

Which area will provide the single most significant opportunity for improvement, which would lead to better supply chain planning results?



15.38% Integration of planning and execution

20.24% The S&OP process

10.12% Supply chain planning technology support

6.88% Improved trading partner collaboration 4.86% Executive support for planning process/results

4.86% Supply chain planning talent/staffing 2.02% Other

Source: Supply Chain Planning Benchmark Study 2013, Supply Chain Digest

What is the Purpose of an S&OP Process? An S&OP process balances Demand, Supply, Revenue, and Margin plans in an uncertain world

Revenue

How much revenue

do I need?

Demand

How much can I sell?

Margin

Supply

Will I make enough profit?

What are my costs?

What can I supply?

## Be sure to provide a collaborative platform for integrating Integrate teams within the enterprise as well as your trading partners.

How to Ensure the Effectiveness of Your S&OP Process

Align

Plan



A collaborative platform is critical to collapse planning time, optimize defined priorities, and incorporate modifications to

Consider granular-level detail, including products,

components, geographies, and customers.

Once the S&OP stakeholders agree to a plan of record via Execute network collaboration, it can be seamlessly executed.



How much do you need to invest in your supply?

Do you know where your supply chain costs are?

the plans.

What risk are you willing to assume?

How much supply do you need?

What are your options for what you could sell? How much should you sell of each and at what price? What market opportunity exists?

Product SELL - HOT CHOCOLATE How much revenue and profit will I make?

How to Execute a

SINGLE BLENDED

and milk do I need to buy? to make hot chocolate? Short lead time, low cost At what price? Heating and mix capacity

**Production Capacity** 

How many kids need

HOT CHOCOLATE \$1

**Critical Materials** 

How much cocoa powder

MILK

**Product Demand** 

How much will I sell?

NOW SELLING PEPPERMINT HOT CHOCOLATE \$1.25

PPERMINT HOT CHOCOLATE

How do I manage the supply of hot chocolate to make sure I can

sell both products?

EXPAND THE PRODUCT LINE SELL

## **Critical Materials Product Demand Production Capacity** How much do I charge? Bundling lead time How much inventory do I need? At what cost? PEPPERMINT HOT CHOCOLATE

HOT CHOCOLATE

Low margin

High margin

How many people will be

making each product?

As supply chains become increasingly complex, it's no surprise

that supply chain leaders see great opportunity for improvement

Not Constrained

and milk will I need?

How much cocoa powder

How many candy canes

will I need?

MILK

in S&OP. In fact, research consistently shows that improving the S&OP planning process is a top three supply chain priority for most companies. Source: Rollings, Sean. "Hit the Refresh Button on Sales & Operations Planning." Supply Chain Management Review. March 19, 2014.

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