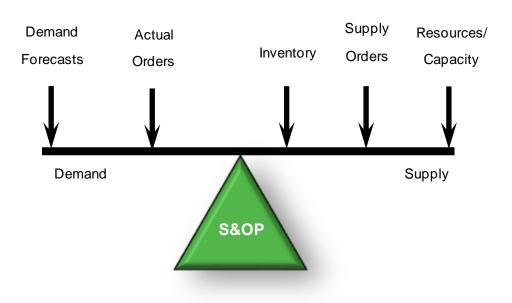
RSM The S&OP Process – A Balancing Act

Sales and Operations Planning (S&OP) is a structured, monthly, business process. The result is a Consensus Plan: agreed-upon actions approved by the executives to best balance Supply and Demand

- **Demand Planning Forecasts** future sales volume by product family using inputs like historic sales, statistical analysis, pricing and promotion strategy, and new product introduction
- Supply Planning Aligns distribution, manufacturing, and procurement to best meet the Demand Plan considering resource and capacity constraints

Maturity



S&OP Implementation

Working towards achievable process improvements is critical to the long-term success and development of a world-class S&OP process.

LEVEL 4:

Collaborate

- Best-fit statistical modeling leveraged through technology, collaboration with all business functions Regular S&OP cadence with daily/weekly meetings with an external-based consensus plan involving suppliers and customers Key metrics are tracked, managed and action-
- LEVEL 3: Integrate LEVEL 2: Advanced statistical methods LEVEL 1: are used to generate forecast Anticipate Organized forecast input from React all functions within the business oriented for each S&OP Simple statistical methods are Tracking and management of cycle used to generate forecast key metrics in place Forecasts are Basic S&OP cadence with Cross-functional S&OP cadence manually developed with daily/weekly meetings with and driven by ad-hoc critical path meetings but an internal-based consensus decision makinglimited shared vision to overall plan alignment influence goals and objectives No formal consensus Limited system utilization for plan or governance forecasting, demand planning and MRP exists Basic metrics, assumptions Forecast assumptions and volume drivers and drivers are trackedbut of are not tracked limited use Poor visibility into limited metrics Business Impact Supply Chain as a Business Enabler Supply Chain as a Strategic Asset Supply Chain as a Cost Center