

September , news

## New program launches

The latest updates

**Accounts, Auditing, Automate** is the latest course offered by MIS- Meena International Services .

Target audience - JOB SEEKERS

Essential background : A Graduate from any field of subject

**Success ratio** : Converting the skill sets available with each individual into a successful job seeker.



A step into Job market scenario

FMCG - Retail Electronics Industry

## Accounts department

Daily news updates and opinions



An accounts department is the most important and essential department in the Retail industry. It acts like a catalyst between "Operations " and " Management ". In the Retail sector in UAE there are different types of business models .

1. Retail - Large showroom
2. Retail - Express model
3. Retail - Mid size
4. Trading with low margins
5. Import and Export
6. Turnkey projects
7. Consignment Agent
8. Sale or return
9. Warehousing/ Stockist
10. Contract manufacturing
11. Franchise model

100% of all the above business models require two things . One a strong Accounts department and a strong operations department. Only these two departments can bring revenue to the Management .

Both these departments involve themselves right from the inception of order receiving till order dispatching and collection and reporting to the management on the Stages of the order.

Both the department have to keep on updating the information to the management , One from accounting side and the other one from Operations.

Both the departments should co-ordinate with one another and bring the best reports and updates to the management.

## Pricing

The latest updates

FMCG- Retail/Electronics

In a Retail electronics the products that are sold in the retail counters are always price sensitive. In other words stronger the brand lesser the price pressure . If it is a commodity type of product then price pressure and customer relationship will only win orders . An accountant helps the management to fix proper pricing models and also helps the product to sell without any problem in the retail counters. If the price fixed for the product is wrong and

## Gross margin

The latest updates

FMCG- Retail/Electronics

Gross margin is the difference between Sales and cost of sales of a product in a retail store. If the expected and budgeted gross margins are not derived then the accountant has to inform the management that the variance is due to various reasons like (1) salesman unable to sell it in the counter (2) customer related issues (3) product is commodity type so it requires huge discounts (4) Brand that is being sold is not a popular

## Net margin

The latest updates

FMCG- Retail/Electronics

Net Margins (EBITDA)- earnings before interest and tax and depreciation and amortization is very poor on each product that are sold in the retail store. This will be reported to the management and necessary corrective action to be taken before the company could incur loss and become bankrupt. There are multiple reasons that the Net margins may be poor. (1) high operating expenses like salary (2) high rent costs (3) high

not competitive then the inventory management will become a huge task. In a retail business product has to move (stock and sell) . If it does not move then managing the operating expenses and paying the suppliers on time will become a huge challenge for the management . With the help of good mathematics knowledge and skill sets along with MS products like excel the accountant should bring various pricing models and suggest to management the best and optimum pricing to get better margins.

brand (5) Warranty and guarantees are not satisfactory to the customers (6) brand preferences from the customer point of view would have changed ( 7) Visibility of the product would be poor ( 8) merchandiser is not explaining the product ( 9 ) Last but not the least store supervisor is not performing . (10) supply chain costing is not favorable .

marketing costs ( 4) Utility bill may be high ( 5) High advertising and promotion costs ( 6) High allocation of common costs of administration when profit center versus cost centers are analyzed. ( 7) EBITDA is nothing but cash profits so it should be always 20% and above so that the owner is able to retain high profits for improving his net worth . This will help him to re-invest . All these informations are reported to management by the accountant.

## **The scoop of the day**

- Revenue in the Consumer Electronics market in the United Arab Emirates amounts to US\$1,732.0m in 2024.
- The market is expected to grow annually by 0.74% (CAGR 2024-2029).
- The market's largest segment is the Telephony segment with a market volume of US\$793.3m in 2024.
- In global comparison, most revenue is generated in China, reaching US\$198.5bn in 2024.
- In relation to the total population figures, per person revenues of US\$169.10 are generated in 2024.
- Online sales are projected to account for 46.2% of total revenue in the Consumer Electronics market by 2024.
- The volume in the Consumer Electronics market is expected to amount to 12,940.0k pieces by 2029.
- The Consumer Electronics market in the United Arab Emirates is expected to show a volume growth of -0.4% in 2025.
- The average volume per person in the Consumer Electronics market is projected to amount to 1.3pieces in 2024.
- The United Arab Emirates is experiencing a surge in demand for high-end smartphones, driven by a tech-savvy consumer base and a growing appetite for cutting-edge technology.

“ An accountant should also have an up to date information on the industry he works for “