

Sales & Operations Planning Excellence

A Two Day Workshop Seminar

Overview

Sales & Operations Planning (S&OP) is a powerful, cross-functional business process that unites sales demand plans with cohesive and integrated supply plans with the common goal of satisfying customer requirements at minimum cost. In this one-day program, learn best practices, critical success factors, common pitfalls, and symptoms of poor processes.

Why is S&OP important?

Supply chain strategy is important, but in the end it is a set of ideas and intentions on paper and in people's minds. Translating strategy into tactical, integrated demand and supply plans that can be executed consistently - and predictably - is the essence of S&OP excellence. Left on their own, un-integrated demand and supply plans will succumb to operational uncertainties leading to sub-par customer service and financial performance.

What are the essential components of a good S&OP process?

Central to the S&OP process is a proactive, structured meeting forum led by those responsible for the company's profit and loss (P&L). On a monthly cycle, demand plans are formulated and reviewed considering product life cycles. Distribution and production plans are constructed and procurement plans are communicated to the supply base. S&OP meetings are short and sweet, with highly automated data feeds and reports to simplify, solidify, and institutionalize the process. S&OP decisions and resulting plans should be linked with financial and budget plans to mitigate risk by identifying gaps early in order to minimize surprises and develop contingency and recovery plans.

What S&OP is not.

S&OP meetings are not for expediting materials or production. S&OP time horizons are 18-36 months into the future. S&OP meetings are not "thermometer meetings" in which metrics are reviewed, but without any actionable plans and decisions. S&OP meetings are not marathon 4-8 hour meetings. S&OP meetings are not optional for the leadership, they are a must. Preparation for the monthly S&OP meeting should not take 2-3 weeks of data crunching in spreadsheets. S&OP meetings are not represented only by functional leaders – P&L leadership is required to make decisions. S&OP meetings and plans should not be disjointed from financial plans.

Objectives and Benefits

The goal of this seminar is to provide participants with the understanding, tools and methods necessary to define, develop and manage collaborative planning processes. The seminar covers:

- Identifying gaps between strategic decisions, tactical policies and operational capabilities
- Learning how sales and operations planning works and fits with master scheduling and budgeting
- Integrating capacity-constrained production control rules with inventory policies to achieve a stated customer service goal
- Developing quantitative business cases to communicate ideas for improvement
- Discovering best practice demand planning and forecasting methods
- Learning techniques to drastically reduce forecast uncertainty
- Learning about how and where to apply best-in-class decision support tools
- Developing effective meeting agenda and action plans
- Creating a balanced scorecard for your organization
- Learning detailed data specifications for key performance metrics

Program Agenda

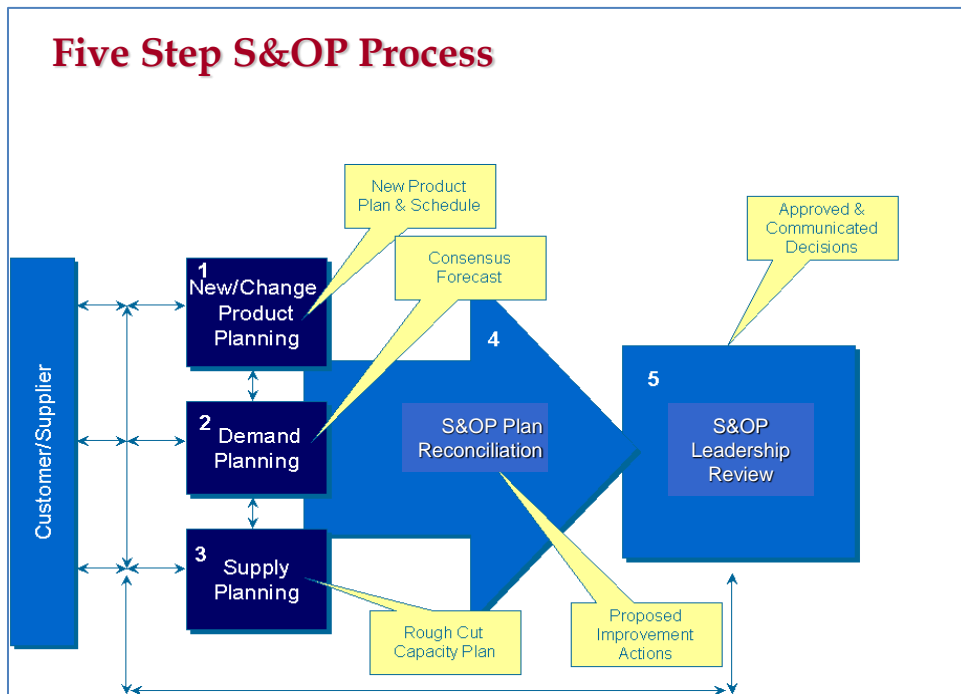
- What is S&OP and don't all companies do it well?
- S&OP simulation in which participants will manage a company for 12 months
- Best practices and meeting/key metrics/data specification/organization templates
- How to customize a S&OP process to fit your organization, division, and industry
- In-depth case study at one of the world's largest chemical firms. A presentation timeline from initial assessment to a fully operational S&OP process to the business results over several years.

Who should attend?

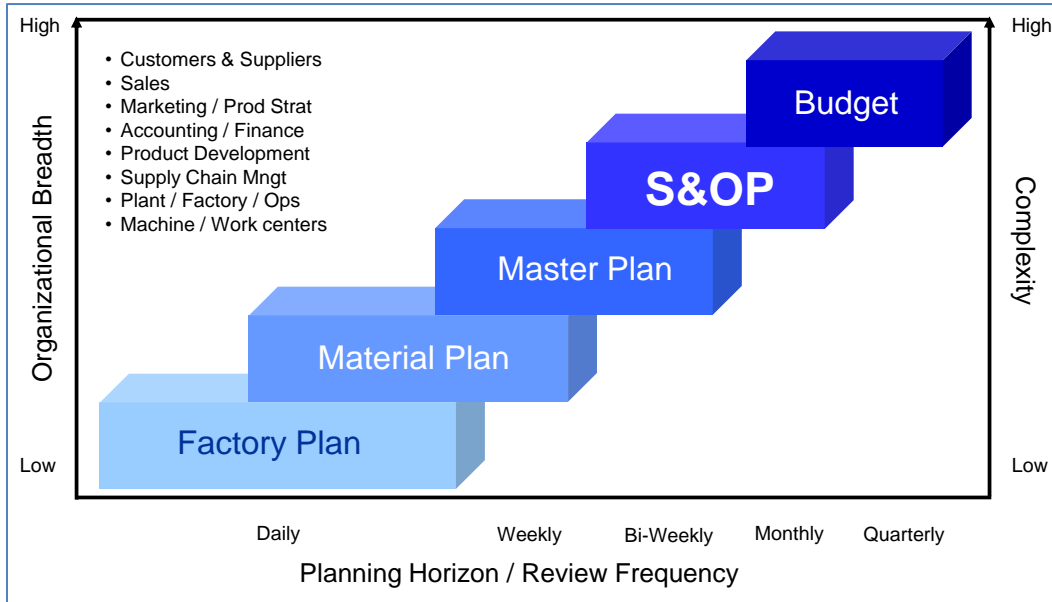
- P&L leadership interested in driving an S&OP process at their organization
- Supply chain leaders
- Demand planning and forecasting professionals
- Sales managers
- Materials managers
- Production planning managers
- Distribution managements
- Sourcing and replenishment managers
- Supply chain information technology and analytics professionals



Example of un-integrated planning and decision-making



Five phases of the monthly S&OP cycle



Where the S&OP process fits within other planning processes

	MONTH 1	MONTH 2	MONTH 3	MONTH 4	MONTH 5	MONTH 6	MONTH 7	MONTH 8	MONTH 9	MONTH 10	MONTH 11	MONTH 12	YTD	GOAL
Sales Actual vs Plan	85%	87%	102%	95%	99%	107%	123%	91%	0%	0%	0%	0%	98%	>= 100%
DL Actual vs. Plan	100%	100%	100%	100%	114%	114%	127%	100%	0%	0%	0%	0%	107%	<= 100%
Inv Carrying Actual vs Plan	104%	102%	96%	101%	106%	108%	102%	111%	0%	0%	0%	0%	104%	<= 100%
Freight Actual vs. Plan	105%	83%	85%	91%	199%	266%	1590%	196%	0%	0%	0%	0%	327%	<= 100%
Material Cost Actual vs. Plan	105%	83%	85%	91%	94%	135%	128%	108%	0%	0%	0%	0%	104%	<= 100%
Actual Profit vs Plan	-10%	63%	153%	90%	85%	20%	47%	15%	0%	0%	0%	0%	58%	>= 100%

Screenshot from one of our S&OP Game simulation scorecards