

aflexio

S&OP

**DOES ANYONE NEED IT OR
CAN IT GO AWAY?.**

Martin Pesch, 24.5.2023



REALLY

?

1988

Walter Goddard und Richard Ling

„Orchestrating Success: Improve Control of
the Business with Sales and Operations Planning“

HOW MANY APPROACHES **SAP** DID TO SUPPORT THE S&OP-PROCESS?

4

R/3

APO

BI

IBP



START

BEFORE WE START – WHAT IS S&OP

PROCESS VIEW: SALES AND OPERATIONS PLANNING.



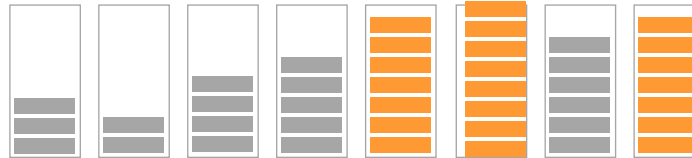
DIFFERENT HORIZONS.

TACTICAL



- › Time-bucket based planning approach
- › Forecast driven
- › Cross-organizational collaboration
- › Focus on plan deviations (e.g., long-term plans, flawed KPI's)
- › Structured collaboration & review by management

OPERATIVE



- › Rapid response to change
- › Fast decision making
- › Adapt supply plans
- › Fulfill sales orders
- › Deployment planning

EXECUTION



- › Order-based planning within smaller time-buckets
- › Forecast-driven operational planning process
- › Plan distribution, production, procurement

GRANULARITY

PREPARE
CREATE A FRAMEWORK

MAKE IT FIT

FINE-TUNING

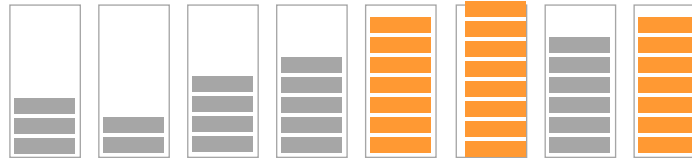
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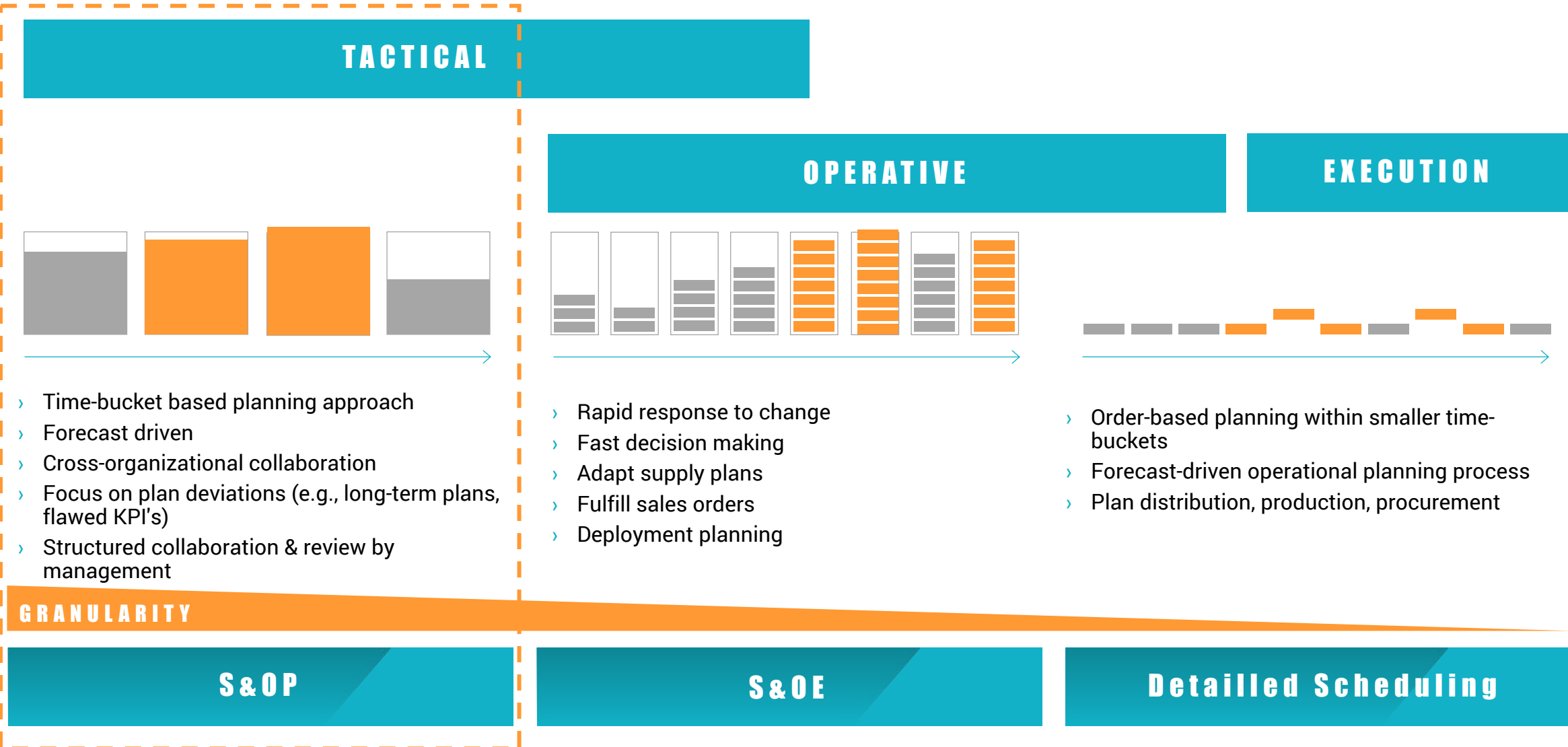
GRANULARITY

S & O P

S & O E

Detailed Scheduling

DIFFERENT HORIZONS.



5

POINTS

(1 promised)



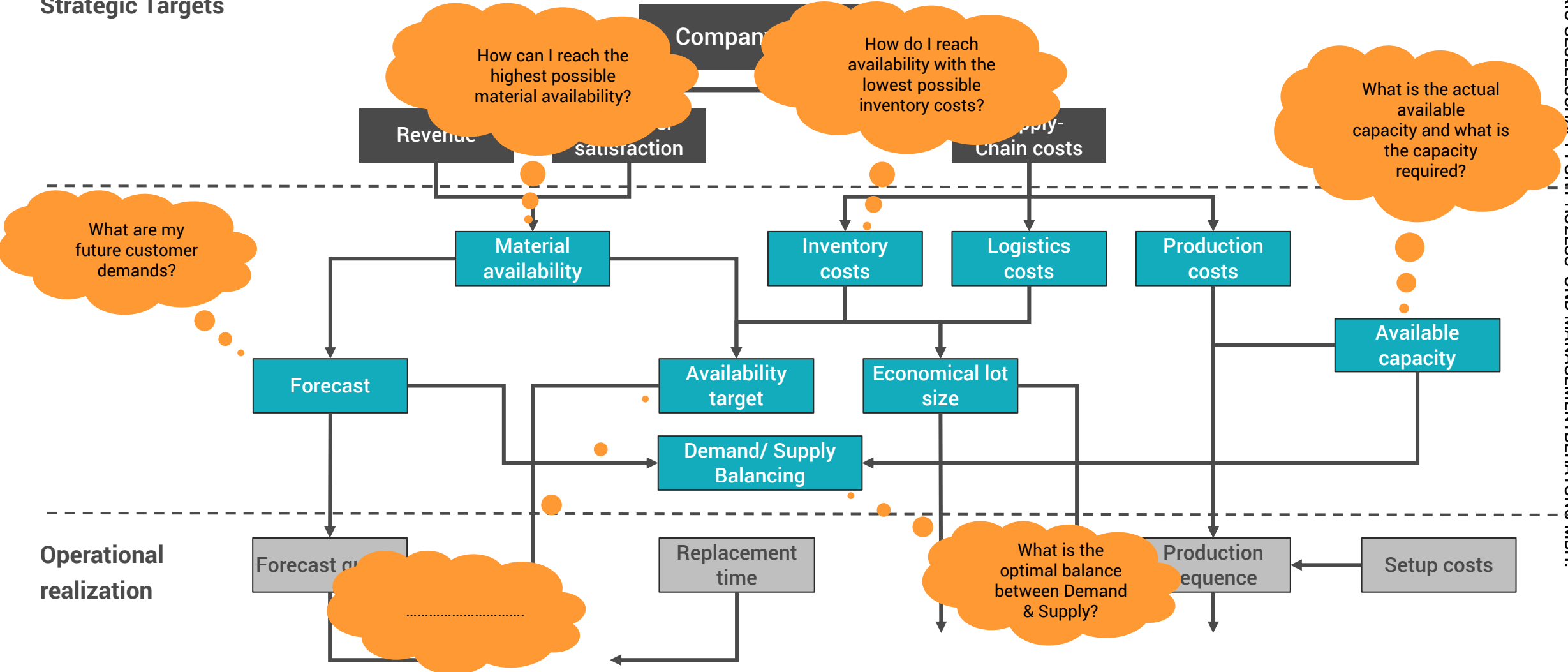
1

SET THE RIGHT FOCUS

The big question is not *How*
but *What!*

QUESTIONS WITHIN S&OP

Strategic Targets



SIMILAR PLANNING PROCEDURES DIFFERENT RESULTS.

S&OP.



- × Production Levelling
- × Check for sourcing alternatives
- × Adjust capacity offering
- × Prioritize competing demands
- × Planning Parameters
- × Allocations

Plan and keep multiple Scenarios

S&OE.



- × Production Orders / Req.
- × Stock Transfer Orders / Req.
- × Purchase Orders / Req.
- × Order Confirmations

Plan multiple, execute one Scenario



S&OP PREPARES VS. S&OE EXECUTES



2

USE THE SWARM

EXAMPLE: DEMAND PLANNING.



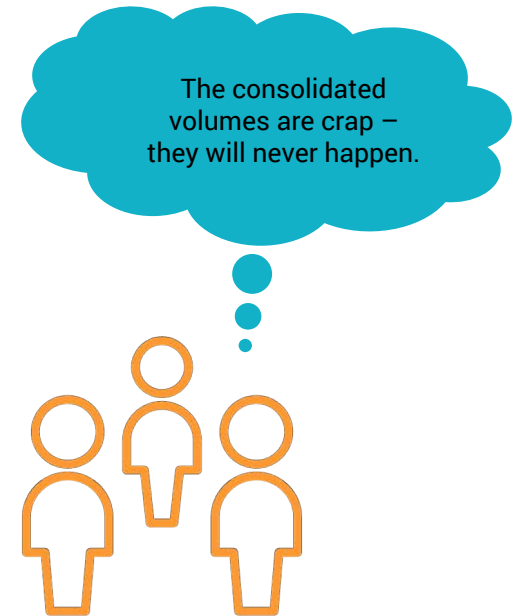
Key-Account



Sales - Service



Demand Planner



Supply Planner

EXAMPLE: DEMAND PLANNING.

I know my customer needs this volume and I want to place specific promotions.



Key-Account

The Key-Accounter always overestimate – I make it less.



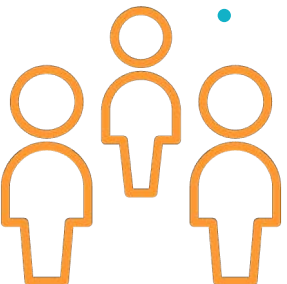
Sales - Service

I can't use the planners Input, they are always wrong. I trust my statistics.



Demand Planner

The consolidated volumes are crap – they will never happen.



Supply Planner

There are many views on the same topic and all are valid!

THERE ARE GOOD REASONS TO INVOLVE.

KNOWLEDGE

- › Knowledge somebody has because of his contacts and tasks.
- › E.g. KAM, Customer Service

EXPERIENCE

- › Experience somebody gains because of his/her work with planning data.
- › E.g. Demand Planner, Supply Planning

RESPONSIBILITY


- › Responsibility somebody has because of his role
- › E.g. Head of SC, Head of Sales

USER / CUSTOMER

- › Impact somebody has because he is a consumer of the planning results
- › E.g. Supply Planner, Production Planner

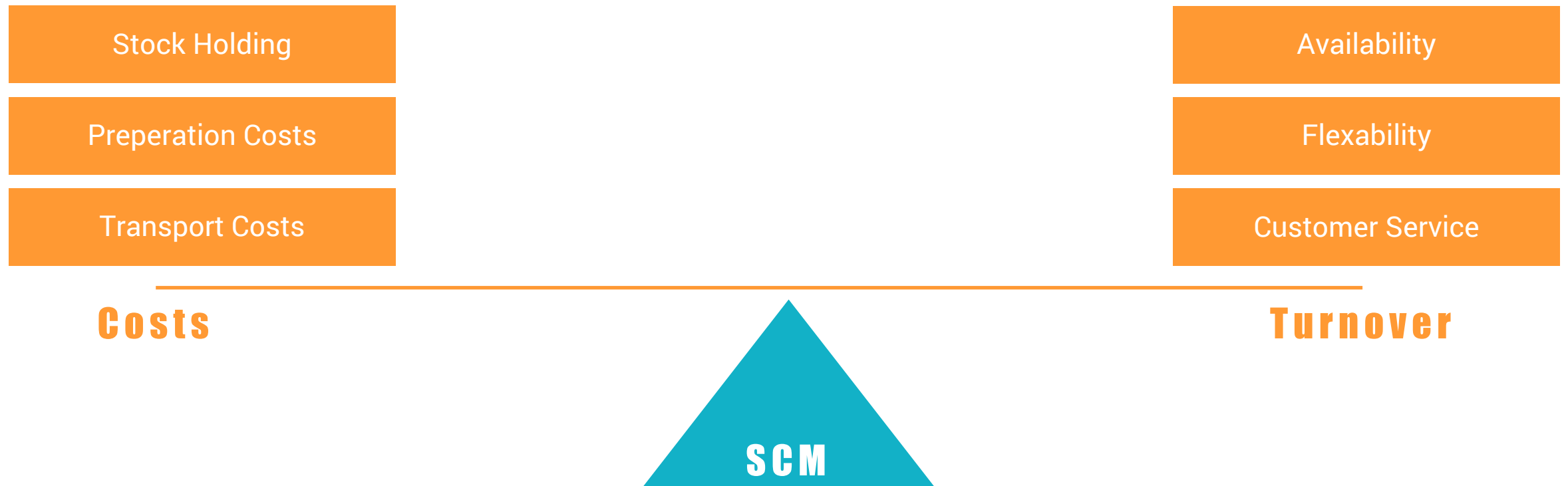


3



**ENJOY
CONFLICTS**

WHAT WE NEED TO CONSIDER WITHIN THE PROJECT APPROACH.



S&OP = Target Conflict Moderation

CONSIDER PEOPLE.

Make a good split in interests – one person/departement can do this in once.

Ensure a balanced strength level and train the team to manage conflicts.

ADOPT FORMAT AND TARGETS.

Establish formats to create a constructive consens and balance individual targets.

Establish well balanced sounding boards within the process.





4

DIFFERENTIATE TARGETS AND PLANNING

Targets: *e.g. Budget Planning*

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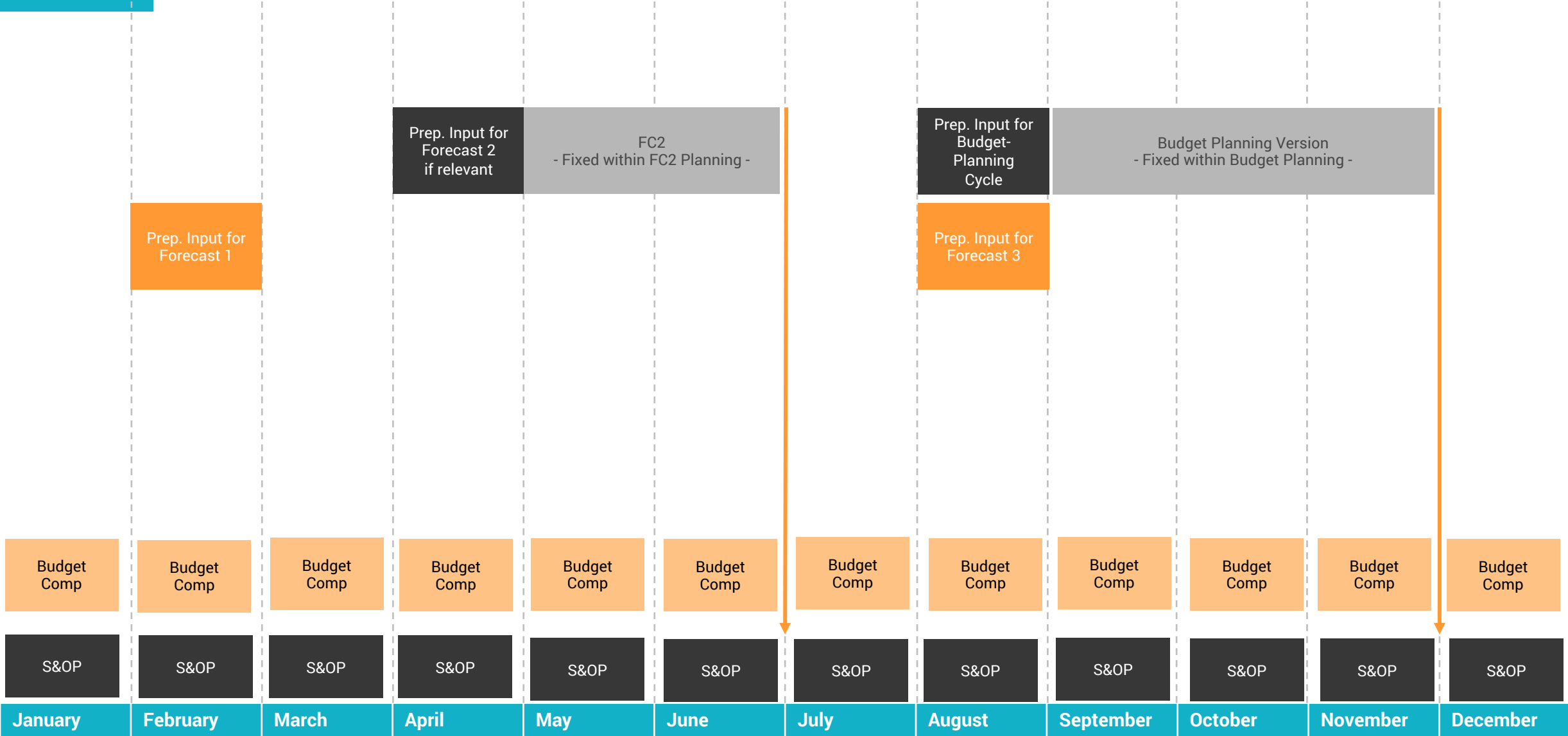
Planning: *e.g. S&OP*

Targets: *e.g. Budget Planning*

Planning: *e.g. S&OP*

Differences are not wrong, the need action.

PLANNING CYCLES





5

**MAKE USE
OF IT**

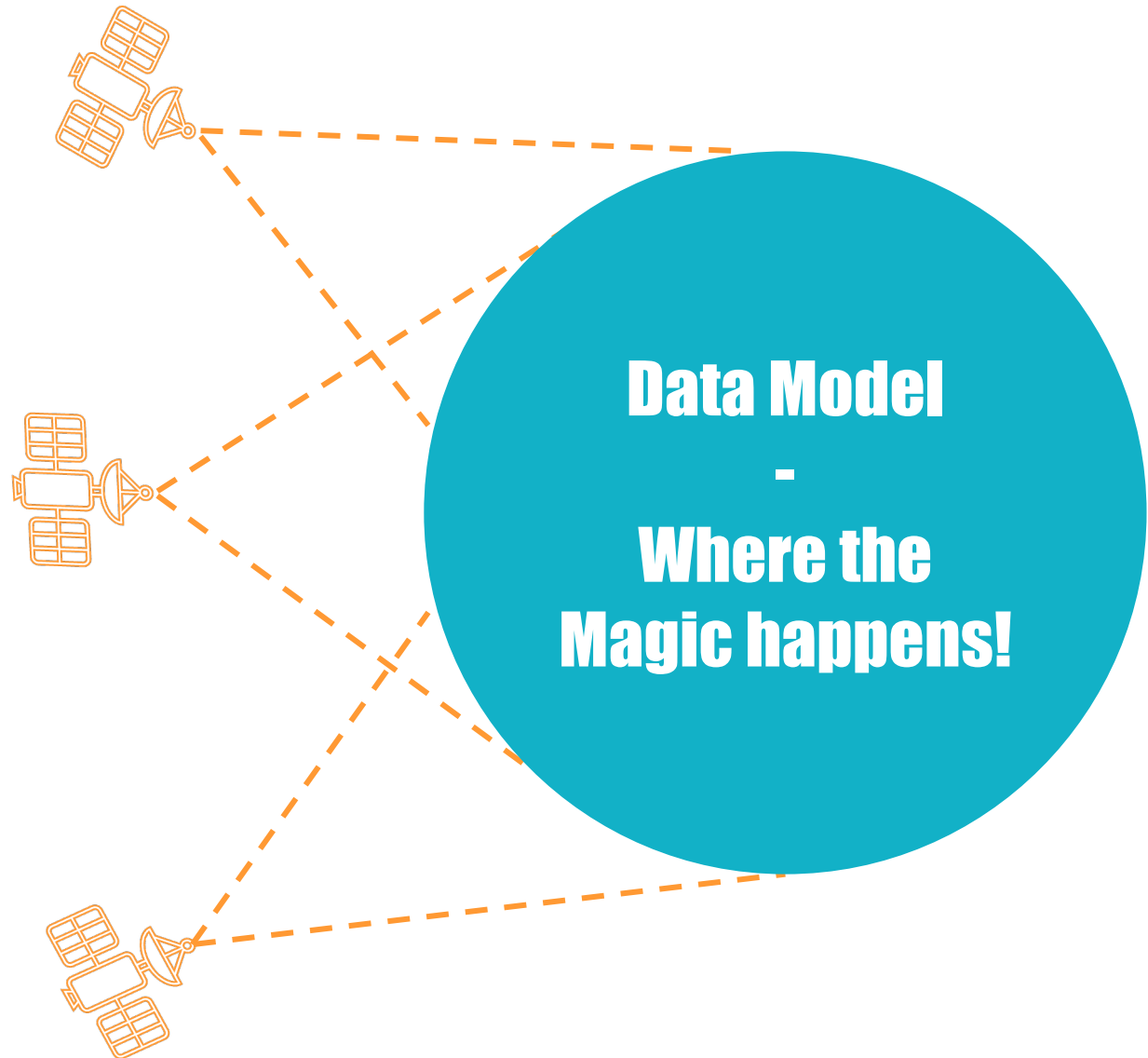
WHAT A GOOD S&OP-TOOL NEEDS



ONE DATA-MODEL.

To work towards a
common goal it needs:

ONE data model, which
allows **DIFFERENT** views!



IN A NUTSHELL.



1. SET THE FOCUS ON PREPERATION.

2. INVOLVE ALL STAKEHOLDERS.

3. ACCEPT THE USE OF CONFLICTS.

4. MAKE PLANS NOT TARGETS.

5. MAKE CONSEQUENT USE OF IT.

THANK YOU.



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