



Valtitude



presents:

# INTEGRATED BUSINESS PLANNING (S&OP)

*Best practices in integrated Sales and Operations Planning*



Workshop Leader:

Mark Chockalingam



**Are You Planning By Exception?**

# INTEGRATED SALES & OPERATIONS PLANNING

This workshop is a practical guide to designing and implementing an internal collaboration process which would improve your value chain planning and integrate into the business management.

Does your organization have a financial forecasting process that is distinct from your supply chain planning process? This could potentially result in a disconnected supply chain plan, causing sub-optimal inventories and inferior customer service. Implementing an efficient and cost-effective Sales and Operations Planning Process brings together all elements of Sales, Marketing, Finance and Operations into one integrated set of plans. This integrated planning forum greatly enhances communication of key market and customer intelligence into the supply chain.

Sales and Operations Planning is the best practice planning solution that starts with creating an unbiased demand forecast, reviews the feasibility of the demand plan in the face of supply constraints and arrives at a constrained operational plan. In this training workshop, we will explain the design and mechanics of this internal collaboration process to bring together all stakeholders. We will discuss the key components of the S&OP process – the mechanics, reports, consensus and hand-offs as well as the metrics. Participants will walk away with practical insights to all aspects of S&OP and pre-formatted excel templates for use in their process.

## Testimonials

“I now have a better understanding of how to forecast. This will also allow me to direct the S&OP meetings with more tools and more confidence.”

*Operations/Logistics Manager at AarhusKarlshamn USA*

“Great workshop - great examples to be able to apply the learning material to actual use. - will take a lot back to my desk” “Love the homework :)”

*Printing and Carbonless Paper Demand Manager at Glatfelter*

“Mark kept the entire class engaged - the day went by quickly. I felt very comfortable during discussion and liked that nobody was ever “put on the spot” very good class!”

*Director of Demand Planning at John Deere*

“Fantastic facilitator, great location, great overview of the entire process.”

*Senior Demand Planner at Hershey's*

To schedule this workshop at your company, contact us today  
services@valuechainplanning.com Phone: (781) 995-0685

## Who Should attend?

1. Demand Planners
2. Demand Planning Managers
3. Director of Forecasting and Demand Planning
4. Director of Supply Chain
5. Inventory and Operations Planners
6. Director or VP of Sales
7. Sales Managers
8. Finance Managers
9. Marketing Managers

## What will you learn?

- The key components of an effective Sales and Operations Planning process
- How to implement a quick-hit S&OP process using our five-step approach
- How to achieve a consensus demand forecast for use in supply chain planning
- How to identify and present supply constraints
- How to create and use sales, production and inventory plan templates to balance supply and demand
- How to create and use a supply chain score-card
- How to apply the principles of exception in S&OP

## Topics Covered:

- S&OP Overview - Key components
- Demand Forecasting Process
- Integrating the Sales Force to achieve Consensus
- Supply Review of Demand
- S&OP Process
- S&OP Templates and Reports
- S&OP Score-card
- Preparing for the Executive S&OP
- Exception Management in S&OP
- Implementation Methodology



**08:30 – 10:00 am S&OP Overview**

Sales and Operations Planning – What, Why and How?

- Do you regularly see lost sales due to stock-outs?
- Does your organization run into the problem of zero inventory of your most popular items?
- Are you keeping excess inventory of your “slow- moving” stock?

**Why S&OP?**

- Fragmented Planning Activities
  - Supply chain challenges – Service, costs and inventories
- Disparities between the Financial forecast and operational forecasts
- Bottom Line challenges from Fragmented Planning
- Benefits of a holistic S&OP Design

**Core components of SIOP:**

- Consensus Demand Planning
- Rough Cut Planning and Supply Collaboration
- Executive Presentation
- Demand-Supply Balancing

**10:00AM coffee break****10:15 to 12:15pm Demand Forecasting Process – How to integrate Sales and Marketing information to arrive at a consensus demand plan?**

- Introduction to Demand Planning- What, Why and How?
- The Service – Cost – Balance Model
- What to forecast – shipments vs. orders
- Key Terminology – Forecast Horizon, Buckets & Periodicity
- How do you define the Forecasting Level?
- Organization Structure and Culture
- Role of the Demand Forecaster
- Demand Communication to Sales and Marketing
- Demand Collaboration
  - Roles and Responsibilities of Sales, Marketing, Finance and Supply Chain
  - Arriving at Demand Consensus with Sales and Marketing
    - What to include in the forecast – firm, may be and ideas
    - Supporting plan for incremental demand
- Forecast Reconciliation with the financial forecast
  - Dollarizing the Forecast
  - Price vs. Mix
  - Agree to Disagree
- Business Unit Lead Presentation and Buy-in

**12:15 to 1:15pm – Lunch****1:15 – 2:30pm S&OP Process Flow**

- Designing the Process flow for Monthly SIOP
- Balancing Demand and Supply
  - Family Level Balancing – Excel Examples
  - Addressing key item level exceptions – Excel Examples
  - Constrained vs. Unconstrained forecasts
  - Demand Management

- S&OP Meetings
  - Resolutions
  - Recommendations to the Executive Team
- Executive S&OP Meeting

**2:30pm Assignment of group case study to participants****3pm Coffee break****3:15 to 4:45pm Rough - Cut Capacity Planning and Production Smoothing**

- What are the Supply Chain Constraints?
- Short-term Constraints – Schedule, Raw Material Availability
- Long-term Constraint – Capacity
- Rough Cut Capacity Planning
- Family Level Charts for Demand, Production and Inventory
- Review by Supply Resource availability
- Identify and review Supply Chain constraints
- Capacity issues – Resolutions and Recommendations
- Production Smoothing
- Material/Supplier Sourcing Issues
- Over-all Process flow for Supply Collaboration

**Valtitude / Demand Planning, LLC**

is a boutique consulting firm specializing in Business Process and Strategy consulting in the fields of Demand Forecasting and S&OP for medium-sized businesses. We offer specialized consulting services in the following practice areas:

- Demand Forecasting and Management
- Sales and Operations Planning (S&OP)
- Supply Chain Analytics and Measurement
- Inventory and market share forecasting
- Account Based Forecasting and CPFR®

Our training programs, webinars and customized on-site workshops include:

- Demand Planning
- Metrics Design
- Inventory Optimization and Management
- Sales and Operations Planning (S&OP)
- Market (POS) and Industry forecasting
- Customer Planning and Supply Chain Collaboration
- Forecasting and Planning for the Retail Sector
- SAP APO Training

We also provide on-demand e-learning courses through our knowledge portal DemandPlanning.Net.

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## Day Two

### 8:15am Review of Day One

### 8:30 to 10:15am Review of Supply Chain Metrics and the S&OP Score-card

- Balancing the Value Chain through Holistic Metrics
- Customer Service Metrics
- Decomposition of Service Failure
- Demand Metrics
  - WAPE
  - Forecast Bias
  - SKU-Mix Error

### Inventory Metrics

- Days on Hand
- Average Inventory Dollars
- Turns

### Plant and Supplier Metrics

- Schedule Adherence
- Lead Time Adherence and Lead time Variance
- The S&OP Score-card

### 10:15am coffee break

### 10:30 to 12:15pm Executive S&OP

- Preparing for the Executive S&OP
- Review GAPS between the financial plan and the Constrained demand forecast
- Evaluating Risk and Opportunities to the Corporate Plan
- Summary of issues and resolutions for presentation to executive S&OP
- Changes to Long-term Assessment of the Business
- Executive S&OP Directives

### 12:15 to 1:15pm – Lunch

### 1:15 – 2:30pm Implementing Sales and Operations Planning – our five step approach

In this session, we will review the steps in mapping and implementation of a formal S&OP process. We will outline the challenges in bringing all the stakeholders together, to get buy-in on the consensus format, meeting methodology and willingness to be measured using a shared metrics process.

- Define the problem and the S&OP Business Opportunity for the company
- Review the process for Sponsor support and approval, and Stakeholder education and buy-in
- Meeting Sequence and Methodology
- Illustration of Meeting templates
- Define consensus and how consensus is achieved
- Review of enabling technology.

### 2:30-2:45pm Coffee Break

### 2:45-4:30pm Case Presentations

### 4:30pm-End of Day Feedback

## Chockalingam Ph. D.

Dr. Mark Chockalingam is Managing Principal, Demand Planning, LLC. Mark specializes in demand forecasting, Sales and Operations Planning, Customer Planning and supply chain strategy. Mark has helped consulting clients in CPG, Pharmaceuticals, Chemicals and Retail to implement best practices to sharpen complex supply chains and help them be more customer-focused. He has worked on high profile projects with companies such as Abbott, FMC, Procter and Gamble, Au Bon Pain, Teva Pharmaceuticals, and Miller SAB, Wyeth etc.

Mark has a Ph. D. in Finance from Arizona State University, an MBA from the University of Toledo and is a member of the Institute of Chartered Accountants of India.

## A Sample List of Clients

Abbott Labs	Hewlett Packard	Nomacorc
AVON	Honeywell	NSTAR Electric
BAE Systems	Hypertherm, Inc.	NTN USA
BASF	IMP Aerospace	Optos Inc.
Cabot Creamery	John Deere	OSRAM Sylvania
Campbell Soup	Johnson & Johnson	Pacific Cycles
Celanese AG	KNEX	Pizza Hut
Clorox	Kraft Foods	SAB Miller
Eastman Kodak	Labatt Foods	Sappi Fine Paper
F. Schumaker	Labatt USA	Skyworks Solutions
FMC Corporation	Lifetime Products	Sunovion
Glatfelter paper	Limited Brands	Teva Pharmaceuticals
Grace Foods	McCain Foods	Texas Instruments
Harley Davidson	New Balance	US Navy
Hershey's	Newell Rubbermaid	Pfizer

## Contact Us:

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Walk away with practical  
insights and toolkits”**

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