

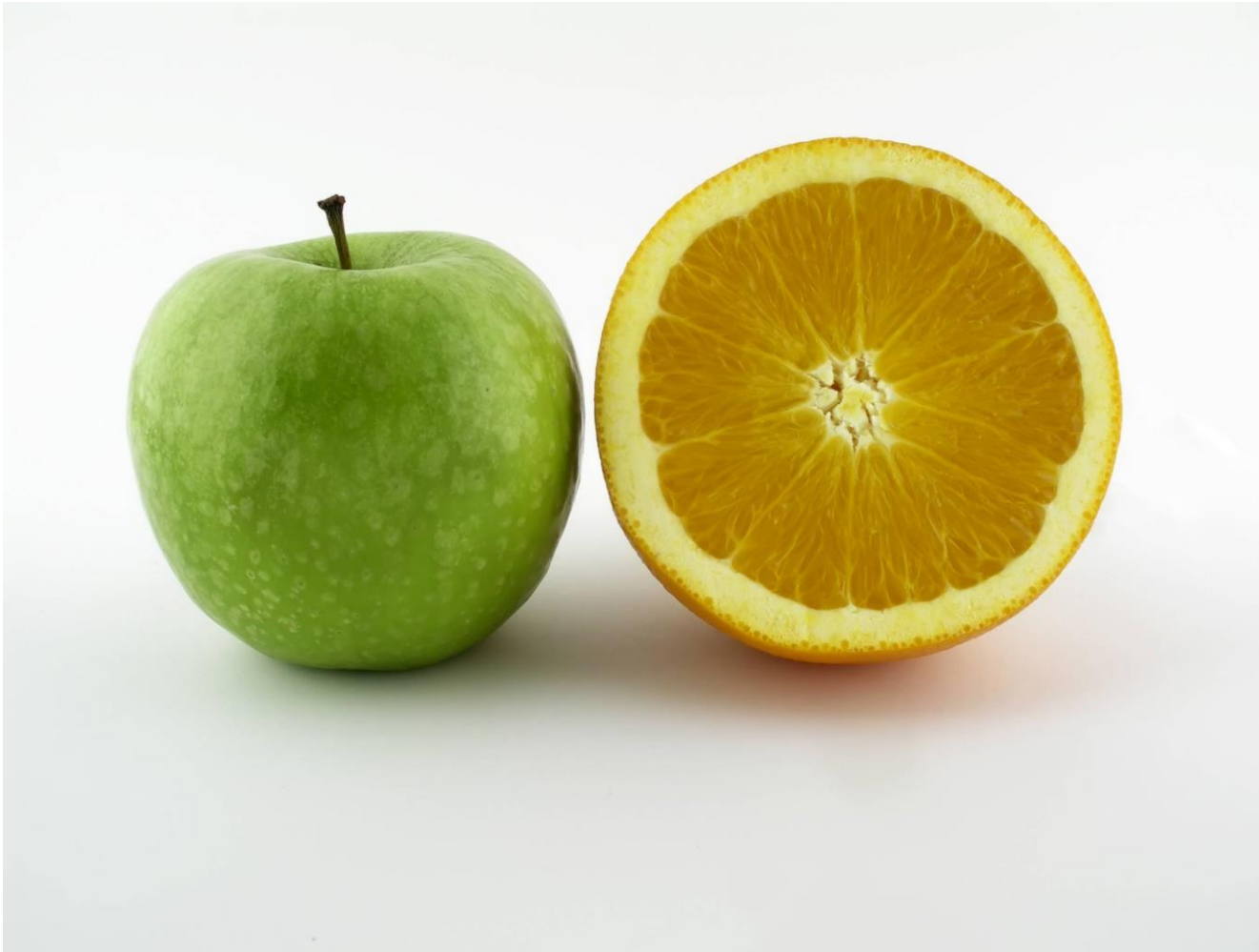


# CELEMI

THE POWER OF LEARNING

# BUSINESS FINANCE FOR EVERYONE

Retail



*"Invite people to think like business owners..."*



*... so they can base their future decisions on  
sound business thinking."*

## The purpose

### To develop business acumen:

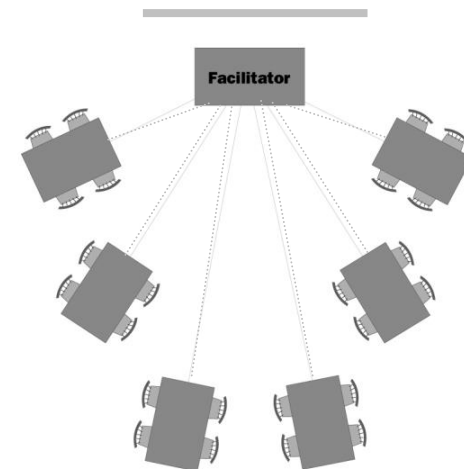
- To create a common frame of reference
- To explore and discover the key value drivers
- To realize the potential for improvements



# The seminar in a nutshell

## General information

- Target groups
  - Middle and first line managers as well as co-workers.
- Time
  - 6 to 8 hours.
- Number of participants
  - Virtually unlimited.  
Typical seminar: 20-24 participants (5-6 teams)
- Simulation
  - Board based
- Facilitation
  - Trainers certified by Celemi



## The seminar at a glance – the flow

- **Opening – setting the scene**

Your own organization:

- What are we up against?

- **The Retail simulation**

Scenario:

- "From mediocrity to excellence in 3 years"

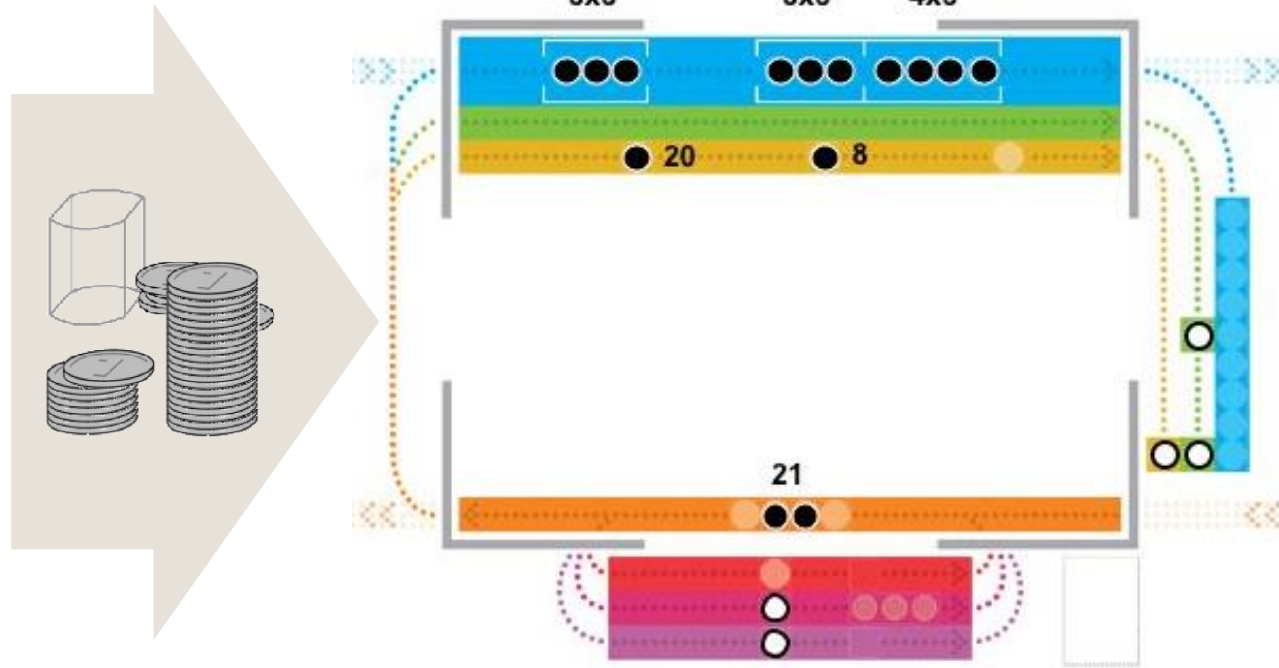
- **Next steps – the way forward**

Back to your own real world:

- What is our potential for improvements?
- What can we do to tap them?

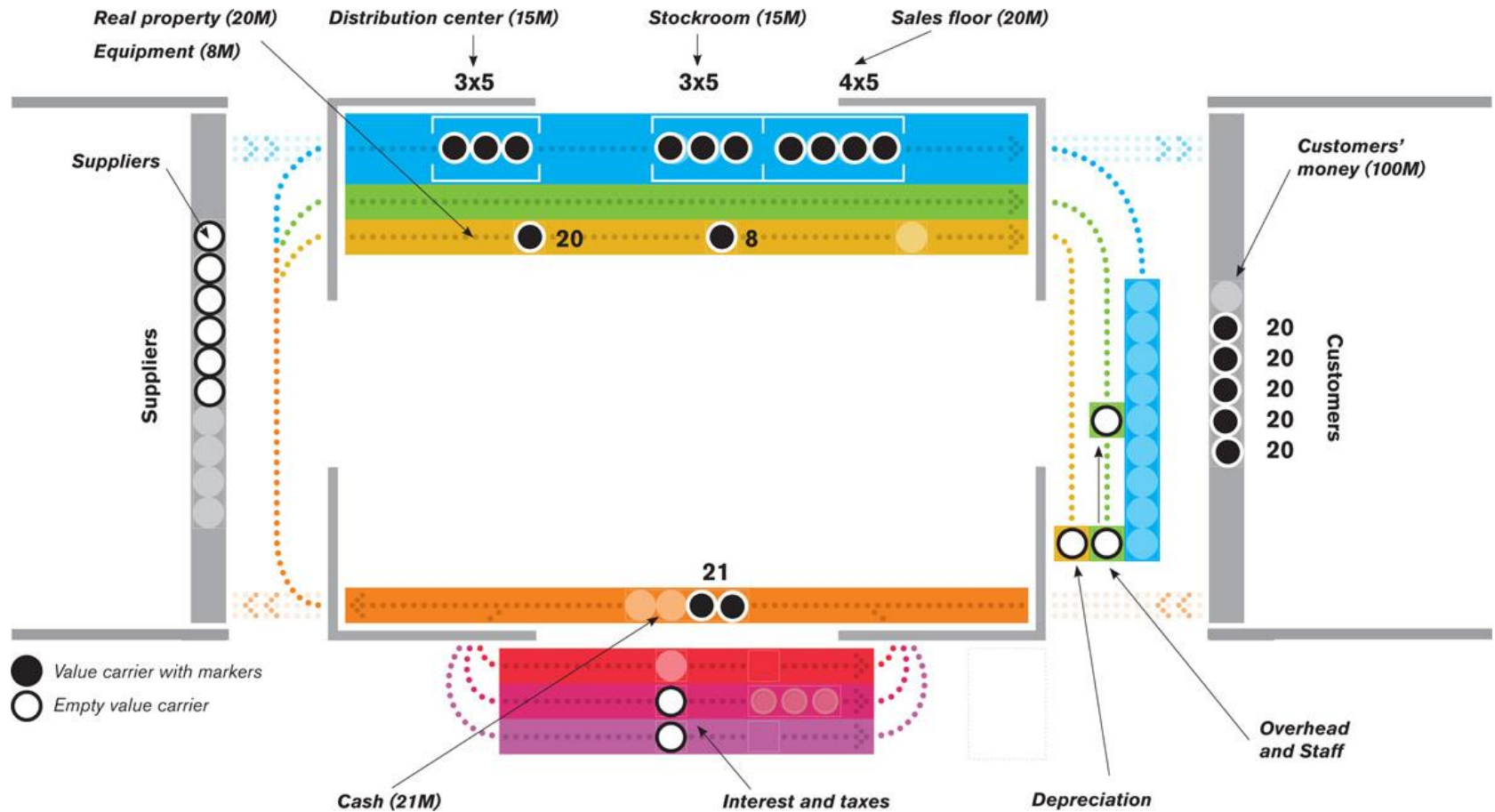
## This is how business finance comes to life

| ASSETS                      | Year 0    |
|-----------------------------|-----------|
| Cash and bank               | 21        |
| Distribution center         | 15        |
| Stockroom                   | 15        |
| Sales floor                 | 20        |
| <b>Total current assets</b> | <b>71</b> |
| Equipment                   | 8         |
| Real property               | 20        |
| <b>Total fixed assets</b>   | <b>28</b> |
| <b>TOTAL</b>                | <b>99</b> |



The model company's finances are represented by value markers and value carriers which allow the teams to imitate the circulation of capital during the financial year.

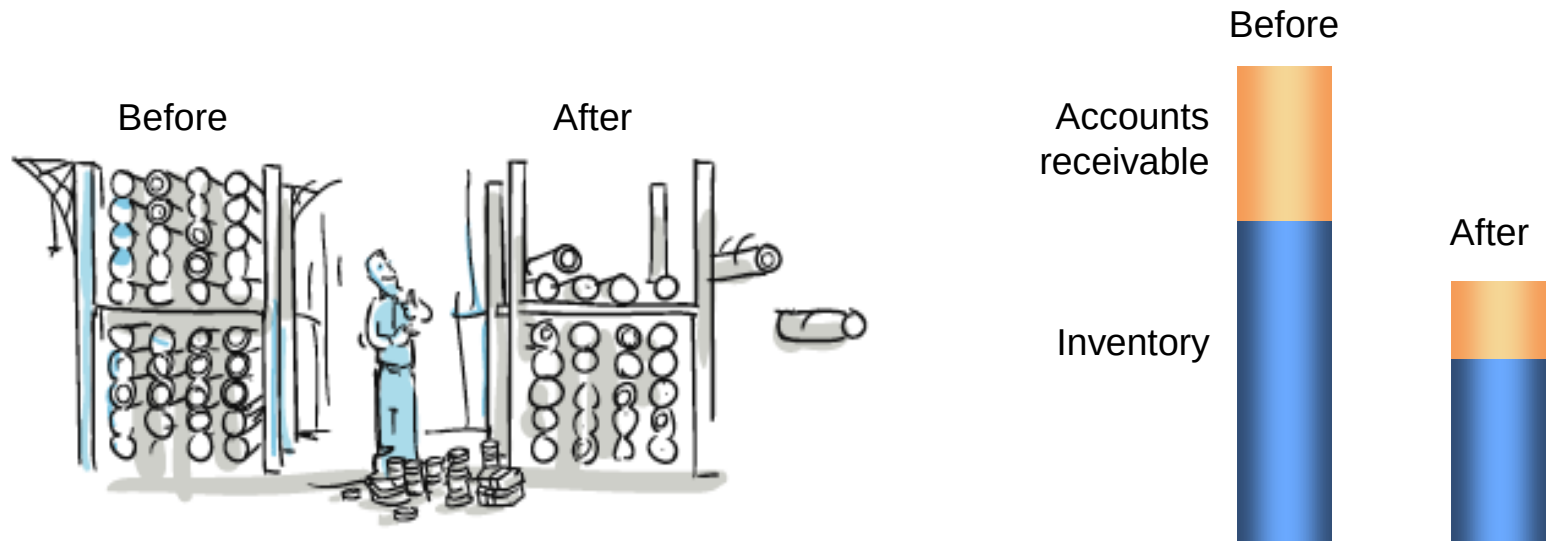
## This is how business finance comes to life



## The scenario

### Year 1: Focus on inventory control – “Doing more with less”

- Reduce inventory while increasing availability



## The scenario

### Year 2: Preparing to meet the future

- Restoration of the store environment
- Focus on new customer segments
- Branding
- Cash flow concerns

#### **“A better fit” campaign**

##### **The goals:**

Visitors up 20%

Conversion rate up 4% points

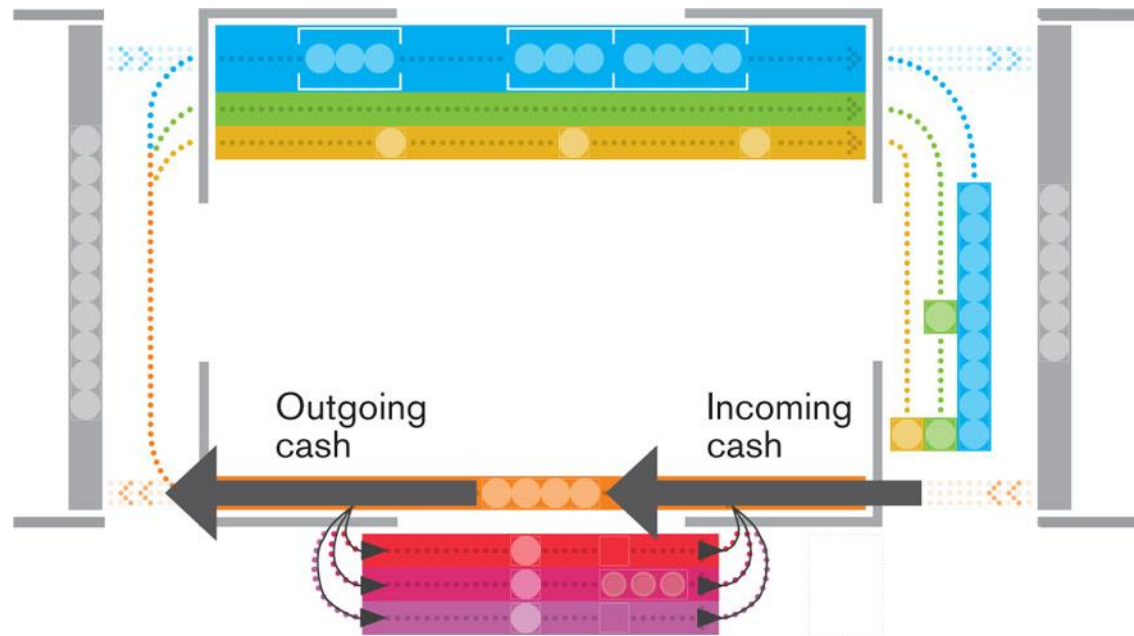
Average purchase up 2%

Contribution margin up 4% points



## The scenario

### Year 2: Focus on cash



**“Profit is an opinion. Cash flow is fact.”**

## The scenario

### **Year 3: Poor results in customer survey – something needs to be done!**

What if you assigned your staff members to areas where they are needed the most...?

- Five people were trained to be flexible and to be able to work in different places (multi-skilling).

### The assignment

- Decide how to best utilize these people during six critical days.
- At the end, total up the customer satisfaction criteria and calculate the effect on Sales and Cost of Goods Sold.

There is competition between the teams!



## The next steps activity

### The way forward

Link to own area of responsibility:

- Assess your current performance as a company.
- Select 5-10 value drivers (levers) to bridge the gaps.
- Share your conclusions and discuss the way forward:  
How can you make a difference?



**The main purpose of this activity is to secure that the learning gained results in sustained and useful knowledge!**

## The next steps activity



## All in all

- **Through the simulation participants learn how:**
  - Daily decisions impact the company strategically and financially.
  - Small changes in operations can significantly improve bottom line results.
  - Their business generates profits today – and how it will need to generate profits in the future.

... This will pave the way for sound future business decisions.

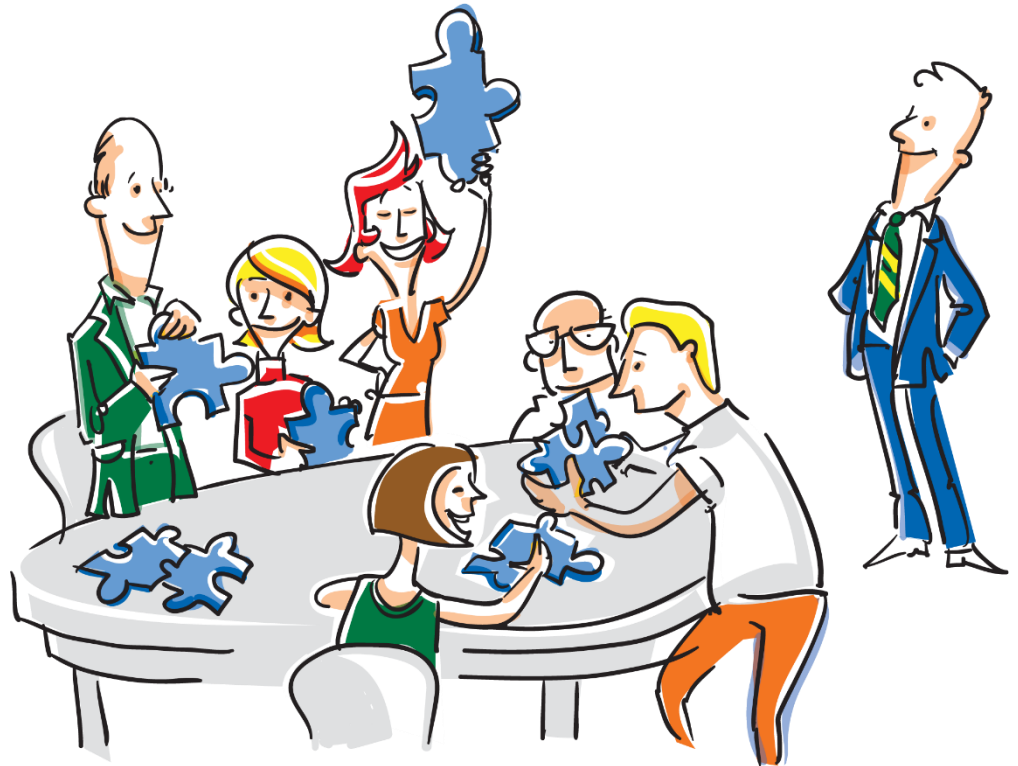
## Concepts in the simulation

- Business finance
  - KPI's
  - Balance sheet
  - Profit and loss statement
  - Cash flow
  - Working capital
- Value drivers
- Market profile
- Customer satisfaction
- Resource management

## The guiding principles behind

*“You cannot simply absorb other people’s knowledge...*

*...you must create your own.”*



## Client references - examples

**SIEMENS**

>45 000 employees



>32 000 employees



**MOTOROLA**

>30 000 employees

 **BASF**

The Chemical Company

>12 000 employees



>3 000 employees

*“Pursuing the Value Management programme has saved the Group around €1 billion in costs... We could not have accomplished this without Celemi Apples & Oranges.”*

– Jürgen Hambrecht, CEO, BASF