Improving Sales & Operations Planning Process

Presented by: Chen Zhi, Fu Haidong, Lai Yajing, Ong Chee Yong Melvin, Tan Wee Kiat Kenneth
Supervisors: Dr. Teo Kwong Meng, Dr. Cardin Michel-Alexandre   **BD Supervisors**: Seow Min-Yuan, Kynn Tan

BD

NUS National University of Singapore

What is S&OP?

Sales and Operations Planning (S&OP) is an **integrated business management process**, developed by Oliver Wright in 1980s, which has always been part of the **supply chain management** arena especially in manufacturing industries because it is where the balance of supply and demand with reference to business strategies convene to **gain consensus** among corporate stakeholders. A good S&OP process can not only **improve the communication and information flow practices** among various cross functional departments but also **reinforce its business performance** and **increase the company's competitiveness**.
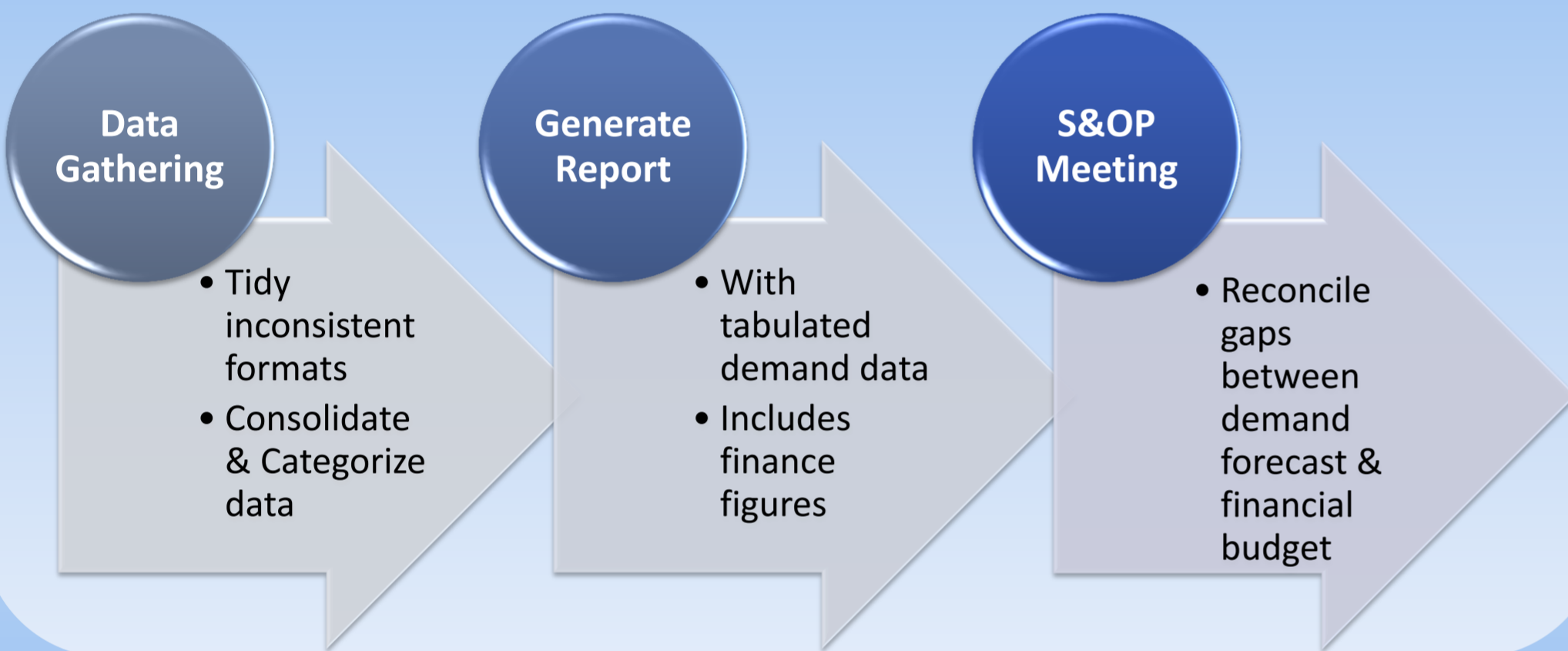
S&OP Best Practices

Data Gathering → Demand Planning → Supply Planning → Pre S&OP meeting → S&OP meeting

Stage 1: Retrieve information, analyse trends, and report forecasts

Stage 2: Validate forecasts, sources of demand and revise inventory

Stage 3: Align available supply chain capabilities to meet the forecast

Stage 4: Match supply and demand plans with financial considerations

Stage 5: Review decisions made to finalize the plan for implementation

Project Definitions

Current Process

Data Gathering
- Tidy inconsistent formats
- Consolidate & Categorize data

Generate Report
- With tabulated demand data
- Includes finance figures

S&OP Meeting
- Reconcile gaps between demand forecast & financial budget

Problems and Objectives

Problem Summary:
1. Manual and time consuming data processing
2. Limited insights drawn from data for S&OP meetings

Project Objectives:
1. Reduce time needed for data processing to below 1 hour
2. Organize data to allow different views (country/product)
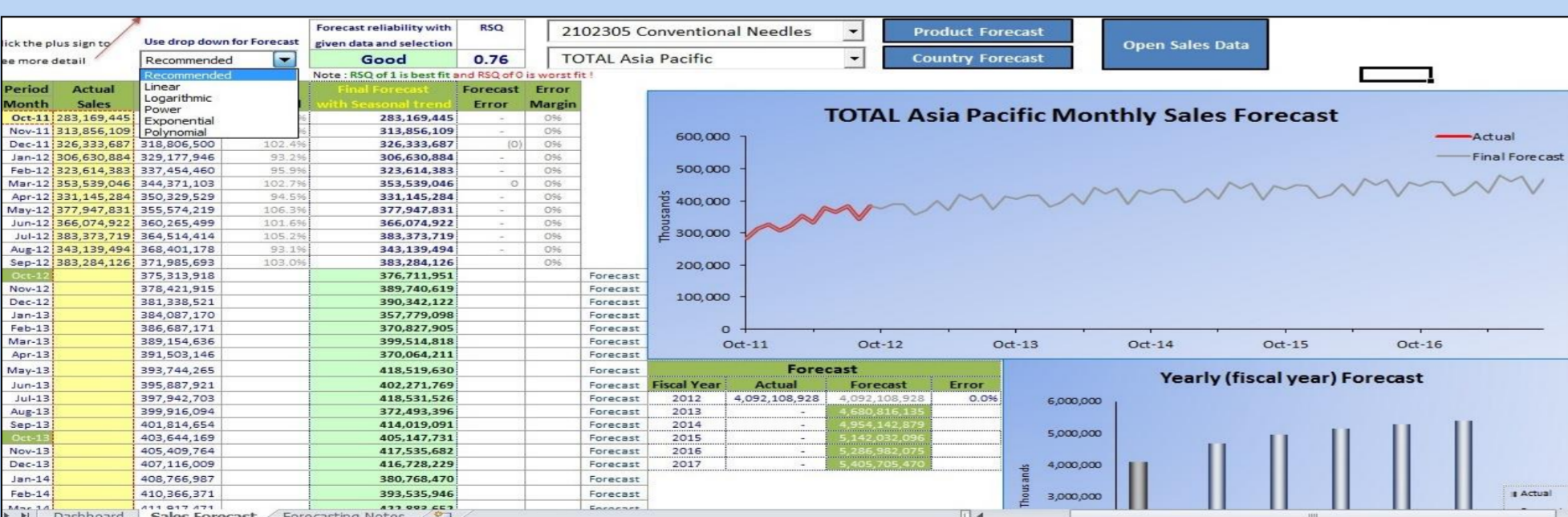3. Provide 2 additional indicators from data for decision making

Proposed Solutions

Data Consolidation Tool

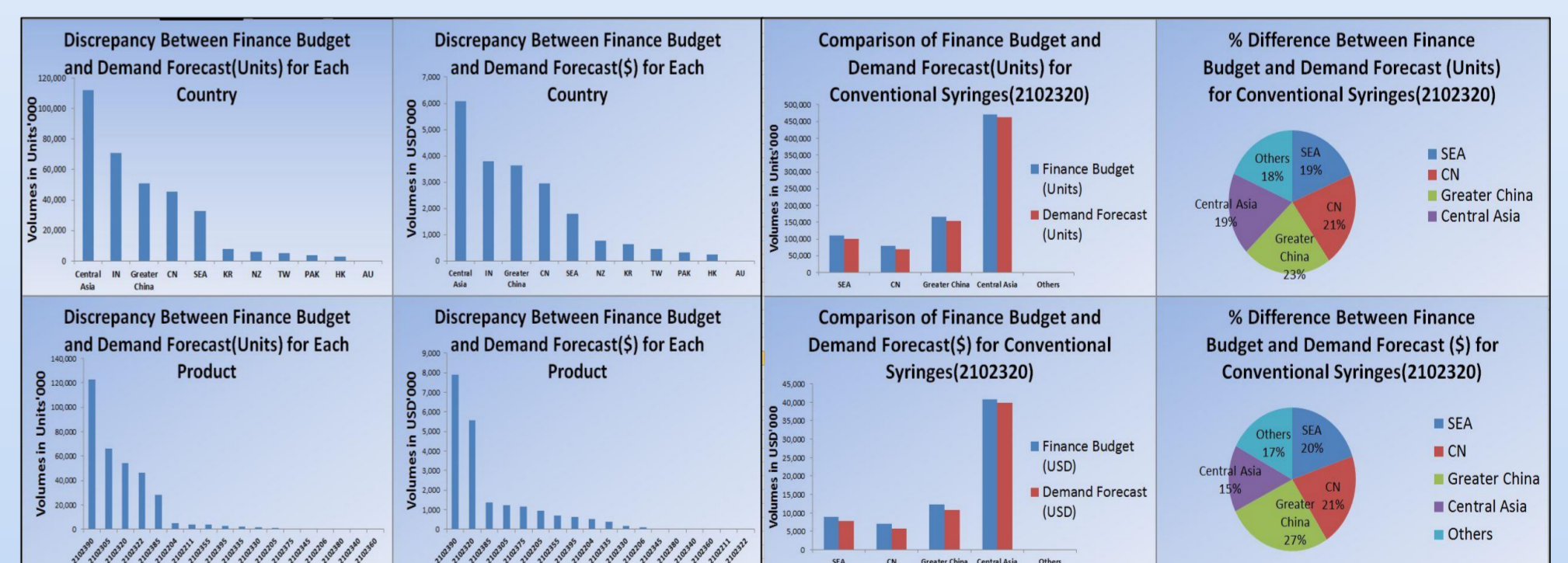| Report Month | Mar-13 | ◄ | ► |
| Report type | IS | | |

Consolidate Raw Data
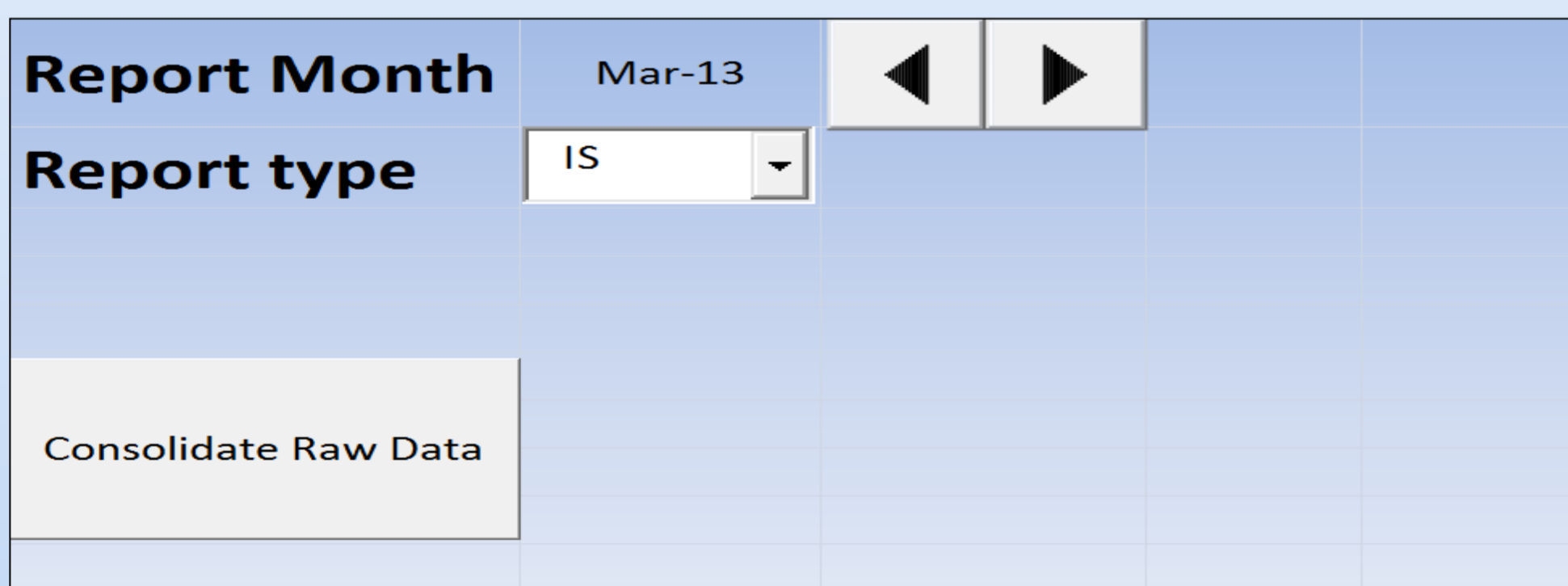
Automated procedure to tidy inconsistent formats, consolidate and categorize data. Time needed: 10 minutes and almost a day previously.

Demand Forecasting Tool

An additional indicator to forecast future demand by using past sales data.

Dashboard Summary

Revitalized S&OP meeting by transforming tabulated data into essential visual charts summary. Configurable view for product or country level.

Client Behavior Tracking Tool

Validity check on clients' forecast against actual sales.

Future Developments

Short Term

1. Integrate tools into one application

2. Increase data size and scale up tools for larger business units

3. Cooperation and integration with supply side for S&OP

Long Term

1. More resources allocated for cross-functional collaborations

2. Adopt full S&OP process using the 5 stage S&OP best practice

3. Progress in Gartner's 4-stage maturity model