price or Image or Marketing or Balance?

## Participants about the simulation

“Great experience. For the first time in 20 years I could see the big picture of the retail process and visualize the connections between different departments. The seminar has allowed me to understand the role of my department in the value creation process.”

*Manager operations - Big European retail company*

“... buy, move, price, advertise and sell if the previous process was the right one for the moment. And again and again. Then you get surprised by the financial result!... the moment you believe you invented the brilliant strategy, it comes out that you were not the only one. Retail needs time to perfect. This simulation spurs participants years of experience.”

*Country manager - European food retailer*

“Excellent analytical tools. We thought we performed until we saw the results. Immediate feedback and analysis of the results and “WHY?” gave me a nice perspective of the retail industry my company is. And costless trial and error has saved me a lot of headache in the everyday business...”

*Purchasing manager - International retailer*

## Learnings

- Economics of Retail Business;
- Value adding processes: purchasing, logistics, sales, operations, marketing, finance;
- Impacts on customer satisfaction;
- Strategic Management and Innovations;
- How small changes in operations can significantly alter outcomes and improve bottom-line result;
- How business generates profits today, and how it can generate profits in the future;
- Competition on the market and customer preferences - "How do customers choose place to shop?";
- Meeting customer demands by developing RIGHT strategy with an attractive and profitable product portfolio and outstanding services.

Teams learn to better utilize financial statements and financial ratios as planning tools to boost sales and profitability over a 7-year period. Working together, they increase their awareness of the complex nature of inter-departmental financial relationships. And in the process, they understand what it takes to win – as well as how to bring their new skills and insights into reality.



## Key results

- Improved productivity through better teamwork, communication and coordination;
- Alignment around the "big picture" and a deeper level understanding of strategy and tactical initiatives;
- Better decisions for optimal allocation of limited resources;
- Increased responsiveness to internal and external customer needs;
- Heightened business literacy and financial acumen;
- Deep understanding of the overall business impact of financial decisions.

## Key concepts

### Staying competitive in a changing market:

- Value propositions;
- Pricing and product portfolio;
- Positioning and branding;
- Operational efficiency;
- "Red and blue oceans";
- Market intelligence.

### Attracting the right customers:

- Customer needs, values and preferences;
- Customer segmentation.

### Using resources wisely:

- Tangible and intangible assets;
- Knowledge management;
- Shareholder value;
- Financial indicators, good and bad costs.

### Prioritizing based on the right information:

- Product life-cycle;
- Rolling forecast;
- Balanced scorecard;
- Capacity utilization;
- Benchmarking.

## Facts

### Material

- Board-based business simulation;
- Software for Comprehensive Retail Analysis.

### Number of participants

- 4 competing teams. 8-20 participants.

### Participants

- Managers and other employees in decision making positions.

### Time required

- 2 - 3 days, corresponding to 7 years of operations;
- Light Version available for 1 day Finance for non finance seminar.